



**Murray
& Roberts**

**GROUP
SUSTAINABILITY
REPORT** 2023

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BOOK REFERENCES



ONLINE REFERENCES



Additional information online

Sustainability framework
Governance of sustainability
Risk management
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Social management – Our employees
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2023 Indicator report
2023 Task Force on Climate-related Financial Disclosures Index
United Nation's sustainable development goals
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King IV application register



About this report

Change in strategy and structure

The full impact of pandemic-related disruptions and cost inflation due to the Russia-Ukraine war on our international energy, resources and infrastructure ("ERI") projects portfolio, occasioned a dramatic loss of revenue and earnings potential during the reporting year. Ultimately, the Group's holding company in Australia, Murray & Roberts Pty Ltd ("MRPL"), and one of MRPL's main subsidiary companies, Clough, were placed under voluntary administration. The Group as a consequence lost control of both MRPL and Clough, and also of RUC Cementation Mining Contractors Pty Ltd ("RUC"), a subsidiary of MRPL. What amounted to the loss of the ERI platform has changed the structure and strategy of the Group, which is now predominantly focused on providing specialist engineering and contracting services in the global mining market sector, through our Mining platform. We retain a further interest in power, industrial and water markets in Southern Africa, through our PIW platform.



Group chief executive's and financial director's report (2023 Annual Integrated Report: PG 26)

Change to our reporting approach¹

As a result of these changes, we have reconceived and reformatted our suite of reports to provide stakeholders with the information they require to assess our value and impact, in a clear, connected and user-friendly way. Our integrated report is more focused and concise, and this year's sustainability report focuses on performance against our ESG priorities and

indicators. Detailed disclosure on our approach to managing our ESG risks, opportunities and impacts can now be found on our corporate website. Readers are encouraged to read this report together with the website disclosure.

We will re-evaluate our reporting approach next year, considering stakeholder feedback and information needs, particularly as ESG reporting becomes more demanding and technical to meet expectations of transparency, measurability and standardisation from international frameworks and ESG ratings agencies.

Our reports this year are interactive, making it easier for readers to move between information within and outside the report.



The definitions of all acronyms used in this report can be found in the glossary

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Scope and boundary

The sustainability report covers the period 1 July 2022 to 30 June 2023 (FY2023). It provides an overview of the Group's ESG risks, opportunities and outcomes for the year, including our wholly owned business platforms, our joint ventures where we exercise significant influence and our investments. The report also includes the issues that matter most to our stakeholders and a narrative view of any material ESG issues that involve our subcontractors. Subcontractors are included in our health and safety KPIs and our environmental incident metrics.

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

¹ In the integrated report, MRPL, Clough and RUC Cementation have been reported as discontinued operations and deconsolidated from the Group with effect from 5 December 2022. However, certain prior year data in the sustainability report still includes contributions from companies now deconsolidated from the Group.

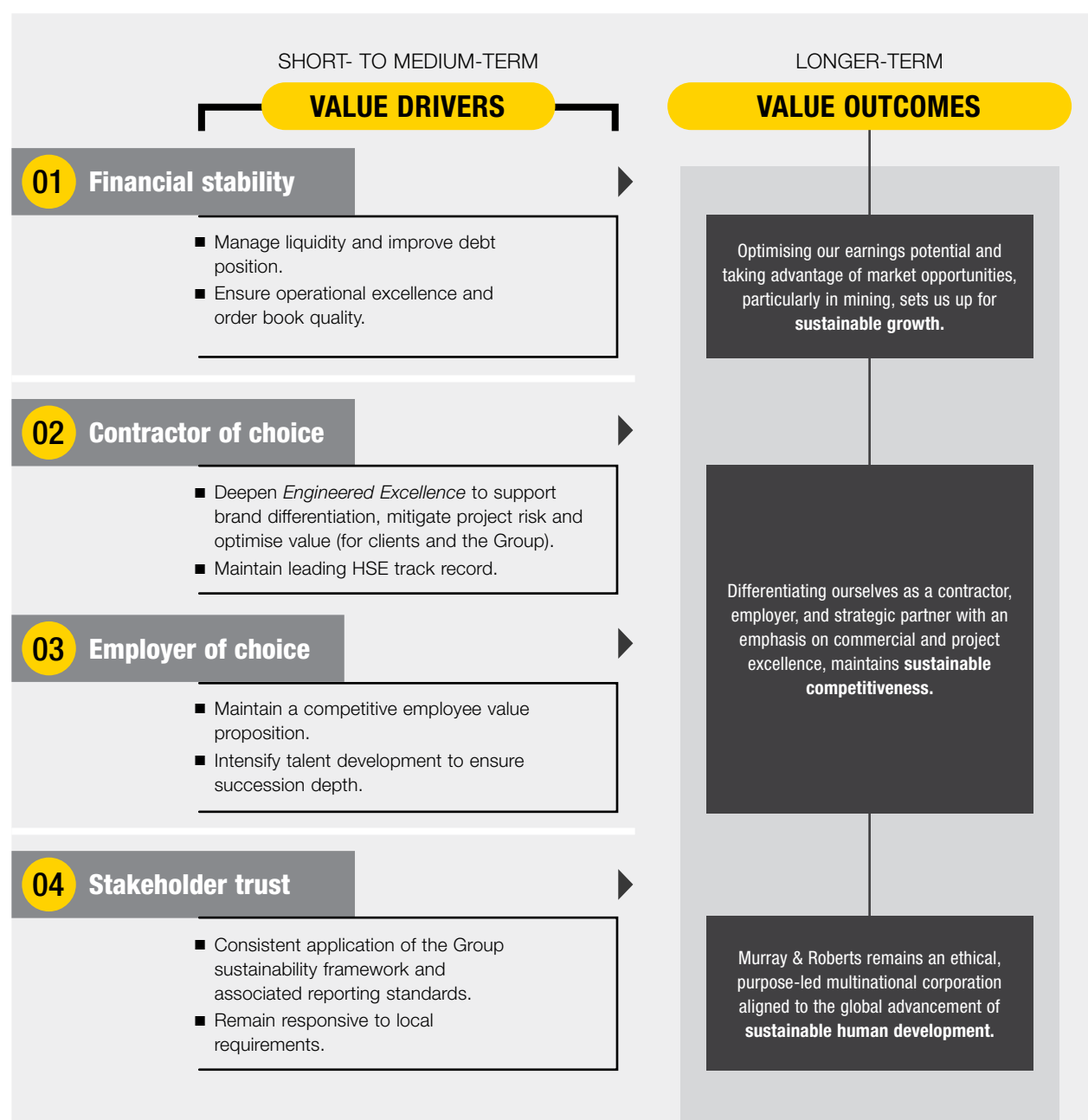
About this report *continued*

Materiality and time horizons

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 are reported in terms of three longer-term value outcomes: sustainable growth, sustainable competitiveness, and sustainable human development.

Achieving financial stability is the priority in the short (FY2024) to medium (FY2025-2026) term as we reset the base for sustainable growth. We are confident that the market prospects of our two business platforms put a return to the Group's pre-pandemic historical earnings trend within reach in this timeframe.

These three-year objectives are underpinned by our purpose-led commitment to sustainable human development and associated objectives for the long term (beyond FY2026) – in response to the concerns of our employees, clients, business partners, suppliers, local communities and global society – as befits our status as a good corporate citizen and indeed, a Group with a future.



Our material issues (2023 Annual Integrated Report: PG 26)

About this report *continued*

Reporting frameworks

Our sustainability report has been prepared in accordance with King IV™¹, the GRI Standards (at a core application level), the TCFD and the UN SDGs.



GRI Standards content index



TCFD index



UN SDG report

Process disclosures

The integrity of the integrated and sustainability reports is supported by a mature and effective process:

- The reporting team, with support from specialist external reporting partners, is led by the Group investor and media executive, who has unfettered access to the Group chairman, Group executives and platform leadership during the reporting preparation process.
- A paper setting out the reporting approach and areas of improvement, based on developments in reporting frameworks and the expectations of stakeholders, is presented to the

Murray & Roberts Limited and Holdings Limited Boards at the outset of report planning, giving the directors the opportunity to guide the process.

- Interviews with the Group chairman, chief executive and financial director as well as an executive workshop determined our material issues for this reporting cycle. The Group chief executive, financial director, the executive responsible for risk and HSE, Group Advisor (former commercial director) and the investor and media executive attended the workshop. The material issues were tested in the interview with the chairman for Board insight. The material issues were used to prepare this report.
- The information in the sustainability report is drawn primarily from content submitted by relevant Group functions, as well as the platform reviews drafted by the platform CEOs, which can be found in the integrated report.
- The executive for risk and HSE reviews all content during the drafting process, and is assisted by the executive of leadership and succession and others, where required. These reviews occur before formal approval is received from the social & ethics committee, whose responsibility is delegated to it by the Board.

Assurance

Our independent sustainability auditors, GRIPP Advisory Pty Ltd, provided limited assurance over selected non-financial KPIs. EmpowerLogic provided independent ratings on our BBBEE performance.



Independent limited assurance report

PG 47



BBBEE scorecard

Approval

The social & ethics committee, which is responsible for ensuring the integrity of the sustainability report, believes that the report addresses all of the Group's material ESG issues. The committee approved the report on 29 August 2023.

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.

¹ King IV copyright: copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

Reporting suite

2023 ANNUAL INTEGRATED REPORT



Our annual integrated report for the year ended 30 June 2023, presents the strategy, governance, performance and prospects of the Group. The platform reviews and full annual financial statements are included in the report

CORPORATE GOVERNANCE INFORMATION



Full governance report, including Board committee reports and record of attendance



King IV application register

ALSO AVAILABLE ONLINE



Notice of annual general meeting



Form of proxy



INFORMATION ONLINE

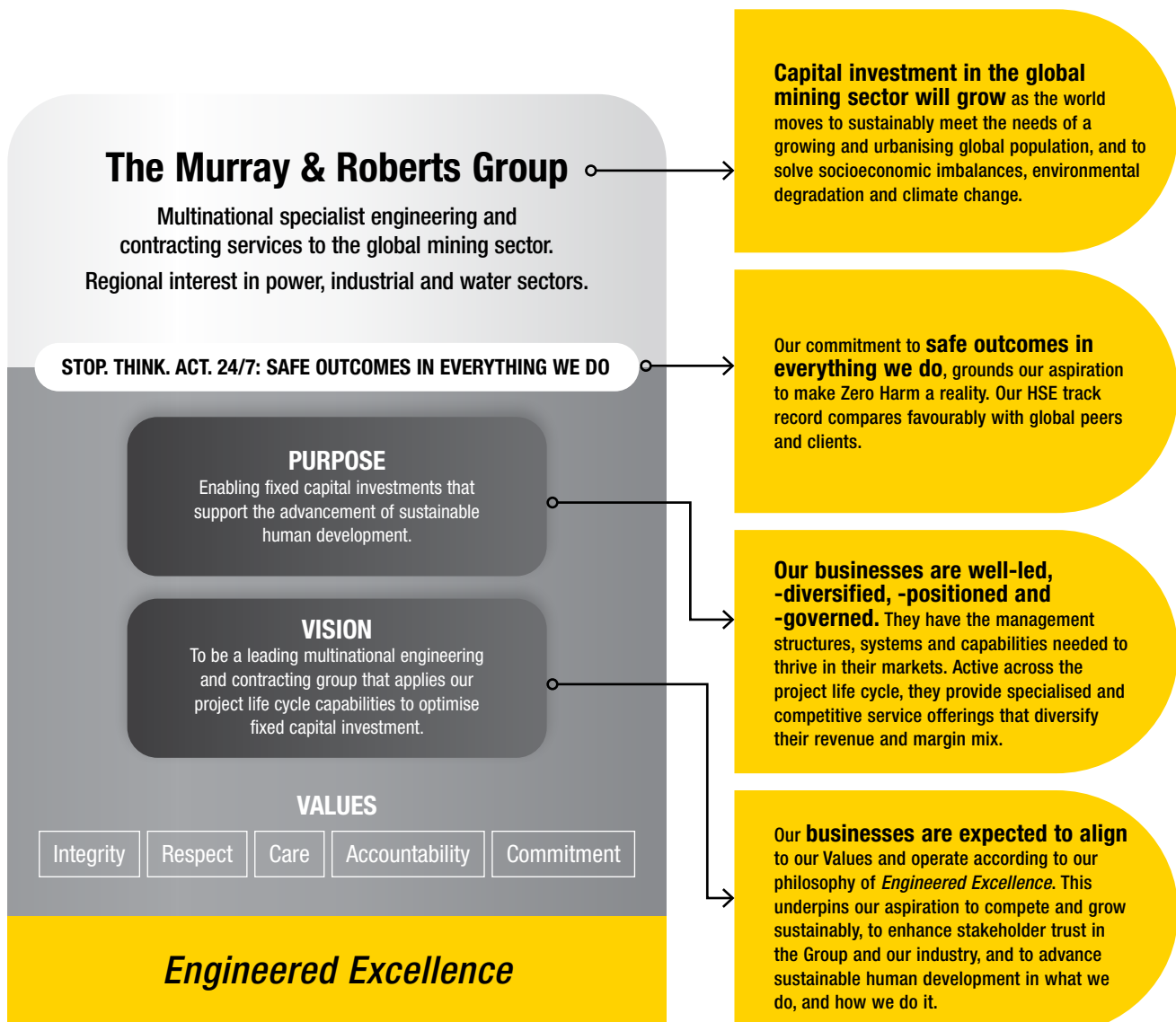
www.murrob.com/inv-annual-reports.asp

Murray & Roberts at a glance

As a specialist mining services contractor, we optimise capital investment in critical infrastructure, for the long-term benefit of global clients, host countries and local communities.

Our core business is engineering and contracting services in the global mining sector, with a presence in regions attracting capital investment. Our mining services brands are well respected, with strong client relationships, a reputation for excellence, good quality order books and strong project pipelines. While cyclicity is typical of our markets, the transition to a lower-carbon energy future and regional investment in infrastructure-led socioeconomic development, provide a long-term underpin to our profit potential.

As an ethical and responsible multinational global citizen, our commitment to sustainable human development over the long term continues to define both how we do business and the business we do.



Our business activities

MINING

MARKET FOCUS

AFRICA, AMERICAS, ASIA-PACIFIC

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

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

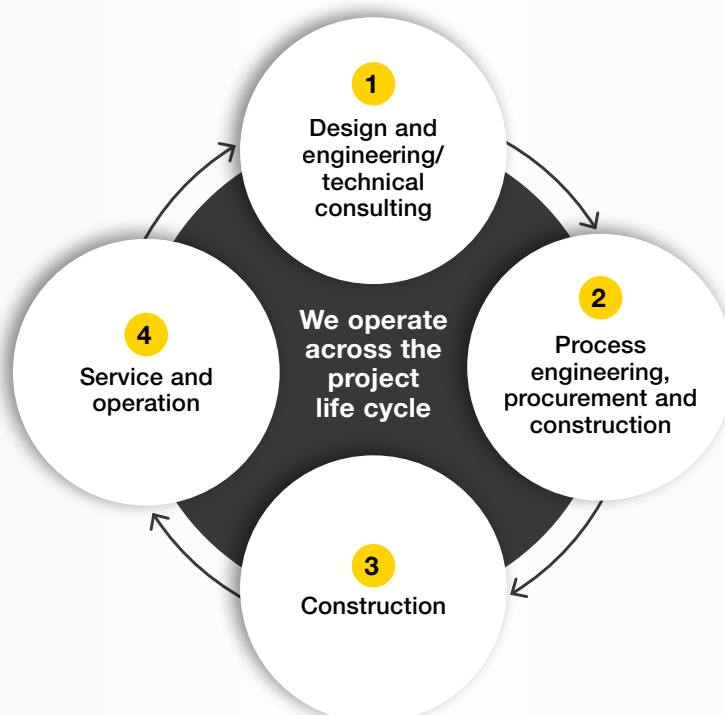
POWER, INDUSTRIAL & WATER

MARKET FOCUS

SUB-SAHARAN AFRICA

Regional capabilities: power, industrial and water markets.

