

**2019** ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT

**WBHO**



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**NAVIGATIONAL ICONS**

The following icons are applied throughout the report to improve usability and to highlight integration between relevant content elements:

## NAVIGATION

-  Indicates a page or note reference of information which can be found elsewhere in the report
-  Indicates a reference for information available online at [www.wbho.co.za](http://www.wbho.co.za)

## STRATEGIC OBJECTIVES

- S01

Flexibility and diversification
- S02

Procurement and execution excellence
- S03

Reputation and relationships
- S04

Capacity and talent management
- S05

Safety and environmental management
- S06

Localisation and transformation

## REPORTING SUITE

WBHO is committed to reporting transparently to a wide range of stakeholders. To view the full suite, please visit WBHO's website at [www.wbho.co.za](http://www.wbho.co.za).



### Integrated Report (IR)

The integrated report is the primary report to WBHO's stakeholders. It is structured to show the relationship between the interdependent elements involved in the group's value creation story, in compliance with

- The International Integrated Reporting (IIRC) Framework
- The Companies Act, No 71 of 2008, as amended (Companies Act of South Africa)
- The JSE Listings Requirements
- King IV™ report on Corporate Governance for South Africa 2016 (King IV™)



### Group Annual Financial Statements (AFS)

A comprehensive report of the group's financial performance for the year, in compliance with:

- The Companies Act of South Africa
- The JSE Listings Requirements
- King IV™
- International Financial Reporting Standards (IFRS)



### Environmental, Social and Governance Report (ESG)

A detailed account of WBHO's performance for the year, including environmental, social and governance elements. The report also includes the Social and ethics committee report, in compliance with:

- The Companies Act of South Africa
- The JSE Listings Requirements
- King IV™
- Global Reporting Initiative (GRI) core



### Notice of Annual General Meeting (AGM)

Supporting information for shareholders to participate in the annual general meeting, in compliance with:

- The Companies Act South Africa
- The JSE Listings Requirements
- King IV™

## FEEDBACK

Your feedback is important to WBHO and we welcome input to enhance the report. Please visit [www.wbho.co.za](http://www.wbho.co.za) or contact the group Company Secretary, Shereen Vally-Kara on 011 321 7200 or [Shereen\\_Vally-Kara@wbho.co.za](mailto:Shereen_Vally-Kara@wbho.co.za).



WBHO is one of the largest construction companies in southern Africa and is listed on the Johannesburg Stock Exchange.

Our vision is to be the leading construction company wherever we operate.

The driving force behind WBHO is a core of dedicated, hands-on management professionals whose experience spans decades of major construction projects across three continents.

Construction activities, which cover the full construction spectrum, are divided into three main operating divisions: Building Construction, Civil Engineering and Roads and Earthworks. WBHO's offices are strategically located in Johannesburg, Cape Town, Durban and Port Elizabeth. Our Australian subsidiary, Probuild, has its headquarters in Melbourne, while our United Kingdom operations serviced out of London and Manchester.

## SUSTAINABILITY VISION

Managing health and safety, quality, environmental, social and financial demands and concerns are important to ensure the responsible, ethical and ongoing success of the business.

# ABOUT THE REPORT

### INTEGRATED SUSTAINABILITY

In all its dealings, Wilson Bayly Holmes-Ovcon Limited (WBHO/group) deeply considers the impact of its business and operations on the world in which it operates, and therefore subscribes to the belief that the disclosure of socio-economic and environmental performance is as relevant as financial reporting. It is with this intent that WBHO has prepared this Environmental, Social and Governance (ESG) report for its business.

In this report, WBHO provides an overview of the environmental, social and governance issues that the group aims to balance in the short- and medium- to longer-term for the business. The commitment to safety, the environment and stakeholders shapes how WBHO manages the business and executes its strategy to deliver sustainable growth and accelerated shareholder returns. It also explains the focus on continuously improving the way the group operates to prevent incidents and to identify, minimise or avoid adverse environmental and social impacts.

### REPORT BOUNDARY

The information presented in this report originated from WBHO's various operations, before being integrated at divisional and group level. WBHO has directed this report to a wide group of stakeholders.

The report covers the primary ESG activities of the group in South Africa and the rest of Africa. Selected information from activities in Australia and the United Kingdom (UK) is also provided. Information related to the UK includes selected data for

the Byrne Group which became a subsidiary at the end of FY2018 and Russells Limited which was acquired at the beginning of the current financial year. Detailed information on investments in which the group holds only a minority stake is not included.

This report focuses on the financial year from 1 July 2018 to 30 June 2019, along with historical information and forward-looking statements, all of which provide context in respect of the group's strategy and operations. Selected information has been provided on a 12-month calendar basis.

The ESG Report has been developed in accordance with the GRI standards (Core option) and the GRI content index can be found on page 73.

### MATERIAL SUSTAINABILITY MATTERS

WBHO's approach to sustainability reporting is aligned with its priority to ensure the responsible, ethical and ongoing success of the business. The ESG Report, which is supplementary to the integrated report, focuses on the key sustainability challenges facing the group and how it is responding to these while the integrated report (IR) and Annual Financial Statements (AFS) predominantly deal with economic sustainability.

### ASSURANCE AND INDEPENDENT ASSESSMENT

WBHO uses a combined assurance model to provide assurance from management as well as from internal and external assurance providers.

In determining material sustainability matters, a variety of internal and external influences are taken into account including the operating environment, legislation, key stakeholder needs, strategy and business activities as well as related risks.

OPERATING ENVIRONMENT <i>(For more refer to the IR)</i>	BUSINESS ACTIVITIES <i>(For more refer to the IR)</i>	STAKEHOLDER INTEREST <i>(For more refer to the IR)</i>	STRATEGY <i>(For more refer to the IR)</i>	RISK AND OPPORTUNITIES <i>(For more refer to the IR)</i>
------------------------------------------------------------	----------------------------------------------------------	-----------------------------------------------------------	-----------------------------------------------	-------------------------------------------------------------

MATERIAL SUSTAINABILITY MATTERS				
IMPACT ON VALUE	<b>HEALTH AND SAFETY</b> A safe and healthy workforce contributes to an engaged, motivated and productive workforce that identifies hazards and minimises incidents, mitigates operational stoppages and reduces potential legal liabilities. Protecting the safety and health of employees and contractors is also a fundamental human rights imperative.	<b>RESPONSIBLE ENVIRONMENTAL BUSINESS PRACTICES</b> Responsible environmental management, including the management of energy and climate change, water consumption and discharge, waste management is a major factor in legal compliance. Understanding the effects of climate change on the business and how it may impact the value chain is important as WBHO strives to maximise the opportunities associated with the transition to a low-carbon future.	<b>COMMUNITIES</b> Acting in a responsible and ethical manner is fundamental to WBHO's business philosophy. Working closely with communities and governments to undertake integrated planning and share the benefits of the business helps WBHO to avoid and mitigate adverse social impacts, optimise development opportunities and maintain its socio-political licence to operate.	<b>GOVERNANCE</b> Good governance is a philosophy and approach that each level of a company must adopt, with the tone primarily set from the top. Good governance is an instrumental component in creating value for WBHO's stakeholders and it necessitates the exercise of ethical and effective leadership in a responsible, fair and transparent manner.

These topics determine the content of the ESG Report under the following focus areas:

SOCIAL	ENVIRONMENTAL	GOVERNANCE
<ul style="list-style-type: none"><li>Promoting workplace health and safety</li><li>Quality management</li><li>Employees</li><li>Meeting WBHO's commitments to transformation and society</li><li>Economic impact</li></ul>	<ul style="list-style-type: none"><li>Meeting environmental compliance standards</li><li>Responding to climate change</li><li>Promoting water management practices</li><li>Reducing waste</li></ul>	<ul style="list-style-type: none"><li>Implementing ethical leadership and governance processes</li></ul>

## DIRECTORS' RESPONSIBILITY

The board, supported by the audit committee, has overall accountability for this report. It has delegated its responsibility for monitoring and managing the group's social and economic development; good corporate citizenship, including the promotion of equality; environment; quality; health and safety, good labour conditions and sound business ethics to the Social and ethics committee. The board has collectively reviewed the content of this report and confirms that it believes this ESG Report addresses the material issues and is a balanced and appropriate presentation of the sustainability performance of the group. The WBHO board approved this report on 23 October 2019.

Mike Wylie  
Chairman

Hatla Ntene  
Social and ethics committee Chair

Louwtjie Nel  
Chief Executive Officer



# SUSTAINABILITY PERFORMANCE

## HUMAN CAPITAL

Total workforce increased by **10%** to **12 121**

**634** retrenchments

**R91,2 million** invested in training

Net decrease of **535** employees in South Africa

**22 379** days lost due to strikes, work stoppages or non-attendance (FY2018: 19 835)

**R6,8 million** on bursary spend

## ENVIRONMENTAL

**ISO 14001** certified

**18** non-compliance findings on ISO audits

**Zero** material reportable incidents

**53** Green Star SA buildings supported to date

## SAFETY

**OHSAS 18001** certified

LTIFR per million man hours **0,69** (FY2018: 0,90)

RCR improved to **0,69** (FY2018: 0,93)

**3** fatalities (FY2018: 3)

20 19

## QUALITY

**ISO 9001** certified

Conducted **237** quality audits

Customer quality perception feedback: **88%** satisfaction rating

**106** supplier inspections and **58** supplier audits conducted

## TRANSFORMATION

**Level 1** B-BBEE

Women comprised **14%** of the workforce in RSA

**R5,4 million** bursary spend on black employees

**R53,1 million** training spend on black employees

**R4,5 billion** spent on black-owned companies





LETTER FROM THE

## SOCIAL AND ETHICS COMMITTEE CHAIRMAN



HATLA NTENE



Dear stakeholders,  
It gives me great pleasure to present WBHO's Environmental, Social and Governance Report for the 2019 financial year and to share some high-level reflections about our sustainability performance. WBHO has a proud history as a leader in implementing sustainable business practices in the construction industry. I am encouraged by the group's continuous drive to progress processes and solutions that are safe and sustainable as a core part of its value proposition.



# LETTER FROM THE SOCIAL AND ETHICS COMMITTEE CHAIRMAN

CONTINUED

## SUSTAINABILITY STRATEGY

WBHO, in collaboration with key stakeholders, continued to refine its sustainability strategy in considering the causes and effect of climate change, ways to reduce energy and water intensity, while also creating safer working conditions and more sustainable communities. A number of ambitious medium- to long-term initiatives have been identified to further embed a sustainability-minded culture and strengthen processes across the organisation.

For more on the sustainability strategy, refer to page 10 of this report.

## ENHANCING OVERSIGHT

The group is committed to maintaining high standards of good governance to promote sustainability through the integration of environmental, social and economic considerations into all aspects of the group's activities and, in addition, to actively encourage the execution of decisions within a disciplined framework of policies and authorities.

I am pleased to report that there was no material non-compliance with legislation or non-adherence to codes of best practice in terms of the areas within the Social and ethics committee's mandate for the period under review.

During the year, specific focus was placed on reviewing the regulatory risk matrix of South Africa, anti-bribery and corruption prevention and detection programme, B-BBEE progress, employment equity, labour management and corporate social investment.

The committee conducted an evaluation in the year to assess committee performance and identify potential areas for improvement. The evaluation, conducted by an independent evaluator, did not raise any major concerns, but highlighted the need to improve the oversight of foreign operations by the committee. This will receive special attention in FY2020.

In the year ahead, the committee will also focus on the management of policies and procedures throughout the group. Policies and procedures will be updated and consolidated where possible ensuring that each remains relevant and will be communicated to stakeholders to raise awareness. Following the review of the risk matrix of South Africa, the committee concluded that a regulatory risk matrix will only be prepared for those countries where WBHO has a permanent office, namely Australia, Botswana, Ghana, Mozambique, South Africa, the United Kingdom and Zambia. The regulatory risk matrix for each of these countries is currently being compiled by management and will be considered in FY2020.

For more on the sustainability governance oversight, refer to page 12 of this report.

## INCLUSIVE STAKEHOLDER APPROACH

Our stakeholder engagement process focuses on establishing and maintaining mutually beneficial relationships with all our stakeholders. We continued to work with relevant stakeholders, to provide transparency around the impact of our business on them and how we plan to address these.



## PERFORMANCE

WBHO's sustainability performance in the year was largely positive, with most of the key sustainability metrics displaying improvements. We are however deeply saddened to report three work-related fatalities. All incidents were investigated and the main learnings from this investigation were taken on board and mitigation measures adopted and implemented alongside learnings from other high severity injuries.

Notable achievements in the year include the following:

- The group achieved a lost-time injury frequency rate (LTIFR) of 0,69 (FY2018: 0,90) and a recordable case rate (RCR) of 0,69 (FY2018: 0,93). The improvement was mainly attributable to the benefits achieved through WBHO's visible field leadership (VFL) programme. Our new record low LTIFR of 0,41 (FY2018: 0,90) and RCR of 0,28 (FY2018: 0,90) achieved in the Africa business is pleasing.
- WBHO has maintained its ISO 9001, ISO 14001 and OHSAS 18001 certification.

- Customers' perception of quality rating remained strong at 88%.
- Maintained its Level 1 B-BBEE certification.
- No significant environmental incidents and a decrease in water consumption of 32%.

For more on the sustainability performance, refer to pages 18 to 55 of this report.

## THE YEAR AHEAD

The sustainability of WBHO is reliant on its track record to deliver and its reputation as a responsible construction group. WBHO ensures that all actions are underpinned by the assurance of responsible business practices, as well as creating a safe and sustainable environment for its people, contractors and clients, and all the communities with whom the group has the opportunity to work with.

In closing, I extend my thanks to my fellow board and committee members, the Chief Executive Officer, Louwtjie Nel and his management, and all employees for their work towards delivering on WBHO's sustainability commitments. I believe that the group is well positioned to safely and efficiently deliver sustainable value to all stakeholders.

Hatla Ntene  
Social and ethics committee Chair

# SUSTAINABILITY STRATEGY

As an organisation, WBHO recognises the importance of operating in a sustainable manner, thus meeting the needs of today without jeopardising the ability to meet the needs of tomorrow.

WBHO believes that its employees come to work, trusting in their safety and knowing that they will return home without harm. The organisation strives to limit its environmental footprint by implementing the highest standards of environmental protection, as well as applying best construction and quality management practices throughout all phases of construction. This will also positively impact clients and suppliers.



## SUSTAINABILITY STRATEGY

WBHO’s sustainability strategy, as reflected in the diagram above, is structured around six perspectives and each perspective is monitored on an ongoing basis.



WBHO’s sustainability strategy is fully aligned with the group’s vision and overall business strategy, and forms an integral part of how the day-to-day business is conducted.



### PEOPLE

Our people are key stakeholders of the organisation and essential to its continued success and sustainability. As a result, we are committed to providing a safe, healthy and enabling workplace that is characterised by mutual respect, fairness, integrity, non-discrimination, equal opportunities and open, two-way engagement.



### HEALTH AND SAFETY

Construction is inherently a high risk activity and we recognise that we have a moral and legal obligation to safeguard and protect the wellbeing of our people. We strive for a work environment that achieves ‘zero harm’, which means operating without fatalities and a minimum of lost-time injuries. We also recognise that our occupational health and safety (OHS) responsibility extends beyond WBHO employees and encompasses every stakeholder involved our projects.



### QUALITY

WBHO in fulfilling its motto: “Rely on our ability” signifies a focused group that concentrates on providing its clients with a quality product. To this end, the group mobilises its management skills and resources in the most efficient and cost-effective manner to produce projects to the required standards and quality.



### TRANSFORMATION

WBHO takes its commitment to transformation seriously and it is a priority that continues to be debated, planned and reviewed at the highest levels of the organisation as well as the broader construction industry.



### ENVIRONMENT

The construction industry is deemed a high-impact industry and we fully acknowledge our moral and legal responsibility to safeguard the environment and the wellbeing of all those affected by the activities of the company. We are committed to maintaining the highest standards of environmental protection throughout every phase of the construction process and seek to do so by rigorously applying the best practice principles of environmental management.



### CORPORATE SOCIAL INVESTMENT

WBHO considers CSI to be a moral responsibility rather than a contractual obligation. Our CSI programmes are focused on providing assistance and upliftment to communities in the areas in which we operate, especially in remote rural locations. We seek to support infrastructural projects, such as the building or repair of schools, crèches and clinics, as these play to our strengths and expertise, as well as providing tangible and measurable benefits to the community directly.

# SUSTAINABILITY GOVERNANCE AND MANAGEMENT APPROACH

## SUSTAINABILITY GOVERNANCE

WBHO has a structured and systematic approach to managing and addressing significant social, economic and environmental impacts and the material interests of priority stakeholders.

The board is ultimately responsible for the key governance processes to ensure sustainable growth and acceptable performance of the group. The board has delegated to the Social and ethics committee (SEC) its responsibility for monitoring and managing the group's social and economic development, good corporate citizenship (including the promotion of equality as well as environmental, health and safety), good labour conditions and sound business ethics.

## COMMITTEE RESPONSIBILITIES AND GOVERNANCE

The SEC has been constituted in terms of section 72(4) of the Companies Act of South Africa and its accompanying regulations to implement the mandate prescribed by regulation 43(5).

The committee's primary goals are to provide stewardship and to promote social and economic development, good corporate citizenship and risk management practices within WBHO. The committee has adopted a formal terms of reference and has oversight of activities relating to:

- Social and economic development, including the group's standing in terms of the goals and purposes of the:
  - 10 principles set out in the UNGC OECD recommendations regarding corruption
  - Employment Equity Act
  - Broad-Based Black Economic Empowerment Act

- Good corporate citizenship, including the group's:
  - Promotion of equality, prevention of unfair discrimination and reduction of corruption
  - Contribution to the development of communities in which its activities are predominantly conducted
  - Record of sponsorship, donations and charitable giving
- The environment, health and public safety, including the impact of the group's activities and of its products or services
- Consumer relationships, including the group's advertising, public relations and compliance with consumer protection laws
- Labour and employment, including:
  - The group's standing in terms of the International Labour Organization Protocol on decent work and working conditions
  - The group's employment relationships, and its contribution towards the educational development of its employees

The committee members comprise three non-executive directors, the company secretary and two members of management. All members have the requisite business, financial and leadership skills for their positions.

For detailed qualifications and experience of non-executive committee members refer to the separately published integrated report.

The membership and attendance of committee meetings are reflected below:

Member	Committee members since	Meeting attendance
Hatla Ntene (Independent non-executive director and Chair of the SEC)	1 November 2017	3/3
Karen Forbay (Independent non-executive director)	1 November 2017	3/3
Ross Gardiner (Independent non-executive director)	1 November 2017	3/3
Samuel Gumede (Group legal counsel)	21 November 2017	3/3
Andrew Logan (Group financial director)	13 September 2013	3/3
Shereen Vally-Kara (Group company secretary)	19 March 2012	3/3

Members of senior management from the human resources, safety, environmental, quality and transformation functions attend meetings by invitation.



**WBHO is committed to doing business in the right way. Sustainability considerations are firmly embedded into the group's governance structures and the group continues to promote and integrate sustainability best practice into core business processes. Safety, health, quality, environmental and transformation performance indicators are included in various incentive schemes.**

WBHO's Chief Executive Officer and his executive management team (Exco) are accountable for the day-to-day sustainability management and performance and all aspects of the overall strategy. Sustainability performance indicators and the achievement of targets influence the performance-based remuneration of senior executives. Responsibility for delivering on the sustainability performance rests with the group support services committee.

## COMMITTEE FOCUS AREAS IN FY2019

- Regulatory risk matrix for South Africa and the draft matrix for Australia. The committee concluded that a regulatory risk matrix will only be prepared for those countries where WBHO has a permanent office, namely South Africa, Botswana, Ghana, Mozambique, Australia, the United Kingdom and Zambia.
- Training conducted in FY2019 and training plans for FY2020 as part of WBHO's competition and anti-bribery and corruption prevention and detection programme.
- WBHO experienced three work-related fatalities across the group in the year. The committee considered reports from management to understand the causes thereof and mitigation plans developed to prevent similar incidents from occurring again.
- Management of industrial action, most notably the social unrest experienced at the Saldanha project and the Klipspruit mine as well as intimidation from taxi associations at the Marbleray and Wall Street BR7 projects in KZN and Gauteng.
- Progress on CCMA and Labour court matters and considered how these could impact future employee relations practices.
- Conducted committee evaluation to assess performance and identify potential areas for improvement.

## COMMITTEE FOCUS AREAS FOR FY2020

- Management of policies and procedures throughout the group. Policies and procedures will be updated and consolidated where possible ensuring that all remain relevant and will be communicated to stakeholders to raise awareness.

