


**Murray
& Roberts**

**CHANGING LIVES
THROUGH EDUCATION &
SKILLS DEVELOPMENT**





“ Murray & Roberts’ heritage and legacy is deeply rooted in South African history, having gained prominence as the leading engineering, procurement and construction contractor in South Africa over the past 10 decades. ”

EXECUTIVE SUMMARY

Domiciled in South Africa, Murray & Roberts has a strong focus on resource-driven construction markets in mining, oil & gas and power & water in Africa, the Middle East, Southeast Asia, Australasia and North and South America.

As a Group, Murray & Roberts has a vested interest in the well-being of our employees, host communities and the local economies in which we operate. We therefore remain committed to adherence with legislation, codes of good practise and embedding appropriate business practises that promote socioeconomic growth, in a sustainable way.

The Group has transformed its business practices over the years in line with the changing political, economic

and social landscapes across the geographies where we are located. Likewise, community development practices within the Group have also been rigorously reviewed. In FY15, our South African businesses adopted a new Integrated Community Development (ICD) framework. The rationale for the integrated approach was informed by a combination of business and socioeconomic development imperatives within South Africa, including the need to strengthen integration between programmes; leverage funding across existing programmes; expand Murray & Roberts’ development footprint; enhance brand value and improve stakeholder relations.

After **one year of implementation**, the impact of the integrated approach has been widespread. In the South African context, partnerships with **40 organisations** assisted us to impact **20 000 beneficiaries** across various phases on the education pipeline and in all South African provinces..

Notable community projects were also initiated by Murray & Roberts subsidiaries based in Africa and abroad and despite the vast distances in location, there are common features within our community engagement strategies.

The following report outlines the strategy, implementation and impact of Murray & Roberts’ social investment in South Africa and also highlights the value and impact of the Group’s contribution to community development across the world.



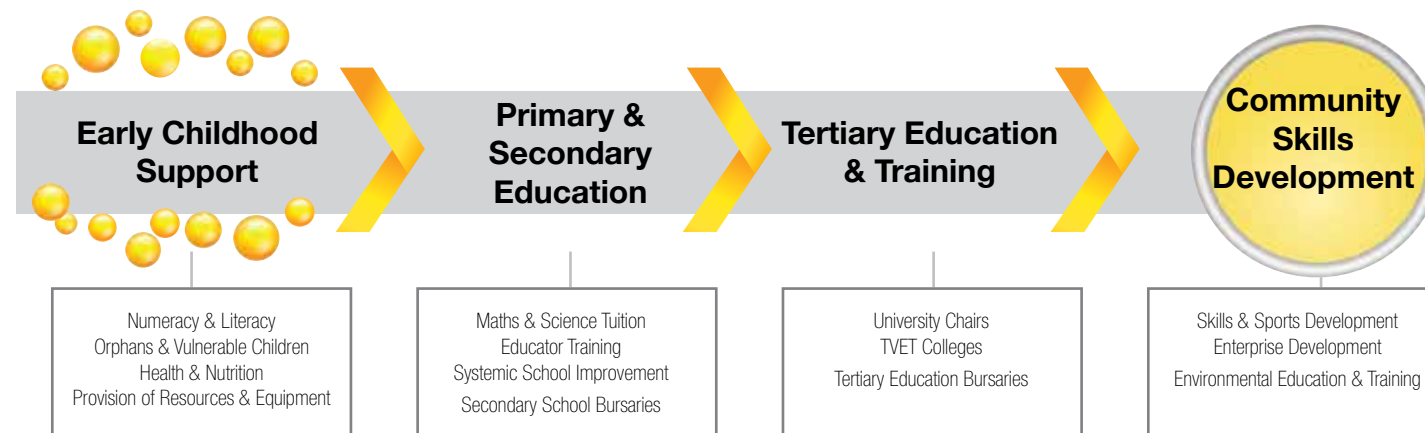
SOUTH AFRICAN PERSPECTIVES

PROGRAMME OVERVIEW

Recognising that education and skills development are key drivers in addressing poverty, unemployment and economic growth, the Integrated Community Development (“ICD”) approach is geared towards providing support and engagement across all

phases of the education pipeline. Consultations with development partners and thought leaders in the sector confirm that high levels of unemployment, low throughput rates across tertiary institutions and stunted entrepreneurial growth is attributed to limited skills development opportunities

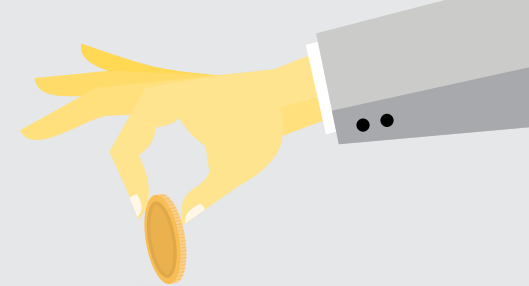
and poor academic outcomes in the formative education phases. Against this backdrop, Murray & Roberts adopted a four-tiered strategy as the conduit through which we aim to redress inequalities of the past, address critical skills shortages and build the social capital required to sustain growth.