- Detailed engineering
- Procurement
- Construction
- Commissioning & maintenance



PROSPECTS

Resilient commodity prices, particularly those required for the global energy transition, and the dire need for new production capacity, indicate growth in mining investment over the medium term. We expect growth in revenue and earnings for the **Mining platform** in the medium term.

As the **PIW platform** consolidates its market position, we are confident that its near-term opportunities, specifically in the renewable energy and transmission & distribution sectors, will enable the platform to deliver sustainable revenue and earnings growth in the medium term.



Statement from the chairman of the social & ethics committee

Murray & Roberts' Purpose and Vision dedicate the Group to optimising fixed capital formation for sustainable human development. The industrial infrastructure that we design, build, operate and maintain for our clients – and the way that we govern and manage our businesses – contribute to inclusive wealth creation and better living standards in the countries where we work, and support the vitality of our local communities.



ALEX MADITSI

Chairman of the social & ethics committee

Moreover, the Group is positioned in sectors vital to the global energy transition and to national infrastructure-led economic growth and social development programmes.

As Murray & Roberts endures a period of financial strain, it is informative to consider how business losses impact our social partners in particular. In such times we are reminded that business has an important role to play in society, and our financial challenges are also hard felt by our wider communities of stakeholders. These challenges have forced us to suspend many of our social initiatives, which we deeply regret as a Group with a long and proud history of committed social partnership. However, this has been done responsibly; we will honour already committed project funding and see bursars through to completion of their current level of studies.

In light of this erosion of social value, I wish to confirm that the social & ethics committee has satisfied itself that the loss of much of the Group's Australian business (the ERI platform and RUC Cementation) was not due to any lapse in governance or ethics. Indeed, the loss of shareholder value, and the implications for our other stakeholders, were precipitated by the impact on the Group of the unprecedented global response to the public health risk posed by the COVID-19 pandemic.

The Group's smaller size, and the austerity measures now required, necessitated that we streamline our governance structure. The social & ethics committee is now mandated to also cover the functions of what was previously the health, safety & environment committee. The Companies Act in South Africa mandates the committee to support the Board 'not only to act responsibly, but also to be seen to be doing so and to account, from the public interest perspective, for their decision-making processes and the results thereof'¹.

In the spirit of our mandated responsibility, we are committed to transparency; we know we cannot make perfect decisions, but at the very least we can show how we arrived at them. We will continue to work openly and collaboratively towards understanding and alignment with our stakeholders, taking care to consider divergent views and counterarguments. I can confirm that our committee meetings and policymaking processes are conducted in such an atmosphere.

¹ Deloitte: chrome-www2.deloitte.com/content/dam/Deloitte/za/Documents/governance-risk-compliance/ZA_SocialAndEthicsCommitteeAndTheManagementOfTheEthicsPerformance_24032014.pdf.

Irrespective of the difficulty the Group will face in the next few years to regain financial stability, we remain dedicated to accounting openly to our stakeholders for our direct impacts, particularly our HSE performance at operational level and the socioeconomic betterment of our employees, partners and communities where we operate; and also how we manage our indirect impacts, for instance in ensuring that our activities and supply chains do not violate human rights or avoidably degrade the natural environment. Our commitment to Zero Harm to people and the environment remains our highest priority, and we note that the Group's HSE performance in the year compares favourably with global peers and clients, as it has done consistently for many years. The committee is pleased to report no ethical or environmental breaches for the year under review.

Regrettably, early in the financial year, an incident at a mine in Australia saw one of RUC Cementation's employees sustain fatal injuries in a fall of ground incident. Together with our client, we initiated a comprehensive investigation into the causes of the incident but before it could be concluded, the process of voluntary administration had begun, automatically excluding us from the investigation. However, based on the basket of lead and lag indicators we consider, the committee is confident that the Group's safety systems and processes remain on sound footing. On behalf of the Murray & Roberts Group, I extend our deepest condolences to the deceased's family, colleagues and friends.

Limpopo bus accident

On Sunday afternoon, 17 September 2023, a bus transporting Murray & Roberts employees travelling to the Venetia mine in Limpopo was involved in a head-on collision. Tragically, 20 people lost their lives, seventeen of whom were Murray & Roberts Cementation employees. We offer our deepest condolences to the families of those who have lost their lives and those who were injured and impacted by this terrible accident.

In the wake of the pandemic, health and safety management must incorporate raised attention on wellness, of which mental health is a key component, particularly at a time when employees are navigating demanding professions and a changing world, besides any insecurity due to the Group's current circumstances. From wellness programmes, initiatives to keep employees motivated and engaged, through to ESG-related performance and remuneration measures, this report details our commitment to ensuring our employees are given every opportunity of a meaningful and sustainable career.

Part of the duties of the social & ethics committee is to assure governments that their localisation programmes are being adhered to. Group-wide, the committee continues to encourage greater effort towards improving the representation of women at senior and executive management levels and extending our diversity, equity and

inclusion ("DEI") practices into our supply chain and communities. When undertaking projects, the Group ensures that its services and procurement opportunities do not discriminate, and that host communities are left sustainably better off. In South Africa, we are pleased to report further improvement in the Group's employment equity and the retention of our Level 1 BBBEE status. We note that in balance with the requirements to support local contractors and communities, in keeping with our philosophy of *Engineered Excellence*, merit must be the primary criteria for hiring and partnering at local level.

In closing, my thanks to fellow committee members for their close oversight and counsel in the face of unfortunate outcomes and tough decisions. Similarly, to the executives and teams across the Group that are working hard to deal with short-term pressures without undue deviation from our long-term intentions as an ethical, responsible and profitable multinational dedicated to the advance of sustainable human development.

Alex Maditsi

Chairman of the social & ethics committee



Chairman's statement (2023 Annual Integrated Report: PG 22)



Group chief executive's and financial director's report (2023 Annual Integrated Report: PG 26)



Our sustainability framework

The Group sustainability framework (see next page) provides an overarching and focused approach to managing the pertinent risks and opportunities, impacts and outcomes related to financial and ESG imperatives across all jurisdictions in which we operate.

It ensures that sustainability thinking is integrated in the way we execute our projects and conduct our business. Shared learning within and across our businesses supports continual improvement and consistency. Ultimately, the sustainability framework protects our reputation as a well-governed, ethical and responsible multinational organisation.

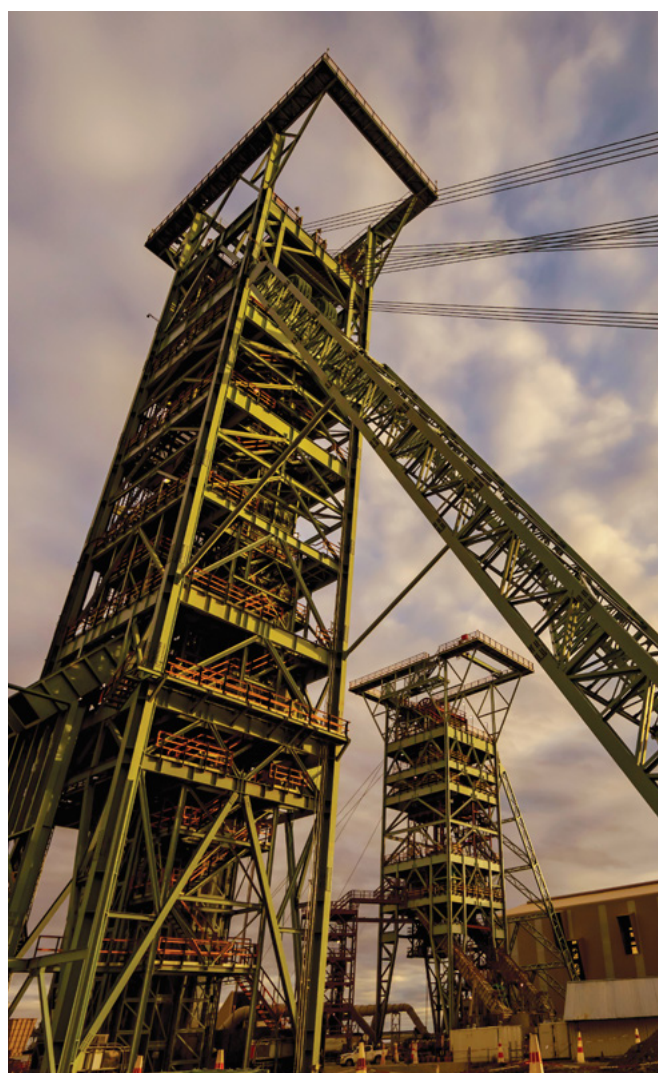
Engineered Excellence is how we build trust and grow value for our clients, stakeholders and the Group. It is our promise that we are committed to our Purpose, Vision and Values. It compels us to deliver safe, efficient, sustainable, profitable and environmentally benign project outcomes that create lasting economic and environmental value for host communities and countries in return for maximum value recognition for the Group. Our sustainability framework, risk management framework, HSE framework and ethics framework all support *Engineered Excellence*. How well we apply *Engineered Excellence* determines the quality of our stakeholder relationships, corporate citizenship and sustainability stewardship. Management is held to account for deviations.

Harmonising ESG imperatives with commercial opportunities is seen by the Board as an ethical obligation for the Group. It is also a requirement on which clients and funders insist and an important source of competitive differentiation for our business platforms.

The Mining platform's vision is to be the global mining services partner of choice, recognised as a responsible, fully diversified service provider with the best skillset in the industry. Mine operators are increasingly broadening their capital allocation priorities to include investments in environmental and social development initiatives. This includes working towards less invasive ways of accessing orebodies, for example, vertical shafts rather than open pit mines with large surface footprints and which are difficult to rehabilitate at the end of life. Clients are also pursuing more efficient and precise means of extracting the orebody for less waste, thereby limiting the need for large tailings facilities on the surface and improving

water and cost efficiencies. Our existing capabilities and our approach to innovation and development of new capabilities positions us well to respond to these shifts.

As the PIW platform consolidates its service offering in the renewable energy sector, it leverages the experience gained on large projects to deliver better ESG outcomes. A key focus area is to extend its ESG standards to joint-venture partners to ensure their consistent application throughout a project life cycle. The platform will continue to develop and define its environmental footprint and prioritise the collection of environmental data to make informed and calculated business decisions.





Group sustainability framework

Sustainability principles

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, equity 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

Designing and delivering projects that are financially viable, with better outcomes for clients and lasting economic and environmental value for society, in return for maximum value recognition for the Group.

Investing in our employees and maintaining a competitive value proposition to retain and attract critical skills, enabling us to embed sustainability into project delivery and operation.

Applying high ethical standards in our business dealings for the benefit of society.

Maintaining transparent reporting to ensure that our stakeholders are kept informed of our performance, as well as the progress we have made on our commitments.

Valuing the contribution of our stakeholders which we believe is fundamental to the long-term success of our business.

TRANSPARENCY AND INTEGRATED REPORTING

STAKEHOLDER ENGAGEMENT

Our ESG priorities

- Ensure our projects meet and exceed client and community expectations for safety and health; local contracting partnerships, employment and procurement; training and skills development; socioeconomic development of communities; and environmental and long-term impacts of projects.
- Continue to embed ESG criteria in risk and opportunity assessments and project execution.
- Improve performance, measurement and reporting in supply chain, environment and climate change, DEI, community advancement and labour.
- Help clients meet their environmental goals through innovative designs and sustainable construction methods, and improve our understanding of what they need to operate in a lower-carbon economy and how this impacts the Group.
- Maintain a competitive employee value proposition that supports the retention and attraction of critical skills and the flexibility needed to capacitate projects at various stages.

ESG benchmarking

CEN-ESG¹

UK-based ESG and disclosure specialist
39.4 (out of 100)

disclosure score for FY2022 – our most recent assessment (FY2021: 31.5).

This is considered to be a strong score when compared to other companies assessed by CEN-ESG. Best-in-class score for 2022 was 55.8 (2021: 57.4).

2022 CLIMATE CHANGE CDP²

Management Level

B score

(FY2021: B).

Higher than the Global Africa and construction industry average scores.

2022 WATER CDP¹

Leadership Level

A- score

(FY2021: A-).

Higher than the Global, Africa and construction industry average scores.

Economic, social and environmental value creation

We play a key role in designing, building and operating the critical infrastructure needed to achieve global sustainability goals; contributing to wealth creation, sustainable human development and better living standards.

Our ESG commitments localise this value, providing employment, improving the lives of thousands of people across our value chains, and positively contributing to and supporting the social fabric and vitality of the communities and countries in which the Group operates. In addition, many of the PIW platform's projects support the transition away from fossil fuels and towards renewable energy.



Detailed sustainability framework disclosure



Statement of value created (2023 Annual Integrated Report: PG 180)



Performance sections of this report, starting on **PG 17**

¹ The next ESG disclosure assessment is scheduled for FY2024.

² The results of the 2023 CDP submissions had not yet been released at the time of reporting.

Note: the Group's current market capitalisation disqualifies it from a rating in the FTSE/JSE Responsible Investment Index Series.

Governance of sustainability

The Board is the custodian of sustainability, and engages with all material ESG considerations on a quarterly basis. It approves policies and frameworks that ensure that our business strategy and decision-making encompass broader considerations relating to environmental and social impacts,

including climate change. It also ensures that the Group's ESG performance is clearly communicated to stakeholders in our reporting. Clear ESG-related responsibilities are assigned to various Board committees according to their areas of expertise.



SUSTAINABILITY GOVERNANCE FRAMEWORK

BOARD

SOCIAL & ETHICS COMMITTEE

- Three independent non-executive directors.
- Group chief executive is a member.
- Group financial director is an invitee.

Met four times in FY2023.

AUDIT & RISK COMMITTEE

- Four independent non-executive directors.

Met four times in FY2023.

REMUNERATION COMMITTEE

- Three independent non-executive directors.
- Group chief executive and financial director are invitees¹.

Met three times in FY2023.

¹ Do not attend meetings when their own remuneration is discussed.

EXECUTIVE

EXECUTIVE COMMITTEE

Comprises the Group chief executive, the Group financial director, platform CEOs, and the executive of risk and HSE.

Met 13 times in FY2023.

CROSS-FUNCTIONAL MANAGEMENT COMMITTEES

HSE FORUM

RISK MANAGEMENT FORUM

HUMAN RESOURCES FORUM



Detailed disclosure on the governance of sustainability

Sustainability performance linked to remuneration

The STI plan for executives links sustainability performance to remuneration. Non-financial targets relate to leadership, relationship, operational performance and risk management. STI targets are set annually and consider business plans, strategic goals and prevailing market conditions. Middle and junior managers and general employees also participate in the STIs.



