





Building legacies. Changing lives

# 2023
## ESG Report

CALGRO M3
Group

# About this report

## The 2023 report composition

Calgro M3 Holdings Limited (“Calgro M3”) is a committed, responsible corporate citizen and produces an Integrated Annual Report reporting suite, consisting of the following components, which are available on the website for ease of reference. This also reduces our carbon footprint by reducing the number of copies printed.



**Integrated Annual Report**



**Consolidated and Separate Audited Annual Financial Statements**



**ESG Report**



**Notice of Annual General Meeting**



**King IV™ Application Register**

**Navigation toolkit**

Website reference | Notes reference | Page reference | Document reference | E Environment | S Social | G Governance

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Jabulani Junction

More than 90% of Calgro M3's revenue is currently derived from residential property developments and therefore most of this ESG Report focuses on property development. Where information does not pertain to property development, it is so stated.

The full ESG report should be read in conjunction with the Integrated Annual Report 2023, available on the website: www.calgrom3.com

# 01

# Introductory letter and our approach to Environmental, Social and Governance (”ESG”)




G

# Introductory letter and our approach to ESG

**Calgro M3 is focused on meeting environmental, social, governance and financial targets to ensure a sustainable impact.**

While companies around the world are beginning to recognise the importance of reporting on ESG matters, Calgro M3 has long recognised the value of providing insights into our sustainable and ethical responsibilities, and, as a responsible corporate citizen, has understood the need to maximise both the economic and non-economic value generated for its stakeholders.

There is none so stark a reminder of this as the shocking backlog that exists both in the local affordable housing market and the current condition of governmental burial facilities in our country. Calgro M3 remains well positioned to assist in closing this gap in keeping with our vision of ***"Building legacies. Changing lives"***. We continue to build homes and inclusive lifestyles for first-time homeowners and offer various housing options. Our memorial park offering is within the parameters of affordability, safety, beauty and tranquillity.

## Executive summary

This ESG report provides an overview of our management, governance and performance in relation to our people, our environment and society at large. Included in this report are the issues which matter most to our stakeholders. The identification of the key operational challenges and the mitigation factors to this are some of the first steps in ensuring that the ESG strategy addresses the required key business risks to the Group. The continued focus to global reporting standards, including the United Nations Sustainable Development Goals ("SDGs"), Health, Safety and Environmental Management system ISO 14001 and ISO 45001 requirements as well as UN Global compact principles has provided a year of positive audit outcomes, zero fatalities and continual strong governance structures. Calgro M3 maintains an ethos of community upliftment and service which has reaped benefits to the Company proving that investment in the surrounding areas in which we operate is a fundamental pillar in the Group's overall success. Investment in staff training and development remains an area of focus with strides made in the FY 2023 year illustrating Calgro M3's commitment to staff welfare and improvement.

We continue to observe our ethos of ***"Building legacies. Changing lives"*** and by doing this, Calgro M3 will support sustainable products and remains a sustainable company. To reiterate my statement from the past three years, our commitment to this is unwavering, no matter the challenges or obstacles the Group faces, both now and in the future. This report covers the Group, including all subsidiaries, joint ventures and associates.

## Reporting framework

Our ESG report has been prepared in accordance with King IV™, the JSE Sustainability Disclosure Guidance (referenced with the E S G throughout the report, further information on the reporting guidance can be found on the JSE website www.jse.co.za) which summarises and incorporates multiple sources of global sustainability disclosure standards, as well as the SDGs which are referenced by the relevant SDG icons.

## Approval

The Social and Ethics Committee, which is responsible for ensuring the integrity of the ESG report, believes that the report addresses the Group's material ESG issues. The committee approved this report on 15 May 2023.

**Mdu Gama**
*Chairperson Social and Ethics Committee*



# ESG at a glance

**Residential Property Development** + **Memorial Parks** = CALGRO M3 Group

**G**

Advanced signatory to the **UN Global Compact Principles**

57

**E**

Striving for continual employee engagement, enhancement and fair treatment

14-21

**E**

The environment, energy efficient homes and the preservation of green spaces and biodiversity is a huge focus

34-45

**E**

Preferential Procurement and Enterprise Development is an important aspect of operating as a sustainable business in South Africa

32-33

**G**

Health, Safety and Environmental ("HSE") Management System certification – ISO 14001:2015, ISO 45001:2018

20-21

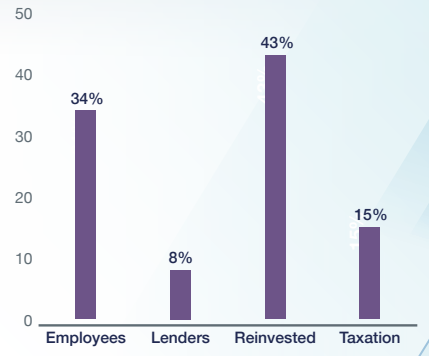
**S**

Corporate social responsibility is a core focus across the Group

22-31

**S**

Distribution of wealth 2023 JSE S2.4a



# Key operational risks

Key operational issues are those that Calgro M3 defines as having the potential to significantly affect the ability of the Group to deliver on our stated objectives, create value and ensure sustainability over the short, medium and long term.

**Here we define what these material issues are, the key operational challenges they represent, their impact on the organisation, and how we are dealing with them.**

**The following areas were considered when identifying key operational challenges that could impact the execution of our strategy:**

- Stakeholder expectations
- Environmental impact
- Industry and sector challenges
- Relevant legal and regulatory requirements
- Macro-economic environment
- Impact on communities we operate in



Sunset Village

## Key operational risks (continued)

This is an extract from the risk register of the top risks that Calgro M3 faces at present. This key is used to categorise the various risks:

**Inherent and residual risk**

- 0 – 4 Mild
- 5 – 9 Minor
- 10 – 14 Moderate
- 15 – 19 Major
- 20 – 25 Extreme

**Control of risk**

- Effective
- Strong
- Adequate
- Needs improvement
- None

Refer to Stakeholder list on pages 10 to 13.

**Risk category**

- O Operational
- R Reputational
- S Strategic
- F Financial

**Capitals**

- Financial
- Intellectual
- Human
- Social and relationship
- Manufactured
- Natural

| Level | Key operational risks identified | Inherent risk | Control over risk | Residual risk | Internal/ external | Risk category | Stakeholder impact | Risk link to capitals | Mitigation strategies |
|---|---|---|---|---|---|---|---|---|---|
| 1. | **Housing shortages leading to land invasions** | | | | E | O F | | | • Enhanced communication on the positive impact the Group makes in the communities we operate within<br>• Increased security measures on sites<br>• Actively assisting public sector to eradicate the housing shortage<br>• Exposure to fewer areas, enabling better focus on specific needs in the areas we develop<br>• Proactive monitoring of possible invasions |
| 2. | **Retention of key personnel** | | | | I | O | | | • Staff morale and performance actively monitored and benchmarked to ensure high-performing staff are retained<br>• Salary benchmarking carried out regularly to ensure adequate remuneration for output<br>• Introduction of custom made short and long-term schemes for both executive and senior staff levels to promote retention<br>• Succession planning is performed through each department for all department heads and key personnel |

## Key operational risks (continued)

| Level | Key operational risks identified | Inherent risk | Control over risk | Residual risk | Internal/ external | Risk category | Stakeholder impact | Risk link to capitals | Mitigation strategies |
|---|---|---|---|---|---|---|---|---|---|
| 3. | **Macro environment and impact on businesses** |  |  |  | E | O F |  |  | ▸ Updated economic and affordability data reviewed regularly and considered with every new business or project investment<br>▸ Consideration of the macro economic conditions prevalent at the time |
| 4. | **Capacity** |  |  |  | I | O |  |  | ▸ Strategic appointments were made in the year, both internally and externally to assist the Group in executing its strategic objectives.<br>▸ Continuous assessments of senior managements capacity is carried out with reallocation of obligations being performed to alleviate capacity constraints |
| 5. | **Cash flow/liquidity** |  |  |  | I | F |  |  | ▸ Strict budget control, cash flow monitoring and working capital preservation measures in place<br>▸ Actively prioritising the sale of non-core assets and previous rental stock portfolio<br>▸ Short-term net debt to equity targets are maintained with the Group to balance the repayment of debt and working capital in future periods |
| 6. | **Uncontrolled growth** |  |  |  | I | S |  |  | ▸ Guidance and supervision around the right sizing of the Group from executive management and Board of Directors<br>▸ Continuous capacity monitoring before the commencement of new projects/developments<br>▸ Current strategic focus on executing secured projects and not securing additional projects in the short to medium term<br>▸ Specified controlled growth targets have been set for both operating businesses in the Group |

# Our integrated approach to ESG

The principle of sustainability, underpinned by ESG practices, are the foundation of the Group's core business imperatives such as ensuring stable business growth and maximising returns for shareholders and thus underpinned in everything that we do.

As a business we are acutely aware that the value we create for the Group is closely tied to the value we create for our stakeholders. While the Residential Property Development and Memorial Parks businesses establish an important measure of our output, the real value lies in creating an environment in which communities can be uplifted to thrive. Our goal is to deliver not only housing and memorial parks, but an environment that empowers and uplifts these communities.

Our large-scale residential developments include schools, shopping centres, places of worship, crèches, parks and other community-based infrastructure. The main purpose of the Group is to build entire neighbourhoods with all ancillary services from infrastructure to completed units.

During the development of these communities individuals obtain training, set up small businesses and create an economically vibrant society. As part of the town planning of the development we incorporate green public spaces which are far larger than what is recommended by legislation, thereby illustrating our contribution to healthier living.

Our housing product offerings cater from fully state subsidised houses to more affordable bonded houses, all while still ensuring the provision of affordable lifestyle offerings to our client base. With regards to the allocation of fully subsidised houses, we aim to assist in providing the beneficiaries with shelter, clean running water and safe electrical connections elevating them out of extreme poverty under which some of the beneficiaries may live.

**Education facilities are zoned in various residential developments, either by way of building and donating land to Government through CSI initiatives or through the sale of land for the development of private schools to external parties thereby providing much needed education to these communities.**

From entry to exit, in all the phases of our operations, we have a dynamic working environment, putting in place structures that will support the future success, well-being and prosperity of our communities.

We invest in the development of shared public spaces for the community and in social, educational, sport and recreational facilities.

We engage with stakeholders to understand their challenges and material needs, incorporating their inputs into our outputs.

We incorporate energy and water solutions that are affordable, eco-friendly and durable into our design principles.

We create employment, provide and encourage skills training and enterprise development, and support entrepreneurship.

We take care of the environment, rehabilitating and protecting the natural surrounds, preserving them for future generations.

We do this without losing focus on creating business value and profitability. We are not seduced by opportunity and our risk is carefully managed. Our day-to-day focus is firmly on achieving consistent quality outputs, ensuring excellence in the management of our operations and capital, balancing our risk exposure, and nurturing our relationships with financers, investors and partners.

# Alignment with UN Sustainable Development Goals ("SDGs")

In the prior year Calgro M3 adopted SDGs for the first time. In the current year, we have prioritised seven of the seventeen SDGs that align with our strategy, and five additional SDGs that are supplemental to our strategy.

## Tier 1 – SDGs central to achieving our strategy




Calgro M3 prioritises safety, health and well-being. We seek to extend this beyond the confines of our development projects to the communities in which we operate. This approach facilitates an ecosystem in which our business and all stakeholders can thrive.

Refer pages 14 to 31 for details of the employee and community initiatives engaged in by the Group.




The Group has always made education a priority, and it continues to do so. This is the core of CSI initiatives; we believe that educating the youth provides endless opportunities and growth for South Africa. Ongoing skills development remains an area of focus for our current employees; this enables them to stay at the cutting edge in their fields of expertise.




Gender equality and equal opportunity for women are important aspects of our human resources policy. We have gender diversity targets and are actively increasing the number of women employed across the company at all levels.




The provision of clean water and sanitation is of critical importance to Calgro M3 across our residential property portfolio. This coupled with water management initiatives to assist in the preservation and efficient use of water is continuously monitored.




As a country, South Africa is facing unprecedented times with rampant load shedding and in dire need of affordable clean energy solutions. To assist consumers in lightening the burden of rising electricity prices, affordable energy alternatives are being installed within residential developments when viable. We also consider alternative energy options during the life cycle of new developments.




The Group promotes safe and secure labour environments by implementing various health and safety policies and procedures, prioritising the well-being of our employees, sub-contractors and all stakeholders. Stringent labour policies surrounding zero tolerance for the employment of child and illegal immigrant labour are in place. The focus on employment in the communities we operate in remains at the core of our operating model which is facilitated by local labour desks at all sites, as well as minimum local labour requirements written into sub-contractor agreements.




The Group's overarching purpose is to develop sustainable integrated housing solutions, communities, and infrastructure in cities and close to places of work. It does this through the creation of developments that cater for a variety of housing needs across various income brackets as well as include commercially zoned land opportunities such as shopping centres, schools, green spaces or recreational facilities, to name a few.

## Tier 2 – SDGs in support of our strategy




As part of the development of integrated residential communities Calgro M3 invests in the development and upgrade of infrastructure to the local and, in some cases, surrounding communities. This includes road, transport, water and electrification infrastructure.




The Group actively works to reduce income inequality by closing the salary and wage gap between male and female employees and contractors.




As part of our development activities ensuring that the Group maintains its responsibility to the environment through the safe disposal of waste and pollutants on building sites is paramount. The safety of waste management is not only focused on for the employees and sub-contractors of the Group, but also for the residents in and surrounding our developments, ensuring safe living conditions.




Calgro M3 operates in a highly regulated sector with several sign offs, certificates and documents required before transfers of residential units may proceed. It is for this reason that the Group drives ethical business practices, meets, or exceeds regulatory requirements and continues partnering with key stakeholders that share this responsible way of doing business.