NEW STRATEGY

In contrast to the former strategy, the revised approach promotes a composite focus within each tier. Traditionally, funding was primarily allocated to support education interventions, with limited consideration for competing issues such as life skills, health, nutrition and resources. The new strategy also places more deliberate emphasis on progression of learners across the education continuum, consistent tracking of learner performance, facilitating opportunities for further study, work integrated learning and employment opportunities.

During FY15, Murray & Roberts disbursed **R23.7 million** in support of community development interventions across South Africa. This figure represents the combined expenditure for the ICD programme, including operational overheads. Although the overall funding was derived from four distinct budgets as outlined below, mixed and matched funding across budgets enabled us to implement all aspects of the integrated strategy.



FINANCIAL EXPENDITURE

Murray & Roberts Child Welfare Fund

Funded through voluntary employee payroll giving, annual Golf Day and adhoc fundraising



Letsema Khanyisa Employee Benefits Trust

Funded through dividend income from shareholding in Murray & Roberts Holdings Limited



Corporate Social Investment

% of NPAT of South African operations



Letsema Sizwe Community Trust

Funded through dividend income from shareholding in Murray & Roberts Holdings Limited



R9.2 million (39%)

of the total budget was allocated to support interventions across primary and secondary schools. The funds were spread across learner tuition programmes, fixed and mobile laboratories, educator development programmes, the National Education Collaboration Trust (NECT) and secondary school bursaries for children of qualifying Murray & Roberts employees.

The second largest beneficiary of funding was tertiary education and training, receiving **R8.7 million (37%)** in support of University Chairs, life skills training for employees and tertiary education bursaries.

Community skills development, being the most recent addition to the integrated framework, received **R2.1 million (9%)** which was allocated to implementation of the Jack Cheetham & Letsema Awards, the Medupi Leadership Initiative and environmental education.

R2.2 million

(9%) of the annual budget was allocated to staff costs, operational overheads and travel associated with stakeholder engagement, and project site visits.

The minority share of the budget (2%) was allocated to smaller, once-off donations in support of early childhood development, while 4% was allocated to maintain strategic partnerships with the National Business Initiative, to fund discretionary projects in communities where we operate and to facilitate employee community involvement.





PROGRAMME HIGHLIGHTS

Acres of Love
AMT Community Development
Angels Baby Sanctuary
Baby Moses Sanctuary
Boots for Dreams
Cape Mental Health
CHANCE Children's Home

Community Keepers
Diepsloot ECD
Haven's Nest
Joshua's House
Lambano Sanctuary
Music Enlightenment Project
New Jerusalem Children's Home

Nkosi's Haven
Princess Alice Adoption Home
Rally to Read
Touch Life Centre
Salvation Army
Western Cape Cerebral Palsy

Early Childhood Development

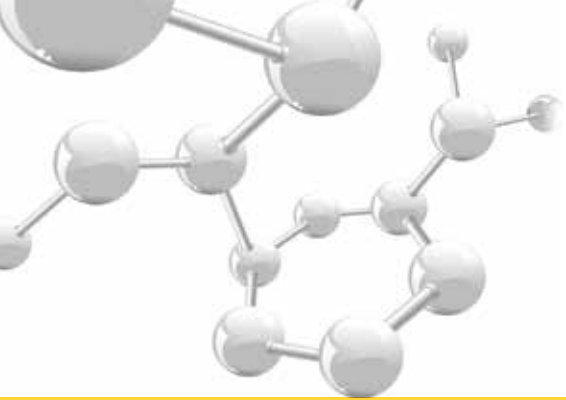
Within the new strategy early childhood has a dual focus, encompassing general support for orphans and vulnerable children as well promoting numeracy and literacy skills within early learning centres.

Previous engagement with and support for the DG Murray Trust's research into social franchising for early childhood development (ECD) culminated in the establishment of the SmartStart ECD franchise which was launched in May 2015. No further financial investment has been made to the SmartStart model, however engagements with the DG Murray Trust and ECD Resource Training organisations are ongoing.