Remuneration report (2023 Annual Integrated Report: PG 56)

2023 PERFORMANCE

Social & ethics committee

- Together with the audit & risk committee, reviewed the Group's ESG risks and opportunities and how these are being managed.
- Monitored and assessed the Group's HSE initiatives and performance.
- Monitored the Group's progress against its DEI objectives.
- Oversaw the Group's initiatives in terms of our stakeholder engagement and socioeconomic development programmes, particularly given the key challenges faced by the Group during the year and the resulting impact on our communities and other stakeholders.
- Considered management reports on regulatory compliance and ethical conduct, including the allegations received through the whistle-blowing facility.
- Reviewed the Group's improvement plans to address gaps identified in the independent ESG disclosure assessment undertaken in FY2022.
- Approved the 2023 Sustainability Report.

Audit & risk committee

- Assessed the potential impact of our ESG risks on the Group and provided advice on the Group's strategies to manage these risks and prudently pursue opportunities.
- Oversaw the independent assurance of certain safety and environmental metrics, and the third-party verification of the Group's BBBEE performance.
- Approved the 2023 Integrated Report.



2023 PERFORMANCE *continued*

Remuneration committee

Average executive scores for non-financial performance (FY2023)

Category and STI weighting	Covers	Score out of 5 ¹	ESG outcomes
INDIVIDUAL PERFORMANCE MEASURES			
LEADERSHIP 7.5%	- Strategy implementation - Transformation and DEI - Leadership succession and development	3.00 FY2022: 3.43 FY2021: 3.57	The events prior to and following the voluntary administration of the Group's subsidiary companies in Australia directed management attention to deal with these developments, which were well managed. In South Africa, achieved Level 1 BBBEE rating. DEI policies established across the Group. Performance management and succession planning effectively applied across the Group.
RELATIONSHIP 7.5%	- Stakeholder engagement - Employee relations	3.00 FY2022: 3.29 FY2021: 3.71	Maintained good relationships with all key internal and external stakeholders. Public relations and investor relations continued to be well managed. Effective employee communication maintained Group wide.
OPERATIONAL 7.5%	- Governance - Commercial management - Project performance	3.00 FY2022: 3.14 FY2021: 3.00	Group-wide compliance with good governance practices. ESG framework established and applied across the Group. Constructive engagement with South African banks to reduce debt levels in South Africa. Management of claims and commercial processes on several projects, including the exit from the Middle East, are thorough, proactive and ongoing. Significant reduction in uncertified revenue due to deconsolidation of subsidiary companies in Australia. Project performance much improved, and good progress made to convert some projects to more favourable commercial arrangements.
RISK 7.5%	- Health, wellness and safety - Risk management - Environment	3.00 FY2022: 3.29 FY2021: 2.86	One fatal incident recorded during the year. Outstanding LTIFR and TRCR results. 32 Zero Harm projects. Risk management practices and internal audit are well-established disciplines and no material findings were reported. Environmental management in accordance with standards, and no material environmental incidents were reported.

¹ Non-financial performance is rated on a sliding scale from one to five, where a score of two represents threshold performance, three on-target performance, four excellent performance and five stretched performance.

Our ESG risks and opportunities

Risk	Opportunity	Our response
SHORT TERM		
Global skills shortage ■ Acute shortage of management and supervisory, specialist and technical skills across both the Mining and PIW platforms is a constraint to growth and continued excellence in project delivery, and drives up labour cost. ■ Changing workplace dynamics mean that talented individuals prefer flexible working arrangements and are reluctant to relocate, exacerbating skills shortages.	■ Leverage our class-leading training as a differentiator and to develop specialised skills. ■ Provide technical services to organisations experiencing capacity erosion within their workforces. ■ Digitalisation reinforces our ability to compete for talent.	Deliver an attractive employee value proposition through: ■ Work experience on world-class and complex projects. ■ Our training and mentorship programmes. ■ Best people practices, and our commitment to DEI and a safe work environment. ■ Competitive remuneration.
MEDIUM TO LONG TERM		
Climate change ■ Our clients in the metals and minerals sectors, and energy and water industries are carbon and water intensive and vulnerable to climate change impacts. ■ Extreme weather events can disrupt supply chains and impact our project delivery schedules causing delays and adding costs.	■ Rising need for sustainability across design, procurement and construction. ■ Positioned to support the transition to the greener energy sources needed to meet global carbon reduction targets. ■ New service offerings that deliver environmental improvement. ■ Wastewater and sanitation infrastructure opportunities in the private sector (South Africa).	■ Climate change position statement. ■ Grow our service offering in renewable energy and water treatment and reuse. ■ Collaborate with clients and suppliers to reduce carbon emissions. ■ Digital technology to improve energy efficiency in mining. ■ Manage the physical risks of climate change on project delivery. ■ Reduced carbon footprint. ■ Efficient use of resources and responsible waste and pollution management.
ONGOING RISKS THAT ARE CONTINUALLY MANAGED		
HSE risk ■ Major incidents disrupt projects and may harm people as well as our reputation and prospects. ■ Incurring safety performance penalties prescribed by clients. ■ Mental health concerns impacting organisations worldwide. ■ Unsafe work conditions and lack of environmental stewardship could impact our ability to attract and retain talent.	■ Effective leadership programmes to drive Zero Harm. ■ Digitalisation improves project design, safety, execution and real-time reporting. ■ Innovations in equipment that enable safer and more efficient operations, and partnering with OEMs to develop and test new equipment.	■ Disciplined management of health and safety risks and continual improvement of the HSE framework to achieve Zero Harm and provide safe working conditions. ■ Major incident prevention programmes. ■ Environmental management programme and critical standards for energy, carbon emissions, water and waste management. ■ Health and wellness programme.

Risk	Opportunity	Our response
ONGOING RISKS THAT ARE CONTINUALLY MANAGED <i>continued</i>		
Community discontent ■ Unequal distribution of wealth and resources, income loss, and poverty in some countries may lead to unrest, disrupting projects, impacting productivity and placing our workforce at risk. ■ Socio-political instability. ■ The impact of climate change on vulnerable communities. ■ The impact of increased power outages in South Africa on business productivity, employment and households.	■ The significant stimulus and capital commitments for infrastructure-led economic development globally. ■ Local recruitment and procurement, supporting our social licence to operate and gaining community trust. ■ Business investment in renewable energy in South Africa to secure electricity needs.	■ Effective understanding and management of local dynamics. ■ Partnerships with local contractors and service providers. ■ Enterprise development initiatives. ■ Corporate social responsibility programmes. ■ Grow our service offering in renewable energy.
Cybersecurity ■ Cybersecurity breaches or attacks can cause disruption and damage our reputation. This is an increasing risk as cybercrime becomes more prevalent worldwide.		■ An independently tested IT security framework, and data security controls applied as a minimum standard (including antivirus, intrusion protection, vulnerability management and backup solutions). ■ Cybersecurity training. ■ Policies, procedures and systems for data protection and privacy.
Unethical conduct ■ Employee or partner misconduct or non-compliance with regulations could weaken our ability to win contracts and lead to substantial fines, negatively impacting revenues and damaging our reputation.	■ A reputation as a respected and credible multinational organisation.	■ Strict application of the Group's Statement of Business Principles, Code of Conduct and Values. ■ Training on ethical behaviour. ■ Formal declarations processes. ■ Independently managed whistle-blowing hotline.



Risk report (2023 Annual Integrated Report: PG 48)

Strategic trade-offs

The expectations of some of our stakeholders may compete with the expectations of others. Where conflict arises, *Engineered Excellence* and our Values guide the decisions we make and how we secure and allocate resources to immediate and longer-term strategic priorities to deliver positive value outcomes for all stakeholders over time.

Digitalisation: to become more efficient in our processes and resourcing, to deliver on our commitment to Zero Harm, and to minimise our environmental impact, requires increased investment in the short to medium term in digital technology, innovative equipment and tools to support data analytics. In the medium to longer term, this investment will support sustainable profitability and deliver value for stakeholders.

Human capital: the current global skills shortage requires that we pay more to acquire the skills and experience needed to deliver safe and financially-sound projects. On the other hand, our cash preservation measures to manage our current financial capital constraints have negatively impacted some of our talent development initiatives. To secure talent and the future relevance of our workforce requires human capital investment to build a valuable employee proposition in a competitive market and depth of succession in the long term.

Thermal coal: in line with our position on climate change, we do not participate in thermal coal projects unless they are based in South Africa, where national and regional economies depend on coal-fired power stations. We recognise the increased institutional funding and reputational risk of this continued participation, but to withdraw would cause increased socioeconomic harm to South Africa's people.

Stakeholder priorities

The Group stakeholder engagement policy ensures that the legitimate expectations and concerns of our stakeholders are placed at the centre of our decision-making. It outlines our engagement responsibilities and applies to all our businesses and employees.

Our relationships with our stakeholders remain sound. We assure our stakeholders that the Board and executive team continue to prioritise the creation of shareholder value following our recent challenges, and ensure that Murray & Roberts excels as a top engineering and contracting services provider in global mining and in chosen market sectors in Southern Africa.

Stakeholder concerns

Stakeholder group	ESG-related topics of discussion or concern
ALL STAKEHOLDERS	- Escalating expectations of the role of business in society; in terms of ESG performance and credentials as well as providing support where national policy is failing. - Enhanced disclosures across all ESG dimensions. - Intensified scrutiny and obligations related to the HSE impact of our projects – particularly clients, funders and regulators.
INTERNAL ENVIRONMENT - Employees - Murray & Roberts Group companies	- Clear and structured career paths. - Performance management and development processes linked to fair remuneration and incentive schemes. - Flexible workplace models. - Higher expectation on health, safety and wellness support. - Visible diversity, equity and inclusion.
MARKET ENVIRONMENT - Shareholders - Clients (public and private) - Joint-venture partners - Service providers and suppliers	- Our ability to trade through current liquidity constraints, bid for and deliver projects successfully, and deliver differentiated service offerings that enhance ESG performance. - Environmental and socioeconomic considerations in project design. - Managing local conditions, constraints and expectations.

Stakeholder group	ESG-related topics of discussion or concern
INDUSTRY ENVIRONMENT - Unions - Consultants and engineering houses - Industry and professional bodies - Industry and technology partners	- Collaboration to reduce the carbon footprint of the supply chain. - Training and capability development. - BBBEE credentials and achieving our diversity aspirations. - Wage negotiations.
BROADER ENVIRONMENT - Media - Non-governmental organisations - Communities - Financial institutions - Investment community - Governments and regulators	- Collaboration with funders to manage working capital. - Corporate governance, ethical business conduct and the fair treatment of stakeholders. - Compliance with laws, regulations and industry standards. - Supply chain management that supports local communities. - Escalating inclusion expectations from local communities. - Funding and insuring of fossil fuel projects.



Stakeholder engagement policy

2023 performance

Demonstrating environmental stewardship



We are working towards developing a plan to achieve a net-zero future for the Group. Our greatest contribution to a lower-carbon economy is our set of capabilities, which position the Group to help our clients meet their climate change goals.

We are developing a holistic approach to designing and building low-carbon projects, incorporating resource efficiency, recycling, renewable energy, digitalisation and stakeholder engagement.

Note: Significant reduction in the Group's environmental metrics mainly due to the deconsolidation of MRPL, Clough and RUC from the Group.

Key performance indicators

SCOPE 1 AND SCOPE 2 EMISSIONS

9 700 tCO₂e

FY2022: 15 300 tCO₂e | FY2021: 10 900 tCO₂e

SCOPE 3 EMISSIONS

40 800 tCO₂e

FY2022: 87 400 tCO₂e | FY2021: 45 400 tCO₂e

ENERGY

96 600 GJ

FY2022: 142 100 GJ | FY2021: 83 300 GJ

WATER

20 ML

FY2022: 43 ML | FY2021: 25 ML

2023 overview

Highlights

2022 CLIMATE CHANGE CDP¹

B score and Management Level

(higher than Global, Africa and construction industry average scores).

2022 WATER CDP¹

A- score and Leadership Level

(higher than Global, Africa and construction industry average scores).

IMPROVED DISCLOSURES

Made good progress in improving the quality and integrity of our environmental data and reporting systems. This has informed our efforts to reduce our environmental impact, helps to mitigate project risks more effectively and enables us to better track our performance against our baseline indicators.

Lowlights/challenges

NET ZERO

Limited progress made on furthering the development of the emissions and water reduction pathways for the Group.

ENVIRONMENTAL TARGETS

The complexity of Group-wide target setting given the geographic, pipeline, technology and operational diversity of our platforms and businesses.

Our priorities

- Apply our engineering and contracting services to reduce the environmental impact of our projects.
- Grow the proportion of 'future-facing' decarbonisation commodities in the Mining platform's order book.
- Use our capabilities to support our clients with their energy transition and net-zero objectives.
- Compete for projects that address South Africa's urgent need for renewable energy infrastructure.
- Use resources efficiently and responsibly manage waste and pollution to minimise environmental impacts.
- Promote the reduction of our supply chain's carbon footprint.

¹ The results of the 2023 CDP submissions had not yet been released at the time of reporting.

² ISO 14001 – the international standard for an effective environmental management system.

Summary of our approach to environmental management

- **HSE framework:** all our businesses are required to adopt internationally recognised environmental management standards as well as the Group's specific environmental standards. Our employees receive environmental training to keep them updated on our improvement initiatives, ensure their practical understanding of our environmental stewardship and support compliance with our environmental standards at project level. Our businesses are ISO 14001² certified.
- **Risk management:** the Group's integrated assurance framework identifies, assesses, monitors and reports our risks and opportunities, including those related to climate change, energy, water and waste. We have developed various climate change scenarios for our mining business. All new projects are evaluated against climate change risk.
- **Emissions and water reduction pathway project:** we are working to identify where we can achieve material reductions in energy and water consumption, and develop targets at project, business and/or Group level (as appropriate). Key enablers of this project are establishing new and comprehensive baselines, improving the quality and integrity of our environmental data and reporting, and robust engagement across the Group to improve our understanding of the emissions and energy consumption patterns within our platforms and each business.
- **Biodiversity:** biodiversity management plans are required for all projects. These plans guide our understanding of biodiversity-related requirements, and identify potential biodiversity impacts and the action plans needed to prevent or minimise these impacts. Biodiversity and land impacts are considered during project planning, preparation and implementation and are typically addressed in the project design phase. When executing a project, we adhere to a biodiversity mitigation management hierarchy that prioritises the most favourable options, which starts with avoiding the use of unsustainably sourced materials as far as our influence will allow.
- **Environmental compliance:** we comply with the environmental and carbon tax laws and regulations of all countries in which we operate. Our operations do not exceed the thresholds set by South Africa's Carbon Tax Act and we are not subject to carbon pricing regulations in California, Canada and the UK as we do not own industrial facilities. Emerging climate and carbon regulations are monitored to ensure that we keep abreast of any potential impacts on the Group.



Full approach to environmental management.



