

**Murray  
& Roberts**

# 2021

Group  
Sustainability  
Report



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# About this report

*Our sustainability report for the year ended 30 June 2021 provides an overview of our governance of and approach to managing our material environmental and social impacts affecting the long-term success of our business, as well as our performance in relation to these environmental, social and governance issues for the year. The report also covers the issues that matter most to our stakeholders.*

During the year, we revised our Sustainability Framework to further integrate and harmonise ESG imperatives with commercial opportunities. The revision will ensure that we embed sustainability thinking into our business strategy and our decision-making processes as we strive to understand the full impact of each decision we make. The structure of this year's report reflects this change.

The report covers our wholly owned business platforms and the joint ventures in which we have significant influence.

For the purposes of this report, business partners is a joint term used for joint-venture partners and subcontractors. The term subcontractors refers collectively to our subcontractors, service providers and consultants.

## MATERIALITY

Murray & Roberts defines material issues as factors that substantively affect our ability to sustain strategic, operational and financial performance. These factors and the way we respond to them are likely to influence a stakeholder's assessment of the Group's ability to enhance enterprise value over time. Insights drawn from the Group's annual strategic planning cycle, for FY2022 to FY2024, correlate to the pertinent value drivers and strategic responses of the Group and those of our platforms. These insights were the primary input in determining our material issues and were subject to independent analysis. The outputs of this analysis were workshopped by a forum that included the Group CEO, Group financial director, and the Group executives in charge of risk, sustainability, and investor relations and communication. The material issues were also tested against interviews with Group leadership, including the chairman for Board insight, and the business platform CEOs' reports for platform insight. The material themes and associated issues were used to prepare the Group's integrated annual report and sustainability report, which provide thorough discussion of and pertinent performance data for the issues.



Our material issues **PG 18**

## REPORTING FRAMEWORK

Our sustainability reporting has been prepared in accordance with the King Report on Corporate Governance for South Africa (2016)<sup>TM</sup> (King IV)<sup>1</sup>, the Global Reporting Initiative (GRI) Standards, at a core application level, and the Task Force on Climate-related Financial Disclosures (TCFD).



GRI Standards content index **ONLINE**



TCFD index **PG 77**

The Group's market capitalisation disqualifies it from a rating in the FTSE/JSE Responsible Investment Index Series; however, in FY2021 accredited rating agency CEN-ESG conducted an independent assessment and rating of our ESG performance against industry best practice. The results are disclosed on page 13. Key learnings from this assessment are being used to improve our ESG programme and disclosure to stakeholders.

### 1. King IV copyright

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ABOUT THIS REPORT *continued*

## ASSURANCE

Our independent sustainability auditors, IBIS ESG Consulting Africa (Pty) Ltd, provided limited assurance over selected non-financial performance indicators. EmpowerLogic provided independent ratings on our BBBEE performance.



Independent limited assurance report **PG 79**



BBBEE scorecard: <http://www.murrob.com/sus-trans-bbbee-development.asp>.

## APPROVAL

The social & ethics committee is responsible for overseeing the preparation and presentation of the sustainability report and ensuring its integrity. The committee approved the report on 30 August 2021.

## FEEDBACK

The sustainability report is intended to provide the basis for meaningful engagement with our stakeholders. We welcome your feedback, which can be provided to Ed Jardim, Group Investor and Media Executive at [ed.jardim@murrob.com](mailto:ed.jardim@murrob.com).

## REPORTING SUITE



## 2021 ANNUAL INTEGRATED REPORT

Our annual integrated report for the year ended 30 June 2021, presents the strategy, governance, performance and prospects of the Group. The full business platform reviews are included in the integrated report.



## CORPORATE GOVERNANCE

- Full governance report, including Board committee reports and record of attendance
- King IV application register



## FULL ANNUAL FINANCIAL STATEMENTS

- Accounting policies
- Notes to the annual financial statements
- Murray & Roberts Holdings Limited annual financial statements
- Notes to the Murray & Roberts Holdings Limited annual financial statements
- Annexures

## ALSO AVAILABLE ONLINE

- Notice of annual general meeting
- Form of proxy
- CDP submission



[www.murrob.com/inv-annual-reports.asp](http://www.murrob.com/inv-annual-reports.asp)

ENVIRONMENTAL REPORT

SOCIAL REPORT

GOVERNANCE REPORT

ADDITIONAL INFORMATION





# Purpose-led value creation

*Murray & Roberts enables and optimises fixed capital formation that corporations, governments and institutions commit to the advancement of sustainable human development.*

The Group's purpose-led business model connects our capabilities to the investment our clients make in infrastructure that advances sustainable human development. Through the critical infrastructure we design, construct, maintain and operate, we empower global communities.

The Group's Purpose makes sustainable human development central to our governance approach, our competitiveness as a contractor and employer of choice, and our commitments as an ethical corporate citizen. As the Group moves to realise greater opportunities for growth, profitability and value creation, our strategic choices will continue to be framed by our Purpose, inspired by our Vision and guided by our Values.

Our **market focus includes sectors that conscious capital investment will favour** as the world seeks to sustainably meet the needs of a growing and urbanising global population, and address severe socioeconomic and ecological imbalances.

Our commitment to **safe outcomes in everything we do**, grounds our aspiration to make Zero Harm a reality. Our safety record, our standing as a desirable employer and our care for community wellbeing, are hallmarks of the Group.

Our **business platforms are expected to align with Group culture**, which is guided by our Values and operationalised by our philosophy of *Engineered Excellence*. This alignment underpins our expectations for sustainable earnings growth and industry-leading ESG performance in the years ahead.

We **design and deliver projects across the engineering and construction value chain** that are financially viable, with better outcomes for clients and lasting socioeconomic and environmental value for local communities and host countries; in return for maximum value recognition for the Group.

**The Murray & Roberts Group**  
A multinational specialist engineering and construction group focused on specific target market sectors

**STOP. THINK. ACT. 24/7: SAFE OUTCOMES IN EVERYTHING WE DO**

**BUSINESS PLATFORMS**

**ENERGY, RESOURCES & INFRASTRUCTURE**

**MINING**

**POWER, INDUSTRIAL & WATER**

**PURPOSE**

Enabling fixed capital investments that support the advancement of sustainable human development.

**VISION**

To be a leading multinational engineering and construction group that applies our project life cycle capabilities to optimise fixed capital investment.

**VALUES**

- Integrity
- Respect
- Care
- Accountability
- Commitment

**PROJECT LIFE CYCLE**

Design and engineering/  
technical consulting

Process engineering,  
procurement and  
construction

Construction

Service and  
operations

**ENGINEERED EXCELLENCE**



Chairman's statement PG 46



The Group overview section in the integrated report provides insight on the Group's business model, the inputs we require to create value for our stakeholders and the outcomes we expect PG 06

PURPOSE-LED VALUE CREATION *continued*

## OUR NEW STRATEGIC FUTURE

*Our New Strategic Future plan was designed to deepen our resilience to market cycles by achieving diversification across geographies and capabilities.*

#### A SPECIALIST MULTINATIONAL ENGINEERING AND CONSTRUCTION GROUP...

Our strategically mature business platforms are focused on market sectors and regions with the best opportunities for growth, diversification and differentiation.

#### ...ABLE TO OPTIMISE VALUE ACROSS THE PROJECT LIFE CYCLE...

As specialist contractors in their regions, end-to-end insight and control across the project life cycle optimises client, local community and host country value.

#### ...DIFFERENTIATED BY A VALUES-LED CULTURE OF ENGINEERED EXCELLENCE...

Mature policies, management systems, business principles and practices, and shared learning enable differentiated services beyond competitive pricing.

#### ...WITH CREDIBLE POSITIONS IN MARKET SECTORS WITH LONG-TERM POTENTIAL...

Structural demand for certain commodities, infrastructure-led socioeconomic recovery and global decarbonisation indicate robust capital investment in our market sectors.

#### ...TO STRENGTHEN SUSTAINABLE EARNINGS AND SHAREHOLDER VALUE GROWTH.

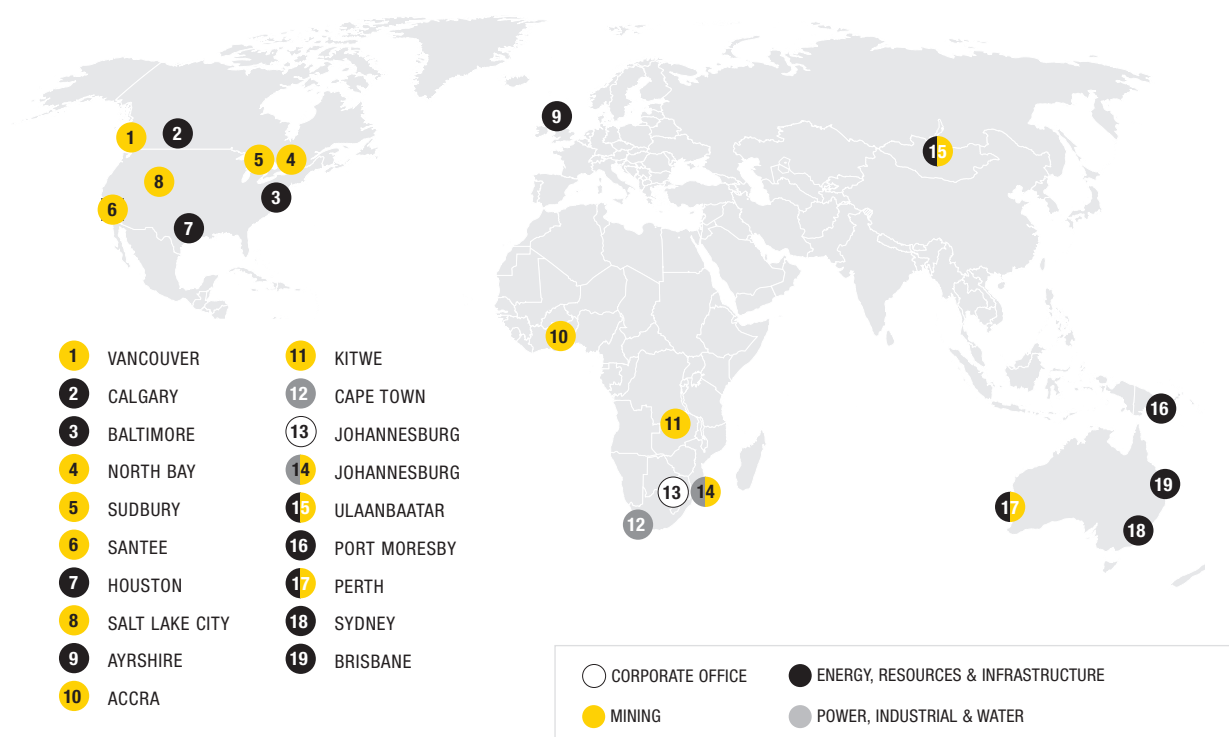
Diversification across market sectors, regions and service offerings optimises earnings and risk, reflected in a record-high quality order book and strong project pipeline.



PURPOSE-LED VALUE CREATION *continued*

## GLOBAL SCOPE AND REGIONAL STRENGTH

*The Group's geographic footprint reflects a permanent presence in high-growth regions for our clients. We also support clients in other geographies, occasionally in joint venture with local partners.*



## ENERGY, RESOURCES &amp; INFRASTRUCTURE

## Market focus

Americas, Asia, Australia, EMEA

Global capabilities: energy.

Australasian capabilities: energy, resources (metals and minerals) and infrastructure markets.

- Detailed engineering
- Procurement
- Construction
- Commissioning & maintenance

## MINING

## Market focus

Africa, Americas, Asia, Australia

Global capabilities: underground and open pit mining services and material logistics in global metals and minerals markets.

- Detailed engineering
- Procurement
- Construction
- Commissioning & maintenance
- Operations

## POWER, INDUSTRIAL &amp; WATER

## Market focus

Sub-Saharan Africa

Regional capabilities: power, industrial and water markets.

- Detailed engineering
- Procurement
- Construction
- Commissioning & maintenance



Business platform reviews PG 58



PURPOSE-LED VALUE CREATION *continued*

FINANCIAL PERFORMANCE	2021	% CHANGE	2020	
Revenue (Rm)	21 882	5	20 838	✓
Operating costs (Rm)	21 342	2	20 855	✗
Cash and cash equivalents (Rm)	3 697	8	3 415	✓
Operating cash inflow/(outflow) (before dividends) (Rm)	2 422	560	(527)	✓
Order book relative to revenues (Rm)	2.8 times		2.6 times	✓

✓ Improved ✗ Worsened ► No change



The base for strong medium-term growth PG 20

Our business activities create socioeconomic value for communities and countries through job creation and access to infrastructure that supports human development, wealth creation and better living standards. Wherever we operate, we aim to partner with local companies to improve project delivery, gain access to local knowledge, and secure our reputation as a credible multinational. We look for the right local business partners who share our Values and complement our expertise.

ECONOMIC CONTRIBUTION AND DISTRIBUTION TO STAKEHOLDERS	2021	% CHANGE	2020	
Value added to employees (Rm)	10 868	(6)	11 538	✗
Value added to providers of finance (net) (Rm)	208	(6)	221	✗
Value added to Government (Rm)	217	(24)	285	✗
Value added to maintain and expand the Group (Rm)	703	41	499	✓
<b>Total value added (Rm)</b>	<b>11 996</b>	<b>(4)</b>	<b>12 543</b>	<b>✗</b>

✓ Improved ✗ Worsened ► No change

Note: the Group did not receive any significant financial assistance from the South African Government during the reporting year.

# Statements from the Board

## BOARD CHAIRMAN'S INTRODUCTION



*Murray & Roberts is a purpose-driven organisation. We exist to build infrastructure that allows industries, countries and communities to develop and realise their full potential. Sustainable human development, and its implications for the governance of socioeconomic and environmental imperatives, is inseparable from that purpose.*

Sustainability is a Board responsibility. However, the Board relies on a number of committees to support and guide management on ESG-related issues. Most notable among these are the health, safety and environment and the social and ethics committees. That does not imply that the Board itself shies away from decisions relating to the mandates of these committees. A few notable examples: the Board continues to follow and guide efforts to contain the impact of the COVID-19 pandemic on the Group; the recent sociopolitical unrest in South Africa caused Board concern and discussion; and it was the Board who decided to continue to provide services to the coal industry in South Africa based on its critical role in Eskom's electricity generating capacity and the socioeconomic development it supports.

Quantitative and qualitative analysis are intrinsic characteristics of Murray & Roberts. The sustainability report that follows reflects that commitment to measurement. It is, therefore, a technical report. However, I encourage you to consider the impact of each of those programmes on individuals. We must never forget that our projects and ESG programmes change lives, both at a community and individual level.

The Board and I thank the members of the sustainability-related committees. We also owe a debt of gratitude to the management team who ensure that sustainability stands central in our planning and execution of projects.

**SURESH KANA**  
Board chairman

STATEMENTS FROM THE BOARD *continued*FROM THE CHAIRMAN OF  
THE HEALTH, SAFETY &  
ENVIRONMENT COMMITTEE

*COVID-19 continues to dominate health-related headlines and priorities. Appropriately so, for the pandemic's impact on our industry, projects and people has been severe, and continues to varying degrees. Unfortunately, it also overshadows the continuous work Murray & Roberts does to keep our workforce safe and well.*

Unlike with COVID-19, which will escape human control at least until vaccination is ubiquitous, Murray & Roberts recognises that it has both a duty and the ability to create safe and healthy work environments for its entire workforce. The statistics in this report highlight progress we have made on that front. It was hard work, but we have now reached standards that require constant vigilance to maintain and demand extraordinary effort to improve upon. No matter how high that final hurdle, Zero Harm remains our goal. I encourage you to study the health and safety sections from page 36 of this report for details on what we are doing to achieve that goal.

Mental health is emerging as a direct and very serious consequence of the trauma people continue to suffer as a result of the pandemic. Mental health impacts not only the wellbeing of our workforce, but also their ability to perform their work safely and productively. Strengthening our mental health support systems is therefore a priority.

Murray & Roberts' very purpose is to build infrastructure that creates opportunities for socioeconomic development. Unfortunately, infrastructure development almost invariably comes at an ecological cost. We welcome the growing debate among a broadening range of stakeholders to determine the criteria society should apply in weighing the needs to protect the environment while also supporting socioeconomic development.

For us, that debate manifests in both risk and opportunity. Public pressure is already making it more challenging for the developers of fossil fuel facilities to gain project funding. There is also a risk that pressure groups could demand that our clients refuse to do business with companies that provide services to the fossil fuels industry. However, opportunities may well outweigh those risks. Murray & Roberts is well-placed to support our clients in their efforts to reduce their environmental impacts. More than a potential source of sustainable competitive advantage, we believe our expertise could contribute significantly to developments that prioritise environmental sensitivity.

I thank my fellow committee members, management and the employees of the Group who prioritise the health and safety of each other, our host communities and countries, and the environment.

**RALPH HAVENSTEIN**

Chairman of the health, safety & environment committee



STATEMENTS FROM THE BOARD *continued*FROM THE CHAIRMAN OF THE  
SOCIAL & ETHICS COMMITTEE

*The ongoing COVID-19 pandemic and sociopolitical instability, warned of the dangers that persistent poverty holds for companies, communities and citizens. Socioeconomic inequity is not only an injustice, but also a risk companies must manage collectively and individually.*

Murray & Roberts has been doing its part. Our sustainability report outlines what we are doing to make the geographies where we operate, a better place for this generation and those to follow. In South Africa, for example, the Letsema Khanyisa Trust, allows employees earning below R350 000 a year to apply for scholarships for their children. In the past, scholarships were restricted to secondary schools and tertiary education. From this year, it now also supports primary schooling, including Grade R, because we recognise that quality education at an early age is essential for future success. The scholarships are comprehensive and provide school fees, uniforms, transport and stationery. Learners receive ongoing coaching and are rewarded for academic success.

The Letsema Sizwe Trust, on the other hand, supports reputable organisations' social development programmes. These include the University of Stellenbosch's Technology Research Activity Centre Programme that provides mobile science laboratories to schools without the necessary resources, and the Tomorrow Trust, which provides Saturday and holiday supplementary education programmes for children who are orphaned and vulnerable.

The pandemic also highlighted that broad programmes do not necessarily translate to improved opportunities for individuals. Individual circumstances can rob learners of dignity and hold them back for life. Such was clear when, in 2019, we first visited the Vorentoe Athletics Development Team, now one of our sponsorship beneficiaries, at the Vorentoe High School in Auckland Park. The athletics development programme there provides 50 learners with education, accommodation and coaching to realise their running talent. Unfortunately, at the time, dormitories and ablution facilities were in states that were both dysfunctional and undignified. The focus was on the potential of the young athletes, rather than the athletes themselves. Naturally, we chose to get more closely involved to address this. Since then, we refurbished the dormitories and the learners now have respectable and appropriate accommodations and ablution facilities which are inspected and maintained on a regular basis. But more importantly, we intend to form relationships with the learner athletes, to recognise that they are more than runners, and prepare them for the race of life.

That will be our ambition from now on. Social investment must be about more than just funding. It must invest time and interest in individuals, because that alone can restore the dignity that is a prerequisite for human success.

**NTOMBI LANGA-ROYDS**

Chairman of the social & ethics committee

# Our Sustainability Framework

*Sustainability thinking is integrated in the way we deliver our projects and conduct our business, and we operate under high expectations and stringent ESG guidelines.*

Sustainability is central to our commitment to protect and deepen our reputation as a profitable, well-governed, ethical and responsible multinational organisation. Harmonising ESG imperatives with commercial opportunities is seen as an ethical obligation for the Group. It is also a requirement on which clients and funders insist, and is becoming an important source of competitive differentiation for our business platforms.

ESG is integrated into our decision-making processes as we strive to understand, measure and manage the full impact of each decision we make. The Group's Sustainability Framework governs and focuses our approach to managing the pertinent risks and opportunities, impacts and outcomes related to ESG imperatives. Continual improvement of the Group's standards, systems, practices and reporting in response to shifts in our operating context, and the needs and expectations of our stakeholders, embeds sustainable practices across our business platforms. Shared learning within and across our businesses supports consistency.

The framework provides the overarching approach to managing ESG across jurisdictions in which we operate, and commits us to:

- Creating sustainable value for shareholders, clients, employees, partners and suppliers, and the communities in which we operate.
- Understanding and mitigating our operational risks and taking advantage of opportunities for differentiation.
- Engaging with our stakeholders and taking their views and concerns into consideration when making strategic and operational decisions.
- Trust is created by organisational behaviours valued by stakeholders and is based on confidence in both character and competence.
- Applying global best practice in corporate governance.

Learning from our experience in managing the impacts of COVID-19, we have revised our Group Sustainability Framework to align with escalating stakeholder expectations on ESG.

As international accountability frameworks for reporting are aligned and coalesce around a body of international standards for enterprise value sustainability reporting, we will continue to demonstrate that embracing ESG is very much a feature of who we are as a Group.



ENVIRONMENTAL REPORT

SOCIAL REPORT

GOVERNANCE REPORT

ADDITIONAL INFORMATION

OUR SUSTAINABILITY FRAMEWORK *continued*

## Group Sustainability Framework

## FINANCIAL AND ECONOMIC SUSTAINABILITY

## ENVIRONMENT

- Greenhouse gas emissions and climate change
- Resource efficiency, energy and water
- Waste and pollution
- Biodiversity and land
- Regulatory compliance

## SOCIAL

- Safety, health and wellness
- Employee relations, diversity and inclusion
- Working conditions
- Human rights, dignity and equality
- Indigenous partnerships and socioeconomic development
- Community development

## GOVERNANCE

- Governance structures
- Board diversity and composition
- Ethical conduct
- Risk and opportunity oversight
- Data protection and privacy
- Cybersecurity

## TRANSPARENCY AND INTEGRATED REPORTING

## STAKEHOLDER ENGAGEMENT

The commercial and ESG outcomes we expect are built into our performance management and development processes, which are linked to our remuneration and incentive schemes. Performance contracts align individual and team performance targets to the Group's strategic objectives, across the five performance dimensions below. These are cascaded from the performance criteria set by the Board for the Group CEO to platform, senior and middle management levels at the beginning of each financial year.

01

## FINANCIAL

- Satisfied shareholders through value creation.
- Achievement of business objectives.

02

## LEADERSHIP

- Murray & Roberts brand respected internationally.
- Recognised as a diverse, high-performing organisation.
- Renowned for leadership development and capacity.

03

## RELATIONSHIPS

- Stakeholder partnerships leveraged for growth.
- Internal and external trusting and open relationships.
- Recognised as an employer of choice.

04

## OPERATIONAL

- Global capabilities harnessed to deliver successful project outcomes.
- Effective systems and controls to ensure successful project delivery.
- Sustainability and governance emulated by industry.

05

## RISK

- Recognised for outstanding health, safety and environmental results.
- Effective risk management.



OUR SUSTAINABILITY FRAMEWORK *continued*

## ESG benchmarking exercise

CEN-ESG, based in the United Kingdom, assessed the Group's ESG performance and disclosure, providing a baseline for further improvement. Our governance disclosure was the strongest of the three categories, scoring well for remuneration disclosure, including our detailed compensation policy and linking ESG objectives to executive pay. Against our peers and clients, we scored higher for energy in the environmental category, and we achieved a robust score for the social category, relative to sector, peers and clients.

From this baseline, the Group will continue to align our practices, performance measures and reporting to relevant international accountability frameworks, to benefit both our commercial and ESG aspirations. With some improvements to the measurement and disclosure of our practices, we will exceed the global average in ESG performance for our sector. This will be a multi-year journey with some quick wins already identified.

Targeted areas for reporting improvement include supply chain, environmental and climate change, diversity and inclusion, communities and labour.

**Murray & Roberts**  
**31.5 points**  
 out of 100

**30.2**

Average score for the  
industrials sector

**57.4**

Average score for  
best-in-class FTSE100  
companies

**38.7**

Average score of select  
Murray & Roberts  
peers and clients

## STAKEHOLDER ENGAGEMENT POLICY

Trust is created by organisational behaviours valued by stakeholders and is based on confidence in both character and competence.

Our reputation as a credible global operator and respected multinational rests on the value we create for our employees, clients and owners, and for local companies, host communities and countries in which we work.

Our Group stakeholder engagement policy ensures that the legitimate expectations and concerns of our stakeholders are placed at the centre of our strategy formulation and execution. It outlines our engagement responsibilities and applies to all our businesses and employees.

The policy requires that we:

- Comply with King IV recommended practices pertaining to stakeholder relationships.
- Integrate stakeholder engagement into the Group's ongoing management and business activities.
- Ensure the fair and equitable treatment of stakeholders in line with the Group's Values.
- Create a transparent and honest environment in which stakeholders can interact with the Group.
- Provide complete, timely, relevant, accurate, honest and accessible information while at the same time being cognisant of legal and strategic considerations.
- Proactively communicate with stakeholders and seek their views and feedback using appropriate communication channels.
- Promote internal awareness on the importance and value of stakeholder consultation and relationship management, as well as the methodologies in place to facilitate this.



