



**2020** 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

- SO1** Flexibility and diversification
- SO2** Procurement and execution excellence
- SO3** Reputation and relationships
- SO4** Capacity and talent management
- SO5** Safety and environmental management
- SO6** Transformation and localisation

## 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 <IR> 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™)



### Audited Consolidated 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 of 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, on +27 11 321 7200 or [wbhoho@wbho.co.za](mailto:wbhoho@wbho.co.za).



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

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 and civil engineering, Roads and earthworks and Construction materials. WBHO's offices are strategically located in Johannesburg, Cape Town, Durban and Port Elizabeth.

Our Australian subsidiary, WBHO Australia, has its headquarters in Melbourne, while our United Kingdom operations are serviced by the Byrne Group and Russell-WBHO Limited out of London and Manchester respectively.

### 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 or the 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 we have prepared this Environmental, Social and Governance (ESG) Report.

In this report, we provide 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. Our commitment to safety, the environment and stakeholders shapes how we manage the business and execute our strategy to deliver sustainable growth and accelerated shareholder returns. The report 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, and we direct 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 and also selected information from activities in Australia and the United Kingdom (UK). Detailed information on investments in which the Group holds less than 50% is not included.

This report covers the financial year from 1 July 2019 to 30 June 2020, along with historical information and forward-looking statements, all of which provide context in respect of the Group's strategy and operations.

This ESG Report has been developed in accordance with the GRI standards (Core option) and the GRI content index can be found on **page 77**.

## MATERIAL SUSTAINABILITY MATTERS

Our approach to sustainability reporting is aligned with our prioritising the responsible, ethical and ongoing success of the business. This ESG Report, which is supplementary to our Integrated Report, focuses on the key sustainability challenges facing the Group and how it is responding to them, while the Integrated Report (IR) and Annual Financial Statements (AFS) predominately 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.

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

<b>SOCIAL</b> <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>	<b>ENVIRONMENTAL</b> <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>	<b>GOVERNANCE</b> <ul style="list-style-type: none"><li>Implementing ethical leadership and governance processes</li></ul>
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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. (For more on these, and the matters below, see **WBHO IR 2020**.)

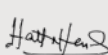
<b>OPERATING ENVIRONMENT</b>	<b>BUSINESS ACTIVITIES</b>	<b>STAKEHOLDER INTEREST</b>	<b>STRATEGY</b>	<b>RISK AND OPPORTUNITIES</b>
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# DIRECTORS' RESPONSIBILITY

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 12 January 2021.



Louwtjie Nel  
Chairman



Hatla Ntene  
Social and ethics committee Chairman



Wolfgang Neff  
Chief Executive Officer

## MATERIAL SUSTAINABILITY MATTERS

<b>IMPACT ON VALUE</b>	<b>HEALTH AND SAFETY</b> <p>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.</p> <p>Protecting the safety and health of employees and contractors is also a fundamental human rights imperative.</p>	<b>RESPONSIBLE ENVIRONMENTAL BUSINESS PRACTICES</b> <p>Responsible environmental management, including the management of energy and climate change, water consumption and discharge, and waste management is a major factor in legal compliance.</p> <p>Understanding the effects of climate change on the business and how it may impact our value chain is important as WBHO strives to maximise the opportunities associated with the transition to a low-carbon future.</p>	<b>COMMUNITIES</b> <p>Acting in a responsible and ethical manner is fundamental to WBHO's business philosophy.</p> <p>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.</p>	<b>GOVERNANCE</b> <p>Good governance is a philosophy and approach that each level of a company must adopt, with the tone primarily set from the top.</p> <p>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.</p>
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# SUSTAINABILITY PERFORMANCE

20 20

## HUMAN CAPITAL

Total workforce decreased by **19,6%** to **9 470**  
**624** retrenchments  
**R93,7 million** invested in training in Africa  
Net decrease of **1 759** employees in South Africa  
**53 049** days lost due to strikes, work stoppages or non-attendance  
**R9 million** on bursary spend

## ENVIRONMENTAL

**ISO 14001** certified  
**41** non-compliance findings on ISO audits  
**Zero** material reportable incidents  
**57** Green Star SA buildings supported to date

## SAFETY

**ISO 45001** certified  
LTIFR per million man hours **0,59** (FY2019: 0,69)  
RCR improved to **0,60** (FY2019: 0,69)  
**3** fatalities (FY2019: 3)

## QUALITY

**ISO 9001** certified  
Conducted **186** quality audits  
Customer quality perception feedback: **88%** satisfaction rating  
**32** supplier inspections and **40** supplier audits conducted

## TRANSFORMATION

**Level 1** B-BBEE  
Women comprised **14,7%** of the workforce in South Africa  
**R5,8 million** bursary spend on black employees  
**R65,1 million** training spend on black employees  
**R4,9 billion** procured from black-owned companies

# 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 2020 financial year. At WBHO, our reputation and our people are at the core of our ability to create value for our stakeholders. As such, human capital management, safety and environmental management and compliance with laws and regulations form three of the material issues around which we have developed specific strategic objectives. We take pride in implementing sustainable business practices that enhance our reputation, protect and support our people and the environment and uplift communities in a responsible and ethical manner. I am encouraged by the Group's continuous drive to improve processes and implement solutions that are safe and sustainable as a core part of our value proposition.

## SUSTAINABILITY STRATEGY

The Group promotes sustainability through the integration of environmental, social and economic considerations into all aspects of the Group's activities and maintains a disciplined framework of policies and authorities that govern decision-making.

WBHO, in collaboration with key stakeholders, continues to refine its sustainability strategy and in so doing is cognisant of the causes and effect of climate change, seeks ways to reduce energy and water intensity, while also creating safer working conditions and more sustainable communities. We strive to foster a sustainability-minded culture across the organisation in order to proactively identify and mitigate sustainability risks.

For more on the sustainability strategy, refer to **page 8** 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.

## COMMITTEE OVERSIGHT

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

The emergence of the COVID-19 global pandemic in the second half of the year presented various social, ethical and compliance-related risks to the Group. While many of these issues were dealt with at Board level, from a social and ethics perspective, I was reassured by the immediate and thorough response from the executive team in developing the necessary protocols, policies and procedures necessary to ensure the wellbeing of our employees and all other personnel visiting our sites and offices across all regions. The effective implementation of these safeguards by the operational management teams was clearly evident in the low number of infections we experienced, especially given that we were operational through most of the lockdown periods and the high volumes of people present on our sites.

During the year, the committee fulfilled its mandate both in terms of its statutory duties and its formal charter. Details of these activities are discussed on **pages 68 and 69** of this report.

## PERFORMANCE

WBHO's sustainability performance in the year was again largely positive. While we observed improvements in certain key metrics, it was regrettable that it was also necessary to substantially reduce the capacity of the Group. In addition, we are deeply saddened to report three work-related fatalities. These incidents have been fully investigated and from the main learnings we have adopted and implemented mitigation measures.

Notable achievements in the year include the following:

- The Group achieved a lost-time injury frequency rate (LTIFR) of 0,59 (FY2019: 0,69) and a recordable case rate (RCR) of 0,60 (FY2019: 0,69). The improvement was mainly attributable to further improvements in the safety regime in the UK, however, equally remarkable was the ability of the African operations to maintain the record low LTIFR of 0,41 achieved in the previous year.
- WBHO maintained its ISO 9001, ISO 14001 and ISO 45001 certifications across all regions.
- Our customers' perception of quality rating remained strong at 88%.
- Being nominated as the Most Empowered Company on the JSE and maintaining our Level 1 B-BBEE certification.
- No significant environmental incidents.

For more on the sustainability performance, refer to **pages 16 to 50** of this report.

## LOOKING AHEAD

The impact of COVID-19 is going to extend into the coming year as global economies attempt to mitigate the effects of a second wave. In addition, people across the globe have been jolted into taking stock of what is important to them and are re-evaluating their priorities, both personally and professionally. As this evolves into the workplace, we may see new changes in the way business is conducted. I am confident that the agility we have shown in overcoming the many challenges FY2020 presented, together with our inherent focus on our people, will stand us in good stead in adapting to the changing social and ethical needs of our stakeholders.

In closing, I extend my thanks to my fellow Board and committee members, the CEO, Wolfgang Neff, the management team and all employees for their effort and contribution toward the further progress made on WBHO's sustainability journey. I believe that the Group remains well positioned to safely and efficiently deliver sustainable value to all stakeholders.

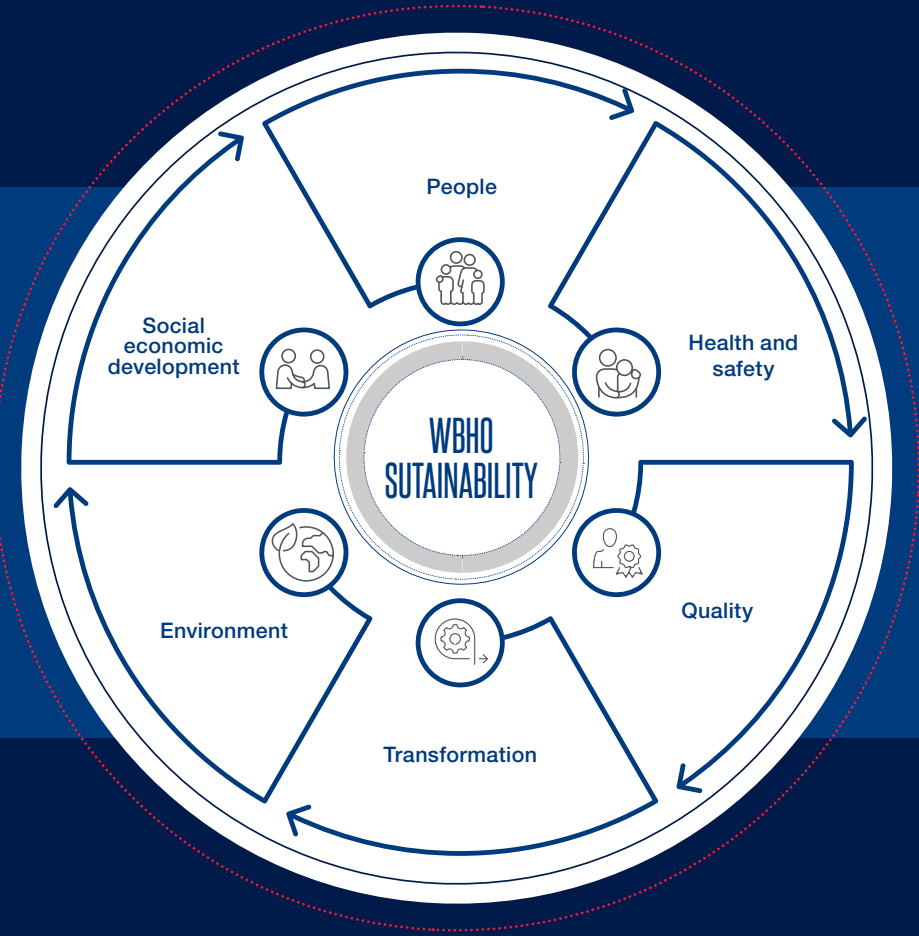
Hatla Ntene  
Social and ethics committee Chairman



# SUSTAINABILITY STRATEGY

As an organisation, WBHO recognises the importance of operating in a sustainable manner, and thereby fulfilling the needs of today without jeopardising our ability to meet the needs of tomorrow.

We believe that our employees come to work trusting in their safety and knowing that they will return home without harm. We strive to limit our environmental footprint by implementing the highest standards of environmental protection, as well as by applying best construction and quality management practices throughout all phases of construction. This also has a positive impact on clients and suppliers.



## SUSTAINABILITY STRATEGY

Our sustainability strategy is structured around six perspectives, with each perspective being continually monitored.



Our sustainability strategy is fully aligned with the Group’s vision and overall business strategy, and forms an integral part of how 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.

For more on our people, see [page 17](#).



### 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 in our projects.

For more on health and safety, see [page 30](#).



### 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.

For more on quality performance, see [page 39](#).



### 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.

For more on transformation, see [page 45](#).



### 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.

For more on environmental performance, see [page 51](#).



### SOCIAL ECONOMIC DEVELOPMENT (SED)

WBHO considers SED to be a moral responsibility rather than a contractual obligation. Our SED 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, and also provide tangible and measurable benefits to the community directly.

For more on social economic development spend, see [page 52](#).

# SUSTAINABILITY GOVERNANCE AND MANAGEMENT APPROACH

## SUSTAINABILITY GOVERNANCE

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

The Board is ultimately responsible for the key governance processes to ensure sustainable growth, acceptable performance and the affairs 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. (For more on governance, the Board and its committees, see [page 59](#).)

## COMMITTEE RESPONSIBILITIES AND GOVERNANCE

The SEC is constituted in terms of section 72(4) of the Companies Act, No 71 of 2008, as amended, 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 at WBHO. The committee has adopted appropriate formal terms of reference and is responsible for overseeing activities relating to:

- Social and economic development, including the Group's standing in terms of the goals and purposes of the:
  - Ten principles set out in the UNGC OECD recommendations regarding corruption
  - The Employment Equity Act
  - The 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 development of the 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 comprises 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 see [page 100](#) of the Integrated Report.

The membership and attendance of committee meetings are reflected below:

Member	Committee members since	Meeting attendance
<b>Hatla Ntene</b> (Independent non-executive director and Chairman of SEC)	1 November 2017	3/3
<b>Karen Forbay</b> (Independent non-executive director)	1 November 2017	3/3
<b>Ross Gardiner</b> (Independent non-executive director)	1 November 2017	3/3
<b>Shereen Vally-Kara</b> (Group Company Secretary)	19 March 2012	3/3
<b>Samuel Gumedé</b> (Group legal counsel)	21 November 2017	3/3
<b>Andrew Logan</b> (Group Financial Manager)	13 September 2013	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, and sustainability considerations are firmly embedded into the Group's governance structures. We continue to promote and integrate sustainability best practice into core business processes, with safety, health, quality and environmental management indicators 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, with sustainability performance indicators and the achievement of targets influencing the performance-based remuneration of senior executives. Responsibility for delivering on the sustainability performance rests with the Group's support services committee.

## COMMITTEE FOCUS AREAS IN FY2020

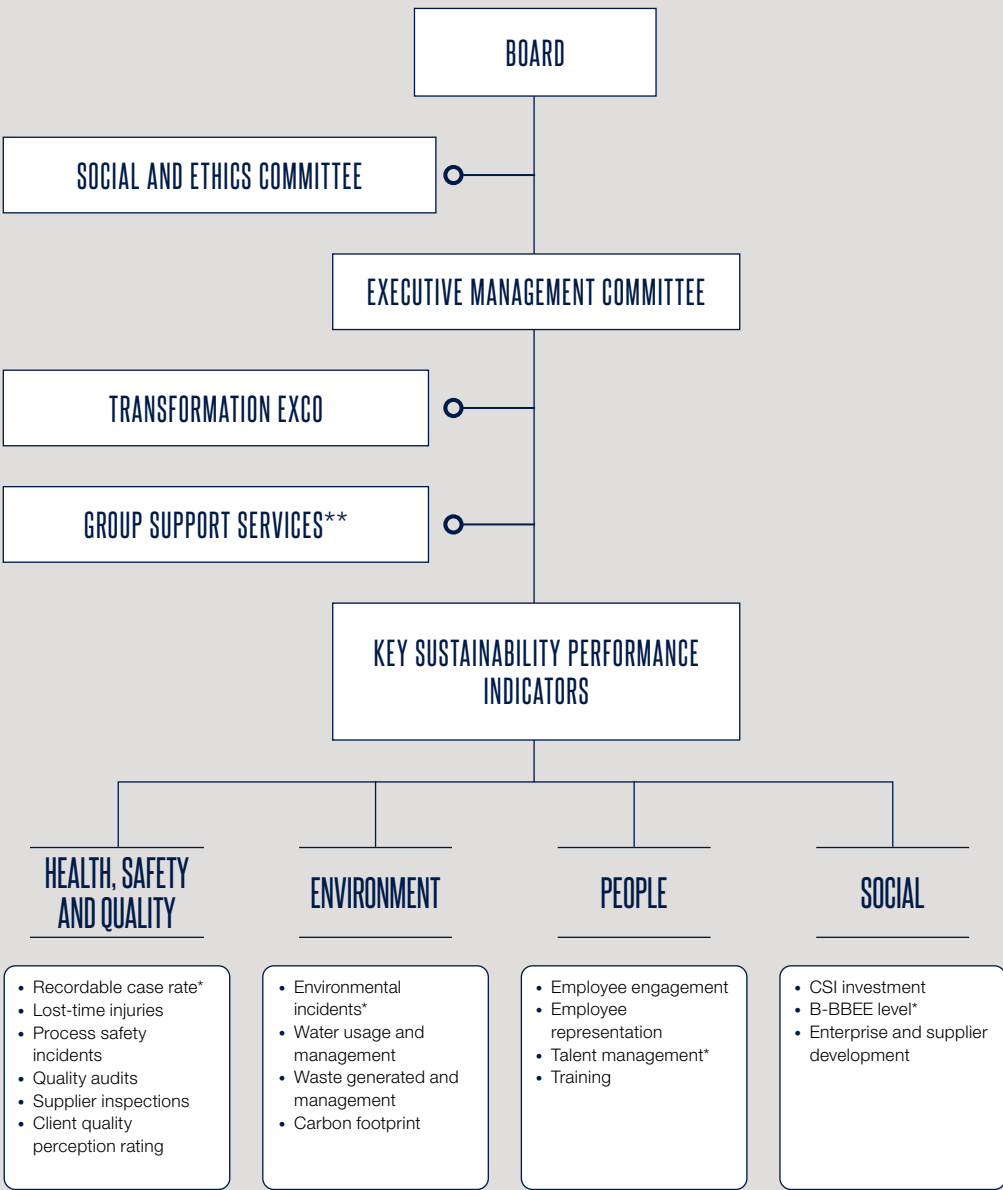
- Regulatory risk matrix for South Africa and the draft matrix for Australia.
- Training conducted in FY2020 and training plans for FY2021 as part of WBHO's anti-bribery and corruption prevention and detection programme.
- WBHO experienced three work-related fatalities across the Group in the year. The committee considered reports from management to understand the causes thereof and mitigation plans developed to prevent similar incidents from occurring again.
- Management of policies and procedures throughout the Group. Policies and procedures were updated and consolidated where possible ensuring that all remain relevant and communicated to stakeholders to raise awareness.
- Progress on CCMA and Labour Court matters and considered how these could impact future employee relations practices.

## COMMITTEE FOCUS AREAS FOR FY2021

- Monitoring the regulatory risk matrices for South Africa and Australia as well as preparing the matrices for Botswana, Ghana, Mozambique, the United Kingdom and Zambia.
- Conduct a committee evaluation to assess performance and identify potential areas for improvement.

A detailed review of our corporate governance structures and practices is provided in this report on [page 59](#). For further information on remuneration practices, see the remuneration section from [page 109](#) of the 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 companies 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

WBHO policies include, amongst others:

- Climate change
- Environmental
- HIV/Aids
- Occupational health and safety
- Quality
- Human capital
- Racial and diversity policy
- Social economic development
- 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, include:

- Companies Act of South Africa
- JSE Listings Requirements
- King IV™
- ISO 9001 – International Quality Management Standard
- ISO 14001 – International Environmental Management Standard
- ISO 45001 – International Health and Safety Management Standard
- Implementing the principles of the United Nations Global Compact
- Global Reporting Initiative (GRI)



MANAGEMENT APPROACH

POLICIES AND OPERATIONAL RISK MANAGEMENT

 We have implemented various precautionary sustainability-related policies and standards across the Group, and some of our 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 our core sustainability risks and opportunities.