Risk management

Our focus areas

CLIMATE CHANGE

As global efforts continue to drive the transition to a lower-carbon economy, our ability to design, construct, maintain and operate infrastructure that supports environmental improvement and client objectives to achieve energy and water efficiency and reduce their carbon footprint, remains relevant. This includes working with clients to design and build infrastructure that is less carbon intensive, and working with our business partners and suppliers to identify and deliver carbon and energy efficient equipment and other related solutions in our service offerings.

Our participation in fossil fuel projects has been carefully considered, weighing the need for power to support socioeconomic development against the impact on the environment as well as the likely decrease in demand for thermal coal over time. The only thermal coal projects we will participate in are those based in South Africa, which needs its coal-fired power stations to sustain its economic viability, particularly given the current electricity crisis the country faces. We will continue to support maintenance work on Eskom's¹ ageing coal-based power stations and thermal coal mining projects for clients who supply coal to Eskom. We will also support metallurgical coal projects until sustainable alternatives for large scale steel production are available.

Digitalisation, automation and other innovative technologies support improved environmental performance and resource efficiency. For example, many opportunities exist in mining to reduce emissions and provide healthier work environments, including battery-powered equipment, automated adjustment of ventilation in underground locations (able to reduce energy consumption by up to 20%), and injection hoisting technology which eliminates the need for underground trucks and lowers ventilation demand (potentially reducing emissions by approximately 4 500 tCO₂e annually). Leveraging these technologies will be a key enabler of improving our environmental performance, maximising value for our clients and differentiating our service offering in the future.

In addition to our broader contribution, sound energy management is key to reducing our own carbon footprint and managing operational cost. Purchased electricity and fuel (diesel and petrol) used for mobile equipment and transportation are the key sources of carbon emissions from our business activities. The PIW platform is making a concerted effort to partly run its project sites off solar energy to reduce the use of diesel and fossil fuels, and the 726kW solar PV plant, comprising more than 1 400 solar panels and 800kW lithium battery backup, at our Bentley Park site covers around 54% of the facility's energy needs, avoiding 820 tCO₂e annually.

Our ongoing engagements with suppliers on environmental issues helps us to better understand GHG emissions and environment-related risks along our supply chain. In time, this will inform initiatives to reduce the carbon footprint of the entire value chain.

Climate Change Position Statement

Our Climate Change Position Statement commits us to:

- Monitor and reduce own carbon footprint.
- Evaluate participation in new projects against the environmental imperative to mitigate climate impacts.
- Act responsibly when participating in fossil fuels projects. Regarding coal, the Group will, other than in South Africa, limit its participation to metallurgical coal projects until such time that sustainable alternatives for large scale steel production are available. It will only consider participation in thermal coal projects which are earmarked to supply coal to power stations in South Africa, for as long as the country's economy and its electricity generating capacity depend on thermal coal.
- Ensure that projects in which the Group participates comply with relevant environmental specifications, governmental authorisations, and local and international environmental and social standards.
- Collaborate with clients and supply chain to find innovative solutions to reduce carbon emissions in own market sectors, and
- Grow service offering to the renewable energy sector to assist in the transitioning to a low carbon future that mitigates environmental and climate change risks

Climate change-related risks

Our key climate change-related risks include:

- **Transition risk (expectations):** not meeting the expectations of our clients who are transitioning their operations to be carbon neutral, energy and water efficient, and resilient to the physical impacts of climate change. This is also an opportunity for the Group to provide new service offerings that deliver environmental improvement.
- **Transition risk (regulation):** the impact of climate change regulation, including carbon pricing, on the broader value chain, driving up operational costs, particularly where we interact with carbon-intensive industries. We monitor regulatory developments to prepare for future financial implications.
- **Physical risks:** extreme and unpredictable weather conditions that disrupt projects, drive up costs, and negatively impact transport routes and the supply chain. Project disruption risks and risks relating to changing rainfall patterns and increasing temperatures are considered in the project planning phase.

¹ Eskom is South Africa's power utility.

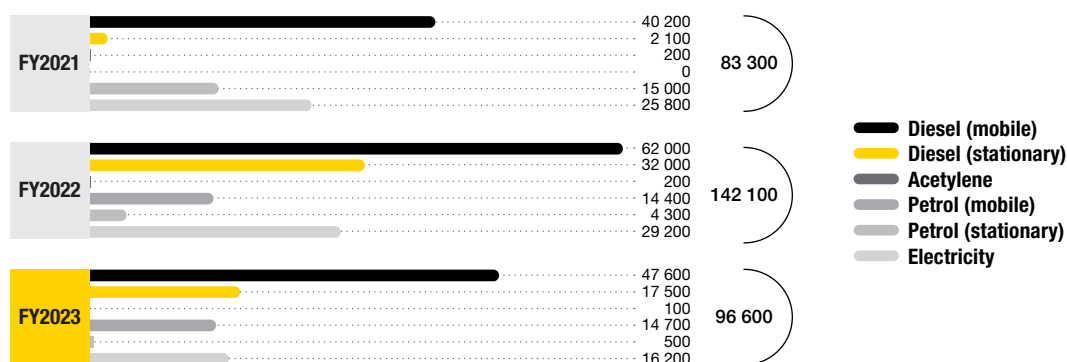
Climate change *continued*

2023 PERFORMANCE

A key development in our environmental management for the year has been the completion of our work to establish an accurate environmental baseline to inform our net-zero transition. Going forward, we will identify and assess potential opportunities to reduce our energy and water consumption and emissions for material sources and businesses. Reduction pathways will then be agreed with our platforms.

The loss of the ERI platform and RUC Cementation for three quarters of the year is the biggest contributor to the significant decreases in our energy consumption, carbon footprint and other environmental metrics for FY2023.

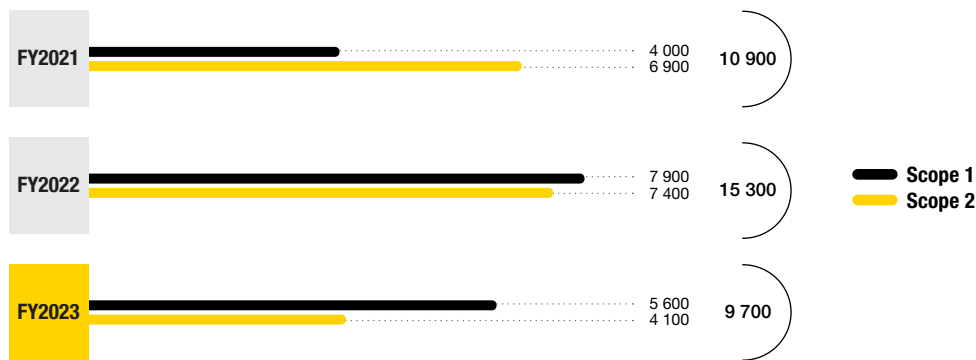
Energy consumption (GJ)



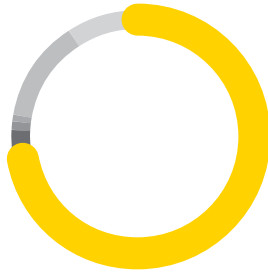
The ERI platform accounted for 21% of the energy consumed for the year (consumed in the months that the platform was still part of the Group) with the Mining platform accounting for 58% and the PIW platform for 16%. The corporate office makes up the balance.

Total energy consumed includes all direct (all fuel types) and indirect (electricity) energy sources, with the majority of sources used in FY2023 being diesel, petrol and electricity. Heavy fuel oil, liquid petroleum gas and natural gas were not used in any of the three years reported above.

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

Climate change *continued*2023 PERFORMANCE *continued*Scope 1 and Scope 2 emissions (tCO₂e)

Note: GHG emissions have been calculated and reported in accordance with the Greenhouse Gas Protocol using the operational control approach.

Scope 3 emissions (tCO₂e)

█ Purchased goods and services	72%
█ Capital goods	1%
█ Fuel and energy-related activities	3%
█ Upstream transportation and distribution	1%
█ Waste generated in operations	1%
█ Business travel	13%
█ Employee commuting	9%

Scope 1 emissions were mostly derived from fuel combustion activities using diesel and petrol, and decreased 29% year on year. Scope 2 emissions decreased by 45%, attributed to increased renewable energy consumption at the Bentley Park facility coupled with the loss of the Australian businesses.

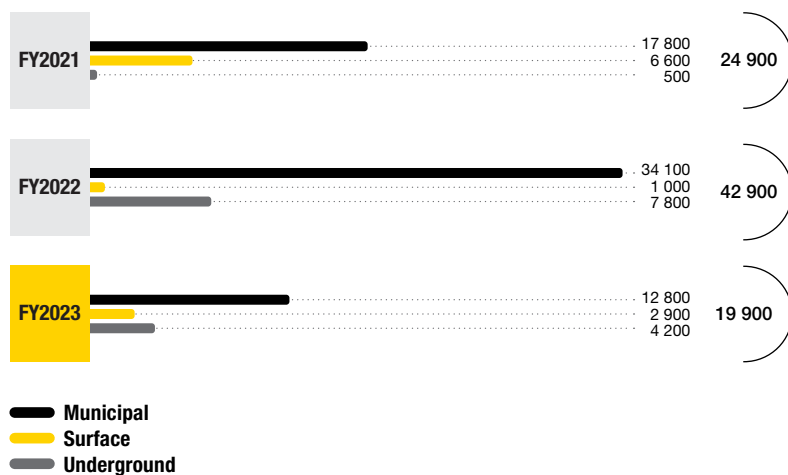
Scope 3 emissions for the year equated to 40 800 tCO₂e. Building on the work done in FY2022, we continued to refine our Scope 3 emissions data in terms of purchased goods and services, capital goods and transportation within both the Mining and PIW platforms. Most of our Scope 3 emissions are derived from upstream purchased goods and services with the key contributors being purchased cement, concrete and steel.

Climate change *continued*

WATER

Water is an important resource for our business activities, particularly when operating in water-constrained regions such as the SADC. We implement initiatives to conserve and recycle water, prevent negative impacts on water bodies and ensure all water discharges are undertaken in line with prevailing environmental laws. Water efficient initiatives adopted by the Mining platform in North America include dry stack tailings systems, which reduce water consumption and negative impacts on the surrounding land.

Water consumption (kl)



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

Water was predominantly withdrawn from municipal sources. Almost all water withdrawn from this source is discharged back into municipal water systems, accounting for our low levels of water consumption.



RESPONSIBLE PRODUCTION

While it is inescapable that the costs of human development are borne by natural habitats, which must make way for wind and solar farms, dams, mines, transport, and transmission lines – we keep abreast of global debate about how best to balance the protection of our natural environment with socioeconomic growth.

We aim to continuously improve the input materials we use in our projects, using them efficiently and passing these gains on to our clients. When we procure input materials, we aim to procure responsibly with a keen focus on the materials with the least negative environmental impact.

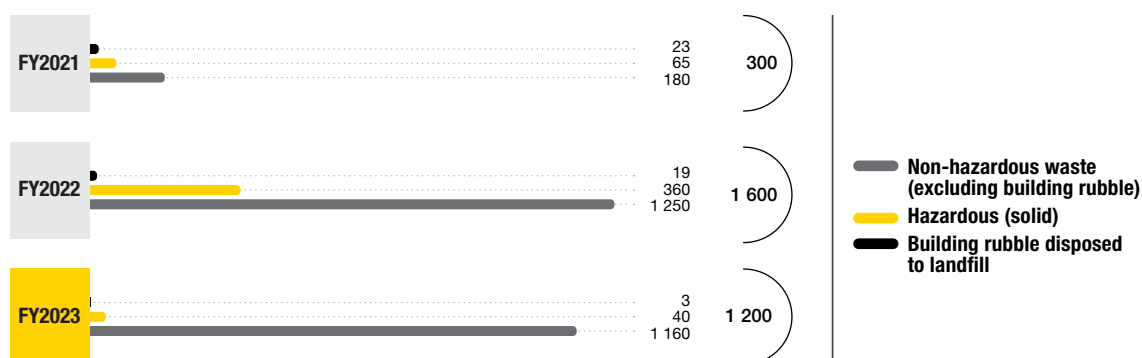
Our waste streams include non-hazardous, liquid hazardous and solid hazardous waste. Our initiatives to minimise waste

generation and disposal include improved engineering designs, recycling, and reuse or alternative use of waste materials, where feasible. Most of our recycled waste is recycled oil and steel from the Mining platform.

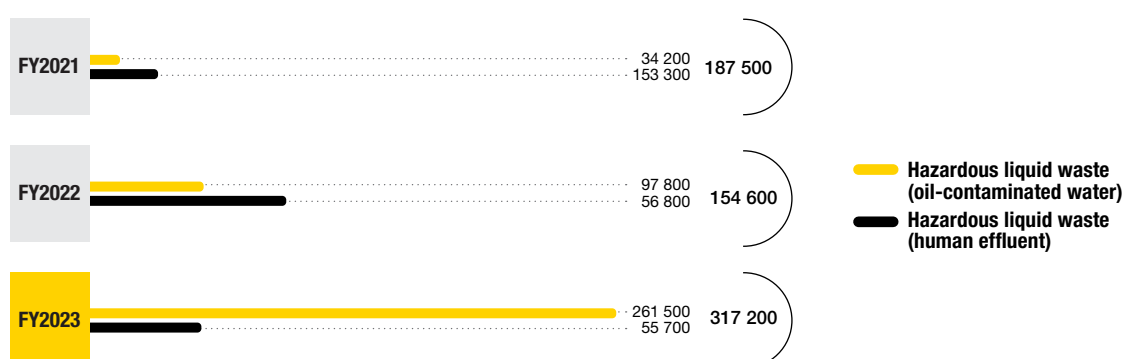
We prioritise the conservation and management of biodiversity on our projects to avoid the destruction of habitats, prevent the decline and potential extinction of species and mitigate any risks that might disturb or destabilise ecosystem balance and diminish the ability of ecosystems to be resilient to environmental changes. Our efforts include minimising the duration of noise and pollution, and actively engaging in onsite biodiversity restoration, which may involve re-vegetation to recover biodiversity that has been negatively impacted.

2023 PERFORMANCE

Solid waste (tonnes)



Liquid waste (litres)



Waste sent to landfill

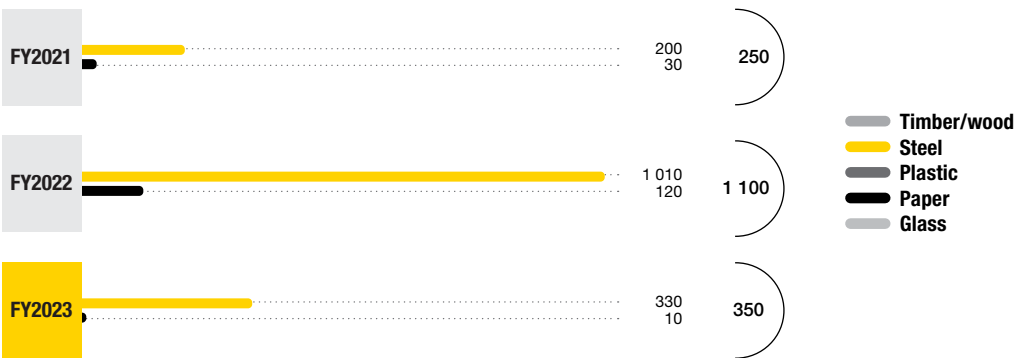
Solid waste sent to landfill decreased by 25% in FY2023, primarily attributed to reductions in building rubble and hazardous waste. Liquid waste decreased by 33% compared to FY2022. Oil-contaminated waste decreased 43% year on year and human effluent waste increased by 165% due to the need for portable ablation facilities on remote OptiPower projects. Non-hazardous solid and liquid waste that was safely and legally disposed of at approved landfill sites decreased by 7% during the year.