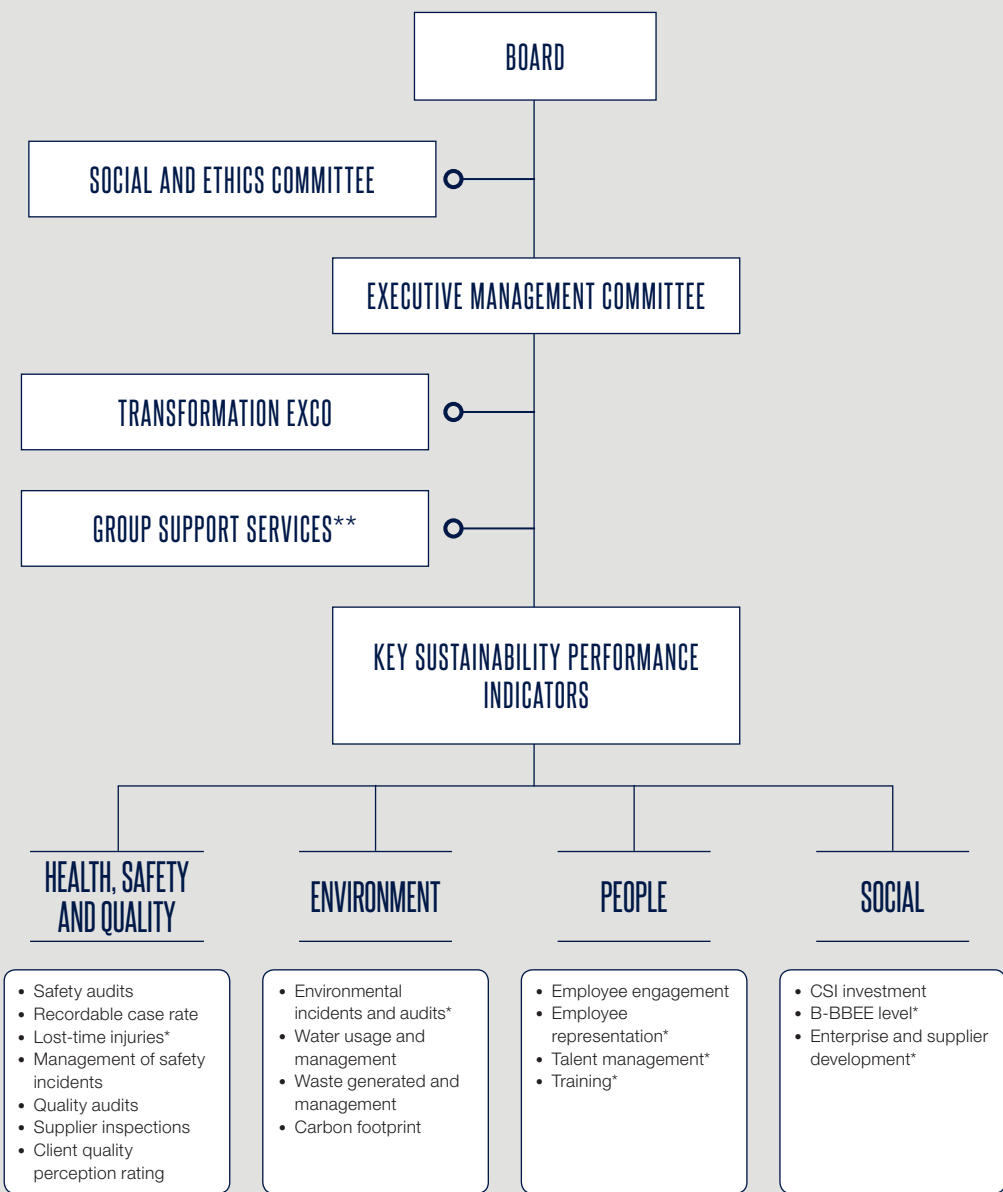
## ANNUAL CONFIRMATIONS BY THE SOCIAL AND ETHICS COMMITTEE

- The committee confirms that it:
- Has discharged its responsibilities as mandated by the board as well as its statutory and governance duties in compliance with the Companies Act of South Africa and King IV™
  - Is satisfied that the group's social and ethics procedures and controls are operating appropriately

A detailed review of WBHO's corporate governance structures and practices is provided on page 56 of this report. For further information on remuneration practices, refer to the remuneration section in the separately published integrated report.



SUSTAINABILITY GOVERNANCE FRAMEWORK



\* Linked to executive and senior management remuneration

\*\* Group support services include: Health and safety, Environmental, Quality, Transformation, Company secretarial and Legal counsel.



**WBHO endeavours to uphold corporate citizenship and the law, ensuring that there is no infringement on human rights through adherence to policies and processes. The group seeks to prevent any infringements and holds its suppliers and other business partners to the same standards.**

REGULATORY GOVERNANCE

WBHO, its subsidiaries and employees are required to comply with the laws and regulations of the countries in which the group operates. Key legislation in South Africa includes:

- Labour Relations Act
- Employment Equity Act
- National Water Act
- National Environmental Management Act
- Occupational Health and Safety Act

Key WBHO sustainability policies include, amongst others:

- Climate change
- Environmental
- HIV/Aids
- Occupational health and safety
- Quality
- Human capital
- Corporate social investment
- Regulatory risk matrix

Participation in industry forums and memberships:

- National Home Builders Registration Council
- South African Forum of Civil Engineering Contractors
- The Green Building Council of South Africa
- Construction Charter Council
- Tirisano Trust

Commitments, international standards, and voluntary compacts, including:

- The Companies Act of South Africa
- JSE Listings Requirements
- King IV™
- ISO 9001 – International Quality Management Standard
- ISO 14001 – International Environmental Management Standard
- OHSAS 18001 – International Health and Safety Management Standard
- ISO 45000 – International Occupational Health and Safety Standard
- Implementing the principles of the United Nations Global Compact
- Global Reporting Initiative

POLICIES AND OPERATIONAL RISK MANAGEMENT

WBHO has implemented various precautionary sustainability-related policies and standards across the group. Key policies are available online at [www.wbho.co.za](http://www.wbho.co.za). These policies set out the goal, principles, policies, management system requirements and performance expectations for managing WBHO's core sustainability risks and opportunities.

Policies and standards and site-specific procedures are in place to ensure compliance with legislative requirements. Responsibility for implementing policies, standards and procedures rests with line management, group and operational-level safety, health, environmental and quality (SHEQ) specialists support line management in implementing the strategy and in monitoring and managing performance.

Policy implementation is enhanced by WBHO's commitment to maintaining ISO certification for various quality, safety and environmental management systems which are conducted by internal and external auditors to ensure compliance.

The group maintained all health, safety and quality certifications in the year.

	2019	2018	2017	2016
ISO 9001 – International Quality Management	✓	✓	✓	✓
ISO 14001 – International Environmental Management Standard	✓	✓	✓	✓
OSHAS 18001 – International Health and Safety Management	✓	✓	✓	✓
ISO 45000 – International Health and Safety Standard	✓	Arrangements to transition to new standard were implemented		

ETHICAL BUSINESS PRACTICES

CODE OF CONDUCT AND ANTI-CORRUPTION

WBHO has a zero-tolerance approach to unethical and corrupt practices and every employee is accountable for ensuring that the organisational values are always upheld. These principles are entrenched in the Code of Conduct and reinforced by specific policies and training programmes on issues such as anti-trust and anti-corruption behaviour.

The group obtains annual declarations of compliance from key personnel to prevent corruption within the workplace. Further to this corruption preventative measure, WBHO operates an independent, monitored anonymous tip-off line which is aimed at providing employees with a platform of reporting potentially corrupt activities anonymously. All incidents reported are escalated to the Chief Executive Officer, Chief Audit Executive and Group Financial Director for further investigation and are reported to the Audit committee. Awareness campaigns regarding both corruption and preventative measures are regularly communicated across the group.

Refer to page 57 of this report for more on ethics management.

HUMAN RIGHTS

The protection of human rights at a global level is enshrined in the UN Global Compact principles. WBHO respects and upholds these values, treating all people with dignity and respect. The group is committed to safeguarding the human rights of others and attending to human rights impacts during the course of business operations. WBHO respects freedom of association, seeing it both as an individual and collective right, and does not restrict employees' choices with regard to trade union membership.

WBHO endeavours to uphold corporate citizenship and the law, ensuring there is no infringement on human rights by requiring and monitoring adherence to policies and processes. The group seeks to prevent any infringements and holds its suppliers and business partners to the same standards.

Formal mechanisms for reporting human rights grievances and violations are in place across all operations and corporate offices. The group had no reported incidents regarding human rights, child labour and forced or compulsory labour during the year under review.

SUSTAINABLE SOURCING PRACTICES

All service providers acting on WBHO's behalf are expected to adopt and follow the group's standards and policies. The group has formulated a Supplier Code of Conduct which takes into account the principles of the UN Global Compact as it pertains to the protection of human rights and ensuring sustainable business practices. It outlines the minimum standards with which WBHO expects suppliers to comply in the areas of health and safety, human rights, ethics and environmental responsibility. The organisation encourages all suppliers to promote the requirements of the Code within their own supply chains.

POLITICAL CONTRIBUTION

WBHO is politically agnostic and donations to political parties are handled in terms of a Donation Policy across all geographical operations.

ENVIRONMENTAL PROJECTS

WBHO applies a precautionary and risk-based approach to the management of environmental issues, based on international best practice, legal compliance and maintaining the environmental and social licence to operate.

UNITED NATIONS GLOBAL COMPACT

Although WBHO is not a signatory to the United Nations Global Compact (UNGC), it subscribes to the 10 principles contained therein. WBHO is committed to upholding fundamental human rights, ensuring fair labour practices, working against corruption in all its forms and protecting the natural environment within which it operates.

UNGC principle	WBHO's support of the principle	Relevant WBHO policies and/or frameworks
<b>HUMAN RIGHTS</b> <i>Principle 1:</i> Businesses should support and respect the protection of internationally proclaimed human rights <i>Principle 2:</i> Make sure that they are not complicit in human rights abuses	WBHO supports the United Nation's Universal Declaration of Human Rights. The company is bound by the Constitution of the Republic of South Africa, which contains the Bill of Rights.  All employees are bound by WBHO's Code of Conduct and are guided in their behaviour in terms of integrity, loyalty, equity, tolerance, impartiality and discretion. WBHO's service providers, suppliers and trade partners are made aware of by the Code.	<ul style="list-style-type: none"><li>• Code of Conduct</li><li>• Employment policies</li><li>• Occupational health and safety policy</li></ul>
<b>LABOUR</b> <i>Principle 3:</i> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining <i>Principle 4:</i> The elimination of all forms of forced and compulsory labour <i>Principle 5:</i> The effective abolition of child labour <i>Principle 6:</i> The elimination of discrimination in respect of employment and occupation	WBHO is committed to fair employment opportunities for all and to create an environment that permits such equal opportunities for advancement to redress past imbalances and to improve the conditions of individuals and groups who have been previously disadvantaged on the grounds of race, gender and disability. In the spirit of promoting organisational policies and practices that are fair and equitable, the company affirms its commitment to comply with the spirit of the Employment Equity Act to the strategic benefit of WBHO.  South Africa is a signatory to the International Labour Organisation convention, as applicable to fair labour practices, and South Africa has a plethora of labour legislation that reflect the standards. The group's employment policies incorporate these legislative provisions. South African law prohibits forced, compulsory and child labour.  WBHO practices freedom of association and recognises the right to collective bargaining as prescribed in the Constitution of the Republic of South Africa and set out specifically in the South African Labour Relations Act. Various collective bargaining agreements are in place.	<ul style="list-style-type: none"><li>• Employment policies</li></ul>
<b>ENVIRONMENT</b> <i>Principle 7:</i> Businesses should support a precautionary approach to environmental challenges <i>Principle 8:</i> Undertake initiatives to promote greater environmental responsibility <i>Principle 9:</i> Encourage the development and diffusion of environmentally friendly technologies	WBHO supports the precautionary approach to environmental challenges. Environmental sustainability is embedded in the group's SHEQ policies.  The safety, health, environmental and quality policies ensures operations are socially responsible, environmentally sound and in line with government requirements.	<ul style="list-style-type: none"><li>• Climate change policy</li><li>• Environmental policy</li><li>• Code of Conduct</li><li>• Environmental Management System</li><li>• ISO 14001 certification</li><li>• Green Building Council Member</li></ul>
<b>ANTI-CORRUPTION</b> <i>Principle 10:</i> Businesses should work against corruption in all its forms, including extortion and bribery	WBHO's Code of Conduct articulates the values and acceptable ethical standards to which all persons associated with the company are required to adhere. WBHO acknowledges that in today's business environment, fraud is prevalent and all business organisations are susceptible to the risk of fraud. In this regard, the company has zero-tolerance towards fraud and corruption and seeks to combat all forms of fraud inherent in the group's operations.  The WBHO Fraud Hotline forms an integral part of the company's anti-fraud and anti-corruption efforts. The toll-free hotline is independently managed. A Conflict of interest policy is in place and the board and employees are required to disclose all direct or indirect personal or private business interests.	<ul style="list-style-type: none"><li>• Code of Conduct</li><li>• Conflict of interest policy</li><li>• Whistle blowing policy</li><li>• Fraud prevention plan</li></ul>



# SUSTAINABILITY PERFORMANCE

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## SOCIAL PERFORMANCE

### HUMAN CAPITAL AND SKILLS DEVELOPMENT



WBHO's human capital strategy supports the group strategy through the establishment of effective leadership at all levels, and embeds a culture of delivery by having the right people, capabilities, support, governance and structure in place.



# SOCIAL PERFORMANCE

CONTINUED

WBHO's commitment	Link to strategic objectives
People management is a key focus area. WBHO seeks to <b>attract and retain the best available talent</b> within the industry.	<b>SO4</b> Capacity and talent management
When balancing the needs and capacity of the business with the sizes of the teams, WBHO <b>adopts responsible and ethical labour practices</b> .	<b>SO1</b> Procurement and execution excellence
<b>Investing in the development of employees</b> is a proactive way of ensuring the long-term sustainability of the business.	<b>SO6</b> Localisation and transformation



EMPLOYEE VALUE PROPOSITION

Responsible employer

We aim to provide a safe, healthy and enabling workplace that is characterised by mutual respect, fairness, integrity, non-discrimination and open, two-way engagement.

Fair labour practices

We provide well-structured employment contracts and fair and competitive remuneration.

Embrace diversity

Equal opportunities in terms of recruitment, promotion, training and conditions of service.

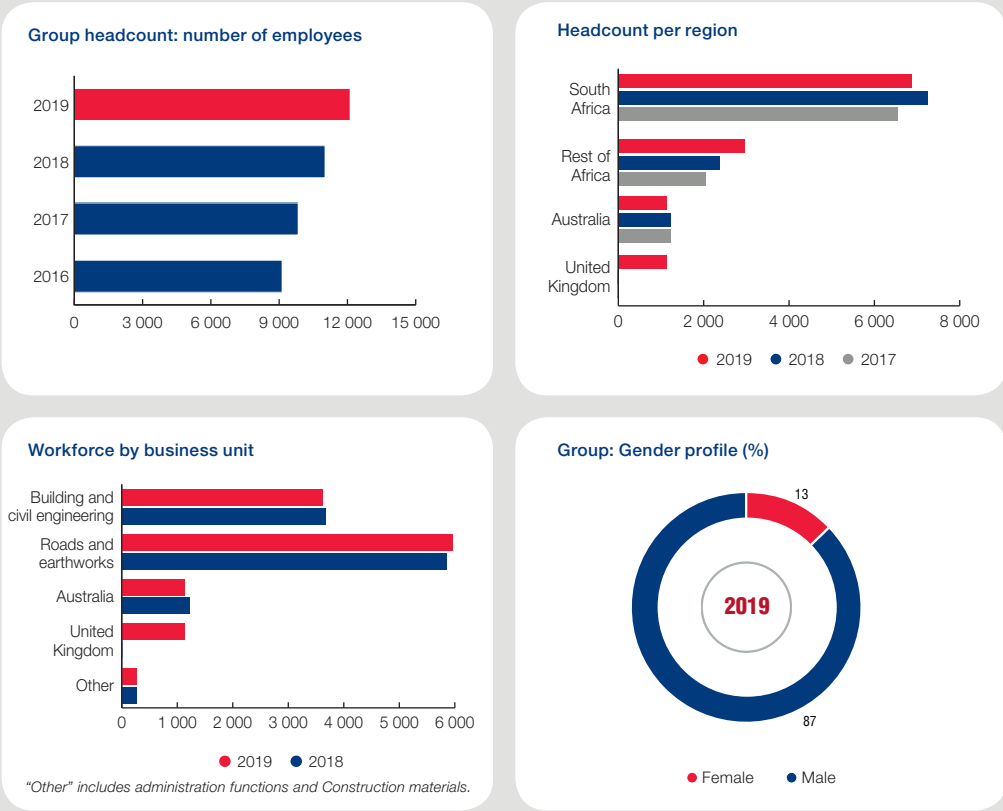
## WORKFORCE PROFILE AT A GLANCE

**12 121** hourly and monthly contract employees worldwide  
(FY2018: 11 018)

**88%** black representation in South Africa  
(FY2018: 89%)

**11,9%** avoidable employee turnover rate  
(FY2018: 8,7%)

**32,6%** black youth employed



For more detailed data, please refer to the data tables on page 68.



CAPACITY MANAGEMENT

SOUTH AFRICAN WORKFORCE

The number of employees decreased by 535 in South Africa, mainly due a further decline construction activity in the Buildings and civils division in the year.

88% (FY2018: 89%) of total employees come from previously disadvantaged backgrounds. Female employees represent 14% (FY2018: 13%) of the workforce.

REST OF AFRICA WORKFORCE

In the rest of Africa, 591 new employees were appointed to support increased activity within the Roads and earthworks division mainly in Botswana.

Localisation practices are becoming more rooted across most territories in the rest of Africa and now extend beyond local employment requirements and restrictions on work permits for expatriate employees. To meet these requirements, we have developed strong teams of local staff in all the geographies in which we have a permanent residence. At year-end, 93% (FY2018: 90%) of the workforce in African countries, excluding South Africa, represented citizens of the host country.

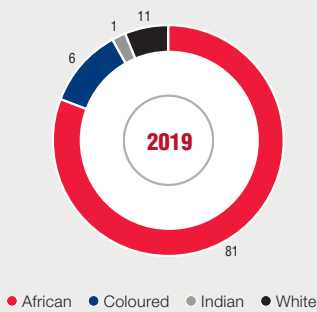
AUSTRALIAN WORKFORCE

The Australian business continues to manage headcount requirements to ensure that the right competencies and resource availability is in place to deliver current and future work secured in the competitive market. A key attribute to employment decisions and policies is flexibility, particularly in relation to migration of personnel within Australia when working on projects in different states, while still matching competencies and experience with the projects on hand. As such, the workforce reflected a marginal decline to 1 139 (FY2018: 1 219).

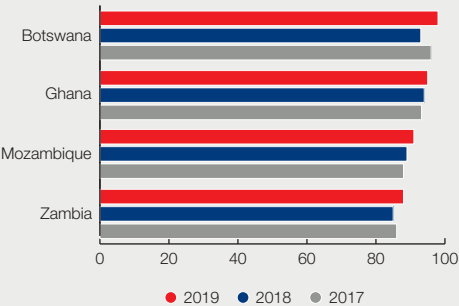
UNITED KINGDOM WORKFORCE

Both the Byrne Group and Russells Limited follow a similar approach in managing human capital as the rest of the group, namely recognising that it is vitally important that employees fit the culture and ethos of the company. Focus is placed on creating a learning environment to develop skills that meet business requirements while still allowing individuals to obtain a depth and breadth of experience. The aim is to grow employees enabling them to take on more responsibility and move into the next role within their job profile. Talent retention challenges in the UK are also similar to those of the rest of the group in terms of recruiting and retaining employees with the right fit that would enable the company to grow within expectations. The UK businesses employed 1 127 people at year-end.

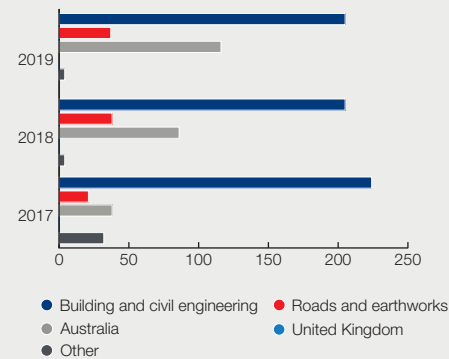
South Africa: Demographics profile (%)



Rest of Africa: Localisation in countries with 200 or more employees (%)



Retrenchments



RETRENCHMENTS

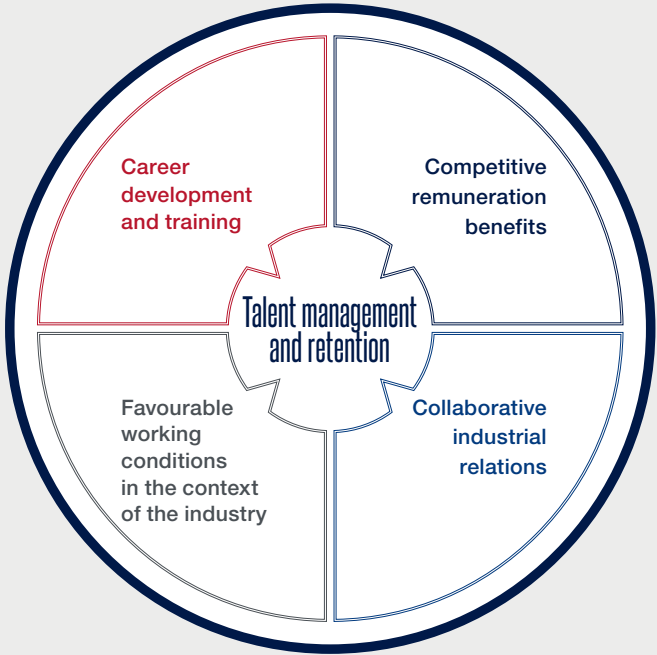
Right-sizing teams is a continuous process in order to match demand with economic cycles. Effective recruitment processes and solid working relationships with the representative unions are essential in achieving this outcome.

Projects seldom begin and end in a linear manner and the number of staff required at the various stages of projects differs significantly. We call the process of anticipating this fluctuating demand "managing the gap", where we ensure that the right skills and manpower are available at the right time.

In total, there were 634 retrenchments in FY2019 (FY2018: 333), of which 455 were hourly-paid employees. The majority of these retrenchments came from within the Building and civil engineering division in South Africa as well as the Australian operation.