Responding to our stakeholders PG 16

# Our ESG risks and opportunities

*The Group's governance and management systems, disciplined approach to managing complex risks across our multinational operations, especially those associated with large lump sum projects, support our ability to deliver on our strategy and create value in the longer term.*

## ESG-RELATED RISKS

Risk	Our response	More information
Our ability to attract the necessary specialised and technical skills, without which the ability of our business platforms to grow in their markets could potentially be constrained. These skills are also critical to our ability to deliver excellence in our projects.	Career advancement through training and mentorship, best people practices and adherence to the Group diversity policy, are important aspects of our employee value proposition. We recruit locally, across the culturally diverse regions in which we operate, and we provide effective training methods to instil the Group's high standards for safety and productivity.	PG 47 PG 48 PG 52
Failure to manage HSE risk could result in major incidents that may harm our reputation and prospects. To be eligible to bid on contracts we must meet certain client safety criteria and some contracts include safety performance penalties. Unsafe work conditions and lack of environmental stewardship could also have a potential impact on our ability to attract and retain talent.	The continuous improvement in the evolution and diligent application of our Group HSE Framework has measurably enhanced the maturity of our safety culture. Many of our projects are demonstrating that production, quality and safety performance go hand in hand. We aim to swiftly align newly acquired businesses and joint-venture partners to the Group's health, safety and environmental standards and systems.	PG 36 PG 38 PG 45
There are increasing indications that mental health is a critical concern globally. COVID-19 has brought increased risk to the health and safety of our workforce, and is taking a heavy psychological toll on our employees.	Our COVID-19 procedures, risk assessments, audits, screening and testing protocols are well entrenched. Over and above these protocols, we continue to implement other non-pharmaceutical measures and assist employees to access vaccines. We also plan to expand mental health support over the next year.	PG 36 PG 45
Lack of equal opportunity, the poor pace of socioeconomic development in some countries and economic hardship brought about by COVID-19, may lead to unrest and project disruption. In addition, there is a growing expectation that local stakeholders participate in project delivery.	Effectively managing local dynamics and partnering with local service providers improves project delivery and secures our reputation as a credible global operator and respected multinational. The Group creates value not only for our employees, clients and owners, but also the local companies with whom we work and the communities in which we work.	PG 54 PG 58
We provide specialised engineering and construction services to the metals, minerals, energy and water industries; sectors that are carbon and water intensive and vulnerable to climate change impacts.	Our mitigation includes developing new service offerings that offer environmental improvement, improving our capabilities to deliver projects in renewable energy and water that mitigate environmental and climate change risks, reducing environmental impact in areas where we have an influence and managing the physical risks of climate change on project delivery.	PG 27 PG 29

OUR ESG RISKS AND OPPORTUNITIES *continued*

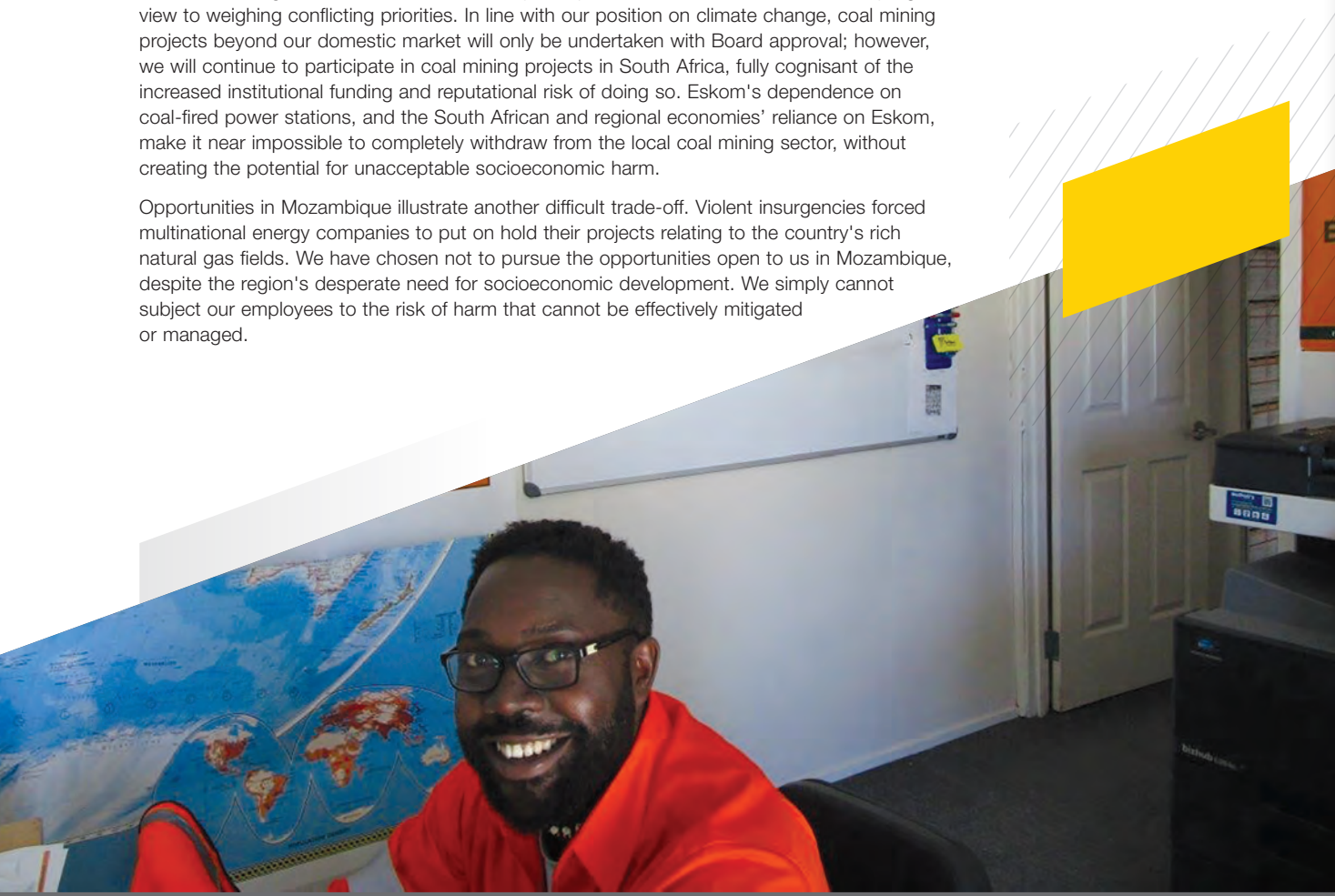
## ESG-RELATED OPPORTUNITIES

Opportunities	Our response	More information
There is much emphasis on infrastructure-led economic recovery to sustainably meet the needs of a growing and urbanising global population, and to address severe socioeconomic and ecological imbalances. In addition, the decarbonisation of the global economy will require commodities such as copper, platinum and other metals to convert global energy to lower-emission energy sources.	Our market focus includes sectors that more conscious capital investment will favour in advancing sustainable human development. The resources, industrial, energy, water and specialised infrastructure sectors present the best opportunities for growth, diversification and differentiation for our business platforms, as specialist contractors in their regions.	PG 27
Digitisation improves project design, safety, execution and reporting, to improve margins and market share. It also reinforces our ability to compete strongly as a contractor and employer, especially among a younger generation of leaders and employees.	Our international businesses have several exciting digital initiatives underway. Unlocking technology's potential to contribute to sustained success is now of heightened priority for the Group, and is being overseen and coordinated out of the office of the Group financial director.	PG 30 PG 40

## Purpose-led risk-taking

Decision-making on ESG matters is not always simple, but we take a considered and pragmatic view to weighing conflicting priorities. In line with our position on climate change, coal mining projects beyond our domestic market will only be undertaken with Board approval; however, we will continue to participate in coal mining projects in South Africa, fully cognisant of the increased institutional funding and reputational risk of doing so. Eskom's dependence on coal-fired power stations, and the South African and regional economies' reliance on Eskom, make it near impossible to completely withdraw from the local coal mining sector, without creating the potential for unacceptable socioeconomic harm.

Opportunities in Mozambique illustrate another difficult trade-off. Violent insurgencies forced multinational energy companies to put on hold their projects relating to the country's rich natural gas fields. We have chosen not to pursue the opportunities open to us in Mozambique, despite the region's desperate need for socioeconomic development. We simply cannot subject our employees to the risk of harm that cannot be effectively mitigated or managed.





# Responding to our stakeholders

*Our reputation, and the trust it instils, is built on our Values and is critical to our long-term resilience.*

Never before, in the midst of intensifying activism and public scrutiny, as well as the uncertainty surrounding COVID-19, has trust been more critical to building stronger and more resilient economies. Stakeholders today expect increasing transparency in reporting that provides them with the information they need to make decisions relating to the Group. Regular and effective interaction with all our stakeholders enables our continual learning, and ability to understand and respond to emerging social, environmental and financial priorities, contributing to our resilience and sustainability.

The Board takes account of the legitimate interests and expectations of stakeholders in its decision-making processes and has adopted a Stakeholder Engagement Framework which promotes inclusive and proactive stakeholder engagement. The framework holds us to identifying, understanding and responding to stakeholder priorities, and reporting and explaining our decisions, actions and performance. The Group's CEO is

responsible for implementing and maintaining the framework, supported by relevant corporate executives and business platform CEOs. Stakeholder engagement takes place using a myriad of dialogue mechanisms at both the corporate office and business operation levels across the Group.

We interact with our stakeholders through:

**Technology:** virtual meetings, webcasts, website, intranet, social media and email. Face-to-face engagement has been limited due to COVID-19 restrictions.

**Print:** newsletters/brochures, internal magazines and external reports, including the integrated and sustainability reports.



## INTERNAL ENVIRONMENT

- Employees
- Murray & Roberts Group companies

## MARKET ENVIRONMENT

- Shareholders
- Clients (public and private)
- Joint-venture partners
- Service providers and suppliers

## INDUSTRY ENVIRONMENT

- Unions
- Consultants and engineering houses
- Industry and professional bodies
- Industry and technology partners

## BROADER ENVIRONMENT

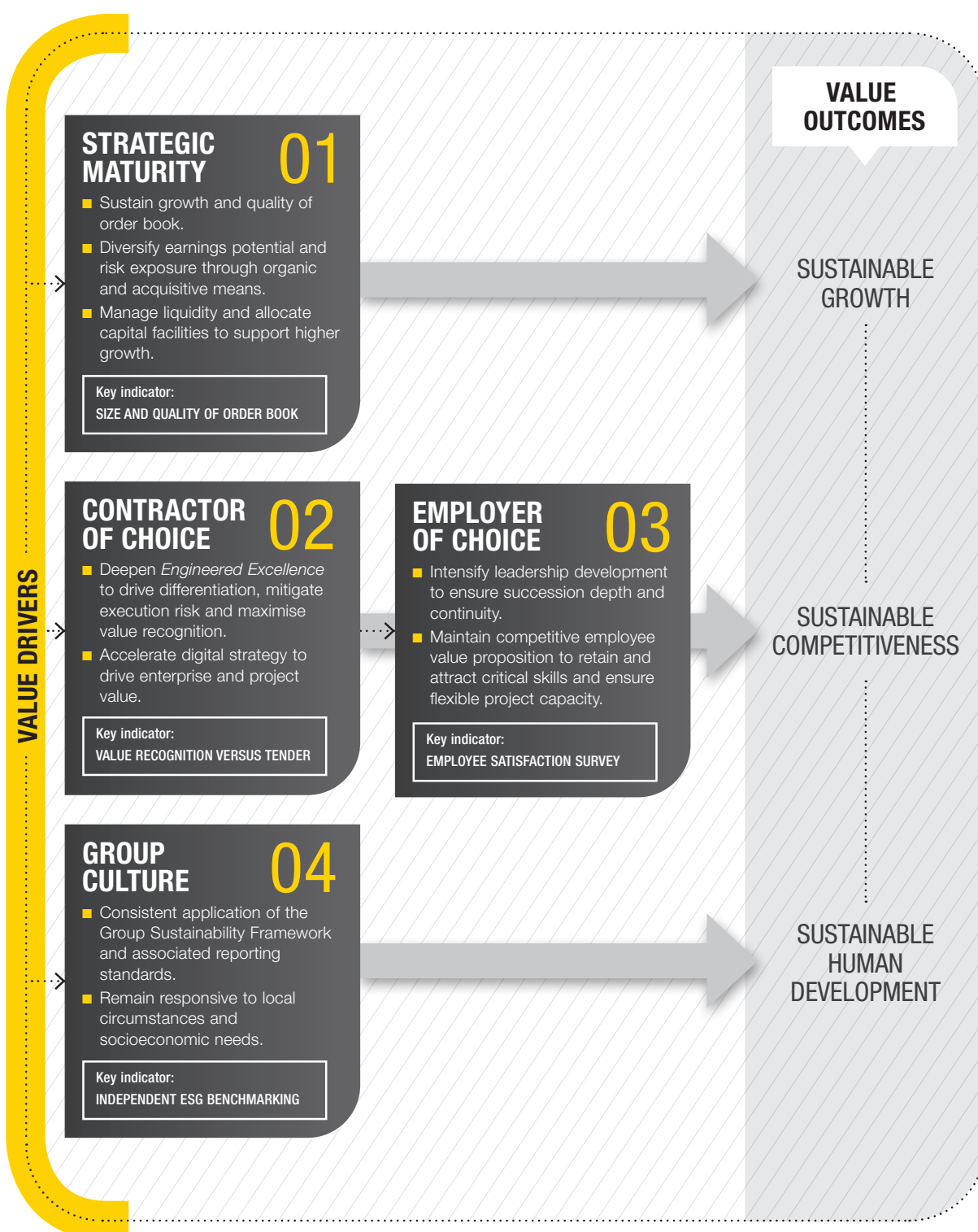
- Media
- NGOs
- Communities
- Financial institutions
- Investment community
- Governments and regulators

RESPONDING TO OUR STAKEHOLDERS *continued*

Stakeholder group	ESG-related topics of discussion or concern	Our response
ALL STAKEHOLDERS	■ How Murray & Roberts is addressing ESG and integrating it into its strategy and business operations.	PG 11
	■ Enhanced ESG-related disclosures (transparent, measurable, standardised and aligned to international frameworks and commitments).	PG 11
	■ Intensified scrutiny and obligations related to the health and safety of all individuals impacted by Murray & Roberts' business activities.	PG 36 PG 38 PG 45
INTERNAL ENVIRONMENT	■ Clear and structured career paths.	PG 47
	■ 'Hybrid' working models that allow for flexibility in terms of remote working.	PG 50
	■ Higher expectations of health, safety and wellness (including mental health) support.	PG 36 PG 38 PG 45
	■ Younger generations of leaders and skilled professionals want to work for purposeful and sustainability-minded organisations.	PG 04 PG 11
	■ Diversity, equality and inclusion.	PG 54
MARKET ENVIRONMENT	■ Environmental and socioeconomic features in the design of facilities and project delivery.	PG 27 PG 29 PG 54 PG 58
	■ Client demands to differentiate service offerings through measurable ESG credentials at project and corporate level.	PG 11 PG 35
	■ Increasing local capabilities in terms of supply chain to reduce reliance on foreign manufactured goods.	PG 58
	■ Our ability to manage local conditions, constraints and expectations.	PG 58
INDUSTRY ENVIRONMENT	■ Opportunities to collaborate with our supply chain stakeholders to reduce their carbon footprint.	PG 20
BROADER ENVIRONMENT	■ Corporate governance and ethical business conduct and the fair treatment of all stakeholders.	PG 66
	■ Compliance with laws, regulations and industry standards.	PG 72
	■ Escalating social expectations of the role of business in society and as a partner to government on national systemic risk and solutions.	PG 58
	■ Escalating socioeconomic development expectations from local communities.	PG 58
	■ Funding and insuring of fossil fuels projects, and exposure to reputational risks of 'dirty' commodities.	PG 22

# Our material issues

*We define material issues as factors that substantively affect our ability to sustain our strategic, operational and financial performance. These factors and the way we respond to them are likely to influence a stakeholder's assessment of the Group's ability to enhance enterprise value over time.*





OUR MATERIAL ISSUES *continued*

Material issue	ESG	Link to our Sustainability Framework	More information
<b>CONTRACTOR OF CHOICE 02</b>			
<p>Deepen <i>Engineered Excellence</i> to drive differentiation, mitigate execution risk and maximise value recognition.</p> <p>Accelerate digital strategy to drive enterprise and project value.</p>	E	<ul style="list-style-type: none"> <li>Greenhouse gas emissions and climate change</li> <li>Direct environment impact</li> </ul>	<ul style="list-style-type: none"> <li>Environment report <b>PG 66</b></li> </ul>
	S	<ul style="list-style-type: none"> <li>Safety, health and wellness</li> <li>Employee relations, diversity and inclusion</li> <li>Working conditions</li> </ul>	<ul style="list-style-type: none"> <li>Product stewardship <b>PG 35</b></li> <li>COVID-19 <b>PG 36</b></li> <li>Safety <b>PG 38</b></li> <li>Occupational health and hygiene <b>PG 45</b></li> <li>Working conditions <b>PG 50</b></li> <li>Diversity and inclusion <b>PG 54</b></li> </ul>
	G	<ul style="list-style-type: none"> <li>Governance structures</li> <li>Regulatory compliance</li> <li>Ethical conduct</li> <li>Risk and opportunity oversight</li> <li>Data protection and privacy</li> <li>Cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>Our ESG risks and opportunities <b>PG 14</b></li> <li>Governance of ethics, and environmental and social impacts <b>PG 68</b></li> <li>Ethical business conduct <b>PG 72</b></li> <li>Data protection <b>PG 75</b></li> </ul>
<b>EMPLOYER OF CHOICE 03</b>			
<p>Intensify leadership development to ensure succession depth and continuity.</p> <p>Maintain competitive employee value proposition to retain and attract critical skills and ensure flexible project capacity.</p>	S	<ul style="list-style-type: none"> <li>Safety, health and wellness</li> <li>Employee relations, diversity and inclusion</li> <li>Working conditions</li> <li>Human rights, dignity and equality</li> </ul>	<ul style="list-style-type: none"> <li>Our ESG risks and opportunities <b>PG 14</b></li> <li>Product stewardship <b>PG 35</b></li> <li>COVID-19 <b>PG 36</b></li> <li>Safety <b>PG 38</b></li> <li>Occupational health and hygiene <b>PG 45</b></li> <li>People management <b>PG 47</b></li> <li>Leadership <b>PG 48</b></li> <li>Working conditions <b>PG 50</b></li> <li>Learning and development <b>PG 52</b></li> <li>Diversity and inclusion <b>PG 54</b></li> </ul>
	G	<ul style="list-style-type: none"> <li>Governance structures</li> <li>Board diversity and composition</li> <li>Ethical conduct</li> <li>Risk and opportunity oversight</li> </ul>	<ul style="list-style-type: none"> <li>Governance of ethics, and environmental and social impacts <b>PG 68</b></li> <li>Ethical business conduct <b>PG 72</b></li> </ul>
<b>GROUP CULTURE 04</b>			
<p>Consistent application of the Group Sustainability Framework and associated reporting standards.</p> <p>Remain responsive to local circumstances and socioeconomic needs.</p>	S	<ul style="list-style-type: none"> <li>Human rights, dignity and equality</li> <li>Indigenous partnerships and socioeconomic development</li> <li>Community development</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable localisation <b>PG 58</b></li> <li>Meaningful community support <b>PG 62</b></li> </ul>
	G	<ul style="list-style-type: none"> <li>Governance structures</li> </ul>	<ul style="list-style-type: none"> <li>Governance of ethics, and environmental and social impacts <b>PG 68</b></li> </ul>

# 01 Environmental report

## External commitments, frameworks and standards

*King Report on Corporate Governance for South Africa (2016)*

*United Nations Global Compact*

*Task Force on Climate-related Financial Disclosures (TCFD)*

*Climate and Water CDP: <https://www.cdp.net/en> and [www.murrob.com](http://www.murrob.com)*

*ISO 14001 (environmental management system)*

*GRI Standards: 102-30, 302-1, 303-1, 303-2, 303-3, 303-5, 305-1, 305-2, 306-2, 307-1*

ENVIRONMENTAL REPORT

SOCIAL REPORT

GOVERNANCE REPORT

ADDITIONAL INFORMATION



# Overview

## 2021 HIGHLIGHTS

### 2020 climate change CDP

Achieved **Management Level** status with a **B score** (higher than the Global and Africa average scores).

### 2020 water CDP

Achieved **Management Level** status with a **B score** (equalling the Global, Africa and construction industry average scores).

### Climate change

Conducted a **climate change scenario analysis** to identify risks and opportunities for the mining sector. The scenarios will be evaluated in the coming year.

### Scope 3 emissions

Conducted a Scope 3 carbon assessment, and **reported our Scope 3 emissions for the first time**.

### Sustainable future

Continued to position our business platforms to support and provide offerings to a **low-carbon economy**.

## KEY PERFORMANCE INDICATORS



Energy usage (gigajoules)

**83 270**

FY2020: 81 701

FY2019: 103 803



Scope 1 and Scope 2 emissions (tonnes of CO<sub>2</sub>e)

**10 938**

FY2020: 11 039

FY2019: 12 797

Scope 3 emissions

(tonnes of CO<sub>2</sub>e)

**45 400**

Reported for the first time



Water usage (megalitres\*)

**24.91**

FY2020: 25.17

FY2019: 23.33

\* Metric changed to align to the GRI Framework.

## MATERIAL PRIORITIES

- Position the business platforms to secure opportunities in renewable energy.
- Secure wastewater and industrial water treatment opportunities in South Africa.
- Assist clients in implementing their climate change response plans including solutions in renewable energy and water.
- Improve environmental and climate change reporting in line with the findings and recommendations of the ESG benchmarking assessment.



Governance of climate-related issues **PG 71**



# Climate change

*The biggest contribution that Murray & Roberts can make to a lower carbon economy is to ensure that it has the capability to design, construct, maintain and operate infrastructure that supports environmental improvement, and to assist our clients in achieving their environmental objectives.*

Second to that, is the continual pursuit of opportunities to minimise the direct impact of our business activities on the environment. All our businesses are required to adopt high environmental management standards, including implementing and maintaining internationally recognised environmental management systems, using project input materials responsibly and efficiently, and complying with legislative requirements.

## Climate Change Position Statement

Our Climate Change Position Statement commits us to:

- Continuing to monitor and reduce our carbon footprint.
- Evaluating our participation in new projects against the environmental imperative to mitigate climate change impacts.
- Collaborating with clients and stakeholders in the supply chain to find innovative solutions to reduce carbon emissions in their market sectors.
- Growing our service offering in the renewable energy sector.

The primary energy and emission sources from our business activities comprise purchased electricity and fuel (diesel and petrol) used for mobile equipment and transportation. All our businesses are encouraged to investigate and implement energy saving opportunities both in their day-to-day operations and for our clients.

As some of our operations are conducted in water-constrained regions, including the SADC region and western Australia, a water management standard provides guidance on water efficiency. Water withdrawal is monitored per source, and all facilities and projects across the Group are required to submit a volumetric report on water withdrawals and water discharges every month. We use the World Resources Institute Aqueduct tool to identify water-stressed areas. Depending on project locations, between 11% and 25% of our water withdrawal is in water-stressed areas. Our businesses are encouraged to use water sparingly, with recycling measures implemented where possible. Where required by clients' water use licences, the quality of water discharge is measured by third-party specialists.



Refer to the Water CDP for detailed disclosure on our water management.

## ENVIRONMENTAL STANDARDS

Our environmental standards cover carbon emissions, energy and water consumption, waste management, environmental risks and incidents, regulatory compliance, and environmental data. Programmes are in place to integrate environmental management in daily business activities. Our employees receive environmental training to improve practical understanding, drive compliance at project level and raise awareness on improvement initiatives. They are also encouraged to report environmental incidents. All businesses are ISO 14001 certified, except for RUC Cementation which has an equivalent environmental management system.

On projects themselves, we must ensure that all listed activities are undertaken with the correct environmental authorisation or within the conditions set out in operating licences, such as water use licences. Failure to do so could result in projects being delayed or stopped and licences revoked, negatively impacting our reputation.

CLIMATE CHANGE *continued*

## CLIMATE CHANGE-RELATED RISKS

We are exposed to coal mining, particularly in South Africa, which is still reliant on coal-fired power to generate electricity and meet base-load demand. Within this reality, we will continue to participate in coal mining projects, but only in South Africa. In line with our position on climate change, coal-related projects beyond our domestic market will only be undertaken with Murray & Roberts Limited Board approval.

Our integrated risk management programme has highlighted that several clients are transitioning their operations to be energy and water efficient as well as resilient to the physical impacts of climate change. While a risk if we do not meet these expectations, these changes present opportunities to provide new service offerings aligned to our *New Strategic Future* plan.

On several occasions, physical climate change risks such as extreme and unpredictable weather conditions, including floods, fires and storm surges, have impacted our projects, resulting in disruptions and driving up costs. During the year, a project in the Gulf of Mexico was delayed by floods and hurricanes, which also caused damage to property.