Responsible production *continued*

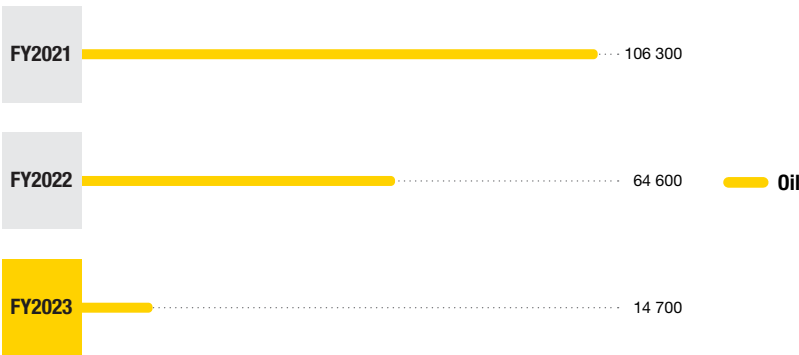


2023 PERFORMANCE *continued*

Solid waste recycled (tonnes)



Liquid waste recycled (litres)



Recycled waste

Solid recycled waste decreased by 68% relative to the previous year, owing primarily to a reduction in the amount of steel recycled. Liquid recycled waste, containing oil-contaminated water, decreased by 77% in FY2023.

Two of the PIW platform’s projects (Nseleni and Mtubatuba) are in ecologically sensitive areas in South Africa. The projects are managed in line with a strict environmental management programme and are independently audited each month. There is a strong emphasis on flora management. To protect endemic aloe species, we relocated Aloe Maculata and Aloe Marlothii (the latter being IUCN Red Listed) away from construction activities. In FY2024, we will improve our reporting relating

to the IUCN Red List and national conservation species to improve our biodiversity performance.

No penalties were received during the year for environmental transgressions, and the Group was not involved in environmental management-related litigations. 159 environmental incidents were recorded, with no material incidents. All reported incidents were classified as level 1 (or insignificant) incidents.

Responsible production *continued*

POSITIONED FOR A SUSTAINABLE FUTURE

Climate change will bring about multi-billion Dollar investment in infrastructure by both public and private sectors around the world. This investment will be driven by commitments from countries and large organisations to achieve net-zero carbon emissions by 2050, new technological advances in energy transition and waste reduction, the need for resilient

infrastructure to withstand the negative impacts of climate change (extreme weather events and significant changes in rainfall and water supply patterns) and the increasing demand for resources and services needed to support population growth.

Increasing demand for green metals

Decarbonisation will increase demand for certain minerals and 'green metals' needed to deliver new technology and infrastructure that will address climate change. To reach net-zero by 2050 will require significant mineral inputs. The demand for lithium is expected to grow the most (over 40 times by 2040), followed by increased demand for graphite, cobalt and nickel. A large proportion of the Mining platform's order book comprises projects in these 'future-facing' commodities. Our intention is to grow our exposure and strengthen our relationships with related clients.

Increasing demand for water infrastructure

Our 10-year operations and maintenance contract on the Organica wastewater treatment plant in the V&A Waterfront in Cape Town commenced during the year. Although a small wastewater treatment facility, it is significant as it is the first commercialised application of the environmentally friendly technology in South Africa. Several prospects for the utilisation of this technology are being pursued with the city of Cape Town and property developers.

Increasing demand for renewable sources of energy

While it will still be some time before renewables are an adequate source of energy on their own, there is demand in South Africa and Sub-Saharan Africa for large scale solar and wind plants combined with storage and traditional backup power generation through to 2040. In South Africa, mining and industrial companies are investing in large projects to expand their plants and install renewable energy solutions to offset carbon emissions, escalating electricity costs and loadshedding risk. Demand for smaller scale self-generation rooftop solar PV systems in South Africa and Sub-Saharan Africa is also increasing to minimise the disruption caused by erratic electricity supply. South Africa's Risk Mitigation Power Purchase programme, Bid Windows 5 and 6 of the REIPPP programme, BESS programme, and other power generation projects including gas, reflect the gathering momentum in this market. The unbundling of Eskom and the subsequent

investment in transmission lines to distribute renewable energy will also present opportunities for the Group.

The PIW platform has an important role to play in our commitment to green energy. Its EPC capability positions it to deliver solar and wind projects, and extend transmission lines to connect newly installed power infrastructure to the electricity grid and the transmission of this power across the country. We are able to deliver utility-scale mechanical and structural construction, balance of plant, substations, interconnections, BESS, and rooftop and light commercial and industrial solar installations. We are also well placed to participate in South Africa's REIPPP and BESS programmes, meeting programme developers' need for transmission, substation, distribution and full electrical balance of plant services. We have entered a joint venture with Abengoa Energia to become an EPC solution provider for utility-scale renewable projects.

REIPPP bid window 5 reached financial close in Q2 and Q3 of FY2023 with work already commencing on projects. The platform has been awarded targeted projects in the renewable energy sector of approximately R2 billion.

PIW platform projects:

- OptiPower secured three wind energy projects and a main transmission substation in REIPPP bid window 5 with strong prospects for further awards in FY2024.
- Wade Walker Solar was awarded its second PV solar project for Impala Platinum towards year end. This includes a 20.5 kWp solar installation at the Impala Slag Plant, an additional 314 kW to be installed at the Impala visitors centre and executive office, and a 1.3MW solar plant at the Impala 16 Shaft.
- Wade Walker Solar was awarded a 280kWp solar installation for the Kharma Group.



Maintaining our safety record



Project environments present varying safety risks to our employees and subcontractors. Nowhere is our focus on *Engineered Excellence* clearer than in our approach to safety.

Recognising safety as a managed outcome, we aspire to deliver projects with Zero Harm to our employees and surrounding communities. The Group's commitment, people-centric leadership and streamlined HSE systems, processes and interventions underpin our safety performance, putting us well ahead of our peers and many of our clients.

Key performance indicators

FATALITIES

1

FY2022: 0 FY2021: 1

LTIFR

0.64

FY2022: 0.58 | FY2021: 0.90

Record performance: 0.52 (FY2017)

TRCR

3.86

FY2022: 3.86 FY2021: 5.14

OCCUPATIONAL DISEASE FREQUENCY RATE

0.20

FY2022: 0 FY2021: 0.09

Maintaining our safety record *continued*

2023 overview

Highlights

ZERO RECORDABLE CASES

32 projects achieved zero recordable cases out of a portfolio of more than 70 projects (FY2022: 21 out of 100 projects)

CRITICAL CONTROL VERIFICATIONS

>75 000 critical control verifications conducted as part of the major incident prevention programme (FY2022: >85 000).

RECOGNITION

Cementation Canada and one of our employees in the raise boring division won the Ontario Mine Contractor's Safety Association's 2023 Safety Innovation Contest for an intervention developed to protect workers from rotating equipment.

Lowlights/challenges

FATALITY

A fatal incident occurred at RUC Cementation during October 2022.

LTIFR

The exclusion of the Australian business for most of the year equated to reduced exposure hours, adversely impacting the LTIFR.

DIGITALISATION

Deeper competitive differentiation through best safety performance requires investment in digital initiatives, which are currently on hold.

EQUIPMENT

The global shortage of tradesmen and skilled operators is having an adverse impact on the equipment operation, productivity and maintenance services provided by OEMs.

MENTAL HEALTH

The impact of post pandemic stress, tough economic climates and job uncertainty on mental health and employee morale.

Summary of our approach to safety management

- **HSE framework:** high-impact interventions and programmes are in place to manage the various factors that impact our safety performance. The HSE framework, together with our HSE policies and standards, provide the foundation for a consistent and sustainable approach to HSE management. HSE training and awareness help employees to effectively apply our safety standards and controls when executing their tasks. ISO 45001¹ certification is maintained across all our operations.
- **Risk management:** the Group's integrated assurance framework identifies, assesses, monitors and reports our safety risks. The major incidents prevention programme – applied across the Group – aims to proactively manage critical safety risks through safety in design and planning for safe execution. It identifies high-risk tasks and the associated critical controls needed to prevent serious incidents, and includes verification processes by our leaders to monitor if the controls are being applied and are effective.
- **Organisational learning:** a number of mechanisms are used to monitor safety progress and share information and lessons learnt from high-risk incidents that could have resulted in a potential major incident. Through these mechanisms we also share insights on innovative thinking and new technologies that support our HSE objectives.
- **The health and wellness programme:** our wellbeing interventions include managing workplace health hazards, including the provision of clinical examinations, biological monitoring and specific medical tests, and the monitoring of controls to prevent illness. We also provide health and lifestyle education and awareness, wellness screening, programmes to support mental health and free counselling.



Full approach to safety, health and wellness management



Risk management

Our priorities

- Achieve Zero Harm to people and minimise the environmental footprint across all projects.
- Continue to embed lead indicators and the major incidents prevention programme to identify emerging safety risks and proactively prevent safety incidents.
- Rekindle our focus on integrating digital technologies to improve our safety performance.
- Expand and improve our mental health and wellness support for our employees and their families.

¹ ISO 45001 – the international standard for an effective health and safety management system.

Maintaining our safety record *continued*

Our focus areas

ZERO HARM

We emphasise people-centric and effective leadership in our approach to health and safety. Our leaders and supervisors take our aspiration of Zero Harm seriously, and strive tirelessly to ensure that the culture of the organisation puts HSE at its core. To help our leaders and supervisors meet their responsibility for ensuring a safe and healthy workplace, we equip them with the skills to apply a cognitive neuroscience approach to employee engagement. With a better understanding of human behaviour, leaders and supervisors can effectively engage with their teams to positively influence productivity and safety performance.

To continually improve, our HSE systems and processes are regularly updated so that they are user-friendly and drive safe outcomes. We also keep abreast of developments in health and safety management, and benchmark our performance against that of our clients, peers and joint-venture partners. All incidents are thoroughly investigated to determine root causes and corrective measures are taken to prevent re-occurrence. Together, this approach has measurably enhanced the maturity of the Group's safety culture.

Digitalisation and new technology will play a critical role in the next generation of HSE systems, particularly for the Mining platform. Examples include:

- **The digitalisation of health and safety information:** capturing checklists, control verifications, hazard observations and incident reports in real time supports faster and more accurate data analysis and proactive safety responses. Automation also reduces administrative burden, freeing up supervisor attention to focus more on safe operations. Digitised asset management and maintenance ensure that machines and safety systems are in good operating condition.
- **Connectivity:** fibre networks on some of our underground mining projects support the transfer of large quantities of data to the control room and back in real time. This facilitates better safety decision-making, supports the rapid adoption of other digital technologies, reduces the risk of congestion or collisions underground, and provides essential information should an emergency occur.
- **Remote operations:** activities such as electronic detonation, the operation of development drill rigs, the monitoring of working conditions in real time (particularly gas, dust and temperature levels), pump monitoring and control, and ventilation management can be accomplished remotely using the latest technology to reduce the exposure of people to harm.
- **Onboard monitoring:** a view of machine operator behaviour informs customised training interventions and provides useful information for further improvements.



2023 PERFORMANCE

Regrettably we suffered a setback in our safety performance during the year, despite the good progress made as part of our commitment to continually improve towards Zero Harm. We are deeply saddened by the fatal incident that occurred on one of RUC Cementation's raise drilling projects in Western Australia during October 2022. This incident ended five years with no fatalities for the Mining platform, and confirms that more work is needed to realise our ambition of Zero Harm and ensure that incidents of this nature do not occur.

Actions taken during the year to enhance the proactive management of safety include:

- Analysed our lead indicators and implemented safety interventions in response to this data.
- Enhanced the quality of our critical control verifications to ensure that our critical risks are effectively managed. Our leaders conducted over 500 audits in FY2023 to assess the quality of our critical control verifications.
- Improved our process to manage change. Over 200 leaders received training on our revised change management standards and procedures, and good progress was made on the integration of the CRM¹ programme into our design and engineering processes.
- Implemented an effort-based recognition programme to promote a proactive safety culture and recognise individuals and teams who have proactively contributed to the improvement of our safety performance.
- Audited the level of implementation and effectiveness of the Group HSE standards. Pleasingly, the results show improved awareness of the Group's safety requirements among our operations.

In FY2024, the mining operations in South Africa will adopt the CRM programme and its control verification process; already well-embedded at Cementation Americas. Implementation will be in a phased approach, starting in early FY2024.

¹ The Mining platform's major incidents prevention programme.

Maintaining our safety record *continued*

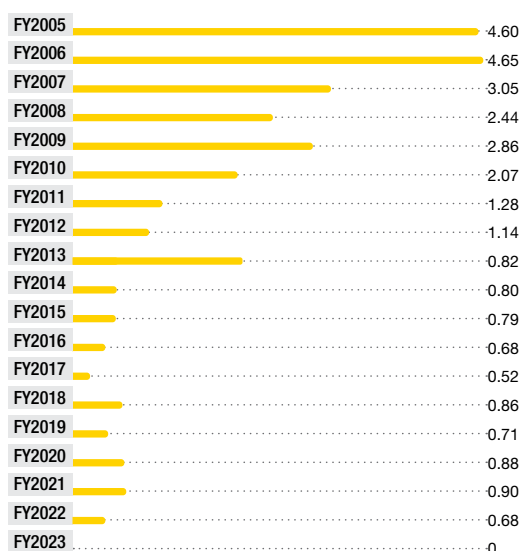
2023 PERFORMANCE *continued*

Within Cementation Americas, training at management, supervisor and operator levels drives the CRM programme, which supports trend analyses and the tracking of progress against corrective actions. The operation is developing an incident reporting system that will focus on critical risks. Some of Cementation Americas safety achievements for the year include the North Bay Shop celebrating six years without an LTI in February 2023, and a master mechanic working on our Rainy River Project reaching 55 000 safe hours worked, the first of Cementation Canada's employees to do so. From its safety innovation programme held in FY2023, Cementation Americas received 501 safety improvement suggestions from site employees and six suggestions at engineering level.

The PIW platform continued to deliver safety training for new recruits, project leaders and employees. The platform's reporting and trend analyses of lead indicators – used to

inform safety interventions – improved during the year; a key focus as the platform takes on more renewable energy projects. The results of formal reviews indicate an increasing level of safety awareness and commitment. A champion was appointed to create consistency in terms of the major incident prevention programme roll out across projects, and major incident prevention profiles were developed to manage critical risks faced on overhead powerline and wind energy farm projects. Key focus areas for FY2024 will be the roll out of the major incident prevention programme to operator level, to improve self-audits undertaken by leaders and our change management processes, and the introduction of new HSE standards. We will also implement a safety recognition programme that encourages excellence in safety at individual, team and project level. Although positive results were seen in lead indicators in FY2023, an improvement is needed to ensure continual improvement.