TALENT MANAGEMENT AND RETENTION

Talent development and retention, especially continuity at management level, is considered critical to our long-term success. WBHO's approach to talent and capacity management is driven by the philosophy of "Growth from within". Recognising that it takes time to gain the necessary experience to reach management levels within the group, we provide our employees with structured career plans incorporating on- and off-site training designed to equip them with the relevant skills at each stage of their progression through the business. WBHO's talent management retention strategy is built around four pillars as reflected in the diagram below:



SOCIAL PERFORMANCE  
CONTINUED

EMPLOYEE REMUNERATION AND BENEFITS

WBHO offers an equal rate of pay to both male and female employees of equivalent experience. Remuneration is determined by management with reference to the remuneration policy and with oversight from the Remuneration committee, a subcommittee of the board.

Taking into consideration the prevailing market conditions, affordability, shareholders' expectations and performance, the Remuneration committee approved inflationary increases for South African senior management and executives of 6% (FY2018: 5,5%). The average increase for the remainder of employees in South Africa was 6% (FY2018: 6,5%).

Senior management in Australia received average increases of 5,1% (FY2018: 0,3%), while the remaining employees received average increases of 3,6% (FY2018: 4,1%). Senior management in the United Kingdom received average increases of 6,1% (FY2018: 0,3%), while the remaining employees received average increases of 4,3%.

Localisation and transformation, in particular the transfer of skills and economic benefits to the previously disadvantaged and local residents as well as representation within our management structures, are key issues across all of the geographies in which WBHO operates. The group seeks to employ citizens of the local region where possible when hiring employees in Africa, and offer training opportunities to staff that will allow them to develop the skills they need for their employment.

Retention of black senior and middle management in South Africa as well as seconded operational staff (all levels) in Africa remained a challenge during the year. These staff members are often headhunted for their experience and skill or are attracted by the dollar exchange rate. WBHO's remuneration approach is thus adapted to mitigate the risk.

WBHO is committed to supporting the Workplace Opportunities for Women (WOW) initiative in Australia. The Australian business is also a sponsor and supporter of the National Association of Women in Construction (NAWIC). In addition to the legally mandated employment benefits, we provide our full-time employees with retirement funding and medical scheme benefits.

The construction labour market in Australia is highly competitive, driven by the significant infrastructure investment by the Federal and State government as well as the appetite of property developers from the East Asia region to invest in the country. This spending has resulted in a sharp increase in demand for, and remuneration of, project management and site leadership professionals.

For a detailed discussion on remuneration, please refer to the comprehensive Remuneration report included in WBHO's integrated report for the year under review as well as our Remuneration policy which can be found on the website of the group.

INDUSTRIAL RELATIONS

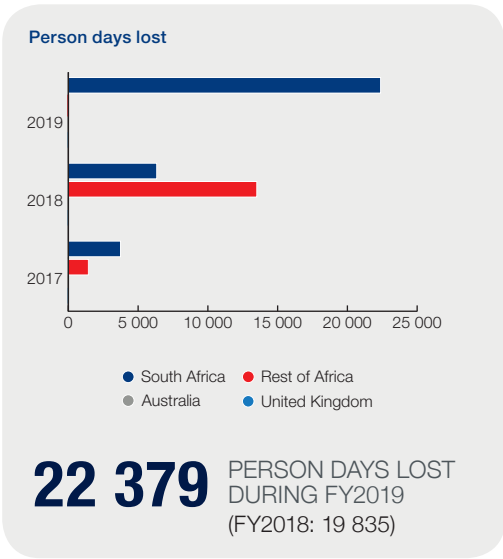
WBHO recognises employees' rights to freedom of association and to bargain collectively. The relationship with trade unions and other employee associations is cooperative and cordial. The trade unions currently represent 65% (FY2018: 68%) of WBHO's South African bargaining unit employees and recognition agreements in place with the National Union of Mineworkers. The overall level of union representation within the group has decreased to 19% (FY2018: 22%).

Wage negotiations are conducted and concluded centrally at the bargaining council annually. Negotiations on substantive matters within the civil engineering labour market take place at industry level with the South African Federation of Civil Engineering Contractors (SAFCEC) and the representative unions. This process covers the majority of the hourly-paid employees while the balance of our personnel is covered by various other bargaining council and voluntary bargaining forum agreements.

The current minimum wage for the industry is R34,45 per hour (FY2018: R32,05 per hour). WBHO abides by the terms and conditions of the national wage agreement; to this end, no employee within the group is paid below the national minimum wage of the industry.

In Australia, 12% (FY2018: 14%) of the employees are covered by collective bargaining agreements. Enterprise bargaining agreements are concluded annually with state-based unions to enable compliance with legislative changes and to remain qualified to work on state federal-funded projects.

Employees in the United Kingdom do not form part of a central bargaining council, however, employees can join a union. Fees are paid by the individuals directly to the union. Membership lists are not maintained by the respective businesses.



Following a number of years of relative stability in employee relations and industrial action, the group experienced a significant increase in the number of "person days lost" (i.e. days lost due in the year due to strikes, work stoppages or non-attendance multiplied by the number of employees affected) in South Africa in the year.

In South Africa, 22 379 days (FY2018: 6 331) were lost in the year, mainly attributed to illegal work stoppages at Saldanha, Klipspruit Mine and Marbleray as well as an increase in community and business forum disruptions.

Community unrest is a consequence of low job creation and high levels of poverty, particularly in rural areas. In some instances, communities have been militant in insisting on jobs for their members. This has often been further exacerbated by individuals and forums seeking to exploit communities for their own gain. While seldom violent, these work stoppages frequently garner an essence of threat and intimidation which affects both staff and hourly-paid employees who want to be present at work and tend to their work duties. Another challenge is that the local community often does not trust established unions and form their own employee platforms. Recognising the need to manage the community expectations, we have improved community consultation activities prior to commencing construction as well as during the construction phase. Where possible, local labour is utilised. In response to the trend of threatening actions, WBHO has developed a response protocol to assist site managers and employees to respond to these challenges.

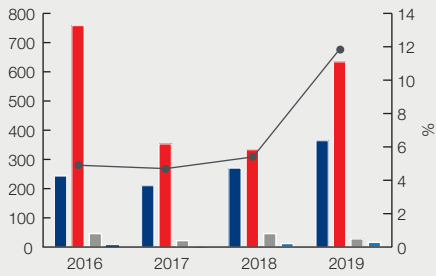
In Australia no person days were lost. This is underpinned by general industrial relations stability and reflects the ongoing commitment of the Australian business to invest in communication and mutual respect with all stakeholders, both state and federal governments and state-based and federal unions as well as other associations. Similarly, the UK businesses experienced no industrial action in the year.

**FAVOURABLE WORKING CONDITIONS WITHIN THE INDUSTRY CONTEXT**

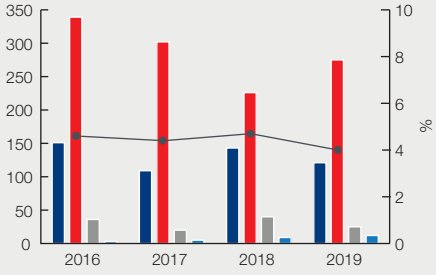
Construction by nature is demanding, both physically and emotionally. Resignations within the industry are often due to lifestyle choices as the nature of the business demands long hours in order to meet contractual programmes and committed deadlines as well as in some circumstances, cross-border secondments and travel. As part of its employee engagement programme, WBHO monitors and manages high-risk employees to support an appropriate work-life balance and required rest and recuperation periods, including monitoring the length of "out-of-town" engagements as well as overtime levels.

The avoidable staff turnover rate declined to 4,6% (FY2018: 5,4%) in South Africa and the rest of Africa in FY2019 but remains within the target of 7% or less. In Australia, the avoidable staff turnover rate reduced from 3,3% in FY2018 to 3% in FY2019. In the UK, the average avoidable staff turnover rate was 7,5%. This is below the average of 24% across the UK's private sector. The group closely monitors this statistic in order to establish the reasons for employees electing to leave the business of their own accord and to understand how to respond to any concerning emerging trends that become apparent.

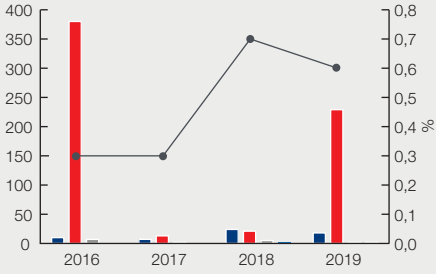
Group: Employee turnover



South Africa: Employee turnover

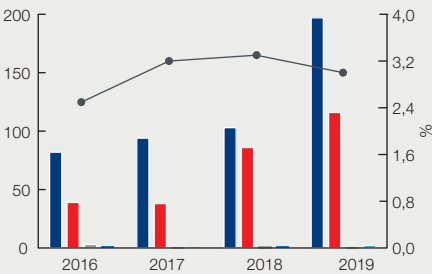


Rest of Africa: Employee turnover

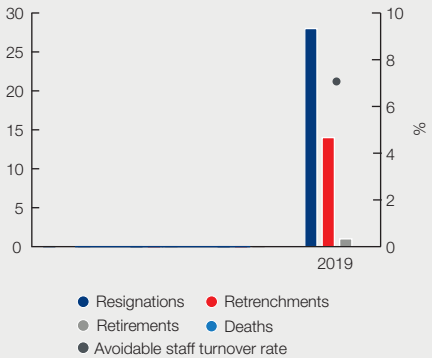




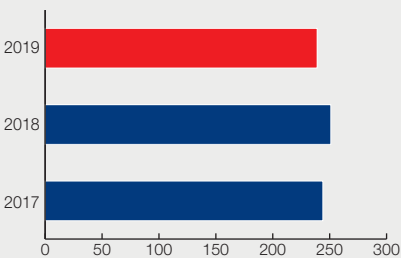
Australia: Employee turnover



United Kingdom: Employee turnover



South Africa: Number of engineers and quantity surveyors



ENGINEER AND QUANTITY SURVEYOR RETENTION

Engineering and quantity surveyor skills are essential to the long-term sustainability of WBHO. Key retention and development programmes have been implemented to ensure the organisation has the required skills to support project execution as well as maintain a healthy capacity for future engagements.

In South Africa, the organisation employed a total of 123 engineers (FY2018: 141) and 116 quantity surveyors (FY2018: 110). The operations have been impacted by the number of qualified engineers who have chosen to emigrate due to community unrest, crime and negative perceptions of the current environment in South Africa. A small number of these highly skilled employees relocated to group subsidiaries while some have even left the industry all together.

EMPLOYEE WELLNESS

WBHO is committed to the sustained wellness and personal growth of its employees. The group follows a holistic and integrated approach to employee wellness, which includes leveraging collaboration with on-site occupational health services and enlisting the service of wellness experts.

During the year the WBHO's Employee Wellness Programme continued to make a tangible difference to employees and their families as well as to the group. Each division uses employee engagement surveys to identify the specific areas of focus and to design wellness programmes that address these issues.

These wellness campaigns are centred on health issues identified by occupational health services that are provided on site, including medically-related issues such as illness management, diabetes and cancer awareness and general health management. The wellness drive includes other behavioural issues that also have an impact on employee performance and raise awareness through education on substance abuse, the promotion of healthy eating habits, physical fitness, fatigue and stress management, financial fitness and maintaining a work-life balance.

HIV/Aids can have a significant impact on our business, our employees and the broader communities in which we operate. HIV/Aids awareness programmes are designed to educate and increase the understanding of all employees by providing them with more information and possible support systems available. We actively encourage early testing, awareness and lifestyle changes. We have an HIV/Aids policy that advocates our commitment to confidentiality, non-discrimination and to developing and implementing programmes for treatment and prevention. We also conduct regular on-site HIV/Aids awareness, counselling and testing programmes. Further awareness is generated through our toolbox talks and posters that are distributed to sites and regional offices.

With regard to treatment, we provide antiretroviral therapy to permanent employees through a medical aid scheme and managed healthcare provider. Non-permanent employees are provided with five counselling sessions before being transferred to state services.

Testing conducted (South Africa only)

	2019	2018	2017
HIV/Aids (voluntary)	309	2 404	1 786
Epilepsy	2 092	3 171	1 786
Drugs/alcohol	1 761	3 171	4 334
Other (wellness day)	111	124	169
Number of active employees registered on ARV programmes	94	106	117

Site managers monitor absenteeism on our electronic system. Where absenteeism is unauthorised, disciplinary processes are followed. In creating a safe working environment, we have a zero tolerance policy for alcohol and drug abuse and continuous testing mechanisms are in place.

Key initiatives underway to promote workplace safety

- Roll out of industrial relations training, where required
- To provide competent and fair HR information and advice facility to all WBHO employees
- To continue continuous statutory and legal compliance
- Continue a smooth running department and assisting employees

CAREER DEVELOPMENT AND TRAINING

AFRICA

WBHO seeks to provide the resources and environments for learning and creativity to assist employees to achieve the highest standards of performance and to inspire innovation. WBHO continually looks to the use of technology and relationships with training providers, to be able to offer a wide range of learning opportunities available to all employees.

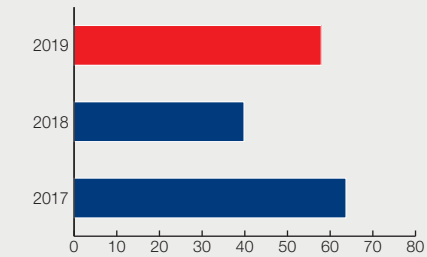
Total training spend for FY2019 amounted to R57,9 million (FY2018: R39,8 million) within the African operations. A significant portion of this relates to an increased participation in WBHO's management, artisan and skills, safety and environmental training interventions. Although the number of employees trained declined by 22% to 2 553 employees, the average training spend increased by 45% to R37 978 per employee.

Retention of engineers and quantity surveyors remains a keen focus area when developing future leaders, building a corporate culture and delivering on the needs of the business. Locally, the group works with the Engineering Council of South Africa (ECSA) to assist with the retention of this vital skill, not only for WBHO but for the industry as a whole.

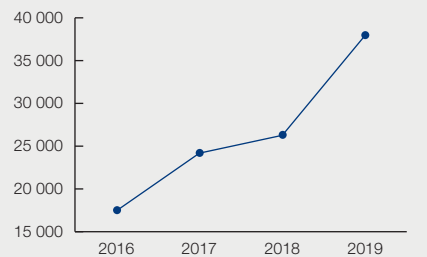
The group has registered qualified engineers who act as mentors with ECSA to assist candidates within the business to obtain the Professional Engineering (PR Eng) designation, a designation that the group considers to be crucial. Attaining this qualification is of tremendous professional value for the engineers and the financial and mentoring support successfully eases the difficulties that can be associated with this challenge. During the year, WBHO successfully registered 12 candidates with ECSA, bringing the total number of candidates registered to 124 over the past four years.

As part of its skills development programme, WBHO has implemented a QS Mentorship programme in Gauteng which is facilitated by an external mentor. The intention is to expand the programme to other regions. No new quantity surveyors were registered with the South African Council for the Quantity Surveying Profession in the year, although five were registered in FY2018.

Africa: Total training spend (Rm)



Africa: Average training spend per employee (R)



# SOCIAL PERFORMANCE

CONTINUED

	2019	2018	2017
Candidate engineer	8	8	10
Candidate engineer technician	4	6	3
Candidate engineer technologist	–	3	3
Professional engineering technician	–	–	–
Professional engineering technologist	–	–	–
Professional engineer	–	1	1
<b>Total</b>	<b>12</b>	<b>18</b>	<b>17</b>

Applicable to South Africa only.

In recent years, WBHO has adopted a more inclusive and wider approach to include all other professionals on the professional registration programme. The programme now extends to safety and environmental personnel, accountants and lawyers who are encouraged to register with their relevant professional bodies. The purpose behind this drive is to enhance the level of professionalism within the group and the continued development of our talent. Consequently the number of employees registered with the South African Council for the Project and Construction Management Professions (SACPCMP) increased to 27 (FY2018: 18).

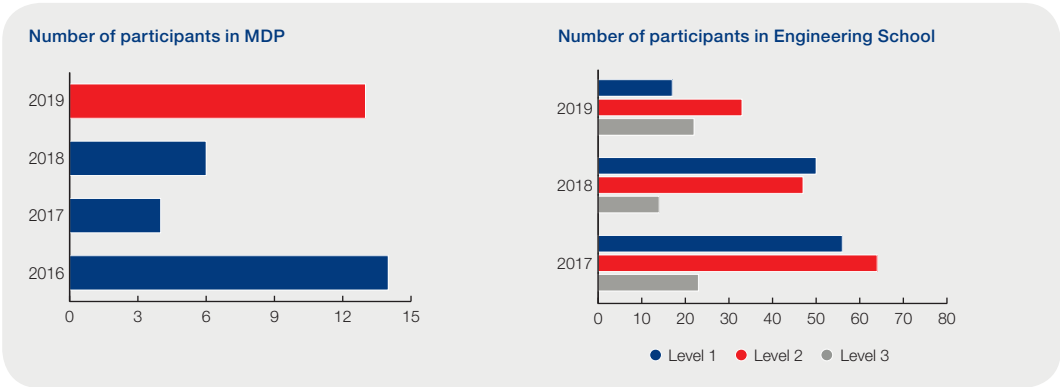
SACPCMP registrations	2019	2018
Candidate construction		
Manager	2	1
Health and safety officer	7	4
Project manager	–	1
Professional construction manager	7	2
Construction health and safety manager	2	1
Construction health and safety officer	9	9
<b>Total</b>	<b>27</b>	<b>18</b>

Applicable to South Africa only.

As part of WBHO's policy of developing skills from within, the organisation has developed various programmes to support the development of employees in fields critical to the long-term sustainability of the business. Key amongst these are the Management Development Programme (MDP) and WBHO's Engineering School.

The MDP is a formal training course designed to equip managers with the necessary competencies to implement the strategic objectives of the group. A collaboration with the University of Stellenbosch Business School and aligned with the National Qualifications Framework NQF Level 6, the MDP provides managers with the opportunity to broaden their knowledge and understanding in the different fields of management and leadership, and to provide them with an alternative way of thinking and problem solving. The programme consists of two study blocks, four assignments and a final group presentation; 13 (FY2018: six) employees participated in the programme during the year.

The Engineering School Level 3 programme, established in FY2017, is aimed at our senior site agents and contracts managers to develop their operational and managerial skills. During the year, 22 employees participated in the programme, bringing the total number of employees supported since inception to 59.



The table below illustrates the various programmes in place in respect of the African business for the year under review.

		2019			2018		
	Description of course	Number of attendees	% Black	Spend per person (R)	Number of attendees	% Black	Spend per person (R)
Engineering School Level 1	Graduates – WBHO processes and procedures	17	47	12 000	50	68	13 000
Engineering School Level 2	Site agent level – technical training	33	45	13 000	47	57	13 000
Engineering School Level 3	Contract managers – management training	22	41	40 000	14	42	40 000
Management development programme	Managerial finance, business environment, economics, leadership competence, people management	13	38	49 500	6	66	39 500
Senior management development programme	Business leadership and change management	–	–	–	1	100	71 800
Construction management programme	Construction planning, development, design and management	–	–	–	2	100	92 000
Management training	All	319	66	3 784	406	62	3 491
Artisan/skills training	Trade test/mechanic/plumbers	128	88	3 110	79	96	1 770
Finance	Administration	172	45	739	14	50	5 222
Safety	All	1 378	90	1 386	1 639	86	850
Environmental	All	10	60	2 242	48	52	1 700
Quality	All	16	69	14 800	19	56	9 135

WBHO's bursary and learnership schemes provide financial assistance to beneficiaries, enabling them to study on a full-time basis to qualify for a degree or national diploma at a recognised South African educational institution. Financial assistance covers expenses related to books, class fees, accommodation and general expenses.

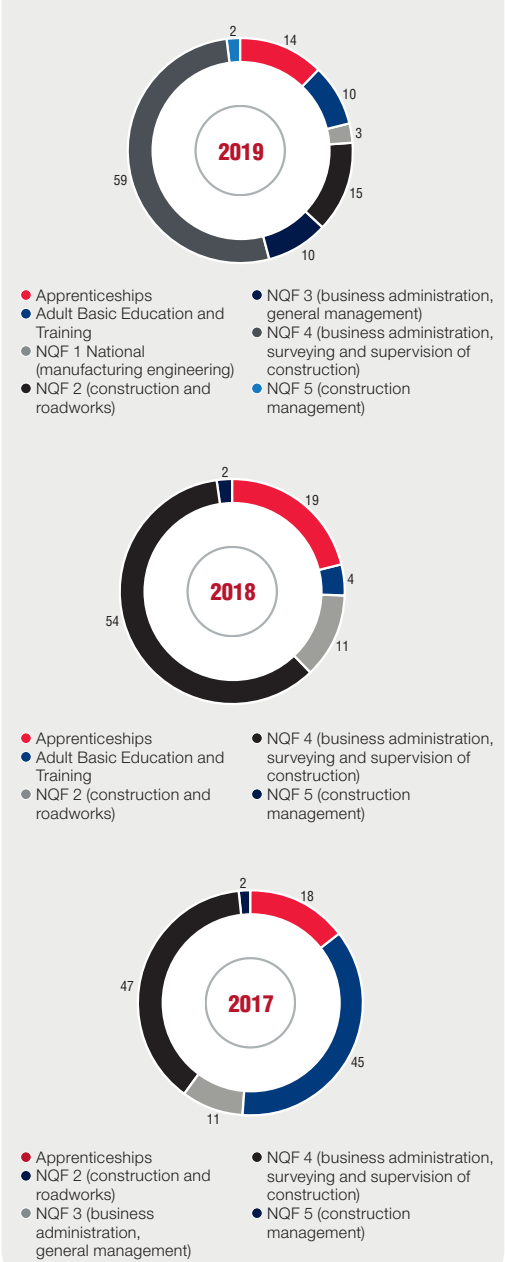
Beneficiaries are selected through a rigorous process where not only academic merit is considered, but specific emphasis is placed on learning potential and historically disadvantaged backgrounds, especially students without financial means. The focus of programmes is largely on scarce skills relevant to the industry such as engineering and quantity surveying.