## Climate change regulation

Regulatory requirements related to energy and climate change are increasing, and can lead to increased costs as well as opportunities in the transition to a low-carbon economy. Carbon pricing regulations increase the cost of fossil fuel-based inputs and have the biggest impact on carbon intensive industries. Our carbon footprint is small, so we fall outside of pricing regimes in the countries where they apply. However, the proliferation of carbon pricing is likely to impact our value chain in the future. We monitor developments in this area to ensure we are aware of and prepared for future financial implications.

Carbon pricing is in place in South Africa, Canada, the UK and California. As we don't own any major industrial facilities, we have been excluded from any carbon pricing liabilities to date.

The first phase of South Africa's carbon tax imposes tax liabilities on companies with a thermal input capacity of 10 megawatts and above. Our combined thermal capacity does not trigger this threshold. While we are not directly impacted, the carbon tax on liquid fuels (petrol and diesel) is levied at source, which has resulted in pass-through costs from increased fuel prices. In phase two, the design of the carbon tax will be re-evaluated. The implementation of this next phase is expected to be more stringent and will commence from 2023.

South Africa's Climate Change Bill, once enacted, will assign mandatory carbon budgets to qualifying entities, with penalties incurred when budgets are exceeded. The criteria for determining which entities will be subject to carbon budgets have not yet been defined; although it is likely that budgets will

apply to sectors and entities that are currently required to submit pollution prevention plans. These include large industries such as cement manufacturing, petrochemicals and electricity generation. We do not expect to have a mandatory carbon budget; however, pass-through costs may arise from suppliers in the impacted industries. Cabinet has approved the submission of the national Climate Change Bill to parliament.

We engage with governments on environmental policy through industry bodies, including Business Unity South Africa and the Minerals Council South Africa (which supports the South African mining industry).

## RISK MANAGEMENT

The Group's Integrated Assurance Framework is used to identify, assess, monitor and report our complex risks and opportunities, including those related to energy, climate change, water and waste. Risks are managed through governance structures, organisational leadership, planning and effective management, which ensure that the right capacities, controls, systems and processes are in place. Risk management, regulatory compliance and independent assurance (internal and external audits) are the three pillars of the framework. Risks are assessed quarterly and considered three to six years into the future.

Project disruption risks and risks relating to changing rainfall patterns and increasing temperatures are considered in the project planning phase for projects in regions susceptible to extreme weather and climate change-induced issues. New risks experienced on projects are elevated to divisional levels monthly and to the risk committee quarterly. To compliment this risk management process, we also commission specific research, when required, to understand how climate change may impact our business offerings. It was through this process that our climate change position statement arose.



Refer to the CDP for detailed disclosure on our environmental risk management.

## BIODIVERSITY AND LAND

In the year ahead, a high-level biodiversity and land assessment will be undertaken to understand the current landscape on biodiversity reporting and standards, and our role and responsibilities towards biodiversity.

CLIMATE CHANGE *continued*

## 2021 PERFORMANCE

## CLIMATE CHANGE SCENARIOS

During the year, we started the process of climate change scenario analysis for the mining sector in line with the TCFD Framework. The analysis has enabled us to identify key climate change drivers, risks and opportunities associated with mining and which may impact our business going forward. For example, in the electricity generation space, coal mining activities are expected to be surpassed by mining for commodities such as copper and nickel for renewable electrification and battery energy storage systems respectively. Based on these key drivers and uncertainties, we have developed three scenarios that will be further evaluated in the coming year. Our objective is to expand the scenario analysis to other parts of our business in time.



TCFD index PG 77

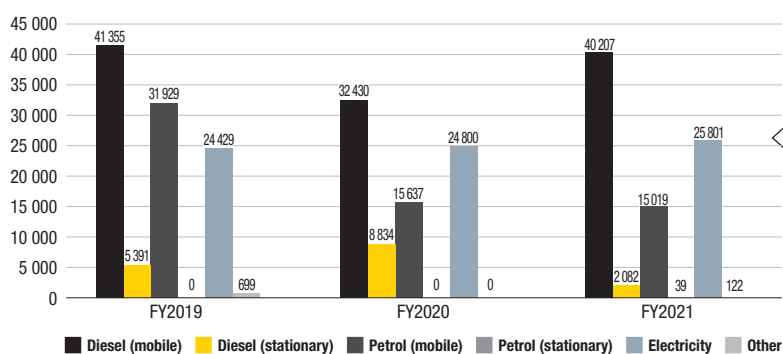
## ENERGY

Our energy consumption has remained relatively consistent with the prior year given that there has not been any material change to our portfolio. Murray & Roberts Cementation's Bentley Park facility in Carletonville accounts for 25% of the Group's electricity consumption in South Africa, the highest electricity consumer in this operation. The facility has set an energy reduction target of 8% by FY2022, against a FY2018 baseline. New technology driven initiatives, such as efficient lighting, together with decreased business activities brought about by COVID-19 restrictions, have meant that the Bentley Park facility has achieved a 10% energy reduction in FY2021, exceeding its target.

The ERI platform's business, Booth Welsh in the UK, installed 11 charging points for electric vehicles at its head office car park, encouraging employees to consider an electric or hybrid vehicle as their company or personal vehicle. Additional points are planned as part of Booth Welsh's wider strategy to expand its sustainably sourced energy solutions. Other solutions being considered include solar PV installations, ground source heat pumps and battery storage solutions.

In FY2022, we aim to improve our electricity consumption data collection to enable the disaggregation of electricity consumption by power source (e.g. renewable power or fossil fuel grid power).

## Energy breakdown (gigajoules)



2%

increase in energy use  
(year on year)

Note: total energy consumed includes all direct (all fuel types) and indirect (electricity) energy sources, with the majority of sources used in FY2021 being diesel, petrol and electricity. 'Other' includes acetylene, heavy fuel oil, liquid petroleum gas, and natural gas. Reported figures include energy paid for by Murray & Roberts and excludes client purchases.

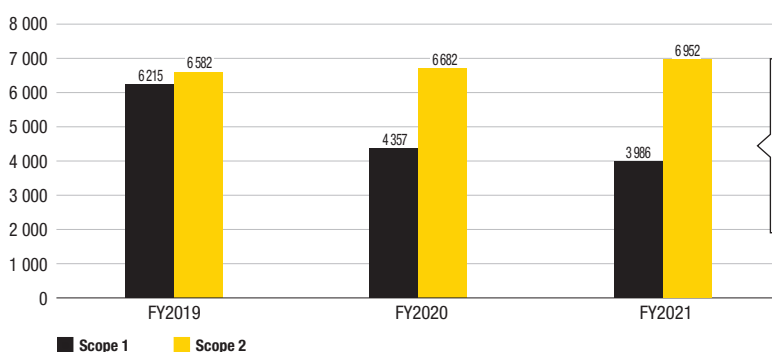




CLIMATE CHANGE *continued*2021 PERFORMANCE *continued*

## CARBON FOOTPRINT

Our carbon footprint has remained relatively consistent with the prior year. In the 2020 Climate Change CDP Disclosure, we achieved Management Level status with a B score, up from the B- achieved in 2019. Both the Global and Africa average scores are C. Management Level status is awarded to companies taking coordinated action on climate issues.

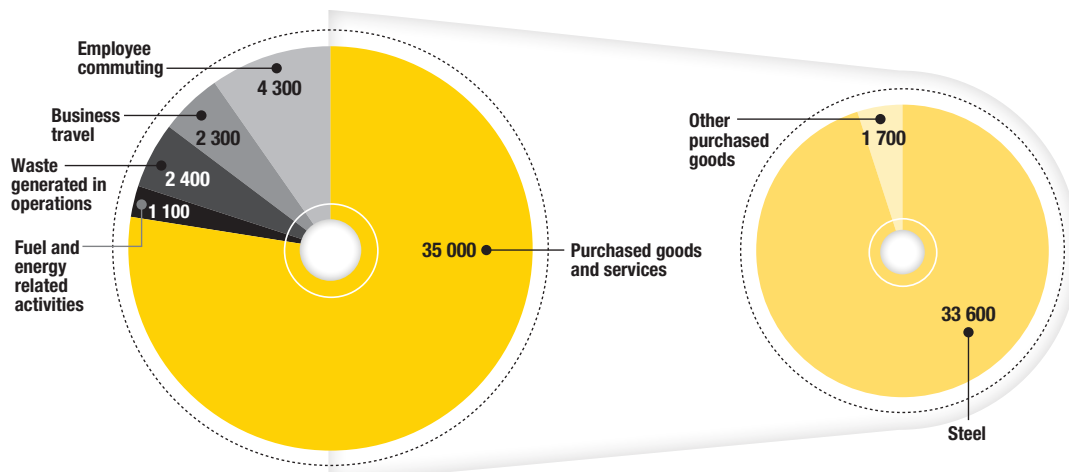
Scope 1 and Scope 2 emissions (tCO<sub>2</sub>e)

Defra Voluntary 2020 Reporting Guidelines.

IPCC Guidelines for National Greenhouse Gas Inventories, 2006.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) / Financial control.

We have a well-established baseline for Scope 1 and Scope 2 emissions extending back to FY2015, which we consider to be our baseline year (FY2015: 73 940 tCO<sub>2</sub>e). This year, we conducted a Scope 3 carbon assessment, identifying the categories that are most material and feasible for our reporting. These include purchased primary construction and mining goods (cement, steel, electrical cabling and other goods), fuel and energy-related activities, third-party waste disposal, employee commuting and business travel.

Breakdown of Scope 3 emissions (tCO<sub>2</sub>e)

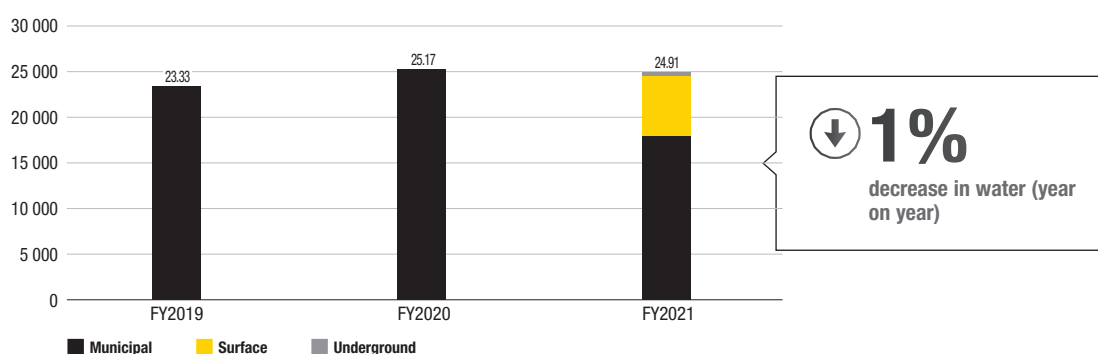
CLIMATE CHANGE *continued*2021 PERFORMANCE *continued*

## WATER

During the year, water was predominantly withdrawn from municipal sources and water consumption remained relatively consistent with the prior year. In South Africa, the Bentley Park facility has embarked on water conservation efficiency improvements. During FY2021, two 10 000 litre water storage tanks and booster pumps were installed, enabling the facility to use grey water for non-potable water requirements such as garden irrigation. This installation resulted in the facility exceeding its water reduction target of 20% against a FY2018 baseline.

In the 2020 Water CDP Disclosure we achieved a B score (2019: A-), which is equivalent to the Global, Africa and the construction industry's average score of B. The drop is the result of more stringent scoring on disclosure requirements relating to scenario analysis, which we had not completed at the time of submission. Nevertheless, the first stage of scenario analysis has since been completed and included in our 2021 CDP Water submission. Management Level status is awarded to companies taking coordinated action on water-related issues.

## Water withdrawal by source (megalitres)



Note: reported figures include water paid for by Murray & Roberts and excludes client purchases.

## KEY DATA

ENVIRONMENTAL MANAGEMENT <sup>1</sup>	2021	2020	2019	ASSURANCE
Energy usage <sup>2</sup> (gigajoules)	83 270	81 701	103 803	✗ Limited
Scope 1 emissions	3 986	4 357	6 215	✓ Limited
Scope 2 emissions	6 952	6 682	6 582	✗ Limited
<b>Scope 1 and Scope 2 emissions (tonnes of CO<sub>2</sub>e)</b>	<b>10 938</b>	<b>11 039</b>	<b>12 797</b>	<b>✓ Limited</b>
Scope 3 emissions (first time reported)	45 400	–	–	
<b>Carbon footprint (tonnes of CO<sub>2</sub>e)</b>	<b>56 338</b>	<b>11 039</b>	<b>12 797</b>	
Scope 1 and Scope 2 emissions intensity by revenue (tonnes of CO <sub>2</sub> e/Rm)	0.500	0.530	0.636	✓
Water usage (megalitres)	24.91	25.17	23.33	✓ Limited
Water usage intensity by revenue ('000 megalitres/Rm)	1.14	1.21	1.16	✓
ISO 14001 management system implementation (% coverage)	83	83	100	➤ Certified

1. Performance on several indicators reflect the varying nature of our project-based business. COVID-19 restrictions also had an impact on some metrics.

2. Total energy consumed includes all direct (all fuel types) and indirect (electricity) energy sources, with the majority of sources used in FY2021 being diesel, petrol and electricity. Reported figures include energy paid for by Murray & Roberts and excludes client purchases.

Note: Volatile organic compounds emissions are immaterial.

✓ Improved ✗ Worsened ➤ No change

# Positioned for a sustainable future

*The World Economic Forum continues to rank environmental risks in the top five global risks. COVID-19, low oil prices and the strong societal push towards a sustainable future are accelerating the global transition away from fossil fuels and towards cleaner sources of energy.*

This has galvanised the attention of governments, businesses, investors and society on addressing climate change with many countries and large organisations around the world committing to net zero carbon emissions by 2050 in line with the Paris Agreement. These commitments and the socioeconomic recovery needed post COVID-19 will drive multi-billion Rand infrastructure programmes, including water and energy projects.

Global demand for energy continues to grow. While it will still be sometime before renewables are an adequate source of energy on their own, there is demand for new hybrid power generation facilities – large scale solar and wind plants combined with storage and traditional backup power generation.

In Australia, reduced reliance on coal for baseload power is driving flexible and hybrid power generation capacities, renewables, and emerging technologies such as waste-to-energy and green-and-blue hydrogen projects. In the UK, waste-to-energy opportunities are available. A significant drive and investment to reduce carbon emissions and diversify the energy mix (including renewables) is expected in Africa through to 2040. In South Africa specifically, the pandemic has acted as a catalyst for expedited structural reforms and policy certainty.

The momentum is apparent in the promulgation of the Integrated Resource Plan, opening the door for procurement on the RMPP Programme and Bid Window 5 of the REIPPP Programme. Associated projects are expected to come to market in calendar years 2021 and 2022. In addition, the self-generation cap for commercial private users e.g. municipalities etc. was lifted from one MW to 100MW.

The impacts of climate change have exacerbated water scarcity in semi-arid regions such as South Africa and parts of Australia. In South Africa, this is compounded by the mounting necessity and public pressure to invest in the ageing and largely dysfunctional water infrastructure. At the Sustainable Development Investment Symposium earlier this year, 42 new water projects were identified, including several wastewater treatment plants. Of the new projects pledged at the symposium, many have now been gazetted in terms of the new Infrastructure Development Act. These include national water and sanitation projects totalling R106 billion. This bodes well for project opportunities for the PIW platform over the medium to long term.

All three of our business platforms are well positioned to capitalise on these developments.





## POSITIONED FOR A SUSTAINABLE FUTURE *continued*

### OUR CAPABILITIES

The ERI platform delivers critical projects in energy, resources and enabling infrastructure industries, which will support the transition from fossil fuels to renewable and cleaner sources of energy. The PIW platform is well placed to participate in the Bid Window 5 of the REIPPP Programme in South Africa, with its ability to provide a full service offering of transmission, substation, distribution and full electrical balance of plant – capability that is required by REIPPP Programme developers.

A significant supply of raw materials will be needed to build the new technology and infrastructure required to address climate change. A large proportion of the Mining platform's order book is made up of projects in these 'future-facing' commodities – including copper, nickel, platinum group metals, cobalt, manganese, lithium and rare earth metals.

Many industries in South Africa are implementing effluent reuse schemes. Within the PIW platform, we have the capability to treat wastewater and desalinate seawater, activities that are key to securing water, in water scarce areas.

Murray & Roberts Waters' containerised water and wastewater treatment solutions are highly transportable and rapidly deployed. The Organica water treatment technology is cost efficient and runs at a higher energy efficiency than traditional wastewater treatment plants. The Organica water treatment demonstration plant at Verulam has confirmed these benefits and has received favourable response from scientists and water consultants. We have hosted visits to the plant for various municipalities, water boards, consultants, developers, funding institutions and prospective public and private sector clients. The plant's relocation to the V&A Waterfront in Cape Town, to supply water on a 10-year contract, will showcase the technology to a broader and more diverse audience. It is now being considered for two public private partnership opportunities, both greenfield wastewater treatment plants, being developed by the eThekwin municipality.

### 2021 PERFORMANCE

#### ERI PLATFORM

- In consortium with General Electric, we were awarded the EPC scope for Australia's first net zero emission hydrogen- and gas-capable power plant in New South Wales. The Tallawarra Gas Plant Stage B is a 300MW expansion of the existing Tallawarra A power station. Direct carbon emissions from the project will be offset over its operational life. The project addresses the need for fast-start flexible power capacity (30 minutes), to complement the increasing share of renewables coming onto the grid.
- We continued work on Snowy Hydro, an existing hydro-electric power scheme in New South Wales, Australia, with the current project adding a two gigawatt hydro-electric power station to the existing scheme. The project is delivered in joint venture with Italian firm, WeBuild (formerly Salini Impregilo).

#### PIW PLATFORM

- We established Wade Walker Solar in South Africa to pursue industrial PV opportunities up to 10MW in scale. The business is able to service mining and larger industrial clients, providing project development, EPC and equipment supply services. Operations commenced in December 2020 and the business has secured its first projects, albeit at a small scale.
- We made a fundamental shift towards renewable energy projects, having provided balance of plant electrical works on wind farms and solar PV installations during the year. For example, we delivered the electrical balance of plant, 132 kilovolt overhead lines and substation scopes of work for two wind farms – Golden Valley in the Bedford area of the Eastern Cape and Excelsior near Swellendam in the Western Cape. In FY2022, the focus on renewable energy will include a minor equity stake in a portfolio of solar projects under development.
- In consortium with Lektratek Water Technology, we were awarded a contract by the City of Cape Town to design and build the mechanical and electrical works for the refurbishment of the Athlone Wastewater Treatment Works.



# Responsible production

## ERI PLATFORM

As part of its client engagement practice, the platform has made sustainability in design a standard business process. Outcomes include improvements in operating efficiency, significantly reduced CO<sub>2</sub> emissions for the life of the facility, and optimising power generation through hybrid technologies, such as battery energy storage. During the project execution phase, this design approach also minimises critical risks such as land disturbance. The platform is also engaging with clients to develop new technological solutions to support the net zero transition.

### ERI platform's sustainability strategy

Our businesses in the ERI platform continue to increase their efforts to consistently embed sustainability concepts (environmental sustainability, safety and diversity and inclusion) into their day-to-day activities. For example, Clough has started developing a sustainability strategy, which will be implemented in the following two phases:

- The alignment of Clough's activities to recent ESG trends (completed in FY2021).
- Identifying sustainability champions across the business to participate in innovation hubs that will drive new initiatives, including for environmental improvement (scheduled for FY2022).

The second phase will identify, analyse and develop future environmental sustainability initiatives where benefits can be monitored and reported. Specific objectives include incorporating sustainability aspects into the early stages of project design to future proof client assets, including optimising and redesigning plants, and reusing existing infrastructure. Another objective is to incorporate a sustainability checklist, including environmental aspects, as part of the tendering process.

We recently launched our Environment 4.0 technology offering, which helps our clients to reduce their environmental impact and improve business efficiency. Environment 4.0 uses industrial internet of things devices, robots and cobots as well as remote site support to reduce emissions; provide energy, resources, cost and time saving; and reduce wastage. To date, examples of the effectiveness of this technology have shown a reduction in waste of up to 35% using robotic technology, hundreds of thousands of air miles saved through the use of virtual commissioning tools and the significant reduction of emissions and carbon footprint through remote monitoring technology. These examples will be used as early case studies to promote our Environment 4.0 technology with clients.

Booth Welsh has offered its employees the opportunity to participate in Zero Waste, Scotland's certified continuous professional development (CPD) Green Champions course to learn how to use best practice examples and techniques to manage environmental performance. Some of our employees at Booth Welsh have recently signed up to the Sustainable Marketing Manifesto, which aims to use marketing as a force for good to affect change and drive hope for a better, more sustainable future. It is a commitment to wider learning and education on today's issues, including carbon literacy, building a case for climate action within businesses and influencing stakeholders as a responsibly aware marketer.

### Booth Welsh – Grangemouth Net Zero Challenge

- Booth Welsh has two teams of apprentices, supported by the Booth Welsh operations manager, participating in the Grangemouth Net Zero Challenge, an initiative that aims to challenge bright young minds from across Scotland to develop new ideas to tackle climate change. A range of challenges have been set by the INEOS Group in consultation with the government Energy Industries Division, focusing on specific low carbon solutions for the INEOS Grangemouth refinery and its transition to lower emissions while at the same time understanding the economic and social implications of the change. Booth Welsh has operated a number of projects at the Grangemouth facility.





## RESPONSIBLE PRODUCTION *continued*

### MINING PLATFORM

We support our clients in reducing their carbon footprint through digital technology that improves the energy efficiency of our fixed and mobile plant operations in underground mines. We also offer the use of battery powered equipment. We actively engage with our suppliers to identify collaborative opportunities to reduce the carbon footprint of our supply chain.

In the United States, our business Terra Nova Technologies provides services to help clients reduce water consumption using dry stack tailings, and Cementation North America has recently been awarded a contract to sink a mining shaft that will be mechanically excavated with a raised bore machine.

**Mechanical excavation provides a number of environmental benefits, including:**

**Less materials needed to temporarily support the shaft walls.**

**Less concrete material needed to install the final shaft liner.**

**Lower probability of groundwater flow into the shaft due to damaged wall rock.**

**Elimination of the use of explosives (around 80 000 kilograms required in conventional excavation methods), saving emissions produced by blasting and preventing nitrates from entering the groundwater.**

Cementation Canada is developing an innovative alternative approach to conventional hoisting or trucking rock from underground mines to the surface, called injection hoisting. The benefits of this technology include reduced carbon emissions (elimination of the need for underground mine trucks) and lower electricity consumption (lower ventilation demand). The system has the potential to reduce emissions by approximately 4 500 tonnes of CO<sub>2</sub>e annually.



### RESPONSIBLE WASTE MANAGEMENT

Our initiatives to minimise our waste generation and disposal include effective and new engineering designs, recycling and reuse of materials where feasible, and finding alternative uses for waste materials. Furthermore, the ISO 14001 certified environmental management systems as well as RUC Cementation's equivalent system include waste and hazardous material management. Our waste streams include non-hazardous, liquid hazardous and solid hazardous waste. Non-hazardous waste is disposed at landfill and hazardous liquid and solid waste is disposed by authorised third-party waste disposal services. Meticulous recordkeeping of hazardous waste disposal is maintained (e.g. certificates of safe disposal, transfer notes) to ensure its final safe disposal. We recycle non-hazardous glass, paper, plastics, steel, timber/wood and used oil. The recycled oil and steel in the mining businesses comprise the largest portion of our recycled waste.

### END OF LIFE

We typically construct large infrastructure for the metals, minerals, energy and water industries. These assets have a very long lifetime and are not consumed goods that are disposed of in landfill. In addition, if these assets are eventually decommissioned and disposed of, the greenhouse gas emissions associated with the product (concrete, steel etc.) is typically inert and will not contribute to methane emissions in landfill.

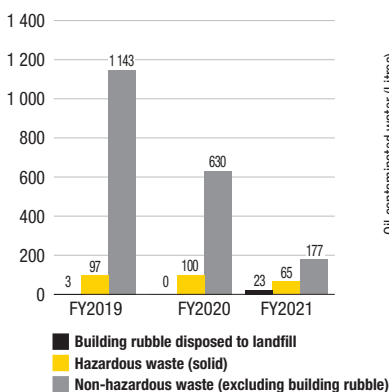
RESPONSIBLE PRODUCTION *continued*

## 2021 PERFORMANCE

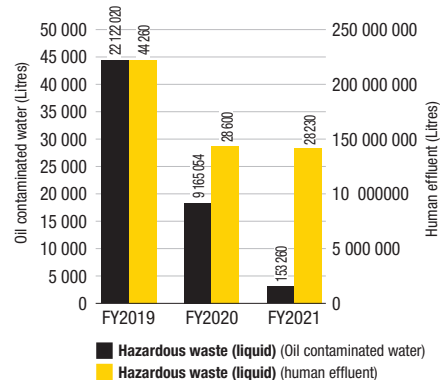
In FY2021, used oil accounted for the 43% year-on-year decrease in recycled liquid waste. The winding down of the Medupi and Kusile power projects resulted in a 35% decrease in solid hazardous waste, a 23% decrease in recycled solid waste, and a 72% decrease in non-hazardous waste (excluding building rubble). The significant decrease in human effluent hazardous liquid waste is also attributable to these projects winding down.