Policies and standards and site-specific procedures are in place to ensure compliance with legislative requirements, and responsibility for implementing them 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 our commitment to maintaining ISO certification for various quality, safety and environmental management systems, with audits conducted by internal and external auditors to ensure compliance. During the year under review, the Group maintained all its health, safety and quality certifications.


	2020	2019	2018	2017
ISO 9001 – International Quality Management	✓	✓	✓	✓
ISO 14001 – International Environmental Management Standard	✓	✓	✓	✓
ISO 45000 – International Health and Safety Standard	✓	✓	Arrangements to transition to new standard were implemented	

ETHICAL BUSINESS PRACTICES

CODE OF CONDUCT AND ANTI-CORRUPTION

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

The Group conducts a Declaration of Interests survey with internal and external stakeholders annually in an attempt to prevent corruption within the workplace. In addition to this corruption preventative measure, we maintain an independent anonymous tip-off line which is aimed at providing employees with a platform for the anonymous reporting of potentially corrupt activities. Awareness campaigns regarding both corruption and preventative measures are conducted annually across the Group.

 See [page 64](#) for more on ethics management.

HUMAN RIGHTS

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

WBHO endeavours to uphold corporate citizenship and the law, ensuring that there is no infringement on human rights by requiring adherence to policies and processes. We seek to prevent any infringements and, as far as practically possible, we hold our suppliers, including security personnel – an outsourced function – and business partners to the same standards.

We have formal mechanisms in place for reporting human rights grievances and violations at all operations and the corporate office. The Group had no reported incidents regarding human rights, child labour and forced or compulsory labour during the year under review.

SUSTAINABLE SOURCING PRACTICES

We expect all service providers acting on WBHO's behalf to adopt and follow the Group's standards and policies, and the Group has a Supplier Code of Conduct in place 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. This code outlines the minimum standards with which we expect suppliers to comply in the areas of health and safety, human rights, ethics and environmental responsibility. We encourage all our 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

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

UNITED NATIONS GLOBAL COMPACT

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. The WBHO service providers, suppliers and trade partners are required to adhere to the Supplier Code.	<ul style="list-style-type: none"><li>• Code of Conduct</li><li>• Employment policies</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 practises that are fair and equitable, the Company affirms its commitment to comply with the Employment Equity Act to the strategic benefit of WBHO.  South Africa is a signatory to the International Labour Organization convention, as applicable to fair labour practices, and South Africa has a plethora of labour legislation that reflect the standards. The Company's employment policies incorporate these legislative provisions. South African law prohibits forced, compulsory and child labour.  WBHO practises 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. A collective bargaining agreement has been in place since 2013.	<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.  The safety, health, environmental and quality policies ensure the WBHO 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>• Occupational health and safety policy</li><li>• Quality policy</li><li>• Code of Conduct</li><li>• Environmental Management System and ISO 14000 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. This notwithstanding, 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 a zero-tolerance towards fraud and corruption as well as management's commitment to combat all forms of fraud inherent in the Company'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.  The conflict of interest policy for the Board and employees requires the disclosure of 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>• Whistleblowing policy</li><li>• Fraud prevention plan</li></ul>

ANNUAL CONFIRMATIONS BY THE SEC

The SEC confirms that it:

- Has discharged its responsibilities as mandated by the Board, its statutory duties in compliance with the Companies Act, and best practice in corporate governance as set out in King IV™
- Is satisfied that the Group's social and ethics procedures and controls are operating appropriately

# SUSTAINABILITY PERFORMANCE

## 17 Social performance

- 17 Human capital and skills development
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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.





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>SO2</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> Transformation and localisation



### 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.

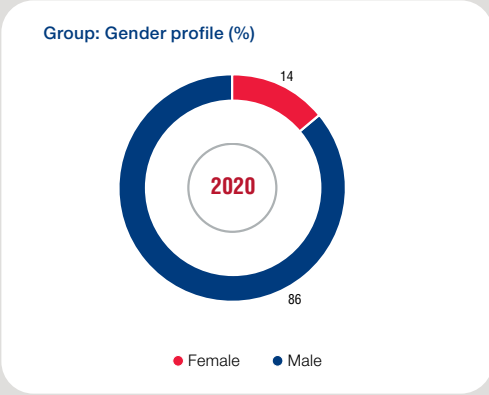
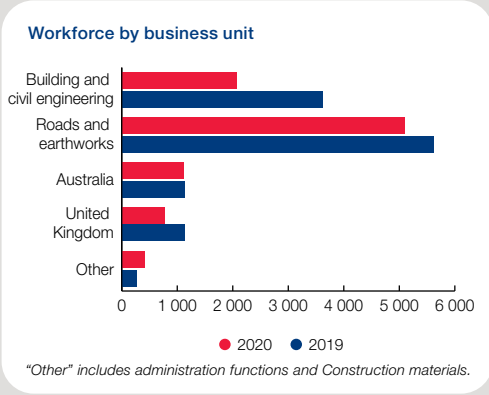
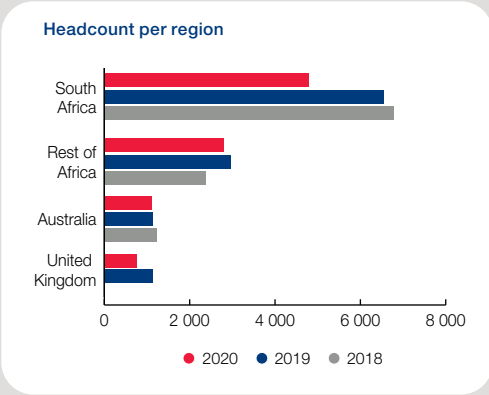
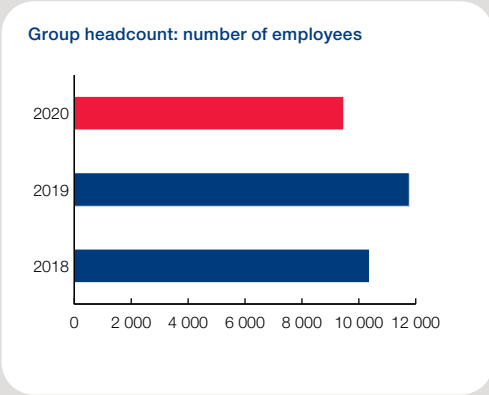
WORKFORCE PROFILE AT A GLANCE

**9 470** hourly and monthly contract employees worldwide  
(FY2019: 11 775)

**87%** black representation in South Africa  
(FY2019: 88%)

**11,2%** avoidable employee turnover rate  
(FY2019: 11,7%)

**28,2%** black youth employed  
(FY2019: 32,6%)



For more detailed data, please refer to the data tables on page 72.



CAPACITY MANAGEMENT  
WORKFORCE

During the year under review, the total workforce of the Group decreased by 19,6%, to 9 470 employees. This decrease is mainly attributable to lower activity levels in South Africa and the global impact of the COVID-19 pandemic.

SOUTH AFRICA

The labour intensive nature of the South African (SA) operations results in these operations having the highest number of employees. The persistently weak domestic environment together with the fact that SA was most affected by lockdown restrictions arising from the COVID-19 pandemic, meant that operations also endured the highest decrease in head count this year. In total, the number of employees reduced by 1 759 employees from 6 540 to 4 781 which included the retrenchment of 265 permanent staff.

Female employees represent 15% of the total workforce (FY2019: 14%) while 87% (FY2019: 88%) come from previously disadvantaged backgrounds.

REST OF AFRICA

In the rest of Africa, the workforce decreased by 171 employees, mostly due to decreased activity in West Africa and Zambia. 183 permanent staff were retrenched during the year.

Localisation practices remain integral to procuring work in the region and we continue to strengthen our local teams across our African operations. At the end of the 2020 financial year, 91% of the workforce in the rest of Africa represented citizens of the host country (FY2019: 93%).

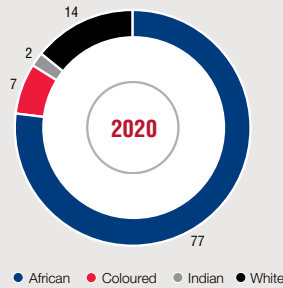
AUSTRALIA

In Australia, demand for skilled employees remains high across all sectors. This results in a highly fluctuating headcount where resignations account for 56% of avoidable staff turnover. However, these positions are quickly filled and the actual headcount decreased by only 21 from 1 139 employees in FY2019 to 1 118 employees in FY2020.

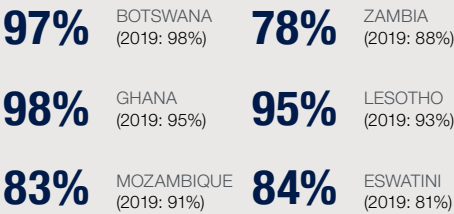
UNITED KINGDOM

In the United Kingdom, avoidable staff turnover increased to 1,3% (FY2019: 0,9%) largely due to retrenchments. The workforce decreased by a total of 354 from 1 127 to 773 which included the retrenchment of 40 permanent members of staff. These retrenchments were largely in anticipation of lower activity levels in the future associated with COVID-19.

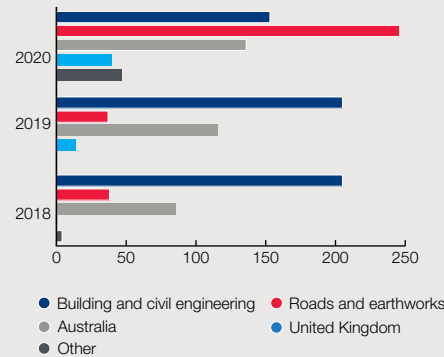
South Africa: Demographics profile (%)



Localisation in major African countries (%)

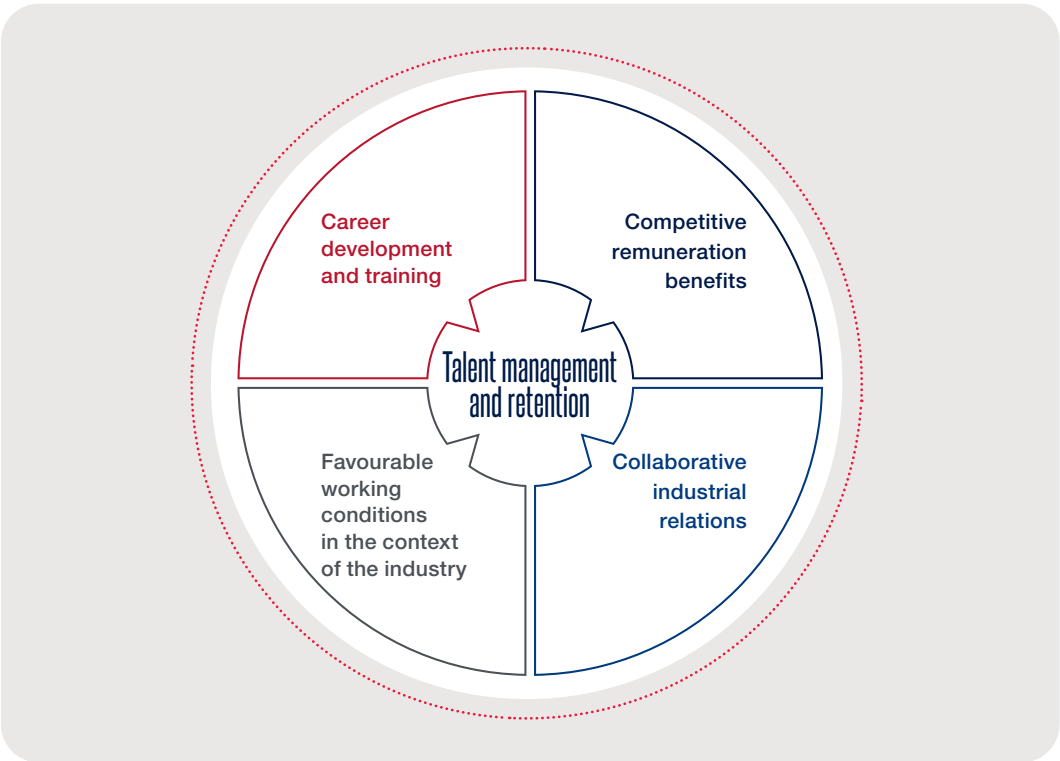


Retrenchments



TALENT MANAGEMENT AND RETENTION

Although it was necessary to reduce the capacity of our skilled resource base this year, retaining our core skilled teams remains critical for our future sustainability. During the course of the year we employed an additional 64 engineers and 15 quantity surveyors and also supported 94 students with their studies. Six new employees were enrolled onto a management development programme in Russell-WBHO during the year.



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.

The benefits that WBHO provides to its full-time employees include, at a minimum:

- Life insurance
- Healthcare
- Disability and invalidity coverage
- Parental leave
- Retirement provision
- Share ownership

Despite the prevailing market conditions experienced for a number of years, and having taken into consideration affordability, shareholders' expectations and performance, WBHO has endeavoured to pay inflation-linked increases to its employees when possible. In the current year, the Remuneration committee approved inflationary increases for African senior management and executives of 4,3% (FY2019: 6%). The average increase for the remainder of employees in Africa was 5% (FY2019: 6%). Due to the substantial losses incurred in Australia, neither senior management nor the remaining employees received increases in FY2020 (FY2019: 5,1% and 3,6% respectively). Senior management in the United Kingdom received average increases of 4% (FY2019: 6,1%), while the remaining employees received average increases of 4,3% (FY2019: 4,3%).

SOCIAL PERFORMANCE  
CONTINUED

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. When hiring employees in Africa, the Group seeks to employ citizens from local regions where possible as well as offer training opportunities that will allow them to develop the skills they need for their employment.

A scarcity of employment opportunities in the market meant that the retention of senior and middle black management in South Africa as well as seconded operational staff in Africa was less of a challenge during the year.

The construction labour market in Australia remains highly competitive, driven by strong construction markets over recent years. This spending has resulted in a sharp increase in demand for, and remuneration of, project management and site leadership professionals. In addition to the legally mandated employment benefits, we provide our full-time employees with retirement funding and medical scheme benefits. WBHO is also committed to supporting the Workplace Opportunities for Women (WOW) initiative in Australia. The Australian business is now a sponsor and supporter of the National Association of Women in Construction (NAWIC).

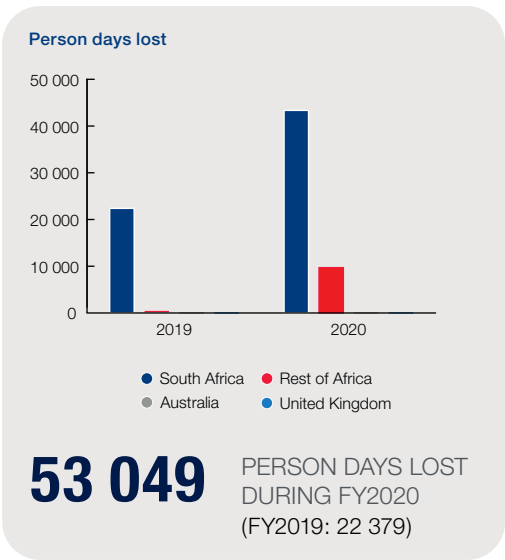
For a detailed discussion on remuneration, please refer to the comprehensive Remuneration report included in the 2020 Integrated Report as well as our remuneration policy which can be found on the [website](#) of the Group.

INDUSTRIAL RELATIONS

At WBHO, we are committed to supporting workers' rights to exercise their freedom of association and collective bargaining. However, during the year under review, we faced an economic and political challenge that resulted in illegal work stoppages caused by community protests, fomented by taxi associations, "mafia" business forums and local individuals. The work stoppages were often unwarranted as the demands being made could not be negotiated at relative stages of the projects.

These work stoppages frequently garnered an essence of violence and intimidation which in turn affected both staff and hourly-paid employees who wish to come to work and attend to their work duties. Another related challenge we faced during the year is that the local communities often do not trust our established unions, preferring to form their own employee platforms which are either ill-informed or misconstrued.

"Person days lost" is the number of days lost due to strikes/work stoppages/non-attendance multiplied by the number of employees affected and, as the adjacent graph shows, that number has increased from the previous year's 22 379 to 53 049 for FY2020. The significant increase in person days lost in Africa was due to work stoppages attributable to incidences at the Zulti Pipeline project and the Klipspruit Mine in South Africa, the LNG Camp in Mozambique and the Polihali project in Lesotho. In Australia and the United Kingdom, no person days were lost, which reflects the level of industrial relations stability in the regions.



COLLECTIVE BARGAINING

In South Africa the Company is fully compliant with the Labour Relations Act that promotes and supports all levels of collective bargaining. In South Africa, we have recognition agreements in place with the National Union of Mineworkers (NUM) and the Building Construction and Allied Workers Union (BCAWU). The level of union representation increased during the year under review to 25%.

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. 60% of employees in South Africa are covered by collective bargaining agreements.

The current minimum wage for the industry in South Africa is R37,04 per hour (FY2019: R34,45 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.

Notice periods prior to the implementation of operational changes that could affect them are specified in the collective agreements as follows:

- Four weeks' notice period if an employee has worked for a year or more
- Two weeks' notice period if an employee has worked for more than six months, but less than a year
- One week's notice period if an employee has worked for less than six months

In Australia, 25% (FY2019: 27%) 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.

WBHO is a responsible employer and protector of human rights, and during the year under review no human rights violations and no incidents of discrimination were reported.

Moreover, the Company is committed to the effective abolition of child labour and the elimination of all forms of forced or compulsory labour by complying with legislation regarding these practices as documented in the Basic Conditions of Employment Act.

FAVOURABLE WORKING CONDITIONS WITHIN THE INDUSTRY CONTEXT

Construction is by its very nature demanding, both physically and emotionally. Resignations within the industry can regularly be attributed to lifestyle choices due to the long hours often required 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.

Globally, we experienced a 0,9% decrease in our "avoidable" staff turnover, to 11% for FY2020 compared to FY2019, while in South Africa, we saw an increase of 1% in our "avoidable" turnover to 7,3% for FY2020. Fifty-six of the employees who resigned during the year were engineers, skilled people whom we regard as critical to the business. Nonetheless, we subsequently employed 80 such people during the year.



In South Africa, WBHO makes use of exit interviews as a guideline to establish the main reasons why employees are leaving the Company. Approximately 50% of leavers complete the forms. Career growth and better opportunities stood out as one of the most significant reasons employees resigned this year. On investigation, we determined that employees often leave for smaller companies where they can be employed in higher positions, for example, a contracts manager in a smaller company might often be the of a similar skill level to a site agent at WBHO. WBHO has a philosophy of promoting from within, however, promotions are based on performance, skill levels and availability of positions. It is also more common for the younger generation to switch jobs more regularly these days, in the hope of progressing their career and improving their earnings. It is not always possible for WBHO to meet these expectations.

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, mental health, financial fitness and maintaining a work-life balance.

In addition to the wellness campaigns, the Group conducts medical surveillance examinations which have the dual purpose of assisting with employee wellness as well ensuring employees do not present a safety risk while on site.

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.

WBHO offers a number of health services to its employees, including:

- AFRICA**
- Medical surveillance
  - Entry and annual medical fitness screening, which includes an HIV prevention training session and voluntary testing as well as a counselling session by a reputable medical service provider for any person testing positive
  - Vaccinations for cross-border travel, which are managed in conjunction with a travel clinic
  - Malaria prophylactics issued to any employee travelling into malaria areas
  - Chronic conditions amongst employees, monitored and managed by the medical service provider

**AUSTRALIA**

Probuild:

- Pre-employment medicals
- Audiometric and spirometry testing
- Skin cancer screening
- Flu vaccinations

**UK**

Byrne Group:

- Hearing tests – safety-critical medicals
- Employee Assistance Programme
- Company GP consultation once a month
- Occupational health surveillance

Russell-WBHO:

- Epilepsy testing
- Drugs/alcohol testing
- Hearing tests
- Flu vaccinations

**CAREER DEVELOPMENT AND TRAINING**

WBHO regards the training and development of our people as the cornerstone of our success, and it is engrained in the company culture to ensure the long-term sustainability of our business.