	2019	2018	2017
Total bursary spend (R'000)	5 887	6 421	6 314
Black bursary spend (R'000)	5 402	5 587	4 740
Black bursars (%)	92	87	75
Number of Bachelor of Science students	78	45	32
Number of National Diploma students	14	12	18
Number of students receiving in-service experiential training	26	38	41
<b>Total number of bursars</b>	<b>118</b>	<b>95</b>	<b>91</b>

During the year WBHO supported 113 (FY2018: 104) employees in South Africa with learnerships.



Learnerships (number of people)



AUSTRALIA

In Australia, AUS\$470 160 was invested in the training of 1 070 employees. Training is mainly provided via an online learning management platform, called Learn Connect, through which more than 3 200 courses are provided. Twelve new online learning courses, mainly related to health, safety and environmental risk and management, were launched. Twelve employees attended a project leader development programme.

As with the African operations, financial assistance is provided to students to support them in their studies. In the year, eight students received bursary support to the value of approximately AUS\$89 000. Furthermore, 20 undergraduates and cadets received in-house training, while three apprentices are completing a carpentry learnership.

UNITED KINGDOM

In the United Kingdom, the Byrne Group trained 946 employees at a total cost of £133 000. In the year, 10 graduate engineer and civil engineer apprentices, four professional engineers and eight professional quantity surveyors were registered with the relevant authorities.

To retain and develop the future engineering workforce, a graduate scheme has been developed and recognised by the Institute of Civil Engineering (ICE). The aim is that graduates will reach IEng or CEng status with the ICE upon completion of the scheme.

The Byrne Group is currently producing a Frontline Leadership Programme to enhance the management and leadership skills of supervisors and construction managers. As well as touching upon health and safety, quality and human resources, the course material will cover leadership and management, including understanding the personalities in a team, the best form of communication to use for different personalities and conflict management.

In the year, the Byrne Group supported 11 learnerships. A key achievement in the year was an apprentice who won the Inspirational Apprentice Achiever of the Year Award at the CITB's 2018 annual Apprenticeship Awards ceremony. He was recognised for his commitment to work and dedication to excel in his own, and other apprentices', development.

Byrne Bros. was delighted to win the 'Be Better-Together' 2018 award at Skanska's first Infrastructure Supply Chain Awards. There were six award categories in total, with Byrne Bros. entering one submission in the 'Be Better-Together' category. This enabled Byrne to demonstrate how it is a learning organisation that takes pride in quality and innovation, while using a 'one team' approach with stakeholders such as clients. The awards had a significant number of entries, but with the award Byrne was recognised for its commitment to collaboration and driving a one team approach throughout the organisation.

Within Russells Limited, 154 employees were trained at a total cost of £27 946, while 13 students were supported with bursaries.

Key initiatives to enhance skills development across WBHO



### AFRICA OPERATIONS

- The general approach to the scope of the training will not change drastically in FY2020 as it covers the main development needs within the organisation



### AUSTRALIA

- Leadership development and upskilling staff on LEAN project management principles
- Expand online learning offering
- Review delivery methodology of training with an objective to transition to online training where preferable



### UNITED KINGDOM

- Complete and launch the Frontline Leadership Programme to enhance the management and leadership skills of supervisors and construction managers

HEALTH AND SAFETY



WBHO’s approach to safety is built on a strong foundation of visible leadership, accountability and competency and is supported by clear policies and procedures.



WBHO’s commitment	Link to strategic objectives
As a construction contractor with an international footprint, it is essential that WBHO holds itself to the <b>very highest health and safety standards</b> .	<b>S05</b> Safety and environmental management
<b>Protecting the welfare of employees and subcontractors</b> results in healthy morale and uninterrupted productivity.	
<b>A proven safety record is also imperative in the procurement of work</b> within some of our key markets, such as mining and the public sector.	

APPROACH TO HEALTH AND SAFETY

WBHO’s approach to safety is built on a strong foundation of visible leadership and competency and is supported by clear policies and procedures.



The board assumes overall responsibility for the safety of our employees and stakeholders while each operational managing director assumes responsibility for safety within their individual business unit and reports thereon to the executive committee.

The group applies best practice when implementing its safety policies and procedures through the safety management system and obtains external assurance on the legal compliance and effectiveness of the system. Internal assurance of compliance to the system by the individual operations of the group is obtained by the safety department.

No amendments were made to the occupational health and safety policy during the year.

The group monitors and reports on all safety incidents, including near-misses. This information is used to raise awareness and develop and implement safety initiatives and training on a continuous basis.

Quarterly compliance audits and regular inspections are conducted. Incidents are investigated and reported to the divisional board meetings. These include high-potential incidents as well as lost-time injuries. Fatalities are escalated to the executive management committee as well as the board. In these feedback sessions, incidents are evaluated to ensure that prevention measures are identified and implemented throughout the business as a standard. Feedback on substandard audits and non-conformances are raised and actioned where applicable.

MEASURING HEALTH AND SAFETY PERFORMANCE



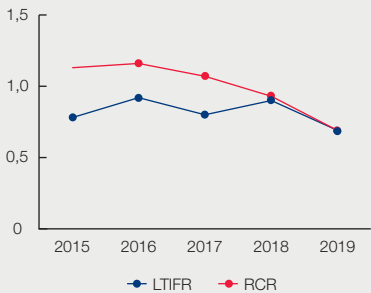


SOCIAL PERFORMANCE  
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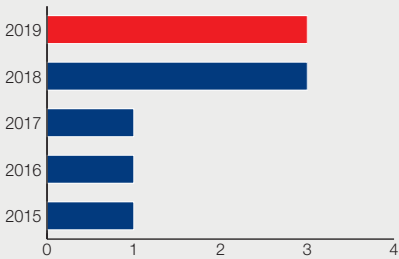
The group achieved a lost-time injury frequency rate (LTIFR) of 0,69 (FY2018: 0,90) and a recordable case rate (RCR) of 0,69 (FY2018: 0,93) in the year. The improvement was mainly attributable to the benefits achieved through WBHO's Visible Field Leadership (VFL) programme. As part of the VFL programme, scheduled visits are conducted by members of senior site management who are not specifically involved on the project to evaluate sites from a safety perspective, giving constructive feedback to the project team and sharing safety practices and initiatives implemented on other projects. In this way, senior management is seen to be leading by example, proactively raising awareness of specific safety issues. Unfortunately three work-related fatalities occurred in FY2019 (FY2018: 3).

Pleasing is a new historic record low LTIFR of 0,41 (FY2018: 0,90) and RCR of 0,28 (FY2018: 0,90) achieved in the Africa business. This reflected a significant improvement compared to FY2018. The focus on continuous improvement, most notably the "Safety First Initiative", contributed to the improved safety statistics.

Group: Lost-time injury frequency rate



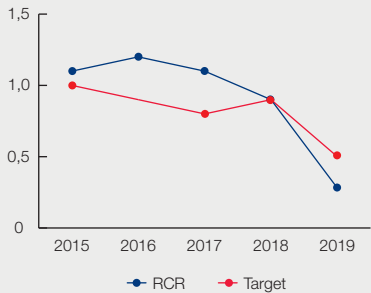
Group: Work-related fatalities



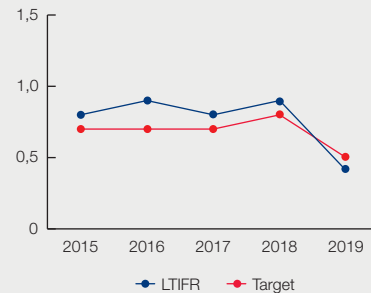
The LTIFR represents the number of injured persons booked off work for every 1 000 000 hours worked.  
RCR represents the number of medical treatment cases for every 200 000 hours worked.

In Australia, the LTIFR rate reduced from 1,97 in FY2018 to 0,73 in FY2019, mainly attributable to the increased focus on safety training and monitoring as well as the VFL programme. In the UK, a LTIFR of 3,94 was recorded. The UK uses the "Reporting of Injuries, Diseases and Dangerous Occurrences Regulations of 2013" to measure lost-time in respect of reportable injuries. The measurement and management of lost-time injuries in accordance with this legislation, when applied to the measurement framework used by the other group operations, results in LTIFR that is not representative of the high standard of safety practices implemented within the UK operations. The UK reporting will ultimately be brought in line with the group. The safety of everyone involved in our operations is a core value for the UK operations. We believe all accidents and injuries are preventable and drive a culture where safety is an integral part of every business decision.

Africa: Recordable case rate



Africa: Lost-time injury frequency rate



The group recorded an all-injury frequency rate (AIFR) of 2,2 (FY2018: 2,2) per 100 000 hours worked. Root cause investigations are undertaken for all accidents and incidents and methods are implemented to prevent similar incidents from recurring.

In total, 160 (FY2018: 160) safety audits were conducted by WBHO's internal safety department across 100% (FY2018: 100%) of sites. 114 safety audits (FY2018: 121) were conducted across the African operations. The number of non-compliance reports, reduced from 187 in FY2018 to 135 in FY2019.

In total, 34 (FY2018: 39) safety audits were conducted in Australia and 63 (FY2018: 138) non-compliance findings identified. In the UK, 12 audits were conducted and 65 non-compliance findings identified.

In FY2019, 1 378 employees (FY2018: 1 639) from the Africa operations participated in health and safety training, with an average spend per employee amounting to R1 386 (FY2018: R1 353). In Australia, 560 employees attended training and 1 152 in the UK.

The safety courses included training on the following: legal liability, firefighting, first aid, fall protection, scaffold erection, health and safety representatives, rigging, working at heights, traffic management, formwork and support work, plant and machinery operator training and auditors courses.

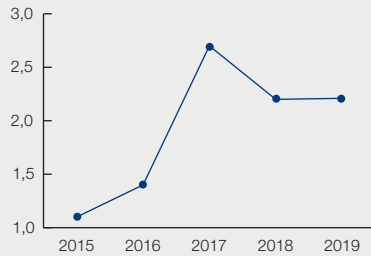
Key initiatives underway to promote workplace safety

- Continued implementation of the "Safety First" interventions (see table on next page for more)
- Preparation for OHSAS 18001 recertification which will commence in October 2019
- A new safety management system is currently under review to ensure compliance with ISO 45001 and the migration from OHSAS 18001 to the new ISO 45001 standard next year

Safety response to LTI and fatal incidents

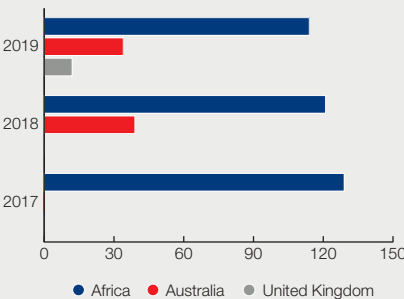
- Distribution of incident flash report to all projects
- Investigation and root cause analysis performed
- Revised procedures developed and implemented if necessary
- Any lessons learned shared with all projects
- Presentation and discussion of all LTI incidents at management board meetings
- Presentation and discussion of all fatal incidents at Exco and main board meetings
- Additional initiatives from these meetings distributed and implemented.

All-injury frequency rate

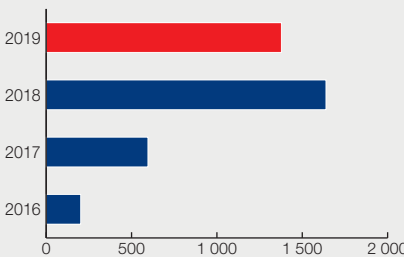


AIFR includes all types of injuries, from first aid provision to fatalities, indicating a wide range of personal injuries for every 100 000 hours worked

Number of safety audits



Number of employees trained: Africa



Initiative	Objective	Action
Safety accountability awareness/ training	<ul style="list-style-type: none"><li>Clearly communicate legal roles and responsibilities to all OHS legal appointed staff in terms of the OHS Act and construction regulation</li></ul>	<ul style="list-style-type: none"><li>Internal OHS training</li><li>Finalise online OHS Course with Competition Online</li><li>Subcontractor legal liability training requirement</li></ul>
Legal appointment process	<ul style="list-style-type: none"><li>Ensure that staff who carry legal appointments are competent to accept the appointment, have a thorough understanding of the OHS Act and construction regulation and understand their responsibilities in terms of the appointment</li></ul>	<ul style="list-style-type: none"><li>Each person who makes legal appointments shall discuss the contents, responsibilities and accountability of the appointment with the appointees</li><li>The person making the appointments shall reasonably satisfy themselves of the appointees' competence</li></ul>
Risk identification and mitigation process	<ul style="list-style-type: none"><li>Implement a risk review process that is developed from first principals</li><li>Continuous review of risk plans for existing projects without using existing risk assessments, i.e. encourage proactive thinking and a culture that values safety as much as production and profit as well as recognising the ever-changing risks on a project</li></ul>	<ul style="list-style-type: none"><li>Risk review pre-plan to be developed in conjunction with project programme and commercial start-ups on new projects</li><li>All new projects will be required to do pre-plan presentations to senior divisional management</li><li>All projects will be required to have an updated baseline risk assessment process in place managed by a manager</li><li>Risk assessment process shall include health and safety representatives and key workforce team members</li></ul>
Developing a safety first culture	<ul style="list-style-type: none"><li>Leadership to demonstrate commitment to safety by leading weekly site walks with all stakeholders</li><li>VFL process to become a WBHO standard</li><li>Start each week with safety</li></ul>	<ul style="list-style-type: none"><li>Weekly walk led by contracts director or designated official. Walk to include sub-contractors managers and safety representatives. All appointed supervision will be expected to be in their sections to participate in the walk as it passes through</li><li>Managing directors to attend walks on various sites on an ad hoc basis</li><li>Each site will start on a Monday morning with a Safe Start meeting</li></ul>
Improving accident/incident investigations	<ul style="list-style-type: none"><li>Improve incident investigation process</li><li>Improve quality of initial documents and accident/incident investigations</li></ul>	<ul style="list-style-type: none"><li>Revise current accident investigation procedure focusing on root management failures</li><li>All incident reports must be signed off by the designated official</li><li>Company communication of incidents must become a knowledge-sharing platform for individuals to comment</li><li>Flash reports and accident/incident investigations to be signed off by the appointed construction manager, before it is sent to the safety department</li></ul>

QUALITY MANAGEMENT



Our goal is to minimise the negative impact of the construction processes on the natural environment and the community at large, while maximising the quality of the “Built Environment” for future generations. Quality management is an evolving process, which assists in delivering a product that will satisfy customer requirements on time and in a value-adding, collaborative environment. Feedback from clients and our workforce is crucial to attaining this goal.





WBHO's commitment	Link to strategic objectives
We seek to provide our clients with a <b>"top-quality" product</b> . This protects and enhances WBHO's reputation in the marketplace and improves profitability.	<b>SO3</b> Reputation and relationships
We mobilise our management skills to utilise their <b>resources in the most efficient and cost-effective manner</b> to execute projects <b>to the required standard and quality</b> .	

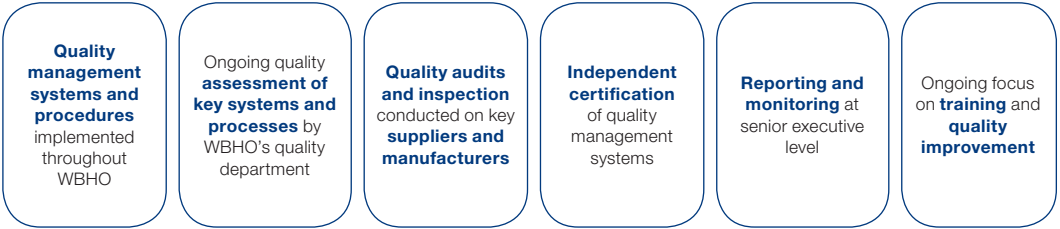
APPROACH TO QUALITY MANAGEMENT

QUALITY COMMITMENT

- Deliver projects on time, within budget and to the specified standard of quality
- Create and maintain a culture of quality within the group
- Ensure ongoing training across all employee levels on the QMS
- Meet all relevant statutory and legal requirements
- Provide the necessary resources to deliver the required level of quality
- Ensure that quality control and quality assurance mechanisms are sufficiently and effectively applied and that documentary evidence is maintained

- Document and measure quality objectives and targets through internal audits and management reviews
- Ensure that all advisors, suppliers, subcontractors and others involved on our projects meet the required quality standards
- Continually review, improve and implement best practice quality management procedures
- Seek feedback from our clients and consultants on our performance and the level of quality delivered

WBHO ensures that the highest levels of quality are consistently attained on all projects by using the best and latest construction practices within the core activities of the group. By continuously improving our processes, we ensure compliance to our own internal standards as well as external specifications, thereby enhancing client satisfaction.

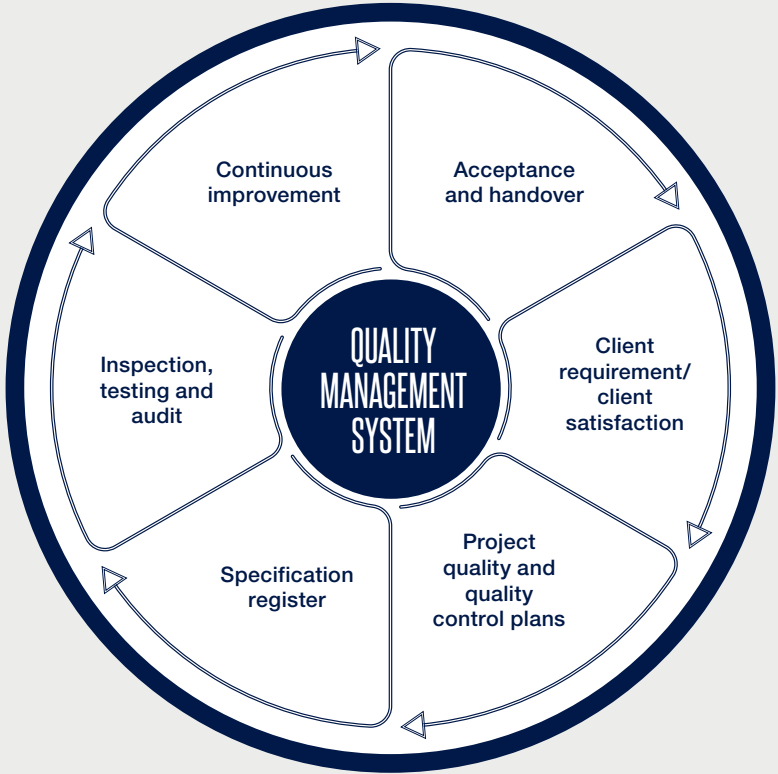


WBHO has implemented a formal quality management system (QMS) which is based on a process and risk-based approach through risk-based audits. The risk-based approach aims to identify the effect that decisions have on the outcomes. The QMS has been certified against the ISO 9001 requirements since 2004. A dedicated team of quality personnel, led by the Quality Director, ensure continuous compliance with the ISO 9001 standard. Meeting client, statutory and regulatory requirements on a consistent basis are the most important objective of the QMS.

The QMS is implemented on all sites, and includes a formal process for the review and audit of all projects and regional offices. An annual management review is performed which includes all business units. Quality reports are compiled monthly and communicated to all subsidiary and divisional boards meetings, while report summaries are tabled at main board meetings as a standard agenda item.

No amendments were made to the quality policy during the year.

As reflected in the diagram below, management responsibility, resource management, product requirements, risk management, quality processes and policies and measurement and improvements are all major elements of the WBHO QMS.



MEASURING QUALITY PERFORMANCE

**Customer quality**

perception rating remained strong at

**88%**

**ISO 9001**

certification maintained across all regions

**ISO 3834**

certification (fusion welding) achieved for WBHO business in South Africa

SOCIAL PERFORMANCE  
CONTINUED

QUALITY ASSESSMENT BY INTERNAL QUALITY DEPARTMENT

In total, 237 (FY2018: 193) quality audits were conducted by WBHO's internal quality department across the group; 187 quality audits (FY2018: 159) were conducted across the various African operations while 15 (FY2018: 34) audits were conducted in Australia and 35 in the United Kingdom. All sites are covered by the QMS. In Africa, 59% (FY2018: 59%) all of sites were subjected to quality audits, while in Australia a coverage of 87% (FY2018: 95%) was achieved and 86% in the United Kingdom.