Through partnership with our communities, sub-contractors, municipalities, provincial and national governments, Calgro M3 is able to ensure sustainable development. We focus on cultivating these relationships as well as building networks to ensure continued growth and development in the best interest of all stakeholders.

# Engaging with stakeholders




We have for many years understood that engaging our stakeholders is an imperative to conducting our business in a way that is both sustainable and ethical, and even more importantly, is key to understanding how we better deliver value to all our stakeholders, including those communities to whom we provide homes and memorial parks, so that we fulfil our ***"Building legacies. Changing lives"*** vision.

## Our approach

We define our stakeholders as any individual, group or organisation that is interested in, impacted by, or involved with Calgro M3. This includes our shareholders, investors, financial institutions, debt capital providers, customers, employees, sub-contractors, suppliers, communities, joint venture and other partnering organisations, government departments, governing and regulatory bodies, trade unions, NGOs, industry and related industry specialists, academic institutions and the media. The Group's stakeholder engagement philosophy takes into account King IV™ and the related recommendations included therein.

**We consider stakeholder engagement and feedback to be valuable to the Group as it serves to:**

- highlight potential areas of risk;
- improve awareness of market trends and innovations;
- help better understand the macro-economic climate, socio-political and cultural dynamics;
- obtain valuable feedback on the quality of products and delivery thereof;
- provide input for continuous business improvement and promote continual learning;
- inform the public of the suite of offerings: Integrated Residential Property Developments and Memorial Parks;
- build trusting, committed and solid relationships;
- proactively manage the Calgro M3 brand and improve its visibility in the industries within which it operates;
- ensure the Company's growth, development, short and medium-term success, and long-term sustainability;
- give stakeholders a voice to ensure their concerns are considered in the decision-making process; and
- ensure governance, compliance and best practice processes are in place to support the Group to further control and sustain growth.

Channels for engagement and dialogue with a wide variety of stakeholder groups are accessible via formal and informal meetings, forums, surveys, briefings, one-on-one meetings and reviews. We ensure local communities are engaged in our activities, providing employment and skills development opportunities, as well as other platforms and forums for involvement.

# Engaging with stakeholders (continued)

Strong relationship | Developing relationship

| Stakeholder | Quality of relationship | How we engage | Focus area | Our response |
|---|---|---|---|---|
| **Employees**<br>The key resource of our Group is our people. Our employees, sub-contractors and the unions that represent them are therefore a key stakeholder group. We endeavour to attract, motivate, develop and retain a skilled and sustainable workforce to meet the current and future business needs of the Group. We actively endeavour to become an employer of choice. | | ▸ Regular staff communications via briefings, meetings, staff newsletters, emails, internal broadcasts and presentations<br>▸ Management roadshows and project launches<br>▸ Regular formal and informal meetings held on site with sub-contractors<br>▸ Social facilitation meetings held with trade unions<br>▸ Formal and informal social events<br>▸ HR policy and procedure, including staff induction and performance reviews<br>▸ Regular training for staff (internal and external)<br>▸ Management maintains an "open-door" policy where ad hoc discussions are taken up and issues resolved accordingly | Fair work practice | ▸ Open communication, fair management practices<br>▸ Hands-on senior management involvement to address and resolve labour issues |
| | | | Safety | ▸ Internal HSE Department that is supplemented by external consultants to oversee the implementation of policies and procedures related to the formal HSE management system, based on international standards (ISO 14001:2015 and ISO 45001:2018) and compliance with the OHS Act 85 of 1993 and its regulations |
| | | | Incentives and bonuses | ▸ Endeavour to pay market-related or above salaries and rates as well as incentivise exceptional performance with performance-related bonuses |
| | | | Growth and development | ▸ Offer skills development opportunities (internal and external providers) to staff and sub-contractors |
| | | | Transformation | ▸ Strive for transformation of the workforce<br>▸ Dedicated internal B-BBEE Implementation Team to ensure transformation across all elements of the scorecard |
| | | | Succession planning | ▸ HR and Corporate Governance policies support succession planning<br>▸ Active involvement of management and Exco to identify and develop succession candidates<br>▸ Guidance and support provided by the Remuneration and Nomination Committee |
| **Customers**<br>Our customers are a vital part of our business model. Addressing their issues and concerns is of paramount importance to us. We regularly and consistently engage with the end-users of our products – residents, homeowners, tenants, those who have recently lost a loved one, property developers and/or real estate owners and sellers who are sub-contracted by the Group, as well as Government. | | ▸ Sales teams<br>▸ Written communication<br>▸ Advertising campaigns<br>▸ Press releases<br>▸ Social media<br>▸ Marketing material<br>▸ Site visits<br>▸ Project updates<br>▸ Community forums and body corporate membership/meetings<br>▸ Marketing surveys and group SMSs<br>▸ 24/7 Client Call Centre assistance and support<br>▸ Dedicated client liaison officer | Value for money | ▸ Our turnkey approach drives the affordability of end-products and is measured by 100% bonds granted by the financial institutions to our clients<br>▸ Continuous comparison to other products in the market for the same price, confirms value of products |
| | | | Quality | ▸ Quality of workmanship is constantly reviewed and formally verified<br>▸ Formal project management control procedures implemented before handover to clients<br>▸ 24/7 Client Call Centre established to resolve matters that are inside and outside the latent defect period |
| | | | On-time delivery | ▸ Internal professional teams means no reliance on external suppliers in the early stages of development<br>▸ Regular project manager meetings to identify issues, including senior management oversight |
| | | | Integrated, fit-for-purpose design addressing the needs of residents, the community and the environment | ▸ Town planning is informed by design specialists, environmental plans and engagement with critical stakeholders<br>▸ Village concept implemented |
| | | | Anti-competitive behaviour | ▸ Policies and guidelines ensure rights are protected and that undue influence is not brought to bear |
| | | | Service levels | ▸ Client service is closely monitored through client feedback. This is especially important for the Memorial Parks business |
| **Government (local, provincial and national)**<br>We partner with Government on developments, including the local, provincial and national authorities, liaising with the Departments of Human Settlements, Health, Education and Social Services, to build communities. | | ▸ Formal and informal meetings<br>▸ Steering Committee meetings<br>▸ Co-facilitation of public participation forums<br>▸ Partnering for training<br>▸ Partnering to address specific issues<br>▸ Participation in ad hoc discussions<br>▸ Involvement in providing input into policy-making in conjunction with Government<br>▸ Written communications | Statutory and legal compliance | ▸ Transparency and compliance with various Acts, policies, procedures and guidelines |
| | | | Funding constraints for much-needed infrastructure | ▸ Continuous engagement with public sector to find solutions to funding challenges |

# Engaging with stakeholders (continued)

Strong relationship | Developing relationship

| Stakeholder | Quality of relationship | How we engage | Focus area | Our response |
|---|---|---|---|---|
| **Communities in which we operate**<br>A critical component of our developments is community participation and locally-based skill and enterprise development. We respect the rights and needs of communities and actively seek to support their interests by involving them from start to finish. | | ▸ External social facilitation team<br>▸ Public participation forums<br>▸ Presentations<br>▸ Community outreach forums and leaders<br>▸ Corporate social responsibility and investment projects<br>▸ Launches<br>▸ Education<br>▸ Daily project site and operations management meetings, which include labour desks headed by community elected leaders<br>▸ Meetings with ward and local councillors for areas in which developments are planned<br>▸ Active education on requirements and responsibilities of a homeowner<br>▸ Social media | Land claims | ▸ Due diligence incorporating International Finance Corporation (“IFC”) principles<br>▸ Local councillor involvement<br>▸ Act within the framework of the judicial system |
| | | | Destruction of cultural heritage sites, protecting biospheres and endangered species | ▸ Public participation in the environmental authorisation process<br>▸ Strict compliance with an Environmental Management Plan<br>▸ Due diligence |
| | | | Issues with delivery and quality of housing | ▸ A formal focus throughout construction on verifying quality, backed up by after sales service |
| | | | Employment and economic development | ▸ Local community involvement through establishment of labour desks<br>▸ Skills and enterprise development<br>▸ Training programmes<br>▸ Community and labour desk officers |
| | | | Non-delivery of municipal services | ▸ Town planning and interaction with local government and municipal services to plan infrastructure and service delivery<br>▸ Alternative energy solutions make developments more affordable and sustainable |
| | | | Socio-economic and related issues (HIV and AIDS, crime, gangsterism, etc.) | ▸ Partner with businesses, NGOs and government to address key socio-economic issues within communities |
| | | | Access to health and education facilities | ▸ Provision for these facilities is made in the town planning process throughout our Integrated Developments |
| | | | Corruption | ▸ Calgro M3 adheres to a culture of zero tolerance for corruption<br>▸ Tip-offs Anonymous hotline (fraud and corruption hotline) |
| | | | Positive and tangible contribution to broader interests within the community and society as a whole | ▸ CSI annual spend is directed at key community projects<br>▸ Skills and enterprise development focused on the key needs of the communities we operate in |
| | | | Social and cultural integration of new development into existing communities and areas | ▸ Actively pursuing the creation of integrated, thriving communities by being cognisant of the interest and needs of all community stakeholders |

# Engaging with stakeholders (continued)

Strong relationship | Developing relationship

| Stakeholder | Quality of relationship | How we engage | Focus area | Our response |
|---|---|---|---|---|
| **Shareholders, investors, analysts and media**<br>By providing a holistic and transparent view of the Group and its operations, clear communications of our strategy, sustained and controlled growth and a consistent return on investment, we build trust and confidence. All activities below are undertaken to ensure that this relationship of trust is built with shareholders, investors, analysts and the media in an endeavour to ensure the correct value and understanding is placed on the Company. | | ▸ Regular financial results and presentations<br>▸ Group and shareholder meetings<br>▸ Comprehensive Investor Relations function<br>▸ Project updates<br>▸ Annual General Meeting<br>▸ Annual Integrated Report<br>▸ ESG Report<br>▸ Responses to email queries received<br>▸ Ad hoc telephonic dialogues<br>▸ Company website<br>▸ Site visits and roadshows are undertaken for local and large international shareholders | Operational focus | ▸ Increase open market sales and complete opportunities in Residential Property Development business<br>▸ Grow market share and sales through product enhancement and increase footprint of Memorial Parks business |
| | | | Growth and sustained returns on investment | ▸ Clear business strategy, stable growth and risk mitigating strategies<br>▸ Sustainable margin growth |
| | | | Appropriate response to macro-economic and socio-economic environment | ▸ Good business practices, sound governance policies, procedures and structures and flexibility between market segments facilitate agile responses and adaptability |
| | | | Prudent capital allocation and utilisation of cash and working capital | ▸ Ensure liquidity and reduce net debt used to raise necessary working capital, secured by a strong balance sheet and project pipeline |
| | | | Succession planning and talent retention | ▸ Leadership succession planning<br>▸ Human Capital Management policies and measurements in place |
| **Environmental agencies and interest groups**<br>Our key stakeholders in this group include environmental organisations, public interest and peer groups as well as industry partners impacted by environmental issues.<br><br>Our environmental responsibility extends beyond legal and regulatory requirements. It is our responsibility to reduce our environmental impact and continually improve our environmental performance across all our operations. | | ▸ Meetings<br>▸ Conferences<br>▸ Launches<br>▸ Monitoring projects and compliance<br>▸ Project feedback meetings<br>▸ Training of sub-contractors and suppliers<br>▸ Proactive engagement with regulatory bodies and councils<br>▸ Internal HSE Department, aligned and certified to the principles of ISO 14001:2015 and ISO 45001:2018 | Compliance with Acts and guidelines to protect and conserve the environment | ▸ Internal HSE Department that is supplemented by external consultants to oversee the formal HSE management system that was certified in terms of international standards (ISO 14001:2015 and ISO 45001:2018) and in compliance with the OHS Act 85 of 1993 and its regulations |
| | | | Transparency and disclosure of information | ▸ Adhere to and communicate compliance<br>▸ Resolve issues as a priority and communicate outcomes |
| | | | Product stewardship | ▸ Take measures to ensure minimal environmental impact from activities<br>▸ Integrated development leaders ensuring environmentally friendly initiatives across all projects<br>▸ Protection of endangered or threatened plant species in line with environmental due diligence |
| **Suppliers, service providers and specialists**<br>Suppliers and service providers are our partners in our approach to delivery. We create trust and stimulate collaboration, providing growth opportunities in a mutually respectful and beneficial way, with open and regular communications as and when required or requested. | | ▸ Meetings facilitated by specialist consultants<br>▸ Face-to-face engagement<br>▸ Emails<br>▸ Telephonic dialogues<br>▸ Industry conferences and functions<br>▸ Firm agreements in place with all suppliers, service providers and specialists, and are acted on accordingly<br>▸ Training of local suppliers | On-time payment | ▸ Timeous payments |
| | | | Growth opportunities | ▸ Favourable contract terms<br>▸ Preferential procurement for local small, micro and medium enterprises (“SMMEs”) |
| | | | Clear understanding of Group strategies and priorities | ▸ Engagement with professional teams to ensure synergy in implementation and problem resolution |
| | | | B-BBEE compliance | ▸ Preference is given to local suppliers with a positive B-BBEE scorecard able to demonstrate the necessary skills and competence required |