Our substantial investment in tailored training programmes has resulted in a highly competent and skilled workforce to the extent that we are now confident that we have an internal talent pool that will enable the sustainability of our Company and from which new leaders are emerging.

Dictated by our training policies, our multifaceted core and non-core training programmes underpin real transformation within the Group. During the year under review, the policy was reviewed and no amendments were made to it.

**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 FY2020 amounted to R93,7 million (FY2019: R92,1 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 23% to 1 968 employees, the average training spend increased by 25% to R47 597 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 the 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 under review, four candidate engineers and two candidate engineer technologists were successfully registered with the ECSA and four professional quantity surveyors were registered with the South African Council for the Quantity Surveying Profession. Three candidate construction health and safety officer, one candidate construction project manager, one candidate construction manager, five construction health and safety officers and two construction managers were registered with the South African Council for Project and Construction Management Professions (SACPCMP).

<i>Training statistics</i>	2020	2019
Total training and skills development spend (R'000)	93 672	92 135
Total black training and skills development spend (R'000)	65 139	57 898
Total employees trained	1 968	2 553
Average hours spent per employee	24	24
Average spend per employee (R'000)	48	36

*Courses attended*

Course	Description	Number attending	% Black	R spend p/p
Engineering School 1	This is an internal training and development course focused on inducting operational employees to the policies, procedures, strategies, internal services, culture, and structure of the Company. It is aimed at engineers, assistant site agents, junior quantity surveyors and assistant quantity surveyors.	17	64	13 000
Engineering School 2	This course builds on the knowledge gained in Level 1, including ad hoc training, such as problem solving, presentation skills, and managerial and leadership training. It is aimed at more senior engineers, the course is more in-depth and focuses primarily on technical training.	26	57	14 000
Engineering School 3	This course builds on the knowledge gained in previous levels, including ad hoc training, such as people management, managerial and leadership skills, and the importance of responsibility and accountability. It is aimed at senior site agents, senior quantity surveyors and contracts managers.	23	47	45 000
Management Development Programme	This course equips participants to effectively implement strategic objectives, identify opportunities through innovation, and build management and leadership capabilities. It is aimed at Site Agents, Senior Site Agents, Quantity Surveyors and Senior Quantity Surveyors.	6	50	54 920
Senior Management Development Programme	This course equips participants with the required business, leadership and change management acumen needed to cope with the changing business and organisational landscape. It is aimed at contracts manager and alternate directors.	1	100	79 670
Management Training	This includes training on contract law, project management, Construction Computer Software and construction regulations.	150	54	6 068
Artisan/Skills Training	This includes various courses such as shutterhand training, concretehand training and trade tests for plumbers.	62	83	1 745
Finance	Including training on financial life skills, cash flow and budgets.	23	34	1 775
Safety	Varied, including firefighting, first aid, legal liability, HIRA, working at heights, scaffolding, power tools, flagman	896	87	1 574
Environmental	In-house environmental training – with costs for lunch and stationery	30	63	1 866
Quality	ISO 9001:2015 Internal Auditor and QMS implementation, BIM conference, quality techniques	50	66	6 339



SOCIAL PERFORMANCE  
CONTINUED

During the year under review the SACPCMP External Mentorship Programme for engineers to register as professionals in South Africa was added.

Student bursary and apprenticeship programmes

WBHO's bursary scheme provides 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.

Students registered and bursaries awarded	2020	2019
Total bursary spend (R'000)	6 708	6 714
Black bursary spend (R'000)	5 816	5 887
Total number of bursars	94	118
Black bursars (%)	76	75
Number of Bachelor of Science students	81	78
Number of National Diploma students	13	14
Number of students receiving in-service experiential training	13	26
Total	107	118

Talent retention initiatives

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. Seven employees are currently enrolled in the programme during the year.

The Engineering School Level 3 programme is aimed at our senior site agents and contracts managers to develop their operational and managerial skills. During the year, 23 employees participated in the programme.

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.



AUSTRALIA

In Australia, Probuild has a proactive approach to learning that is facilitated through our learning management system, ProLearn offering both mandatory and optional online training courses through which employees develop their skills in a variety of areas. This system allows us to identify any key development and training gaps which are combined with feedback from employees regarding their aspirations. Probuild also supports employees who undertake paid external training relevant to their role and development.

ProLearn was launched at the beginning of FY2020 and provides employees with access to over 50 optional development courses, resulting in enhanced participation in training initiatives.

Talent retention initiatives

Our Project Leaders Development programme is aimed at growing new leaders within the business and equipping them with the necessary management skills to manage all aspects of a project successfully. The People and Culture team together with the senior leadership identify and assess high performers when they complete our biannual 9-box reviews. We also draw results specific to these high performers from our engagement surveys that gauge how engaged they are with the business.

Performance is also a key consideration in the administration of reward programmes aimed at ensuring the retention of our top talent.

Regrettably, the talent retention programmes were put on hold as a result of COVID-19.

Achievements and accolades

- Probuild's onboarding programme, PROSTART, was the winner of Best Engagement Programme in the IoIC National Awards 2020. PROSTART was also shortlisted for an International HR Brilliance Award.
- Probuild was shortlisted for the 2020 ACA Technological Innovation Award, and was a finalist in the Property Council's 2020 Innovation and Excellence Awards in the category of Project Innovation.
- 271 Spring Street was named as a winner in the 2020 Australian Engineering Excellence Awards, Victoria.

UNITED KINGDOM

Byrne Group

At the Byrne Group, we have a dedicated training facility at our yard in Mitcham through which we provide our employees with formal training interventions.

In 2013 Byrne Group's training facility in Mitcham became the first CITB satellite centre for delivering NVQ L2 Formwork apprenticeship in London, a partnership which continues. The facility is a Construction Plant Competence Scheme (CPCS)-accredited centre with the capacity to deliver five different training categories. Undertaking these courses enables a trainee to obtain the relevant CPCS card.

Byrne Group is also a Construction Industry Training Board (CITB) Site Safety Plus (SSP)-approved training organisation, authorised to deliver the following courses internally:

- SMSTS – Site Management Safety Training Scheme
- SMSTS R – Site Management Safety Training Scheme Refresher
- SSSTS – Site Supervisor Safety Training Scheme
- SSSTS R – Site Supervisor Safety Training Scheme Refresher
- One-day Health and Safety Environmental Awareness

Management training attended

Description	Number attending	FY2020 £ p/p spend
SMSTS	3	525
SMSTS Refresher	7	269
Three-day First Aid	3	300
First Aid Refresher	20	215
Appointed Persons Course	3	925
Appointed Person Practical/Theory Re-Sit/Refresher	1	295
Scaffold Inspection	1	250
H&S Awareness	1	125
IPAF	2	282
Temporary Works Coordinator	20	190
Emergency First Aid	6	135

We have trained three of our managers to become Mental Health First Aid Train the Trainer (MHFA)-accredited trainers. This will enable us to deliver internationally accredited MHFA courses across the Byrne Group, and to offer guidance and training in support of mental health in the workplace and beyond.

We also use a number of external training providers with the following courses delivered during the year under review:

- Completion of 280 online modules with 153 hours of continued professional development duly logged
- Twenty construction staff undertook a Temporary Works Coordinator course
- Six HSE and operations staff attended a Face Fit Testing train-the-trainer course to facilitate and support projects with occupational dust issues
- Several staff attended a bespoke two-day Management of Scaffolding course which was well received and which is scheduled to replace formal scaffold inspection training

Due to COVID-19 there has been a significant impact on our ability to deliver the planned 2020 face-to-face programme for the year. However, a recovery programme is being developed to ensure both existing qualifications/refreshers, along with new requirements, are provided for employees via blended learning, online bespoke or face-to-face tuition.

SOCIAL PERFORMANCE  
CONTINUED

It is a fundamental principle to conduct our business in a responsible manner, ensuring that we leave behind a local workforce which is more employable and skilled as a result of engaging with our projects. To this end, we work with local authorities to support the employment, training and development of local labour on our projects.

Student and graduate schemes

In the UK we run a five-year Building Students' Programme in conjunction with the University of Salford, which includes graduate and graduate-training for future project managers, quantity surveyors and estimators. The programme offers school and college leavers the chance to learn "on the job" with experienced professionals, under the guidance of a nominated mentor and as part of a friendly and supportive team. Alongside this, participants complete a part-time degree in one of a select number of accredited courses.

In order to retain and develop our future engineering workforce, Byrne Group's graduate scheme has been developed and recognised by the Institute of Civil Engineering (ICE). Our aim is that our graduates and higher apprentices will reach IEng or CEng status with ICE.

The scheme supports the graduates to develop key technical and professional skills and provides an overall understanding of how the business operates. Throughout the three-year scheme, in addition to spending time working in engineering teams on site, graduates spend three-month rotations in other departments

Byrne Group	2020	2019
Total bursary spend (£,000)	129	111
Total number of bursars	22	18
Registrations		
Number of Bachelor of Science students	22	18
Number of graduate engineer and civil engineering apprentices	5	10
Number of professional engineers	3	4
Number of professional quantity surveyors	8	8
Total	38	40

Talent retention initiatives

Russell-WBHO has implemented a management development programme that enables participants to effectively implement strategic objectives, identify opportunities through innovation, and build management and leadership capabilities. Aimed at site agents, senior site agents, quantity surveyors and senior quantity surveyors, it provides an opportunity for middle managers or individuals who have the potential to manage others to develop their social and cultural awareness.

such as planning, health and safety and commercial. Our graduates are continually supported as they benefit from one-to-one coaching and mentoring with their Delegated Engineer. This support contributes to the achievement of chartered status with ICE.

In support of the STEM Ambassador's scheme, which promotes these subjects and associated careers, Byrne Group provides a minimum of 50 hours of mentoring and coaching to young people when visiting primary and secondary schools, colleges and career events. During the year under review, we conducted a number of workshops through the schools, colleges and charities with which we have longstanding relationships, exceeding our target by delivering over 100 hours over the past two years.

In addition, we strive to strengthen our relationship with a core selection of universities across the UK, offering summer and industry placements, and a direct route to the Byrne Bros. Graduate Scheme. As a result, we now have links with a number of universities across the UK.

Byrne Group has also formally joined the 5% Club, which is a dynamic movement of employers focused on creating momentum behind the recruitment of apprentices, and sponsorship of students and graduates into the workforce. Members strive to achieve 5% of their workforce in "earn and learn" positions (including apprentices, sponsored students and graduates on formalised training schemes) within five years of joining. As of the end of June 2020, we were at 6.8%.

We enrolled six employees in this programme, which was reviewed by our Operational training committee during the year and it was once again found to add value to our organisation.

In order to assess the development of management personnel, the MDP is reviewed by the directors and senior management in conjunction with personal development review meetings. These assessments form the basis for awarding internal promotions.

How we enhance skills development across WBHO



AFRICA OPERATIONS

- 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.



AUSTRALIA

- In Australia, Probuild has a proactive approach to learning that is facilitated through our learning management system, ProLearn offering both mandatory and optional online training courses through which employees develop their skills in a variety of areas.



UNITED KINGDOM

- At the Byrne Group, we have a dedicated training facility at our yard in Mitcham through which we provide our employees with formal training interventions.
- Russell-WBHO has implemented a management development programme that enables participants to effectively implement strategic objectives, identify opportunities through innovation, and build management and leadership capabilities.

HEALTH AND SAFETY



Ensuring organisational health and safety (OHS) for all who work with us forms an important part of WBHO’s social, relationship and intellectual capitals, and we undertake our approach to it in terms of our strategic objectives of safety and environmental management and reputation and relationships. This approach is founded on visible leadership, accountability and competence, and is supported by clear policies and procedures.

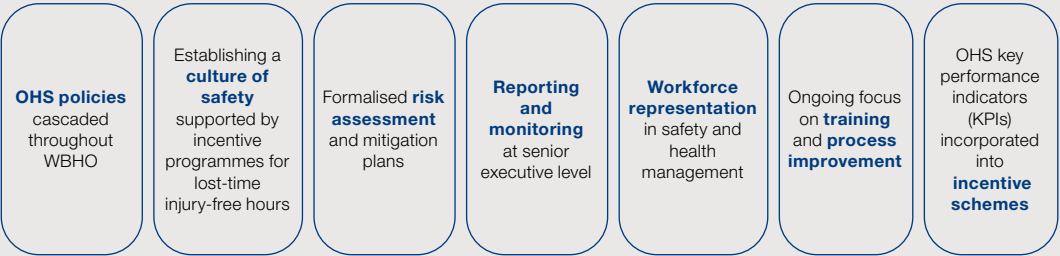
HEALTH AND SAFETY: THE STRATEGIC FOUNDATION

Our employees and subcontractors are both among our key stakeholders. In recognition of this, and in terms of our Group strategy, we are committed to their continued wellbeing when they are engaged on WBHO projects.

Strategic objective	Strategic imperative	Strategic initiative
SO3	Our reputation has developed by delivering projects to the highest standards and providing an all-inclusive “quality experience”. Our commitment to “execution excellence” is achieved by embedding our culture throughout our business in doing things “The WBHO Way”.	<ul style="list-style-type: none"><li>Proactive stakeholder engagement</li><li>Ethics programmes</li><li>Regulatory compliance programme</li><li>Corporate governance excellence</li><li>Entrenching culture among new employees</li></ul>
SO5	<p>As a contractor with an international footprint, operating across Africa, Australia and the United Kingdom, it is essential that WBHO holds itself to the very highest health and safety standards.</p> <p>Protecting the welfare of employees and subcontractors results in healthy morale and uninterrupted productivity. A proven safety record is imperative for the procurement of work within certain key markets, particularly mining infrastructure and the public sector.</p>	<ul style="list-style-type: none"><li>Implementation of global industry best practice</li><li>Accident and near-miss reporting</li><li>Effective and transparent incident management</li><li>Visible Field Leadership (VFL) initiative</li><li>Medical fitness programme</li><li>Training and awareness programmes</li><li>Safety Alert initiative</li></ul>

OUR OHS PHILOSOPHY

At WBHO, OHS is founded on seven pillars which underpin our strong visible leadership and competence, all supported by clear policies and procedures.



A STRUCTURED APPROACH

RESPONSIBILITY

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 on which they report to the Executive committee.

RISK MANAGEMENT

Safety risks are identified through on-site risk assessments, root cause analyses of safety incidents, feedback from the VFL programme and Directors’ Tours as well as the safety audits conducted. Safety protocols and procedures are then updated with any relevant risk mitigation measures necessary.

PROCEDURES AND ASSURANCE

We apply best practice when implementing our safety policies and procedures through the safety management system and we obtain external assurance on the legal compliance and effectiveness of the system. The safety department obtains internal assurance of compliance with the system by the individual operations of the Group. While no amendments were made to the occupational health and safety policy during the year in South Africa and the UK, the policy was updated in Australia to include a new signatory.

MONITORING AND REPORTING

The Group monitors and reports on all safety incidents, including high-potential incidents. Persistent trends are identified and used to raise awareness and develop and implement safety initiatives and training continuously.

COMPLIANCE AND AUDITING

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. Incidences of 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.

PERFORMANCE OVERVIEW

We held our high-level safety intervention meeting with top management, at which we discussed the prior year as well future developments. This resulted in the setting of safety targets for the year to come, some of which showed minor differences from those of the previous year.

MEASURING HEALTH AND SAFETY PERFORMANCE





SAFETY GOVERNANCE

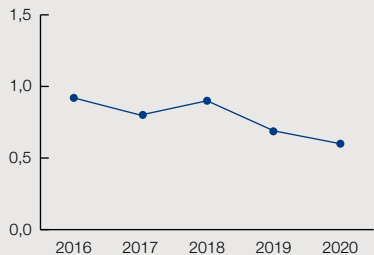
All health and safety procedures, management, reporting and recording are governed by the formal health and safety policy. During the year under review this policy underwent its annual review, in which it was found to be fit for purpose, and as a result there were no changes made to it. A number of separate policies were introduced in respect of COVID-19.

In February 2020, a high-level HSE meeting took place at which the previous Safety First interventions were reviewed for efficiency. New measures were added to ensure compliance as well as to improve the overall safety culture. One important such measure was to engage with contractors more frequently and to assist and guide them in more effective HSE management systems, both for their benefit and for that of the Group.

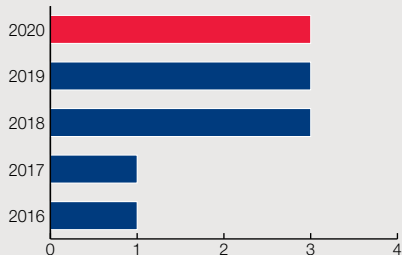
SAFETY PERFORMANCE

The Group achieved a lost-time injury frequency rate (LTIFR) of 0,59 (FY2019: 0,69) and a recordable case rate (RCR) of 0,60 (FY2019: 0,69) in the year. Improved safety statistics in the UK were the main reason for this improvement. The Visible Field Leadership (VFL) programme also continues to play a significant role in the improvements we have made over the last two years.

Group: Lost-time injury frequency rate



Group: Work-related fatalities



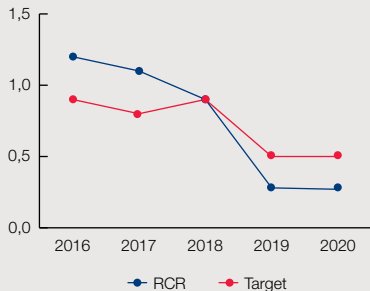
The LTIFR represents the number of injured persons booked off work for every 1 000 000 hours worked.  
RCR represents the number of medical treatment cases for every 200 000 hours worked.

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 FY2020 (FY2019: three).

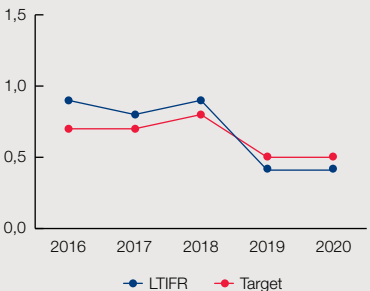
The African operations maintained the record low LTIFR of 0,41 achieved in FY2019 and also improved marginally on the RCR which reduced from 0,28 to 0,27. Alongside the VFL programme, a focus on detailed safety risk assessments and improved communication of, and adherence to, associated mitigation actions as well as more stringent supervision over subcontractor safety management contributed to the improved safety statistics.

In Australia, the LTIFR increased from 0,73 in FY2019 to 0,84 in FY2020, but remained well below the ratio of 1,97 from FY2018. In the UK, an LTIFR improved to 1,64 (FY2019: 3,94). The UK is legally subject to the "Reporting of Injuries, Diseases and Dangerous Occurrences Regulations of 2013" to measure lost-time in respect of reportable injuries, which utilises a different

Africa: Recordable case rate



Africa: Lost-time injury frequency rate



measurement framework to those used by the wider Group. The improvement in the current year reflects the further alignment of lost-time injury management within the UK operations with standard group practice.

The Group recorded an all-injury frequency rate (AIFR) of 4,2 (FY2019: 2,2) per 100 000 hours worked. Root cause investigations are undertaken for all accidents and incidents and methods are developed and implemented to prevent similar incidents from recurring.

MANAGING SAFETY

As a Group, we make every effort to provide and maintain a working environment that is safe and without risk to our employees. To this end, we have in place a well-established hierarchy of risk control as well as a well-defined set of actions to support our safety interventions 2020.