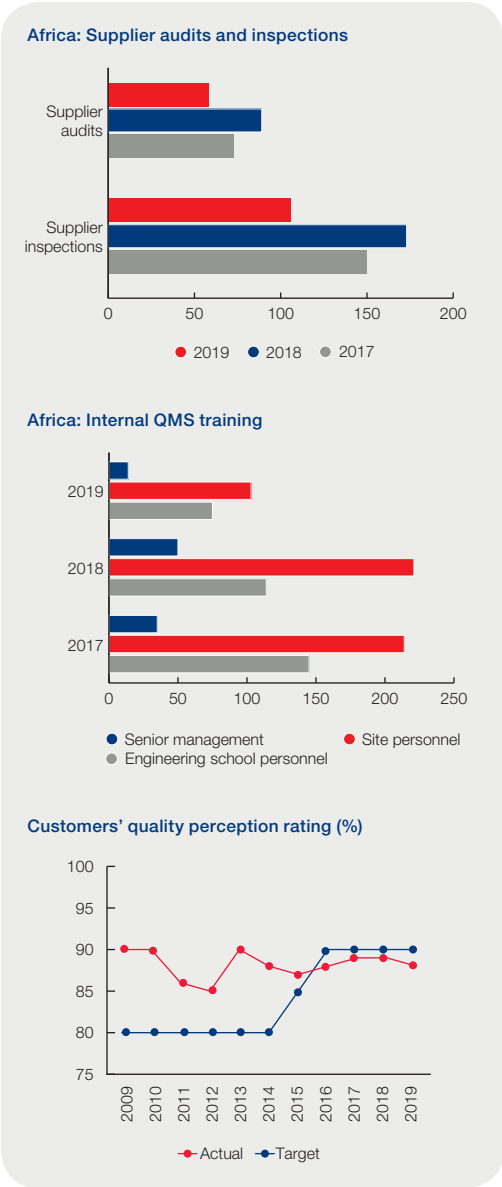
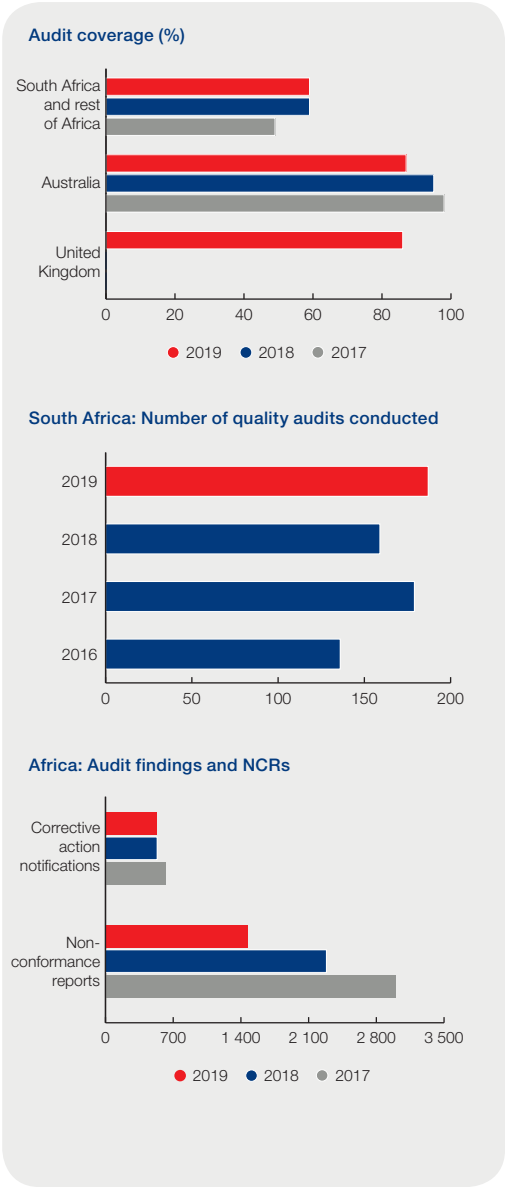
In South Africa and the rest of Africa, 528 (FY2018: 534) corrective action notifications (CANS) were issued. CANS are clear and concise descriptions of identified problems and the necessary corrective actions requiring implementation to avoid future occurrences. It is pleasing to note that despite the increase in the number of audits this year, the issues requiring CANS reduced compared to the previous year. This was mainly achieved through an improvement in the overall implementation of the QMS, ongoing training in quality aspects, monitoring of key suppliers and materials quality as well as a general improvement in the attention to quality by the respective construction teams to ensure compliance to set rules and procedures. These efforts also contributed to a significant decline in the number of non-conformance reports (NCRs), which reduced from 2 284 in FY2018 to 1 470 in FY2019.

In Australia, the number of NCRs reduced from 35 in FY2018 to 23 in FY2019, mainly attributable to the review and adoption of inspection and test plans to ensure conformity to required quality standards. In the United Kingdom, 322 NCRs were raised. A key focus area across the group is to improve the awareness around the timely identification and management of non-conformances.

SUPPLIER AUDITS AND INSPECTION

Supplier quality remains a significant threat to the quality strategy of WBHO. The continuing pressures in the market and tight margins sometimes force suppliers to evaluate and change their manufacturing and procurement processes, consequently strategic procurement and supply chain management have become a significant responsibility of the main contractor. Critical suppliers are approved by following a defined supplier approval process. Measuring their compliance internally and not by using a third party, provides confidence that a quality product will be delivered to clients.

Main and critical suppliers have been informed of WBHO's commitment to meeting product specifications and the risk of receiving poor quality materials on site has reduced significantly. Full supplier assessments and/or formal audits are conducted on these suppliers, which include manufacturing processes, quality and process controls, implementation of a formal QMS as well as general quality considerations and factory capacity and capability assessments. Final inspections of their products are also conducted prior to delivery to ensure compliance with project and South African National Standard requirements. Supplier non-conformance reports are completed for all materials not conforming to applicable specifications and this form is sent to the supplier for corrective actions.



QUALITY MANAGEMENT TRAINING

In FY2019, 192 employees from the Africa operations attended quality management training interventions (FY2018: 385). Training focused on management responsibilities, continuous improvement and client quality assurance. In Australia, 221 employees and in the United Kingdom, 178 employees attended quality training.

CLIENT QUALITY PERCEPTION FEEDBACK

WBHO obtains annual feedback on our clients' perception of the level of quality within the business. This year the client rating decreased marginally to 88% (FY2018: 89,6%) against a group target of 90%.

There was a slight decline in client perception regarding "Admin" and "Housekeeping" while the perception around "General Cooperation" and "Safety" increased

Key initiatives underway to enhance quality management

- Implementing building information modelling (BIM) across the group. BIM is the development and use of a computer software model to simulate the construction and operation of a facility. It is a collaborative digital tool for managing and sharing information associated with a building project, from the design stages right through to a building's operational life and ultimate demolition. It involves creating a virtual 3D environment using 'BIM objects' and sharing intelligent structured data attached to 3D models. BIM also allows different role players to work together to provide a more efficient construction process
- Continued improvement in systems and processes to strengthen reporting and monitoring key quality indicators. Integrating quality indicators of the United Kingdom operations into group reporting will also be a key focus area
- Preparation for various system verifications to be conducted in FY2020

TRANSFORMATION AND SOCIAL RESPONSIBILITY



WBHO understands that it has a duty and a responsibility to contribute towards redressing historical inequalities within South Africa. An inclusive and representative economy in which all South Africans are able to participate is vital for the future sustainability and success of the country and by virtue thereof, the sustainability of WBHO. Consequently, WBHO is committed to achieving long-term, meaningful broad-based transformation within the business and the industry at large.



WBHO's commitment	Link to strategic objectives
WBHO is committed to <b>transformation</b> as it is <b>considered critical</b> to the organisation's <b>long-term sustainability</b> .	<b>SO6</b> Localisation and transformation
The organisation <b>actively pursues</b> the <b>transfer of skills</b> and <b>economic benefits</b> to <b>previously disadvantaged individuals and local communities</b> , while also seeking to <b>promote representation of these individuals within the various management structures</b> of WBHO	
Through its <b>social-economic development (SED) initiative</b> , the group is committed to the <b>empowerment, development and growth</b> of disadvantaged communities	

Compared to other industries, construction companies compete in an environment of low margins and high risk. Recently, the industry has seen a major contraction with many competitors sadly closing their doors. This has a far-reaching impact on communities, as this industry has the ability to effect massive social impact. The industry employ the highest percentage of unskilled workers of any industry and works in remote areas with high levels of unemployment. Furthermore, it is one of the highest employers of the youth in the country. It is therefore encouraging to note that in a recent survey of all JSE-listed companies, the highest levels of transformation have taken place within construction companies.

**APPROACH TO TRANSFORMATION**  
WBHO understands that it has a duty and a responsibility to contribute towards redressing historical inequalities within South Africa. An inclusive and representative economy in which all South Africans are able to participate is vital for the future sustainability and success of the country and by virtue thereof, the sustainability of WBHO. Consequently, WBHO is committed to achieving long-term, meaningful broad-based transformation within the business and the industry at large.

TRANSFORMATION OBJECTIVES

Ensure that WBHO achieves the highest possible **B-BBEE scorecard** rating

**Fast track the growth and development** of young black professionals within the organisation via intensive mentoring and skills transfer

**Ensure that transformation objectives** are channelled downstream through the industry by prioritising spend with B-BBEE compliant suppliers and sub-contractors

**Grow, develop and mentor small** emerging contractors and suppliers through structured enterprise development

Make a **positive and sustainable impact** on the quality of life of the communities in which WBHO operates

**Develop and empower** disadvantaged communities through skills transfer and training

A dedicated management committee, comprising the executive directors, managing directors of each business unit and the transformation director monitors and reports on transformation within the organisation.

Taking direction from the board, the transformation executive committee meets quarterly to review the group and divisional scorecards against predetermined targets which are aligned with the Amended Construction Sector Codes, employment equity plan and overall strategy. In addition, a review of the latest applicable legislation and approval of the budget for social investment is conducted annually.

Initiatives are developed to improve performance where necessary and implemented within the business units by the managing directors and the transformation department. Each business unit reports on its individual performance quarterly.

The transformation department works closely with all divisions and subsidiaries of the group to ensure that the required target

for each element of the scorecard is achieved. In addition, the department manages and administers the procurement spend, enterprise development programme and socio-economic programmes from a group perspective.

By managing transformation in this integrated way, the department ensures that individual elements are not pursued in isolation. For example, where there are overlaps between elements like training and enterprise development (training is seen as an essential tool to develop emerging companies), we harness the capabilities within our support structures to achieve the deliverables under both elements.

Similarly, when WBHO invests in mathematics and science at school level through the CSI programmes, and follow this up with tertiary education bursaries, we ensure a steady progression of students are available for recruitment into the construction industry.



MEASURING TRANSFORMATION PERFORMANCE



CONSTRUCTION SECTOR CODES

WBHO fully supports the Department of Trade and Industry in terms of the Broad-Based Black Economic Empowerment Act, No 53 of 2003 (B-BBEE Act) and the amended Codes of Good Practice on Black Economic Empowerment (B-BBEE Codes) of 2013, where this applies to suppliers or service providers. WBHO, via SAFCEC, are signatories to the Construction Sector Charter, and in December 2017, the industry adopted the Amended Construction Sector Codes.

WBHO has made significant efforts in improving its empowerment levels past four years, moving from a Level 4 in FY2016 to a Level 1 in FY2018. WBHO is pleased to report that it has maintained its Level 1 status in FY2019.

OWNERSHIP

Black ownership in the company has increased from 24,4% in 2008 to 62,6% in FY2019 and black women ownership from 3,5% to 21,6% over the corresponding period.

Contributing to this improvement is the implementation of a B-BBEE scheme, named Akani Broad Based Incentive Share Scheme, in 2006. Through the scheme the organisation allocate shares to its South African employees with more than five years' service and shares vest after five years. In total, approximately 2 500 employees have benefited from the vesting of shares while about 550 participants await the first-time vesting. Since inception, 918 311 shares have been issued to black employees, while 47 199 (FY2018: 462 204 shares) shares vested to beneficiaries in FY2019.

MANAGEMENT CONTROL AND EMPLOYMENT EQUITY

WBHO has implemented various initiatives to cultivate a more representative management structure within the business. These are aimed largely at developing the existing and next generation of leaders already within ranks and have contributed to a marked improvement in the management control pillar over the past 10 years.

WBHO has prepared and submitted a comprehensive five-year employment equity plan to the Department of Labour, ensuring that targets set are realistic and take into account the growth prospects of the industry. Employees who reflect a high potential for promotion are identified and career planning is conducted accordingly.

Individual business units are given set targets to be achieved for each year of the plan. In accordance with its policy, WBHO strives to grow senior management from within the existing pool of talent, but in exceptional circumstances may resort to external recruitment. The number of merit-based appointments of black employees into senior management roles in recent years has been extremely satisfying.

SKILLS DEVELOPMENT AND TRAINING

WBHO believes that thorough and ongoing training is the foundation of empowerment for its workforce and aims to foster an informed, knowledgeable and dedicated workforce from which leaders can emerge. The commitment to training at all levels over the past 10 years is the reason WBHO now has commendable numbers of black junior and middle managers in its ranks, and improved gender representation at all levels.

When performing training needs analyses each year, WBHO identifies and prioritises the training of black individuals in alignment with its scorecard objectives while still meeting the operational requirements of the business. Specific attention is given to providing appropriate and relevant training to ensure the systematic progression of the career paths of our black employees to prepare them for potential middle and senior management positions over time. In FY2019, R57,8 million (FY2018: R41,4 million) was invested on the training of black employees and R14,2 million spent on the training of black female employees in South Africa.

10-YEAR BLACK TRAINING SPEND



In addition, WBHO has a comprehensive in-house programme to aid newly qualified engineers and construction management professionals to register with the Engineering Council of South Africa and The South African Council for the Project and Construction Management Professions.

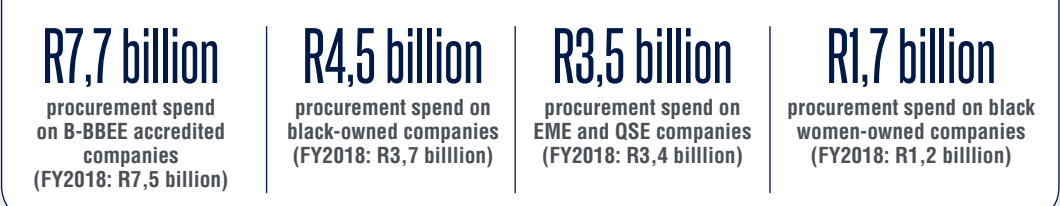
WBHO's Engineering School and management development programmes equip identified individuals with the necessary skills to perform at a management level. Over the past two years 34 black candidates have successfully completed the programme. In addition to these programmes, on-the-job coaching and mentoring take place with regular interaction with senior management. Through these conversations it was exceptionally gratifying to learn of their insistence on being recognised for our black employees' skill and contribution on merit alone.

For more on WBHO's overall training efforts, refer to page 27 of this report.

ENTERPRISE AND SUPPLIER DEVELOPMENT

Procurement spend is managed and monitored on an ongoing basis, ensuring that attention is given to directing spending towards black-owned businesses, black women-owned businesses and qualifying small and micro enterprises and other sufficiently empowered businesses early on in the bidding phase of projects. Under the new sector codes, procurement has been expanded to include designated groups which include rural suppliers and the youth. This allows the organisation to create opportunities for suppliers and contractors in the rural areas where WBHO works and focus on supporting youth in business.

PREFERENTIAL PROCUREMENT SPEND



Spend is reported on by the transformation department on a monthly basis and detailed reports are provided to individual business units highlighting expired and expiring scorecards as well as any non-compliant spend. All new and expired scorecards are checked and verified by members of the transformation department.

This year an amount of R4,5 billion (FY2018: R3,7 billion) was spent with black-owned business of which R1,7 billion (FY2018: R1,2 billion) was spent with black women-owned businesses.

WBHO has invested a substantial amount in enterprise development (ED) over the past 10 years, with almost R18 million spent on ED beneficiaries. After more than 40 years in business, WBHO has with a wealth of intellectual property that is shared with ED companies via the mentors assigned to them during the course of their development. Apart from the core competency of contracting, these include quality, safety, environmental, insurance, tendering, accounting, HR and preferential procurement systems. WBHO currently has 16 emerging contractors on the ED programme.

SOCIAL PERFORMANCE  
CONTINUED

VOLUNTARY REBUILD PROGRAMME (VRP)

In 2016, WBHO, along with seven other listed construction companies, signed an historic agreement known as the VRP with the government of South Africa that is aimed at implementing widespread, meaningful transformation within the industry. Under this agreement, WBHO elected to mentor three black emerging contractors with a commitment to grow their combined turnover to within 25% of the turnover of the group's South African operations over a period of seven years. The VRP partners are Edwin Construction (Pty) Limited, Motheo Construction Group and Trencon Construction (Pty) Limited. A structured framework has been established to ensure we deliver on the engagement, meet the expectations of our partners and minimise risk to WBHO.

Overall the VRP is progressing well and we are currently executing a number of projects in joint venture with our partners. Our partners have not been immune to the challenging operating environment and are feeling the pressure. Consequently, we needed to replace one partner this year.

Additionally, the seven participating listed entities are required to contribute R100 million annually until 2030 to a trust to support various transformation-related initiatives. The Tirisano Trust was established in the previous financial year, is independently administered by the Industrial Development Corporation, and seeks to support the development and transformation of the construction industry and the provision of social infrastructure for all South Africans. WBHO contributed R22 million to the Trust in the year. One of the first initiatives undertaken by the Trust focused on enterprise development. The objective is to support the growth, development and promotion of construction firms, owned and managed by black people, by providing working capital at concessional rates.

SED SELECTION CRITERIA

Projects must have the potential to be **sustainable** after measured interventions to avoid donor dependency.

Projects that will **provide ongoing employment**.

The principle of **"less is more"** – although the temptation exists to assist with as many needs as possible, the greatest success has been with few well-managed interventions rather than a multitude of projects and random donations.

To provide **relief, assistance and opportunity** to currently disadvantaged people, and for each intervention to benefit as many underprivileged people as possible.

**Infrastructure projects** – this could incorporate the repair and improvement of buildings such as schools/clinics/crèches or the provision of services.

**Environmental projects** – interventions can be incorporated into existing projects by community liaison and training and by developing awareness of issues.

**Education** – In order to provide sustainability, particular attention should be given to assistance in the area of maths and science in schools so that pupils can be identified for tertiary education assistance and employment with WBHO or within the engineering and construction industry.

**Clustering** – experience has shown that projects are more likely to gain momentum and ongoing success if they can gain interface with other projects.

SOCIO-ECONOMIC DEVELOPMENT (SED)

WBHO has always embraced the concept of social responsibility as a moral responsibility, and therefore implemented SED programmes well before the introduction of legislated spend. The company has an SED Policy to ensure that the programmes are implemented according to approved guidelines.

Programmes are designed to benefit both the community and the group in a sustainable, measurable, tangible and transparent manner, and are typically an extension of the interventions already in place in the areas of skills development and training, HIV/Aids awareness and employment equity. It is also recognised that investment in education is a platform for investing in the future of the group and the industry. Maths and science interventions at school level provide a pool of bursary candidates eligible for future employment within the group and engineering and construction industries.

As part of the Akani Broad Based Incentive Share Scheme, WBHO also established an educational trust which has actively supported the education of wage earners' children by providing full bursary funding, including accommodation and books. These children have gone on to further their education, obtaining degrees in construction, psychology, chemistry and commerce, among others. In this way, WBHO has enabled employees to help better the lives of their families.

Construction companies are well placed to provide assistance and upliftment to communities, in particular in the remote rural areas where the group operates. The group aims to provide assistance within its areas of expertise.

The table below includes SED spend on selected programmes over the last 10 years:

		10-year spend	Number of beneficiary organisations
Community care and assistance	WBHO's community care and assistance programmes aim to contribute towards the health, happiness and wellbeing of society, in terms of physical, emotional and spiritual wellbeing.  A significant portion of our funding and efforts goes into caring for communities – especially rural and impoverished communities.	R10,9 million	56
Healthcare	WBHO is committed to improving healthcare in South Africa. Our programmes target a range of diseases and healthcare categories and support awareness campaigns and rural health programmes as well as building healthcare facilities.	R9,2 million	11
Education	WBHO firmly believes education has the power to change lives and reduce poverty by equipping people with the means to create new opportunities and seek meaningful employment.  WBHO supports numerous education initiatives by investing in the development of much needed infrastructure and donating time and resources to educational institutions.	R16,4 million	67
Housing	WBHO has completed many SED housing projects over the years. One significant project is the support of iCare, a non-profit organisation devoted to finding sustainable solutions to the challenge of re-homing street children who cannot be reunited with their families. After extensive research, iCare determined that the success rate of rehabilitating these children is much higher within a family unit.	R0,5 million	1
Sport development	A lack of infrastructure means that talented youth in impoverished communities are not afforded the opportunity to advance their skills. In addition, the need and impact of sports in these impoverished communities also decreases the risk of criminal behaviour and drug and alcohol abuse. The implementation of sports programmes in these communities provides the youth with hope, purpose and a sense of wellbeing. It is with this aim that WBHO has contributed towards numerous sporting events and activities.	R3,5 million	14

# ENVIRONMENTAL PERFORMANCE



The construction industry is deemed a high-impact industry and WBHO acknowledges its moral and legal responsibility to safeguard the environment and the wellbeing of all those affected by the activities of the group. In support of our commitment to sustainability and sound environmental management, WBHO focuses on ensuring compliance with all applicable legislation and requirements associated with relevant licences, permits and authorisations.



WBHO's commitment	Link to strategic objectives
WBHO is committed to maintaining the highest standards of environmental protection throughout every phase of the construction process and seeks to do so by rigorously applying the best practice principles of environmental management.	<b>S05</b> Safety and environmental management

## MATERIAL ENVIRONMENTAL MATTERS

The group strives to reduce its impact on external environmental factors such as energy and climate change, water shortages and environmental compliance through responsible construction management:





ENVIRONMENTAL PERFORMANCE

CONTINUED

MANAGING ENVIRONMENTAL RISKS

Environmental risks and opportunities are considered and reported upon at site, division and executive management levels. Risk registers are compiled when assessing matters of compliance and planning. The ultimate responsibility for WBHO's environmental policy and management rests with the board assisted by the Social and ethics committee.

Environmental impacts are measured, monitored and reported upon using an Environmental Management System (EMS). The EMS ensures sustainability through a systematic approach in managing environmental responsibilities. It is aligned with WBHO's environmental policy and aims to achieve the following:



The group strives to achieve zero environmental incidents throughout all operations. WBHO monitors, reports, investigates and remedies any incidents and applies lessons learnt through root cause analysis to prevent similar events occurring in the future.