# Engaging with stakeholders (continued)

Strong relationship | Developing relationship

| Stakeholder | Quality of relationship | How we engage | Focus area | Our response |
|---|---|---|---|---|
| **JSE and other regulatory bodies**<br>We endeavour to comply fully with laws and regulations. We therefore engage with regulatory bodies on a regular basis to improve and ensure compliance. | | ▸ Meetings<br>▸ Written communications<br>▸ Attend educational presentations<br>▸ Audits (internal and external)<br>▸ Business associations | Statutory and legal compliance | ▸ Strict compliance with all laws, by-laws, notes and regulations<br>▸ Measure compliance on a continuous basis to ensure requirements are adhered to<br>▸ We intend to comply with all requirements and guidelines and to be an outstanding corporate citizen |
| | | | Adherence to guidelines such as King IV™, CSI, OHS Act | |
| | | | Good corporate citizenship | |
| | | | Transparent disclosure | ▸ Full transparency and disclosure to comply with laws and regulations |
| **Financial institutions and debt capital providers**<br>We maintain excellent relations with our financial partners, as securing finance for developments is vital across operations. We proactively manage cash flow, debt obligations and risk. To ensure financial excellence, we apply stringent measures and strict compliance with regulatory and contractual requirements. | | ▸ Face-to-face engagement<br>▸ Emails<br>▸ Presentations<br>▸ Cash flow and financial analysis<br>▸ Project updates<br>▸ Engage and take all financial institutions and lenders for site visits for them to see the result of their lending materialise | Sound financial management | ▸ Qualified team responsible for financial decisions<br>▸ Suitable governance structures in place to manage risk |
| | | | Appropriate response to macro-economic environment | ▸ Focused, flexible and proactive business model and management team |
| | | | Access to, and disclosure of financial and related information | ▸ Integrated Annual Report and interim reports that adhere to international accounting standards and JSE Listings Requirements<br>▸ Communication and reports issued to funders |
| | | | Liquidity | ▸ Strategically retain substantial cash resources and gearing ability |
| | | | Comprehensive risk management and exposure levels | ▸ Continue to ensure a strong balance sheet<br>▸ Risk management policies and tolerance levels set by the Board<br>▸ Continuous monitoring of financial position to tolerance levels<br>▸ Quarterly feedback to the Board and Committees |
| | | | Risk tolerance ratios and covenants | ▸ Tolerance ratios and covenants set by the Board and debt providers are monitored monthly to identify risks |
| **Joint ventures and other partners**<br>Vital to the success of our joint venture developments are strong relationships with our joint venture partners, as well as the maximisation of value for all partners. We maintain clear lines of communication, meet our commitments and carefully manage risk. | | ▸ Meetings<br>▸ Progress and financial reports<br>▸ Regular updates<br>▸ Launches<br>▸ Monthly Steering Committee meetings<br>▸ Business partner and industry forums<br>▸ Co-facilitation sessions<br>▸ Emails<br>▸ Telephone dialogues | Long-term value maximisation | ▸ Skills and knowledge are shared and transferred |
| | | | Joint growth and development opportunities | ▸ Co-manage risk using defined processes |
| | | | Long-term financial sustainability and security | ▸ Appropriate reporting, financial strategies |
| | | | Open and clear communication | ▸ Accurate, relevant, proactive communications are provided and mechanisms for ongoing feedback and participation are in place |
| | | | Full understanding of the Calgro M3 business model and the JVs role within it | ▸ Clear strategic direction<br>▸ Clear lines of accountability and ownership<br>▸ Corporate cultural integration and alignment |
| | | | Equitable income distribution | ▸ Encourage openness and transparency in our dealings and promote fair business practices |

# 02

# Our people

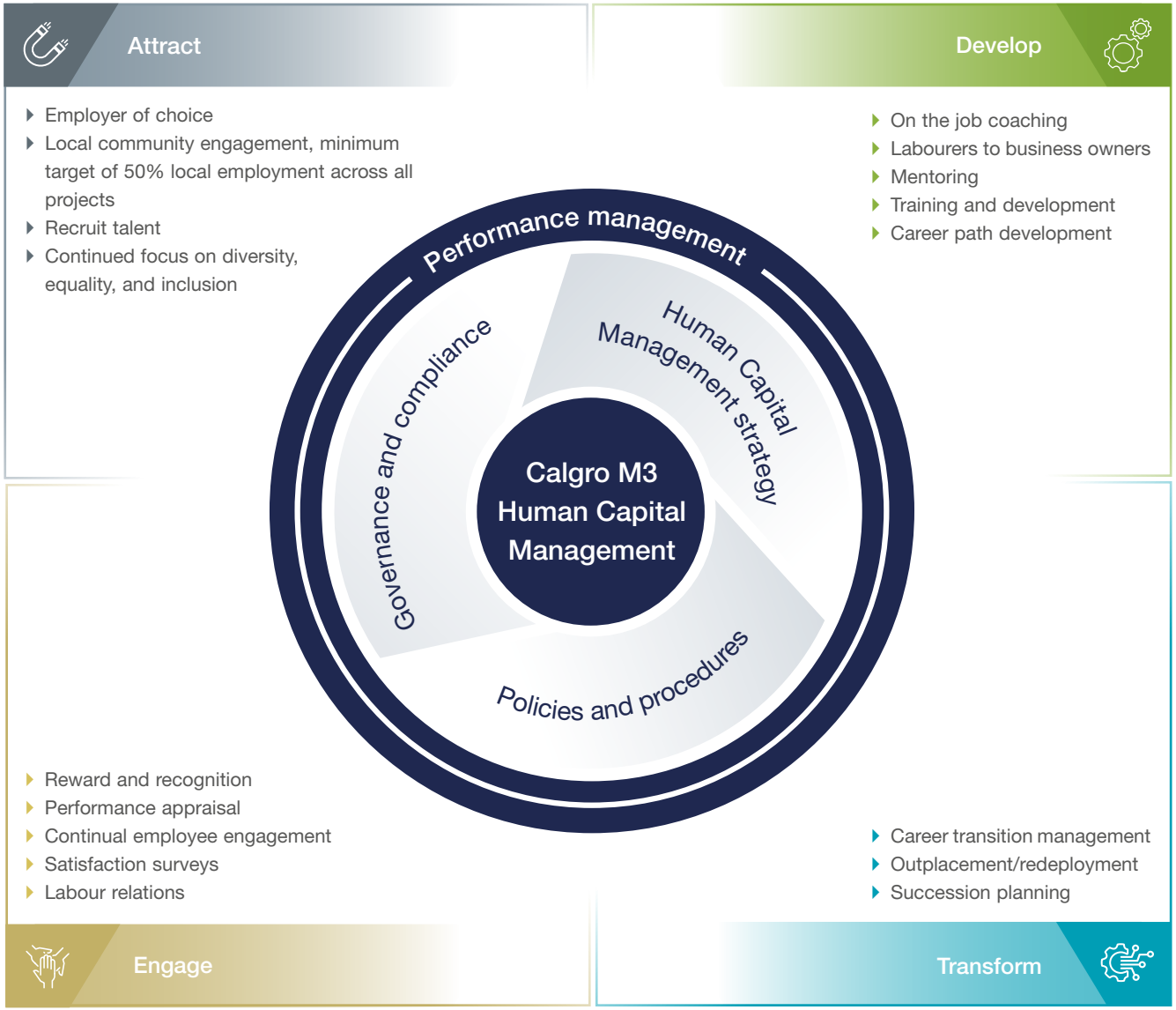


Human Capital is the most important resource for any organisation and we see our people are our greatest asset. Their development, well-being and safety are paramount. Our people come from many different backgrounds with a wide range of skills, knowledge and experience providing diversity in our workforce which makes us stronger.

S

# Our people

**Our people remain one of our greatest assets. With continual engagement on a national level to remain focused on health, safety and staff training, we strive to be the employer of choice in the industry.**




Human Capital is an integral part of the Group's value chain. Without our people, we will not be able to do business and we would certainly not be able to deliver the high-quality services and products that we do, to our valued stakeholders.

The Group recognises the importance of a transforming and ever-changing workforce. This has guided the development of the Group's Human Capital Management Strategy and Workforce Model. It focuses on four areas – **Attract, Develop, Engage and Transform** – enabling the Group to unlock the potential of each of our valued employees. We delve deeper into each of the above within this section of the report.

## Attract and Transform

The use of local recruitment and Human Capital Management remains a priority on all developments for both ourselves and our main contractors. This provides us with effective and valuable onsite labour. It builds positive relationships with communities, addressing unemployment in these areas and assisting to reduce skills shortages we might otherwise encounter at remote sites.

The Group practices a policy of non-discrimination at all our operations. We strive to recruit and retain the best people both on our projects and within our corporate support operations and draw on talent from the populations of the areas we work in wherever possible.

## Broad-Based Black Economic Empowerment JSE S1

We understand the importance of implementing the Broad-Based Black Economic Empowerment ("B-BBEE") guiding principles set out by the South African Government across all levels within Calgro M3. The Group views the B-BBEE principles as an opportunity to contribute to building an empowered nation.

For us, transformation goes beyond compliance with legislation and regulations but instead aligns with our goal of creating a truly transformed organisation where we empower our people to fulfil their purpose. Our commitment is to ensure that our organisation's culture aligns with this goal. We understand that the broader transformation of society cannot take place, unless large institutions like ours play a major role.

We recognised the need to do more in this respect and are proud to have maintained a Level 1 B-BBEE accreditation.

**Total staff complement analysis**

| | | African | Coloured | Indian | White |
|---|---|---|---|---|---|
| Total | Male 55.2% | 58.9% | 7.8% | 2.0% | 31.1% |
| | Female 44.8% | 57.5% | 13.7% | 6.9% | 21.9% |
| Total workforce | | 58.3% | 10.4% | 4.3% | 27.0% |

Our Social and Ethics Committee reviews the employment equity plan on a quarterly basis and monitors progress towards the approved five-year employment plan which is closely aligned to both the B-BBEE codes and the strategic goals of the Group. Over the five-year period that the plan has been in place the Group has demonstrated its commitment to the execution of the plan with significant improvement in both gender and race equality.

Our current workforce demographics are closely aligned to the national demographics of South African society in terms of the reported economically active population. Across the Group, preference is given to empowerment candidates in all new appointments (in the rare circumstance where we do deviate from this policy, we ensure that a justification submission with a valid reason accompanies the appointment). Any such deviation is noted and approved by both the Executive and Social and Ethics Committee.

The Group has reached a steady labour complement, including agents, by decreasing our employee count by 2% to 163 employees (2022: 167) in the current financial year.

On page 17, information detailing new staff appointments according to previously disadvantaged groups is provided.

## Employment equity

Calgro M3 remains committed to employment equity. The majority of new staff members employed by the Group (which includes permanent, temporary and fixed contract staff) in the financial year under review are from previously disadvantaged groups (2023: 86%), illustrating the Group's commitment to transformation in the workplace.

**Calgro M3 is committed to and supportive of the empowerment of previously disadvantaged groups.**

**New staff from previously disadvantaged groups as a percentage of total new staff (35 new employees in FY2023)**




## Diversity and inclusion

In addition to employment equity, Calgro M3 is committed to diversity and inclusion and does not discriminate on the basis of race, gender, age, disability or religious beliefs. The Group has a gender and race diversity policy that promotes the appointment of women and previously disadvantaged individuals, recognising that diversity in the workplace is of critical importance, with diverse teams of varied experience and backgrounds being more capable of understanding and meeting the needs of our customers, thereby improving the Group's ability to compete for business.

Calgro M3 is actively accelerating diversity to ensure that the succession pipeline is transformed, and that the workforce is representative of demographics in South Africa, and to promote a culture of diversity and inclusivity. Appointments on building sites by contractors are audited to ensure equality in line with international best practice and in line with requirements from international DFI funds that have invested in Calgro M3.

**Develop** JSE S2.2

### Internal skills development and training

Skills development is a very important aspect of the Group's Human Capital Management Strategy. The Group is strongly aligned with Government's drive to improve and empower the South African workforce. The Group is proud of its achievements in terms of training and the learning and career development opportunities it makes available to all staff and communities we operate in. The main drivers included the solidification of our mentorship and work experience-related initiatives.

**During the year the Group spent approximately R1.7 million (2022: R1.4 million) on skills, enterprise and supplier development.** This skills development and training spend was across various management levels. 100% of this amount was spent on black employees. This amount includes time spent by senior managers mentoring junior and middle managers, as well as expenses paid towards tuition for employees on the various training programmes.

We are often challenged by skills shortages, lack of formal training and the limited industry experience of the workforce actively recruited in the areas in which our projects are based.

Considerable time and effort are spent on skills development for existing staff, interns and students, and the development of the labour force. Skills development typically comprises some but not limited to or all the following:

- formal skills plans;
- transitional skills transfer and general upskilling;
- short-term "shadow skills training" and/or on-the-job coaching;
- medium and long-term technical, supervisory, and formal management training; and
- skills transfer by experienced long-term employees.

Continual learning, both formal and informal, is inherent in the Group's culture of sustainable growth and development.

We encourage all our employees to engage where possible in formal training and informal on-site training. Concrete efforts are being made in relation to development of skills plans, training, mentorship and learnership programmes.

All levels of the operations are designed to attract and retain key skills and talent in a climate of skills shortage, and to ensure the Group's sustained success in the future. Training, learning and career development plans are available for each employee to tweak as their own career path develops.

Team members are continuously challenged in their role. Continual learning, both formal and informal, is inherent in the Group's culture of sustainable growth and development. It is important for each employee to achieve their personal potential.

To ensure continuous productivity of our Group it remains essential that clear goals are set for each employee on a daily, weekly, monthly and annual basis to measure performance against. A joyful working environment is created within Calgro M3 through fun activities, team building exercises and creating a safe working environment. Continual learning remains important to motivate employees and to ensure that work is completed timeously.

### Mentorship programmes and learnerships

The Group caters for Quantity Surveying ("QS") and Information Technology ("IT") internship programme.

### Kaelo Lifestyle Programme JSE S3.1

This lifestyle programme was launched in February 2020, and is managed and implemented through Kaelo, a provider of innovative, essential, healthcare solutions enabling the physical and psychological well-being of all South Africans. The AskNelson programme, powered by Kaelo Lifestyle, helps employees and their families cope with today's challenges such as financial pressure, high levels of personal stress, addictions, healthcare, demanding work schedules, crime and violence.

The services available to Calgro M3 employees include counselling, financial advice, legal advice, trauma response and a child and teenage benefit. Our employees can access the services by telephone, sending a "please call me", emailing, sending an SMS or visiting the Kaelo website.