The Safety First interventions management plan developed in 2018 was updated this year and includes specific procedures and actions covering the following aspects of safety management as outlined in the table below:

SAFETY FIRST KEY INITIATIVES

Initiative	Objective	Action
1 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><li>Newly appointed Supervisory and Management Orientation Programme</li></ul>	<ul style="list-style-type: none"><li>Internal OHS training for all CR8(7) and CR8(8) appointees</li><li>CR9(1), 8(2) and 8(8) complete HIRA training</li><li>Sub-contractor appointee's legal liability and HIRA training required before appointment to projects</li><li>Divisional managing directors ensure newly promoted/appointed supervisory or management employees complete a divisional orientation programme before they start on a project</li></ul>
2 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 regulations, and understand their responsibilities in terms of the appointment</li></ul>	<ul style="list-style-type: none"><li>Each person who makes legal appointments discusses the contents, responsibilities and accountability of the appointment with appointees</li><li>People making appointments must reasonably satisfy themselves of appointees' competence</li><li>This also applies to any contractor appointee on a project</li></ul>
3 Risk identification and mitigation process	<ul style="list-style-type: none"><li>Implement a risk review process that is developed from first principles</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 nature of risks on projects</li></ul>	<ul style="list-style-type: none"><li>Risk-review pre-plan is developed in conjunction with project programme on commercial start-ups led by the appointed CR8(1)</li><li>New projects are required to have an updated Baseline Risk Assessment (BRA) process in place and managed by the Construction Manager CR8(1)</li><li>The risk assessment process includes H&amp;S representatives and key workforce team members and contractors</li></ul>
4 Developing a Safety First Culture	<ul style="list-style-type: none"><li>Leadership demonstrates its commitment to safety by leading weekly project 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 appointed Construction Manager S(1). The walk includes contractor managers and SHE representatives as well as assistant construction managers CR8(2) and CHSOs CR 8(5) appointees. Appointed supervision CR8(7)/8(8) participate in walks when their section is reached</li><li>Managing directors (MDs) attend walks on various projects on an ad hoc basis</li><li>Each MD conducts at least one VFL per month on a project within his/her division</li><li>Peer review VFLs are conducted based on a schedule issued by the divisional MD</li><li>Each Operational/Contracts Director conducts at least two VFLs per month on two separate projects under his/her control</li><li>Each project starts on a Monday morning with a Safe Start meeting</li><li>Each Monday morning a separate meeting with crane operators and banksmen/riggers is held to plan for the week's activities</li></ul>

Initiative	Objective	Action
<b>5</b> Improving accident/incident investigations	<ul style="list-style-type: none"><li>Improve the incident investigation process</li><li>Improve quality of initial documents and accident/incident investigations</li></ul>	<ul style="list-style-type: none"><li>Company communication of incidents to become a “knowledge-sharing” platform for individuals to comment on</li><li>Flash reports and accident/incident investigations to be reviewed and signed off by the appointed Construction Manager CR8(1)</li><li>Root causes to be identified and effective measures put in place to prevent similar incidents</li></ul>
<b>6</b> Management of change – Continuous risk assessment	<ul style="list-style-type: none"><li>Preventative management of change</li><li>Improve overall management of change process</li><li>Monitor effectiveness of operational management of change processes</li></ul>	<ul style="list-style-type: none"><li>Job safety analysis (JSA) is completed and discussed with the team by the appointed Supervisor of Construction Work (CR8(7)), or in his or her absence, the Assistant Supervisor of Construction Work (CR8(8)) before the work starts</li><li>If the task, hazards or risks change during the day, the CR8(7)/CR8(8) revises the JSA before work continues</li><li>Directly after lunch, a compulsory evaluation is conducted by the appointed CR8(7)/CR8(8) to ensure that the same task, hazards and risks exist for the afternoon</li><li>Where changes in the task, hazards and risks are identified, the CR8(7)/CR8(8) amends the JSA and communicates the changes to the team before work starts</li><li>The CR8(7)/CR8(8) completes the Planned Task Observation for the task during the course of the day, but before 14h00</li></ul>
<b>7</b> Contractor management	<ul style="list-style-type: none"><li>Improve contractor legislative compliance</li><li>Improve overall health and safety</li><li>Ensure that contractors are competent</li><li>Ensure that contractors have the necessary skills and resources to perform the work safely</li></ul>	<ul style="list-style-type: none"><li>Each appointed CR8(1) with his or her appointed CR8(5) ensures that:<ul style="list-style-type: none"><li>Contractors are provided with client health and safety specifications</li><li>Contractors have made sufficient provision for health and safety measures</li><li>No contractor is appointed unless competence and resources to perform their scope of work can be proved</li><li>Contractors are in good standing with the compensation fund or with a licensed compensation insurer</li><li>Each contractor is appointed in writing for their scope of work</li><li>Reasonable steps are taken to ensure that each contractor's health and safety plan (HSP) is implemented and maintained</li><li>Periodic monthly site audits and document verification take place</li><li>Contractors are stopped from executing work if they are not compliant, or if the work poses a threat to health and safety</li><li>Where changes to the design and/or construction occur, sufficient health and safety information and resources to execute the work safely are provided</li><li>The HSP of each contractor is approved before they start</li><li>All employees have a valid medical certificate of fitness</li></ul></li></ul>

ACTIONS IN SUPPORT OF SAFETY INTERVENTIONS

1. HSE management system to be revised and approved for implementation

2. Legal liability training programme for foremen and supervisors – CR8(7) and CR8(8) remaining group

3. Encouragement of toolbox talks by different team members each week

4. All projects to ensure the display of persons inducted into the project on their hard hats

5. Projects to ensure all safety representatives are clearly differentiated by helmet and bib colour
6. Revise and change DSTI name to a common methodology which does not have daily reference

7. Identify supervisory literacy concerns and put in place a management process to deal with literacy

8. Develop WBHO newly promoted/appointed Supervision/Management Programme

9. Biometric access-control system for all employees

10. Monitor implementation of all Safety Intervention 2020 processes

Key safety risks identified this year included:

- Subcontractor safety standards and non-compliance across all operations
- External threats to employees in respect of community unrest and terrorist threats (specific to the African operations)
- Material, scaffold and shutter handling
- Falling objects and fall prevention

During the year, the development of a divisional-specific risk register was initiated to augment the Group risk register. We anticipate that this process will be completed towards the end of 2020.

COVID-19 RESPONSE

During the year under review, in addition to the ongoing risks faced in the execution of projects, the advent of the coronavirus pandemic added a further major risk to our workforce, contractors and to operations.

In response to legislative requirements, appropriate COVID-19 policies were developed and regularly updated as events

evolved. The primary aim of these policies was to implement the necessary prevention measures to limit infection, to specify procedures in the event of positive cases occurring in the workplace and to ensure legislative compliance.

The key guidelines within the policies consisted of the following:-

- Mandatory screening of employees and all other site personnel
- Mandatory sanitising on entry
- Social distancing measures
- Enhanced cleaning and sanitation regimes especially in high traffic areas
- Tracking and tracing protocols in respect of positive cases
- Mandatory self-isolation pending receipt of a negative test
- The transport of infected people to healthcare facilities dealing with COVID-19 cases
- Guidance for employees with comorbidities
- Work from home protocols
- Communication and education

The table below provides information on the COVID-19 statistics of the Group at 30 June 2020:

	South Africa	Rest of Africa	Australia	UK	Total
Number of cases identified	158	8	2	24	192
Number of tests undertaken	473	29	3 009	30	3 541
Number of deaths	–	–	–	–	–
Number of recoveries at 30 June	148	6	2	24	180

The procedures employed for the identification of COVID-19 symptoms, testing for infection and the tracing of close contacts was broadly the same across all operations.

All employees, contractors and visitors undergo mandatory screening for symptoms upon entering any premises of the Group. In the event that an employee or any other person demonstrates any symptoms, they are immediately required to enter into self-isolation and make arrangements to obtain a COVID-19 test. A list of close contacts is obtained and affected persons are also required to self-isolate until the outcome of the person displaying symptoms is known. In the event of a positive test, close contacts considered to be high-risk are also required to get tested before returning to work.

Full investigations are conducted for every case and reported to the relevant department in that region. The condition of ill employees is followed up daily until the specified isolation period has been completed and he or she is back at work.

Russell-WBHO also invested in facial recognition technology at site entrances to replace fingerprint registry systems to minimise physical cross-infection. This technology is still being investigated in South Africa.

INCIDENT MANAGEMENT

All safety incidents are reported to the appointed safety officers on each project as well as in the office environment. With the exception of minor first aid accidents, all incidents are fully investigated to determine the root cause or causes. This information is collated into an incident register from which trends and areas for improvement are identified. This information is used to distribute safety alerts and inform the training and awareness initiatives to be implemented.

Trends causing accidents that were identified this year include:-

- Machinery and plant incidents
- Material handling
- Struck-by and struck-against incidents
- Trips and falls
- Falling objects

As a result, we introduced improvements on current projects, and implemented the following steps in order to mitigate the identified risks:

- Traffic management plans with a focus on man-machine interface and a revised simplified key-control process were rolled out for machinery and plant incidents. As struck-against incidents are caused mainly by plant and or machinery, they are covered in these traffic management plans under man-machine interface.
- The guidelines for personal protective equipment (PPE) were revised and enforced on all projects.

## SOCIAL PERFORMANCE

CONTINUED

Struck-by incidents (where material falls from heights) were re-evaluated and measures were put in place to ensure that people are not endangered below work that is taking place at heights.

### SAFETY ASSURANCE

In South Africa, we also retained our ISO 45001 certification for all operations having made the conversion from OHSAS 18001 in

the previous year. The Byrne Group migrated from OHSAS 18001 to ISO 45001 in October 2020, while Russell-WBHO achieved certification in September 2019.

The table below provides information on the number of audits conducted together with the number of non-compliance findings, the number of sites using the safety management system and the percentage of sites audited in the current reporting period:

	Africa		Australia Probuild		United Kingdom Byrne Group		Russell-WBHO	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
Number of audits	88	114	38	34	21	25	275	322
SMS coverage (%)	100	100	100	100	100	100	100	100
Audit coverage (%)	100	100	100	100	100	100	100	100
Number of major non-compliance findings	102	135	48	48	1	1	47	78

### INDUCTION PROGRAMME

All employees, contractors and visitors to any project across all operations of the Group are required to complete an induction process. Visitors will generally complete a simplified induction and are escorted by a site representative at all times while on site. Moreover, no physical work may be conducted with a visitor's induction.

In South Africa, we are also investigating the possibility of introducing technology such as facial recognition systems in order to manage access control more effectively. We envisage that this tool will be linked to valid inductions as well as medical certificates of fitness. Russell-WBHO is currently trialling an online offsite induction process that enables physical distancing and saves management time.

In the UK, employees at both the Byrne Group and Russell-WBHO, have new starter inductions during which they are briefed on the respective safety policies and other relevant health and safety information.

### SAFETY AWARENESS

During the year under review, we revised our incident reporting to include an incident recall after a full investigation had been concluded. The incident recall is then distributed, with comments received along with incident notifications in the form of "Flash Reports" to all parties concerned.

In Africa and the UK, the safety alerts created during the year are shown in the adjacent table.

Africa	UK	
	Byrne Group	Russell-WBHO
<b>COVID-19</b>	COVID-19	COVID-19
<b>Equipment falling from heights</b>	Permit to Load – Build to Design	PPE COVID-19
<b>Overhead electric power line safety</b>	Suicide Prevention Day	Inclement weather
<b>Various man-machine interface alerts</b>	Counterfeit, fraudulent and suspect items	
<b>Safe use of generators</b>	Cold weather clothing	
<b>Inclement weather</b>	Communication voice procedure	
<b>Off-site and after-hours vehicle collisions</b>	Hand protection	
<b>Excavation safety</b>	Scissor lifts	
<b>Crane safety</b>	New colour coding for slings	

A total of 23 safety alerts were created and issued in Australia during the year under review.

### SAFETY TRAINING

#### AFRICA

Training courses in South Africa, spend per person and attendees (compared with indicators for 2019) are described in the table below.

		FY2020		FY2019	
Course	Description	Number of attendees	% black	Number of attendees	% black
Safety	Includes fire fighting, first aid, legal liability, working at heights, scaffolding and power tools	896	87	1 378	90

#### UNITED KINGDOM BYRNE GROUP

		FY2020		FY2019	
Course	Description of course	Number of attendees	Average £ spend/person	Number of attendees	Average £ spend/person
Health, Safety and Environment Training	Traffic Marshall, Temporary Works, Safety Awareness, Slinger, Appointed Person, IPAF, Mental Health, PASMA, WAH, etc.	389	139	825	118
First Aid/CPR	First Aid and Requalification	46	150	55	255
Incident Investigation	In-house or specialist external	–	–	8	–
CSCS test	Site card and test	58	21	136	21
CPCS test	Plant	105	25	30	25
SSSTS	Site Supervisor	5	250	20	250
SMSTS	Site Manager	22	365	41	465
NVQ Training	Concrete Pump, Lifting, Construction Management	20	1 000	37	1 000

#### RUSSELL-WBHO

		FY2020		FY2019	
Course	Description of course	Number of attendees	Average £ spend/person	Number of attendees	Average £ spend/person
Management training	SMSTS	3	525	4	525
	SMSTS Refreshers	7	269	9	269
	SSSTS	–	267	2	267
	SSSTS Refreshers	–	–	–	–
	Three-day First Aid	3	300	12	300
	First Aid Refreshers	20	215	22	215
	Appointed Persons Course	3	925	1	925
	Appointed Person Practical/Theory Re-Sit/Refresher	1	295	1	295
	Scaffold Inspection	1	250	10	250
	Fire Risk Management	–	173	36	173
	H&S Awareness	1	125	2	125
	IPAF	2	282	2	282
	PASMA	–	98	15	98
	CAT and Genny	–	50	8	50
	Mental Health First Aid (two-day course)	–	145	8	145
	Mental Health First Aid (half-day course)	–	116	12	116
	SEATS (Site Environmental Awareness Training Scheme)	–	125	11	125
	Temporary Works Co-ordinator	20	190	–	190
	Emergency First Aid	6	135	1	135
	NVQ Level 6 Construction Management	–	1 525	2	1 525
	Face Fit Testing – TTT	–	100	6	100



WORKERS' REPRESENTATION

WBHO's commitment to employees' rights to representation and freedom of association relates to our support of UNGC Principle 3, and forms an integral part of our social and relationship capital. While health and safety topics are not covered in formal agreements with trade unions, all of our employees enjoy representation on formal joint management-worker health and safety committees, which operate within a well-defined framework.

In South Africa, there is a monthly union-management meeting chaired by the Group HSE Manager and represented by senior union members working for WBHO. Each project is required to have monthly on-site HSE management meetings with HSE representatives who represent the workforce, with the Safety committee meeting chaired by the Construction Manager. Weekly Toolbox Talks are also held with all employees, where they have an opportunity to raise any health and safety concerns.

Within the Australian operations, workplace consultation was in line with the HSE committee constitution.

In the UK, Byrne Group's monthly and quarterly SLT meetings are attended by our site supervisors, project engineers, project managers, safety managers and construction managers that constitutes a forum for discussing incidents, learning, best practice and areas for improvement. All the project directors attend these quarterly meetings, and the meeting is chaired by the Managing Director.

100% of our workers are represented by formal joint management-worker health and safety committees. Control of substances hazardous to health (COSHH) assessments are conducted for each product used on site with regard to Silicosis, COVID-19, Lyme Disease and Asbestosis.

At Russell-WBHO, while workers do not at present have representation in formal joint management-worker health and safety committees, this is being proposed at the next senior management meeting.

LOOKING AHEAD

In South Africa, as with rest of the operations, the safety team experienced a reduction in capacity. As a result, we will explore effective means to improve both performance and productivity through the use of technology. We are currently investigating the use of an IT-based audit platform as a possible means of more effectively conducting audits and inspections as well as monitoring employees with expired training, medical or other certificates.

We will also continue to drive our Safety First initiatives and engagement sessions with subcontractors.

At Probuild there will be a focus on formalised tracking on frequency rates, the continuation with improvements of the HSE platform, and training analysis programmes.

- In the UK, new objectives for the Byrne Group for the next two years include:
- Reduction in LTIFR, TCR and AFR
  - Mental health briefings and training
  - OHS audit findings closed out within four weeks
  - Reduction of top three incidents in the last six months
  - COVID-19 secure sites and offices to protect the welfare of all staff and operatives
  - Online inductions for projects including record checks for proof to work and training
  - An electronic inspection and audit system to record and allow trend analyses for all inspections/audits undertaken on projects
  - Monitoring of subcontractors and operatives to ensure they understand and follow their RAMS and remove/control hazards while working
  - Continue to promote a "See IT, Sort IT, Report IT" approach as we believe all accidents and injuries are preventable, and we are driving a culture where safety is an integral part of every business decision across the Company
  - Communication of the right to challenge is promoted through our behavioural safety programme as we are working hard to ensure employees and contractors know how to identify and manage risk, take personal responsibility for their own safety and the safety of those around them. This constant vigilance is essential to our vision not just of eliminating major incidents, but preventing any incidents that could affect the health and safety of our people.

- For Russell-WBHO, the key focus areas for the year ahead include:
- Subcontractor assessment and management
  - Business HSEQ communications, both internally and externally
  - Worker engagement and inclusion
  - Quality training/workmanship and technical knowledge

QUALITY MANAGEMENT



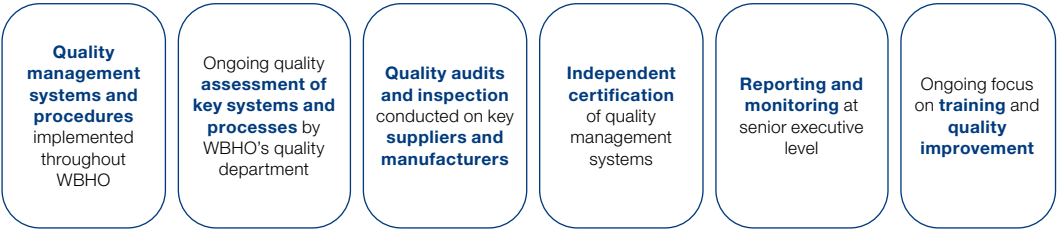
Quality management is integral to our strategic objectives of procurement and execution excellence, and reputation and relationships.



Strategic objective	Strategic imperative
SO2	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.
SO3	

QUALITY MANAGEMENT – THE STRATEGIC FOUNDATION

The aim of quality management is to ensure 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 and evolving our processes in a collaborative way, we ensure compliance with our own internal standards as well as external specifications, thereby enhancing client satisfaction.