The group applies international best practice when implementing environmental policies and procedures through the EMS and obtains external assurance on both the legal compliance and effectiveness of the system. Internal assurance of compliance to the system by the operations of the group is obtained from audits conducted by the environmental department. ISO 14001:2015 is implemented within the African and UK operations, while the Australian operations comply with AS/NZS ISO 14004.

During the annual review process, no amendments were made to the Environmental Policy.

WBHO has implemented a wide range of key performance indicators (KPIs) to monitor progress, raise awareness and develop initiatives related to environmental matters. KPIs extend to, amongst others, non-compliance reports, complaints, audit scores, energy and water consumption and waste generation.

Another important aspect of environmental management is engaging with stakeholders whose environment may be impacted by our projects. The group engages with local communities, government, non-governmental organisations, clients, consultants and subcontractors in this regard.

One of the highest environmental risks for the group is that of non-compliance with legislation by subcontractors, suppliers and service providers that often have less sophisticated policies and procedures. Consequently, WBHO monitors his businesses to ensure their adherence to all relevant legislation. High-risk service providers such as waste removal contractors are in some instances subjected to periodic audits to ensure compliance to environmental requirements.

Employees receive ongoing environmental awareness and management training. This training is also extended to subcontractors and service providers.

PROMOTING WATER STEWARDSHIP

Key initiatives underway to improve water management

- Creating awareness of water conservation on sites as part of the environmental management system
- Ensuring that water is only sourced from legal and sustainable sources
- Ensuring that water consumption is accurately measured
- Use of water only within the specified requirements on sites

The importance of responsible water management in protecting this dwindling resource has been highlighted by various water crises experienced in southern Africa and across the globe in recent times.

The construction industry uses large quantities of water as a critical resource for operations and WBHO places great emphasis on the effective management and use of water in all production processes. Water availability at construction sites varies from area to area and fluctuates depending on rainfall. By investigating alternative water sources such as quarries and waste water treatment plants, we are able to mitigate water shortages, save costs and reduce the usage of potable water.

In South Africa, water consumption decreased by 32% from 34,5 giga litres in FY2018 to 23,5 giga litres in FY2019. Water usage will vary from year to year and will be impacted by the size, nature and location of construction projects.

WASTE MANAGEMENT

Key initiatives underway to improve waste management

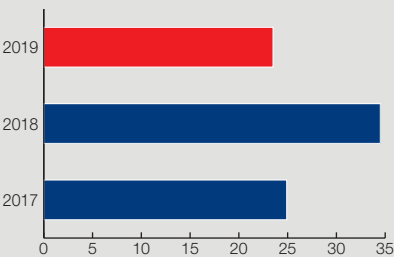
- Develop and implement a Waste Management Policy
- Implement various waste reduction initiatives, especially with the focus on plastic waste

WBHO recognises its duty towards the management of waste in an integrated, sustainable, equitable and responsible manner in order to maintain a safe and healthy environment for present and future generations and as such is committed to:

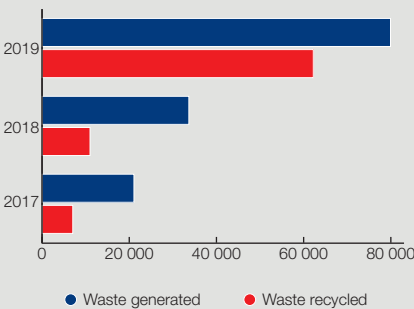
- Reducing waste generation through strategic planning, accurate and sustainable procurement processes and efficient material use
- Reusing materials back in project operations where possible, in line with the relevant standards and specifications
- Recycling as many waste streams as practically viable, ensuring segregation at source

In FY2019, the South African operations generated 79 923 tonnes (FY2018: 33 667 tonnes) of waste of which 62 215 tonnes or 78% were recycled (FY2018: 11 003 tonnes or 33%).

Water usage (giga litres)



Waste generated and recycled (tonnes)



32% WATER USAGE DECREASED IN FY2019

MEASURING ENVIRONMENTAL PERFORMANCE

ISO 14001

certification maintained

95

environmental audits conducted in South Africa (FY2018: 89), covering 95% of sites

116 employees

received environmental training (FY2018: 97)

No penalties or fines

for non-compliance with environmental laws across the group

ENVIRONMENTAL PERFORMANCE

CONTINUED

ATMOSPHERIC EMISSIONS

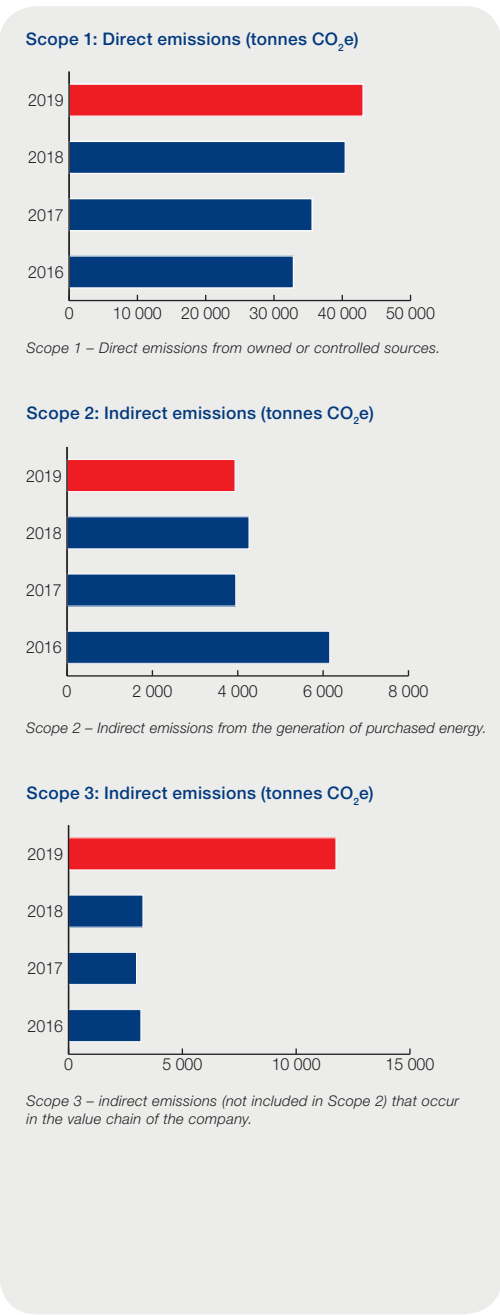
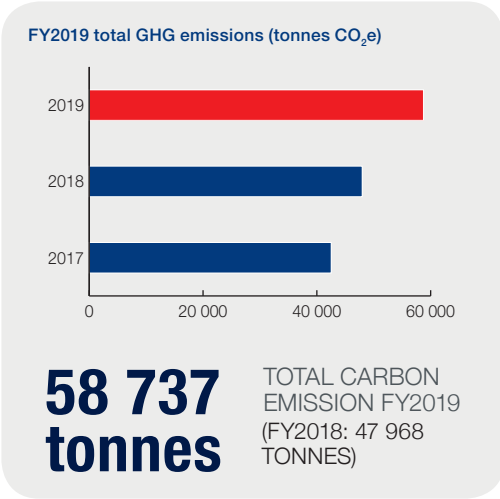
The Carbon Disclosure Project (CDP) provides a framework to enable WBHO to measure and disclose its carbon footprint and greenhouse gas (GHG) emissions. WBHO has participated voluntarily in the CDP since 2009.

WBHO's overall carbon footprint has increased by 22% from 47 968 tonnes CO<sub>2</sub>e in FY2018 to 58 737 tonnes CO<sub>2</sub>e in FY2019. Carbon emissions will fluctuate from year to year due to the varying nature, size and complexity of projects undertaken during a year.

An important focus area in the year was to understand the potential impact of the newly promulgated Carbon Tax. Although the current focus of the tax is mainly on heavy emitters with mining, electricity generation, fuel production and process industries (such as cement production) are likely to be most affected. However, we anticipate the downstream effect of the tax will result in price increases for the industry. Organisations within the construction industry are also required to report on their emissions which emphasises the importance of measuring and recording data accurately to prevent unnecessary taxation on estimated amounts.

GREEN BUILDINGS

WBHO is actively involved in the construction of environmentally friendly buildings rated by both Green Star SA and Leadership in Energy and Environmental Design (LEED). The group prides itself in being part of both the Green Building and LEED movements which address sustainability issues related to excess energy and water consumption; the pollution of air, water and land; the depletion of natural resources; and the disposal of waste. To date, WBHO has been, or is involved in, 53 Green Building projects and two LEED projects. WBHO is an active member of the Green Building Council of South Africa (GBCSA).



ENVIRONMENTAL COMPLIANCE

WBHO is committed to complying with all applicable laws and environmental legislation. Compliance with environmental legislation is of the utmost importance and forms an integral part of the EMS. Ongoing compliance is managed by dedicated environmental personnel and every three years WBHO appoints an independent environmental legal specialist to conduct a full legal compliance audit to assist in identifying areas where improvement may be required.

In South Africa, 95 environmental compliance audits were conducted across 95% of sites in the year. This compares favourably with the 89 audits conducted in FY2018, covering 90% of sites. No reportable incidents were identified, however, 18 non-compliance findings (FY2018: 17) were raised during the various audits. WBHO is currently preparing for the ISO 14001 recertification audit.

In Australia 150 environmental audits were conducted covering all sites and no non-compliance findings were raised (FY2018: 48).

In the United Kingdom, 174 audits were conducted covering all sites. In total 25 non-compliance findings were raised.

Both the Byrne Group and Russells Limited acknowledge that all construction activities incorporate inherent environmental and wider sustainability impacts. Accordingly, both companies are committed to protecting the natural environment and conducting business activities in a sustainable manner. The business actively works with clients to promote sustainable alternative materials, equipment and methods; and cascades environmental and wider sustainability values through the supply chain encouraging a progressive dialogue.

To mitigate stormwater pollution, Russells has begun installing drain guards in and around their sites to capture sediments from any unexpected run-off.

TRAINING

Environmental training continues to be implemented across the group. In the past year, 59 employees (FY2018: 97) attended various training interventions. Key focus areas included:

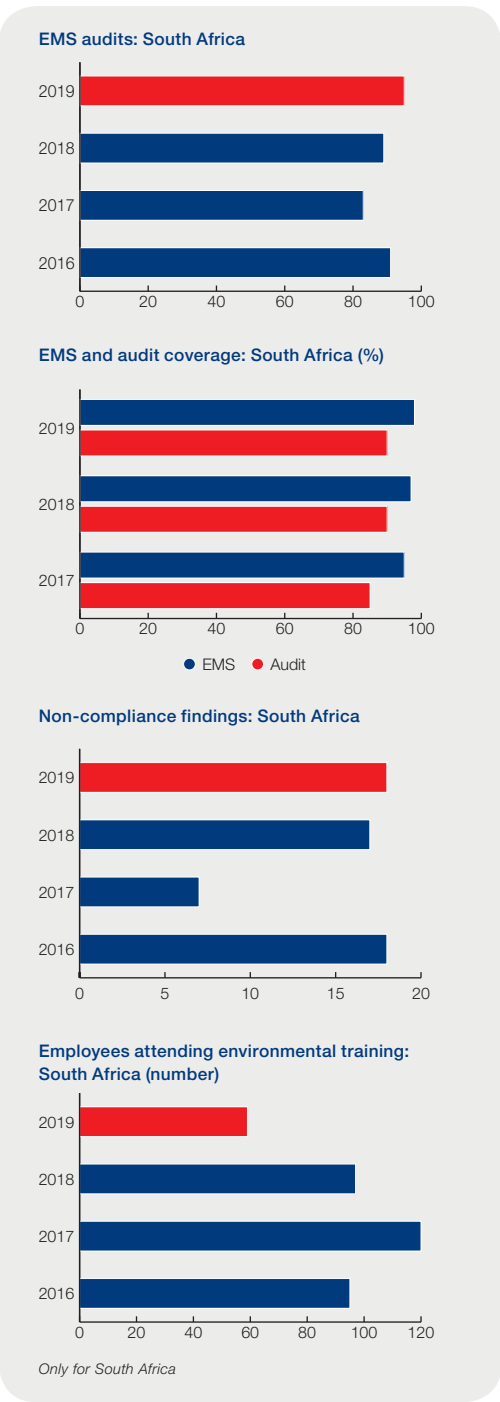
- Environmental management
- Handling of hazardous chemical substances
- Carbon tax
- Green Star SA accreditation
- Environmental legal compliance

**Key initiatives underway to strengthen environmental compliance at service providers**

- Improve and increase the scope of service provider audits
- Strengthen compliance recording and reporting requirements

SUBCONTRACTORS

The group employs a large number of subcontractors across all its operations. Consequently, WBHO has a legal obligation to ensure that subcontractors, suppliers and other service providers adhere, not only to our minimum requirements, but also to relevant legislation.

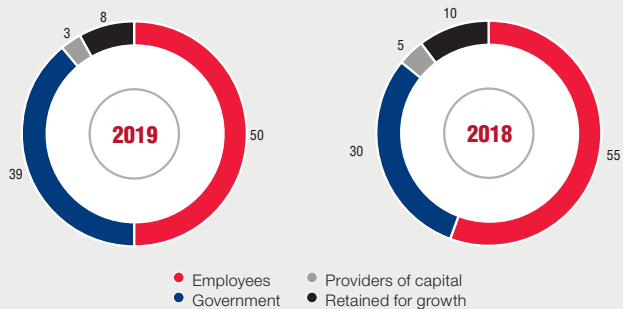


ECONOMIC IMPACT



WBHO is part of a greater socio-economic ecosystem and recognises its dependence on robust relationships with all other stakeholders. The value-added statement indicates the wealth WBHO creates through its activities for the main stakeholder groups being shareholders, employees, debt providers, suppliers and government.

Wealth distribution (%)



VALUE-ADDED STATEMENT

Rm	2019	2018
<div>CLIENTS</div> <div>Revenue*</div>	45 888	39 218
<div>SUPPLIERS</div> <div>Cost of materials and services*</div>	(38 457)	(32 243)
	7 431	6 975
<div>EMPLOYEES</div> <div>Payroll costs</div> <div>Share-based payment expense</div>	3 669 48	3 380 64
<div>INVESTORS</div> <div>Dividends paid to shareholders</div>	184	275
<div>FINANCIAL INSTITUTIONS</div> <div>Interest and finance charges</div> <div>Lease payments</div>	15 8	8 7
<div>GOVERNMENT</div> <div>Taxes and duties</div>	2 920	2 456
<div>COMMUNITIES</div> <div>Corporate social investment</div>	5	6
	6 849	6 196
<div>WBHO</div> <div>Attributable earnings (less dividends paid)</div> <div>Depreciation</div>	299 283	539 240
	582	779

WEALTH  
CREATED

WEALTH  
DISTRIBUTED

WEALTH  
RETAINED

\* Including value-added tax and sales tax where applicable.

For more on WBHO's financial performance and commentary, refer the IR and AFS.



# GOVERNANCE

57 Corporate governance report

## CORPORATE GOVERNANCE REPORT



**Corporate governance is more than a set of frameworks, principles, policies and rules. At WBHO, it means abiding by principles and structures that facilitate and foster good relationships between the board, shareholders, stakeholders and employees. Good corporate governance is the vehicle to business integrity, successful business relationships and value for stakeholders. The board holds to the principles embodied in the King IV™ Code of Corporate Governance.**

### ETHICAL CORPORATE CITIZENSHIP

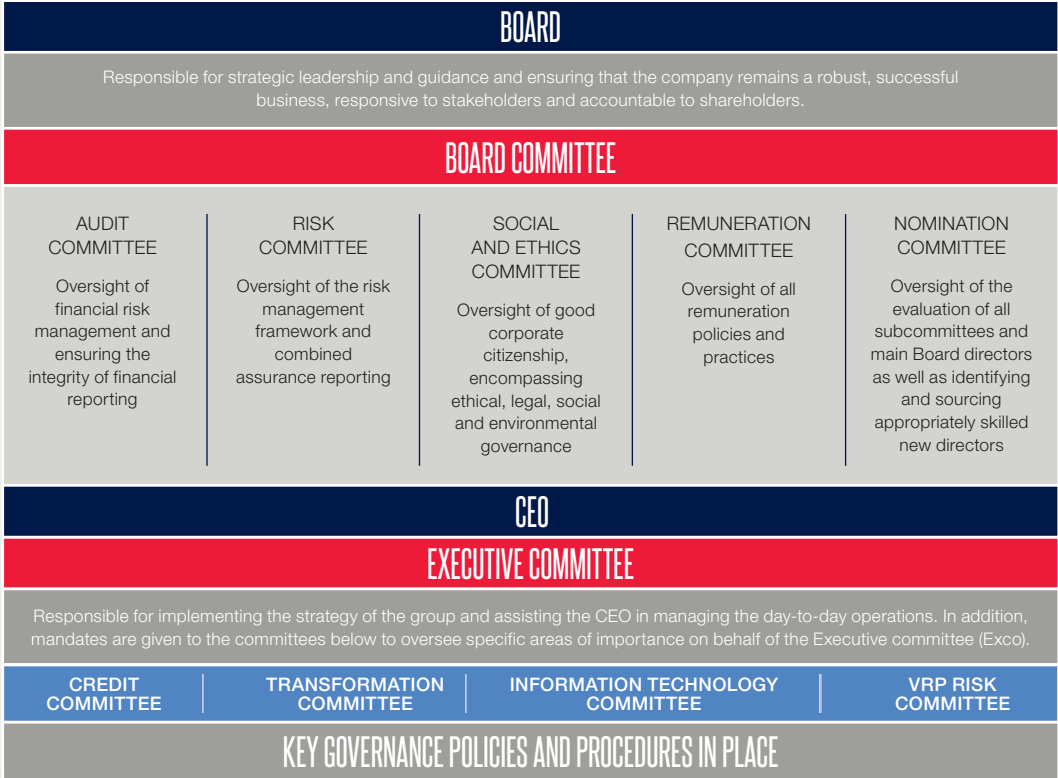
Ethical business practices are set out in the WBHO's board-approved Code of Conduct. The Code actively promotes the set of core values covering reputation, quality, cost awareness, teamwork and culture, and serves as a guide to employees of the "The WBHO Way" of conducting business. The Code also discusses employees' responsibility toward ensuring a safety culture, protection of the environment as well as ethical conduct, how to avoid possible conflicts of interest within specific areas of competence, Competition Act legislation and the duty of confidentiality.

The Code affirms the values of responsibility, honesty, fairness and respect and dictates that all actions must be trustworthy and ethical. The Code also obliges all directors, officers and employees to interact with one another and with stakeholders with integrity.

In the year, there were no issues of non-compliance, fines or prosecutions levied against WBHO or its management for non-ethical behaviour.

GOVERNANCE FRAMEWORK

WBHO's governance framework, as set out below, enables the board to maintain effective control while delegating authority through its board committees and executive committee. All of the African operations of the group are directly subject to the operational and governance structures, protocols and procedures set out in the governance framework. While the governance structures and protocols of the Australian and the United Kingdom businesses are independently managed within each country in line with local governance practices, they are broadly aligned with those of the group. Executive directors and prescribed officers are members of the Australian and United Kingdom boards and committees, or alternatively attend board and committee meetings by invitation.



ETHICAL LEADERSHIP AND GOOD CORPORATE CITIZENSHIP

- Memorandum of Incorporation
  - Board Charter
  - Code of Conduct
  - Division of responsibility
  - Appointment of Main Board Directors policy
  - Declaration of interest
  - Anti-bribery and Compliance policy, guidelines and procedures
  - Competition Compliance policy and programme
  - Whistle blowing policy
  - Tax policy
  - Gender and Racial Diversity policy
  - Communication and Price Sensitive Information policy
- Gifts policy
  - Annual independence review of non-executive directors in line with Independence of Non-executive Directors' policy
  - Climate Change and Environmental policies
  - Occupational Health and Safety policy
  - Quality policy
  - Corporate Social Spend policy
  - Monitoring alignment to the UNGC and OECD principles

STRATEGY, PERFORMANCE AND REPORTING

- Regular board meetings including a specific annual strategy meeting
- Quarterly review by the board of the progress against strategic objectives
- Alignment of management incentive schemes to strategic objectives
- Review and approval of key documents for external communication
- Annual site visits by the board to assess the operational environment

GOVERNANCE STRUCTURES AND DELEGATION

- Delegation of authority policy and framework
- Corporate governance framework
- Board committee terms of reference and annual work plan
- Combined assurance and risk management framework
- Remuneration policy
- IT policies
- Directors' induction processes and ongoing exposure to the business

BOARD OF DIRECTORS

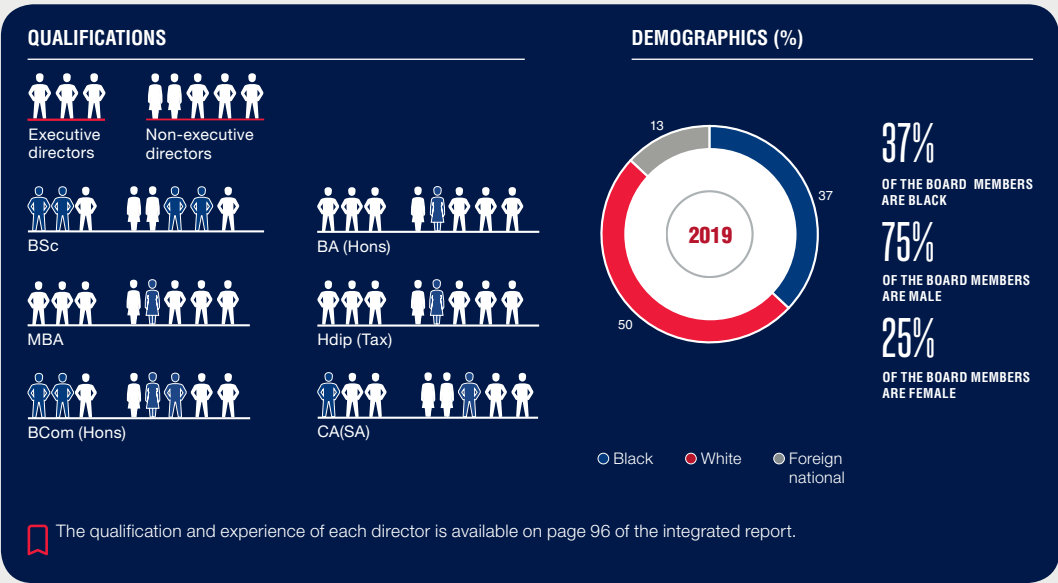
The board is constituted in terms of WBHO's memorandum of incorporation (MOI) and in line with King IV™. The majority of board members are independent and non-executive directors. Emphasis is placed on ensuring that the board composition reflects diversity in the broadest sense. Diversity encourages robust debates to ensure that appropriate guidance is provided to management in delivering on WBHO's strategic objectives. The board is committed to ensuring diversity, including that of backgrounds, experience, skills, geography, race, age, gender and ensuring that this diversity is also reflected in its composition. The board has adopted a race and gender diversity policy and has set a target of 30% female and 30% black director representation on the board.