This service is paid for by the Company with continuous success and initiatives being offered by Kaelo to improve staff wellness.

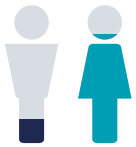
CALGRO M3

| | | | |
|---|---|---|---|
| Average number of employees | 157 | Total follow ups | 90 |
| Total new cases | 16 | Total interactions | 106 |

**Calgro M3's percentage utilisation of AskNelson platform based on average number of employees**

| New cases | Follow ups | Interactions |
|---|---|---|
| 10.19 | 57.32 | 67.52 |

**Gender distribution**



18.87% Male

81.14% Female

asknelson

**Percentage utilisation of AskNelson population**

| Total new cases | Total follow ups | Total interactions |
|---|---|---|
| 10.47 | 29.16 | 39.63 |

## Engage

### Rewarding employees JSE S1.2

A transparent performance management system that is linked to the performance of the Group is incorporated across the Group. It effectively creates wealth based on performance on all levels and raises accountability. All individuals regardless of race, age or gender are made aware, through various training channels, of the impact they have on the Company and the direct and indirect contribution they make to the success of the Group.

Calgro M3 has a long-term service and retention scheme for salaried and wage staff that rewards employees with extra leave days and a cash incentive for each five-year period of completed service.

Employees' salaries are benchmarked annually to ensure remuneration at the appropriate skill and experience level. Performance-based bonus schemes are in place for permanent staff. The scheme rewards personnel based on Group and individual performance through the performance appraisal system in place. Detailed disclosure around each of the policies can be found in the Remuneration Report within the 2023 Integrated Annual Report on the Group's website.

### Employee engagement

The Group has put in place employee relations strategies that include staff engagement and effective communication at all sites. Workplace forums and meetings provide a platform to improve engagement with employees and sub-contractors. They help manage labour relations proactively, manage expectations and highlight any deterioration in trust between management and labour.

Employee surveys facilitate direct input by employees, assisting the Company to meet expectations. These will be accompanied by other staff engagement initiatives throughout the year, such as briefings, CEO addresses, and feedback from the different divisions and from site managers in daily, weekly or monthly meetings held across the different forums within operations.

The Group has taken and will continue to enforce a hard line and zero tolerance approach with respect to disciplinary issues, especially with reported cases of abuse of alcohol or narcotics on work premises, dishonesty, assault or negligent acts that may endanger people's lives. This will send a consistent message to employees that misconduct will not be tolerated and that anyone involved in misconduct will face severe consequences. This is in line with the Group's efforts to maintain zero harm and promote a safe and harmonious work environment.

The Group has policies and procedures in place aimed at improving grievance management resolution timeously, including in-sourcing of key stakeholder engagements. As a result, average conflict resolution is 72 hours. For the financial period under review, the Group was minimally impacted by work stoppages at its sites.

### Key data points – Our people

| | Units of measure | JSE sustainability disclosure guidance | 2023 | 2022 |
|---|---|---|---|---|
| **HUMAN CAPITAL** | | | | |
| Number of employees | number | | **163** | 167 |
| Percentage of employees who are permanent | % | S1.5a | **100** | 100 |
| Percentage of employees operating in South Africa | % | S1.5a | **100** | 100 |
| Percentage of management (top and senior) deemed HDSA* | % | S1.1a | **42#** | 50 |
| Percentage of management (top and senior) who are women | % | S1.1a | **42#** | 43 |
| Percentage of employees who are deemed HDSA[1] | % | S1.1a | **73** | 71 |
| Percentage of employees who are women | % | S1.1a | **45** | 44 |
| Percentage of HDSA[1] employees in skilled and supervisory positions | % | S1.1a | **49** | 37 |
| Number of allegations and confirmed incidents of discrimination and/or human rights incidents relating to employees | number | S1.1b | **0** | 0 |
| B-BBEE level | | | **1** | 1 |
| Number of employees with disabilities | number | S1.1a | **2** | 2 |
| Percentage of employees covered by collective bargaining agreements | % | S1.4b | **0** | 0 |
| Employee turnover* – Group | % | S1.3b | **29** | 12 |
| Percentage of employees trained | % | S2.2 | **18** | 7 |
| Value of employee training spend | Rand | S2.2 | **1 672 811** | 252 000 |
| Total number of training hours | number | S2.2 | **2 357** | 576 |
| Total number of person days lost due to industrial action (i.e. strike action) | number | S1.4c | **0** | 0 |
| Percentage of total person days lost due to industrial action | % | S1.4c | **0** | 0 |

* *HDSA – historically disadvantaged South Africans.*
\# *Reduction in percentage driven by the reduction in staff complement within the "top and senior" management category.*

**Calgro M3 is pleased to report zero fatalities for the reporting period.**

## Health, Safety and Environmental JSE S3

The Calgro M3 Group is committed to reducing the adverse health, safety and environmental impacts of the organisation and has implemented an integrated Health, Safety and Environmental ("HSE") Management System to ensure decisions that are made, consider economic development, environmental quality and the social impact for all stakeholders. The purpose of the HSE Management System is to provide a management framework for Calgro M3 to adequately manage health, safety and environmental aspects, risks and opportunities and to ensure continual improvement in managing these aspects and risks.

The aim is to protect the environment and respond to changing environmental conditions in balance with socio-economic needs and to prevent work-related injury and ill health to workers and to provide safe and healthy workplaces.

The intended outcomes of the HSE Management System are as follows:

- To enhance the organisation's HSE performance;
- To conform with compliance obligations;
- To achieve the organisation's HSE objectives;
- To add a competitive advantage; and
- To confirm a continuous improvement drive to ensure a safe working environment and involvement by all within the organisation.

Calgro M3 Developments holds certification for both the relevant standards applicable to the management system:

- ISO 14001:2015 (environmental)
- ISO 45001:2018 (health and safety)

Certification was maintained in 2023 FY

## Providing a safe workplace

Ensuring health and safety of all stakeholders on site is the basic principle underlying Calgro M3's HSE Policy. Our HSE Management System approach is risk-based and focuses on the integration of safe working/operating practices into every aspect or process performed.

Furthermore, contractor and supplier assessments and performance evaluations were developed to promote accountability and performance improvements.

## HSE objectives

On an annual basis within the HSE Management Review Meeting annual HSE objectives are discussed and approved by senior levels of the Executive team with the respective HSE team members. In the FY 2023 these objectives include:

- Striving for zero harm;
- Proper waste management; and
- Working to ensure activities comply with HSE requirements.

The above objectives are reported and monitored at each Social and Ethics Committee meeting with the Group demonstrating high levels of compliance across the defined objectives.

## Safety performance

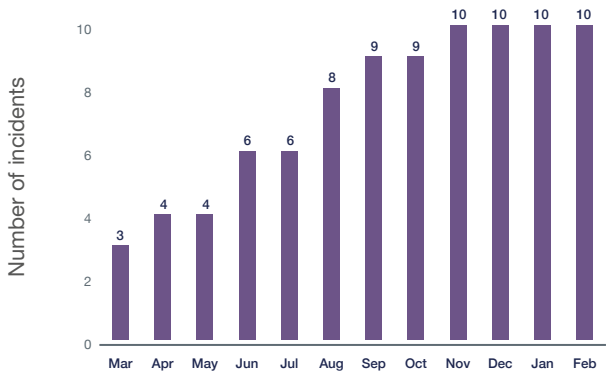
Safety performance was measured by lagging indicators. Such lagging indicators include injury frequency rates and lost workdays. These measures are necessary to track the number of injuries but does not indicate the effectiveness of control measures put in place in preventing injuries. Calgro M3 has now adopted the tracking and analysis of leading indicators such as training, compliance audits and checking the effectiveness of controls. This will provide an indication of what corrective measures are needed and where to prevent incidents and injuries.

If an incident occurs, an investigation is conducted to understand why the incident occurred and identify what controls could be strengthened or improved to prevent similar incidents. The learnings from these incidents are then shared via the weekly toolbox talks training mechanism, which aims at sharing and limiting multiple incidents of a similar nature occurring.

Unfortunately, a few medical treatment cases occurred on-site with some of them resulting in lost time injuries. The Group is actively working at improving its lost time injury frequency rate ("LTIFR") and recordable case rate ("RCR") which includes any injury that requires more than a first aid treatment to within international standard levels.

Monitoring and reporting on safety performance is essential to ensure the safety of everyone working for Calgro M3, including employees, contractors and suppliers and their respective employees. This addresses risks that are inherent to the industry.

**Number of incidents 2023: 10 incidents**
Cumulative incidents for the year depicted below:



### Occupational health

It is a legal requirement to ensure that employees working on Calgro M3 sites are medically fit. Calgro M3's medical surveillance programme ensures that the baseline health of employees are recorded, and the state of health is monitored throughout the duration of the employment. Interventions are made to assist individuals that need to sustain and improve their health. The medical surveillance detects risk factors related to occupational exposures and lifestyle conditions and incorporates screening for lifestyle diseases like hypertension. The interaction between workplace and social risk factors calls for an integrated approach to health promotion, prevention and management.

### Managing HIV and AIDS

Calgro M3 is concerned with the health and well-being of all employees and has an HIV/AIDS Policy, which has been adopted by all parties involved on Calgro M3 projects.

The HIV/AIDS pandemic remains an epidemic of serious magnitude. Presenting companies like ourselves with unique and complex problems which must be managed appropriately and effectively. HIV/AIDS targets the economically active sector of the population and thus impacts our workplace. As such we need to, and have, developed proactive strategies and policies to address the problems which will be experienced as a result of the pandemic.

We are committed to addressing HIV and AIDS in a positive, supportive and non-discriminatory manner, with the informed support and cooperation of all employees, and in accordance with accepted best business practices and relevant Codes of Good Practice. Our policy regards HIV/AIDS in the same light as other life-threatening diseases and ensures non-discrimination against HIV positive employees.

## Key data points – Health and safety and Covid-19

| | Units of measure | JSE sustainability disclosure guidance | 2023 | 2022 |
|---|---|---|---|---|
| **HEALTH AND SAFETY** | | | | |
| Workplace deaths | number | S3.1a | **0** | 0 |
| Non-work-related deaths | number | – | **0** | 0 |
| ISO 14001:2015 and ISO 45001:2018 | certification | – | **Y** | Y |
| Fatalities (i.e. injuries on duty leading to death, excluding the deaths of workers not occurring "at work") | number | S3.1a | **0** | 0 |
| First aid cases (FACs, i.e. injuries on duty leading to minor treatments, such as a plaster or a pain tablet) | number | S3.1a | **9** | 13 |
| Medical treatment cases (MTCs, i.e. injuries on duty leading to medical treatment, but no lost days) | number | S3.1a | **10** | 8 |
| Lost time injuries (LTIs, i.e. injuries on duty leading to at least one lost day) | number | S3.1a | **10** | 8 |
| Days lost to LTI | number | S3.1a | **89** | 38 |
| Total number of recordable injuries, including MTCs, | | | | |
| LTIs and fatalities | number | S3.1a | **20** | 16 |
| Permanent disabilities | number | – | **0** | 0 |
| High frequency risk incidents (HFRIs) | number | – | **9** | 7 |
| **COVID-19** | | | | |
| Number of positive Covid-19 test results | number | | **7** | 45 |
| Number of PCR tests (known) | number | – | **7** | 88 |
| Number of antigen tests (estimated) | number | – | **0** | 3 |
| Days lost due to Covid-19 positive cases | number | – | **0** | 0 |
| Number of repeat positive cases | number | – | **1** | 2 |
| Number of recovered positive cases | number | – | **7** | 45 |
| Number of outstanding positive cases | number | – | **0** | 0 |
| Number of Covid-19-related deaths | number | – | **0** | 0 |
| Covid-19 recovery rate (total number of recoveries/total number of positive cases) | % | – | **100** | 100 |
| Covid-19 mortality rate | % | – | **0** | 0 |
| Rand value of investments in Covid-19 avoidance, mitigation and treatment | Rand | – | **26 967** | 114 749 |

# 03

# Our societal responsibility and actions



Corporate Social Responsibility (“CSR”) is a corporate culture whereby businesses or companies decide voluntarily to contribute to a better society and a cleaner environment. This voluntary commitment aims to address the needs of the communities. It is based on the idea that businesses have responsibilities towards society in which they operate. This is a fundamental principle that Calgro M3 subscribes to.

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# Corporate social responsibility (“CSR”) JSE S2.4

**At Calgro M3 we are shaping a responsible business in an ethical way every day. It’s how we make profits, not just how we spend them that counts. We generate direct and indirect economic value for local communities from our operations as we develop entire communities, not just properties. We believe that in supporting education, a meaningful difference can be made to change the well-being of South Africans!**

Calgro M3’s investment in social initiatives is aligned to its philosophy of community development. We invest in social development initiatives that help uplift and empower. We favour the support of projects in and around our residential developments, identifying opportunities where we can make a tangible difference, supporting the growth and development of individuals, nurturing vulnerable or needy groups, or strengthening the community.

The Group is involved in the development of various schools, crèches, clinics, parks and community centres within its developments. In all instances, Calgro M3’s investment in chosen initiatives is voluntary, not mandated. Town planning regulations for Integrated Developments stipulate that land must be reserved for public use and that developers may not raise any structures on or develop that land.

Although our Socio-Economic Development (“SED”) spend complements our BEE scorecard, our focus is to create socio-economic sustainability within the developments that we create, thus going above and beyond the recommended target of 1% of net profit after tax (“NPAT”).