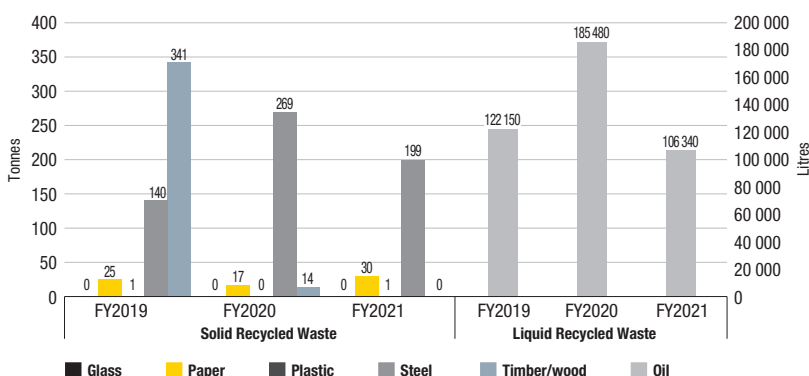
Solid waste (tonnes)



Liquid waste (litres)



Recycled materials



## ENVIRONMENTAL INCIDENTS, FINES AND LITIGATIONS

We did not receive any fines related to environmental transgressions during the year, and were not involved in environmental management-related litigations. While no material environmental incidents were experienced, reported incidents increased 107% compared to FY2020, following the implementation of environmental awareness campaigns. The incidents were mostly minor oil spillages.

ENVIRONMENTAL INCIDENTS	2021	2020	2019	
Total incident	250	121	46	X
Serious incidents (Level 3 <sup>1</sup> )	0	0	0	➤
Minor incidents (Level 2 <sup>2</sup> )	1	0	2	X
Insignificant incidents (Level 1 <sup>3</sup> )	249	121	44	X

✓ Improved X Worsened ➤ No change

- Level 3: moderate reversible environmental impact which is short term, requiring moderate remediation and is contained within site limits.
- Level 2: negligible reversible environmental impact, requiring moderate remediation and is contained within site limits.
- Level 1: negligible reversible environmental impact, requiring very minor or no remediation and is contained within site limits.



# 02 Social report

ENVIRONMENTAL REPORT

SOCIAL REPORT

GOVERNANCE REPORT

ADDITIONAL INFORMATION

## External commitments, frameworks and standards

*King Report on Corporate Governance for South Africa (2016)*

*United Nations Global Compact*

*ISO 45001 (health and safety management system)*

*ISO 9001 (quality management systems)*

*GRI Standards: 201-1, 201-4, 202-2, 203-1, 203-2, 204-1, 401-1, 402-1, 403-1 to 403-7, 403-8, 403-9, 403-10, 404-2, 404-3, 405-1, 413-1*



# Overview

## 2021 HIGHLIGHTS

### COVID-19

Providing employees with access to **vaccines** and bolstered our Employee Assistance Programme to **support mental health**.

### Training

Our training centre in South Africa updated its programmes to better prepare learners for the **digitised, mechanised and automated future of mining**.

### Safety

Introduced new safety leading indicators. 22 projects achieved zero recordable cases, an **80% improvement**.

### Diversity and inclusion

**Good progress** was made by all three business platforms in driving our diversity and inclusion, and localisation objectives.

### People management

**Included more people-related key performance indicators (KPIs)** in our report, including women representation, performance management and turnover.

### Enterprise development

R4 million was invested in **developing 14 black-owned suppliers** at various mining projects in South Africa.

## MATERIAL PRIORITIES

- Ensure strict adherence to systems, principles and practices of *Engineered Excellence* in commercial, project and ethics management, including for joint-venture partners and local contractors, and hold management accountable for any deviations.
- Strive for Zero Harm, and continue to prioritise the health and safety of our employees and their families.
- Accelerate the digital strategy to enable better project design, safety, execution and reporting.
- Accelerate leadership development, in line with diversity objectives, to ensure succession depth and that our leaders are equipped with the competencies needed.
- Position the Group for a new generation of leaders and professionals who prioritise commitment to sustainability, digital enablement, meaningful career opportunities and flexible workplace models.
- Continue to deepen our employee value proposition, people practices and diversity and localisation to realise our aspiration to be an employer of choice in all our markets to retain and attract key skills.
- Ensure good labour relations and constructive relationships with employee representatives.
- Ensure responsible resourcing despite market and project cycles (retain core skills, attract required skills timeously and maintain a responsible approach to retrenchments when rightsizing operations during downturns and demobilising).
- Establish local partnerships that contribute to the socioeconomic development of host communities.
- Respond to local requirements and norms, ensuring that our initiatives are supportive of the needs and expectations of host communities.
- Improve social reporting in line with the ESG benchmark findings.



Governance of HSE **PG 70**



Governance of people **PG 71**



Governance of CSR **PG 71**

OVERVIEW *continued*

## KEY PERFORMANCE INDICATORS



Fatalities

**1**

FY2020: 0

FY2019: 0

LTIFR<sup>1</sup>**0.90**

FY2020: 0.88

FY2019: 0.71

TRCR<sup>2</sup>**5.14**

FY2020: 4.25

FY2019: 4.02

Occupational disease  
frequency rate**0.09**

FY2020: 0.18

FY2019: 0.17



Permanent headcount

**9 393**

FY2020: 9 049

FY2019: 9 650

Training and  
development spend**R99 million**

FY2020: R104 million

FY2019: R105 million

Black representation  
(senior management South Africa)**15%**

FY2020: 24%

FY2019: 20%

BBEEE status  
(South Africa)**Level 1**

FY2020: Level 1

FY2019: Level 2

Corporate social  
responsibility spend**R15,3 million**

FY2020: R19,0 million

FY2019: R18,9 million

1. Lost time injury frequency rate (LTIFR).

2. Total recordable case rate (TRCR).



# Product stewardship

*Murray & Roberts exists to engineer and construct infrastructure that improves the lives of people, beyond the duration of the project.*

Rarely before has the world been in greater need of infrastructure-led growth and sustainable human development than now. COVID-19 has devastated lives and economies around the world. Investment in infrastructure is a proven way to stimulate economic development that can multiply socioeconomic and environmental value throughout economies and across communities.

Our projects are large and complex; and excellence in all areas of project delivery is a key differentiator in competitive markets. *Engineered Excellence* defines our management approach at every level of the organisation. It brings discipline and rigour to our decisions and actions, ensuring that we deliberately plan to achieve the outcomes our stakeholders expect, with nothing left to chance.

**The application of *Engineered Excellence* demands leadership commitment, strong oversight, shared learning and continuous improvement.** It is embedded within our businesses through tightly governed policies and management systems, including the Group's Sustainability Framework; Risk Management Framework (commercial and operational risks); HSE Framework; and Ethics Framework. These frameworks set clear expectations for our employees, platforms and business partners.

Leadership **PG 48**  
Governance report **PG 66**

**Our aspiration to be recognised by our clients as a specialist provider of services and a contractor of choice,** is contingent on our ability to attract and retain the best management teams and technical expertise in highly contested markets. This turns on us being recognised as an employer of choice in our industry and countries of operation. Achieving safe outcomes and our commitment to our Purpose are key motivators; our employees want to make a positive contribution to the communities in which we work.

People management **PG 47**  
Working conditions **PG 50**  
Learning and development **PG 52**

***Engineered Excellence* aims to deliver the outcomes our stakeholders expect; whether they are our clients, employees, local communities or host countries.**

It supports our ability to secure work, negotiate fair commercial terms and engage with clients earlier in the design of their assets to maximise economic value, mitigate HSE and other risks, enhance project delivery and deliver successful localisation initiatives.

COVID-19 **PG 36**  
Safety **PG 38**  
Occupational health and hygiene **PG 45**  
Environment report **PG 20**

**Wherever we operate, we strive to create a positive ripple effect that benefits communities now, and in generations to come.** Strategic joint-venture partners are essential to secure large and complex projects and to meet local contracting requirements. In addition to the value created from the infrastructure we construct, our diversity and inclusion, localisation and community upliftment initiatives allow local communities to share in economic prosperity.

Diversity and inclusion **PG 54**  
Sustainable localisation **PG 58**  
Meaningful community support **PG 62**





# COVID-19

*COVID-19 has increased the health risk to our workforce. Our response has been proactive, and is guided by information from leading global health organisations. There has been unprecedented collaboration across the Group in knowledge sharing, adapting to new ways of working and in applying the Group's Value of Care.*

In this approach, we work with our clients, business partners and other stakeholders to implement the measures necessary at project sites to safeguard all stakeholders as far as possible from potential exposure to COVID-19, while continuing to maintain employment and economic activity. COVID-19 risk mitigation measures are now fully embedded in our health and safety management programme.

Despite these efforts, 820 employees contracted the virus during the year and five lost their lives due to COVID-19 related complications. This brought the cumulative number of cases to approximately 1 200 and the COVID-19 related deaths to 12 at the time of writing this report. We share our deepest condolences with the teams, families and friends of our colleagues.

COVID-19 also continues to impact our clients, projects and regions. Projects at times have to be shut down when a COVID-19 infection is detected or leadership on a project is disrupted due to the need to self-isolate. In addition, reductions in shift rotations and manpower arrangements on our projects to meet COVID-19 social distancing and health protocols, require careful replanning of daily operations and impact the pace of project delivery. Even with easing restrictions, the pandemic is still affecting supply chain requirements and the general wellbeing of our employees.

## EMPLOYEE SUPPORT AND MENTAL HEALTH

Support is provided to employees to assist them in dealing with the mental and emotional impacts of COVID-19, and we have maintained regular communication with our employees on how best to protect themselves and their families from infection.

Some of our current support initiatives include:

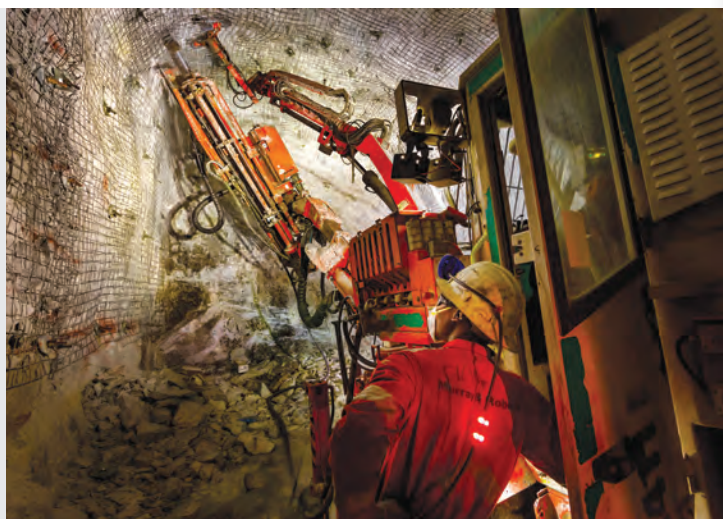
- Implementing adjusted workplace policies to support response measures, including self-isolation in the event of exposure, paid time off and return to work policies.
- Creating a safe channel for employees to communicate a positive COVID-19 result.
- Providing access to healthcare, mental and social services.
- Organising information sessions where experts and leaders address employee questions about the virus and our response measures.
- Providing employees with access to vaccines and related information.

## SUPPORTING COMMUNITIES

We are working with external organisations to identify where we can help our communities who are dealing with a COVID-19 outbreak. Assistance is given by delivering health and hygiene campaigns, and providing hygiene and medical supplies, among others.

## MANAGING THE TRANSMISSION RISK

Across the Group, COVID-19 risk assessments, audits, screening and testing protocols are enforced to protect all our stakeholders and reduce transmission of the virus. Measures include high standards of hygiene, social distancing and wearing of masks. COVID-19 assessments, testing and screening are conducted at project sites and our offices. Risk mitigation measures are implemented when high risk activities are identified. Travel is restricted, face-to-face interaction is limited, work schedules are staggered and remote working is implemented, where this is practical.



COVID-19 *continued*

## 2021 PERFORMANCE

Research is indicating that the pandemic may have exacerbated ongoing mental health deterioration globally, with increased day-to-day stressors, uncertainty about the future and incomplete grieving cycles. During the year, we bolstered our Employee Assistance Programme to address the pressures relating to COVID-19. In the coming year, we will continue to expand our mental health support, including collaborating with our clients and industry associations.

## ERI PLATFORM

- The ERI platform conducted wellbeing surveys to address physical and mental health concerns linked to COVID-19.
- We partnered with MATES in Construction, an Australian not-for-profit organisation that focuses on mental health education and suicide prevention in the construction industry. We became a signatory to their Blueprint for Better Mental Health in 2020, and have implemented its recommendations across all our projects, including the provision of relevant education and training for project supervisors and the workforce.

## KEY DATA

COVID-19 EMPLOYEE STATISTICS	2021	2020	
Number of tests conducted	5 717	848	✓
Number of positive results	820	43	✗
Recovery rate	99%	95%	✗
Number of deaths	5	2	✗
Vaccinations (to date) <sup>1</sup>	1 464	0	✓

✓ Improved ✗ Worsened ➤ No change

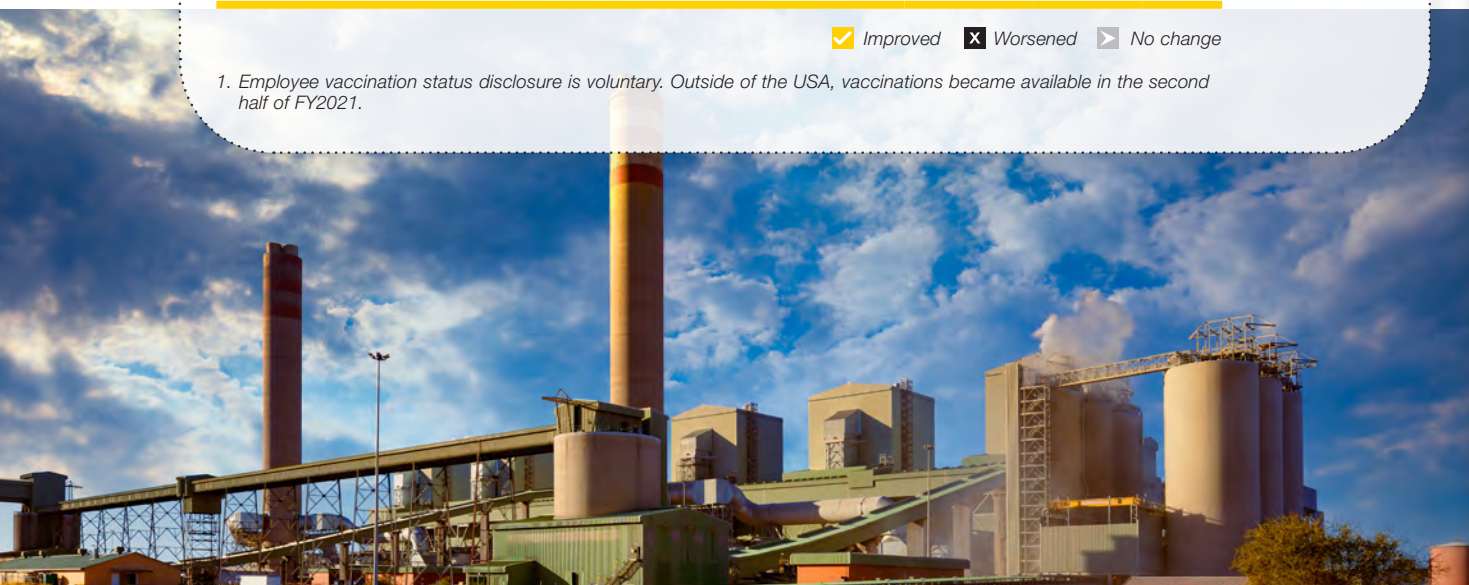
1. Employee vaccination status disclosure is voluntary. Outside of the USA, vaccinations became available in the second half of FY2021.

## MINING PLATFORM

- RUC Cementation became a registered member of MATES in Mining, providing mental health education and suicide prevention for employees working on mining projects. Site visits are used to engage with employees on mental health and how to help someone in crisis while at the same time connecting them to professional help. Fourteen employees are participating in the connector training programme.
- RUC Cementation introduced the employee support coordinator role, where the coordinator engages personally with employees to discuss issues that may be impacting their job performance; and health, mental and emotional wellbeing. While professional assistance is always sought, the coordinator is the first point of contact, building trust and empathy, and delivering encouragement and support.

## PIW PLATFORM

- Office employees in the PIW platform work on a rotation basis and from home depending on levels of infection.
- Many employees made use of the Independent Counselling and Advisory Services facility, for assistance with financial counselling, stress and legal advice.
- The peer educator training programme equips wellness champions with the skills to engage effectively with employees working on project sites about their health and wellness.





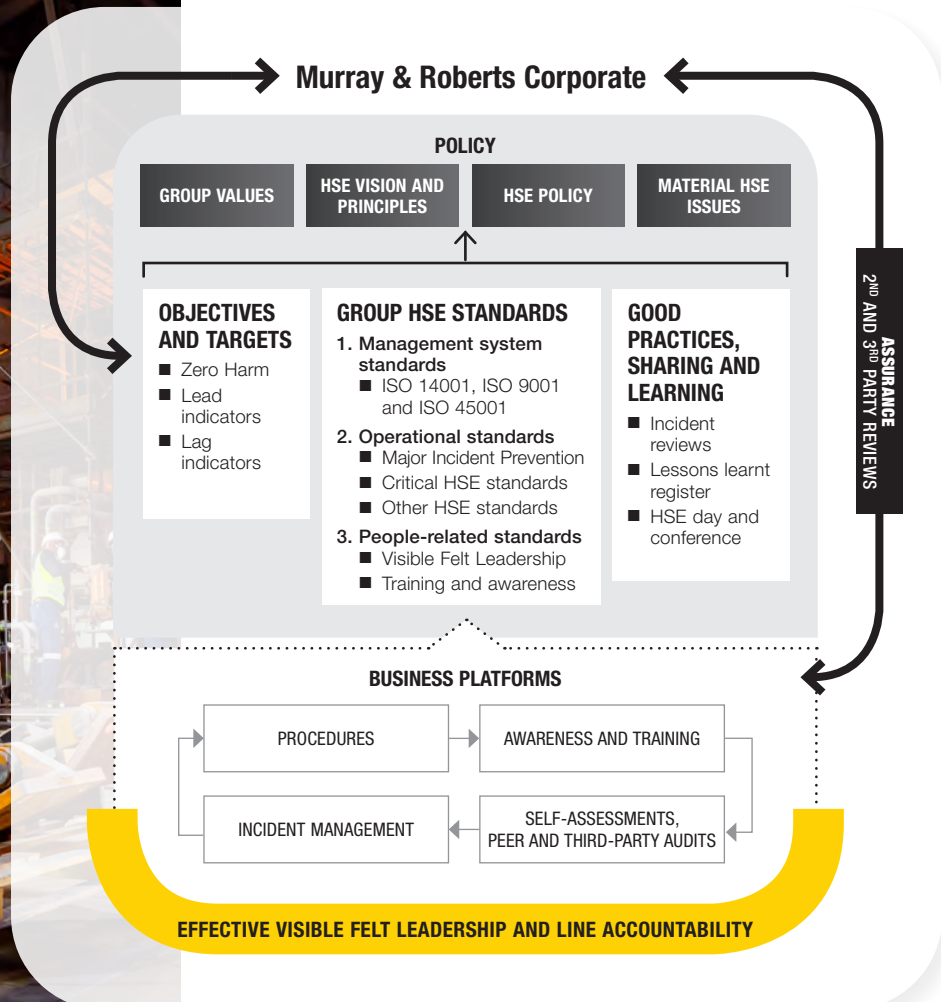
# Safety

*Nowhere is our focus on Engineered Excellence clearer than in our approach to safety. We recognise that safety is a managed outcome and have set ourselves a goal of Zero Harm, a challenging aspiration considering our project environments. Pleasingly, our leaders, managers and employees are starting to view Zero Harm as an expectation rather than a possibility.*

The Group's HSE Framework drives a consistent safety culture. It focuses on high-impact interventions such as managing critical safety risks, the risk of change (including demobilisation) as well as dealing with cultural differences (different regions and acquired businesses) that can affect safety outcomes.

Key to continually improving our safety performance are effective leadership, streamlined systems, clear goals and operational discipline. Supporting mechanisms include keeping abreast of health and safety developments; benchmarking our performance against that of our clients, peers and joint-venture partners; periodically reviewing our systems and processes; and the sharing of knowledge and experiences. As part of our combined assurance programme, internal self-assessments and external independent assessments ensure that line management exercises its oversight responsibility.

The HSE Framework applies across the Group, including our investments, joint ventures where we have a prevailing influence, and subcontractors. Our participation in joint ventures requires the adoption of our safety systems and adequate representation in HSE leadership roles.



**SAFETY** *continued*

## EFFECTIVE LEADERSHIP

Effective leadership is the bedrock of our health and safety programme. Our leaders are accountable for ensuring an HSE-friendly workplace and cultivating a culture that drives a Zero Harm mindset. They are expected to set high safety standards, lead by example, empower employees to perform their work safely, sustain high levels of employee engagement and involvement, recognise good performance and hold direct reports accountable for safety performance. They are also required to spend sufficient time observing, engaging and coaching work teams. Our leadership development programmes assist them in this responsibility.



Leadership PG 48

## HSE STANDARDS AND SYSTEM

All businesses are certified under ISO 45001. Key Group standards, established at corporate level, provide guidance on managing common material HSE risks, and provide the foundation for a consistent and sustainable approach to HSE management. All incidents are thoroughly investigated to determine root causes and where corrective measures can be implemented. Employees are frequently made aware of their right to stop working and withdraw from unsafe environments. The effectiveness of the Group HSE system is assessed through the assurance programme which consists of first-, second- and third-party (self, peer and independent) assessments.

## GOALS AND SAFETY PERFORMANCE METRICS

Our key goal is to prevent harm to employees and stakeholders associated with our business activities. Other long- and short-term goals are set to drive this achievement. Safety performance, which includes our joint-venture partners and subcontractors, is measured using the following indicators:

### LAG INDICATORS

LTIFR, TRCR, total injury frequency rate and all incidents frequency rate.

### LEAD INDICATORS

Leadership engagements, high potential incidents and hazards, compliance with critical safety standards, hazards observations, work stoppages and audit findings, among others.

## CRITICAL RISKS CONTROL MANAGEMENT

To reach our aspiration of Zero Harm, the Group will continue to ensure comprehensive and consistent application of our major incident prevention programme, which has served us well in driving the maturity of our safety culture. The programme identifies potential major events and implements the critical controls needed to prevent their occurrence. All our businesses are required to have such a programme and line management at various levels of seniority conduct periodic checks on the status of the critical controls. The effectiveness of this programme is assessed as part of our assurance process. Operations are expected to achieve a minimum of 90% on assurance audits.

## ORGANISATIONAL LEARNING

Continuous learning is used to embed Engineered Excellence. We leverage our diverse operations and experience with clients to share knowledge, learnings and initiatives found to be effective. Mechanisms that facilitate this approach include:

- The Group health and safety forum, attended by participants from various operations. In addition to knowledge sharing, the forum also monitors progress on key Group health and safety initiatives.
- The annual safety conference hosted by the Group CEO and attended by the leaders from all business platforms. The conference provides a platform to review the safety performance, successes and challenges of the past year and agree on the focus areas for the year ahead.
- Stand Together for Safety events held at the start of each financial year in all operations and attended by managers, employees and subcontractors. At these events leaders communicate and share the key messages and focus areas agreed on at the annual safety conference. Platform and project specific safety plans are also communicated.

The annual Group CE Safety Recognition Awards celebrates and recognises employees and teams who have made a meaningful impact towards the achievement of our safety goals.



SAFETY *continued*

## DIGITISATION

We keep abreast of new technology and automation that can reduce employees exposure to health and safety risks. Applications range from removing employees from hazardous situations and using data analytics to proactively identify and manage HSE risks.

The Mining platform uses automation and remote operation of both fixed and mobile equipment to improve safety. In Australia, the installation of fibre networks in underground mines establishes a communication network capable of transferring large quantities of data in real time between the underground environment and the control room. This in turn enables digitised asset management and remote applications.

The following initiatives are in various stages of development and implementation:

- Remote semi-autonomous operation of load haul dumpers.
- Remote operation of development drill rigs and production drill rigs.
- Remote environmental monitoring.
- Remote pump monitoring and control.

Digitised asset management and maintenance systems provide the following benefits:

- Machines are properly maintained to the required quality standard.
- Onboard monitoring of machine operation and machine movement underground to prevent congestion.
- Onboard monitoring of operator behaviour, which informs customised training interventions and provides useful information in incident investigations.

RUC Cementation's implementation of vehicle tracking systems in some machines has improved productivity and operator safety.

In addition, supervisors equipped with digital capturing devices can capture checklists, control verifications, hazard observations and incident reports etc. in real time, supporting faster and more accurate analysis of the data and quicker and more proactive responses to ensure safe delivery.