The total income for early childhood

support was **R368 585**, raised through voluntary employee payroll giving, income from the annual Golf Day and matched funding from the Letsema Sizwe Community Trust. A total of R368 585 was distributed to 20 organisations that focus exclusively on supporting orphans and vulnerable children.





PROGRAMME HIGHLIGHTS

Primary & Secondary School Support

Maths, Science & Technology Education

Academic achievement and throughput across primary and secondary schooling is critical in terms of building a steady pipeline to feed tertiary institutions and the future workforce in general. The quality of education in many public schools however undermines the attainment of these goals. Although pockets of excellence exist within the public sector and must be lauded, the majority of schools are confronted with infrastructure, resource, management and pedagogical challenges.

During the current reporting period, Murray & Roberts invested **R6.7 million** into primary and secondary school support. The funds were distributed to six partner organisations, who collectively address a range of learner, educator and systemic needs within education. The funding enabled us to expose approximately 10 000 learners to additional tuition, practical experiments, holiday school programmes, excursions and vocational guidance opportunities.

Reports from our partners indicate steady improvements in overall pass rates and quality of achievements for a notable number of learners. In addition, it was reported that academic results in intervention schools surpassed the provincial and national standards at the

end of December 2014.

These achievements are significant as they affirm our commitment to providing quality learning experiences for underprivileged learners and demonstrate the transformative power of social investments in education.

Go for Gold Gauteng

FY15 marked the launch of the Go for Gold – Gauteng project. Murray & Roberts plays a leading role in this project, currently funding 10 students completing 'phase 1' of the four-phase programme. Phase 1 involves intense tuition in maths, science and English during grades 11 and 12. Phase 2 commences in 2017, when the students will be absorbed into Murray & Roberts Construction as interns, before commencing with studies in the Built Environment in 2018.

79
bursars

19
new
bursaries
awarded in
2014

63%
Female

100%
of bursas
are Black

25
Grade12
bursars

Average
bursary cost
-
R25 500

PROGRAMME HIGHLIGHTS

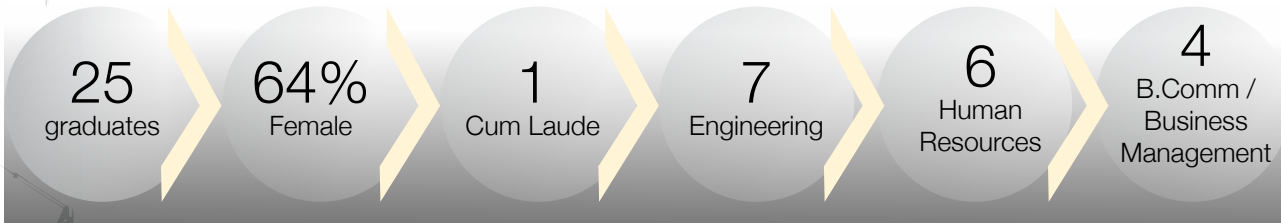


Secondary education bursaries

Over the last eight years, Murray & Roberts through its Letsema Khanyisa Employee Benefits Trust, has provided fully paid secondary education bursaries to children of qualifying employees. The projected expenditure for secondary education bursaries was R3 million in support of 79 secondary school bursars. At the

end of FY15, Murray & Roberts distributed **R2.5 million** in support of tuition fees, uniform, stationery, transport and in some instances, hostel accommodation. Nineteen new bursaries, valued at R722 000, were awarded during FY15.

The bursary programme is not limited to financial support but includes telephonic and face-to-face support, vocational guidance, academic targeting and study-skills support where necessary. This year we also provided supplementary study and exam preparation guides to our grade 12 learners, while all learners doing mathematics received the My Maths Buddy dictionary.



PROGRAMME HIGHLIGHTS

Tertiary Education & Training

The tertiary education and training programme embodies our commitment to building a steady stream of qualified professionals that will serve the engineering and construction industry and the South African economy as a whole.

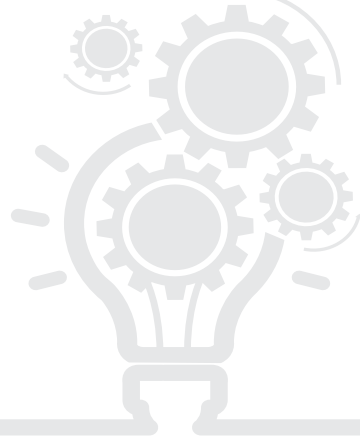
We have invested in two targeted programmes, geared towards academic training and qualification, as well as general transformation of the talent pool.