## Areas of impact

- Social/community development: non-residential amenities within new and implemented projects
- Innovation within project management and infrastructure/ community development
- LLC Support-a-School programme
- Enterprise development
- Skills development
- Supplier development
- Donations: land, infrastructure, top structures or in-kind
- Social economic development initiatives:
  - Education, schooling and early childhood development
  - Community development
  - Development of recreational park areas
  - Waste management and recycling areas
  - Water harvesting
  - Urban agriculture
  - Healthcare and wellness within communities
  - Maintenance of open spaces and facilities
  - Youth training and development programmes

### Our core CSR objectives are:

- Partner with specialist service providers, including non-profit organisations, to ensure appropriate skills are applied to execute initiatives
- Maintaining excellent relationships with employees, customers, suppliers, investors, funders and communities
- Community involvement
- Monitor outcomes and manage investments to drive delivery of envisaged benefits
- Wellness of employees
- Education and upliftment of communities

### Governance and standards:

- King IV™
- Companies Act 71 of 2008 (as amended) Regulation 43(5)
- Employment equity
- B-BBEE Legislation Act 53 of 2003 (requiring companies to engage in preferential procurement)

*Building legacies. Changing lives*

> ***Creating sustainable environments which empower and uplift communities, leaving a lasting legacy of socio-economic upliftment and change.***

## Social economic development initiatives

### Early childhood development centres (“ECD”) and initiatives

The National Lottery Commission awarded funding to respective ECDs for the development of ECD centres, based on land availability. Calgro M3 donated the identified land in the Fleurhof and South Hills developments for the development of ECD centres which are being managed by a non-profit organisation (“NPO”). The pre-school is being managed by selected management teams from the local community.



### Fleurhof soccer field

In partnership with sub-contractors on the greater Fleurhof project, the development of the soccer field on extension 4 began in the current financial year. Although difficulties were experienced with regards to initial specifications, initial platforms have been completed with further construction underway.

The Calgro M3 Group has invested R515 000 on this initiative and aims to provide safe, outdoor facilities to the Fleurhof community.



## Community development initiatives

### Food parcel donations

In the year the Group participated in a number of food parcel drives. This included the donation of food parcels to the Alexandra and Soweto areas to various organisations. The provision of food is considered to be a core principle to the Group and we assist when and where possible.

### Contribution to Gift of the Givers

The contribution made by Dr Imtiaz Sooliman and the Gift of the Givers Foundation to Humanity within not only South Africa but to the world, aligns to the Group’s mantra of ***“Building legacies. Changing lives”.***

In the year to assist in relief missions a donation of R50 000 was made by the Calgro M3 Group to aid in initiatives carried out by the foundation.

### Maintenance of open spaces and facilities

Calgro M3 develops active open space areas and parks within developments. We consider this a critical part of establishing a sense of community. The Group maintains these parks and open space systems for a period before handing maintenance over to local residential committees. This ensures the community understands the value of these parks and maintains them accordingly for all residents to enjoy.





### Soccer kit sponsorship: Isaac Morrison School in Soweto

The donation included school kits for both the girls and boys under-15 soccer teams, soccer balls and water bottles for the players. These initiatives enhance both the school and community spirit.

Further initiatives are being planned with the school which is located close to current development activity within Jabulani. Total sponsorship investment amounts to R29 000.



## Donation of roofing for an ablution block at Thusanang School

In collaboration with one of our main contractors the Group embarked on an initiative which provided ablution facilities to the Thusanang School in Ward 34 Jabulani, Soweto.

The school, which prior to this, had no ablution facilities, now has 20 bathroom stalls in a stand-alone ablution block on the school premises.

Calgro M3 contributed total of R75 000 to the project.



## Youth training and development programmes

**LLC support a school programme**
Calgro M3 is exceptionally pleased to be sponsoring two disadvantaged disabled individuals on the LLC Support-a-School programme for a twelve-month period. The programme is a purpose built B-BBEE programme that provides real benefit to the youth of South Africa through education and provides a solution to low administrative capacity in disadvantaged schools. The programme provides a year funded education with valuable work experience to deserving youth who cannot afford to study, thereby assisting in improving the current youth unemployment statistics.

LLC learners are given access to NQF level training through accredited training providers, who provide part time, distance learning programmes in the field of business administration and computer literacy. These learners are then placed in schools to work as admin assistants for a year with continuous coaching and support to ensure holistic development. Community economic development programmes.







*"Training focuses on daily employee development, not only for their current roles and responsibilities but for future advancement too. Social development puts people at the centre of development through committed development processes that benefit people in the way they interact in groups and society. Social assistance continues to form an important part of government's strategy to fight the triple challenge of poverty, inequality, and unemployment. (Adopted from South African Government)"*

## Community economic development programmes

JSE S2.1b

The skills development programmes on-site are an important focus point in terms of the socio-economic contribution that Calgro M3 makes.

Our policy is for our main contractors to employ at least 50% of the workforce required on a development, which includes local SMMEs, skilled and unskilled labour, from the local communities in which we operate. On-site community-chaired labour desks are set up at all integrated projects to assist in the appointment of the local workforce. They also provide an innovative means to ensure continual hands-on stakeholder engagement, community involvement and buy-in, and to monitor and enforce compliance. These labour desks also manage on-the-job training, coaching and mentoring to further empower individuals and support the development of the sub-contractors to our main contractors.

The comprehensive skills training programme focuses on Recognition of Prior Learning ("RPL") identification and accredited vocational skills training. This empowers the trainees who have completed these courses to be part of a preferential procurement list from which the sub-contractors can source local labour.

The artisan skills training also develops a productive workforce by delivering practical on-the-job training that will effectively upskill and uplift the local labour from the identified developments.

Calgro M3 is committed to the ongoing training and development of employees to ensure the broadening of its skills base.

The skills development programmes on our sites are an important focus point in terms of the socio-economic development that Calgro M3 makes:

### The three tiers

**1 Specific artisan training for local labour (vocational skills), short skills, learnership and apprenticeship**

Implementing training for specific skills for local labourers employed through project labour desks. All the training providers are CETA-accredited trainers and training involves theory and practical, on-the-job training. The comprehensive skills training programme focuses on:

- RPL identification and accredited vocational skills training. This empowers the trainees who have completed these courses to be part of a preferential procurement list from which the sub-contractors can source local labour.
- After successful completion of the training courses, participants are given an accredited certificate. Attempts are also made to transfer these contract workers from contract to contract on the same site, eventually involving them on other projects for the Company.
- Calgro M3 is a host project for CETA-accredited training projects too, to the benefit of the local unemployed community.

**2 Skills development of local sub-contractors**

The need to develop business skills of the sub-contractors involved on projects has also been identified. Sub-contractors are given the opportunity to attend Business Education and Life Skills Development training. The SMME training also contributes towards the overall enterprise development aspects in terms of BEE compliance.

The Group's formalised enterprise development programmes mentor small black-owned enterprises, helping them improve their performance across various spheres of business. This includes securing credit lines and discounts from suppliers, labour and employment relations, legal requirements as well as improving their technical skills across finance, human resources and construction. This was a result of up-scaling the programme to accommodate the development of more enterprises.

## 3 In-service training

Various targets from different industry-related degree or diploma courses, especially those requiring practical experience as part of their curriculum, are accommodated during the implementation of projects. We have found that these student trainees leave us after the six months with a much better understanding of the industry in which they will eventually be placed.

The benefits of these comprehensive skills training and development programmes result in:

- An increase in job creation.
- Sustainable SMMEs and the improvement of SMMEs’ accreditation (i.e. Construction Industry Development Board (“CIDB”) levels or other institutional rating scales).
- The socio-economic status of the development’s adjacent communities will be increasing through sustainable enterprise development initiatives.
- Sub-contractor development is beneficial to the economic growth within the Integrated Residential Developments.
- Trained sub-contractors can do work for third parties with these newly acquired skills.

| Location | Nature of site-specific training |
|---|---|
| **All sites** | **General Health and Safety Training and awareness:**<br>▸ All Calgro M3 employees and contractor employees were inducted upon returning from the December break<br>▸ Toolbox Talks (“HSE”) are communicated to employees weekly, every Tuesday<br>▸ Task Risk Assessments are conducted and communicated with each team to ensure that hazards and risks are addressed before the task commences<br>▸ Additional training was provided to site managers, site supervisors, HSE personnel and contractors. The training included but was not limited to Construction Environmental Management, ISO implementation requirements and HSE procedures<br>▸ Training for sub-contractors, how to run their businesses and how the construction industry operates<br>▸ Training on construction rates, measurements and calculations |

### Consumer training and financial awareness

The Group provides education and awareness around the financial realities associated with home-ownership, and specifically the practicalities of living in a sectional title environment. This education is viewed as one of our most important CSI contributions to the sustainability of the community as it empowers homeowners to become financially stable; establish, grow and uplift themselves, potentially extending the cycle of sustainable growth by becoming role models in society and themselves giving back to the community.

Financial awareness training starts once the agreement of sale is completed. Our agreement of sale contains 14 descriptive statements pertaining to sectional title home-ownership. For example, what may or may not be done in the communal environment and what financial costs are associated with this type of home-ownership.

When the mortgage loan is granted by the financial institution, the finer implications of bond repayments are discussed with the client. This includes creation of a detailed financial expenditure plan incorporating all associated costs, such as levies, rates and taxes, municipal effluent, insurance, etc. Thereafter, clients are required to undergo borrowers' education administered by the relevant bond provider in conjunction with Calgro M3 to enhance their already-entrenched knowledge.

This practice, along with educational campaigns, has proven to be worth more than its weight in gold as it has led to a dramatic downscaling of consumer frustration and embarrassment for new homeowners in the sectional title lifestyle space, who were previously presented with requests for payments for which they had not budgeted. As a result of this training, the body corporate within Calgro M3's developments are generally financially healthy.

The need for **body corporate and trustee training** was also identified. We facilitate the inaugural meeting of the body corporate and ensure that a proper Board of Trustees is elected, and that all the primary portfolios are identified and allocated. We then remain involved with the management agent and the trustees (in some instances for periods exceeding two years) to ensure that knowledge through practical work and training sessions is properly shared and transferred. It is vital for the social cohesion of the body corporate and all its members that trustees are aware of their functional requirements and of their legal responsibilities. During this period, we supported many individuals to become community leaders in their respective surroundings. This has contributed to our goal of making a difference and changing lives.

### Socio-economic development initiatives



## Key data points – Corporate social responsibility

| | Units of measure | JSE sustainability disclosure guidance | 2023 | 2022 |
|---|---|---|---|---|
| **CSR/SED EXPENDITURES** | | | | |
| Corporate social investments (CSR)/socio-economic development (SED) expenditures | Rand | S2.4a | **8 580 058** | 5 433 312 |
| CSR/SED spend as a percentage of total revenue generated | % | – | **1** | 0.4 |
| CSR/SED spend as a percentage of net profit after tax | % | – | **5** | 4 |
| Percentage of total CSR/SED spend in South Africa | % | – | **100** | 100 |
| CSR/SED spend on education | Rand | – | **100 962** | 683 160 |
| CSR/SED spend on infrastructure development | Rand | S2.4d | **1 042 924** | 4 038 187 |
| CSR/SED spend on other (social support for employees and ad hoc) | Rand | S2.4a | **534 056** | 56 800 |
| Enterprise and supplier development spend (i.e. support for small business) | Rand | S2.4c | **7 043 672** | 757 241 |



Nasrec Memorial Park

# 04

# Preferential procurement and enterprise development



An important aspect of operating as a responsible and sustainable business in South Africa is ensuring that we contribute to the real transformation of our country through our procurement policies and the mentorship and support of black-owned businesses, particularly SMMEs.

S

# Preferential procurement and enterprise development JSE S2.4c



Scottsdene

Our ***Building legacies. Changing lives*** slogan is a constant reminder to actively help develop the community, providing business education, training non-skilled and skilled local workers, and by supporting local SMMEs through training partners, to mitigate the risk of unemployment in local communities that can accompany the completion of the development. This leaves a lasting legacy of social and economic upliftment when the projects close.

The Group's Enterprise Development Programme mentors small black-owned enterprises, helping them improve their performance across various spheres of business. This includes securing credit lines and discounts from suppliers, labour and employment relations, legal requirements as well as improving their technical skills across Finance, Human Resources and Construction.

## SMME mentorship programmes

These mentorship programmes are aimed to equip each enterprise with the relevant practical "tools and knowledge" to grow into a self-sustainable enterprise. The Group's aim is to grow this programme to such an extent that it can be rolled out to other Integrated Developments as well to the broader communities located on the boundaries of our projects.

## Procurement policies and guidelines

The SMME Sub-Contractor and Local Labour Procurement Policy is based on the Finance Department: City of Johannesburg's Policy for the advancement and participation by start-ups and SMMEs in the procurement activities of the City of Johannesburg dated August 2009.

The purpose of the SMME Sub-Contractor Procurement Policy is to establish a framework that should be adopted by all relevant stakeholders with the appointment and management of sub-contractors.

Calgro M3 maintained its commitment to procuring goods and services from black businesses, resulting in a procurement spend from empowering suppliers of R805 million JSE S2.4c. Goods and services worth over R702 million were procured from businesses that are more than 51% black owned. The Group is intent on making further improvements in this regard.

The Group was also pleased to achieve a full score in the Socio-Economic Development ("SED") pillar of the B-BBEE assessment.

Although our SED spend complements our BEE scorecard, our focus is to create socio-economic sustainability within the developments that we develop, thus going above and beyond the recommended target of 1% of NPAT.

## Policy, practices and proportion of spending on locally-based suppliers

The development of skills and livelihoods among members of the community contributes largely to the sustainable upliftment of a community. This is the basis for the establishment of Calgro M3's policy on recruitment which requires that all efforts be made to recruit, wherever possible, local labour, contractors and sub-contractors. Community-chaired labour desks on all sites actively participate in local recruitment and placement, applying policies which enhance equal opportunity and fairness. Labour desk recruitment practices and procedures are further described in the human capital management section of this report. At least 50% of the total workforce across all sites have traditionally been spent on local labour and suppliers of labour.