Other solutions implemented include:

- Remote gas detection to manage underground air quality management, increasing the effectiveness of ventilation systems and reducing exposure to poor air quality. Linking our air quality management system with gas detectors provides a live feed to the surface, meaning work can safely resume more quickly following a blast.
- Electronic detonation via the underground communications network instead of electric detonators.
- The CRM system, which uses live data from over 290 sites worldwide to continuously update critical controls in real time, gives RUC Cementation and Cementation North America access to a global community and its information on fatality prevention.



Learning and development PG 52



SAFETY *continued*

## 2021 PERFORMANCE

After achieving a two-year fatal incident free record, the Group regrettably suffered a fatal incident early in FY2021. As we reported last year, we were deeply saddened by the death of our colleague, Wilfred Moleofi from OptiPower Projects, on the first day of the financial year. We provided Wilfred's family with all the necessary support.

Customary for the Group, a deep assessment of the contributing factors to the safety performance at OptiPower Projects, acquired during the previous financial year, was completed and management oversight and safety systems have been aligned to the Group's expectations to prevent reoccurrence of similar incidents. The incident serves as a stark reminder that we must speedily instil the Murray & Roberts culture and associated safety protocols into new acquisitions.

The Group's LTIFR compares to the best in the world in our different market sectors, but we have reached a stubborn plateau in improvement on our path to Zero Harm. To break through the plateau, we have increased our emphasis on leading indicators to drive a proactive mindset towards incident prevention. Additional safety indicators have been identified and awareness

programmes implemented to ensure that these indicators are embraced by our employees. The response from businesses has been pleasing and a positive trend seen in indicators such as hazards observations and critical control verifications.

In FY2021, 22 projects achieved zero recordable cases, an 80% improvement and a reduction in lost time injuries. Despite this achievement, our overall LTIFR deteriorated by 2% as a result of fewer exposure hours.

The assurance audits conducted on Group HSE standards revealed a good overall compliance with the HSE Framework; however, managing risk associated with change such as demobilisation and organisational changes was identified as an area for improvement across all businesses. Change management improvement actions include providing more guidance to businesses and enhancing our ability to identify and manage the risks associated with change.

We have implemented a system to enhance data from the major incident prevention programme, including tracking employee participation and the results of critical control verifications. This has improved visibility on how controls are being implemented.

## PROGRESS ON OUR FY2021 COMMITMENTS

Identify new key leading indicators to break through the plateau in safety improvement and improve near miss reporting.	▶ Good progress
Strengthen CRM and Major Incident Prevention programmes.	▶ Good progress
Improve the management of risks associated with change.	▶ Area of improvement
Integrate neuroleadership principles in our existing training programmes.	▶ Good progress
Entrench our safety initiatives and practices in new acquisitions.	▶ Good progress
Reduce people and process interaction through mechanisation, remote control and automation.	▶ Ongoing
Manage the risk posed by COVID-19.	▶ Good progress

## OUR FY2022 COMMITMENTS

Effective analysis of leading indicators and implementation of corrective actions with specific focus on hazards observations and critical risks control verifications.

Integrate change management processes in engineering/design and operational processes.

Full implementation of the major incidents critical controls and processes to ensure their effectiveness.

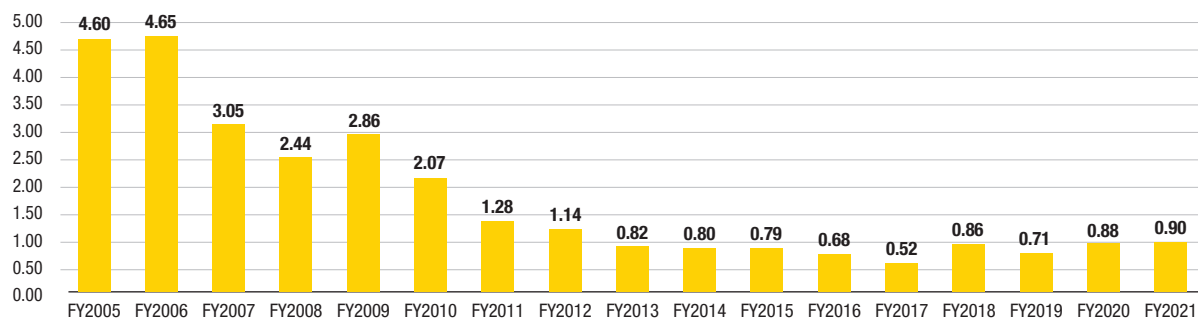
Continue to deliver neuroleadership training to drive positive engagements between leaders and employees.

Conduct assurance audits on selected Group HSE standards.

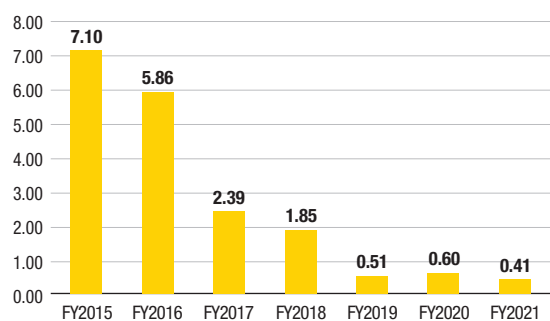
Review and enhance the mental health programme.

SAFETY *continued*2021 PERFORMANCE *continued*

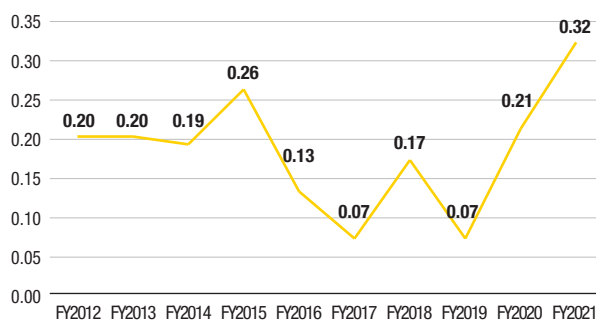
Annual LTIFR (per million hours)



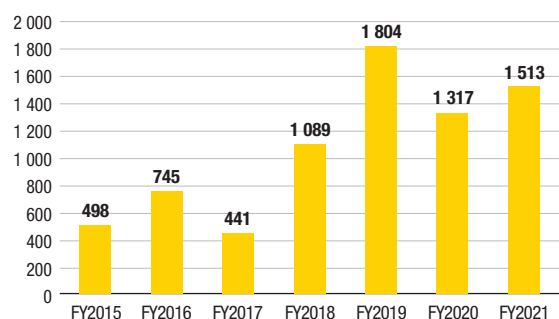
Frequency of violations of critical safety standards at operations (per million hours)



Frequency of high potential incidents (per million hours)



Frequency of management site visits and engagements with employees at operations (per million hours)



SAFETY *continued*2021 PERFORMANCE *continued*

## ERI PLATFORM

- In the ERI platform, our LTIFR of 0.16 (FY2020: 0.17) is significantly better than the Australian contracting industry average of 0.92. TRCR deteriorated to 3.07 (FY2020: 1.21) due to safety challenges experienced at the start of a major project. A turnaround plan was implemented and is yielding good outcomes. Since 2017, we have completed nine projects with zero injuries and zero environmental impacts. Several other projects are on track to achieve this status despite working in high-risk mobilisation and demobilisation phases.
- Maintained our ISO 45001 safety management systems accreditation and the Federal Safety Commissioner accreditation (standards for high-risk construction activities).
- We implemented an HSE engagement plan, including training and coaching, to address unsatisfactory HSE standards on the Snowy hydro project. A comprehensive safety plan is in place for the project with increased visible felt leadership.
- The platform won the award for the best safety performance in the annual Group CE Safety Recognition Awards.
- Key objectives for FY2022 are to digitise HSE information to enable analytical risk management reporting in real time and drive innovative HSE leadership training.

## MINING PLATFORM

- In the Mining platform, the LTIFR shows little change over the past two years and was 1.26 for FY2021 (FY2020: 1.37). The TRCR has shown slight deterioration over the same period, and was 6.63 for the year (FY2020: 6.60). The platform has achieved more than three and a half years without a fatal incident.
- All businesses are ISO 45001 certified.
- All our mining businesses implemented high potential hazard and high potential incident reporting, encouraging employees to come forward when they identify a safety risk. All reports are analysed and measures developed to ensure risks are proactively addressed.
- In Australia, we held two successful safety conferences, with one conference introducing emotional intelligence, a topic that will be further developed going forward. RUC Cementation began its official CRM Programme roll out with an internal CRM champion appointed. Roll out will take a phased approach.
- In South Africa, we achieved five million fatality free shifts in January 2021. This is the first time this milestone has been achieved, and is the outcome of more than five years of team effort. There were 17 visits by regulatory bodies, all without findings.
- In the Americas, the full roll out of the CRM Programme will be completed in FY2022 and is now being incorporated in the engineering/design phase of project work plans. Since the start of the CRM implementation in September 2020, over 10 000 verifications of critical controls have been performed. While CRM training has been hampered on some projects due to COVID-19, senior management buy-in has increased.
- The platform won the award for the most improved safety performance in the annual Group CE Safety Recognition Awards.
- Looking ahead, we will improve our risk assessment processes, implement higher-level controls, strengthen the CRM Programme and evaluate its merits for introduction in South Africa, and reduce the interaction of people with processes through mechanisation, remote control and automation.

## PIW PLATFORM

- The PIW platform's safety performance deteriorated due to safety challenges encountered at our new acquisition, OptiPower Projects. Our LTIFR deteriorated to 1.01 (FY2020: 0.16) and TRCR to 3.71 (FY2020: 1.12).
- The external audit on a sample of our health and safety standards concluded that the standards were well entrenched across the platform, with management of change identified as an area for improvement.
- All businesses achieved ISO 45001 certification, and the platform maintained the prestigious South African Institute of Welding ISO 3834 accreditation.
- Looking ahead, lead indicators such as near-miss reporting and hazard observations will continue to be an area of focus, building on the 171% improvement in FY2021. KPIs linked to frequency of reporting will be incorporated into employee performance contracts. Digital applications will be applied to improve the quality of safety reporting and enable real-time recording of data to deliver a more proactive approach to safety management.



SAFETY *continued*2021 PERFORMANCE *continued*

## KEY DATA

LAG SAFETY INDICATORS	2021	2020	2019	ASSURANCE	
Fatalities	1	0	0	x	Limited
Fatal incident frequency rate	0.05	0	0	x	
High potential incidents	7	6	2	x	
High potential incidents frequency rate	0.32	0.21	0.07	x	
Lost time injuries	19	25	21	✓	
Lost time injury frequency rate (measured over a million hours)	0.90	0.88	0.71	x <sup>1</sup>	Limited
Total recordable cases	114	121	120	✓	
Total recordable case rate (measured over a million hours)	5.14	4.25	4.02	x	
% of operations that maintained ISO 45001 certification	100	100	100	➤	

1. Impacted by fewer exposure hours.

LEAD SAFETY INDICATORS	2021	2020	2019	ASSURANCE	
Hazards observations	62 956	26 836	86 035	✓	
Hazards observations frequency rate	2 836	941	2 877	✓	
Leadership engagements	33 580	37 995	53 049	x <sup>1</sup>	
Leadership engagements frequency rate	1 513	1 317	1 804	✓	
Compliance to Major Incidents Prevention Programme (audit score %)	88	88	91	➤	Limited

1. Impacted by COVID-19 restrictions.

Note: all rates are measured per million hours.

✓ Improved    x Worsened    ➤ No change



# Occupational health and hygiene

Our Occupational Health Programme takes a proactive approach to preventing work- and non-work-related illnesses and managing identified health conditions. Qualitative and quantitative risk assessments and monitoring ensure we identify and understand the health risks in our workplaces.

## Occupational Health Programme

### OCCUPATIONAL HYGIENE PROGRAMME

Identifies and manages workplace health hazards and covers aspects such as monitoring, engineering controls, training and awareness programmes and PPE.

### OCCUPATIONAL MEDICINE PROGRAMME WITH LIMITED HEALTHCARE

Clinical examinations, biological monitoring and specific medical tests are recommended by occupational health professionals. They cover:

- Pre-employment, periodic and exit medical surveillance examinations to support the early detection of workplace-related diseases and provide treatment to prevent further deterioration.
- Screening and testing to manage communicable and non-communicable diseases.

## PREVALENT HEALTH RISKS

Our Group standards guide operations on how to manage health risks consistently, including implementing engineering controls to eliminate exposure, education and awareness, and PPE. Medical assessment programmes are in place across all our businesses, to provide a view of the health status of our employees and our joint-venture partners and subcontractors. The programmes enable us to detect both work- and lifestyle-related conditions.

### Our medium to high work-related health risks include:

**Noise-induced hearing loss:** Proactive identification of the risk, implementation of corrective measures and, early detection of hearing impairment. Control measures include engineering improvements, training and awareness and personal protective equipment.

**Exposure to airborne pollutants and vibrations:** mitigated through various measures, ranging from engineering controls to PPE.

**Ergonomics:** mitigated through design interventions, engineering and administrative controls and our ergonomic risk awareness programmes.

**Fatigue and thermal stress:** mitigants include shift rosters, engineering and administrative controls where there are temperature extremes, fit-for-duty assessments and fatigue awareness initiatives.

**Communicable diseases:** including interventions for TB, Malaria, HIV/Aids and COVID-19.

Our Wellness Programme has two aspects. Firstly, it provides healthcare education and wellness awareness, encouraging the adoption of healthy lifestyle choices. Secondly, the Employee Assistance Programme provides free counselling support and advice to employees and their immediate families when they experience health, personal or work-related difficulties.

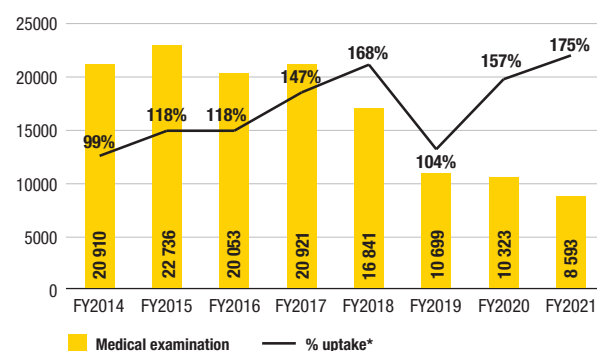


OCCUPATIONAL HEALTH AND HYGIENE *continued*

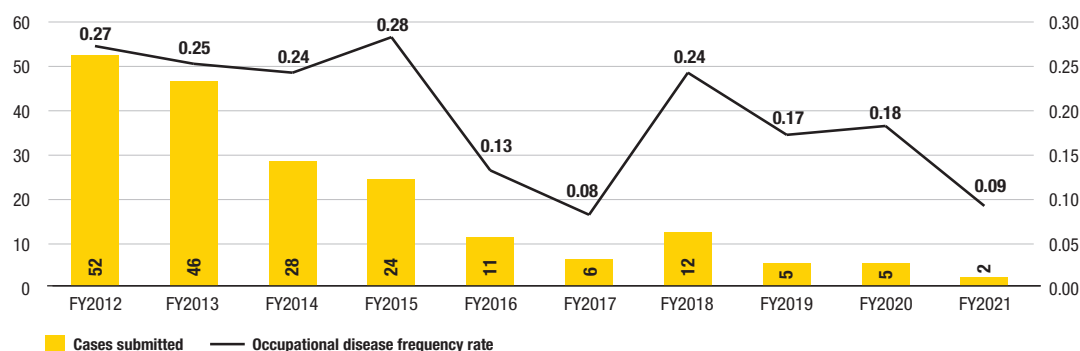
## 2021 PERFORMANCE

Unfortunately COVID-19 and associated restrictions, negatively impacted some of our planned health management activities for the year, resulting in a drop in our KPIs.

During the year, we identified two cases of occupational diseases through occupational health and wellness programmes. Actions were taken to improve preventative measures where gaps were identified and affected employees were provided with the necessary support.

Occupational medical surveillance examinations  
(% of number of employees)

\* Uptake includes pre-employment medicals.

Total cases of occupational diseases and occupational disease frequency rate  
(per million hours)

## KEY DATA

WORK RELATED	2021	2020	2019	ASSURANCE
Noise induced hearing loss cases	2	5	2	✓
Silicosis cases	0	0	3	➤
Total occupational diseases	2	5	5	✓
Total occupational disease frequency rate	0.09	0.18	0.17	✓
COMMUNICABLE DISEASES				
Number of malaria cases	0	3	0	✓
Number of voluntary HIV tests	1 437	564	1 748	✓
HIV prevalence (% among employees tested)	0	0.4	4.0	✓
Number of HIV positive cases	0	2	70	✓
Number of TB screens	1 278	2 068	5 729	✗
New cases of TB	0	0	5	➤
OTHER				
Number of random alcohol tests	992 460	2 394 783	1 346 961	✗
% of alcohol tests that were positive	0.01	0.04	0.01	✓
Number of random drug tests	7 217	6 615	7 330	✓
% of drug tests that were positive	0.7	0.4	0.5	✗

✓ Improved ✗ Worsened ➤ No change

# People management

High-performing and engaged employees are the foundation of the Group. Ethical leadership, employee health and safety, and diversity, inclusion and localisation are strategic priorities that enable us to attract, retain and engage high-calibre and high-performing employees who live the Group's Values. Career advancement through experience on high-profile projects, skills development and training, and mentorship opportunities; our adherence to best people practices; and an environment that fosters open communication and collaboration, are also important aspects of our value proposition to employees, enabling innovative thinking and creativity. Younger generations of leaders and professionals are attracted by digital enablement and meaningful work that contributes to a purpose and sustainable development.

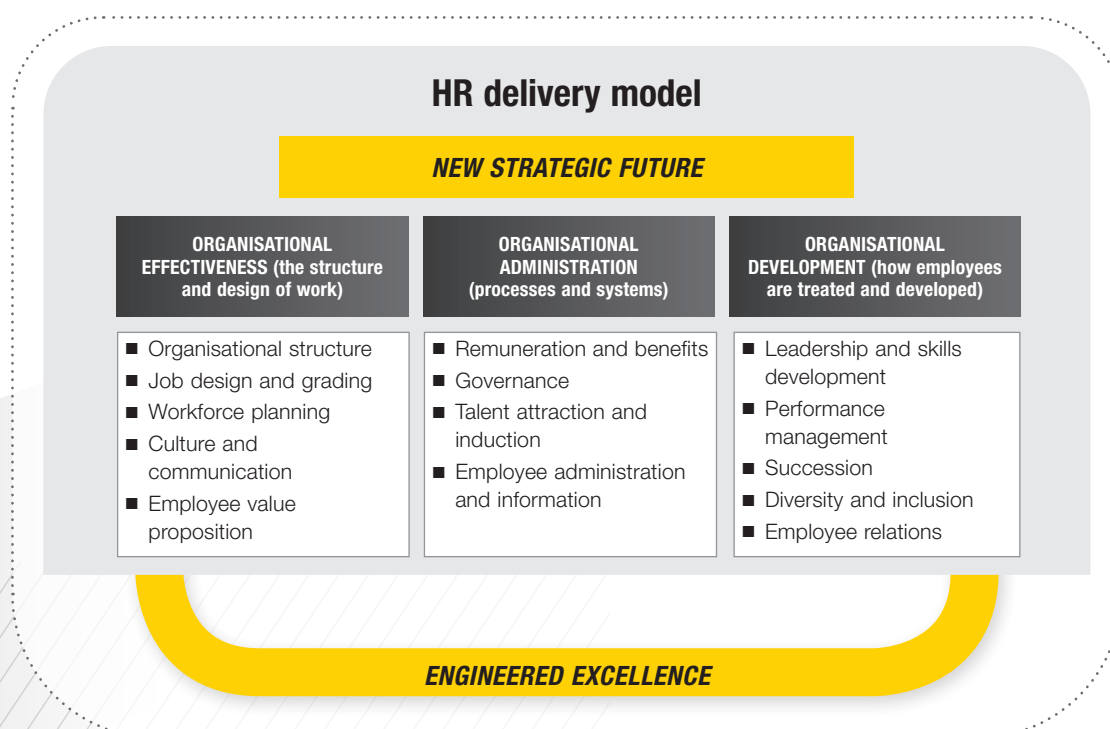
Our Group-wide HR policy and shared delivery model set out our obligations and standards of behaviour in managing our employees. The HR policy outlines the following high-level principles, which must be applied and upheld by every business in the Group:

- Embrace international standards of social justice, decent work and human rights, and promote an equitable and inclusive working environment.
- Align policies and procedures to the legislation and basic conditions of employment of the countries in which we operate.
- Establish strategic workforce plans to support the Group's *New Strategic Future* plan.

- Employ a recruitment approach that is fair, objective and supports equal opportunity within a diverse source of employment candidates.
- Offer and pay employees fairly, competitively and appropriately in line with market-related remuneration.
- Identify top talent and develop succession plans for all levels with particular attention paid to scarce skills and critical roles.
- Establish clear accountabilities for all employees through formal documented performance management processes (middle management and upwards) and team-based targets (balance of the workforce).
- Provide appropriate training and development opportunities to enable employees to perform their roles effectively and advance their individual potential.
- Proactively, meaningfully and openly communicate with employees, seek their views and feedback, and deal with grievances and respond to disciplinary issues fairly and justly, where issues may be reported without fear of retaliation or reprisal.
- Maintain accurate employee records while ensuring confidentiality, including on individual health status.

The HR delivery model provides clarity on how the HR function operates, the services offered and the function's areas of responsibility in terms of supporting the business strategy. Each business builds their organisational effectiveness in a way that supports their strategy and unique context.

All our HR processes are underpinned by the philosophy of *Engineered Excellence*, ensuring that processes are structured, planned and built on best practice principles. When integrating new businesses into the Group, we ensure that our culture and people practices are applied.





# Leadership

*Our ability to grow sustainably depends on the achievement of our New Strategic Future plan, which in turn, is contingent on the quality and depth of our leaders and their ability to model our culture. The Group has navigated tough times and managed to make significant strategic progress, testament to the depth, calibre and commitment of our Group and platform leadership teams.*



Our leaders are also critical in cultivating a Zero Harm mindset. Over years of experience we have demonstrated that there is a clear positive correlation between good safety performance and the quality of the leadership team on a project. A considerable amount of time and resources are spent equipping our leaders with the skills required to deliver our health, safety and environmental objectives.

Given the criticality of retaining and attracting high-calibre leaders and managers, we place intense focus on leadership development and succession. Our Values play a key role in leader appointments.

We offer structured performance management and development linked to market-related remuneration and incentive schemes. From middle management and upwards, all employees are required to have a performance contract that aligns performance targets to the Group's strategic objectives. Clear targets in the form of five performance dimensions are cascaded from the Group CEO to the relevant platform management levels at the beginning of each financial year (see page 07). The performance management process includes a development discussion, encouraging individuals to further develop their skills and competencies.

Each business is accountable for managing its talent. A job grading system supports talent management and succession for middle management level and above. This enables us to ensure that our employees are equitably and correctly remunerated and supports talent mobility.

Every year, we conduct an annual leadership and succession review for top and senior management level, including the Board. Individuals are categorised according to their performance and potential using a 9-Box grid – a talent comparison tool to assess talent across the leadership layer, supporting a robust review process. Successors are categorised based on their readiness (ready now, within one year, three years or more than five years). Emergency successors are identified to act in certain positions while successors are being sourced or appointed. Succession plans are developed in line with our diversity and inclusion priorities. The annual review also gives business platforms the opportunity to present their top talent in middle management roles. These individuals undergo psychometric assessments, and where required, receive leadership development and mentorship to prepare them for future leadership roles.

LEADERSHIP *continued*

## 2021 PERFORMANCE

Our Group CEO's term has been extended to August 2024, affording the Group the benefit of Henry Laas' leadership while we continue to mature our *New Strategic Future* plan. Currently all executive roles are covered by an emergency successor at a minimum.

In FY2021, 89% of middle managers and upward had performance contracts. We are working closely with those businesses that require improvement with 100% compliance expected for FY2022.

We continued to roll out the Neuroleadership Programme across all three business platforms; a cognitive neuroscience approach to employee engagement. The learning is based on the premise that leaders who have a better understanding of human behaviour are able to effectively engage with their teams on how to enhance productivity and safety.