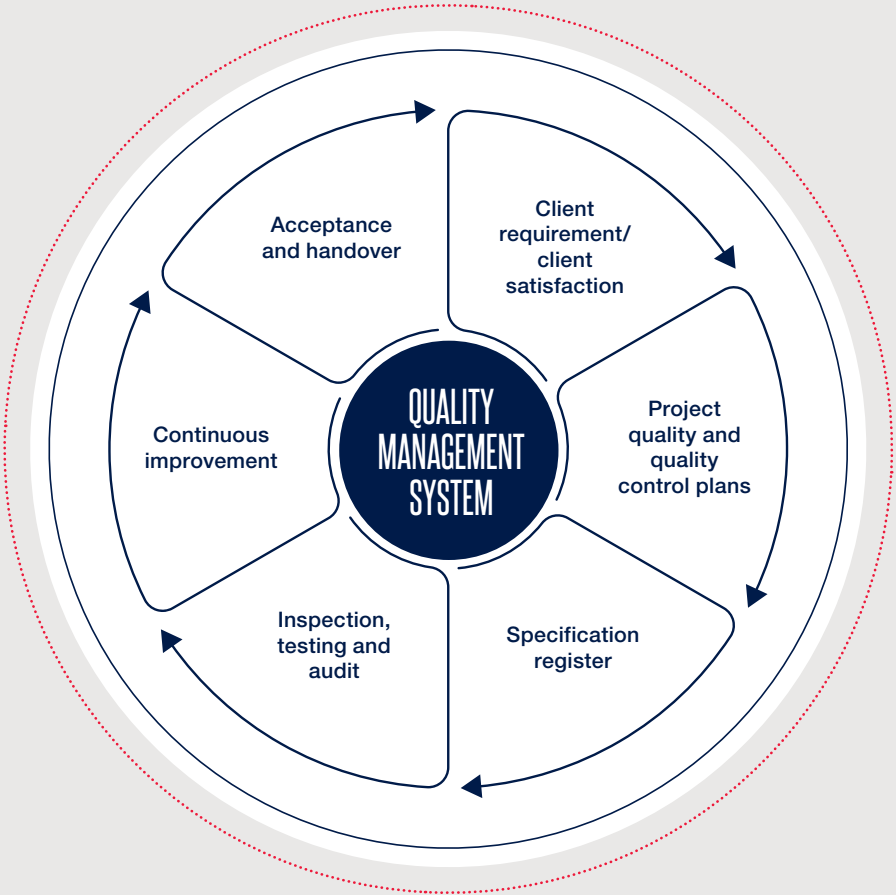
THE QUALITY MANAGEMENT SYSTEM

In order to achieve these aims, we have implemented a formal quality management system (QMS) on a risk-based approach and monitored it through risk-based audits. This risk-based approach serves to identify high-risk projects, processes and suppliers as well the effect that decisions have on outcomes.

The QMS is certified against ISO 9001 requirements in all areas of operation, and a dedicated team of quality personnel ensure continuous compliance with this standard. The consistent meeting of client, statutory and regulatory requirements is the most important objective of the QMS. We establish, implement, maintain and continually improve our QMS, including the processes needed and their interactions. Continued evaluation of important factors such as risk, resources, methods, inputs/outputs and responsibilities are conducted for the purposes of improvement.

The QMS includes a formal process for the review and audit of all projects and regional offices. We measure compliance on site, and our auditors visit the sites to ensure that the systems are properly implemented. Our physical presence on site was curtailed during the period of the lockdown, and was reinstated only from July/ August 2020. The meetings and follow-up interventions, however, continued using distance-conferencing technology.

Quality reports are compiled monthly and are communicated at all subsidiary and divisional Board meetings, while report summaries are tabled at main Board meetings as a standard agenda item. No amendments were made to our quality policies in South Africa, the UK and Australia during the year.



MEASURING QUALITY PERFORMANCE



SOCIAL PERFORMANCE

CONTINUED

Continuous improvement is a key element of the QMS. Site personnel use non-conformance reports (NCRs) to register all incidences of non-conformance from a quality perspective. NCRs from all projects are consolidated to identify common trends and failures as well as to quantify the cost of rework and waste. Corrective action notices (CANs) and quality alerts are subsequently issued to raise awareness of common issues and how to prevent them, and ensure that the root cause of incidents is addressed on every site.

QUALITY AUDITS

In total, 186 (FY2019: 237) quality audits were conducted by WBHO's internal quality department across the Group; 144 quality audits (FY2019: 187) were conducted across the various African operations while 13 (FY2019: 15) audits were conducted in Australia and 37 (FY2019: 35) in the United Kingdom. The decrease in the number of audits in Africa and Australia was due to COVID-19 related lockdown restrictions. All sites are covered by the QMS of the Group.

	Africa		Australia Probuild		United Kingdom			
	FY2020	FY2019	FY2020	FY2019	Byrne Group FY2020	FY2019	Russell-WBHO FY2020	FY2019
Quality audits	144	187	13	15	16	21	21	14
CANs	473	534	27	54**	43	66	n/a	n/a
NCRs	1 946	1 558	3	23***	328	322	14	8

\*\* Observations raised.

\*\*\* NCRs raised by internal QA audits only.

	FY2020			FY2019		
	Cost of rework and waste R'000	QMS coverage %	Audit coverage %	Cost of rework and waste R'000	QMS coverage %	Audit coverage %
South Africa and rest of Africa	14 689	100	58	20 250	100	59
Australia	65 266	100	32	79 633	100	75
UK – Byrne	*	100	90	*	100	100
UK – Elmer	*	100	90	*	100	100
UK – Russell-WBHO	n/a	100	100	n/a	100	82

\* Figures not currently available.

SUPPLIER AND MATERIALS MANAGEMENT AND PROCESSES

With COVID-19 exerting a meaningful impact on the general economy, and on small and medium enterprises (SMEs) in particular, we encountered incidences of cost-cutting on the part of suppliers. We therefore took a decision during the year under review to revisit even those suppliers with whom we were comfortable, to ensure that their quality processes were still in place, and that the products we were receiving matched our expectations.

In Africa, 58% (FY2019: 59%) of all sites were subjected to quality audits, while in Australia and the United Kingdom, coverage of 32% and 90% was achieved respectively.

In South Africa and the rest of Africa, 473 (FY2019: 528) CANs were issued. The Australian operations issued 27 observations and the UK operations issued 43. CANs are clear and concise descriptions of identified problems and the necessary corrective actions requiring implementation to avoid future occurrences. The decrease this year is attributable to the fewer number of audits conducted.

The number of NCRs, issued in Africa increased from 1 558 in FY2019 to 1 946 in FY2020. This is due to improved awareness from site personnel of the benefits of issuing and closing out NCRs as opposed to viewing them negatively. In Australia, the number of NCRs reduced from 23 to three. In Australia, NCRs are only raised by the assurance team when conducting audits and the decrease is largely due to the fewer audits undertaken. In the United Kingdom, 328 NCRs were raised compared to 322 in FY2019.

SOUTH AFRICA

Essential suppliers are approved through our rigorous Supplier Approval Process. They are added to the Supplier Ratings List and are then categorised according to risk as high, moderate or low.

The supplier management process involves the following:

- Buyers complete an external Provider Evaluation Questionnaire with each supplier to determine their capacity and quality assurance status
- Site and quality personnel complete the Specification Register with the information from the Specification Register inserted into the Material Schedule

- The Materials Approval Register is maintained to manage all material approval forms and status, and includes the receipt of samples and photos where applicable
- In the Purchasing Process, the buyer may include quality activities and inspection and test requirements on the purchase order
- On-site reception and inspection of critical items and materials, with responsibility defined in the Responsibility Matrix, and personnel authorised to receive materials defined in the Authorisation of Signature which is approved and signed by the Contract Director
- A data book for each element or section of the works that includes material compliance certificates
- Material compliance certificates recorded in a Materials Certificate Register, which refers to the delivery notes, and whose index is specific to the contract as agreed in the Project Quality Plan
- Supplier NCRs for all materials not conforming to applicable specifications with this form sent to the supplier for corrective actions
- A dedicated supplier auditor or inspector conduct applicable inspections when required

AUSTRALIA

Quality inspection for suppliers is currently monitored through sample approvals and factory inspections. The Probuild Constructions Systems (PCS) is also deployed on select projects to govern the management of materials and ensure verification that materials supplied meet the requirements of the project.

SUPPLIER AUDITS/INSPECTIONS

	Africa		Australia Probuild		United Kingdom			
	FY2020	FY2019	FY2020	FY2019	Byrne Group FY2020	FY2019	Russell-WBHO FY2020	FY2019
Supplier inspections	32	106	21	–	6	3	n/a	n/a
Supplier audits	40	58	n/a	n/a	19*	3	n/a	n/a

\* Mainly desk-top audits.

During the year under review, the Group Quality Manager in South Africa completed a diploma in Operation and Quality Management, with the remainder of the team undergoing Risk Management training.

At the Byrne Group, three individuals undertook temporary works awareness training during the year under review, one of whom was the Group OHSE Director. One person undertook Integrated Management System Internal Auditing training. At Russell-WBHO, monthly CPD training and individual CPD training was conducted, as well as commercial training for quantity surveyors.

UNITED KINGDOM

THE BYRNE GROUP

All subcontractors are graded before an order is placed with them. The subcontractor's grading is then listed in our database that acts as our "approved" subcontractor list. Concrete and rebar suppliers are assessed against a separate questionnaire, with a separate "approved" list also maintained. Timber suppliers are managed in accordance with our Programme for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council (FSC) certifications and all new suppliers are assessed before purchasing. Outside of these assessments, audits and inspections of suppliers take place with a risk-based approach or in line with project/client requirements

RUSSELL-WBHO

The quality inspection regime for subcontractors is discussed and agreed at the earliest possible time on site to determine, among others, inspection requirements, management of materials and programme of works. Materials delivered to site are checked against the specification requirements and details are recorded. Prior to handing over their works, subcontractors are required to provide a completed quality inspection check. We then perform our own internal quality inspections, with all information, photos and checks filed and uploaded onto Sharepoint. Regular progress meetings are held with subcontractors where the management of quality issues and good practices are discussed.

CLIENT PERCEPTION

In South Africa, on completion of a project, we request clients to assess our performance across a number of key areas which include:

- Site management
- Safety
- Workmanship, materials and equipment
- Programme management
- Supplier and subcontractor quality and management
- Labour force and labour relations
- Attitude and cooperation
- Rectification



SOCIAL PERFORMANCE  
CONTINUED

Although the ratings are highly subjective, they still provide us with valuable feedback of how we are perceived as a business. The satisfaction rating was maintained at 88% in the current year.

Within the Byrne Group, Byrne Bros received positive feedback that clients had noticed increased efficiencies on-site over the last 12 months, which included improvement in our commercial administration of projects and a perception that we are less claims conscious than our competitors. As a result, they have greater confidence in our entrance and exit numbers.

Elmer Construction clients are happy with our delivery. However, they feel that we can improve on our defect management and project close-out.

QUALITY MANAGEMENT ACHIEVEMENTS

In South Africa we have been driving Building Information Modelling (BIM) technology to facilitate paperless management systems, with inspections recorded on tablets and data in the cloud. The system has been introduced on a number of projects and we have already observed financial benefits with reduced printing and other paper-related cost savings. Furthermore, we have noticed significant time being saved by the people administering these processes.

During the year under review we conducted a cost-and-time-benefit analysis on one project, which compared digital with traditional methodology. This analysis has shown that the site engineer saved 850 hours over 12 months, and the quality clerk 729 hours, with R34 000 saved on printing costs.

In the UK, Byrne Bros was co-awarded the British Construction Industry Award for Temporary Works Initiative of the Year for a temporary truss at the Bank Station Capacity Upgrade project.

Working in collaboration with various suppliers and contractors, Byrne Bros successfully poured our first trial of low-carbon concrete at Canary Wharf's new district, Wood Wharf in March 2020.

LOOKING AHEAD

In South Africa, short-term objectives include further growing awareness of the benefits of the QMS, implementing the next phase of the BIM/paperless system, the integration of the risk management and quality management functions and continuous supplier and subcontractor engagement.

In Australia, at Probuild, the focus will be on embedding our new Prolearn and Procore IT platforms across the business, further adoption of "lean" principals of construction, focusing on QA and design processes and procedures in the pursuit of continual improvement based on end-user feedback about our systems and improving our systems and culture in respect of building compliance. This has been driven by changes currently happening in New South Wales with new legislation and ongoing building reforms, and looking to convert practices established in the state to set the benchmark for how we operate nationally.

In the Byrne Group, our focus will be on a review of document control procedures and simplifying the process and making it more efficient for our project teams, further education of engineering assistants at Byrne Bros on the management of concrete consistency and compressive strength-testing, timely close-out of project snags/defects and lastly, investigation of suitable QA digital systems.

At Russell-WBHO, quality training/workmanship and technical knowledge for all operation staff will be undertaken alongside formulating standard quality inspection templates for all packages, investigating an electronic mobile quality inspection process via our new Sharepoint IT systems and increasing our project and quality audits across all sites.

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.**



TRANSFORMATION: THE STRATEGIC FOUNDATION

Strategic objective	Strategic imperative	Strategic initiative
SO6	We are committed to achieving long-term, meaningful broad-based transformation within the business and the industry as a whole.	Social-economic development (SED) initiative, through which the Group is committed to the empowerment, development and growth of disadvantaged communities

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 subcontractors

**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

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 employs 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.

OUR TRANSFORMATION PHILOSOPHY

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.

Our commitment is to actively pursue the transfer of skills and economic benefits to previously disadvantaged individuals and local communities, while also seeking to promote representation of these individuals within the various management structures of WBHO.

This includes adhering to the construction sector codes, promoting and supporting the implementation of employment equity, skills development and training (see page 47), enterprise and supplier development and our Voluntary Rebuild Programme.

IMPLEMENTING TRANSFORMATION

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, we conduct an annual review of the latest applicable legislation and approval of the budget for social investment. We develop initiatives to improve performance where necessary, and these are 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.

We see training as an essential tool in developing emerging companies, and where there are overlaps between elements such as training and enterprise development we harness the capabilities within our support structures to achieve the deliverables of both elements.

Similarly, by investing in mathematics and science at school level through our SED programmes, and following this up with tertiary education bursaries, we ensure a steady progression of students whose skills qualify them for recruitment into the construction industry.

MEASURING TRANSFORMATION PERFORMANCE

**Level 1**  
B-BBEE status maintained and overall score improved

**82,3%**  
black-owned  
(FY2019: 62,6%)

**87% black employee**  
representation in South Africa (FY2019: 88%)

**R65,1 million**  
training spend on black employees in South Africa (FY2019: R57,8 million)

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 over the past five years, moving from a Level 4 in FY2016 to a Level 1 in FY2017, and retaining that Level 1 status through FY2019 and FY2020.

B-BBEE AND OWNERSHIP

Black ownership in the Company has increased from 24,4% in 2008 to 62,6% in FY2019 and 82,25% in FY2020, with black women ownership up from 3,5% to 34,05% over the same period.

Contributing to this improvement is the continued implementation of our Akani Broad Based Incentive Share Scheme, through which we allocate shares to our South African employees with more than five years' service, with shares vesting after five years. Approximately 2 814 employees have benefited from the vesting of shares while about 615 participants await first-time vesting. Since inception, 91% of Akani shares have been issued to black employees, while 33 864 WBHO shares vested to beneficiaries in FY2020.

MANAGEMENT CONTROL AND EMPLOYMENT EQUITY

During the year under review we continued to implement various initiatives to cultivate a more representative management structure within the business. These initiatives are aimed largely at developing the existing and next generation of leaders already within our ranks and they have contributed to a significant improvement in the management control pillar over the past 11 years.

TARGETS AND PROCEDURES

We have prepared and submitted a comprehensive five-year employment equity plan to the Department of Labour to ensure that the targets we set are realistic and that they take into account the growth prospects of the industry. Employees who reflect elevated potential for promotion are identified and we conduct career planning accordingly with respect to them.

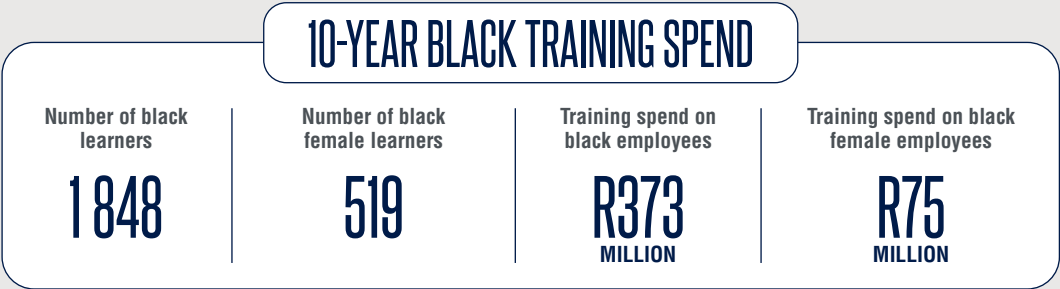
Individual business units are given set targets to be achieved for each year of the plan. In accordance with long-standing policy, we strive to grow senior management from within the existing pool of talent, although in exceptional circumstances we may resort to external recruitment. Overall, the number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

SKILLS DEVELOPMENT AND TRAINING

We believe that thorough and ongoing training is the foundation of empowerment for its workforce and our aim is to foster an informed, knowledgeable and dedicated workforce from which leaders can emerge. Our commitment to training at all levels over more than a decade has resulted in significant numbers of black junior and middle managers within our ranks, and has improved gender representation at all levels.

We undertake training needs-analyses annually in order to identify and prioritise the training of black people in alignment with our scorecard objectives while still meeting our operational requirements. In doing so, we pay specific attention to providing appropriate and relevant training to ensure a systematic progression of career path for our black employees – one that will prepare them for potential middle and senior management positions over time.

During the year under review, we invested R65,14 million in training black employees, (FY2019: R57,8 million) and R17,6 million (FY2019: R14,2 million) on the training of black female employees in South Africa.



In addition, we have 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 level 3 and management development programmes equip identified individuals with the necessary skills to perform at a management level, and over the past two years 23 black candidates have successfully completed the programme. In addition to these programmes, we facilitate on-the-job coaching and mentoring which take place with regular interaction with senior management. These conversations have confirmed the gratifying fact of participants' insistence on being recognised for their skill and contribution on merit alone.

For more on our training programmes initiatives and frameworks, see [page 24](#).

ENTERPRISE AND SUPPLIER DEVELOPMENT

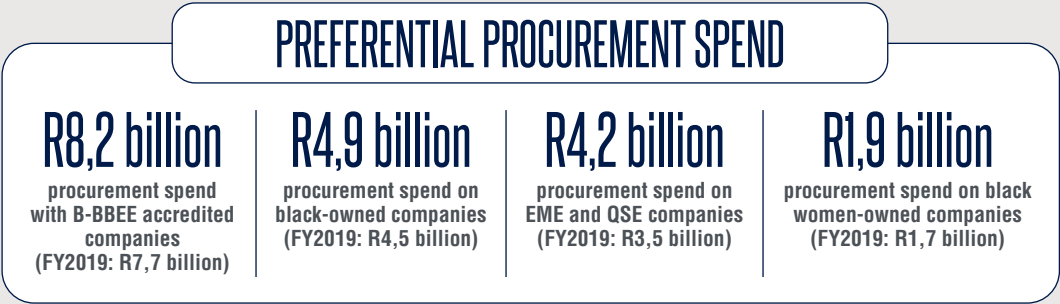
We monitor and manage procurement spend on an ongoing basis to ensure that we continue to direct spending early in the bidding phase of project, towards black-owned businesses and black women-owned businesses, as well as qualifying small and micro enterprises and other sufficiently empowered enterprises.

Under the sector codes, procurement has been expanded to include designated groups which include rural suppliers and youth. This allows us to create opportunities for suppliers and contractors in the rural areas where WBHO operates and to focus on supporting youth in business.

Our transformation department compiles monthly reports on spend, with detailed reports highlighting expired and expiring scorecards as well as any non-compliant spend, provided to individual business units. All new and expired scorecards are checked and verified by members of the transformation department.

During the year under review WBHO spent R4,9 billion (FY2019: R4,5 billion) with black-owned business, of which R1,94 billion (FY2019: R1,7 billion) was spent with black women-owned businesses.

WBHO has invested a substantial amount in enterprise development (ED) over the past 10 years, with R158 million on ED to beneficiaries. Moreover, after its more than 40 years in business, WBHO has accumulated a wealth of intellectual property that we share with ED companies via 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. We currently have 14 emerging contractors on our ED programme.



**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. The agreement is aimed at implementing widespread, meaningful transformation within the industry. Under it, 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.