BOARD CHARTER

The board assumes collective responsibility for strategy, policy, oversight and accountability, assuming a stakeholder-inclusive approach in the execution of its governance roles and responsibilities. WBHO has a unitary board structure, comprising of a majority of non-executive directors, independent of management.

The Board Charter encapsulates the board's overall business philosophy, formalised duties and responsibilities, highlights the characteristics of the board and individual board members, sets out the policies, procedures and steps to be followed by the board pertaining to the discharge of its duties and the conduct of its activities to ensure overall good corporate governance. The Board Charter was reviewed and adopted during the year.

BOARD COMPOSITION



Statement

The board confirms that it has fulfilled its responsibilities in accordance with the Board Charter during the year and is satisfied that the composition of the board reflects the appropriate balance of knowledge, skills, experience, competencies in industries and fields relevant to the group's business operations, diversity and independence to execute its roles and responsibilities effectively.

LEADERSHIP ROLES AND FUNCTIONS

The role of the Chairman is distinct and separate from that of the Chief Executive Officer. This ensures appropriate balances of power and authority exist on the board. The board is led by an Executive Chairman and therefore, in compliance with paragraph 3.84(c) of the JSE Listings Requirements and as recommended by King IV™, a lead independent director has been appointed.

BOARD APPOINTMENT AND RE-ELECTION  
OF DIRECTORS

The board, supported by the Nominations committee, is responsible for the nomination, selection and appointment of directors to the board in line with the principles and procedures set out in the Appointments of Main Board Directors policy.

Apart from a candidate's skills, experience, availability and likely fit, the board considers the candidate's demonstrated integrity, proven leadership as well as other directorships and commitments to ensure that they will have sufficient time to properly discharge their duties.

The rotation of non-executive directors is governed in terms of the company's MOI. The MOI requires one third of non-executive directors to retire from office at each annual general meeting (AGM), the longest serving retiring first. Non-executive directors serving less than nine years shall serve no longer than three consecutive years after their last reappointment or approval of appointment at an AGM. All non-executive directors serving more than nine years shall retire annually and, if eligible and meeting the independence assessment criteria, be recommended for re-election. Any re-election of a director shall be informed by the annual performance assessment conducted by the board and Chairman as well as consideration of the results of any independence assessment carried out.

Performance, diversity requirements, board continuity and independence are considered when recommending directors for appointment or re-election. The appropriate diversity balance includes but is not limited to skills, industry experience, race and gender.

At the 2019 AGM, Savannah Maziya, Karen Foray and Cobus Bester will retire and, being eligible, will be available for re-election.

The retirement age for non-executive directors is 70 years and 60 years for executive directors. In respect of executive directors, their conditions of employment may be extended dependent on the continued value offered by the executive director in question.

DIRECTOR INDEPENDENCE AND CONFLICTS

The Company Secretary oversees the assessment process for directors' independence and is determined against the criteria and recommendations set out in King IV™ as well as the Companies Act of South Africa and the Board Charter. In addition, individual director's performance and independence is assessed annually.

During the period under review, the board assessed the independence of Ms Savannah Maziya, who has served more than nine years on the board. In assessing her independence, the board considered her performance and factors that may impair independence, including directors' interests, and demonstrated behaviour. The board is satisfied that Ms Maziya adequately demonstrated the required levels of independence to execute her duties appropriately.

In terms of the Companies Act of South Africa, directors are required to disclose their outside business interests. Directors do not participate in, and recuse themselves from the meeting when the board considers any matters in which they may be conflicted. Conflicts are noted on a case-by-case basis when they arise, as required by the Companies Act of South Africa. The Company Secretary maintains a register of directors' interests and it is available upon request.

The group complies with the provisions of the Companies Act of South Africa in this regard. The board is aware of other commitments of its directors and is satisfied that all directors allocate sufficient time to enable them to discharge their responsibilities effectively.

The board is encouraged to seek independent legal advice, at WBHO's cost, during the execution of their fiduciary duties and responsibilities, if so needed. During the financial year, no legal advice was sought by the board.

The board has direct access to WBHO's external auditors, internal auditors, the Company Secretary, and all members of the executive management team.

Directors as well as certain other managers are prohibited from dealing in shares in periods immediately prior to the announcement of WBHO's interim and year-end financial results and at any other time deemed necessary by the board or as required in terms of the JSE regulations.

Directors need to obtain written clearance from the Chairman prior to trading in the shares. The Chairman consults with the executive directors before granting the clearance to ensure that there is no material price-sensitive information that has not been disclosed to the market. Clearance is provided on receipt of a written request from the director or manager and once the necessary signatures of the designated directors have been obtained.

BOARD REFRESHMENT

Board refreshment is vital for its effective functioning. Taking into account WBHO's strategy and future needs, as non-executive directors retire, candidates with requisite attributes, skills and experience are identified to ensure that the board's competence and balance is maintained and enhanced.

Rotation of board members are staggered to ensure the introduction of members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity.

The average tenure of non-executive directors is 4,6 years, with three members, or 60% of non-executive directors, serving for less than two years.

There were no changes to the composition of the board in the year.

DIRECTORS' TRAINING

New developments in the rapidly changing operating, political and economic conditions require all directors to stay abreast of current affairs. Relevant material changes in business, laws and codes are circulated to directors, bolstered by online reference material. Further, in response to comments from the FY2019 board evaluation, in-house and specialist training will be made available to directors to supplement knowledge and improve the effectiveness of the board.

COMMITMENT

Commitment of board members to the duties of a director is monitored. In the year, a 94% attendance rate was achieved across all board and committee meetings. The table below summarises attendance to the board meetings. Composition and attendance at meetings.

The committee members comprised of independent non-executive directors. All members have the requisite business, financial and leadership skills for the position.

Directors	Board attendance
<b>Independent non-executive directors</b>	
Ross Gardiner	6/6
Cobus Bester	6/6
Karen Forbay	6/6
Savannah Maziya	5/6*
Hatla Ntene	6/6
<b>Executive directors</b>	
Mike Wylie (Chairman)	5/6*
Louw tjie Nel (CEO)	5/6*
Charles Henwood (CFO)	6/6

\* Apologies tendered.

BOARD EVALUATION

The board, annually, conducts an assessment of its own performance and of the appropriateness and effectiveness of its procedures and processes.

During the year, an independent evaluation of the performance of the board as well as the two statutory committees, namely the Audit and Risk as well as the Social and ethics committees, was conducted.

Findings and recommendations were communicated to the board and Chairman of the committees. Although there were no significant matters of concern noted, the board took cognisance of areas in which improvements could be made, most notably, the need to improve governance oversight in foreign operations.

The board is satisfied that the evaluation process would improve its performance and effectiveness.

SUCCESSION PLANNING

Succession for senior positions in the organisation involves identifying suitable candidates internally, wherever possible, and providing them with support, shadowing opportunities and mentorship. Identified candidates also receive further professional development via enrolment with reputable global business schools. The succession plan has been implemented for both the Chairman and CEO.




BOARD EFFECTIVENESS

Through the board, WBHO endorses, and is committed to, the recommendations of the King IV™, the dictates of the Companies Act of South Africa and the JSE Listings Requirements. WBHO recognises that being a ‘good corporate citizen’ requires the organisation to deliberate and act with fairness, responsibility, transparency and accountability.

	Desired outcomes	Activities in the year	Specific planned focus areas for FY2020
Leadership, ethics and corporate citizenship	<ul style="list-style-type: none"><li>• An ethical and effective leadership, resulting in the achievement of strategic objectives and positive outcomes</li><li>• Establish and monitor an ethical culture</li><li>• Maintain WBHO’s responsible corporate citizenship status</li></ul>	<ul style="list-style-type: none"><li>• Conducted a review of relevant Board Charter, committee terms of references and policies including division of responsibility, independence of non-executive directors</li><li>• Approved and implemented a supplier code of conduct policy</li><li>• Enhanced the existing provisions for declaring conflicts of interest, with particular focus on the tender process</li><li>• Displayed independent and effective judgement on material matters</li></ul>	<ul style="list-style-type: none"><li>• Review of the Code of Conduct and Delegation of Authority Framework</li></ul>
Strategy, performance and reporting	<ul style="list-style-type: none"><li>• Realisation of the WBHO’s core purpose and values through its strategy</li><li>• A well-considered strategy, taking into account the operating environment, risks and opportunities, with the intent to deliver sustained long-term value</li><li>• Appropriate alignment and monitoring of key performance measures and targets for assessing the achievement of the strategic objectives</li><li>• Reliable external reports that enable stakeholders to make an informed assessment of the company’s performance</li></ul>	<ul style="list-style-type: none"><li>• Offsite workshop to debate, refine, and approve the strategy</li><li>• Monitored the performance and implementation of the approved strategy</li><li>• Reviewed and interrogated the strategic direction and objectives in relation to risks, opportunities, resources and relationships at the annual board strategy session</li><li>• Approved key performance metrics and targets for FY2019</li><li>• Reviewed detailed divisional business reports at half year and year end to highlight any emerging issues and risks</li><li>• Approved the FY2019 budgets of the divisions</li><li>• Monitored the integration of the UK acquisitions (Byrne Group, Russell Construction and Russells Homes)</li><li>• Approved the 2019 integrated report, annual financial statements, financial results and results announcements</li><li>• Conducted performance evaluation of the Chief Executive Officer</li><li>• Reviewed solvency, liquidity and going-concern status, and agreed dividend payments</li></ul>	<ul style="list-style-type: none"><li>• Monitor construction delivery on the Western Roads Upgrade (WRU) project in Australia, as well as any further variations and potential claims against professional designers</li></ul>
Risk, oversight and compliance	<ul style="list-style-type: none"><li>• Strengthened diversity in thought, experience and independence of the board and its committees</li><li>• Continued improvement in the performance and effectiveness of the board</li><li>• Achieved gender and racial diversity targets at board level</li><li>• Substantial compliance with the spirit and principles of King IV™</li></ul>	<ul style="list-style-type: none"><li>• No new independent non-executive directors appointed in the year</li><li>• Approved a formal CEO and Chairman succession plan</li><li>• Considered the independent board evaluation report and implemented action plans</li><li>• Monitored progress made in terms of the gender diversity policy</li><li>• Considered the recommendations of King IV™</li></ul>	<ul style="list-style-type: none"><li>• Develop a privacy policy in accordance with Protection of Personal Information Act</li><li>• Consider the compliance or legislative risk matrix for each country where WBHO has a physical office</li></ul>
Remuneration	<ul style="list-style-type: none"><li>• Fair, responsible and transparent remuneration practices</li><li>• Alignment between executive director and stakeholder interests</li></ul>	<ul style="list-style-type: none"><li>• Reviewed WBHO’s remuneration policy and implementation plan in line with WBHO’s strategy</li><li>• Paid specific attention to the performance measures of the short- and long-term incentive scheme</li><li>• Determined the overall value of the short-term incentive pool with the necessary accrual raised by financial year end</li></ul>	<ul style="list-style-type: none"><li>• Ongoing review of remuneration structures to industry norms as well as performance</li></ul>

	Desired outcomes	Activities in the year	Specific planned focus areas for FY2020
Stakeholder relations	<ul style="list-style-type: none"><li>• Stakeholder-inclusive approach in the execution of governance roles and responsibilities</li><li>• Reasonable needs, interests and expectations of stakeholders, balanced in the best interests of the company over time</li></ul>	<ul style="list-style-type: none"><li>• Identified material stakeholders and oversaw formulation of stakeholder engagement strategies</li><li>• Oversaw facilitation by management of regular and pertinent communication with shareholders</li></ul>	<ul style="list-style-type: none"><li>• Ongoing monitoring of stakeholder engagement plans</li></ul>
Corporate governance	<ul style="list-style-type: none"><li>• Appropriate governance structures and processes to ensure effective control of the company</li></ul>	<ul style="list-style-type: none"><li>• Approved the appointment of the new independent non-executive directors.</li><li>• Considered the independent assessment of long tenure directors</li><li>• Achieved voluntary diversity targets at Board level and continued improvements in the performance and effectiveness of the board</li></ul>	<ul style="list-style-type: none"><li>• Review of the corporate governance framework and Delegation of Authority policy by the board</li><li>• Review and monitoring of remedial action as part of the IT Governance Framework</li></ul>

 The King IV™ application register is available online at [www.wbho.co.za](http://www.wbho.co.za)

BOARD COMMITTEES

The board has established five standing committees through which it executes some of its duties.

Statement

Each committee has adopted an appropriate formal terms of reference and each committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the year. All committee members were suitably qualified and had the necessary expertise required to discharge their responsibilities.

The governance functional areas contemplated in King IV™ are embedded in the underlying elements of the group’s integrated reporting and thinking process. Oversight and report back of these functional areas are maintained by the board and its committees as follows:

Functional area	Committee oversight	Report back
• Risk	• Risk	• Material issues, Risk committee report
• Technology and information	• Audit and Risk	• Information technology
• Compliance	• Audit, Risk, Social and ethics	• Integrated compliance, Risk committee report
• Assurance	• Audit	• Assurance, Audit committee report, ESG report
• Stakeholder communication	• Social and ethics	• Stakeholder communications, stakeholder engagement
• Remuneration	• Remuneration	• Remuneration committee report, Remuneration report
• Corporate citizenship	• Social and ethics	• ESG report

AUDIT COMMITTEE

The role of the Audit committee, in addition to its statutory duties prescribed by the Companies Act of South Africa, as amended, is to provide independent oversight of the effectiveness of WBHO's financial, operating, compliance and risk management controls. In addition, the committee assesses the effectiveness of the internal auditors and the independence and effectiveness of the external auditors. This assists the board in monitoring the integrity of the group's annual financial statements and related external reports. The full Audit committee's report is included on page 101 of the integrated report.

During the year under review, all members of the Audit committee were independent non-executive directors

Composition	Appointed	Meeting attendance
Cobus Bester (Chair)	1 November 2017	4/4
Karen Forbay	1 November 2017	4/4
Ross Gardiner	28 April 2014	4/4
Savannah Maziya	29 August 2017	4/4

Other regular attendees at the meeting include:

- Chief Executive Officer
- Chief Financial Officer
- Finance
- Information technology
- Internal auditors
- External auditors

Beyond its normal duties, as briefly described above and set out in its terms of reference, the Audit committee specifically focused on the following matters in FY2019:

ACCOUNTING AND IFRS TECHNICAL MATTERS IN RESPECT OF THE FINANCIAL STATEMENTS

Various matters were considered in this regard, including the implementation of IFRS 15: *Revenue from Contracts with Customers*, IFRS 9: *Financial Instruments* as well as the accounting for onerous contracts, specifically the WRU project in Australia.

Significant focus was given to these matters by the committee to ensure appropriate disclosure. These matters are more fully described in the related notes in the annual financial statements.

IT GOVERNANCE

IT governance is an important focus of the committee. In this regard the committee considered information security, the IT control landscape, enterprise architecture and the quality of operations and IT support to the business. The committee also obtained an external, independent assessment of the IT maturity level within the organisation against key principles included within the COBIT framework. Implementing the recommendations from the assessment will require further focus in FY2020.

CORPORATE GOVERNANCE REVIEW

The committee considered a report on WBHO's compliance to King IV™. The committee noted the progress in addressing the majority of gaps identified in previous periods.

While the Audit committee will continue to operate within its mandate and ensure that meetings address all regular matters reserved for its consideration, the following focus areas will be top of its agenda in FY2020:

- A strong focus on financial performance, cash management and in particular working capital management more generally, as part of a greater treasury enhancement strategy
- Further improvement to the internal control environment and the culture in this regard by the businesses
- Review of IT governance

RISK COMMITTEE

The Risk committee oversees the governance of risks faced by the group on behalf of the board. Its primary objectives during the year, which are outlined in the risk management charter, included:

- Establishing and maintaining an understanding of the risk universe that needs to be addressed if the group is to achieve its objectives
- Ensuring that a thorough business risk assessment is undertaken and that a risk profile is compiled by management
- Monitoring the risk management of the group
- Satisfying corporate governance reporting requirements.

During the year under review, all members of the Risk committee were independent non-executive directors.

Composition	Appointed	Meeting attendance
Ross Gardiner (Chair)	28 April 2014	2/2
Cobus Bester	1 November 2017	2/2
Karen Forbay	1 November 2017	2/2
Savannah Maziya	29 August 2017	2/2

Other regular attendees at the meeting include:

- Chief Executive Officer
- Chief Financial Officer
- Finance
- Risk

For more on the key risk processes, top risks and mitigation plans, refer to the separately published 2019 integrated report.

In FY2019, the Risk committee specifically focused on:

- Operational and strategic risk reports from the various businesses, including South Africa, the rest of Africa and Australia
- The combined assurance oversight role was relocated from the Audit committee to the Risk committee. The Risk committee considered the combined assurance framework and plans. Overall, the committee was satisfied with the combined assurance framework and work conducted

- Reviewed the King IV™ Risk Gap analysis conducted by Deloitte. The committee requested management to refine its approach to risk management and identify and apply what is relevant to the group.

Going forward, the committee will pay special attention to the operational risk reports from the recently acquired UK businesses to ensure that the risks are adequately managed and reporting aligned to group requirements. The committee will also further focus on the risks associated with the Voluntary Rebuild Programme (VRP).

SOCIAL AND ETHICS COMMITTEE

The Social and ethics committee has been constituted in terms of section 72(4) of the Companies Act of South Africa and its accompanying regulations, to implement the mandate prescribed by regulation 43(5).

The committee fulfils an oversight role from a compliance perspective and its primary functions, which are outlined in the Social and ethics committee charter, include:

- Ensuring that WBHO conforms to all appropriate legislation and standards of best practice
- Ensuring that the UNGC principles, in terms of labour and human rights, are upheld
- Obtaining confirmation of adherence to environmental and health and safety laws
- Advancing the empowerment and transformation objectives of WBHO, which includes preferential procurement, corporate social investment and emerging contractor development.

The Committee's membership comprises of three independent non-executive directors, company secretary and two members from management.

Composition	Appointed	Meeting attendance
Hatla Nene (Chair)	1 November 2017	3/3
Karen Forbay	1 November 2017	3/3
Ross Gardiner	1 November 2017	3/3
Samuel Gumede	24 January 2018	3/3
Andrew Logan	13 September 2013	3/3
Shereen Vally-Kara	19 March 2019	3/3

Other regular attendees at the meeting include representatives from the following departments:

- Environment
- Health and Safety
- Human Resources
- Quality
- Transformation
- Governance

In FY2019, the Social and ethics committee specifically focused on:

- Regulatory risk matrix for South Africa and the draft matrix for Australia. The committee concluded that a regulatory risk matrix will only be prepared for those countries where WBHO has a permanent office, namely Australia, Botswana, Ghana, Mozambique, South Africa, the United Kingdom and Zambia. The regulatory risk matrix for each of the remaining countries will be considered in FY2020
- Training conducted in FY2019 and training plans for FY2020 as part of WBHO's anti-bribery and corruption prevention and detection programme
- WBHO experienced three work-related fatalities across the group in the year. The committee considered reports from management to understand the causes thereof and mitigation plans developed to prevent similar incidents from occurring again
- Management of industrial action, most notably the social unrest experienced at the Saldanha project and the Klipspruit mine as well as taxi intimidation at the Marbleray project
- Progress on CCMA and Labour Court matters and considered how these could impact future employee relations practices
- Committee performance evaluation, conducted by an independent evaluator, did not raise any major concerns. The only matter that was highlighted was the need to improve the oversight of foreign operations by the committee. This will receive special attention in FY2020.

In FY2020, specific focus will be on the management of policies and procedures throughout the group. Policies and procedures will be updated and, where possible, consolidated ensuring that all remain relevant and communicated to stakeholders to raise awareness thereof.

REMUNERATION COMMITTEE

The Remuneration committee ensures that WBHO's remuneration policy is fair and reasonable, while remaining compliant with regulatory and governance requirements and that remuneration practices deliver shareholder value. It also ensures the establishment of an appropriate remuneration framework and adoption of remuneration policies which aim to attract and retain top talent, support the group's long-term strategy and drive sustainable performance.

The Remuneration committee's full report as well as the Remuneration and implementation report are included on page 105 of the integrated report.

The committee's membership comprises of three independent non-executive directors.