## ERI PLATFORM

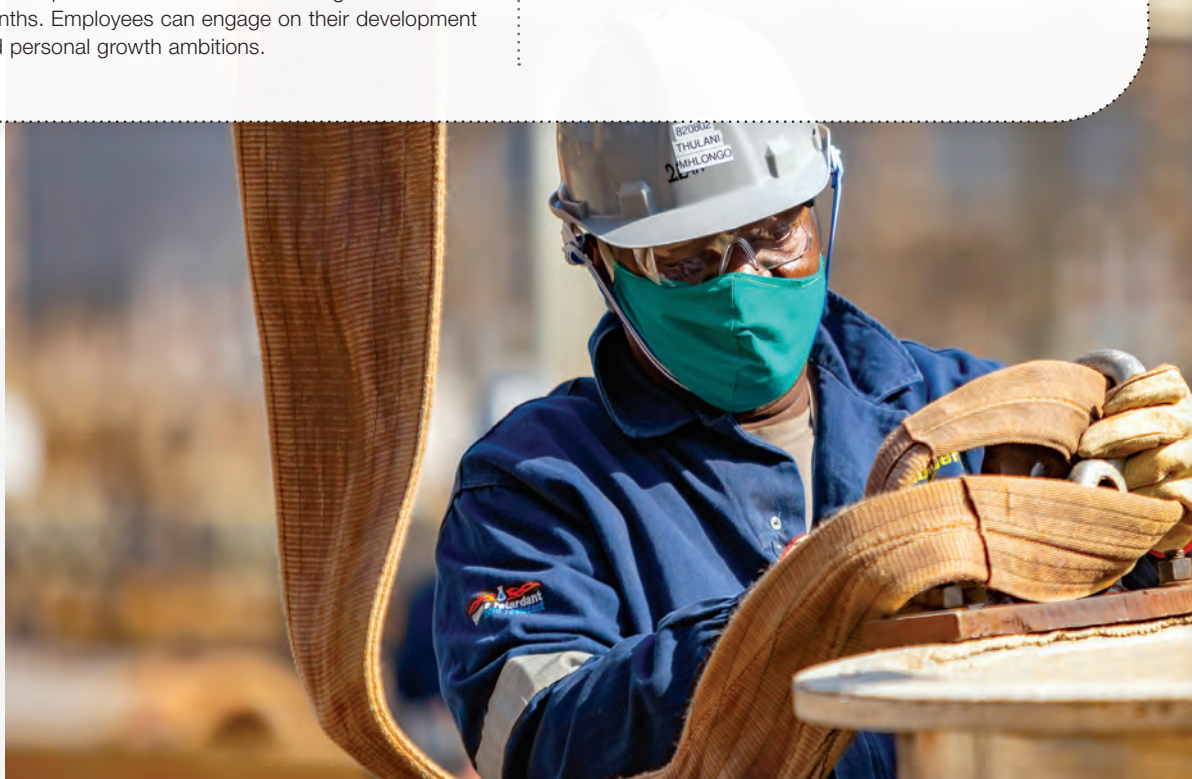
- The platform is deepening management capacity with new senior roles and recruiting experienced professionals. Our management teams are tasked with developing focused initiatives to support our strategic goals and ameliorate execution risk, with *Engineered Excellence*, innovation and people being key themes.
- High potential employees continue to receive coaching and mentoring. The EXECONNECT Programme provides selected talented individuals with direct and regular interaction with members of the platform's leadership team in a one-on-one setting over six months. Employees can engage on their development and personal growth ambitions.

## MINING PLATFORM

- All businesses have leadership development programmes that provide training and coaching. High-performing individuals earmarked for succession are included in the platform's Talent Management Programme, which incorporates a personal development plan and mentoring relationship with a senior colleague. The individual's progress is reviewed periodically by a panel of senior executives.
- The Murray & Roberts Training Academy in South Africa introduced a neuroscience leadership course. The course teaches participants about personality types, and their related strengths and weaknesses; and helps participants understand the different needs and approaches inherent in the different personality types and how this relates to effective leadership.

## PIW PLATFORM

- It has been a challenging year for talent management in the PIW platform, given the need to right size the business in line with declining revenue and a depressed short-term market outlook. Our revised management structure is appropriate for the adjusted platform strategy. As part of the rightsizing, a comprehensive talent review across senior and middle management levels was undertaken to confirm high-potential employees for participation in mentorship, leadership and management development programmes.





# Working conditions

## EMPLOYEE RELATIONS

A stable and engaged workforce is critical to our ability to deliver projects successfully. Our Group Values – Integrity, Respect, Care, Accountability and Commitment – reinforce our culture, and guide the behaviours we expect from our employees. Leaders at all levels are expected to build our culture, encouraging high performance and transparent communication whereby concerns can be raised in a safe environment and resolved timeously.

We conduct a Group employee survey every second year, with our next review planned for FY2022. This gives us insight on how our employees are feeling and where there may be perceptions that negatively impact their experience with us. The survey is also used to gain insight into employees' views on prevailing safety issues. Action plans are implemented to respond to areas identified as needing improvement or corrective measures to maintain health and safety performance. In our last survey, we achieved a pleasing score of 3.7 out of 5.

Following COVID-19, employee preference for 'hybrid' working models is forcing companies to rethink ways of working and the role of the office. Working from home presents challenges in terms of mental health and how to maintain morale remotely. While working from home is unlikely to be uniformly applied across the Group due to our project-based work, there are some opportunities for more flexible work environments in the global model of the ERI and Mining platforms.

## FAIR EMPLOYMENT AND QUALITY STANDARDS

Across the Group, we uphold the right to freedom of association and the right to collective bargaining, with well-developed frameworks to manage these relationships which support fair wage agreements and minimise disruption to work schedules. Industrial relations and engagement strategies are developed and implemented prior to starting any project.

Disciplinary and grievance procedures aligned to country specific labour legislation are strictly followed to ensure substantive and procedural fairness.

All three of our business platforms are ISO 9001 accredited, requiring the continuous updating of our policies, standards and procedures to ensure they are relevant and support a fair working environment.



## Mobilisation

As a project-based business we mobilise the required skills at the start of a project and demobilise at its end.

The power station outage business in the PIW platform is a typical example. Outage projects have short durations with tight delivery schedules, and employees with different skillsets are required for various phases of outage work and must be efficiently onboarded and demobilised in accordance with the project schedule. The platform has a core group of highly trained artisans and supervisors that can be deployed on projects.

On demobilisation, skilled workers are retained, where possible, and transferred to new projects. Preference is always given to internal employees to support their development and retention; however, localisation requirements can make mobilisation more complex.

We take a responsible approach, adhering to legislation and collective bargaining requirements, when retrenchments are needed to right size operations during downturns or when our efforts to find other opportunities for redundant roles fail.



WORKING CONDITIONS *continued*

## 2021 PERFORMANCE



Number of permanent employees

**9 393<sup>1</sup>**

FY2020: 9 049

FY2019: 9 650



Number of individuals employed through contracting and joint-venture agreements

**1 025**

FY2020: 1 684

FY2019: 1 692



Avoidable turnover<sup>2</sup> (resignations)

**11%<sup>3</sup>**

FY2020: 9%

1. 43% based in South Africa (FY2020: 51%).

2. Newly published indicator.

3. 10% being the average employee turnover rate.

In South Africa, our avoidable turnover remains low at 4%, in the Americas it is at 6%, while in Australia it is higher at 21% due to the current infrastructure drive.

Some 76% (FY2020: 64%) of the South African workforce is unionised, 41 employees (26%) working in Namibia are covered by a trade union and 66 tradesmen (29%) in Booth Welsh are covered by the Scottish Joint Industry Board. Privacy and freedom of association laws in the United States and Australia prevent access to information relating to labour union membership.

A total of 1 268 disciplinary interventions were held across the Group with 171 individuals dismissed (1.8% of headcount).

## ERI PLATFORM

- Since the beginning of 2021, the ERI platform has been working on a global solution for workforce planning, recruitment and onboarding, performance management, learning and development, and career progression. The HR system will reduce the number of systems our employees need to interact with to fulfil their roles and will empower them to manage their careers.
- Remote working and flexible working arrangements are a permanent option for employees in Asia-Pacific and North America, providing our employees with the ability to better manage their work-life balance and responsibilities. Offering this flexibility is transforming the way we do business.

## MINING PLATFORM

- The Mining platform is focused on improving its performance management process through consultative performance contracting and development plans.
- Cementation Americas is implementing a new HR system which will increase efficiencies across the HR function, particularly for supervisors and managers who will be able to access employee information and HR processes such as performance reviews, salary increases and promotions. In FY2022, all employees will have access to self-service options.
- Employee relations are sound across all our mining businesses.
- In South Africa, management have professional and constructive relationships with union representatives and officials. No significant strikes occurred at any of our projects during the year. In the year ahead, we hope to conclude a new wage negotiation cycle, securing a three-year wage agreement to FY2024.

## PIW PLATFORM

- Headcount reduced from 1 651 in June 2020 to 1 103 at June 2021. While some employees were appointed in different roles or transferred to other projects, regrettably, there was some talent lost in the restructure. To ensure a controlled transition, several exiting employees were contracted for a limited duration or on flexitime to provide a thorough handover to those remaining. Our leadership is managing the situation with empathy, by being visible and communicating honestly and openly.
- The platform is redesigning its business processes to better suit a smaller and more streamlined organisation. A performance management system with KPIs aligned to the platform's business objectives, as well as personal development plans, will support our new business model.

# Learning and development

Learning and development increase job satisfaction and retention, but also contribute to our ability to achieve efficiencies and increase our capacity to adopt new technologies and methods. Training initiatives are monitored to ensure we gain an appropriate return on our investment. Most of our training spend supports the development of technical skills, especially to support enhanced safety and advances in digital technology. Digital adoption is being driven among all employees. Line managers are also expected to provide continuous coaching and feedback to the individuals and teams they manage.

In South Africa, bespoke virtual reality tools have placed us at the forefront of fast-tracking machine-specific operator training, machine inspection and fault finding at a conceptual and intuitive level, which previously could only be done by working on actual machines. The tools are flexible, meaning they can be updated to address lessons learnt on projects. This concept is proving highly beneficial to safety in production environments.

We offer undergraduate and postgraduate bursaries as well as scholarships and internships across all business platforms, providing participants with work experience and on-the-job training. Apprenticeships and learnerships for unemployed youth give them the opportunity to learn a technical trade, supporting their long-term employability.



## SCARCITY OF SKILLS

Robust investment in mining in Australia, and recovery in mining activity in North America, are translating into an acute skills shortage. In sub-Saharan Africa, there is competition for trackless mobile machinery operators and supervisors. These challenges, together with the requirement for mine owners and contractors to recruit and employ from communities near mines, make effective training and development essential.

The Mining platform has a strong training and development ethos. We operate two world-class training facilities, one in South Africa and one in Mongolia, which have been recognised for their significant contribution to skills development. These training centres not only cater to our training needs, but also provide a training service to many of our clients. In South Africa, the training centre also offers training for learnerships sponsored by the Mining Qualifications Authority. The centre in Mongolia provides English lessons to local employees in addition to technical and safety training.

In the Americas, a management training programme is in place for senior leaders and high-potential employees, and a supervisor essential skills orientation training programme for current and newly hired supervisors. Both programmes play a role in preparing potential successors for future roles. Cementation Americas' web-based learning management system, bridges geographical barriers and delivers interactive education. It provides an effective means for internal subject matter experts and instructional designers to create, deliver and manage educational content and monitor and assess learning.

Critical for the ERI platform's growth is its ability to acquire, develop and retain specialised skills. Our structured three-year graduate programme offers local and international development opportunities and is effective in providing new talent for the engineering team. In this platform we operate the Project Management Academy and the Construction Management Academy, and our online learning system provides employees with access to over 150 learning programmes.

LEARNING AND DEVELOPMENT *continued*

## 2021 PERFORMANCE



Training spend (Group)

**R99 million**

FY2020: R104 million

FY2019: R105 million

Training spend (South Africa)

**87%**

of Group training spend



Employees trained (Group)

**5 057**

FY2020: 5 157

FY2019: 6 756

Average training hours  
(per employee)**28 hours**

Reported for the first time

## ERI PLATFORM

- The platform continued to deliver its graduate programme, which in FY2022, will adopt a new approach, including a broader set of disciplines other than engineering that are key to successful project execution.

## MINING PLATFORM

- The MRTA in South Africa invested in a series of upgrades to better prepare learners for the digitised, mechanised and automated future of mining. It has transitioned to a paperless learning experience, incorporating computer-based e-learning, instructional videos, virtual reality, interactive touch screen learning, simulations and integrated practical training. This theoretical, reflexive and practical training ensures a well-rounded and effective training experience. In addition to being environment friendly and cost effective, the system almost eliminates human error from the administrative process, allowing for accurate assessments, better oversight of an individual's learning and increased accountability.
- A number of new online training programmes have been developed and released to supervisors across Cementation Americas, and several management training programmes are under development with internal subject matter experts assigned to each course.
- In Australia, we have started a cadet programme, offering novices the opportunity to become competent as equipment operators and tradesmen.
- An objective for the platform is to expand its use of virtual and augmented reality in its training interventions.

## PIW PLATFORM

- Most of the platform's investment in employee development was focused on technical artisan training and core skills to ensure that safety is not compromised. We continue to provide training and development interventions to advance the careers of our core group of artisans and supervisors.





# Diversity and inclusion

A diverse workforce contributes to an improved business performance and supports our social licence to operate. We want to provide workplaces where everyone feels valued and included, where strengths and differences are embraced and respected, and opportunities exist for all to collaborate, contribute and achieve their full potential.

Guided by our Group diversity policy, all our businesses have diversity policies appropriate to their regions of operation. The policy holds us to being aware and responsive to the specific diversity priorities of the many different countries and cultures in which we operate. Our diversity and inclusion interventions create awareness of unconscious biases as a fundamental means of changing behaviour.

We actively monitor diversity and inclusion across the Group to ensure we operate as a relevant multicultural organisation. Business platform CEOs are responsible for setting and delivering against the diversity targets applicable to their operations.



## Women representation (overall)

# 12%

FY2020: 13%

FY2019: 12%

## Women representation (top management)

# 7%

Reported for the first time

## Women representation (senior management)

# 12%

Reported for the first time



## DIVERSITY AND INCLUSION *continued*

### ERI PLATFORM

The ERI platform's diversity and inclusion plan prioritises female participation and Indigenous engagements. Diversity intolerance is not tolerated, and every Clough employee is held accountable for ensuring that diversity and inclusion principles are reflected in their everyday attitudes and behaviours. Progress on diversity performance is reviewed quarterly.

Although we conform to the equal-work equal-pay principle, our business is still male dominated and we acknowledge that further work is needed to fully address pay equality. Historically, we have seen a disproportionately higher loss of female talent from middle management levels across the industry due to workplace rigidity. Our Gender Equality Plan with measurable targets for improving gender equality, together with the remote and flexible working policy, should help to address these issues. Going forward, we will also improve the female representation on our intern and graduate programmes and implement a cadet programme, which will engage early with women to secure their participation and retention.



### 2021 PERFORMANCE

- We maintained our Employer of Choice for Gender Equality citation by the Workplace for Gender Equality Agency (first awarded in 2019).
- CEOs for Gender Equity delivered a series of workshops on the unspoken stories, questions, opportunities and challenges people face in the workplace and at home, providing insights on how we can best lead on our commitment to gender equity beyond policy and procedure. The stories were shared with project directors, managers and the executive committee. The training champions gender balance as a business-critical priority.
- In North America, we launched HERSTORY MAKERS, a women's network, open to all employees who wish to actively support gender equity.
- We are investigating opportunities for Clough to support women facing domestic violence and financial abuse.
- Aboriginal and Torres Strait Islander recruits were employed in white collar and blue-collar roles, with Indigenous participation at Clough currently at 2% against a target of 3%.<sup>2</sup>
- We have partnered with organisations to create Indigenous traineeship opportunities on Clough projects. Four Indigenous trainees recently graduated on the Southflank OHP project, and all four have since been offered permanent positions on the project.
- We implemented a school-based traineeship at Clough's corporate office to create employment and career pathway opportunities for Indigenous people.
- We continued to develop employee cultural knowledge and understanding through our online cultural awareness training, currently completed by over 430 employees. The training is now mandatory for all new recruits.
- Across our regions, our operations are backed by the skills and values of veterans from all walks of life, across the Army, Navy, Air Force, First Responders and Cadets. In July 2020, we became a proud signatory of the Veterans Employment Commitment, ensuring that our HR policies equitably support the recruitment and retention of veterans.

2. Aboriginal and Torres Strait Islander peoples represent 3.3% of Australia's population.

## DIVERSITY AND INCLUSION *continued*

### MINING PLATFORM

We have a good record of recruiting and training people from local communities and providing opportunities for lasting employment on the mines that we build.

In South Africa, our diversity and inclusion continues to centre on race, gender and disability, and the skills development needed to promote designated employees into more senior positions.

In Australia, we employ a highly diverse workforce, having 15 nationalities working together at the Perth office; however, attracting women into our employ, particularly those who are technically qualified, remains a challenge.

In the Americas, our diversity and inclusion working groups focus for the year was to:

- Identify and understand any barriers, either real or perceived, that inhibit diversity in the operation or the mining industry in general.
- Ensure that Cementation Americas does not inadvertently promote or reinforce these barriers in its public image or business practices.
- Lead the operations in encouraging and embracing diversity across all stakeholders, including clients, employees, suppliers and advisors.

#### 2021 PERFORMANCE

- In South Africa, the representation of black employees at top management remains at 50% (FY2020: 50%) and in senior management black representation was at 21% (FY2020: 24%), in middle management at 36% (FY2020: 32%) and in junior management at 58% (FY2020: 54%).
- In Australia, we established a working group to identify barriers to diversity in the organisation. Good progress has been made and a diversity training programme has been developed and is being rolled out.
- In the Americas, all employees have been enrolled in an online diversity and inclusion awareness training programme, with a high completion rate and positive feedback received. A second training programme has been developed, targeting our leaders, and serves as a practical guide towards inclusive leadership. The programme is currently being reviewed by the executive team.
- Also in the Americas, the diversity and inclusion working group is finalising a Diversity and Inclusion Plan, which sets out various diversity and inclusion strategies, with associated goals and a logistical plan to support implementation. Focused discussions are being held with senior management and executive teams, with action items arising from the discussions to be aligned with the Diversity & Inclusion Plan. Cementation America's website is being updated to include a section dedicated to diversity and inclusion.

### PIW PLATFORM

Our workforce has significantly reduced across all organisational levels since the Medupi and Kusile projects came to an end. Unfortunately, this downsizing negatively impacted our ability to maintain our employment equity and skills development credentials. Our diversity aspirations have been revised in line with the restructuring and our current business environment. Nevertheless, our focus on supporting local communities as far as possible continues, with about two-thirds of employees working on current outage projects being sourced from local communities.

#### 2021 PERFORMANCE

- Some 86% of our employees in the PIW platform are black and 11% are women. In middle management, 55% of positions are occupied by black employees, and our objective is to increase this representation going forward, as a key pipeline of successors for senior roles.





DIVERSITY AND INCLUSION *continued*

## EMPLOYMENT EQUITY IN SOUTH AFRICA

Employment equity remains a priority in all the South African businesses. We ensure that any unfair discrimination is eliminated and fair treatment is provided to all. All South African businesses have employment equity plans that guide recruitment and plan for opportunities created by retirements and new projects. Employment equity committees monitor workforce transformation and assist with barrier analyses to identify policies and practices that may hinder the appointment and advancement of black South Africans.

The Group CEO chairs the quarterly transformation steering committee, which also monitors employment equity progress. The Mining and PIW business platform CEOs and their respective HR heads as well as the director responsible for BBBEE attend the committee.

Our interventions to improve employment equity apply across all employment levels, with skills development being a key underpin. Our learnerships target black youth within our communities, and our mentorship programmes are designed to transfer skills and experience to less experienced employees.

## 2021 PERFORMANCE

Black representation at top management level was 30%, and 15% at senior management level, 46% at middle management level and 72% at junior management level. There was a slight improvement at all management levels, except for senior management impacted by the restructuring of the PIW platform. Of our domestic training spend, 96% (FY2020: 90%) benefitted black individuals and 30% (FY2020: 25%) benefitted women.



**Black representation**  
(overall)

**78%**

FY2020: 80%

FY2019: 79%



**Women representation**  
(overall)

**14%**

FY2020: 14%

FY2019: 15%



**Black representation**  
(supervisory and management)

**66%**

FY2020: 65%

FY2019: 79%

EMPLOYMENT EQUITY PROFILE OF THE SOUTH AFRICAN WORKFORCE  
AT 30 JUNE 2021 (NUMBER OF PEOPLE)

Level	Men				Women				Foreign nationals		Total	Black representation (%)		
	A	C	I	W	A	C	I	W	Men	Women		2021	2020	
Top <sup>1</sup>	2	0	0	6	1	0	0	0	1	0	10	30	27	✓
Senior <sup>1</sup>	2	1	1	36	1	0	2	3	1	0	47	15	24	✗
Middle <sup>1</sup>	83	21	14	145	14	4	10	23	5	0	319	46	44	✓
Junior <sup>1</sup>	936	74	15	398	106	8	6	46	7	1	1 597	72	71	✓
Semi-skilled	1 206	12	1	31	257	6	1	10	127	0	1 651	90	90	➡
Unskilled	260	1	0	8	63	1	0	0	39	2	374	87	92	✗
<b>Total</b>	<b>2 489</b>	<b>109</b>	<b>31</b>	<b>624</b>	<b>442</b>	<b>19</b>	<b>19</b>	<b>82</b>	<b>180</b>	<b>3</b>	<b>3 998</b>	<b>78</b>	<b>80</b>	✗

A = African, C = Coloured, I = Indian and W = White.

1. Management level.



Improved



Worsened



No change

# Sustainable localisation

As we work in environments with diverse cultures, needs and expectations, it is imperative that we develop clear community engagement plans for new projects, not only for successful project delivery, but to identify local needs and priorities to ensure that host communities share in the economic value created. In addition to local employment (see page 54), our socioeconomic programmes support local procurement and

enterprise development, and community upliftment initiatives. Lives are enriched through new skills learnt or growth in local businesses, sustaining local jobs into the future.

In South Africa, BBBEE is aimed at redressing inequality and historical imbalances. We remain committed to our BBBEE initiatives both as a supporter of this national priority, and to access opportunities in our domestic market.



## ERI PLATFORM

We constantly review our procurement and supply chain practices to ensure diversity and local participation, including for SMEs. Our strategy to achieve mutually beneficial relations with Indigenous communities include:

- Ensuring that Indigenous employment and business opportunities are clearly identified and incorporated into the planning process when tendering for a project.
- Enhancing our understanding of local Indigenous culture and heritage issues through cultural awareness and induction programmes.

In Australia, our Innovate RAP is a framework to create meaningful opportunities with Aboriginal and Torres Strait Islander peoples, which include employment, and supply chain and community development initiatives. Since its endorsement in February 2020, we have seen better understanding among employees on what reconciliation means to them and genuine commitment from employees to deliver on the plan.

## 2021 PERFORMANCE

- We completed the first year of our Innovate RAP, releasing our first annual report on our progress.
- We have simplified our pre-qualification process for contracts under AU\$ 250 000 to make it easier for SMEs to demonstrate their technical and financial capability and relevant experience.
- Supplier diversity within our supply chain increased, with Indigenous spend at AU\$ 13,2 million (5.93%) of Clough's overall APAC spend (FY2020: AU\$ 7,3 million).
- Where feasible, we restructure work packages to support Indigenous businesses, for example, the earthworks contract on the Gudai-Darri Bridge project was amended to relieve the construction risk for an Indigenous supplier.

SUSTAINABLE LOCALISATION *continued*

## MINING PLATFORM

We look for every opportunity to localise our supply chains and identify local businesses able to supply goods and services to our mining projects. We also build the capacity and skills of local suppliers where required, so that they are better equipped to supply the services required by ourselves or the mine owner, and at the same time support their own growth and sustainability.

In South Africa, aligning to the Department of Minerals and Energy's Mining Charter III, remains a strategic priority, especially in terms of the employment and procurement requirements. We pass on the benefit of our BBBEE programme to mine owners in their procurement scorecards, helping them meet their obligations in terms of the charter. The Boipelo joint venture with Amandla TM Group, a 51% black-owned mining contracting company, is performing well and has recently been awarded a R3,2 billion five-year underground mining services contract by Arnot Opco Coal Mine in Mpumalanga.

In other African countries, we pursue opportunities in joint ventures with our local partners. The contract awarded in Namibia by B2 Gold to Murray & Roberts Cementation, in joint venture with Lewcor, a local Namibian company is progressing well.

Cementation Americas' Indigenous Policy Statement has been distributed to all employees, and demonstrates our respect for the rights of ancestral Indigenous citizens and commitment to including Indigenous communities in all our projects. We ensure that all employees and subcontractors within their sphere of influence promote the meaningful inclusion of Indigenous communities affected by or involved in projects. In Canada, our joint ventures with First Nations groupings tender for work in the territories where they are resident. We have successfully partnered with communities to procure goods and services from Indigenous companies near to our projects.

RUC Cementation Mining hires a large percentage of local people to resource its international projects, currently in Indonesia and Mongolia. It is also committed to building mutually advantageous relationships with local communities and businesses. In partnership with the client and a technology company, a skills development programme is in place for the Oyu Tolgoi mine project, educating the local people so that they can qualify for jobs in underground mining projects. In Indonesia, our Indonesia Counter Party Programme ensures the transfer of skills and promotion of cross-cultural awareness.

## PIW PLATFORM

Localisation is a strategic imperative for the platform; although, challenging given the general lack of experience and skills in local communities. We work closely with clients, local community forums and leaders to find solutions and manage economic and employment expectations. The platform engages with local communities at tender and implementation stages on issues such as employment, training and procurement from local SMEs and businesses.