Annual LTIFR (per million hours)

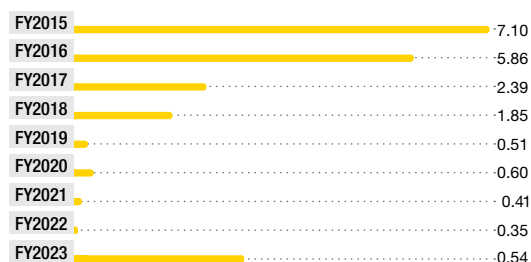


Despite the number of incidents having reduced by 13%, the reduction in exposure hours due to the loss of the Australian businesses has meant a deterioration in the LTIFR. Similarly, the TRCR remained unchanged despite a 20% reduction in incidents.

The Mining platform's LTIFR for the period deteriorated to 0.89 (FY2022: 0.76) and the TRCR improved by 21% to 4.00 (FY2022: 5.05). Cementation Americas and Murray & Roberts Cementation have achieved eight and 7.5 fatality-free years, respectively.

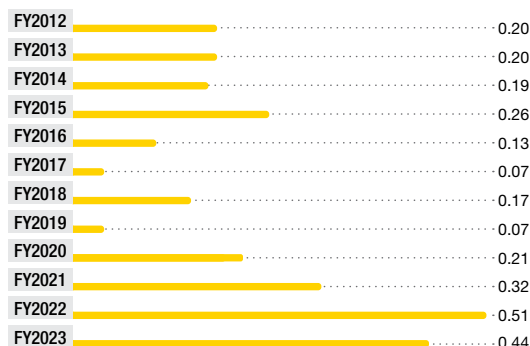
The PIW platform's safety performance improved in FY2023, with zero LTIs (an industry leading performance), no serious safety incidents and two medical treatment cases which resulted in the TRCR deteriorating to 1.57 (FY2022: 1.35). The LTIFR was 0 (FY2022: 0.68).

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



Despite a slight increase in critical safety violations from nine in FY2022 to 11 in the current year, there was a marked increase in frequency rate due to the reduction in exposure hours.

Frequency of high potential incidents (per million hours)

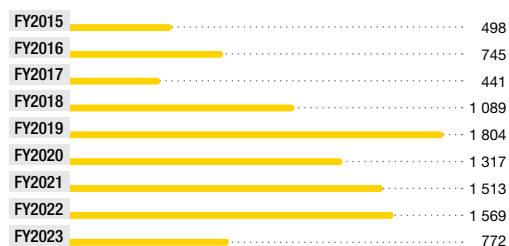


Nine (FY2022:13) high potential incidents were recorded, the decrease reflecting our increased focus on the management of critical controls and the exclusion of the Australian business. All incidents were reviewed by the executive committee and targeted improvement interventions implemented.

Maintaining our safety record *continued*

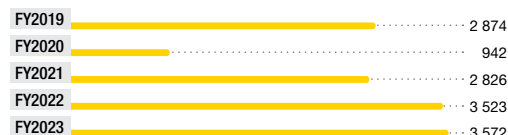
2023 PERFORMANCE *continued*

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



While the removal of pandemic restrictions have positively impacted leader visibility on projects, the loss of the Australian business has meant that the number of site visits and engagements halved during the year.

Hazards observations frequency rate (per million hours)



We continued to drive awareness around the importance of hazards observations and reporting among project site workers.

Critical control verifications (per million hours)



This improvement shown alongside reflects our work to enhance the quality of our critical control verifications, and the audits conducted by our leaders.

Note: all safety metrics include our joint-venture partners and subcontractors.



Maintaining our safety record *continued*

HEALTH AND WELLNESS

Our health and wellness programme is grounded in the Group's Value of Care. It aims to prevent work- and non-work related illnesses and proactively manage various health conditions. Our medium to high work-related health risks include noise-induced hearing loss, exposure to airborne pollutants and vibrations, ergonomics, fatigue and thermal stress, and communicable and non-communicable diseases. Control measures, training and awareness are in place for all of these risks, including TB, malaria, HIV/Aids, COVID-19 and chronic illness.

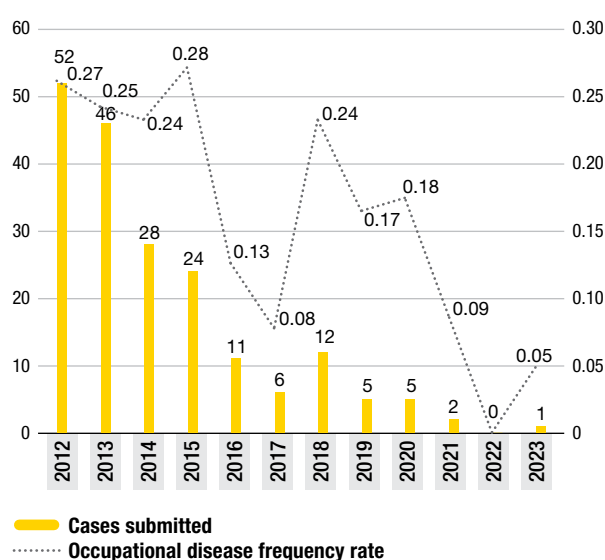
The mental and emotional wellness of onsite employees also impacts our safety performance on projects. Our Group-wide mental health guideline, and supporting initiatives, help employees to understand mental health and how to seek assistance and treatment. Our employees and their immediate families have access to free counselling support and advice on psychosocial issues.

2023 PERFORMANCE

Providing employee support on mental health and psychosocial challenges continues to be the key focus for the Group, more so as employees grapple with the uncertainty that has arisen as a result of the significant changes taking place within the Group. We continued to deliver awareness and education campaigns on mental health and to promote a healthy lifestyle.

Medical surveillance examinations as a percentage of the number of employees reduced from 203% in FY2022 to 191% in FY2023, equating to 8 097 medical examinations (FY2022: 8 600). The majority of medical examinations were for Mining platform employees. There were four noise-induced hearing loss cases during the year, 99 voluntary HIV screenings were conducted with a zero prevalence rate among employees tested, and there were no TB or malaria cases reported. Of the 1 056 046 random alcohol tests undertaken, 0.05% were positive and 0.5% of the 7 795 drug tests performed were positive.

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



Note: includes our joint-venture partners and subcontractors.

Four work-related occupational diseases – all reportable noise-induced hearing loss cases – were recorded in the year (FY2022: 0). All cases occurred in South Africa at our mining operations. Our occupational health and wellness interventions, including medical screening and disease management and covering work-related and lifestyle conditions, continued to ensure effective management of our health risk exposures.

Cultivating a valuable employee proposition



To be a contractor of choice is contingent on our ability to effectively resource projects, including providing the best management teams and technical expertise.

We focus on attracting the specialised skills we need and high-calibre employees with the behaviours that support our Values and high-performance culture. Our Purpose, commitment to safe outcomes, high-profile projects, world-class training academy and excellent development programmes, commitment to DEI, and adoption of digital and ESG strategies are key motivators for skilled individuals, providing them with valuable work experience and learning, meaningful career opportunities, and opportunities to positively contribute to society.

Key performance indicators

PERMANENT EMPLOYEES

5 443

FY2022: 8 394 | FY2021: 9 393
75% based in South Africa (FY2022: 39%)

AVOIDABLE TURNOVER (RESIGNATIONS)

13%

FY2022: 11% | FY2021: 11%

LEARNING AND DEVELOPMENT SPEND

R112 million

FY2022: R130m | FY2021: R99m

TRAINING HOURS PER EMPLOYEE

65 hours

FY2022: 42 hours | Not reported in FY2021

GROUP WOMEN REPRESENTATION (SENIOR MANAGEMENT)

10%

FY2022: 14% | FY2021: 12%

BLACK REPRESENTATION IN SOUTH AFRICA (SENIOR MANAGEMENT)

20%

FY2022: 19% | FY2021: 15%

Cultivating a valuable employee proposition *continued*

2023 overview

Highlights

DIGITALISATION

We are digitising human capital data for better resource management, which will support proactive, fast-tracked decisions relating to mobilisation and resource management.

ATTRACTING TALENT

The Mining platform intensified efforts to attract, train and develop young people given the acute demand for skill and experience combined with the retirement of many skilled people from the industry.

EMPLOYMENT EQUITY

We improved representation of black employees across all leadership levels in South Africa.

INDUSTRIAL ACTION

There were no major industrial relations disruptions on our projects.

RECOGNITION

One of our project engineers at Cementation Americas was included in the Women in Mining's 100 Inspirational Women in Mining 2022 publication for her contribution to the industry.

Lowlights/challenges

SKILLS SHORTAGE

The global skills and labour shortages require higher investment in people and can adversely impact the depth of both succession and the talent pipeline.

LEARNING AND DEVELOPMENT

Maintaining our level of learning and development during difficult and uncertain business conditions. However, it should be noted that Murray & Roberts Cementation's training spend grew by around 20% in FY2023.

DIGITALISATION

New technologies present change management challenges and can make certain skills redundant.

Summary of our approach to people management

- **HR delivery model:** we adhere to best people practices. All our businesses are expected to apply and uphold the high-level principles and standards defined in the Group-wide HR policy and shared delivery model. Formal documented performance management processes aligned to the Group's strategic objectives clearly outline accountabilities for all employees.
- **Culture:** ensure employees and subcontractors understand our culture and operating systems conveyed through our onboarding programmes and training and development interventions.
- **Learning and development:** all employees receive the appropriate training for their roles. Our learning and development initiatives include skills development programmes, learnerships and apprenticeships that provide work experience and on-the-job training, coaching, and undergraduate and postgraduate bursaries as well as scholarships. Most of our training spend supports the development of technical, safety and new technology and/or digital skills.
- **Diversity, equity and inclusion:** we are committed to being aware of and responsive to the specific DEI priorities of the different countries and cultures in which we operate. Guided by the Group DEI policy, all Group businesses have policies appropriate to their regions of operation.



Full approach to people management

Our priorities

- Understand and manage local workplace cultures and their impact on safety and productivity.
- Ensure responsible mobilisation and demobilisation on all projects.
- Focus on talent management, particularly the retention of project skills.
- Provide meaningful work that aligns to our Purpose and employee ESG expectations.
- Build the organisation for the future through training and capability development, particularly reskilling and upskilling to respond to digital change.
- Ensure good labour relations through clear communication and fair employee practices.

Cultivating a valuable employee proposition *continued*

Our focus areas

OUR LEADERS

The depth and calibre of our leadership teams both at Group and platform levels, and their ability to model the Group's culture, is critical to our recovery, financial stability and future success. Our Values and DEI priorities play a key role in leader appointments.

Normally assessed annually for top and senior management, the annual Group talent review was postponed in FY2023. Platforms have however conducted their own talent reviews, particularly at middle management level, where employees are accountable for project delivery. Mechanisms are in place to support structured career development to retain top talent, and ensure that our assessment of performance and remuneration are equitable and fair across job grades.

Current and potential leaders receive leadership development and mentorship to help them achieve the Group's objectives and/or build the competencies they need for future leadership roles. Individuals earmarked for succession have personal development plans and are mentored by a senior colleague. Their progress is reviewed periodically by a panel of senior executives.

2023 PERFORMANCE

Currently all executive roles are covered by an emergency successor at a minimum (individuals able to act in certain positions while successors are being sourced or appointed). A new managing director was appointed for Murray & Roberts Cementation during the year from our internal succession process. We did not meet some of our previously reported objectives for talent management during the year due to the significant changes taking place in the Group; nevertheless our key objective remains to identify top and critical talent and ensure these employees are engaged and trained to successfully execute our projects, grow our business and fill future roles. In line with its new strategy, the Mining platform will establish a single HR and talent management function.



EMPLOYEE ENGAGEMENT

The successful delivery of projects depends on effective leadership and employees who understand our culture and strategy, and are empowered to make decisions and take ownership of their performance. Incumbent on the Group is to create an engaging workplace and clearly and transparently communicate our expectations and strategy. Key is the transparent engagement between leaders and their teams to quickly resolve any concerns.

Group-wide employee engagement surveys, conducted every two years, also provide insight on employee perceptions and concerns, empowering the Group to correct issues and strengthen our employee value proposition. The last survey was conducted in FY2022, achieving an overall score of 3.4 out of five (FY2020: 3.7). The next survey will be undertaken in FY2024.

2023 PERFORMANCE

Businesses implemented various initiatives during the year to keep employees involved, engaged and informed about the changes taking place in the Group. Initiatives ranged from coffee sessions to executive one-on-one engagements and team-building events. For example, the Mining platform's daily line-up meetings support engagement between managers and supervisors and supervisors and their crews, and regular town halls are held for management and executive engagements.

Cementation Americas reinstituted in-person corporate events for employees; undertaken virtually during COVID-19. A total of 23 social events were held in Canada and the USA, some events also including the families of employees. The events help to build relationships, boost morale and show our commitment to a culture of work-life balance while also supporting local charities.

Cementation Americas continued to encourage exit interviews to for all office employees and employees on certain projects who voluntarily leave its employ. This enables the operation to enhance employment policies and practices and address any areas of dissatisfaction.

Cultivating a valuable employee proposition *continued*

WORKING CONDITIONS

Effective and agile people planning and attracting the right skills timeously are key to mobilising projects on time and within budget. In addition, different skillsets are required for various phases of project work and must be efficiently onboarded and demobilised in accordance with project schedules. We adhere to legislation and collective bargaining requirements when demobilising, and make a concerted effort to retain core skills. The same responsible approach is adopted when retrenchments are a necessity during cyclical downturns or when our efforts to find other opportunities for redundant roles fail.

Across the Group, we uphold the right to freedom of association and the right to collective bargaining. In South Africa 54% (FY2022: 64%) of the workforce is unionised¹ or covered by a bargaining council. A wage agreement for the South African mining operation is effective up to FY2024.

HR information management systems across both the Mining and PIW platforms automate HR processes, where feasible, to deliver efficiencies and enhance the employee experience.

2023 PERFORMANCE

The loss of the ERI platform and RUC Cementation account for the 35% decrease in headcount. We thank our employees from these two operations for their commitment over the years and wish them well in their careers. We thank all employees for showing faith in the Group during this challenging time.

The PIW platform's headcount increased from 502 in FY2022 to 849, mostly at project level, due to the growth in order book.

Employee relations remained sound across all mining operations. There were no significant strikes or work stoppages at any of our projects during the year.

Key data

The number of individuals **employed through contracting and joint-venture agreements** during the year was 1 100 (FY2022: 1 190).

Our **avoidable turnover** remains 6% (FY2022: 6%) in South Africa, and for the Americas it increased to 13% (FY2022: 10%).

514 (FY2022: 668) **disciplinary interventions** were held across the Group with 200 (FY2022: 122) individuals dismissed (4% of headcount).

¹ Privacy and freedom of association laws in the United States and Australia prevent access to information relating to labour union membership.



Cultivating a valuable employee proposition *continued*



LEARNING AND DEVELOPMENT

Bespoke virtual reality tools place us at the forefront of machine-specific operator training in the mining sector. A benefit of this methodology is that training can be updated to include lessons learnt on projects, positively impacting safety performance.

In South Africa, the Murray & Roberts Training Academy is world-class, and well recognised for its effective theoretical and practical training in mining. The academy focuses on skills and digital development across most underground hard rock mining operations, particularly trackless mechanised mining. It also provides training to our clients and for learnerships sponsored by the Mining Qualifications Authority.