Our VRP partners are Edwin Construction (Pty) Ltd, Motheo Construction Group and Trencon Construction (Pty) Ltd. A structured framework has been established to ensure that we deliver on the engagement, meet the expectations of our partners, and minimise risk to our business.

During the year under review, the VRP continued to progress 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 the COVID-19 constraints and, as with the entire industry, continued to feel the pressure that was already evident in the prior year.

Until 2030 the seven participating listed entities are required to contribute R100 million annually to a trust to support various transformation-related initiatives. The Tirisano Trust was established in FY2018, is independently administered by the Industrial Development Corporation (IDC), with the aim of supporting the development and transformation of the construction industry and the provision of social infrastructure for all South Africans.

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. During the year under review, WBHO contributed R22 million to the trust in the current year.

**SOCIO-ECONOMIC DEVELOPMENT (SED)**  
WBHO has always embraced the concept of social responsibility as a moral obligation, having implemented SED programmes well before the introduction of legislated spend.

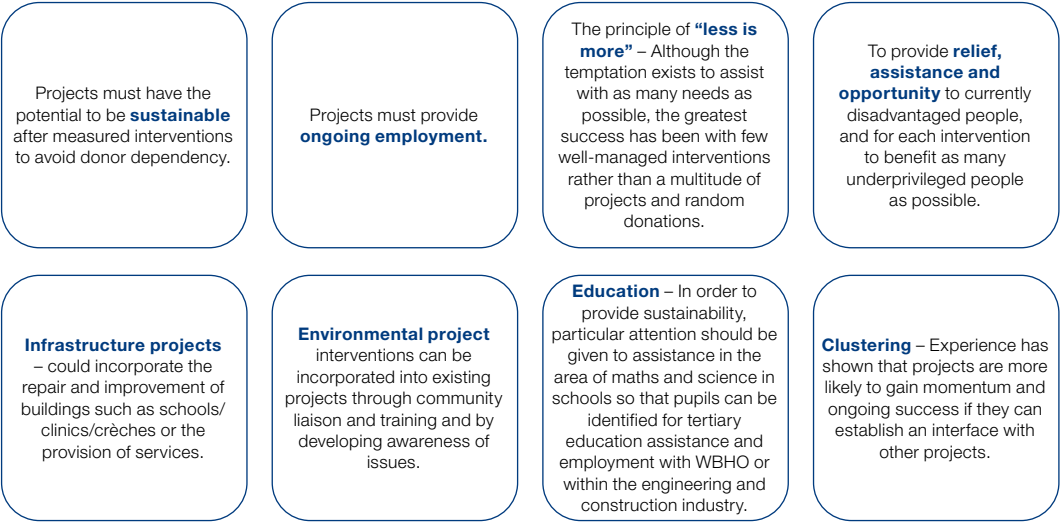
We have an SED policy to ensure that our programmes are implemented according to approved guidelines.

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. We also recognise that investment in education is a platform for advancing 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. (For more on bursaries and STEM support, see [page 26](#).)

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

The Group understands that construction companies are well placed to provide assistance and upliftment to communities, in particular in the remote rural areas where we operate, and our aim is therefore to provide assistance within our fields of expertise.

SED SELECTION CRITERIA





SOCIAL PERFORMANCE

CONTINUED

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

Programme	Description	10-year spend	Number of beneficiary organisations
Community assistance and development programmes	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 those in rural and impoverished areas.	R19,0 million	50
Healthcare	WBHO is committed to improving healthcare in South Africa. Our programmes target a range of diseases and healthcare categories and in addition to building healthcare facilities, we support awareness campaigns and rural health programmes.	R7,4 million	4
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 by donating time and resources to educational institutions.	R10,4 million	48
Arts, cultural and sporting development programmes	A lack of infrastructure means that talented youth in impoverished communities are not afforded the opportunity to advance their skills. In addition, the need for, and impact of, arts, culture and sports in these impoverished communities also decreases the risk of criminal behaviour and drug and alcohol abuse. The implementation of these programmes in these communities provides youth with hope, purpose and a sense of wellbeing. It is with this aim that WBHO has contributed towards numerous events and activities.	R1,5 million	13

ENVIRONMENTAL PERFORMANCE



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



Strategic objective	Strategic imperative	Strategic initiative
SO5	As a moral corporate citizen, WBHO has an ethical and legal duty to minimise and reduce its impact on the environment in the areas in which it operates. Compliance with environmental regulations and legislation strengthens WBHO's reputation and avoids legal and financial consequences.	<ul style="list-style-type: none"><li>Carbon disclosure project</li><li>Water usage management</li><li>Waste management initiatives</li><li>Green Building accreditation</li></ul>

OUR ENVIRONMENTAL PHILOSOPHY

As a company, we believe in the constitutional right of all employees, clients and communities to exist and work in an environment conducive to sustainable development and we are committed to the highest standards of environmental protection throughout all phases of construction by upholding the basic principles of environmental management.

Stakeholders are also becoming more aware of “green” issues, increasing the demand on businesses to operate in a sustainable and responsible manner. This increased expectation is not limited to our national market, but is clearly driven and influenced by international trends and pressures.

Aspects of environmental sustainability form a critical part of maintaining a good reputation within the industry as well as with our investors, clients and even our staff. It is therefore important that WBHO is seen by stakeholders as having a firm awareness of the impact of sustainability and environmental issues. These include the effects of climate change on our business and proactively addressing all the issues in a transparent way.

We work with our clients to promote sustainable alternative materials, equipment and methods, and we cascade our environmental and wider sustainability values through our supply chain, encouraging a progressive approach.

Our approach to environmental management is thus constantly developing in accordance with legislative updates, our clients' requirements, best practice and innovation.

ENGAGING WITH STAKEHOLDERS

Engaging with stakeholders whose environment could be impacted by our projects or who could impact the environment within the vicinity of our projects is an important part of our environmental responsibility. We engage with local communities, government, non-governmental organisations (NGOs), our clients, consultants and subcontractors in this regard.

The global increase in awareness around sustainability, environmental protection and limited natural resources has influenced the way we do business, enabling us to move beyond mere compliance to strategically embed sustainability into all aspects of our business. We have embraced the importance of protecting the environment and have made sustainable development one of our overall strategic goals.

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, and in doing so has identified three key material matters relating to the environment and its stewardship:

- Energy and climate change
- Water scarcity and pollution
- Environmental compliance

MEASURING ENVIRONMENTAL PERFORMANCE

ISO 14001  
certification maintained

81  
environmental audits conducted in South Africa (FY2019: 95), covering 98% of sites

30 employees  
received environmental training (FY2019: 116)

No penalties or fines  
for non-compliance with environmental laws across the Group

ENVIRONMENTAL COMPLIANCE AND GOVERNANCE

The Group applies best practice when implementing its environmental policies and procedures through its environmental management system and obtains external assurance on their legal compliance and effectiveness. The environmental department obtains internal assurance of compliance with the system by the operations of the Group.

Environmental compliance is governed by the environmental policy. The policy is reviewed annually, and while there were no amendments made to the policy during the year under review, we did develop and implement a waste management policy. This was in response to the challenges facing waste management and resource recovery, both in the construction industry as well as within our society as a whole. The waste management policy was developed to ensure ongoing legal compliance and commitment to the continual improvement of WBHO's waste management practices.

In the UK, Byrne Group's environmental policy was amended with more specific wording, mainly to reflect our wish to align more closely with ISO14001:2015 and the BES6001 certification.

Russell-WBHO has an ISO 14001 accredited EMS, and all its projects are delivered with reference to that framework, which considers the wider environmental impacts of our business in the local communities in which we work.

The Russell-WBHO environmental and sustainability policy is updated annually, and it commits us to minimise the environmental impacts of our construction activities and sets out the management and control processes.

- The objectives include:
- Planning for waste minimisation
  - Reducing environmental risks
  - Supporting the ownership of environmental issues
  - Providing environmental training updates
  - Promoting efficient energy use and developing systems which enhance best practicable means through design and development

The EMS is maintained via a programme of internal environmental audits carried out by qualified internal auditors, where good practices are identified and recognised. Where non-conformances are issued during the audits, they are closed out within the agreed timeframe. Russell-WBHO also measures environmental performance against targets in order to comply with statutory requirements and minimise potential impacts. We are audited annually by external auditors, once more, against the ISO14001 standard, with the certification retained.

- Byrne Group's assurance focus areas during the year under review were on legal compliance with regard to waste management. Key findings from the environmental audits were in:
- Waste management
  - Water management
  - Hazardous chemical substance management

AUDITS CONDUCTED FY2020

	Africa		Australia		Byrne Group		Russell-WBHO	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
Number of audits	81	95	38	150	21	25	275	162
EMS coverage (%)	98	98	100	100	100	100	100	100
Audit coverage (%)	83	90	100	100	100	100	100	100
Number of major non-compliance findings	34	18	–	–	–	–	7	5

ENVIRONMENTAL IMPACT AFRICA

The significant impacts of the Group's activities relate mostly to soil, water and air. Risks are identified per site, using an Aspects and Impacts Register, whereby the severity, frequency and probability of activities are taken into account to determine the extent of any impact of the activity on the environment.

We implement an Environmental Management System on our sites aligned to ISO 14001 standards, with the certification retained during the year under review. This also assists in ensuring our compliance with all applicable legislation, resulting in the mitigation of our impact on the environment. Internal audits and inspections are also regularly conducted on our sites to ensure that all risks have been identified and are being accordingly mitigated in order to minimise our impact on the environment.

The key risks identified in South Africa during the year under review relate to compliance on the part of subcontractors and service providers, specifically with regard to waste management. These were mitigated through:

- An emphasis on increased awareness of the legal requirements for the selection of waste service providers and waste facilities
- Improved recording and reporting mechanisms
- Improved processes during planning phases of projects

No new or additional operating procedures were implemented during the year.

ENVIRONMENTAL PERFORMANCE

CONTINUED

UNITED KINGDOM  
BYRNE GROUP  
*Environmental impacts and objectives in FY2020*

Impact	Mitigation (ongoing)
Resource depletion and associated detrimental impacts such as biodiversity loss, soil degradation, flooding	<ul style="list-style-type: none"><li>• Use of high levels of CEM I replacement within concrete</li><li>• Use of steel reinforcement with recycled content up to 98%</li><li>• Commitment to only procure FSC and PEFC timber unless specifically instructed otherwise by the client</li><li>• Main timber supplier engaged in an attempt to switch FSC/PEFC timber sources from high-risk countries such as China, Brazil and Romania</li><li>• Improvements in quality processes to minimise reworking and the associated waste</li></ul>
Greenhouse gas emissions	<ul style="list-style-type: none"><li>• Trials of Low Carbon Concrete Technology, namely Wagners' EFC® and Cemfree</li><li>• Internal study of CEM I replacement levels relative to building element, strength class, development type and binder content (including an assessment of our market position). This practical application of the study's findings continues to be formulated for dissemination to the pre-construction team, project managers and engineers</li><li>• Biodiesel trial (Green D+ and Shell GTL)</li><li>• Use of hydrogen lighting towers</li><li>• Battery-powered vibrating concrete pokers trial</li><li>• Inclusion of electric equipment options within tender</li></ul>
Non-hazardous and hazardous waste generation	<ul style="list-style-type: none"><li>• Use of reusable formwork systems</li><li>• Improvements in quality processes to minimise reworking</li><li>• Design review to maximise materials optimisation</li></ul>
Air pollution	<ul style="list-style-type: none"><li>• Compliance with Non-Road Mobile Machinery (Emissions) Regulations</li><li>• Compliance with the Ultra-Low Emissions Zone</li><li>• Damping down on-site</li><li>• Dust capture at source during cutting operations</li></ul>
Legal compliance with regard to the sourcing of water	<ul style="list-style-type: none"><li>• Specific documentation was developed and implemented on all sites as a guide in ensuring legal compliance in terms of the legislation specific to each site.</li><li>• Increased awareness on the legal requirements for the selection and use of water sources was propagated.</li></ul>
Legal compliance with regard to waste management	<ul style="list-style-type: none"><li>• A waste management policy and a waste management plan were developed and implemented.</li><li>• Increased awareness on the legal requirements for the selection of waste service providers and disposal sites was propagated.</li></ul>

RUSSELL-WBHO  
*Environmental impacts and objectives in FY2020*

Objective/target	Management programme key actions
Maintain Recycling Programme	<ul style="list-style-type: none"><li>• Identify all recycling opportunities</li><li>• Separate waste streams and deliver to recycling points</li></ul>
The target benchmark for CO <sub>2</sub> energy arising from site works to be 300kgCO <sub>2</sub> /£100k.	<ul style="list-style-type: none"><li>• Monitor and record CO<sub>2</sub> usage</li></ul>
Target benchmark of 7m <sup>3</sup> /£100k for water arising from site works	<ul style="list-style-type: none"><li>• Monitor and record monthly water usage</li></ul>
Target benchmark for non-hazardous waste generated from construction works not in excess of 5,5m <sup>3</sup> or 4,95 tons per 100m <sup>2</sup> (gross internal floor area)	<ul style="list-style-type: none"><li>• Monitor and record waste</li></ul>
Achieve at least 90% by weight or 80% by volume of key non-hazardous construction	<ul style="list-style-type: none"><li>• Monitor SWMP and Waste Reports</li></ul>
SEATS training course to be arranged for operational teams	<ul style="list-style-type: none"><li>• Environmental awareness training to be arranged for selected operation teams who will be managing environmental issues on projects</li></ul>

CLIMATE CHANGE AND CARBON DISCLOSURE

With temperature levels rising and weather patterns becoming more violent and unpredictable, managing the risks associated with climate change has become an integral part of the planning process for construction projects. Greater focus is placed on reducing greenhouse gases through reducing, reusing and recycling materials and efficient measures relating to plant maintenance and operation. Our approach to climate change is governed by our climate change policy, which was reviewed, and remained unchanged, during the year under review.

The South African construction industry is also required to report on its emissions in managing our energy usage.

In the UK, in terms of the Energy Savings Opportunity Scheme (ESOS), businesses are required to assess the energy used by their buildings, industrial processes and transport to identify cost-effective energy-saving measures. The Streamlined Energy

and Carbon Reporting (SECR) is a reporting framework introduced in April 2019 by the Department for Business, Energy and Industrial Strategy (BEIS) designed to make carbon reporting easier.

Our energy data is obtained from a variety of verifiable internal and external sources, including bills, delivery records and expenses: mileage claims.

In South Africa, we make use of The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, with conversions factors according to Defra 2019. At Byrne Group and Russell-WBHO in the UK, energy data (kWh) was subsequently converted to a carbon dioxide equivalent using the UK government conversion factors for the respective year. Russell-WBHO follows the Environmental Reporting Guidelines. The GHG Protocol Value Chain (Scope 3) Standard was also used, however, the business is not as yet able to report on all categories that may be relevant.

	Africa		United Kingdom			
	FY2020	FY2019	Byrne Group FY2020	FY2019	Russell-WBHO FY2020	FY2019
Scope 1 (tCO <sub>2</sub> e)						
Direct emissions from owned or controlled sources	43 162	43 053	956	906	14	n/a
Scope 2 (tCO <sub>2</sub> e)						
Indirect emissions from the generation of purchased energy	4 179	3 936	233	362	521	n/a
Scope 3 (tCO <sub>2</sub> e)						
Indirect emissions (not included in scope 2) occurring in the Company's value chain	7 531	11 748	24 589*	31 537*	269	n/a
Total (tCO <sub>2</sub> e)	54 872	58 737	25 778	32 805	804	n/a

\* The scope 3 emissions reported comprise the embodied carbon dioxide equivalent (A1-A3) for Byrne Bros ready-mix concrete and steel reinforcement only. The mean embodied carbon dioxide equivalent of the mixes we use has been used as the conversion factor. Accordingly, further work is being completed to refine our calculations and capture further scope 3 data.

FINANCIAL IMPLICATIONS OF THE CARBON TAX ACT

In South Africa, the Carbon Tax Act was promulgated on 23 May 2019 and came into effect on 1 June 2019. The Act introduces emission reduction measures with the objective of inducing behavioural change on the part of producers and consumers alike. While the weight of the carbon tax falls, for the moment, mainly on heavy emitters, knock-on effects will nonetheless result in price increases for the construction industry. Mining, electricity generation, fuel production and process industries such as cement production, are likely to be most affected.

ENERGY CONSUMPTION

AFRICA

- Diesel: 154 702MWh
- LPG: 62MWh
- Petrol: 5 759MWh
- AV Gas: 449MWh

UNITED KINGDOM  
BYRNE GROUP

- Natural gas: 39 915,24kWh
- Gas oil: 2 116 703,64kWh
- Diesel: 1 504 866,46kWh
- Petrol: 101 883,67kWh
- Propane: 34 279,67kWh
- Electricity: 921 397,61kWh
- Energy intensity: 2 529,34kWh/£100k turnover

RUSSELL-WBHO

- Electricity | 950613kWh
- Heating | 5672kWh
- Energy intensity: 0.569CO<sub>2</sub>e/£100k turnover



ENVIRONMENTAL PERFORMANCE

CONTINUED

WATER MANAGEMENT

**AFRICA**

The construction industry uses large quantities of water as a critical resource for operations. Financial impact derives from business interruptions and increased cost due to scarcity and price increase. This impact is, however, not quantifiable as water availability varies from area to area and fluctuates depending on rainfall. Therefore, as WBHO projects are seldom executed in the same geographical area, the cost implication will vary as they are entirely dependent on individual circumstances prevailing at the time.

We investigate alternative water sources such as quarries and waste water treatment plants not only to mitigate water shortages, but also to save costs and reduce the usage of potable water.

WATER SOURCES AND CONSUMPTION

Source	Volume withdrawn (Kl)
Municipal	3 497 433,40
Borehole	31 496
River	14 015
Other	46 306

In southern England the municipal water supply is generally drawn from deep chalk aquifers and reservoirs. Both sources are heavily regulated and monitored. It is therefore considered unlikely that Byrne Group's direct consumption of water affects these sources. Furthermore, as dewatering construction sites at a rate of >20m³ within 24 hours is a permitted activity, we have had no requirement for such a withdrawal during the year under review, and no discharges have been made into water bodies. While the UK is expected to experience increased water stress within the medium term, shortages are not considered likely to directly affect our operations in that country. The Byrne Group used 1 224 kilolitres of water in FY2020. Russell-WBHO used a total of 3 469 kilolitres from main utilities.

WASTE MANAGEMENT

Objective/ target	Reused, recycled or recovered (tonnes)	Landfill (tonnes)
Africa	57 113	10 747
UK		
Byrne Group	7 863	–
Russell-WBHO	5 067	135

No reportable spill-related incidents were recorded. In South Africa, WBHO does not transport hazardous waste, while in the UK, some 30% of Byrne Group's hazardous waste is sent to Germany by our waste contractor for recovery. In the UK, we rely on certification to provide assurance that impacts are being managed by our suppliers. Russell-WBHO does not transport hazardous waste.

TRAINING

We undertake internal EMS and general legal compliance training for on-site environmental officers.

Due to COVID-19, no external training was done in South Africa in the current year. Thirty employees attended in-house training, 63% of whom were black employees. The average spend was R1 868 per employee.

- In the UK, Byrne Group delivered the following environmental training during the year under review:
- All projects were required to deliver at least one environmental toolbox talk to site staff every month (topics generally cover site compliance issues or updates to the Environmental Management System)
  - OHS managers received three training sessions covering nuisance noise and vibration management, waste duty of care and dewatering
  - Project and senior engineers attended a CPD talk from Hanson about specifying CEM I replacement
  - Environmental alerts were issued in June 2019 and November 2019 covering waste duty of care and the impending changes to the Non-Road Mobile Machinery (Emissions) Regulations, respectively
  - FSC/PEFC chain of custody training was delivered to select procurement and accounting staff and the project team at Whitechapel Cityside

The Russell-WBHO operations in the UK provided Site Environmental Awareness Training Scheme (SEATS) training provided to a number of operational employees during the year under review.