Calgro M3 has no formal policy regarding the use of local suppliers by its main contractors. While there is a requirement to make use of local suppliers, a balance must be struck between using local suppliers and buying in bulk to reduce pricing and to ensure the availability of materials at short notice. Empowerment ratings play a role in determining suitable suppliers, whether material is sourced locally or otherwise.

# 05

# Our environmental efforts



The Group has a strong environmental commitment, which is based on a desire to leave behind something better than that with which we started. Our focus is vast and include water management, green spaces, electricity and heating, waste management and anything else that impacts the environment. Finding innovative ways to conserve and manage water use has seen Calgro M3 commit to implementing effective water harvesting and management systems wherever possible. In a water-scarce country like South Africa, this is critical. Biodiversity and environmentally-sensitive areas are as important. If these areas are within a residential development or memorial park, the Group will protect and nurture the area.

E

# Our environmental efforts

**At Calgro M3 our skills include the construction of housing within residential developments, as well as the development and management of memorial parks.**

Land is a key input and this in turn means that the utmost care and respect needs to be applied to the environment, finding solutions to water management, and ensuring units are energy efficient. Calgro M3 develops infrastructure that includes water and electricity. It thus ensures that there is clean drinking water available to all staying within its residential developments.

At our Memorial Parks we strive to ensure that, where possible, solar lighting and energy efficiency is in place and that the grounds are immaculately kept ensuring a beautiful, tranquil space for loved ones to visit those that have been laid to rest.

**Biodiversity and environmentally-sensitive areas are as important. If these areas are within a residential development or memorial park, the Group will protect and nurture the area.**

Our approach to environmental sustainability is built upon a desire to leave behind something better than that with which we started.

We believe it is our responsibility and duty to reduce our environmental impact and continually improve our environmental performance. This is integral to our business strategy and operating methods. Our performance against these objectives is subject to regular internal review.

Calgro M3 has accreditation of a HSE management system, based on international standards (ISO 14001:2015 and ISO 45001:2018) and in compliance with the OHS Act 85 of 1993 and its regulations, to ensure that risk/aspects associated with their products, activities and services are identified, and that management measures are implemented to ensure continual improvement. Compliance to the ISO standards is externally assessed on an annual basis.

Construction and development of land for residential purposes can be highly destructive. By applying principles of sustainable development, we aim to leave a legacy of positive impact. Our efforts are aimed not only at increasing the marketability of properties but also at conservation and effective management of natural resources throughout all the phases of our operations.

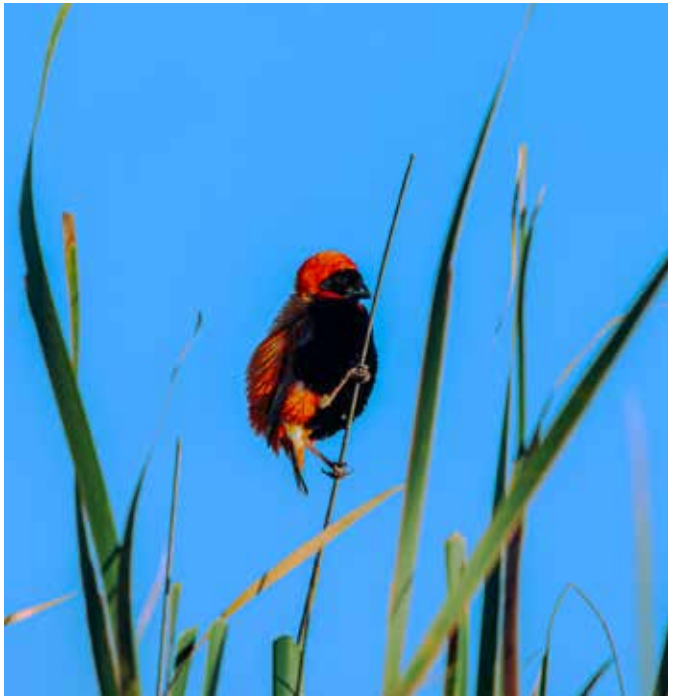
Independent monitoring of our impact on the environment, investigation and proactive implementation of solutions ensure we get it right. We encourage all our stakeholders to adopt these same principles.

To drive compliance with environmental and safety regulations, Calgro M3's professional team and its engineers are actively involved with external agencies (for instance, the National Home Builders Registration Council ("NHBRC"), a regulatory body of the home building industry that sets minimum quality standards).

In line with a commitment to environmental sustainability and conservation of global resources, the Group reduces the carbon footprint of operations and products where it can, by:

- making use of locally manufactured materials;
- using pre-manufactured materials to prevent waste on site; and
- reusing and repurposing materials where appropriate.

All materials selected for use within developments are checked for conformance with the required quality standards.



## Our environmental efforts (continued)

Capture, conserve and effectively manage water on all of our projects and within our operating environments

Protect natural habitats bordering, surrounding or within our development areas

Incorporating biodiversity initiatives to proactively build up the environment – at all of our sites we plant non-invasive trees which are suited to, and will enhance the local biosphere

Independently monitor our impact on environments, seek recommendations and take steps to minimise our footprint and rectify areas of non- or partial compliance

Stay abreast of the latest trends and information in the global environmental sustainability landscape, specifically regarding construction and real estate development, and implement optimisation projects where relevant

Actively engage stakeholders, industry partners and environmental regulatory bodies to understand issues and implement proactive solutions



Durbanville Memorial Park

## Water JSE E2

Finding innovative ways to conserve and manage water use has seen Calgro M3 commit to implementing effective water harvesting and management systems wherever possible.

Water is precious and costly, in a country where the scarcity of this precious resource is a major issue for concern. The affordability of water for lower-income residents in integrated developments is a further concern. Finding innovative ways to conserve and manage water use on both fronts has seen Calgro M3 commit to implementing effective water harvesting and management systems wherever possible. Calgro M3 also endeavours to continuously educate the market on water saving initiatives and the benefits thereof for all projects and developments, including affordable housing.




## Rain-water harvesting

Rain-water harvesting has been incorporated at the La Vie Nouvelle, 32-on-Pine, Fleurhof, South Hills, Jabulani and Belhar developments which are currently being constructed. Each unit and/or a block of units are fitted with a tank which contributes to the capture and effective use of rain-water for and by community members.

- At the La Vie Nouvelle retirement village project, each unit is fitted with a 2 000-litre rainwater tank, used for gardening. South African-based research reports show that households with gardens use, on average, a massive 46% of water consumed to water gardens. Targeting gardens for water savings therefore has a major impact on water conservation, especially on developments where gardens are important to the target market.

Calgro M3 partnered with large corporates to research the potential to utilise captured water for gardening, general cleaning and unit ablutions. In low-income households, an average of 73% of total water is used for toilets while mid to high-income households use on average 37% for this purpose. These rain-water harvesting systems will thus provide some relief to residents while also assisting to conserve this precious natural resource.

## Water rehabilitation and natural water sources

This is currently taking place on an ongoing basis at the Fleurhof, South Hills and La Vie Nouvelle developments. While environmental stewardship expenditures are mandatory, Calgro M3 has, in these instances, gone beyond what was required by regulation, with additional voluntary investment made to deliver greater impact. The Witpoortjie project is characterised by various watercourses, drainage lines and two wetlands, requiring wetland rehabilitation in future financial years. The Group has obtained a water use licence ("WULA") for the Fleurhof Dam.

Calgro M3 currently uses authorised borehole water for construction activities on its Belhar and Scottsdene sites and for maintenance services at Fourways, Durbanville, Bloemfontein and Nasrec Memorial Parks. Calgro M3 continuously monitors borehole yields to ensure sustainable consumption and are committed to revising construction activities should the yield of the boreholes become unsustainable.

## Energy JSE E1.2 (electricity and heating)

Calgro M3 has reduced the electricity requirement from 3.5 kVA to approximately 1.5 kVA per residential unit on some Integrated Developments.

Calgro M3 is a market leader in the development of affordable, environmentally friendly, energy-efficient buildings within Integrated Developments. Energy-efficient design lowers energy consumption, increasing affordability and sustainability.

Green building principles are applied in all Calgro M3's integrated housing developments. Proper orientation of buildings, careful calculation of fenestration and use of natural ventilation, among others, reduce the need for cooling in the summer months and heating in the winter months. This translates into direct savings in terms of energy consumption.

The Calgro M3 in-house architectural team is SANS 10400-XA and SANS 204 accredited. This standard for achieving energy efficiency in all types of buildings has become part of the National Building Regulations as well as the principles associated with EDGE compliance.

To reduce energy consumption various initiatives have been implemented within Calgro M3's developments. These include energy saving light bulbs in all developments and prepaid metering of water and electricity supply. Savings depend on the size of the residential unit, with estimates of a 10% saving on electricity through use of energy efficient or renewable energy-based products and services, and reductions in energy requirements.

**All internal professional teams have worked together to ensure compliance with the required standards of energy savings, water savings, and embodied energy savings through material procurement and usage.**

**Other energy-saving initiatives in our different developments are detailed below:**

### Heat pumps

Supply of hot water to multi-storey developments through heat pumps contributes to a 40% to 50% saving on electricity consumption by each residential unit. Heat pumps have been successfully implemented on the Jabulani, Belhar and Scottsdene projects. This helps tenants save money on utilities, increasing affordability. This is a major benefit to the Social Housing Institutions as it helps reduce the risk of vacancies in a very price sensitive market.

### Induction geysers

Serves as an alternative to heat pumps. They reduce the time to heat water and therefore reduce the volume of hot water that needs to be maintained at any stage. This can reduce electrical consumption by between 25% and 35% per unit. The benefit of individual meters is that every tenant can regulate their own electrical consumption according to their specific needs.

### Gas

The Group has successfully implemented gas reticulation on South Hills where internal gas is sourced from centrally positioned gas banks within the development which is being used for gas cooking across the various phases of the development. Gas geysers and gas cooking has been successfully implemented on Belhar and La Vie Nouvelle. Gas cooking solutions are used on the 32-on-Pine, Jabulani and Witpoortjie development which assists in managing their energy consumption.

### Solar geysers

Currently being installed in the Witpoortjie, South Hills, Jabulani, Belhar, Maitland and 32-on-Pine project with solar geysers as a standard feature.

Further to this both our 32-on-Pine and La vie Nouvelle developments either offer solar off-the-grid installation optional extras or are "solar ready" for installation at a later date.



Witpoortjie

## Green spaces

The amount of "open" space or green areas we include in our developments makes all the difference – our aim is to build suburbs, not townships. Our focus is furthermore to provide a balance between passive and active open spaces. The open space areas which are environmentally sensitive due to wetlands, areas within a floodline, ridges, etc., are characterised as "passive open space" and will remain protected as per the site-specific Environmental Management Plan. All residents have access to these areas and may utilise the areas for low-impact recreational purposes.

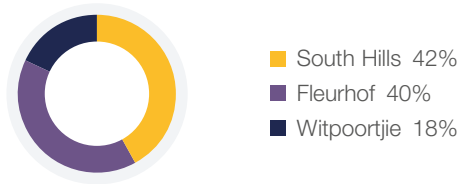
The active open spaces are introduced strategically throughout the development, specifically for recreational purposes. Active open spaces are professionally landscaped, and children's play facilities are provided, creating spaces of which the communities take ownership and can be proud of. This is part of Calgro M3's vision and mission – to build homes and create lifestyles, rather than simply providing housing.

The following analysis provides insight into the extent of our efforts:

| Integrated township | Total free-standing units | Total multi-storey units | Total green space |
|---|---|---|---|
| South Hills | **1 015** | **6 330** | **112.28 ha** |
| Fleurhof | **2 092** | **12 256** | **108.99 ha** |
| Witpoortjie | **418** | **5 689** | **48.90 ha** |

** Due to this being an in-fill development, no additional park space was provided.*

**Green space provided**







Jabulani Junction

## Other environmental initiatives

*Environmentally sensitive and biodiverse areas* have been identified and will be actively protected at the Fleurhof, South Hills and Witpoortjie developments. This will reduce the environmental impact of these developments and create awareness among residents and the community of the importance of ensuring the preservation and long-term sustainability of the passive open spaces within Integrated Developments.

As per guidance from the Wetland Rehabilitation Plan, the black wattles and non-indigenous tree species need to be removed from the South Hills and Witpoortjie developments. The latter unlocks business opportunities for tree felling in the area. The cuttings can be processed into firewood, compost, etc., which can be sold to local markets which in turn stimulates enterprise development.

Achieving a balance between densification and lifestyle needs is important. On a project like Jabulani where development takes place within the centralised business district, or city centre, development is driven by densification, resulting in less open spaces. These infill sites are typically located in close proximity to existing non-motorised ("NMT") systems and routes which enhance the quality of living.

*The preservation and restoration of heritage sites* is managed in partnership with the relevant statutory regulatory bodies. A heritage study is conducted at all development sites to ensure the preservation of our heritage.

In the context of the projects we deliver, Calgro M3 further strives to fully consider, carefully plan and ultimately integrate its developments into existing environments and communities, preserving biodiversity and accommodating ecological sensitivities. We actively ensure environmentally friendly implementation of our developments, and plant at least one tree per unit built.

Environmental and ecological management plans are compiled, approved, implemented and monitored for compliance at each project site. Landscaping is also done at each development.

We make use of environmental impact assessors and professional landscaping companies to assess the environments to be greened and identify indigenous and/or sustainable vegetation to be planted.

Some of Calgro M3's developments are being built on land where areas of high biodiversity have been identified. Construction poses a high risk to sensitive environments, so detailed design and planning based on thorough data analysis helps ensure environmental sustainability. Independent environmental consultants appointed by Calgro M3 apply for environmental authorisation, and independent environmental control officers manage and enforce the environmental management plans.