Beyond South Africa, the Mining platform has well developed training and development systems and programmes to ensure that we deliver a high standard of work. Cementation Americas' in-house interactive training programmes provide a tailored learning experience with real-life examples that help employees apply their new skills in workplace situations.

The PIW platform provides training on project management and how to build stronger stakeholder relationships (for client- and supplier-facing professionals). It also supports selected project managers to obtain their Project Management Professional® certification and/or South African Council for the Project and Construction Management Profession registration.

2023 PERFORMANCE

7 720 (FY2022: 7 109) employees across the Group received training during the year, with our investment centred around mandatory training and the development of critical skills. The PIW platform delivered 457 training interventions compared with 272 interventions in FY2022, most being project-related to ensure employees perform their duties safely and productively.

Cementation Americas released a number of supervisor essential skills training modules, including a module on disciplinary processes, as well as new training on code of conduct. A total of 4 628 employees were enrolled on development programmes.

Looking forward, our key objective is to re-establish our leadership development programmes in the short to medium term.

Cultivating a valuable employee proposition *continued*

DIVERSITY, EQUITY AND INCLUSION

We aspire to provide our employees with a workplace where everyone feels valued and included, where strengths and differences are embraced and respected, and where opportunities exist for all to collaborate, contribute and achieve their full potential. Not only does this improve business performance but having workforces that reflect the communities in which we work supports our social licence to operate.

The DEI initiatives of our South African operations across both the Mining and PIW platforms focus on race, gender and disability, and the skills development needed to promote these designated employees into more senior positions. All South African businesses have employment equity plans that guide recruitment and plan for opportunities created by retirements

and new projects. This approach applies across all employment levels, with skills development being a key underpin.

The Mining platform's Canadian and American operations have working groups that promote diversity and inclusivity among all stakeholder groups, identify and remove barriers that inhibit DEI, and ensure that Cementation Americas does not inadvertently promote or reinforce these barriers in its public image or business practices. DEI training programmes are in place in both operations, including for current and new supervisors, and virtual panel sessions are available to employees who want to learn more about DEI in the workplace. In Chihuahua, Mexico, we are a member of the local chapter of Women in Mining, which promotes the development of women in the industry.

2023 PERFORMANCE

Board composition (Group)

WOMEN
25%

Target: 30%
FY2022: 30%

BLACK
50%

Target: 50%
FY2022: 60%

Women representation (Group)

OVERALL
15%

FY2022: 15%
FY2021: 12%

TOP MANAGEMENT
11%

FY2022: 7%
FY2021: 7%

SENIOR MANAGEMENT
10%

FY2022: 14%
FY2021: 12%

Employment equity (South Africa)

OVERALL BLACK REPRESENTATION
82%

FY2022: 77% | FY2021: 78%

**OVERALL BLACK REPRESENTATION
AT SUPERVISORY AND
MANAGEMENT LEVELS**
69%

FY2022: 59% | FY2021: 66%

**OVERALL WOMEN
REPRESENTATION**
17%

FY2022: 16% | FY2021: 14%

Black representation at top management was 37% (up 10% compared to prior year), 20% at senior management (up 1%), 50% at middle management (up 9%) and 75% at junior management (up 10%). Of our training spend in South Africa, 95% (FY2022: 93%) benefitted black individuals and 30% (FY2022: 23%) benefitted women.

For the Mining platform, the representation of black employees at top management was 50% (target: 50%; FY2022: 40%), senior management was 23% (target: 40%; FY2022: 24%), middle management was 32% (target: 50%; FY2022: 41%) and junior management was 60% (target: 70%; FY2022: 64%).

The increase in the PIW platform's headcount provided an opportunity to improve its employment equity metrics. We set a target of 43% black employees at middle management and 75% at junior management for FY2023, and exceeded both targets. Overall, black representation improved from 80%¹ to 88%, and female representation improved 3% to 18% (FY2022: 15%) of the total workforce. In middle management (our talent pipeline), 61% (FY2022: 40%) are black employees. The recruitment and development of black people at middle management level will be a key focus going forward. At senior management level our target for black representation was 20%, which was achieved, and 83% of junior managers are black.

¹ Restated from 66% in FY2022 due to a reporting error.

Cementation Americas

During the year, Cementation Americas' Toastmasters Club hosted two virtual panel discussions on DEI, one covering a culture of belonging attended by 96 employees, and the other discussing ideas to continue the DEI conversation, attended by 122 employees. We also renewed our corporate membership with Science North and Dynamic Earth, a popular educational centre in Canada. The membership provides our employees and their families free access to the centre, including to an exhibit on Indigenous Ingenuity, intended to engender a sense of pride among First Nation, Inuit and Métis communities.



Creating socioeconomic value for communities



Infrastructure that supports human development, wealth creation and better living standards is the legacy we will leave for future generations.

In our engineering and construction of this infrastructure, our business activities together with our sustainable localisation programmes, create socioeconomic value for the communities where we work. Our localisation and community upliftment programmes aim to leave a lasting positive impact, whether through fair and equitable services and procurement opportunities, or solutions that respond to the challenges faced by the communities located near our projects.

Key performance indicators

BBBEE RATING (SOUTH AFRICA)

Level 1

FY2022 and FY2021: Level 1
Measured against the Construction Sector Code

ENTERPRISE AND SUPPLIER DEVELOPMENT SPEND
(SOUTH AFRICA)

R1,2 million

FY2022: R4,2m | FY2021: R5,4m

CORPORATE SOCIAL INVESTMENT SPEND

R6,9 million

FY2022: R12,6m | FY2021: R15,3m

Creating socioeconomic value for communities *continued*

2023 overview

Highlights

ENTERPRISE DEVELOPMENT

Our enterprise development supported 14 black-owned suppliers in South Africa.

NEW PROGRAMMES

New programmes were launched in Canada and South Africa to improve skills and employment opportunities for local communities.

DEI WEBSITE

Cementation Americas launched a DEI webpage on its corporate site.



Cementation Americas

RECOGNITION

Cementation Americas received the Corporate Donor Ruby Circle Award at the SME2023 in recognition of our work to develop the next generation of mining engineers and educated professionals.

Summary of our approach to localisation

- **Community engagement:** when starting a new project, we develop clear community engagement plans to ensure successful project delivery and understand local norms and practices, as well as support the diverse cultures, needs and expectations of the surrounding community.
- **Localisation programmes:** our commitment to localisation is driven through our DEI policy. This covers the workplace and beyond, local business support and community upliftment initiatives, and strategic joint-venture partnerships, which are essential to secure large and complex projects and meet local contracting requirements. In South Africa, we have maintained strong BBBEE credentials for a number of years.
- **Community upliftment:** our CSI programmes contribute to the development and upliftment of the communities based in the proximity of our projects or support programmes that advance education and national priorities.



Full approach to localisation management

Lowlights/challenges

LOCAL DYNAMICS

Effectively managing the impact of local dynamics on project delivery, balancing the acquisition of the technical skill needed against training and employing local people, and expectations to use local services when their skills and resources are not sufficiently matched to project needs.

SOCIOECONOMIC DEVELOPMENT

The slow pace of socioeconomic development in some countries.

CORPORATE SOCIAL INVESTMENT

Availability of funding in a cash-preservation environment while also meeting the socioeconomic needs and expectations of communities.

Our priorities

- Maintain strong stakeholder relationships to access and maintain high-quality local contracting partners and employees.
- Respond to local requirements and norms and ensure that our localisation and community upliftment initiatives meaningfully support the needs and expectations of host communities.
- Develop customised approaches for each project to proactively manage community relationships and expectations.

Creating socioeconomic value for communities *continued*

Our focus areas

INCLUSIVE INFRASTRUCTURE PROJECTS

We identify opportunities to procure from local businesses to support the sustainable growth of local economies beyond project execution. Our enterprise development initiatives aim to build the capacity and skills of local SMEs so that they are better equipped to supply the goods and services needed by either ourselves or our clients, while at the same time supporting their growth and sustainability. Over the years, our successful joint ventures with local businesses have delivered complex projects and provided meaningful opportunities for these partners. Examples include the the Boipelo joint venture in South Africa; 51% owned by the Amandla TM Group, a black-owned mining contracting company; and the Kitikmoet Cementation Mining and Development Ltd joint venture in Canada, which has provided meaningful opportunities for local communities in the Nunavut and Northwest Territories since 2005.

Our learning and development programmes enhance employment prospects for individuals and the skills of local economies. Apprenticeships and learnerships for unemployed youth give them the opportunity to learn a technical trade and gain workplace experience. The Mining platform has a good record of recruiting and training people from local communities

and providing opportunities for employment on the mines that we build.

In South Africa, our inclusion of local communities in all our mining projects is aligned to our BBBEE initiatives. In the Americas, this commitment is driven through the diversity and inclusion policy, which demonstrates our respect for the rights of ancestral Indigenous citizens. The policy applies to our workforce and subcontractors, and includes procuring goods and services from Indigenous companies near to our projects. A DEI working group is tasked with implementing Cementation American's DEI interventions. We also work with local partners in Chile and Peru.

Unskilled, and as many semi-skilled employees as possible, are recruited from communities located near to our PIW platform projects, with a focus on women and youth. Host communities agree our recruitment process, facilitated by the client and an elected community liaison officer. This assists with managing economic and employment expectations and finding solutions to uplift communities. On-the-job-training enables those who are unskilled to acquire skills, enhancing their future employability.

2023 PERFORMANCE

In South Africa, the Mining platform invested R0,8 million (FY2022: R1,6 million) in enterprise development, supporting seven (FY2022: seven) black-owned suppliers at various projects. The PIW platform invested R0,4 million (FY2022: R1,4 million) in supplier development against a target of R0,2 million.

344 unemployed youth from various communities in South Africa successfully completed Murray & Roberts Cementation's National Certificate on Occupational Health, Safety & Environment learnership in FY2023. Since 2016, 2 099 unemployed youth have completed the learnership with around 51% gaining employment with Murray & Roberts.

Our flagship New Miner Training Programme at Cementation Canada and an equivalent programme for Murray & Roberts Cementation in South Africa aim to improve skills and employment opportunities for local communities, providing theoretical and practical training.

In Canada, we continued to encourage young people to consider mining and construction as career options, provided cultural awareness and induction programmes to enhance the understanding around Indigenous culture and heritage, and incorporated Indigenous employment and business opportunities in our project tenders.

Broad-based black economic empowerment (South Africa)

BBBEE SCORE (GROUP)

101.8%

FY2022: 102.2%
FY2021: 102.5%

PROCUREMENT SPEND WITH SMES (GROUP)

25%

of total procurement spend
FY2022: 24%
FY2021: 26%

PROCUREMENT SPEND WITH SUPPLIERS WHO ARE OVER 50% BLACK OWNED (GROUP)

36%

of total procurement spend
FY2022: 45%
FY2021: 41%

The economic interests held by black shareholders in our South African operations was 73.09% (FY2022: 92.41%) with black women holding 39.5% (FY2022: 49.29%).

The Mining platform maintained its Level 1 BBBEE rating (FY2022: Level 1) underpinned by the DEI programme, the training and recruitment of local people on projects, and the inclusion of local suppliers in our supplier development programmes and procurement contracts. The Boipelo joint venture performed well during the year and recently added a three-year mining contract with Thungela to its order book.

The PIW platform dropped to Level 6 (FY2022: Level 5).

Creating socioeconomic value for communities *continued*

COMMUNITY SUPPORT

Our CSI programmes respond to the specific needs and expectations of communities. Two corporate Trusts have supported historically disadvantaged communities in South Africa since their inception in 2006. They depend on dividends from Murray & Roberts Holdings. As no dividends were received in FY2022 and FY2023, their spending on community initiatives has considerably reduced over the past two years. During the year, we honoured our past awards of funding for entities over a defined period; however, loss of the ERI platform's contribution has adversely impacted our CSI spend.

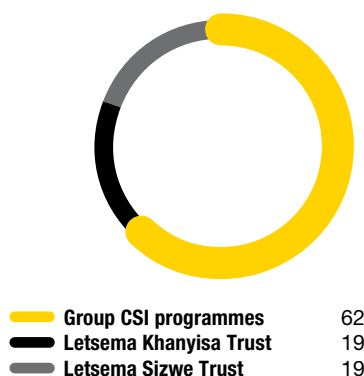
Regretfully, we have suspended all new social initiatives at corporate level until our liquidity position improves. We will see out all our direct commitments to beneficiaries wherever possible. For example, current bursary holders under the Letsema Khanyisa Trust (the children of our employees who earn less than R350 000) will be supported through to the completion of their current level of studies; however, no new learners will be recruited onto the programme in FY2024.

CSI at business level will continue to support the local communities located near our projects.

We look forward to returning our social responsibility projects to full funding when we return to financial stability.

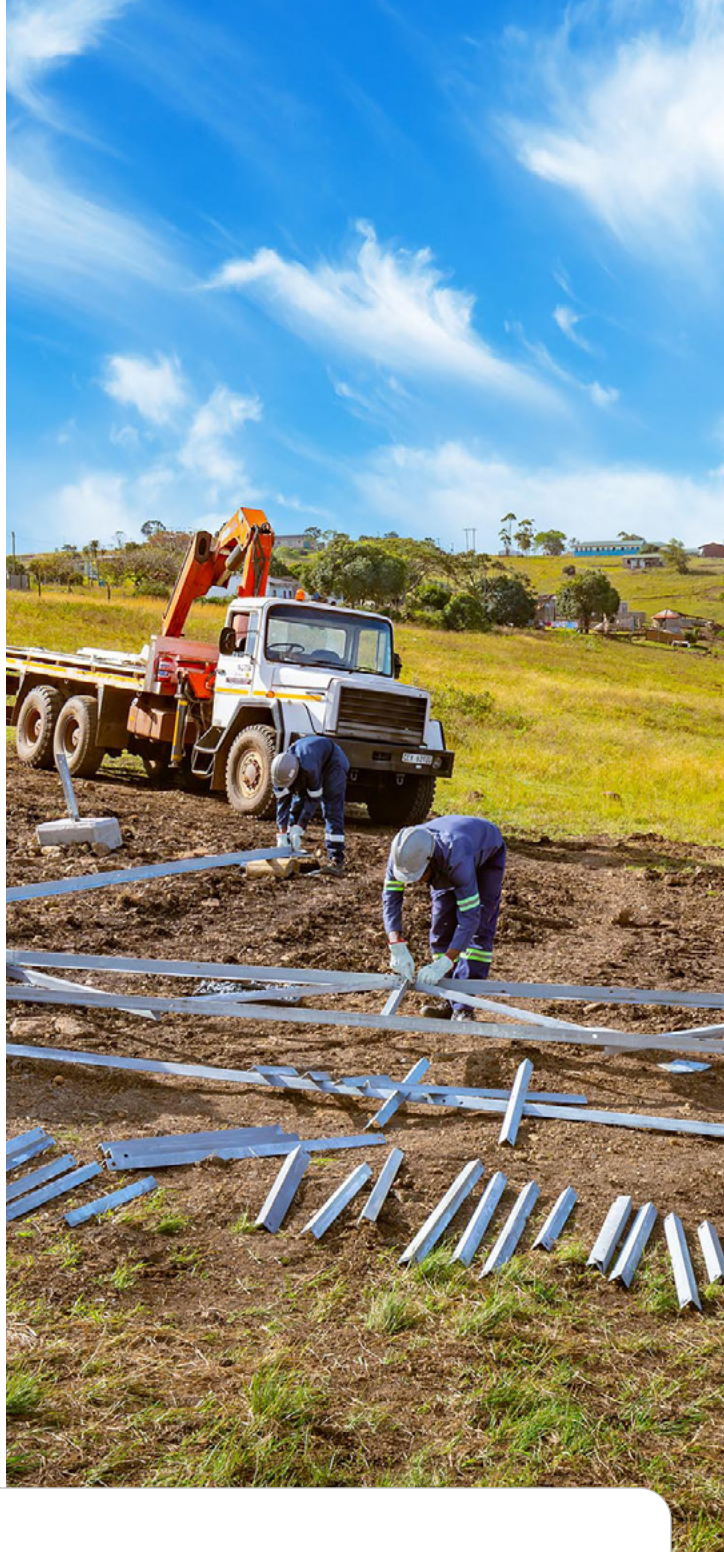
2023 PERFORMANCE

CSI spend (%)



Our CSI spend for the year comprises the Letsema Khanyisa Trust (scholarships for the children of qualifying employees) with an investment of R1,3 million (FY2022: R2,2 million), the Letsema Sizwe Trust (prioritises education and skills development in communities) with an investment of R1,3 million (FY2022: R1,6 million) and Group CSI programmes with an investment of R4,3 million (FY2022: R8,8 million). The Mining platform contributed R3,1 million (FY2022: R2,4 million) to the Group's CSI spend.