It is Russell-WBHO's normal practice to conduct two Health, Safety and Environment seminars for operations staff that covers new and revised procedures and operational topics. However, during the year under review, due to COVID-19, only one took place in November 2019. The environmental topics covered in the seminar were:

- Pollution control and emergency response
- Concrete wash-out management
- Dewatering of construction sites

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.

VALUE-ADDED STATEMENT

Rm	2020	2019	
CLIENTS			WEALTH CREATED
Revenue*	48 597	45 888	
SUPPLIERS AND SUBCONTRACTORS			
Cost of materials and services*	(42 408)	(38 457)	
	6 189	7 431	
EMPLOYEES			
Payroll costs	3 672	3 669	
Share-based payment expense	44	48	
INVESTORS			
Dividends paid to shareholders	109	184	
FINANCIAL INSTITUTIONS			WEALTH DISTRIBUTED
Interest and finance charges	12	15	
Lease payments	23	8	
GOVERNMENT			
Taxes and duties	2 605	2 920	
COMMUNITIES			
Socio-economic development	5	5	
	6 470	6 849	
WBHO			WEALTH RETAINED
Attributable earnings (less dividends paid)	(607)	299	
Depreciation	326	283	
	(281)	582	

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

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

# GOVERNANCE

## 59 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 of Directors (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 itself accountable to the principles embodied in the King IV Report on Corporate Governance for South Africa 2016 (King IV™).**

### ETHICAL CORPORATE CITIZENSHIP

Ethical business practices are set out in our Board-approved Code of Conduct. The Code actively promotes a 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.

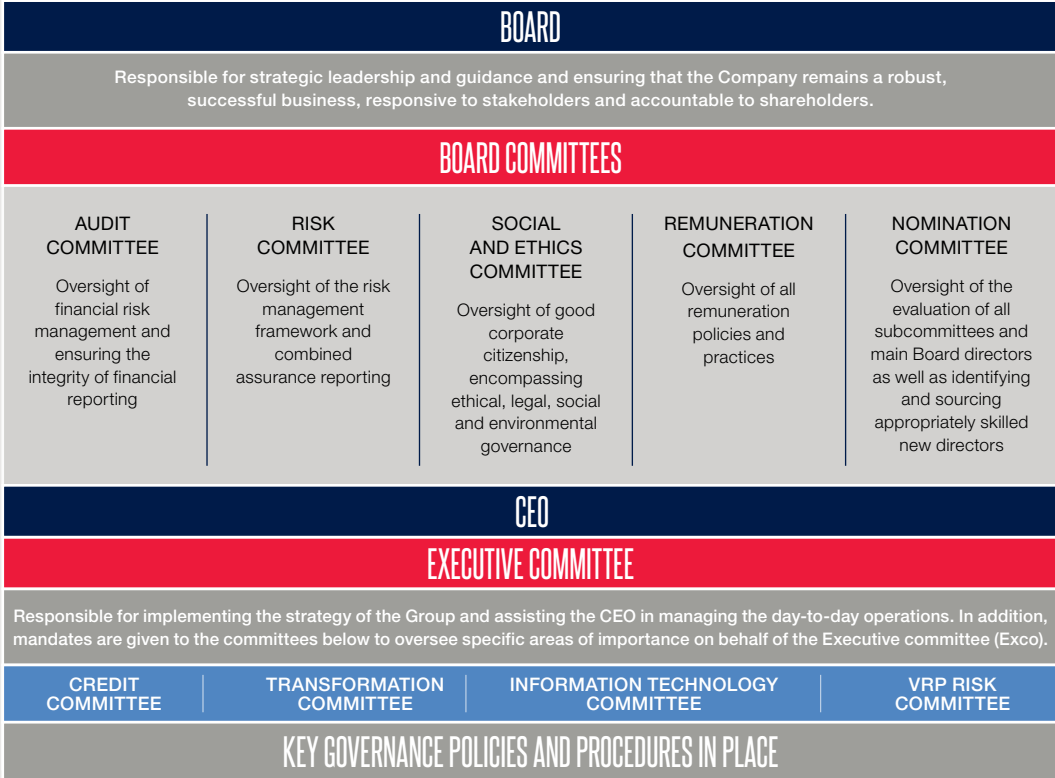
The Code also discusses employees' responsibilities to ensure a safety culture, protection of the environment and conduct, as well as how to avoid possible conflicts of interest within specific areas of competence, Competition Act legislation and the duty of confidentiality. The Code affirms the values of responsibility, honesty, fairness and respect and dictates that all actions must be trustworthy and ethical. It also obliges all directors, officers and employees to interact with one another, as well as with stakeholders, with integrity. During the year under review, there were no issues of non-compliance, fines or prosecutions levied against WBHO or its management for non-ethical behaviour.

### COVID-19

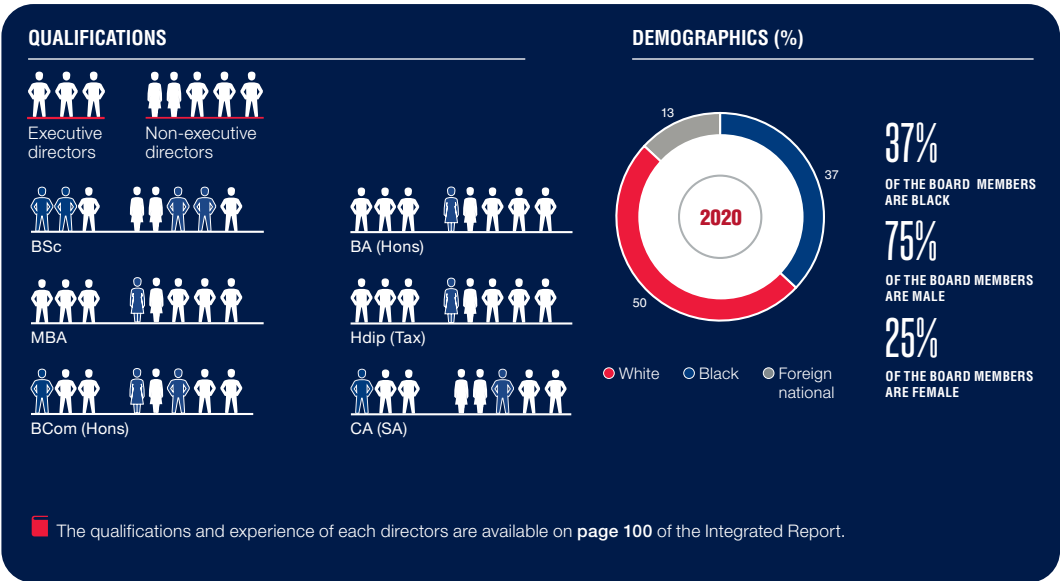
The WBHO response to the COVID-19 pandemic was swift and in line with the requirements of the Disaster Management Act. The Board and its subcommittees considered the impact of COVID-19 from both a people and financial perspective while overseeing the implementation of all necessary precautions and safeguards according to the relevant lockdown rules.

GOVERNANCE FRAMEWORK

Our 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. Certain 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.







## BOARD EFFECTIVENESS

Through the Board, WBHO endorses and is committed to the recommendations of King IV™, the dictates of the Companies Act, No 71 of 2008, and the JSE Listings Requirements. For our King IV™ application register, please see our website at [www.wbho.co.za](http://www.wbho.co.za).

WBHO recognises that being a 'good corporate citizen' requires the organisation to deliberate and act with fairness, responsibility, transparency and accountability.

The table below summarises the key activities undertaken by the Board in the year as well as planned focus areas for FY2021.

	Desired outcomes	Activities in the year	Specific planned focus areas for FY2021
<b>Leadership, ethics and corporate citizenship</b>	<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 Board Charter, committee terms of reference and policies including division of responsibility and independence of non-executive directors</li> <li>Further 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> <li>Reviewed the Code of Conduct and Delegation of Authority Framework</li> <li>Monitored and implemented all COVID-19 related controls and precautions</li> </ul>	<ul style="list-style-type: none"> <li>Implement the Group compliance framework</li> <li>Ongoing review of COVID-19 related impacts and compliance requirements</li> </ul>
<b>Strategy, performance and reporting</b>	<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>Monitored the performance and implementation of the approved strategy</li> <li>Approved key performance metrics and targets for FY2020</li> <li>Reviewed detailed divisional business reports at half year and year end to highlight any emerging issues and risks</li> <li>Approved the FY2020 budgets of the divisions</li> <li>Approved the 2020 Integrated Report, annual financial statements, financial results and results announcements</li> <li>Reviewed solvency, liquidity and going-concern status</li> <li>The non-binding proposal for the purchase of Probuild Construction in Australia is a significant event, which propelled the Board to schedule continuous Board meetings to deliberate and strategise on the risks and opportunities in proceeding with this proposal. Many robust discussions took place facilitated by special Board meetings to provide guidance to management towards reaching agreement on the key terms of the transaction as this was a material transaction.</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 the professional designer</li> <li>Review and interrogate the strategic direction and objectives in relation to risks, opportunities, resources and relationships at the annual Board strategy session</li> </ul>
<b>Risk, oversight and compliance</b>	<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>Monitored progress made in terms of the gender diversity</li> <li>Considered the recommendations of King IV™</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing review of risks related to COVID-19</li> <li>Develop a privacy policy in accordance with the Protection of Personal Information Act</li> <li>Consider the compliance or legislative risk matrix for each country where WBHO has a physical office</li> <li>Conduct an independent Board and subcommittee evaluation</li> </ul>



	Desired outcomes	Activities in the year	Specific planned focus areas for FY2021
<b>Remuneration</b>	<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-term and long-term incentive schemes</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>
<b>Stakeholder relations</b>	<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 the extent of stakeholder engagement</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</li> </ul>
<b>Corporate governance</b>	<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>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> <li>Implemented virtual meetings and strengthened electronic communication in response to COVID-19. Quarterly Board and subcommittee meetings from May 2020 encouraged electronic participation to ensure that adequate social distancing was in place and that regulations were adhered to</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>

## BOARD COMMITTEES

While overall accountability for the Group is retained by the Board, five standing committees have been established through which it executes some of its duties:

- Audit committee
- Risk committee
- Social and ethics committee
- Remuneration committee
- Nomination committee

Each committee has adopted 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.

## AUDIT COMMITTEE

The Audit committee's primary purpose is to provide financial oversight on behalf of the Board in compliance with the statutory duties and responsibilities in terms of the Companies Act, JSE Listings Requirements and the King Codes.

The committee has adopted appropriate formal terms of reference and is responsible for:

- Performing its statutory duties as prescribed by the Companies Act, with specific reference to audit quality, auditor independence and financial policies and reporting concerns
- Considering the financial performance, financial position, cash flow and treasury status of the Company on a quarterly basis
- Overseeing, assessing and approving the internal and external audit functions with respect to appointment, work plans, quality of work executed, matters arising from the work performed and independence

- Reviewing the expertise, resources and experience of the finance function and evaluating the suitability of the expertise and experience of the Chief Financial Officer
- In conjunction with the Social and ethics and Risk committees, considering the risk management framework and policy as they relate to financial reporting risks, internal financial controls, fraud and non-compliance risks as they relate to financial reporting and IT risks as they relate to financial reporting, as well as the adequacy of the risk management process
- Overseeing the quality of, and reporting by, assurance services within the Group and assurance providers in order to ensure the integrity of information for internal and stakeholder decision-making as well as the adequacy and effectiveness of internal controls
- Recommending to the Board for approval the interim and annual financial statements, including solvency and liquidity of the Group and the Integrated Report

The committee confirms that it has discharged its responsibilities as mandated by the Board, its statutory duties in compliance with the Companies Act and the JSE Listings Requirements, and best practice in corporate governance as set by King IV™.

Beyond its normal duties, as briefly described above, the Audit committee specifically focused on the following matters in FY2020:

Focus area	Activities and explanation
<b>Impact of COVID-19 and the funding of material loss-making contracts on solvency, liquidity and going concern</b>	<p>In conjunction with management, at each quarterly meeting the committee reviewed and evaluated the 12-month forward-looking cash forecasts of the Group as well as the level of external debt and available financial facilities.</p> <p>The assessment took into consideration the expected costs to complete the problematic projects in Australia and associated funding required from South Africa as well as the potentially unrecoverable costs related to COVID-19.</p> <p>The committee also reviewed a full list of loss-making and underperforming projects to assess whether there was an increased prevalence of these in the other operations of the Group.</p>
<b>Accounting and IFRS technical matters in respect of the financial statements</b>	<p>On 1 July 2019, the Group adopted IFRS 16: <i>Leases</i> and applied a number of the practical expedients offered by the standard.</p> <p>Both management and the external auditors reported to the committee on the implementation of the standard and the steps taken to ensure appropriate methodologies were used and disclosure made in the annual financial statements.</p> <p>This matter is fully described in the change in accounting policy note to the annual financial statements.</p>
<b>IT governance</b>	<p>IT governance is an important focus of the committee. In FY2019, the committee obtained an external assessment of information security, the IT control landscape, enterprise architecture and the quality of operations and IT support to the business. In FY2020, management implemented various changes to policies and procedures to further enhance governance in these areas. The committee followed the progress of the project and received regular feedback from management. The outstanding items of the project will be finalised in FY2021 at which time updated external confirmation of the enhancements will be provided to the committee.</p>
<b>Corporate governance</b>	<p>The committee considered a report on the level of WBHO's compliance with King IV™. The committee noted the progress to date and that the majority of gaps identified in previous periods had been addressed.</p> <p>The elevated role that the committee would need to assume in terms of the JSE guidelines and amended Listings Requirements arising from COVID-19 were evaluated with a planned roll-out to be effected in FY2021.</p>

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 FY2021:

- Financial performance and cash and working capital management in the context of COVID-19 and a turbulent economic environment
- Monitor the remaining costs to be incurred in completing the WRU project
- Oversee the finalisation of the enhanced IT governance policies and procedures implemented

COMPOSITION AND ATTENDANCE AT MEETINGS

During the year under review the committee members comprised independent non-executive directors. All members have the requisite business, financial and leadership skills for the position.

Composition	Appointed	Meeting attendance	Other regular attendees
<b>Cobus Bester (Chairman)</b>	1 November 2017	4/4	<ul style="list-style-type: none"><li>• Chief Executive Officer</li><li>• Chief Financial Officer</li><li>• Group reporting</li><li>• Information technology</li><li>• Internal auditors</li><li>• External auditors</li></ul>
<b>Karen Forbay</b>	1 November 2017	4/4	
<b>Ross Gardiner</b>	28 April 2014	4/4	
<b>Savannah Maziya</b>	29 August 2017	2/4*	

\* Apologies tendered.

- Refer to **page 100** of the Integrated Report for detailed qualifications and experience of committee members.

Designated advisors may from time to time be invited to meetings. The Chairman met separately with management and the external auditors and internal auditors prior to each meeting. During the year under review, no closed sessions with management or internal and external auditors were held for committee members only.

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	Other regular attendees
<b>Ross Gardiner (Chairman)</b>	28 April 2014	2/2	<ul style="list-style-type: none"><li>• Chief Executive Officer</li><li>• Chief Financial Officer</li><li>• Finance</li><li>• Risk</li></ul>
<b>Cobus Bester</b>	1 November 2017	2/2	
<b>Karen Forbay</b>	1 November 2017	2/2	
<b>Savannah Maziya</b>	29 August 2017	2/2	

For more on the key risk processes, top risks and mitigation plans, please see our separately published 2020 Integrated Report.

In FY2020, the Risk committee focused on:

- Ensuring that the risk function has appropriate tools, policies and procedures relating to risk management governance, risk management practices, and risk control infrastructure to support the executive management in managing risks to achieve its strategic objectives through a robust enterprise risk management framework.

The committee's focus areas for FY2021 will be to:

- Consider the changing post-COVID-19 environment through continuous review of processes implemented for the administration of the pandemic as well as processes likely to be affected by its resurgence
- Equip the risk function to play an advisory role by proactively providing vital information for strategic decision-making
- Ensure that IT forms part of the risk management processes and that it is properly aligned with the strategy, performance and sustainability of the Company
- Ensure that the risk management processes implemented in the UK and Australia are in line with those of the South Africa/African operations
- Assess its members' effectiveness through an external and independent evaluation process



SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee comprises three independent non-executive directors, Company Secretary and two members from management.

The Social and ethics committee is 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 performs 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

Composition	Appointed	Meeting attendance	Other regular attendees
Hatla Nene (Chairman)	1 November 2017	3/3	<ul style="list-style-type: none"><li>• Environment</li><li>• Health and Safety</li><li>• Human Resources</li><li>• Quality</li><li>• Transformation</li><li>• Governance</li></ul>
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 2012	3/3	

In FY2020, the Social and ethics committee focused on:

- Regulatory risk matrices for South Africa and Australia. The committee previously 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 FY2021.
- Training conducted in FY2020 and training plans for FY2021 as part of WBHO’s anti-bribery and corruption prevention and detection programme
- Considering reports from management to understand the causes of the three work-related fatalities experienced across the Group during the year, as well as mitigation plans developed to prevent the recurrence of similar incidents
- Progress on CCMA and Labour Court matters and consideration of how these could impact future employee relations practices

The committee’s focus areas for FY2021 will be on:

- Monitoring the regulatory risk matrices for South Africa and Australia as well as preparing the matrices for Botswana, Ghana, Mozambique, the United Kingdom and Zambia
- A committee evaluation to be conducted to assess performance and identify potential areas for improvement

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 from **page 110** of our Integrated Report.

The Remuneration committee comprises three independent non-executive directors.

Composition	Appointed	Meeting attendance	Other regular attendees
Savannah Maziya (Chairman)	24 October 2006	2/3*	<ul style="list-style-type: none"><li>• Executive Chairman</li><li>• Chief Executive Officer</li><li>• Chief Financial Officer</li><li>• Human Resources</li></ul>
Ross Gardiner	11 March 2014	3/3	
Hatla Nene	1 November 2017	3/3	

\* Apologies tendered.

In FY2020, the Remuneration committee specifically focused on:

- Reviewing the annual remuneration report and policy, the impact and numbers regarding incentive schemes as to be disclosed in the Integrated Report
- The performance matrices and their relative weightings in relation to the LTIs and STIs were reviewed, taking cognisance of the effect of the pandemic on the Company’s performance and thereby the ability to achieve target across the selected matrices and criteria. A detailed explanation can be viewed in the remuneration report explaining the adjustments to percentages where the members had interrogated different scenarios to allow sufficient stretch for targets to be met against selected criteria.
- Remuneration packages and benefits for executive directors, and any termination benefits payable, to ensure that remuneration packages are effective in driving WBHO’s strategy and the right behaviour
- Considering and approving a malus and clawback policy for implementation with effect from 1 July 2020

An evaluation of the committee was conducted during the year and while there were no significant matters of concern noted, the Board took cognisance of identified areas in which improvements could be made, including specific training on the methodology relating to incentives for both STIs and LTIs.

The committee’s focus areas for FY2021 will be on:

- Placing specific attention on ensuring consistent Group remuneration structure reporting across all regions. It has been recommended that the UK operation adopt a similar remuneration policy and methodology to that applied in South Africa. This would require the formation of a remuneration committee in the United Kingdom reporting to the South African management team who in turn will report to the Remuneration committee of the holding company
- Reviewing current policies and procedures applicable to the Remuneration committee and ensuring that new policies and procedures are implemented as and when the need arises to support Remuneration committee decisions
- Training plans to include specific attention on the methodology and application of LTIs and STIs as this area continues to evolve

NOMINATION COMMITTEE

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

The Nomination committee identifies and recommends individuals for Board appointments.