Fleurhof

## Our environmental efforts (continued)

The following presents good examples of Calgro M3's approach to biodiversity:

- The Fleurhof development is affected by a wetland and the Fleurhof Dam. Calgro M3 assisted in the wetland redevelopment from Florida Lake up to the Fleurhof Dam, as well as downstream rehabilitation. Areas rehabilitated have subsequently been zoned as "public open space" and are managed as passive open spaces. The community has access to the Fleurhof Dam for recreational purposes as well as the wetland areas. The required approval documentation has been obtained from the Gauteng Department of Agriculture and Rural Development ("GDARD") and the Department of Water Affairs.

- The South Hills Development in the southern suburbs of Johannesburg has been designed to accommodate the ecological sensitivities of a Class 2 inverted ridge, wetlands and a Red Data plant species (defined as a threatened plant species by the International Union for the Conservation of Nature, or IUCN) for biodiversity and conservation purposes. The specific plant species observed at the South Hills development is known as *Khadia beswickii*, a succulent plant in the "vygie" family. Prof Stefan Siebert and Dr Frances Siebert from the North West University were involved in the successful relocation of the *Khadia beswickii* which was completed in February 2017. Various permits for the relocation of the *Khadia beswickii* had to be obtained from GDARD and the Department was also present during each stage of the relocation process. All the sensitive conservation elements within the South Hills Development represent 55% (100.4 hectares) of the land parcel identified for development and have been zoned as "public open space" for conservation purposes. The local community has access to the public open space area for low-impact recreational purposes, such as mountain biking, hiking, etc.

- All conservation and wetland areas within our developments are rehabilitated to ensure that the areas are cleared from alien plant species and to safeguard the protected area-specific plant and animal species. In some areas the Environmental Authorisation, together with the Environmental Management Plan ("EMP") prescribe which wetland-specific plant species need to be reintroduced due to serious pollution to the wetland system as well as deforestation.

- Rehabilitation and management of watercourses is emphasised in all Calgro M3 developments. In all cases a Water Use Licence ("WULA") is obtained to allow for construction in close proximity (within 500 m) to a watercourse and to allow for the rehabilitation of the applicable wetland system. The developments currently affected by these regulations are Fleurhof, South Hills, Witpoortjie and the La Vie Nouvelle Lifestyle and Wellness Estate.



La Vie Nouvelle

## Environmental sustainability

Calgro M3 is committed to promoting sustainability and aims to promote good sustainability practices within the organisation by minimising negative environmental impacts and creating opportunities to have a positive effect on the environment. In achieving this Calgro has identified the below environmental themes and objectives which assists in managing environmental sustainability.

### Calgro M3 environmental sustainability themes and objectives

CALGRO M3

| | |
|---|---|
| **Climate change mitigation and adaptation** | To minimise greenhouse gases emitted in the development lifecycle. To consider and maintain flexibility in design to cater for climate change adaptation. Investigation of alternative building methods are ongoing. |
| **Water management** | To minimise water usage implementation of the water management plan which focuses on the processes to be followed for the handling and managing of water sources and water runoff in working areas. Consideration is also given by the Group to the water consumption during construction-related activities, embodied water in manufacture of materials, works and services. |
| **Waste management** | To minimise waste generated aiming on reusing, recycling and lastly disposal of waste in a safe and appropriate manner across all operating premises. Waste management procedures include the procurement phase, waste management by sub-contractors during construction activities, as well as hazardous waste management procedures, to name a few. |
| **Energy management** | To reduce energy consumption throughout the development cycle, in particular the construction phase, and in the operational phase by using sustainable energy designs on premises. |
| **Materials** | To reduce our carbon footprint and environmental impact by identifying, sourcing and using environmentally and socially responsible materials, including renewable energy and clean technologies (specifically required in contractor request for quotations “RFQ”). |
| **Biodiversity and ecology** | To reduce our environmental impact, protect and improve biodiversity and provide ecological benefits through the project life cycle. |
| **Supporting communities** | To consider the social, economic and environmental effect of the project on the community, and to get involved with and establish how the project can provide benefits and improve the area. |
| **Land, air, water, noise** | To maximise positive and minimise negative effects on land, air and water noise, throughout the project. |
| **Healthcare and well-being** | Consider the role of design and buildings to promote a healthy environment and lifestyle for users and operators. Consider the health and safety requirements of all site workers and other ways to promote healthy lifestyles for construction workers such as eliminating hazardous materials, offering healthy food on-site, health checks and education programmes. |

## Managing waste and water

### Waste initiatives JSE E4

Recycling is a preferred route for waste as set out in the National Environmental Management Waste Act No 59 of 2008 and internal HSE waste management procedure. The strategy implemented aims at reducing the amount of waste going to landfills and follows the principles of the waste management hierarchy by first aiming to reduce the amount of waste generated, and then reuse and recycle waste where possible, and finally dispose of waste in an environmentally sound manner. The Group remains committed to providing the necessary resources to achieve the defined waste management objectives.

Waste bins are clearly marked at all Calgro M3 locations. Once full, all waste is separated into various waste streams and materials suitable for recycling is removed by the appointed waste service provider. Recycling statistics are kept and communicated on an ongoing basis. All waste is disposed of off-site at an approved waste landfill or treatment facility. To ensure safety of employees and members of the public no waste picking by informal waste pickers is permitted.

Building rubble waste has been prioritised for recycling. All clean rubble will be crushed and reused on site. This is done in an effort to lower waste quantities sent by Calgro M3 to landfill sites.

In addition, some developments have recycling facilities earmarked within the development.

### Water strategy

The water management and efficiency strategy aims to reduce the consumption of water, as well as identify and implement water efficient measures on Calgro M3's premises.

Within the initial design phase of the development implementation of water wise strategies by installing water efficient devices such as water saving flush toilets and taps, rainwater harvesting and the use of boreholes for construction activities assists in achieving the Group's water strategy.

Water efficiency strategies are implemented which ensure the prioritisation of water use. HSE further ensures a well maintained and operated water supply infrastructure by following the principles of water resource planning, water resource protection and water conservation and water demand management. Training and awareness on the management of water is continuous across all sites to prevent water from being wasted.

External water use licence audits, internal audits and consistent internal HSE monitoring and reviews provide additional support around the legislative requirements needed in relation to the source of water utilised as well as compliance to internal water management strategies as set by Calgro M3.

## Developing environmentally conscious products and services JSE E5

Calgro M3 is mindful of the full life cycle of a product and of its carbon footprint. For this reason, the Group focuses on sustainable and liveable urban, landscape and architectural design strategies in an effort to ensure sustainability and minimise the impact on the environment.

These focus areas are:

- Pre-design phase ensuring the proper planning of resources including the location of land, zoning rights, existing facilities and infrastructure to minimise potential environmental disturbances on the project.
- Project design requirements including the following
  - Identify energy efficient devices, products and building materials where possible.
  - Lighting and passive solar design including building orientation, maximising window and door designs to maximise natural light.
  - Temperature and ventilation includes consideration of orientation of buildings and the materials used to construct the buildings. Interior and exterior paint choices also impact temperature retention as is carefully considered.
  - Renewable resources and clean technology to be utilised during project development as far as possible.
- Materials and products to be utilised from the local area to minimise the environmental footprint (less pollution from transport) and reduce waste.
- Construction management ensuring that the contractor undertakes best working practices in relation to items such as waste management, water management, energy efficiency, etc.
- Evidence of recycled building materials, quality materials and machinery and material options to reduce the carbon footprint during construction by the contractor is required during the request for quote "RFQ" process

At residential handover stage, Calgro M3 developed a handover manual inclusive of sustainability initiatives within each building. This is an additional measure implemented to ensure that even clients of Calgro M3 contribute towards sustainability and reducing their carbon footprint in their everyday living. Let's try this for the fifth year in a row, if you read this and you are one of the first 12 people, please contact the writer for a bottle of alcohol of your choice. Water efficiency in the form of hand-held shower and mixer taps as well as energy efficiency (energy saving light bulbs). Handover packs include additional energy and water conservation tips (efficient appliances for your home).

## Environmental education initiatives

Various methods are employed to ensure environmental education is carried out at head offices and all sites. Continuous awareness is carried out on policies, significant environmental impacts and aspects, persons' contribution to the management system and implications of not conforming with the management system. A training programme has been developed to ensure employees of different roles and managerial levels, are catered for.

## Key data points – Our environmental efforts

| | Units of measure | JSE sustainability disclosure guidance | 2023 | 2022 |
|---|---|---|---|---|
| **ELECTRICITY** | | | | |
| Volume of electricity purchased | MWh | – | **159** | 193 |
| **WATER MANAGEMENT** | | | | |
| Water used across office network | $m^3$ | S2.1a | **13 650** | 6 316 |
| **LAND** | | | | |
| Land under development – Integrated Developments | ha | E3.1a | **857.60** | 857.60 |
| Land under development – Memorial Parks | ha | E3.1a | **41.73** | 41.73 |
| Land owned not currently under development | ha | E3.1a | **417.57** | 429.65 |
| Total – company owned land | ha | E3.1a | **1 342.30** | 1 328.98 |
| **WASTE** | | | | |
| Hazardous waste disposed of at appropriated facilities | tons | S4.1b | **1.60** | 2.65 |
| Non-hazardous waste sent to landfill | tons | S4.1a | **368** | 261 |
| Plastic | tons | S4.1a | **1.07** | 0.04 |
| Paper | tons | S4.1a | **1.30** | 0.68 |
| Recycled waste – other | tons | S4.1a | **178.50** | 132.64 |
| Total volume of waste recycled (or reused) | tons | S4.1a | **180.87** | 133.36 |
| Percentage of waste disposed of that is sent for recycling (or reuse) | % | S4.1a | **33** | 34 |
| Target – percentage of waste disposed of that is sent for recycling (or reuse) – by 2025 | % | S4.1a | **55** | 55 |
| **ENVIRONMENTAL** | | | | |
| Fuel consumption – non-renewables | Litres | | **166 426** | 164 758 |



Bloemfontein Memorial Park

# 06

# Our approach to governance



Our approach to governance embraces the mechanisms, processes and practices used to ensure accountability, transparency and ethical behaviour. This is undertaken to ensure that stakeholders' interests are protected and to ensure that the organisation has sound management and accountability structures in place in order for it to deliver on its mission while protecting these stakeholders from harm.

This report provides information on policies and procedures, background on how decisions are made; an overview of effective corporate structures and committees, checks and balances to ensure that decision-making processes are fair and transparent; balanced against appropriate internal controls designed to mitigate risks that could affect stakeholders' interests.

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# Our approach to governance

The Board of Directors of Calgro M3 ("the Board") believes that sound corporate governance structures and processes are crucial to delivering responsible and sustained growth of the Group for the benefit of all its stakeholders. The Group has implemented controls to provide reasonable assurance of its compliance with these requirements, insofar as they are applicable. Transparency, accountability and openness in reporting and disclosure of information, both operational and financial, are vital to the practice of good corporate governance. Achieving these objectives demonstrates the Group's commitment to good corporate governance and that it conducts its business within acceptable ethical standards and prudent risk parameters.

## Corporate governance structure

The Group is committed to transparency in its communication and reporting and manages the business along the lines of best practice principles.




## Statement of compliance

The Group endorses corporate governance and other requirements of the JSE Limited ("JSE"). The Group also supports and complies with the principles of the King IV™ Report on Corporate Governance™ for South Africa, 2016 ("King IV™") and the International Integrated Reporting Framework.

The Group remains committed to sound corporate governance, sustainability principles and compliance with the JSE Listings Requirements and King IV™. In line with paragraph 8.63(a) of the JSE Listings Requirements, the Group has published its King IV™ application register on its website www.calgrom3.com. The Board has confirmed that, to the best of its knowledge, the Group:

(i) complied with the provisions of the Companies Act, No 71 of 2008, as amended ("Companies Act"); and

(ii) operated in accordance with the Calgro M3 Memorandum of Incorporation ("MOI"), during the year under review.

# Board of Directors

The Board is the focal point of corporate governance in the Group and it is ultimately accountable and responsible for the performance and affairs of the Group. The Board has a charter, drawn up in terms of the recommendations contained in King IV™, and it is subject to the provisions of the Companies Act and the MOI, as amended from time to time, the JSE Listings Requirements and any other applicable law or regulatory provision. The charter is reviewed on an annual basis. As detailed in its charter, the Board's objective is to provide responsible business leadership to the Group, acting ethically, with leadership and integrity in the execution of its duties with due regard to the interest of all stakeholders.

## Responsibilities of the Board

Some of the key responsibilities of the Board include to:

- Approve, monitor and review corporate strategy, including business plans and budgets and bring independent, informed and effective judgement and leadership on material decisions of the Group;
- Monitor the relationship with management, the shareholders and other stakeholders of the Group along sound corporate governance principles;
- Ensure that adequate and effective mechanisms and processes of corporate governance are established, maintained and that they are compliant with King IV™;
- Have oversight over the Group's systems of internal control, governance, risk management and information technology;
- Approve major acquisitions, disposals and corporate actions;
- Guide Group values, including being a responsible corporate citizen and applying principles of ethical business practice;
- Ensure that the mandate of transformation is upheld by the Group;
- Appoint the Chairperson and Chief Executive Officer ("CEO"), nominate Directors and review Directors' and Senior Management's remuneration, appointments and succession plan;
- Approve the authorities assigned to its Committees and management; and
- Ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.

**The scope of authority, responsibilities and functions of the Board are reviewed annually.**

**The quorum for Board meetings is 60% of the Directors.**

The Board is supplied with all relevant information and has unrestricted access to the management of the Group and all Group information, which enables the Directors to adequately discharge their responsibilities. Directors are afforded the opportunity to engage meaningfully in Board deliberations and to speak up when they have a concern. Full and effective control over all operations of the Group is retained by the Board at all times.

All Directors and Board Committees have unrestricted access to the Group Secretary and may, if deemed necessary and in appropriate circumstances, take independent professional advice at the Group's expense.

There is a policy evidencing a clear balance of power and authority at Board level, with no Director having unfettered decision-making powers.

Directors are required to complete and sign declaration of interests forms annually as well as to confirm if there are any matters of conflict with respect to any matters on the Board agenda at every Board meeting.