The total funding allocated to this focus area amounted to **R8.7 million** of which **R1.9 million** was distributed to two University Chairs.

During FY2015, **R6 million** was spent on direct bursary costs, in support of 65 tertiary bursars. These costs included tuition fees, textbook and student allowances as well as accommodation costs. The payment also included management fees to the bursary service provider and travel associated with face-to-face support. Twenty two new tertiary bursaries were awarded during FY15, amounting to **R1.6 million.**

The remaining funds were allocated to activities aimed at supporting our tertiary bursars, including financial literacy training, site visits and paying for stipends during their practical training.

Tertiary education within this programme is not limited to engineering disciplines but covers a range of studies across academic and technical fields. 62% of the current bursars are enrolled at universities and universities of technology while the remaining 38% are registered at a series of public and private colleges.



We are also proud to report that 25 students completed their studies and graduated during this period.



PROGRAMME HIGHLIGHTS

Community Skills Development

Jack Cheetham & Letsema Awards

In 2014, we celebrated the 33rd anniversary of the Jack Cheetham & Letsema Awards. Through the awards, we continue the legacy of the former cricket captain, promote sports development and inspire a culture of excellence among aspirant sports stars.

Six new organisations were appointed as beneficiaries of the prestigious award. Diepsloot Mountain Bike Academy was the winner of the 2014 Jack Cheetham Award, while Free State Sports Association for the Physically Disabled scooped first prize at the Letsema Award. Both organisations will receive R500 000 to be distributed over a five-year period. The runners-up in each category

(Olympians Wrestling and Flairs Gymnastics) will receive R150 000 over three years and second runners-up receive R75 000 each.

We distributed a total of **R1 532 000** to 20 Jack Cheetham & Letsema Award recipients who are based in five provinces.

Medupi Leadership Initiative

Murray & Roberts' participation and investment in the Medupi Leadership Initiative demonstrates genuine appreciation for the inextricable link between business and its social surroundings. Since 2012, we have invested substantial financial and human resources into this partnership programme which aims to address sustainable employment around the Medupi Power Station. The initiative comprises several

programmes which were initiated to mitigate the impact of demobilisation, facilitate ongoing skills development and create job opportunities after the Medupi project. Although the programmes were initially intended solely for demobilised employees, implementation has been extensive. Considered stakeholder engagements, collaborative approaches and general cooperation between all affected parties has resulted in widespread impact in the broader community.

Murray & Roberts has demonstrated commitment and leadership across several sub-programmes within the initiative, but has invested significantly in creating job opportunities in the green economy, as well as financial literacy training projects. During the current reporting period the following investments were made, catalysing far-reaching impacts:



Financial Literacy Training FY15

R628 679

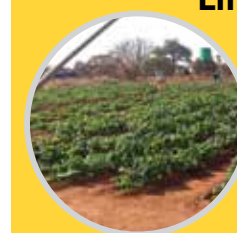
disbursed

14 720

employees and community members exposed to Financial Literacy Training

1 525

employees completed Drive Your Life (Change Management) Training



Environment and the Green Economy FY15

R342 000

disbursed

1 037

beneficiaries to date

726

currently employed across 3 work streams (398 Medupi employees)



EMPLOYEE COMMUNITY INVOLVEMENT

Employee community involvement (“ECI”) is gaining traction within our South African businesses. The Murray & Roberts Child Welfare Fund is our flagship ECI programme, being in existence for over 50 years - funded and managed by employees on a voluntary basis.

Interest in and commitment by employees has increased over time and this has prompted the inclusion of additional ECI opportunities. Murray & Roberts acknowledges the profound effect of ECI on staff morale, camaraderie among employees, the impact of structured employee engagement and the associated reputational value. We aim to coordinate between two and three structured opportunities for employee engagement each year and also support employees who volunteer

time and resources in their private capacity.

For the year under review, employees from Murray & Roberts Limited participated in Mandela Day activities, building a Wendy house that was donated to the Abraham Kriel Children’s Home. We also launched a Women’s Forum for Professional Development and representatives from the forum engage in voluntary mentoring and fundraising activities, primarily focused on women’s empowerment.

A notable highlight around employee engagement was the participation of an executive director, Mr. Ian Henstock in the 702 CEO Sleep Out on 18 June 2015. Funds raised through this initiative were donated to Boys & Girls Town South Africa.