Members of the committee consider specific skills, Board composition requirements and race 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.

Composition	Appointed	Meeting attendance	Other regular attendees
Ross Gardiner (Chairman)	28 April 2014	3/3	<ul style="list-style-type: none"><li>• Chief Executive Officer</li><li>• Chief Financial Officer</li></ul>
Cobus Bester	1 November 2017	2/3*	
Karen Forbay	1 November 2017	3/3	
Savannah Maziya	29 August 2017	3/3	
Hatla Nene	1 November 2017	3/3	
Louwtjie Nel	20 November 2019	2/2	

\* Apologies tendered.

In FY2020, the Nomination committee focused on the appointment of a new Executive Chairman and Chief Executive Officer, following the announcement that Mike Wylie would retire at the 2019 AGM. In line with WBHO’s policy of management continuity, the Board appointed Louwtjie Nel as the Executive Chairman, ensuring that 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, replaced Louwtjie as Chief Executive Officer.

The committee’s focus areas for FY2021 will be to review and consider succession planning as an ongoing requirement. As noted in prior years, succession planning was approached in an organised manner by following a staggered approach. This methodology ensures that the introduction of members with new expertise and perspectives is accomplished while enabling the retention of valuable knowledge, skills and experience and maintaining continuity.

COMPANY SECRETARY

Shereen Vally-Kara (59) 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

The Board is satisfied that the Company has complied with all relevant provisions of the Companies Act of South Africa and has operated in accordance with its Memorandum of Incorporation during the year.

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 of 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.

Please refer to the Integrated Report for further details regarding WBHO’s mitigation of the risk of non-compliance to laws and regulations.

IT

The Board is responsible for the governance of 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 apprised 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. During the year under review, a penetration test was successfully conducted by an independent agency and five (FY2019: 16) external threats and six (FY2019: 10) internal threats were identified. 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 FY2021.

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 met the necessary independence requirements and 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	Monthly		Hourly		2020		2019 Total	2018 Total	2017 Total
	Male	Female	Male	Female	Male	Female			
South Africa	1 196	386	2 883	316	4 079	702	6 540	6 779	6 538
Rest of Africa	305	26	2 230	237	2 535	263	2 969	2 378	2 062
Australia	591	172	344	11	935	183	1 139	1 219	1 237
United Kingdom	306	64	400	3	706	67	1 127	–	–
<b>Total</b>	<b>2 470</b>	<b>669</b>	<b>6 055</b>	<b>616</b>	<b>8 525</b>	<b>1 285</b>	<b>11 775</b>	<b>10 376</b>	<b>9 837</b>

South Africa demographics	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
<b>2020</b>	<b>3 228</b>	<b>446</b>	<b>255</b>	<b>98</b>	<b>67</b>	<b>36</b>	<b>529</b>	<b>122</b>	<b>4 781</b>
2019	4 633	667	302	78	69	37	614	140	6 540
2018	4 818	592	417	101	69	34	607	141	6 779
2017	4 621	614	220	87	89	29	708	170	6 538

	2020	2019	2018	2017
<b>Workforce by business unit</b>				
Building and civil engineering	2 073	3 616	3 683	3 662
Roads and earthworks	5 097	5 617	5 210	4 676
Australia	1 118	1 139	1 219	1 237
United Kingdom	773	1 127	–	–
Other*	409	276	264	262
<b>Total</b>	<b>9 470</b>	<b>11 775</b>	<b>10 376</b>	<b>9 837</b>

\* Other includes administration functions and Construction materials.

	2020	2019	2018	2017
<b>Staff turnover</b>				
<b>South Africa</b>				
Resignations	115	121	143	109
Retrenchments	265	275	226	302
Retirements	33	25	40	20
Deaths	9	12	9	5
<b>Total</b>	<b>422</b>	<b>433</b>	<b>418</b>	<b>436</b>
Avoidable staff turnover (permanent employees)	3,8%	4,0%	4,7%	4,4%
<b>Rest of Africa</b>				
Resignations	13	18	24	7
Retrenchments	183	229	21	13
Retirements	7	2	5	2
Deaths	4	2	2	–
<b>Total</b>	<b>207</b>	<b>251</b>	<b>52</b>	<b>22</b>
Avoidable staff turnover (permanent employees)	0,4%	0,6%	0,7%	0,3%

	2020	2019	2018	2017
<b>Australia</b>				
Resignations	174	197	103	94
Retrenchments	136	116	86	38
Retirements	–	–	1	–
Deaths	–	2	1	–
<b>Total</b>	<b>310</b>	<b>315</b>	<b>191</b>	<b>132</b>
Avoidable staff turnover (permanent employees)	5,5%	3,0%	3,3%	3,2%
<b>United Kingdom</b>				
Resignations	40	28	–	–
Retrenchments	40	14	–	–
Retirements	5	1	–	–
Deaths	–	–	–	–
<b>Total</b>	<b>85</b>	<b>43</b>	<b>–</b>	<b>–</b>
Avoidable staff turnover (permanent employees)	1,3%	7,5%	–	–
<b>Retrenchments</b>				
Building and civil engineering	155	183	205	224
Roads and earthworks	246	321	38	21
Australia	136	116	86	38
United Kingdom	40	14	–	–
Other	47	–	4	32
<b>Total</b>	<b>624</b>	<b>634</b>	<b>333</b>	<b>315</b>
<b>Industrial relations</b>				
Total person days lost				
South Africa	43 340	22 379	6 331	3 739
Rest of Africa	9 709	–	13 504	1 436
Australia	–	–	–	–
United Kingdom	–	–	–	–
<b>Total</b>	<b>53 049</b>	<b>22 379</b>	<b>19 835</b>	<b>5 175</b>

### TRAINING

R'000	2020	2019	2018	2017
<b>Spend</b>				
South Africa and rest of Africa				
Building and civil engineering	42 992	40 552	37 397	16 250
Roads and earthworks	26 812	39 607	39 663	39 602
Other*	23 868	11 976	8 655	7 821
	93 672	92 135	85 715	63 673
Australia	5 407	4 781	7 216	3 682
United Kingdom	1 936	2 962	–	–
<b>Total</b>	<b>101 015</b>	<b>99 878</b>	<b>92 931</b>	<b>67 355</b>

\* Other includes administration functions and Construction materials.



## PERFORMANCE DATA

CONTINUED

LEARNERSHIPS	2020	2019	2018	2017
<b>Number of learners</b>				
Apprenticeships	12	14	19	18
Adult Basic Education and Training	–	10	4	–
NQF 1 National (manufacturing engineering)	–	3	–	–
NQF 2 (construction and roadworks)	11	15	11	45
NQF 3 (business administration, general management)	6	10	–	–
NQF 3 (health and safety and roadworks)	–	–	–	11
NQF 4 (business administration, surveying and supervision of construction)	43	59	54	47
NQF 5 (construction management)	1	2	2	2
<b>Total</b>	<b>73</b>	113	90	123

## HEALTH AND SAFETY

	Measurement	2020	2019	2018	2017
<b>Lost-time injury frequency rate (LTIFR)</b>					
South Africa and the rest of Africa	Rate	0,41	0,41	0,71	0,54
Australia	Rate	0,84	0,73	1,72	1,88
United Kingdom	Rate	3,01	3,94	–	–
<b>Group</b>	Rate	<b>0,59</b>	0,69	0,90	0,80
<b>Recordable case rate (RCR)</b>					
South Africa and the rest of Africa	Rate	0,27	0,28	0,54	0,47
Australia	Rate	1,40	1,87	2,56	3,55
United Kingdom	Rate	1,72	2,06	–	–
<b>Group</b>	Rate	<b>0,60</b>	0,69	0,93	1,07
<b>All Injury Frequency Rate (AIFR)</b>					
South Africa and the rest of Africa	Rate	0,77	0,39	0,48	0,52
Australia	Rate	15,44	9,62	9,25	11,83
United Kingdom	Rate	4,39	2,17	–	–
<b>Group</b>	Rate	<b>4,18</b>	2,21	2,20	2,70
<b>Work-related fatalities</b>					
South Africa and the rest of Africa	Number	3	3	3	–
Australia	Number	–	–	–	1
United Kingdom	Number	–	–	–	–
<b>Total</b>	Number	<b>2,7</b>	3	3	1
<b>Employees trained in health and safety</b>					
South Africa and the rest of Africa	Number	896	1 378	1 639	596
Australia	Number	757	560	91	146
United Kingdom	Number	706	1 152	–	–
<b>Total</b>	Number	<b>–</b>	3 090	1 730	742
<b>Safety audits conducted</b>					
South Africa and the rest of Africa	Number	88	114	121	129
Australia	Number	38	34	39	–
United Kingdom	Number	296	12	–	–
<b>Total</b>	Number	<b>422</b>	160	160	129
<b>Non-compliance findings</b>					
South Africa and the rest of Africa	Number	102	135	187	187
Australia	Number	54	48	63	138
United Kingdom	Number	48	65	–	–
<b>Total</b>	Number	<b>204</b>	248	250	325

	Measurement	2020
<b>COVID-19</b>		
<b>Cases Identified</b>		
South Africa	Number	158
Africa	Number	8
Australia	Number	2
United Kingdom	Number	19
<b>Tests Undertaken</b>		
South Africa	Number	473
Africa	Number	29
Australia	Number	2 181
United Kingdom	Number	25
<b>Deaths</b>		
South Africa	Number	–
Africa	Number	–
Australia	Number	–
United Kingdom	Number	–
<b>Recoveries at 30 June 2020</b>		
South Africa	Number	148
Africa	Number	6
Australia	Number	2
United Kingdom	Number	19

## QUALITY

	Measurement	2020	2019	2018	2017
<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	100	–	–
<b>Internal audits</b>					
South Africa and rest of Africa	Number	144	187	159	179
Australia	Number	13	15	34	–
United Kingdom	Number	37	35	–	–
<b>Total number of audits</b>	Number	<b>186</b>	237	193	179
<b>Sites covered by audit (audit coverage)</b>					
South Africa and rest of Africa	Percentage	58	59	49	49
Australia	Percentage	32	87	95	98
United Kingdom	Percentage	93	90	–	–
<b>Corrective action notifications (CANs)</b>					
South Africa and rest of Africa	Number	473	528	534	624
Australia	Number	27	59	109	–
United Kingdom	Number	43	66	–	–
<b>Total number of CANs</b>	Number	<b>543</b>	653	643	624
<b>Non-conformance reports (NCR)</b>					
South Africa and rest of Africa	Number	1 946	1 470	2 284	3 008
Australia	Number	3	23	35	–
United Kingdom	Number	342	322	–	–
<b>Total number of NCRs</b>	Number	<b>2 291</b>	1 815	2 319	3 008

PERFORMANCE DATA  
CONTINUED

	Measurement	2020	2019	2018	2017
<b>Supplier audits</b>					
South Africa and rest of Africa	Number	40	58	89	73
<b>Supplier inspections</b>					
South Africa and rest of Africa	Number	32	106	60	150
<b>Employees trained in QMS</b>					
South Africa and rest of Africa	Number	152	192	385	394
Australia	Number	107	221	–	–
United Kingdom	Number	203	215	–	–
<b>Total number of employees trained</b>	Number	462	628	385	394

ENVIRONMENTAL

	Measurement	2020	2019	2018	2017
<b>Greenhouse gases (GHG)*</b>					
Direct carbon dioxide (CO <sub>2</sub> ) Scope 1	Tonnes	44 118	43 959	40 438	35 585
Indirect carbon dioxide (CO <sub>2</sub> ) Scope 2	Tonnes	4 412	4 298	4 263	3 953
Indirect carbon dioxide (CO <sub>2</sub> ) Scope 3	Tonnes	32 120	43 285	3 267	2 985
<b>Total GHG (CO<sub>2</sub> equivalent)</b>	Tonnes	81 454	91 542**	47 968	42 523
<b>Water</b>					
Total water use	Gigalitres	3,6	2,4	3,5	2,5
<b>Waste</b>					
Total waste generated	Tonnes	67 860	79 923	33 667	21 073
Recycled	Tonnes	57 113	62 215	11 003	7 039
<b>EMS site coverage</b>					
South Africa	Percentage	98	98	97	95
Australia	Percentage	100	100	100	100
United Kingdom	Percentage	100	100	–	–
<b>Internal audits</b>					
South Africa	Number	81	95	89	83
Australia	Number	38	150	–	–
United Kingdom	Number	296	174	–	–
<b>Total number of audits</b>	Number	81	419	89	83
<b>Sites covered by audit (audit coverage)</b>					
South Africa	Percentage	83	90	90	85
Australia	Percentage	100	100	–	–
United Kingdom	Percentage	100	100	–	–
<b>Non-compliance findings</b>					
South Africa	Number	34	18	17	7
Australia	Number	–	–	–	–
United Kingdom	Number	7	25	–	–
<b>Total number</b>	Number	41	43	17	7
<b>Reportable incidents</b>					
South Africa	Number	–	–	–	–

\* Excludes Australian operations.  
\*\* Restated to include UK operations.

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 2020 Integrated Report
- AFS: See the corresponding pages in 2020 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	2, 9-12
102-7	Scale of the organisation	IR	9-12
102-8	Information on employees and other workers	ESG	19-31
102-9	Supply chain	ESG	42-43
102-10	Significant changes to the organization and its supply chain	IR	2
102-11	Precautionary Principle or approach	ESG	14-15
102-12	External initiatives	ESG	13
102-13	Membership of associations	ESG	13
102-14	Statement from senior decision-maker	ESG	6-7
102-15	Key impacts, risks, and opportunities	IR	18-34, 50-53
102-16	Values, principles, standards, and norms of behaviour	IR	9
102-18	Governance structure	ESG	58-71
102-40	List of stakeholder groups	IR	36-40
102-41	Collective bargaining agreements	ESG	22
102-42	Identifying and selecting stakeholders	IR	36
102-43	Approach to stakeholder engagement	IR	36
102-44	Key topics and concerns raised	IR	37-39
102-45	Entities included in the consolidated financial statements	AFS	58-59
102-46	Defining report content and topic boundaries	ESG	2-3
102-47	List of material topics	ESG	3
102-48	Restatements of information	IR	2
102-49	Changes in reporting	ESG	2
102-50	Reporting period	ESG	2
102-51	Date of most recent report	ESG	2
102-52	Reporting cycle	ESG	2

GENERAL DISCLOSURE (CONTINUED)

Disclosure number	Disclosure title	Document reference	Page reference
102-53	Contact point for questions regarding the report	ESG	IFC
102-54	Claims of reporting in accordance with the GRI Standards	ESG	2, 77
102-55	GRI content index	ESG	77-79
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	10-15
103-3	Evaluation of the management approach	ESG	16-76

TOPIC-SPECIFIC DISCLOSURES

Disclosure number	Disclosure title	Document reference	Page reference	Material sustainability issue addressed
201-1	Direct economic value generated and distributed	ESG	57	Communities
201-2	Financial implications and other risks and opportunities due to climate change	ESG	51-56	Responsible environmental business practices
201-3	Defined benefit plan obligations and other retirement plans		ESG: 21-22 AFS: 21,36	Communities
201-4	Financial assistance received from government	AFS	3	Communities
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	ESG	22	Communities
202-2	Proportion of senior management hired from the local community	ESG	20, 22, 28, 46	Communities
203-1	Infrastructure investments and services supported	ESG	49-50	Communities
203-2	Significant indirect economic impacts	ESG	13-15	Communities
204-1	Proportion of spending on local suppliers	ESG	46-48	Communities
205-1	Operations assessed for risks related to corruption	ESG	14, 15, 69	Governance
205-2	Communication and training about anti-corruption policies and procedures	ESG	11, 69	Governance
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	ESG	59	Governance
207-1	Approach to tax	IR	90	Communities
301-1	Materials used by weight or volume	ESG	57	Responsible environmental business practices
301-2	Recycled input materials used	ESG	54, 56	Responsible environmental business practices
301-3	Reclaimed products and their packaging materials	ESG	56	Responsible environmental business practices
302-1	Energy consumption within the organisation	ESG	55	Responsible environmental business practices

Disclosure number	Disclosure title	Document reference	Page reference	Material sustainability issue addressed
302-3	Energy intensity	ESG	55	Responsible environmental business practices
303-1	Interactions with water as a shared resource	ESG	56	Responsible environmental business practices
303-2	Management of water discharge-related impacts	ESG	56	Responsible environmental business practices
303-3	Water withdrawal	ESG	56	Responsible environmental business practices
305-1	Direct (Scope 1) GHG emissions	ESG	55	Responsible environmental business practices
305-2	Energy indirect (Scope 2) GHG emissions	ESG	55	Responsible environmental business practices
305-3	Other indirect (Scope 3) GHG emissions	ESG	55	Responsible environmental business practices
306-2	Waste by type and disposal method	ESG	56	Responsible environmental business practices
306-3	Significant spills	ESG	56	Responsible environmental business practices
306-5	Water bodies affected by water discharges and/or runoff	ESG	56	Responsible environmental business practices
307-1	Non-compliance with environmental laws and regulations	ESG	52	Responsible environmental business practices
308-2	Negative environmental impacts in the supply chain and actions taken	ESG	14, 42-43, 76	Responsible environmental business practices
401-1	New employee hires and employee turnover	ESG	19	Communities
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG	21	Communities
402-1	Minimum notice periods regarding operational changes	ESG	22	Communities
403-1	Occupational health and safety management system	ESG	31-37	Health and safety
403-2	Hazard identification, risk assessment, and incident investigation	ESG	31-37	Health and safety
403-3	Occupational health services	ESG	31-37	Health and safety
403-4	Worker participation, consultation, and communication on occupational health and safety	ESG	31-37	Health and safety
403-5	Worker training on occupational health and safety	ESG	33-34	Health and safety
403-6	Promotion of worker health	ESG & IR	23-24	Communities
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG & IR	23-24	Communities
403-8	Workers covered by an occupational health and safety management system	ESG	31-37	Health and safety



TOPIC-SPECIFIC DISCLOSURES (CONTINUED)

Disclosure number	Disclosure title	Document reference	Page reference	Material sustainability issue addressed
403-9	Work-related injuries	ESG	31-37	Health and safety
403-10	Work-related ill health	ESG	31-37	Health and safety
404-1	Average hours of training per year per employee	ESG	24-29	Communities
404-2	Programs for upgrading employee skills and transition assistance programs	ESG	24-29	Communities
404-3	Percentage of employees receiving regular performance and career development reviews	ESG	24	Communities
405-1	Diversity of governance bodies and employees	ESG	62, 72	Communities
406-1	Incidents of discrimination and corrective actions taken	ESG	23	Communities
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	ESG	22-23	Communities
408-1	Operations and suppliers at significant risk for incidents of child labour	ESG	23	Communities
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	ESG	23	Communities
410-1	Security personnel trained in human rights policies or procedures	ESG	14	Communities
411-1	Incidents of violations involving rights of indigenous peoples	ESG	23	Communities
412-1	Operations that have been subject to human rights reviews or impact assessments	ESG	14	Communities
412-2	Employee training on human rights policies or procedures	ESG	14	Communities
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	ESG	14	Communities
413-1	Operations with local community engagement, impact assessments, and development programs	IR	36-40	Communities
414-1	New suppliers that were screened using social criteria	ESG	14, 42-43, 76	Communities
414-2	Negative social impacts in the supply chain and actions taken	ESG	14, 42-43, 76	Communities
415-1	Political contributions	ESG	14	Governance
416-1	Assessment of the health and safety impacts of product and service categories	ESG	31-37	Health and safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	ESG	31-37	Health and safety
419-1	Non-compliance with laws and regulations in the social and economic area	ESG	14	Governance

STATUTORY INFORMATION

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