## 2021 PERFORMANCE

- In South Africa, we met our transformation targets, achieving a Level 1 BBBEE rating; by ensuring that people from local communities were recruited and trained and that local suppliers participated in supplier development programmes and procurement contracts. In partnership with Aurik, an enterprise development business, we invested R4 million to develop 14 black-owned suppliers at various projects.
- A total of 865 people have been trained in Mongolia since 2018 with access to tertiary education including 34 undergraduate engineering scholarships, 580 tertiary scholarships for required skills and eight engineers and specialists trained in Australia.
- In Canada, we have seven active joint ventures with Indigenous communities, providing various services to mining projects. The Kitikmoet Cementation Mining and Development Ltd joint venture is a flagship partnership that has successfully delivered complex projects and provided meaningful opportunities for the Kitikmoet in the Nunavut and Northwest Territories. The joint-venture has been active at Diavik Diamond Mines since 2005. We have spent more than US\$1 million in the current financial year on building capacity in First Nations businesses. Cementation Americas also works with local partners in Peru and Chile.

## 2021 PERFORMANCE

- The impact of the restructure on our employment equity profile and training spend, has meant our BBBEE score deteriorated to a Level 6 rating (FY2020: Level 5). A priority for the platform is to rebuild its BBBEE credentials and establish BBBEE partnerships in power maintenance, transmission and distribution, and water.
- R2 million was invested in supplier development, surpassing the platform target of R1,8 million. We were particularly pleased to support Handy Helper Agency, a female-owned business, which achieved Services SETA accreditation as a hygiene and cleaning training company.



SUSTAINABLE LOCALISATION *continued*

## BBBEE IN SOUTH AFRICA

## 2021 PERFORMANCE

The Group achieved a Level 1 BBBEE rating measured against the Construction Sector Code. The economic interests held by black shareholders in our South African operations was 96.83% with black women holding 40.26%. In line with the Code, our procurement spend is directed at BBBEE-compliant vendors and targeted interventions are in place to identify and assist small businesses, as a key source of job creation.



BBBEE score

**102.46%**

FY2020: 101.0%

FY2019: 97.7%

Total procurement spend  
with SMEs**26%**

FY2020: 24.5%

FY2019: 26.1%

Enterprise and supplier  
development spend**R5,4 million**

FY2020: R9,0 million

FY2019: R3,9 million

Socioeconomic  
development

Achieved full points on the  
BBBEE scorecard for the  
socioeconomic development pillar



SUSTAINABLE LOCALISATION *continued*BBBEE IN SOUTH AFRICA *CONTINUED*2021 PERFORMANCE *continued*

## KEY DATA

BBBEE	2021	2020	2019	ASSURANCE
BBBEE status	<b>Level 1</b>	Level 1	Level 2	➤ Verified
BBBEE score (%)	<b>102.5</b>	101.0	97.7	✓ Verified
Equity ownership (%)	<b>111.1</b>	111.1	111.1	➤ Verified
Management control (%)	<b>59.7</b>	59.7	58.8	➤ Verified
Skills development (%)	<b>98.9</b>	99.6	97.7	✗ Verified
Enterprise and supplier development (%)	<b>100.0</b>	100.1	96.5	✗ Verified
Socioeconomic development (%)	<b>120.0</b>	106.4	100.8	➤ Verified
<b>Preferential procurement as a % of total procurement</b>				
Qualifying small enterprises and exempted micro enterprises (%)	<b>26</b>	21.1	26.1	➤ Verified
Suppliers that are >50% black owned (%)	<b>41</b>	33.8	38.9	➤ Verified

✓ Improved    ✗ Worsened    ➤ No change

# Meaningful community support

We apply our expertise and resources to respond appropriately to the specific needs and expectations of communities. Our CSR comprises various CSI programmes and two Trusts managed by the corporate office. Our businesses support CSI programmes that contribute to the development and upliftment of the communities based in the proximity of their projects or in programmes that advance education and national priorities. The Trusts, which were created in 2006, support historically disadvantaged communities in South Africa.

Looking ahead, we will review our CSR strategy in light of the impact COVID-19 has had on the availability of funding, to ensure that we continue to support effective and meaningful community development projects.

## 2021 PERFORMANCE



### R3,4 million

**Letsema Khanyisa Trust**, provides the children of qualifying employees with scholarships at secondary and tertiary academic institutions

**FY2020: R3,1 million**

**FY2019: R4,4 million**



### R3,2 million

**Letsema Sizwe Trust**, prioritises education and skills development in communities through three flagship initiatives

**FY2020: R3,5 million**

**FY2019: R5,7 million**



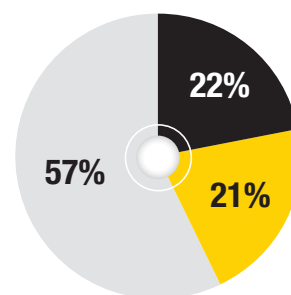
### R8,7 million

**Group CSI programmes**

**FY2020: R12,4 million**

**FY2019: R8,8 million**

Breakdown of CSR spend (%)



■ Letsema Khanyisa Trust  
■ Letsema Sizwe Trust  
■ Group CSI programmes

Of the R15,3 million (FY2020: R19,0 million) spent on community development initiatives across the Group, R10,6 million supported disadvantaged South Africans. The impact of COVID-19 has led to a reduction in CSI programmes at business level. Given that dividends have not been received by the Trusts from Murray & Roberts Holdings, the spend on the Letsema Sizwe Trust will be greatly reduced in FY2022.



MEANINGFUL COMMUNITY SUPPORT *continued*2021 PERFORMANCE *continued*

## LETSEMA KHANYISA TRUST (corporate office programme)

Employees earning less than R350 000 can apply to the Letsema Khanyisa Trust for scholarships for their children. In prior years, scholarships were only awarded for secondary schooling and tertiary education; however, starting this year, we expanded our scholarships to include primary school education from Grade R, as the foundation for academic success.

The scholarships cover academic fees, transport, stationery and school uniform costs. Learners receive ongoing coaching during the academic year, and are awarded money for achieving academic success. As access to technology is critical in today's education, tablets and 10GB data are provided to our beneficiaries in Grades 10, 11 and 12, and laptops are provided to the first-year university students.

# 58

**young people  
supported**

**Primary school: 16 learners**

**Secondary school: 31 learners**

**Tertiary education: 11 students**



MEANINGFUL COMMUNITY SUPPORT *continued*2021 PERFORMANCE *continued*

## LETSEMA SIZWE TRUST (corporate office programme)

The Letsema Sizwe Trust supports a variety of development projects led by longstanding reputable organisations. COVID-19 has unfortunately continued to limit face-to-face interaction, with the result that these organisations have had to adapt their support to adhere to COVID-19 protocols or suspend their projects altogether.

**The Tomorrow Trust**  
**60**  
**Grade 10 and 11**  
**learners supported**  
**with their academic**  
**studies**



### The Trust's key projects

- 1** The University of Stellenbosch's **Technology Research Activity Centre (TRAC)** Programme provides mobile science laboratories to schools which do not have these facilities. The programme also supports learners in applying for tertiary studies. In FY2021, we continued to support the laboratories in Musina (Limpopo) and Kuruman (Northern Cape), which are close to certain Murray & Roberts Cementation projects. Unfortunately, the extended school lockdown due to COVID-19 has had a negative impact on learning, and the value normally created by this project was not realised this year. Our investment in TRAC totalled R1,3 million (FY2020: R1,2 million). This is the last year of our three-year agreement.
- 2** The **Tomorrow Trust** provides Saturday and holiday supplementary school programmes for vulnerable children selected from the Department of Social Development's grassroots care organisations. The organisation supports academic learning in Mathematics, English, Physical Science and Life Science, provides in-depth career guidance to learners, and supplies learners with stationery, course materials and daily nutritious meals. When learners are able to physically attend programmes, safe and reliable transport to and from the hosting venue is provided. During COVID-19 restrictions, virtual online classrooms were held every Saturday for all senior beneficiaries, who were supplied with data or WhatsApp bundles. Our contribution for FY2021 amounted to R648 000 (FY2020: R648 000). This is the third and last tranche of our three-year agreement.
- 3** The **Murray & Roberts Child Welfare Fund** encourages employee donations, using the employee payroll. The Group uses the Letsema Sizwe Fund to match raised funds, which support the various needs of early childhood development projects, including assisting with medical, food and operational costs. Every year the Group's CSR committee visits beneficiaries to ensure funds are used as planned. Matched funds totalled R153 000 with a total of R290 700 donated to 11 organisations (FY2020: R387 000 donated to 15 organisations).



MEANINGFUL COMMUNITY SUPPORT *continued*2021 PERFORMANCE *continued*

## VORENTOE ATHLETICS DEVELOPMENT TEAM (corporate office programme)

The Vorentoe High School is based in Auckland Park, Johannesburg. At its start in 2000, the running academy had five athletes, today it has 50 with an almost equal split between girls and boys. The Academy aims to provide the children with a quality school education while also giving them the opportunity to maximise their running potential. The school also assists their transition from adolescence to adulthood, and prepares them to be role models in their communities. The athletes are mostly recruited from rural and disadvantaged areas.

The children receive bursaries to attend Vorentoe High School and are provided with hostel facilities and meals. Our investment, along with that of other donors, is used to maintain the academy. At present, four children have received bursaries to compete for colleges in the United States. We invested R1 million in FY2021 (FY2020: R850 000).

## ERI PLATFORM

The Clough Foundation supports not-for-profit organisations that bring long-term sustainable benefits to the communities living near Clough's projects. The Foundation's key areas of focus are sustainability, Indigenous engagement, diversity, healthy communities, and children and youth. The Clough Foundation supports a range of community organisations around Australia and PNG including Clontarf Foundation (leadership and mentoring for Indigenous boys), ChildFund (health education and vaccination for mothers and children in PNG), Starlight Foundation (child health support for remote Indigenous communities), and MATES in Construction (mental health and suicide prevention awareness and education). Just over R2 million was invested in CSI programmes, slightly lower than the R2,8 million investment in FY2020, with COVID-19 restrictions playing a role in this decrease.

## PIW PLATFORM

The PIW platform purchased a mobile kitchen for its enterprise development beneficiary, the Handy Helper Agency, valued at R60 000. The kitchen will allow them to broaden their service offering, to offer cooking lessons to domestic workers.

## MINING PLATFORM

The Murray & Roberts Research Chair in Industry Leadership 4.0 at the University of Pretoria advances the specialised skills and leadership capacity needed to accelerate the adoption of new technology in mining practices. The research chair delivers leadership workshops and research publications on new technology. We have committed R2 million each year for three years (starting in FY2020) to support postgraduate researchers.

Murray & Roberts Cementation invested R856 000 in three CSI projects, benefitting surrounding communities.

RUC Cementation invested approximately R1,4 million on their CSI initiatives, which primarily benefit youth. Most of their spend was on the Western Australian Mining Club co-sponsored STEM United Programme. The programme supports the education of Year 9 students in high schools in Western Australia, who are studying STEM subjects (Science, Technology, Engineering and Mathematics) to pursue careers in engineering/technology. The programme reaches thousands of students annually. This is the final year of our investment in this programme, and we contributed R850 400.

Cementation Americas spent around R649 000 on various initiatives supporting their local community. As a key aspect of the culture in this operation, employees are encouraged to support charitable organisations within their communities with our support. This results in a very wide-reaching and diverse CSI programme. The donation policy allows each employee to request money every year to support the charities they are actively involved in, without restrictions in terms of hours spent volunteering. While COVID-19 restrictions impacted volunteering, online platforms were used with great success.

## KEY DATA

COMMUNITY DEVELOPMENT SPEND	2021	2020	2019	
CSI in community programmes (Rm)	8,7	12,4	8,8	✗
Corporate office: Letsema Sizwe Trust (broad-based community commitments) (Rm)	3,2	3,5	5,7	✗
Corporate office: Letsema Khanyisa Trust (employee benefits) (Rm)	3,4	3,1	4,4	✓
<b>Total corporate social responsibility spend (Rm)</b>	<b>15,3</b>	<b>19,0</b>	<b>18,9</b>	<b>✗</b>

✓ Improved ✗ Worsened ➤ No change



# 03 Governance report

## External commitments, frameworks and standards

*King Report on Corporate Governance for South Africa (2016) (King IV)*

*United Nations (UN) Global Compact*

*Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises*

*GRI Standards: 102-16 to 20, 102-22, 102-28, 205-3, 206-1, 406-1, 407-1, 408-1, 409-1, 411-1, 412-2, 419-1*

ENVIRONMENTAL REPORT

SOCIAL REPORT

GOVERNANCE REPORT

ADDITIONAL INFORMATION



# Overview

## 2021 HIGHLIGHTS

### Board effectiveness

Independent assessment **confirmed the effectiveness** of the Murray & Roberts Board, which is well constituted and has a suitable balance of relevant skillsets and diverse perspectives.

### Integrating ESG risks

The Board mandated the risk committee to **oversee all ESG matters** at a consolidated level.

### Data protection

We rolled out online learning courses **on cybersecurity and data privacy**, and raised awareness about the POPI Act in South Africa.

## KEY PERFORMANCE INDICATORS



Board composition (gender)

**30% women**

Target: 30%



Board composition (race)

**60% black**

Target: 50%



Whistle-blowing reports

**10**

FY2020: 15

FY2019: 5

Regulatory compliance

**No**

material incidents of non-compliance with laws and regulations

FY2020: None

FY2019: None

## MATERIAL PRIORITIES

- Ensure strategic decision-making is bound by clear, transparent and publicly available policy positions related to ESG.
- Continue to apply the Group diversity policy in leadership appointments at Board level and across the Group.
- Minimise integration risk associated with acquisitions by ensuring swift alignment with Group policies and standards.
- Uphold reputation for responsible and ethical conduct and ensure that platforms subscribe to ethical business principles supported by policies, standards and procedures.
- Accelerate data protection and privacy controls and assurance processes in line with the Group-led digital strategy; and maintain strong oversight of IT investment and cyber risk management.
- Improve our disclosure on supply chain management.

# Governance of ethics, and environmental and social impacts

*Integrating sustainability thinking in the way we conduct our business is not new to Murray & Roberts – it flows naturally from our Purpose and culture. However, higher expectations and greater scrutiny from stakeholders demands that we operate within tighter ESG guidelines.*

A high standard of corporate governance has been instilled within the Group. We gain competitive differentiation in how we execute projects that are safe, efficient, and of high quality while considering environmental impacts; in our approach as an employer in all our markets; and in how we behave as a corporate citizen with international and local responsibilities.

An effective governance structure, aligned with the principles and practices of King IV, is in place and a clear organisational framework defines the relationships and decision-making rights between governing bodies in the Group and across business platforms. Our governance frameworks and reporting structures ensure visibility and compliance across all our business platforms. The Group Sustainability Framework conceived and refined over many years, sets clear expectations and its application is tightly governed and mature in most parts of the Group.

## MURRAY & ROBERTS BOARD

The Group has a highly engaged and accomplished Board, with competencies aligned to our business model and strategy, deep collective experience and a good balance of tenure. Managing Group ethics and effective leadership is an important part of the Board's focus and responsibility, ensuring that the Group creates and preserves value, and guards against value erosion. The Board appreciates that strategy, risk, performance and sustainability are inseparable.

An independent assessment during the financial year has again confirmed the effectiveness of the Murray & Roberts Board. Noteworthy are that the Board is well constituted, independent and well-functioning, with a suitable balance of relevant skillsets and diverse perspectives. There is also a strong relationship between the Board and our executive teams.

ESG-related matters raised in the external Board assessment include:

- Sensitivity towards ESG issues has increased and evolved significantly during the last few years with a revised Sustainability Framework in place.
- There is good focus on health, safety and environmental impact and CSR, including gender equality in Australia and North America, and BBBEE in South Africa.
- The review of the Group Sustainability Framework is positive as is the outcome of the independent ESG review. Recommendations must now be implemented.
- The remuneration & human resources committee could look more closely at ESG targets for all executives.

In the CEN-ESG benchmarking exercise conducted this year, improvements in the governance category include ESG training for directors and enhancements to the Group diversity policy.

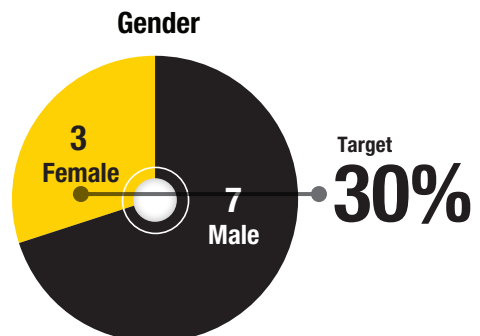
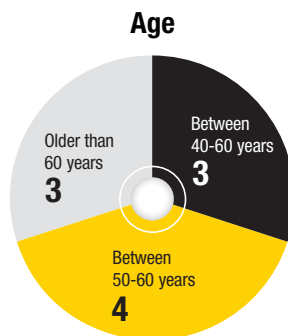
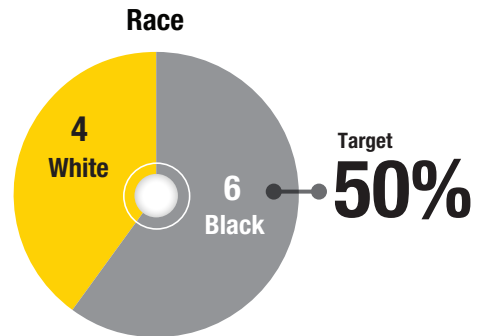
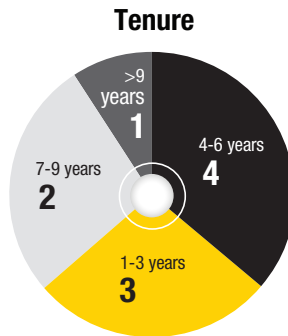


GOVERNANCE OF ETHICS, AND ENVIRONMENTAL AND SOCIAL IMPACTS *continued*

## Board composition

The composition of the Board promotes a balance of authority, preventing any one director from exercising undue influence over decision-making while bringing diverse perspectives to Board deliberations. The Board has 10 directors: eight independent non-executive directors and two executive directors. A formal diversity policy sets the targets for gender and race diversity at Board level. For FY2021, the targets have been met with black representation being 60% and women representation being 30%.

The Board provides strategic direction and approves policies and frameworks to ensure that economic, financial, social, environmental and governance issues are addressed. With the Board's strategic direction, the Group seeks to protect, enhance and invest in the wellbeing of the economy, society and the environment. During FY2021, the Board's key activities relating to ESG included updating and approving the Sustainability Framework, and the review of succession planning for senior management aligned with transformation objectives.

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## SUB-COMMITTEES OF THE BOARD

Relevant sub-committees of the Board assist it in discharging its duties. The committees discussed in this section play a key role in how ethics is governed as well as our social and environmental impacts.

## Risk management committee

The risk management committee assists the Board to fulfil its governance responsibilities in terms of the Group Integrated Assurance Framework. The committee comprises five independent non-executive Board directors.

During the year, the Board mandated the risk committee to oversee all ESG matters at a consolidated level, as many of these issues are distributed across several committees. The risk committee's mandate includes assisting the Board to develop and implement the risk management policy and plan, and to identify and manage the impact of ESG risks.



GOVERNANCE OF ETHICS, AND ENVIRONMENTAL AND SOCIAL IMPACTS *continued*

## Social & ethics committee

The social & ethics committee's primary responsibility is to monitor and oversee the Group's commitment to Zero Harm from its business activities. It also ensures that the Group formulates collaborative responses to sustainability challenges. The committee assesses and monitors social and ethics performance through well-established reporting lines and against relevant frameworks and indicators. It is also the structure through which the Board reviews the Group's compliance with laws, rules, codes, and standards.

The committee comprises four independent non-executive Board directors and both the Group CEO and financial director attend as invitees.

### The committee's responsibilities include:

- Assessing and measuring social and ethics performance with reference to the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the BBBEE scorecard, and International Labour Organization protocols.
- Monitoring the Group's implementation of and compliance with sound principles of governance, including those of King IV.
- Overseeing the development and implementation of the Group's social and ethics strategy and structures.
- Reporting to the Board on the Group's legal compliance and advising the Board of any upcoming legislation that may impact the Group.

### KEY FOCUS AREAS DURING FY2021

- Received regular updates on COVID-19 response plans.
- Promoting diversity and inclusion across the Group.
- Promoting the Code of Conduct and motivating ethical behaviour.
- Preventing and combating bribery and corruption.
- Monitoring and encouraging Group-wide community development plans.

## Health, safety & environment committee

The HSE committee assists the Board to fulfil its supervisory role relating to the integration of sound HSE management into all aspects of our business activities, as we strive for a healthier and safer environment for all our employees, subcontractors and the communities in which we conduct our business. It ensures that we apply best practice in health, safety and protection of the environment to safeguard stakeholders against any hazards associated with our activities, and that we meet safety, health and environmental regulatory requirements, while aiming to operate at even higher standards than those imposed by law. The committee comprises three independent non-executive Board directors and one executive director.

### The committee's responsibilities include:

- Approving the framework, policies, standards and guidelines for HSE management.
- Satisfying itself that management has developed and implemented a Group-based HSE management system aligned with best practices, and that effective programmes have been put in place to monitor the implementation of policies and standards across the Group.
- Encouraging the development of policies, guidelines and practices congruent with the Group's HSE policies.
- Monitoring key lag and lead indicators of HSE performance.
- Ensuring an appropriate response to substantive national and international regulatory and technical developments.
- Reviewing the Group's compliance, as well as the compliance of its subcontractors and associates, with Group policies, standards, guidelines, and appropriate local and international standards and relevant local laws in HSE matters.

GOVERNANCE OF ETHICS, AND ENVIRONMENTAL AND SOCIAL IMPACTS *continued*

## GOVERNANCE OF CLIMATE-RELATED ISSUES

The Murray & Roberts Board is responsible for overseeing climate change-related matters, and is supported by the HSE committee in discharging this responsibility. The Group CEO, who is the highest decision-making authority within the Group, has ultimate responsibility for climate-related performance and decisions. The Group Director for HSE and Risk who reports directly to the CEO and the HSE committee coordinates the Group's environmental programme. The HSE committee receives and considers quarterly reports on important environmental-related matters ranging from industry benchmarking and climate change reporting frameworks to environmental regulation and performance metrics.

Climate change is an agenda item of the executive committee's quarterly risk reviews and annual business planning cycle.

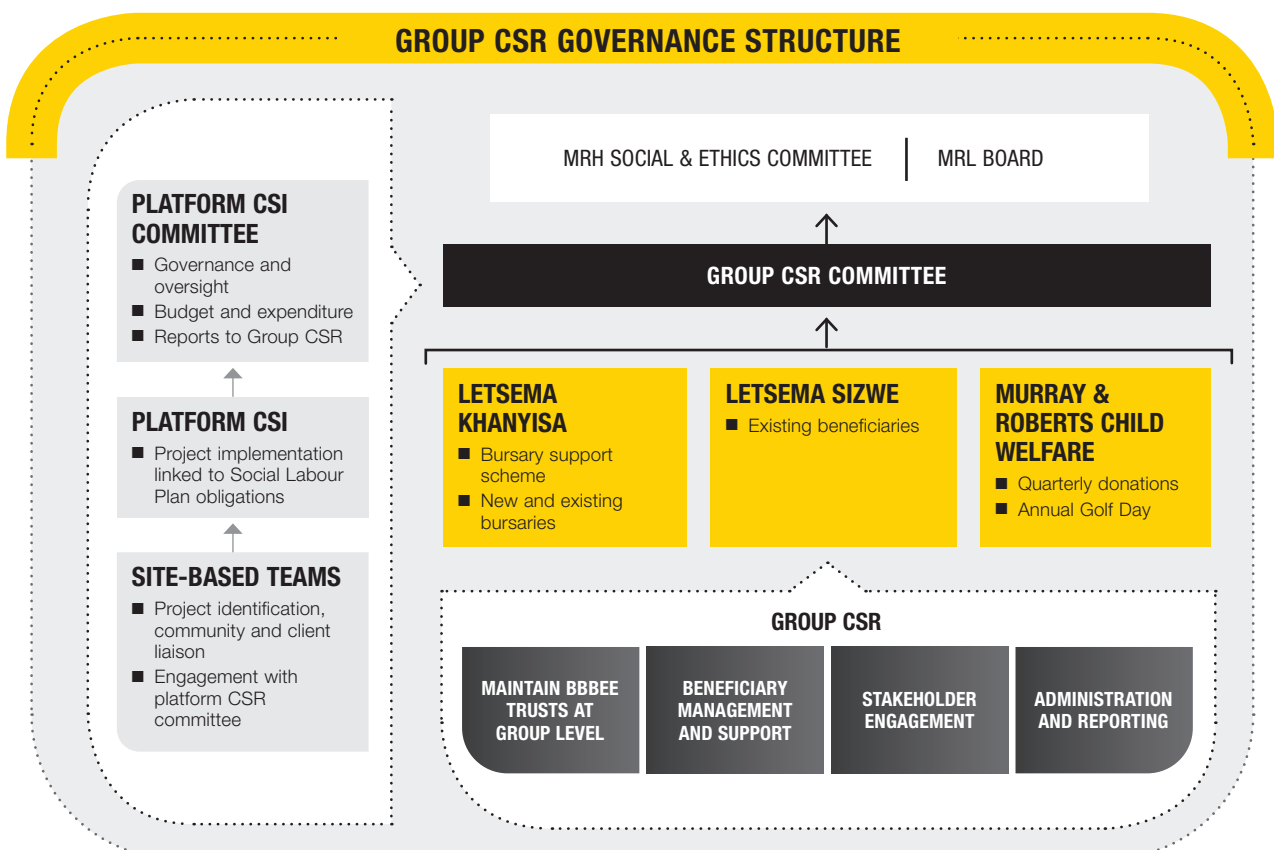
Environmental considerations form part of executive management remuneration. HSE business platform executives have structured key performance indicators for HSE, including reduction of environmental incidents, the efficient use of resources, implementation of environmental improvement initiatives and environmental awareness.