Within the South African context community development operates within the framework of Broad-based Black Economic Empowerment (“BBBEE”), under the auspices of socioeconomic development.

LOCAL CONTENT

Within this framework, businesses are expected to respond to and address a host of needs, specifically within communities that are in close proximity to their operations.

Several business divisions within Murray & Roberts have projects around South Africa and have line-of-sight into the multitude of socioeconomic needs within host communities. Through participation in stakeholder and community forums, representatives from these businesses have embedded themselves into these communities, established relationships, assessed local needs and initiated additional projects to support local community development. During FY15, Murray & Roberts Construction and Murray & Roberts Cementation actively engaged in localised community support, initiating additional projects within host communities.



Murray & Roberts Infrastructure
Concor Karena Joint Venture
Medupi Power Station
Reabetswe Village
Construction of new creche



Murray & Roberts Cementation
Cullinan Diamond Mine
Cullinan Combined School
Food hampers for orphans & vulnerable children



Murray & Roberts Infrastructure
Noupoort Wind Farms
Noupoort Village
Repairs to damaged roofs of 50 households

“ Interest in and commitment by employees has increased over time ”



ZAMBIA Murray & Roberts Cementation

Implemented in partnership with non-governmental organisations

Priority projects include:

- Youth, women and people living with disabilities
- Infrastructure support
- Resources and equipment

Murray & Roberts businesses outside South Africa have invested significant human and financial resources into community development. These investments have been responsive to local contexts, resulting in the adoption of locally appropriate projects, promoting employee engagement and supporting national issues.

Murray & Roberts Cementation (Zambia) supports a number of projects in partnership with non-governmental organisations, including those supporting youth, women and people living with disabilities. During FY15, their flagship project was the Zambia Deaf Youth and Women (“ZDYW”) Initiative, which advocates for the rights of people with disabilities.

The organization operated from rented space in a local Internet Café but found that this created limitations on their work. The donation of land and erecting a bigger structure would enable them to expand their work and offer more services to their beneficiaries.

Cementation Zambia assisted by providing the materials and labour needed to complete their new building, which includes a computer training centre and restaurant. The value of materials and labour donated by Cementation Zambia was estimated to be around **ZMW 110 000.**

FLAGSHIP PROJECT Zambia Deaf Women & Youth Organisation

AUSTRALIA Clough

Implemented and funded through the Clough Foundation

Priority projects include:

- Children and youth
- Education
- Women’s empowerment Arts
- Healthy communities
- Indigenous people



BEYOND BORDERS

In Australia, **Clough** has adopted a two-pronged approach to community engagement and support. Project support and funding is primarily provided through the **Clough Foundation** and through sports and industry sponsorships.

Community engagement and financial support is guided by Clough’s 6-pillar approach to corporate social responsibility, focusing specifically on children and youth; education; art; healthy communities; women’s empowerment; and support for indigenous people. The 6-pillar approach is aligned to Clough’s geographic and operational focus areas and lays the foundation for the direction of philanthropic investment.

During FY15, notable projects included the partnerships with Perth Glory and Western Force, marking the third year of sponsorship for these sports projects, which both instil national pride while simultaneously promoting sports development and healthy, local communities.

In line with the Group’s pursuit of Engineered Excellence, Clough continues to support education through the provision of scholarships. During the current reporting period, Clough distributed A\$ 50, 000 to Masters students engaged in professional engineering studies.

BEYOND BORDERS

Cementation Canada has adopted a very unique approach to community development and support. Like many of the businesses within the Group, Cementation Canada promotes healthy lifestyles and communities, funds sports development and promotes science and technology education.

The company has implemented a donation policy which allows each employee to request a maximum of C\$ 500 per annum to support specific charities. If the charities are approved, funds are paid and employees are encouraged to undertake additional fundraising to match the company contribution. Employees are

also encouraged to volunteer their time at these organisations. The company encourages its employees to participate in local sporting events that intend to raise funds for local charities like hospitals, schools etc.

During FY15, Cementation Canada actively promoted community engagement, resulting in 103 charitable organisations and community events being supported.

A total of **C\$ 47,000** was donated to projects across Canada.

Cementation CANADA

Driven through employee volunteering, supported by matched funding

Priority projects include:

- Environmental awareness/conservation
- Health
- Child welfare support
- Trauma centres
- Science and technology Education
- Sports

A number of daring Cementation employees participated in the February 21, 2015 "Coldest Night of the Year" walk/run, joining thousands of Canadians across the country in 80+ cities, walking to raise funds for select Canadian charities who serve the hungry and homeless.