Composition	Appointed	Meeting attendance
Savannah Maziya (Chair)	25 October 2006	3/3
Ross Gardiner	11 March 2014	3/3
Hatla Nene	1 November 2017	3/3

Other regular attendees at the meeting include:

- Executive Chairman
- Chief Executive Officer
- Chief Financial Officer
- Human Capital

In FY2019, the Remuneration committee specifically focused on:

- Reviewing the annual remuneration report and policy, the impact and numbers regarding incentive schemes and to be disclosed in the integrated report
- Remuneration packages and benefits for executive directors and any termination benefits payable, as well to ensure that remuneration packages are effective in driving WBHO's strategy and the right behaviour.

In FY2020, specific attention will be placed on ensuring consistent group reporting on remuneration structures across all regions, it was recommended that the UK operation adopts a similar remuneration policy and methodology as applied in South Africa. This would also require the formation of a remuneration committee in the UK reporting to the South African management team who in turn will report to the Remuneration committee of the holding company. The following are also planned to be reviewed and finalised in the FY2020 year:

- Review of long-term incentive performance criteria
- Appropriate clawback provisions to be included in remuneration policy

NOMINATIONS COMMITTEE

The Nominations committee identifies and recommends individuals for Board appointments. Members of the committee consider specific skills, Board composition requirements and gender balance when nominating candidates. The committee also assists with dismissals, succession planning, reviewing committee structures and reviewing Board and committee performance. The committee is responsible for ensuring the integrity of the nomination process.

All independent non-executive directors and the Executive Chairman are members of the Nominations committee. The committee is chaired by the lead independent director.

Composition	Appointed	Meeting attendance
Ross Gardiner (Chair)	21 February 2014	2/2
Cobus Bester	1 November 2017	2/2
Karen Forbay	1 November 2017	2/2
Savannah Maziya	1 September 2017	1/2
Hatla Nene	1 November 2017	2/2
Mike Wylie	21 February 2014	2/2

Other regular attendees at the meeting include:

- Chief Executive Officer
- Chief Financial Officer
- Management

In FY2019, the Nominations committee specifically focused on the following:

- Evaluation of the board and committee evaluations (page 61).
- Appointment of a new Executive Chairman and Chief Executive Officer, following the announcement that Mike Wylie will retire at the 2019 annual general meeting.

In line with WBHO's policy of management continuity, the board appointed Louwtjie Nel, as the Executive Chairman, ensuring the constructive and effective relationship between the board and Executive Management continues. Wolfgang Neff, the Managing Director of the North and Africa Building Divisions for the past seven years, will replace Louwtjie as Chief Executive Officer effective 21 November 2019.

COMPANY SECRETARY

Shereen Vally-Kara (58) has an FCIS qualification and joined WBHO on 1 June 2007. She was appointed as the Company Secretary to the board on 24 October 2007. In addition to obtaining a certificate as a chartered secretary in 1994, she completed an advanced management programme at the Wits Business School in 1996 and received a certificate in corporate governance from the University of Johannesburg.

The board as a whole and the individual directors have unrestricted access to the advice and services of the Company Secretary, who provides guidance to the board and to the directors with regard to how their responsibilities are to be discharged. The Company Secretary is exposed to the daily

operations of the company, further embedding and embracing good corporate governance with the aim to improve all areas of compliance.

The Company Secretary has oversight of the induction of newly appointed directors and continuous training of all directors, including regular updates when changes in legislation and regulations occur that affect the company. In consultation with the Chairman and the Chief Executive Officer, the Company Secretary ensures that the annual Board plan is set and that the board agendas are relevant to Board decision-making.

In compliance with paragraph 3.84(j) of the JSE Listings Requirements, an annual evaluation of the company secretary was carried out by the board. The results of the evaluation confirmed that the Company Secretary demonstrated the requisite level of knowledge and experience to carry out her duties.

The board is also comfortable that the Company Secretary maintains an arm's length relationship with individual directors and confirms that she is neither a director nor a public officer of the company or any of its subsidiaries.

OTHER GOVERNANCE MATTERS

INTEGRATED COMPLIANCE

WBHO is made aware of and complies with all relevant legislation and anticipates the statutory requirements of all bills and other regulations. The Social and ethics committee assumes oversight over the compliance function within the group. The compliance function of the group includes a compliance officer assisted by the Company Secretary, internal legal counsel and other assurance providers from the support services of the group. Assessments of legal compliance are regularly undertaken by independent legal experts in key areas of the business in order to provide additional assurance. The compliance function provides guidance and assurance to WBHO and the board and its relevant committees on the level of compliance within the organisation, while also promoting a corporate culture of compliance. It ensures that all business, legislative and administrative processes and procedures are implemented, monitored and adhered to, thereby reducing the potential for reputational risk. WBHO has a zero risk appetite for regulatory non-compliance and there were no significant shortcomings requiring remedial action in the current year. The compliance function and processes are subjected to an internal audit review on a regular basis.

Refer to the integrated report for further details regarding WBHO's mitigation of the risk of non-compliance to laws and regulations.

INFORMATION TECHNOLOGY

The board is responsible for the governance of information technology (IT), assisted by the Audit and Risk committees. An IT governance framework has been approved and implemented. IT risk management forms part of the IT governance framework as well as the risk management framework. As such, it is proactively embedded into the risk management process of the company.

The IT Steering committee holds quarterly meetings with senior divisional and financial management to ensure that IT is prioritised in accordance with group strategy and the current business needs of the organisation. The committee is responsible for ensuring effective, appropriate IT support and governance.

IT investment and expenditure budgets are presented to the Executive committee for approval following consultation with divisional management with due consideration of the overall business requirements. The Executive committee is kept appraised of actual expenditure against the approved budget.

Appropriate controls have been implemented to ensure that all organisation, employee and client information is properly protected in compliance with the Protection of Personal Information Act.

The IT control environment is assessed annually by both the internal and external auditors and an independent external penetration test is conducted every two years to assess the IT security over the network.

In the year, a penetration test was successfully conducted by an independent agency. Two external threats and 15 internal threats were identified, the majority of which were categorised as low risk. All threats have been resolved by year-end.

Furthermore, the maturity of the IT governance was assessed by the internal audit function. Some areas for improvement were noted and remedial actions identified will be monitored in FY2020.

SPONSOR

WBHO fully understands the role and responsibilities of the sponsor as stipulated in the JSE Listings Requirements and has cultivated a good working relationship with its sponsor, Investec Bank Limited. The group is satisfied that the sponsor has executed its mandate with due care and diligence for the year under review.



# PERFORMANCE DATA

Every effort has been taken to ensure the accuracy of the reported data. WBHO recognises that some data may be subject to uncertainty relating, for example, to different interpretations of the internal reporting guidelines and possible human error in recording and submitting data. The continuous improvement of data quality and accuracy is receiving ongoing attention.

## HUMAN CAPITAL

### WORKFORCE ANALYSIS

Employment type			Hourly		2019			2018 Total	2017 Total	2016 Total
	Male	Female	Male	Female	Male	Female	Total			
South Africa	1 492	460	4 416	518	5 908	978	6 886	7 421	6 538	6 919
Rest of Africa	280	20	2 384	285	2 664	305	2 969	2 378	2 062	1 145
Australia	654	179	294	12	948	191	1 139	1 219	1 237	1 067
United Kingdom	305	68	752	2	1 057	70	1 127	–	–	–
<b>Total</b>	<b>2 731</b>	<b>727</b>	<b>7 846</b>	<b>817</b>	<b>10 577</b>	<b>1 544</b>	<b>12 121</b>	11 018	9 837	9 131
Total 2018	2 424	662	7 231	701	9 655	1 363	11 018			

South Africa demographics	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
<b>2019</b>	<b>4 881</b>	<b>710</b>	<b>306</b>	<b>80</b>	<b>75</b>	<b>38</b>	<b>645</b>	<b>150</b>	<b>6 885</b>
2018	5 260	708	431	102	78	36	654	152	7 421
2017	4 621	614	220	87	89	29	708	170	6 538
2016	5 027	602	216	92	91	33	697	161	6 919

	2019	2018	2017	2016
<b>Workforce by business unit</b>				
Building and civil engineering	3 616	3 683	3 662	3 807
Roads and earthworks	5 963	5 852	4 676	3 699
Australia	1 139	1 219	1 237	1 067
United Kingdom	1 127	–	–	–
Other*	276	264	262	558
<b>Total</b>	<b>12 121</b>	11 018	9 837	9 131

\* Other includes administration functions and Construction materials.

	2019	2018	2017	2016
<b>Staff turnover</b>				
<b>South Africa</b>				
Resignations	121	143	109	151
Retrenchments	275	226	302	339
Retirements	25	40	20	36
Deaths	12	9	5	3
<b>Total</b>	<b>433</b>	418	436	529
Avoidable staff turnover (permanent employees)	4,0%	4,7%	4,4%	4,6%
<b>Rest of Africa</b>				
Resignations	18	24	7	10
Retrenchments	229	21	13	380
Retirements	2	5	2	7
Deaths	2	2	–	–
<b>Total</b>	<b>251</b>	52	22	397
Avoidable staff turnover (permanent employees)	0,6%	0,7%	0,3%	0,3%

	2019	2018	2017	2016
<b>Australia</b>				
Resignations	197	103	94	82
Retrenchments	116	86	38	39
Retirements	–	1	–	3
Deaths	2	1	–	1
<b>Total</b>	<b>315</b>	191	132	125

Avoidable staff turnover (permanent employees)	3,0%	3,3%	3,2%	2,5%
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<b>United Kingdom</b>				
Resignations	28	–	–	–
Retrenchments	14	–	–	–
Retirements	1	–	–	–
Deaths	–	–	–	–

<b>Total</b>	<b>43</b>	–	–	–
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Avoidable staff turnover (permanent employees)	7,5%	–	–	–
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<b>Retrenchments</b>				
Building and civil engineering	183	205	224	112
Roads and earthworks	321	38	21	628
Australia	116	86	38	39
United Kingdom	14	–	–	–
Other	–	4	32	55

<b>Total</b>	<b>634</b>	333	315	834
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<b>Industrial relations</b>				
Total person days lost				
South Africa	22 379	6 331	3 739	4 607
Rest of Africa	–	13 504	1 436	–
Australia	–	–	–	–
United Kingdom	–	–	–	–

<b>Total</b>	<b>22 379</b>	19 835	5 175	4 607
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## TRAINING

R'000	2019	2018	2017	2016
<b>Spend</b>				
South Africa and rest of Africa				
Building and civil engineering	40 552	37 397	16 250	13 022
Roads and earthworks	39 607	39 663	39 602	24 925
Other*	11 976	8 655	7 821	4 392
	<b>92 135</b>	85 715	63 673	42 339
Australia	4 781	7 216	3 682	1 939
United Kingdom	2 962	–	–	–
<b>Total</b>	<b>99 878</b>	92 931	67 355	44 278

\* Other includes administration functions and Construction materials.

## PERFORMANCE DATA

CONTINUED

### LEARNERSHIPS

	2019	2018	2017	2016
<b>Number of learners</b>				
Apprenticeships	14	19	18	19
Adult Basic Education and Training	10	4	–	
NQF 1 National (manufacturing engineering)	3	–	–	
NQF 2 (construction and roadworks)	15	11	45	62
NQF 3 (business administration, general management)	10	–	–	
NQF 3 (health & safety and roadworks)	–	–	11	17
NQF 4 (business administration, surveying and supervision of construction)	59	54	47	64
NQF 5 (construction management)	2	2	2	1
<b>Total</b>	<b>113</b>	<b>90</b>	<b>123</b>	<b>163</b>

### HEALTH AND SAFETY

	Measurement	2019	2018	2017	2016
<b>Lost-time injury frequency rate (LTIFR)</b>					
South Africa and the rest of Africa	Rate	0,41	0,71	0,54	0,74
Australia	Rate	0,73	1,72	1,88	1,75
United Kingdom	Rate	3,94	–	–	–
<b>Group</b>	Rate	<b>0,69</b>	<b>0,90</b>	<b>0,80</b>	<b>0,92</b>
<b>Recordable case rate (RCR)</b>					
South Africa and the rest of Africa	Rate	0,28	0,54	0,47	0,60
Australia	Rate	1,87	2,56	3,55	3,69
United Kingdom	Rate	2,06	–	–	–
<b>Group</b>	Rate	<b>0,69</b>	<b>0,93</b>	<b>1,07</b>	<b>1,16</b>
<b>All Injury Frequency Rate (AIFR)</b>					
South Africa and the rest of Africa	Rate	0,39	0,48	0,52	0,56
Australia	Rate	9,62	9,25	11,83	5,15
United Kingdom	Rate	2,17	–	–	–
<b>Group</b>	Rate	<b>2,21</b>	<b>2,20</b>	<b>2,70</b>	<b>1,40</b>
<b>Work-related fatalities</b>					
South Africa and the rest of Africa	Number	3	3	–	1
Australia	Number	–	–	1	–
United Kingdom	Number	–	–	–	–
<b>Total</b>	Number	<b>3</b>	<b>3</b>	<b>1</b>	<b>1</b>
<b>Employees trained in health and safety</b>					
South Africa and the rest of Africa	Number	1 378	1 639	596	202
Australia	Number	560	91	146	–
United Kingdom	Number	1 152	–	–	–
<b>Total</b>	Number	<b>3 090</b>	<b>1 730</b>	<b>742</b>	<b>202</b>
<b>Safety audits conducted</b>					
South Africa and the rest of Africa	Number	114	121	129	132
Australia	Number	34	39	–	–
United Kingdom	Number	12	–	–	–
<b>Total</b>	Number	<b>160</b>	<b>160</b>	<b>129</b>	<b>132</b>
<b>Non-compliance findings</b>					
South Africa and the rest of Africa	Number	135	187	187	191
Australia	Number	48	63	138	–
United Kingdom	Number	65	–	–	–
<b>Total</b>	Number	<b>248</b>	<b>250</b>	<b>325</b>	<b>191</b>

### QUALITY

	Measurement	2019	2018	2017	2016
<b>QMS site coverage</b>					
South Africa and rest of Africa	Percentage	100	100	100	100
Australia	Percentage	100	100	100	100
United Kingdom	Percentage	100	–	–	–
<b>Internal audits</b>					
South Africa and rest of Africa	Number	187	159	179	136
Australia	Number	15	34	–	–
United Kingdom	Number	35	–	–	–
<b>Total number of audits</b>	Number	<b>237</b>	<b>193</b>	<b>179</b>	<b>136</b>
<b>Sites covered by audit (audit coverage)</b>					
South Africa and rest of Africa	Percentage	59	49	49	46
Australia	Percentage	87	95	98	98
United Kingdom	Percentage	90	–	–	–
<b>Corrective action notifications (CANs)</b>					
South Africa and rest of Africa	Number	528	534	624	1 269
Australia	Number	59	109	–	–
United Kingdom	Number	66	–	–	–
<b>Total number of CANs</b>	Number	<b>653</b>	<b>643</b>	<b>624</b>	<b>1 269</b>
<b>Non-conformance reports (NCR)</b>					
South Africa and rest of Africa	Number	1 470	2 284	3 008	1 269
Australia	Number	23	35	–	–
United Kingdom	Number	322	–	–	–
<b>Total number of NCRs</b>	Number	<b>1 815</b>	<b>2 319</b>	<b>3 008</b>	<b>1 269</b>
<b>Supplier audits</b>					
South Africa and rest of Africa	Number	58	89	73	25
<b>Supplier inspections</b>					
South Africa and rest of Africa	Number	106	60	150	19
<b>Employees trained in QMS</b>					
South Africa and rest of Africa	Number	192	385	394	338
Australia	Number	221	–	–	–
United Kingdom	Number	215	–	–	–
<b>Total number of employees trained</b>	Number	<b>628</b>	<b>385</b>	<b>394</b>	<b>338</b>

ENVIRONMENTAL

	Measurement	2019	2018	2017	2016
<b>Greenhouse gasses (GHG)</b>					
Direct carbon dioxide (CO <sub>2</sub> ) Scope 1	Tonnes	40 053	40 438	35 585	32 850
Indirect carbon dioxide (CO <sub>2</sub> ) Scope 2	Tonnes	3 936	4 263	3 953	6 154
Indirect carbon dioxide (CO <sub>2</sub> ) Scope 3	Tonnes	11 748	3 267	2 985	3 177
<b>Total greenhouse gas (CO<sub>2</sub> equivalent)</b>	Tonnes	<b>55 737</b>	47 968	42 523	42 181
<b>Water</b>					
Total water use	Gigalitres	23,5	34,5	24,5	–
<b>Waste</b>					
Total waste generated	Tonnes	79 923	33 667	21 073	–
Recycled	Tonnes	62 215	11 003	7 039	–
<b>EMS site coverage</b>					
South Africa	Percentage	98	97	95	100
<b>Internal audits</b>					
South Africa	Number	95	89	83	91
Australia	Number	150	–	–	–
United Kingdom	Number	174	–	–	–
<b>Total number of audits</b>	Number	<b>419</b>	89	83	91
<b>Sites covered by audit (audit coverage)</b>					
South Africa	Percentage	90	90	85	90
Australia	Percentage	100	–	–	–
United Kingdom	Percentage	100	–	–	–
<b>Non-compliance findings</b>					
South Africa	Number	18	17	7	18
Australia	Number	–	–	–	–
United Kingdom	Number	25	–	–	–
<b>Total number</b>	Number	<b>43</b>	17	7	18
<b>Reportable incidents</b>					
South Africa	Number	–	–	–	–

GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option.

ESG: See the corresponding pages in this report  
IR: See the corresponding pages in the 2019 integrated report  
AFS: See the corresponding pages in 2019 Annual Financial Statements

GENERAL DISCLOSURE

Disclosure number	Disclosure title	Document reference	Page reference
102-1	Name of the organisation	ESG	2
102-2	Activities, brands, products, and services	IR	2, 9 – 12
102-3	Location of headquarters	IR	2
102-4	Location of operations	IR	10 – 11
102-5	Ownership and legal form	IR	2
102-6	Markets served	IR	9 – 12
102-7	Scale of the organisation	IR	9 – 12
102-8	Information on employees and other workers	ESG	19 – 26
102-9	Supply chain	ESG	40
102-10	Significant changes to the organisation and its supply chain	IR	2
102-11	Precautionary principle or approach	ESG	12 – 17
102-12	External initiatives	ESG	15
102-13	Membership of associations	ESG	15
102-14	Statement from senior decision-maker	ESG	7 – 9
102-16	Values, principles, standards, and norms of behaviour	IR	9
102-18	Governance structure	ESG	58 – 59
102-40	List of stakeholder groups	IR	32 – 37
102-41	Collective bargaining agreements	ESG	24 – 25
102-42	Identifying and selecting stakeholders	IR	32
102-43	Approach to stakeholder engagement	IR	32
102-44	Key topics and concerns raised	IR	34 – 35
102-45	Entities included in the consolidated financial statements	AFS	4, 28, 60 – 61
102-46	Defining report content and topic boundaries	ESG	2 – 3
102-47	List of material topics	IR	18 – 31
102-48	Restatements of information	IR & ESG	2
102-49	Changes in reporting	ESG	2
102-50	Reporting period	ESG	2



Disclosure number	Disclosure title	Document reference	Page reference
102-51	Date of most recent report	ESG	2
102-52	Reporting cycle	IR	2
102-53	Contact point for questions regarding the report	IR	3
102-54	Claims of reporting in accordance with the GRI Standards	ESG	2, 73
102-55	GRI content index	ESG	73 – 75
102-56	External assurance	ESG	2
103-1	Explanation of the material topic and its boundary	ESG	3
103-2	The management approach and its components	ESG	12 – 17
103-3	Evaluation of the management approach	ESG	18 – 55

TOPIC-SPECIFIC DISCLOSURES

Disclosure number	Disclosure title	Document reference	Page reference	Material sustainability issue addressed
201-1	Direct economic value generated and distributed	ESG	55	Economic sustainability
201-2	Financial implications and other risks and opportunities due to climate change	ESG	50	Responsible environmental business practices
201-3	Defined benefit plan obligations and other retirement plans	AFS	23, 37	People and community
204-1	Proportion of spending on local suppliers	ESG	45	People and community
205-2	Communication and training about anti-corruption policies and procedures	IR	41, 98	Governance
303-5	Water consumption	ESG	51	Responsible environmental business practices
305-1	Direct (Scope 1) GHG emissions	ESG	52	Responsible environmental business practices
305-2	Energy indirect (Scope 2) GHG emissions	ESG	52	Responsible environmental business practices
305-3	Other indirect (Scope 3) GHG emissions	ESG	52	Responsible environmental business practices
305-5	Reduction of GHG emissions	ESG	52	Responsible environmental business practices
307-1	Non-compliance with environmental laws and regulations	ESG	50	Responsible environmental business practices
401-1	New employee hires and employee turnover	ESG	22, 25, 26, 68	People and community

Disclosure number	Disclosure title	Document reference	Page reference	Material sustainability issue addressed
403-1	Occupational health and safety management system	ESG	33	Health and safety
403-3	Occupational health services	ESG	26 – 27	Health and safety
403-4	Worker participation, consultation, and communication on occupational health and safety	ESG	35	Health and safety
403-5	Worker training on occupational health and safety	ESG	35	Health and safety
403-6	Promotion of worker health	ESG	33	Health and safety
403-9	Work-related injuries	ESG	34	Health and safety
404-1	Average hours of training per year per employee	ESG	27	People and community
404-2	Programmes for upgrading employee skills and transition assistance programmes	ESG	27 – 30	People and community
405-1	Diversity of governance bodies and employees	ESG	22, 59	Governance
413-1	Operations with local community engagement, impact assessments, and development programmes	ESG	46 – 47	People and community

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