## GOVERNANCE OF PEOPLE

Each business has an independent HR function to ensure that it is responsive to key local requirements and priorities. The corporate office oversees the Group's people-related priorities by coordinating initiatives, setting minimum requirements and reporting on these to the remuneration & human resources committee and the Board. The Global HR Forum comprises global HR leaders who meet quarterly to plan initiatives, review policies and share knowledge and experiences. HR data is collated by the corporate office to ensure that our HR responses and reporting are appropriate and accurate. The Board receives reports on HR initiatives and performance.

## GOVERNANCE OF CORPORATE SOCIAL RESPONSIBILITY

The social & ethics committee is responsible for overseeing our Indigenous partnership programmes and BBBEE progress against the amended Construction Sector Code in South Africa. The Group CSR committee ensures that community initiatives are appropriate and well governed. It also oversees the CSI initiatives undertaken at corporate and project level across the Group. Stringent governance measures ensure that our investments and donations align to our Values, brand and community development strategies and genuinely benefit communities.





# Ethical business conduct

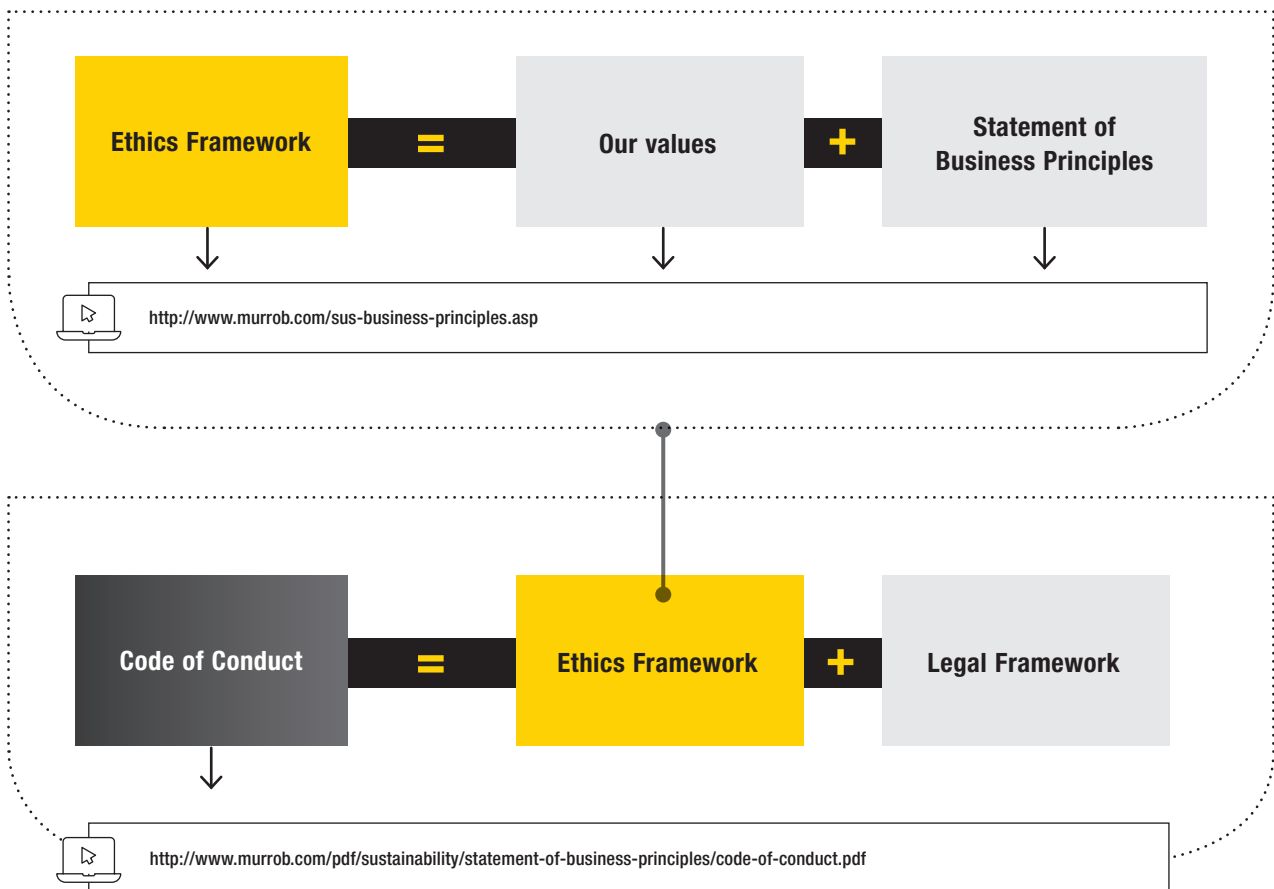
Corporate culture ultimately determines strategic choices and outcomes. The Murray & Roberts culture is tangible; it is rooted in our Values and binds our operations to the philosophy of *Engineered Excellence*. Our Values, Statement of Business Principles and Code of Conduct guide employees when acting for and on behalf of the Group in the pursuit of its strategic and business objectives. These pillars are the reference point for our decisions on policy positions, capital allocation, business practices and contracting principles, as well as how we manage performance and set our priorities.

During the pandemic, the Group's strength and resilience enabled it to adapt and continue to operate, delivering services to clients and contributing to economies and communities. We have

remained vigilant in maintaining our Values and the strong governance and ethical principles on which our reputation rests.

The Board and leadership team lead by example, maintaining an ethical culture through open and ethical decision-making. The social & ethics committee oversees the application of our Code of Conduct and the controls needed to prevent and combat bribery and corruption.

We expect every one of our employees to adhere to our high ethical standards, and all our businesses are expected to align with the Group's frameworks, standards and Values at a minimum, in tandem with all local laws, regulations and contracting norms.



Our Group Regulatory Compliance Framework focuses on the seamless integration of regulatory compliance (with risk management and internal audit) into business planning, execution and management.

## ETHICAL BUSINESS CONDUCT *continued*

**THE FOLLOWING THREE ELEMENTS ENSURE WE UPHOLD OUR REPUTATION FOR RESPONSIBLE AND ETHICAL CONDUCT:**

### 01 Code of Conduct

Our Code of Conduct supports ethically robust and defensible decision-making. It applies to our employees and all other stakeholders with whom we do business. Behaviours that depart from these principles are firmly sanctioned. The code and supporting policies are revised and updated regularly.

The induction programme for new employees and graduates emphasises the importance of the Code of Conduct and the Group's Values and communicates the Group's culture and performance expectations. Employees complete an online assessment of their understanding of and commitment to the code every two years. Various online courses and workshops across the business platforms also provide training on ethical business conduct.

### 02 Standards of good practice

We subscribe to and comply with the 10 business principles of the UN Global Compact and with the principles and standards of good practice of the OECD Guidelines for Multinational Enterprises.

### 03 Business practices

Group executives and senior management complete written declarations twice a year, confirming that they are aware of the Group's anti-corruption and bribery policies and are not aware of any instances where these policies, or competition law, have been infringed. For every tender submitted, everyone in a position of authority or influence in the preparation and authorisation of the tender formally declare that there was no unethical, unlawful or uncompetitive practice involved in the preparation and/or submission of the tender, and that they are not aware of anyone else affiliated with the tender directly or indirectly having committed any such malpractice. The declaration is binding throughout the project life cycle.

## REGULATORY COMPLIANCE

As a multinational organisation, regulatory compliance is complex and it is imperative that we comply across all jurisdictions with legal and other requirements that could materially impact our performance and sustainability. The Group employs a structured approach to evaluate potential compliance failures and ensures adequate responses to prevent and, where necessary, to mitigate any negative impact.

The Group regulatory compliance executive, with the assistance of internal audit, investigates and reports on:

The multiple regulatory environments applicable to our businesses.

The organisational controls in the jurisdictions in which we operate that ensure compliance with all applicable laws, rules, codes and standards.

The levels of compliance across the Group based on a comprehensive audit, monitoring and review plan.

The corrective actions and improvements required, including education and training, to address any identified control weaknesses or compliance failures.

## HUMAN RIGHTS

We endorse the prevailing rights in all jurisdictions of operation, including the right to collective bargaining, the right to peaceful industrial action and all other labour rights. We acknowledge the right of individuals to freedom of association, reject child and forced labour and respect the rights of Indigenous peoples.

## UNFAIR DISCRIMINATION AND EQUALITY

Discrimination in any form is viewed in a very serious light and appropriate disciplinary action is taken against offenders. We require all our employees, joint-venture partners and subcontractors to treat the people they encounter with dignity and respect. As a South African domiciled Group, we believe that it is not unfair discrimination to promote affirmative action in line with the national Employment Equity Act or to prefer any person on the basis of an inherent job requirement.

## ETHICAL BUSINESS CONDUCT *continued*

### SUPPLY CHAIN MANAGEMENT

Suppliers to Murray & Roberts are selected based on Group and client requirements and the regions in which our projects are based. The number of suppliers therefore varies year on year depending on the rate of projects started or completed. The variety of projects facilitated by Murray & Roberts means that our supplier base covers a wide array of goods and services.

The classification of mining as an essential service in several of countries generally mitigated the impact of COVID-19 on the supply chain; however, for the ERI platform the sourcing of large equipment and international skills was impacted, mostly due to travel restrictions and border closures. To support supply chain resilience, the ERI platform is focused on reducing reliance on foreign manufactured goods, accelerating local skills development, and convincing clients to review aggressive project schedules to accommodate COVID-19 restrictions.

Our joint-venture partners and subcontractors are required to comply with our Code of Conduct and high ethical standards, as well as our project delivery and HSE standards and systems as minimum best practice. We contract with suitably qualified business partners, identified using pre-qualification assessments, and our expectations are clearly set out in our contract agreements. During the onboarding phase, we clarify our performance expectations, and business partners receive induction and training to ready them for the project. Actual performance is monitored during execution and, where gaps are found, corrective measures are jointly implemented. Audits, regular leadership engagements and climate surveys are additional measures used to track joint-venture and subcontractor performance.

The periodic reviews and the completion of work review, yield valuable information for continuous improvement and whether to continue procuring services from the business partner in the future. This is also used to determine whether the business partner remains on the pre-qualified vendor list and has the potential to develop beyond a contracting relationship to a more sustainable partnering relationship.

### WHISTLE BLOWING

Employees, joint-venture partners, subcontractors and all concerned stakeholders are encouraged to report any incidents of workplace dishonesty and unethical behaviour within our operations, including discrimination, theft, fraud and corruption. The Deloitte Tip-Offs Anonymous hotline covers the corporate office, Mining platform globally and the PIW platform. The KPMG Fair Call hotline serves the ERI platform globally. Both hotlines are toll free and safeguard anonymous reporting of fraud, corruption or unethical behaviour. All reports are recorded in an incident register and thoroughly investigated.



### 2021 PERFORMANCE

- Internal audit found no major issues of non-compliance in its compliance reviews, including for our operations in Australia, Canada and the United States.
- No material fines or non-monetary sanctions for non-compliance with laws and regulations were received, no confirmed incidents of corruption reported and no legal actions pending regarding anti-competitive behaviour.
- We have not identified any operations within the Group where human rights violations are at risk. There were no incidents of violations involving the rights of Indigenous peoples.
- Ten cases (FY2020: 15) were reported to the whistle-blowing hotlines and investigated, with three still under investigation at the time of reporting. Appropriate action has been taken in each instance where unacceptable behaviour was confirmed.



# Data protection

Our long-term differentiation and competitiveness depends on meeting changing stakeholder expectations. A key enabler of this is our digital strategy to drive enterprise and project value. Our international platforms have several exciting initiatives underway to achieve these outcomes.

As an example, the ERI platform has been implementing a phased digital strategy since 2017. The strategy focuses on global technology standards, scalability and defining a data management framework, including streamlined data access management. Our objective is to work with our stakeholders to obtain data of value. One initiative is the collaboration between Clough and Indigenous landowners located near one of the platform's projects to obtain up-to-date knowledge on cultural heritage sites.

As the ERI platform's specific project and the Group's digital strategy accelerate, data protection and privacy controls require heightened management and oversight. Our Code of Conduct and Statement of Business Principles set out our expectations in terms of the treatment of confidential information concerning security, individuals, commercial, technical or contractual matters, as well as information protected by law and propriety information.

Information management is governed by a Group-wide standard, which establishes the principles for the effective management of information and applies to all business platforms, employees, subcontractors and third-party users in the Group. It defines business information as all information collected, produced, used and retained by the Group regardless of form (paper, electronic, or otherwise) and includes records related to the Group and its employees, clients and third-party service providers. Information owners are responsible for the implementation of the standard, tailored to the business practices and processes of their operations.

Our Statement of Business Principles also covers the gathering of information about our competitors as part of legitimate business planning. This must be done legally and ethically, without any direct or indirect improper means such as misappropriation, bribes or misrepresentation.

## CYBERSECURITY

The frequency and sophistication of cybercrime incidents globally is increasing. As more employees work remotely in line with changing workplace models and as the business platforms accelerate their digital strategies, the potential for disruption or damage to the Group caused by cyber breaches or attacks increases. The Group maintains robust cybersecurity frameworks to guard against these real threats.

Our IT systems are independently tested, and continual improvement is made to our IT Security Framework, including our security governance processes and technical defences. A cyber incident response procedure is in place. Our approach includes cybersecurity awareness programmes for employees, backup solutions to recover from breaches and insurance cover for cybercrime-related losses.

## 2021 PERFORMANCE

- We rolled out online learning courses on cybersecurity and data privacy, and raised awareness about the POPI Act, which came into effect in South Africa on 1 July 2021.
- We are updating the information management standard, which will be distributed to all operations so that they can update their particular information management standards and ensure that their employees who are responsible for working with and processing personal data understand their responsibilities.
- The Group is satisfied that it complies with the POPI Act requirements, and an audit review will be conducted of the actions taken.
- There were no cybersecurity breaches experienced during FY2021 and no data lost.
- Additional policies have been applied to various software solutions, and additional backup capabilities introduced. A Group-wide security maturity assessment was undertaken, measured against a minimum security baseline standard, to ensure adequate cyber protection.
- A Group-wide vulnerability management standard was launched, with the selection of new technology solutions underway to support the standard. This will assist with a more proactive response to data recovery and downtime.
- A cybersecurity assessment was conducted for the South African operation.



# 04 Additional information

ENVIRONMENTAL REPORT

SOCIAL REPORT

GOVERNANCE REPORT

ADDITIONAL INFORMATION



# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES INDEX

Detailed disclosure on our management of climate change-related issues can be found in our CDP submission at [www.murrob.com](http://www.murrob.com). At the time of reporting, we had submitted our 2021 disclosure; however, the CDP had not as yet released the results.

		More information
<b>Governance</b>		
<i>Disclose the organisation's governance around climate-related risks and opportunities.</i>	<b>Board oversight</b> Describe the Board's oversight of climate-related risks and opportunities.	CDP Climate Response 2020: C1.1 Governance of climate-related issues <b>PG 71</b>
	<b>Role of management</b> Describe management's role in assessing and managing climate-related risks and opportunities.	CDP Climate Response 2020: C1.2 Governance of climate-related issues <b>PG 71</b>
<b>Strategy</b>		
<i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, where such information is material.</i>	<b>Identify risks and opportunities</b> Describe the climate-related risks and opportunities over the short, medium and long term.	CDP Climate Response 2020: C2 Our ESG risks and opportunities <b>PG 14</b> Our climate change-related risks <b>PG 23</b> Positioned for a sustainable future <b>PG 27</b>
		CDP Climate Response 2020: C2 Our climate change-related risks <b>PG 23</b> Positioned for a sustainable future <b>PG 27</b>
		Our climate change-related risks <b>PG 23</b> Positioned for a sustainable future <b>PG 27</b>
	<b>Impact on investment strategy</b> Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	CDP Climate Response 2020: C2 Our climate change-related risks <b>PG 23</b> Positioned for a sustainable future <b>PG 27</b>
	<b>Resilience of investment strategy</b> Describe the resilience of the organisations strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our climate change-related risks <b>PG 23</b> Positioned for a sustainable future <b>PG 27</b>
<b>Risk management</b>		
<i>Disclose how the organisation identifies, assesses, and manages climate-related risks.</i>	<b>Processes for identifying and assessing risks and opportunities</b> Describe the processes for identifying and assessing climate-related risks.	CDP Climate Response 2020: C2.2
	<b>Processes for managing risks and opportunities</b> Describe the processes for managing climate-related risks.	CDP Climate Response 2020: C2.1, C2.2 and C2.3
	<b>Integration into risk management processes</b> Describe how the processes above are integrated into existing risk management processes.	CDP Climate Response 2020: C2.1, CC2.2 and C2.3 Our climate change-related risks <b>PG 23</b>
<b>Metrics and targets</b>		
<i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</i>	<b>Disclose the metrics</b> Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	CDP Climate Response 2020: C2.2a, C2.3a, C2.4a and C11.3a
	<b>Disclose emissions</b> Disclose Scope 1, Scope 2, and, if appropriate, Scope 3, greenhouse gas emissions, and the related risks.	Climate change <b>PG 22</b>
	<b>Disclose the targets</b> Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	CDP Climate Response 2020: C4.1 Climate change <b>PG 22</b>



## GLOSSARY

<b>BBBEE</b>	Broad based black economic empowerment
<b>CDP</b>	Formally the Carbon Disclosure Project
<b>CEO</b>	Chief executive officer
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>CO<sub>2</sub>e</b>	Carbon dioxide equivalent
<b>CRM</b>	Critical Risk Management
<b>CSI</b>	Corporate social investment
<b>CSR</b>	Corporate social responsibility
<b>EPC</b>	Engineering, procurement and construction
<b>ERI</b>	Energy, Resources & Infrastructure platform
<b>ESC</b>	Employee support coordinator
<b>ESG</b>	Environment, social and governance
<b>GRI</b>	Global Reporting Initiative
<b>HR</b>	Human resources
<b>HSE</b>	Health, safety and environmental
<b>KCMD</b>	Kitikmoet Cementation Mining and Development Ltd
<b>King IV</b>	King Report on Corporate Governance for South Africa (2016)
<b>KPI</b>	Key performance indicator
<b>LTIFR</b>	Lost time injury frequency rate
<b>MAP</b>	Major incident prevention
<b>MRTA</b>	Murray & Roberts Training Academy
<b>MW</b>	Megawatt
<b>NGOs</b>	Non-governmental organisations
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>OBPS</b>	Output-based pricing system (Canada)
<b>PIW</b>	Power, Industrial & Water platform
<b>POPI</b>	Protection of personal information
<b>PPE</b>	Personal protective equipment
<b>PNG</b>	Papua New Guinea
<b>PV</b>	Photovoltaic
<b>RAP</b>	Reconciliation Action Plan
<b>REIPPP</b>	Risk mitigation power purchaser
<b>RMPP</b>	Renewable Energy Independent Power Producer Procurement
<b>SETA</b>	Sector education and training
<b>SME</b>	Small- and medium-sized enterprises
<b>STEM</b>	Science, technology, engineering and mathematics
<b>TB</b>	Tuberculosis
<b>TCFD</b>	Task force on climate-related financial disclosure
<b>TRAC</b>	Technology Research Activity Centre
<b>TRCR</b>	Total recordable case rate
<b>UK</b>	United Kingdom

# INDEPENDENT ASSURANCE REPORT

## TO THE DIRECTORS OF MURRAY & ROBERTS LIMITED

### INTRODUCTION

IBIS ESG Consulting Africa (Pty) Ltd (IBIS) has been engaged by the Directors of Murray & Roberts Limited (Murray & Roberts) to perform an independent assurance engagement in respect of selected sustainability information included in its Sustainability Report (the report) for the year ended 30 June 2021 (1 July 2020 – 30 June 2021). This assurance report is produced in accordance with the terms of our engagement letter signed 19 March 2021.

IBIS is an independent provider of sustainability assurance services. This engagement was conducted by a multidisciplinary team of assurance specialists with extensive experience in sustainability reporting. The assurance team was led by Petrus Gildenhuys who has more than 25 years' experience in sustainability performance measurement involving both advisory and assurance work.

### SCOPE AND SUBJECT MATTER

The scope of the subject matter for limited assurance in accordance with the ISAE3000 (Revised) assurance standard, as captured in the agreement with Murray & Roberts, included the following selected disclosures relating to material sustainability issues and commitments covering the total Murray & Roberts Group:

#### Environment:

- Scope 1 and Scope 2 (location-based) Greenhouse Gas (GHG) emissions as defined by The GHG Protocol: A Corporate and Accounting Standard – Revised Edition (WRI & WBCSD, 2004) ("GHG Protocol") from:
  - + Diesel used (mobile)
  - + Diesel used (stationary)
  - + Petrol used
  - + Electricity purchased
- Total amount of energy used
- Total water withdrawal

#### Safety:

- Number of fatalities
- Lost Time Injury Frequency Rate (LTIFR)

IBIS' responsibilities do not extend to any other disclosures or assertions.

### RESPECTIVE RESPONSIBILITIES

#### Murray & Roberts

The Directors of Murray & Roberts are responsible for the generation, collection and presentation of the selected sustainability information within the Report. Murray & Roberts is also responsible for maintaining adequate records and internal controls that support the reporting process during the reporting period.

#### IBIS

IBIS' responsibilities were to conduct an assurance engagement and to report its conclusions to the Directors in accordance with the assurance procedures followed.

IBIS conducted the engagement in alignment with the International Standard on Assurance Engagements (ISAE) 3000(Revised), Assurance engagements other than audits or reviews of historical financial information issued by the International Auditing and Assurance Standards Board, which Standard inter alia requires that the assurance practitioner follows due process and comply with ethical requirements.

## ETHICAL BUSINESS CONDUCT *continued*

### SUMMARY OF WORK PERFORMED

Murray & Roberts provided IBIS with the relevant supporting information and documentation related to the selected sustainability information reported. IBIS applied the Murray & Roberts' corporate Data Reporting Standards, the Global Reporting Initiative (GRI) Standards, as well as the GHG Protocol (for environmental indicators) as audit criteria in respect of the underlying data in the scope of the assurance engagement. IBIS' limited assurance procedures, based on our professional judgement, consisted of:

Testing	Interviews	Inspection	Assessing	Reporting
Testing, on a sample basis, the measurement, collection, aggregation and reporting processes in place	Interviews with relevant functional managers at Murray & Roberts to understand and test the processes in place for maintaining information in relation with the subject matters in the assurance scope	Inspection and corroboration of supporting evidence to evaluate the data generation and reporting processes against the assurance criteria	Assessing the presentation of information in the Sustainability Report relevant to the scope of work for consistency with the assurance observations	Reporting the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process

### INHERENT LIMITATIONS

The reliability of the reported sustainability data is subject to inherent uncertainty, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Due to the global Covid-19 pandemic related travel restrictions all assurance work was desktop based. Evidence to support information reported was obtained electronically for review and assessment as a basis for our assurance conclusion. Readers of the Sustainability Report are cautioned to understand this inherent limitation.

In addition, the evidence gathering procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

### OTHER MATTERS

The maintenance and integrity of the Murray & Roberts website is the responsibility of Murray & Roberts' management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the report or our independent assurance report that may have occurred since the initial date of presentation on the Murray & Roberts website.

### RESTRICTION OF LIABILITY

Our work has been undertaken to enable us to express the opinion and conclusions on the selected sustainability information to the Directors of Murray & Roberts in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume responsibility to any third parties i.e. other than the Directors and the company, for our work or for this report to the fullest extent permitted by law, save where such third parties have obtained our prior written consent.

### ASSURANCE CONCLUSION

We believe that the information provided by Murray & Roberts and the work performed by IBIS are sufficient and appropriate to form a basis for our limited assurance conclusion.

In our opinion, and based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the selected sustainability information set out in the assurance scope above and prepared for the year ended 30 June 2021, is not fairly represented in all material respects.



**PETRUS GILDENHUYS**

Director, IBIS ESG Consulting Africa (Pty) Ltd

Johannesburg  
23 September 2021

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***Engineered Excellence*** is an operating philosophy of planning in detail for the outcomes we want to achieve. To embrace ***Engineered Excellence***, we must apply rigour and discipline in everything we do and remove chance from the objectives we pursue.



*Cover image*

**MURRAY & ROBERTS CEMENTATION**

De Beers Venetia Mine, Limpopo Province, South Africa