Of the R6,9 million (FY2022: R12,6 million) spent on community development initiatives, R5,3 million (FY2022: R8,2 million) supported disadvantaged South Africans.





Maintaining an ethical culture and responsible business practices

Corporate culture determines strategic choices and outcomes. The Murray & Roberts culture is rooted in our Values and aligns our operations to the philosophy of *Engineered Excellence*.

Our Statement of Business Principles, Code of Conduct and Values guide the Board, the executive team and our employees when acting for and on behalf of the Group in the pursuit of our strategic and business objectives. These pillars are the reference point for our decisions on policy positions, capital allocation, business practices and contracting principles, and inform how we manage performance and set and communicate our priorities.

Key performance indicators

WHISTLE-BLOWING REPORTS

7

FY2022: 15 | FY2021: 10

REGULATORY COMPLIANCE

Zero

material incidents of non-compliance with laws and regulations

FY2022: Zero | FY2021: Zero

INCIDENTS OF DATA LOST

Two

FY2022: Zero | FY2021: Not reported

Maintaining an ethical culture and responsible business practices *continued*

2023 overview

Highlight

COMPLIANCE CONTROLS

There were no major failures in terms of our compliance controls, ensuring that our business conduct and decision-making during a difficult period for the Group remained ethically robust and defensible.

Lowlights/challenges

JOINT-VENTURE PARTNERS

Managing the complexity of different systems and cultures with joint-venture partners to ensure alignment in values and management systems to manage execution risk.

CYBERSECURITY

The cost and effort to continually strengthen security governance processes and implement technical defences in response to the increasing sophistication of cyberattacks.

Our priorities

- Uphold our reputation for responsible and ethical conduct.
- Ensure that platforms and businesses subscribe to ethical business principles and comply with policies, laws, codes, standards and procedures.
- Instil Group culture frameworks, including our Statement of Business Principles, Code of Conduct and Values.
- Extend our ESG expectations into the supply chain.
- Ensure robust data protection, privacy controls and cyber risk management.

Summary of our approach to ethical business conduct

- **Ethics framework:** our Statement of Business Principles, Code of Conduct and Values, commitment to the 10 business principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises' standards of good practices, as well as our embedded business practices, ensure we uphold our reputation for ethical and responsible business conduct.
- **Human rights:** we uphold the human rights of people in all jurisdictions of operation, including the right to collective bargaining, the right to peaceful industrial action and all other labour rights. We reject child and forced labour and respect the rights of Indigenous Peoples.
- **Supply chain standard:** all business partners and suppliers are required to adhere to our supply chain standard, which specifies our requirements for environmental protection (water, energy, emissions, biodiversity, waste, pollution control, climate change and resource use) and social matters (safety and labour standards and DEI expectations). Our expectations are also clearly set out in our agreements.
- **Privacy and information standards:** we have established principles which define how information, including confidential information, must be treated and managed. Our standards apply Group-wide, including for third-party information users. We also maintain robust cybersecurity frameworks to guard against cyberattacks. Cybersecurity and data privacy training and awareness ensure that employees understand their responsibilities when working with and processing personal and confidential data.



Full approach to ethical business conduct



Supply chain standard



Privacy standard



Maintaining an ethical culture and responsible business practices *continued*

Our focus areas

ETHICS

The Board and leadership team lead by example, maintaining an ethical culture through open and ethical decision-making. We expect every employee and all our businesses, business partners and suppliers who work on our behalf to adhere to and/or apply and practice our high ethical standards when conducting our business activities. This includes our Statement of Business Principles, Code of Conduct and Values and our frameworks, policies and standards as minimum best practice, in tandem with all local laws, regulations and contracting norms. Behaviours that depart from these principles are firmly sanctioned.

New employees receive training on our Statement of Business Principles, Code of Conduct and Values, and all employees are required to complete an online assessment of their understanding of and commitment to the Code every two years.

Formal declarations are required from Group executives and senior management twice a year relating to anti-bribery and corruption, and adherence to competition law. Formal declarations also apply to the tender process, and are binding throughout the project life cycle.

Regulatory compliance is carefully monitored and potential compliance failures are evaluated to ensure we meet all legal and other requirements across all jurisdictions of operation.

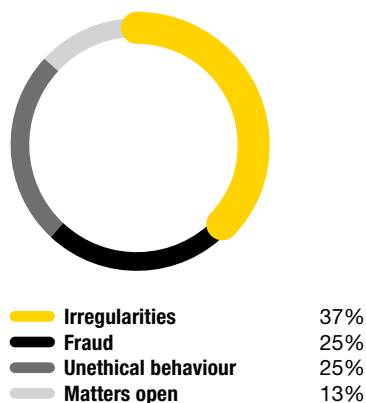
Employees, joint-venture partners, subcontractors and all concerned stakeholders are encouraged to report any incidents of workplace dishonesty, unlawfulness and unethical behaviour within our operations, including discrimination, theft, fraud and corruption.

The Deloitte Tip-Offs Anonymous hotline covers the corporate office, the Mining platform globally and the PIW platform. This hotline is toll free and safeguards anonymous reporting. All reports are recorded in an incident register and all alleged unlawful conduct is thoroughly investigated by independent forensic consultants.

2023 PERFORMANCE

The key objective over the next two years is to ensure that all ethical principles are closely adhered to as an integral part of doing business and to affirm the Group's expectations that these principles are not compromised in any way.

Whistle-blowing reports (%)



Internal audit found no major issues of non-compliance in its compliance reviews. No material fines or non-monetary sanctions were incurred during the year for non-compliance with laws and regulations, there were no confirmed incidents of corruption and no legal actions are 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. Of the seven (FY2022: 15) whistle-blowing reports received, one (FY2022: one) was confirmed as legitimate, and appropriate action has been taken.



Statement of business principles



Values



Code of conduct



Whistle-blowing policy

Maintaining an ethical culture and responsible business practices *continued*

SUPPLY CHAIN MANAGEMENT

Our business partners (joint-venture partners, subcontractors, service providers and consultants) and suppliers of goods and services help us deliver projects that meet client and stakeholder expectations. Collaborating with business partners and suppliers who share our sustainability objectives and align with our Values and principles therefore enables us to meet our ESG commitments and build strong stakeholder relationships.

Our business partners are identified through pre-qualification assessments and receive induction and training to prepare them for projects. Their performance is monitored during project execution and, where gaps are found, corrective measures are implemented. Audits, regular leadership engagements and climate surveys are additional measures used to track business partner performance.

DATA PROTECTION AND CYBERSECURITY

Digitalisation has the power to drive enterprise and project value, including providing better insights from the information collected, which may be of a personal nature or contain corporate intellectual property. As we digitise we acquire and store more data and the potential for disruption or damage to the Group caused by cyber breaches or attacks increases. Robust data protection and privacy controls mitigate these threats.

Our IT systems are independently tested, improvements are regularly made to our IT security framework, including our security governance processes and technical defences, and we use the latest technology to secure email, servers and other end points. A cyber incident response procedure is in place, including backup solutions to recover from breaches.

2023 PERFORMANCE

During the year, two incidents were reported to the Information Regulator in South Africa for very limited exposure of personal information without authorisation. One incident occurred during a tender process and the other was an inadvertent release of information by a service provider. Remedial measures were immediately implemented. Neither incident resulted in adverse consequences and no action was taken by the regulator. Lessons learnt have been used to strengthen our data protection measures.



Additional information

Glossary

BBBEE	broad-based black economic empowerment
CDP	Formally the Carbon Disclosure Project
CO ₂ e	carbon dioxide equivalent
CRM	critical risk management
CSI	corporate social investment
DEI	diversity, equity and inclusion
EPC	engineering, procurement and construction
ERI	Energy, Resources & Infrastructure platform
ESG	environment, social and governance
GHG	greenhouse gas
GJ	gigajoules
GRI	Global Reporting Initiative
HR	human resources
HSE	health, safety and environment
IUCN	International Union for Conservation of Nature
King IV	King Report on Corporate Governance for South Africa (2016)
KPI	key performance indicator
kl	kilolitres
kW	kilowatt
kWp	kilowatt power
LTI	lost time injury

LTIFR	lost time injury frequency rate
ML	megalitre
MW	megawatt
OECD	Organization for Economic Co-operation and Development
OEMs	original equipment manufacturers
PIW	Power, Industrial & Water platform
PPP	public private partnership
PV	photovoltaic
REIPPP	Renewable Energy Independent Power Producer Procurement
SADC	Southern Africa Development Community
SME	small- and medium-sized enterprises
STI	short-term incentive
tCO ₂ e	tonnes of carbon dioxide equivalent
TB	tuberculosis
TCFD	Task Force on Climate-related Financial Disclosures
TRCR	total recordable case rate
UN SDGs	United Nations Sustainable Development Goals
UK	United Kingdom
USA	United States of America



Independent limited assurance report

to the directors of Murray & Roberts Limited

Scope of work

The Directors of Murray & Roberts Limited ("Murray & Roberts") had engaged GRIPP Advisory (Pty) Ltd ("GRIPP") to provide limited assurance, in accordance with the International Standard for Assurance Engagements (ISAE) 3000 (Revised), on selected sustainability information ("subject matter"), as reported in the Sustainability Report for the financial year ended 30 June 2023.

This assurance report is produced in accordance with the terms of our Engagement Letter dated 26 May 2023.

Selected subject matter for assurance

The subject matter included the following selected disclosures relating to material sustainability matters for the Murray & Roberts Group:

Environmental indicators

- Scope 1 and Scope 2 greenhouse gas emissions from:
 - » Diesel used (mobile)
 - » Diesel used (stationary)
 - » Petrol used
 - » Electricity purchased
- Total amount of energy used
- Total water withdrawal

Safety indicators

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

The above subject matter has been assessed against Murray & Roberts Reporting requirements and Definitions. GRIPP's responsibilities do not extend to any other disclosures or assertions.

Key assurance procedures

Murray & Roberts provided GRIPP with the relevant information and supporting documentation related to the subject matter reported. GRIPP applied the Murray & Roberts Data Reporting Standards and the Global Reporting Initiative Sustainability Reporting Framework G4 (GRI G4) as assurance criteria.

To form our conclusions, we undertook the following limited assurance procedures:

- Examined on a sample basis, the documentation relating to Murray & Roberts sustainability performance to understand the level of management awareness and oversight of sustainability performance;
- Interviewed management to understand and test the processes in place for maintaining information in relation to the subject matter in the assurance scope;
- Inspected and verified supporting evidence to evaluate the data generation and reporting processes against the assurance criteria;
- Examined disaggregated data reported by a sample of businesses to assess whether the data had been collected, consolidated and reported accurately;
- Assessed the presentation of information in the Sustainability Report relevant to the subject matter for consistency with the assurance objectives; and
- Reported the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective enquiry of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial information, such as that included in the Reports, is subject to greater inherent limitations than financial information, given the nature and methods used for determining, and sampling or estimating such information.

Independent limited assurance report *continued*

Our work did not include an examination of the derivation of independently supplied emissions and energy conversion factors and did not include physical inspections of any of Murray & Roberts operating assets. It is important to understand our assurance conclusions in this context.

While we acknowledge that this report will be published on the Murray & Roberts website, the maintenance and integrity of that website is the responsibility of Murray & Roberts. Our procedures did not involve considerations of these matters and, accordingly we accept no responsibility for any changes that may have occurred to this report and the Reports, since they were initially presented on the website.

The basis of our work and level of assurance

We carried out limited assurance on selected Murray & Roberts safety and environmental Key Performance Indicators ("KPIs") in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised). Under ISAE 3000 an assurance engagement may be performed as a reasonable assurance or limited assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is designed to enhance the intended users' confidence about the subject matter information but is substantially lower than the assurance that would have been obtained had the reasonable assurance engagement been performed.

Respective responsibilities

The Directors of Murray & Roberts are responsible for the preparation of the sustainability information and statements contained within the Reports. Murray & Roberts is also responsible for selecting appropriate KPIs with which to describe the entity's performance, and establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to independently express conclusions on the subject matter as defined within the scope of work above to Murray & Roberts in accordance with our Engagement Letter.

Our independence and competence

GRIPP is an independent provider of advisory and assurance services. The engagement team comprised of suitably qualified audit and accounting professionals complying with the ethical requirements of their respective professional bodies.

GRIPP takes no responsibility for managements functions or for the development or implementation of systems. We did not undertake to perform any regulatory or contractual obligations of Murray & Roberts. In performing our engagement, GRIPP maintained independence, in particular, with regard to decision-making and objectivity and therefore:

- Did not assume the role of management when undertaking the engagement; and
- Any recommendations made, as considered appropriate are to be implemented by management, and not by us in our role as an independent third-party assurance provider.

Restriction of liability

Our work has been undertaken to enable us to provide an assurance report and conclude on the selected sustainability information to Murray & Roberts as contained in our Engagement Letter, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any third parties other than Murray & Roberts for our work, for this report, or for conclusions we have formed.

Assurance conclusion

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Based on the scope of our limited assurance procedures and the results of our assurance testing, nothing, has come to our attention that causes us to conclude that the selected subject matter stated above and presented in the Reports, for the year ended 30 June 2023, is not fairly represented in all material respects.



Adhika Singh
Director, GRIPP Advisory (Pty) Ltd
Johannesburg, 18 September 2023

Engineered Excellence is a leadership philosophy of planning in detail for the outcomes we want to achieve. ***Engineered Excellence*** means we apply rigour and discipline in everything we do and remove chance from the objectives we pursue.



Cover image

Venetia Diamond Mine
Limpopo Province, South Africa