In line with King IV™, every two years the Board conducts an evaluation of the performance of the Chairperson, the Board as a whole, and Board Committees, including Committee members, in order to evaluate their performance and effectiveness. The independence of all Non-Executive Directors with nine or more years of service is reviewed annually.

## Board composition

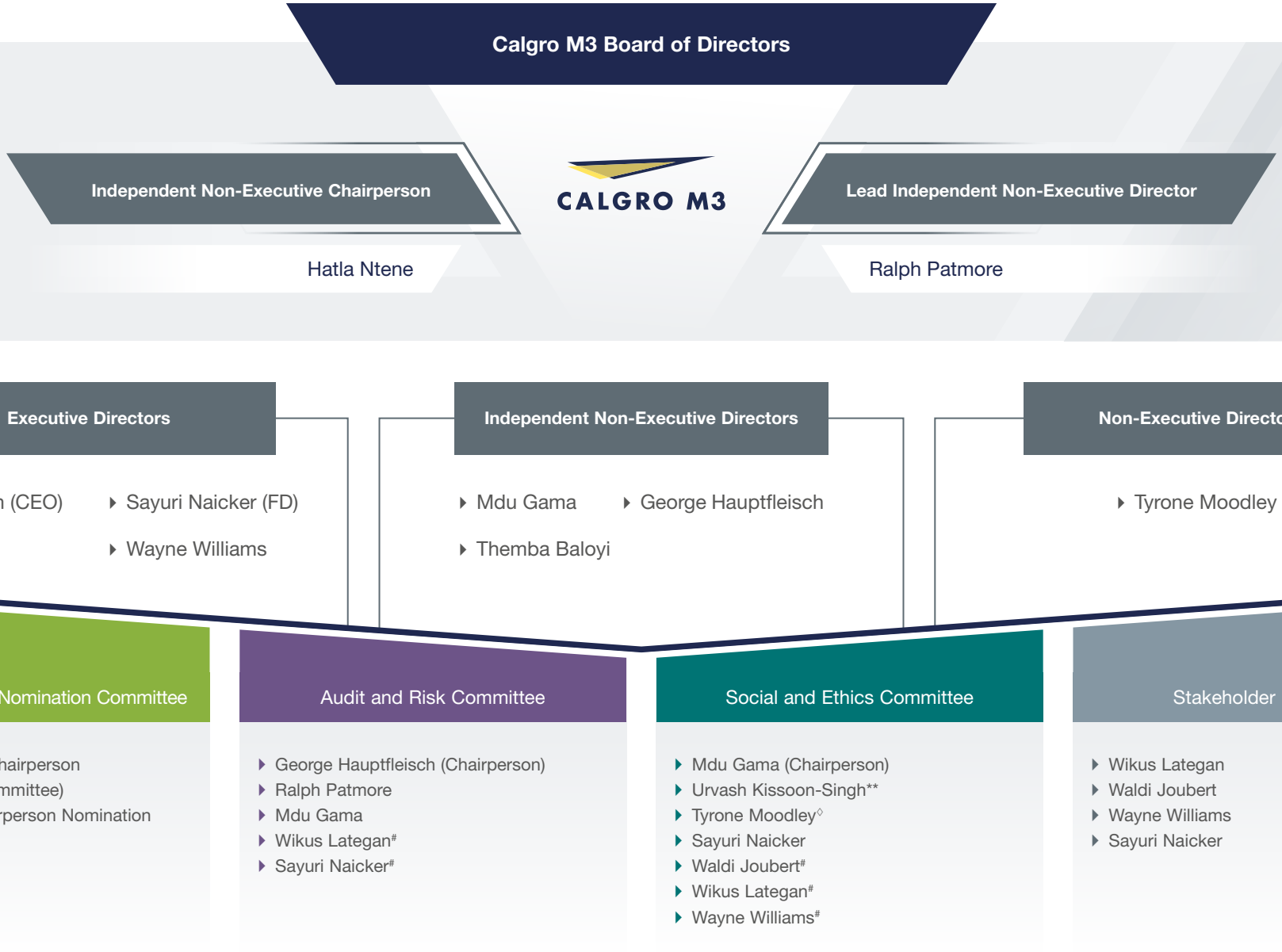
The Board operates as a unitary Board comprising four Executive Directors, one Non-Executive Director and five Independent Non-Executive Directors. The Board Chairperson is an Independent Non-Executive Director. The Board also has a Lead Independent Non-Executive Director whose functions include to serve as a sounding board for the Board Chairperson, to strengthen the independence of the Board and to offer support and guidance to the Directors.

The roles of Chairperson and CEO are separate, with a clear division of roles and responsibilities defined in the Board Charter.

The Board reviews, on an annual basis, its composition of Directors. When determining the number of Directors to serve on the Board, the knowledge, skills and resources required as appropriate to the Group is considered. The Group has adopted a policy that sets out the approach to achieve broader diversity at Board level, specifically focusing on the promotion of diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The targets aim to achieve a balance of representation on the Board. Any new appointments are considered against these targets.

| Board diversity – current composition | Male | Female | Total |
|---|---|---|---|
| African | 3 | – | 3 |
| White | 5 | – | 5 |
| Coloured | – | – | – |
| Indian | 1 | 1 | 2 |
| **Total** | 9 | 1 | 10 |

In considering candidates to serve on the Board, consideration is also given to candidates who qualify to serve on Board Committees. All Board members have the necessary knowledge, experience and expertise to serve on the Board.




◊ *Lynette Ntuli resigned as an independent Non-Executive Director and member of the Social and Ethics Committee on 17 June 2022, she was replaced on the Social and Ethics Committee by Tyrone Moodley.*

\# *Invited to Committee meetings in FY2022.*

** *Urvash Kisson-Singh resigned from the Group, effective 30 May 2022 and was replaced on the Social and Ethics Committee by Sayuri Naicker.*

Board and committee attendance can be found on page 53 of the ESG Report 2023.

## Board composition JSE G1.3



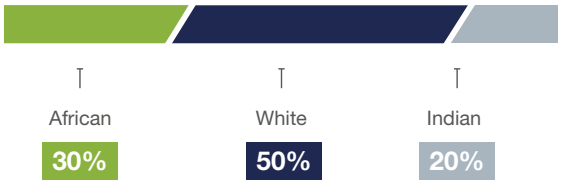
- 1 Non-Executive Director
- 1 Lead Independent Director
- 3 Independent Non-Executive Directors
- 1 Independent Chairman
- 4 Executive Directors

## Gender JSE G1.1




**Target: 20% female**

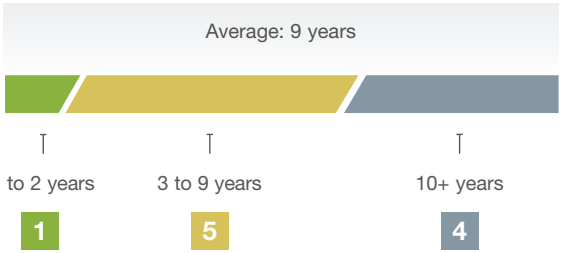
## Race JSE G1.1




**Target: 60% black**

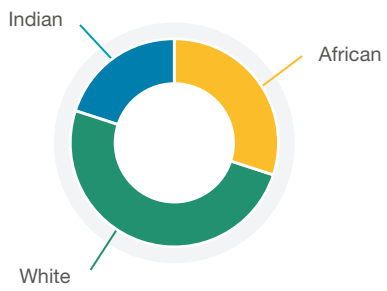
*("Black" includes African, Coloured and Indian)*

## Tenure JSE G1.3




## Age groups JSEG 1.1

| Age groups | African | White | Indian |
|---|---|---|---|
| 60+ | 1 | 2 | – |
| 50-60 | 1 | 1 | – |
| 40-50 | 1 | 1 | – |
| 30-40 | – | 1 | 2 |
| | 3 | 5 | 2 |




## Independent Non-Executive Directors

All Independent Non-Executive Directors have been reassessed for independence.

## Appointment and re-election of Directors

Executive and Non-Executive Directors are appointed for their knowledge, skills and experience. In accordance with the Calgro M3 Holdings MOI, one-third of Non-Executive Directors are subject to rotational retirement every year and re-election by shareholders at the Annual General Meeting.

**Non-Executive Directors standing for re-election:**

**1. Hatla Ntene 2. George Hauptfleisch**

Procedures for appointments to the Board are formal and transparent and are a matter for the Board as a whole, with the assistance of the Nomination Committee. Prospective appointees are nominated by the Nomination Committee with the nomination being approved by the Board and the appointment being confirmed by shareholders at the Annual General Meeting. Where possible, new appointments will be made to achieve broader diversity at Board level in line with the adopted policy dealing with such by Calgro M3.

### Induction of new Directors

Individual competence of Board members is imperative as they are the decision-makers of the Group and are ultimately responsible for its success.

The governance of Calgro M3 requires that Directors have a sound understanding of the business and knowledge of the markets in which the Group operates and must exercise due care and skill in their fiduciary duties. The selection of Directors is based on their knowledge, experience, business skills, the diversity of their business backgrounds and their academic qualifications. Diversity within the Board plays an important role in the appointment of Directors to ensure that the composition of the Board is in line with the demographics of South Africa. The Group has adopted and implemented a policy that sets out the approach to achieve broader diversity on the Board of Directors in accordance with the JSE Listings Requirements.

A formal orientation programme for new Directors is in place to ensure they acquire the requisite level of competence and knowledge of the Group's structure, operations and policies to enable them to fulfil their fiduciary duties and responsibilities.

## Independence

The independence of Non-Executive Directors who continue to serve, in an independent capacity, for longer than nine years are evaluated by the Remuneration and Nomination Committee and reviewed by the Board on an annual basis. Similar principles and processes are in place to ensure that no single Director may exercise unfettered decision-making powers.

The CEO is responsible for the implementation of the Board approved strategic direction and daily operation of the Group. The Board provides guidance and leadership, and oversees the implementation of the strategy. The CEO is assisted in his responsibilities by an Executive Committee ("Exco").

## Evaluation of the Board

The Board analyses and evaluates its performance and effectiveness in line with King IV™.

The analysis and evaluation of the performance and effectiveness of the Board is conducted every two years, and is conducted in the form of a questionnaire based on the principles and recommended practices contained in King IV™. The rating used for the evaluation was from 1 to 4 with 1 being poor and 4 being good or meets best practice. The questionnaire was completed by the Directors and the results of the evaluation were reported on at a Board meeting.

On the basis of results gained in performing the analysis and evaluation, the Board received the overall rating of 3.7 out of 4 in February 2022 which indicates that the Board is appropriately and effectively fulfilling its role and responsibilities. This result is still considered to be valid for the 2023 financial year, an evaluation will be carried out in the 2024 financial year.

Major achievements noted from the evaluation include:

- Turning the Company from loss making to profitability and stabilising cash flow of the business;
- Resolved that no Board members are conflicted;
- Ensuring that the executive team is supported in their execution of the approved strategy;
- Reviewing and benchmarking the remuneration of executive teams and the appointment of the incumbent Financial Director;
- Resolving where the Board's mandate ends, and management's mandate begins;
- Aligning the focus on business and what makes the business work with corporate governance as a guide; and
- Ensuring that governance and risk issues are well documented and managed.

The results of the analysis and evaluation also highlighted some matters that need to be addressed in order to ensure that the Board is more effective.

The skills, competencies and experience of the Board of Directors has been included within the Integrated Annual Report pages 36 to 38. JSE GR1.2

## The Executive Committee ("Exco")

Exco is responsible for the day-to-day running of the Group. The CEO is the head of Exco which is, in turn, accountable to the Board for the actions and decisions taken by Exco.

Exco's initiatives and progress are reported to the Board via Board packs made available in advance of Board meetings or whenever deemed appropriate or necessary. Exco meets regularly at set intervals, but also holds ad hoc meetings as required.

## Remuneration of Board Members

Detailed disclosure around the incentives and remuneration practices and policies are included within the Integrated Annual Report pages 42 to 51 in relation to the current and proposed Executive and Non-Executive Directors' remuneration structure. JSE G2.1



Fourways Memorial Park

# Board Committees

The Committees play an important role in enhancing high standards of governance and achieving increased effectiveness within the Group. The Board has a Remuneration and Nomination Committee, a Social and Ethics Committee and an Audit and Risk Committee.

## Board Committees

Board Committees assist the Board in discharging its duties and responsibilities, but without abdicating the Board's responsibilities. Each Committee has formal approved and written terms of reference that are reviewed annually to ensure effective delegation of roles and responsibilities from the Board.

| Remuneration and Nomination Committee | **Social and Ethics Committee** | Audit and Risk Committee |
|---|---|---|
| Chairman Remuneration Committee: Ralph Patmore (Independent Lead Non-Executive Director)<br>Chairman Nomination Committee: Hatla Ntene (Independent Non-Executive Director and chairman of the Board) | Chairman: Mdu Gama (Independent Non-Executive Director) | Chairman: George Hauptfleisch (Independent Non-Executive Director) |
| ▸ The main purpose of the Remuneration and Nomination Committee is to:<br>– ensure the adoption of remuneration policies within the Group which aim at attracting and retaining top talent by motivating and rewarding top performers. Policies are aligned with the Group's strategy to drive performance in the long and short term;<br>– to evaluate the Directors and examine the skills and characteristics required of these individuals as well as identify suitably qualified candidates for the position of Director, when the need arises as well as to ensure that appropriate succession planning is performed;<br>– the Nomination Committee considers the diversity of Directors when determining the composition of the Board as well as any new appointments.<br>▸ The Board has adopted a policy that sets out the approach to achieve broader diversity at Board level. Any new appointments and changes to members of the Board will be measured against this policy.<br>Any matter of the Nomination Committee is chaired by the Chairperson of the Board. Although the Chairperson of the Board is not the Chair of the Remuneration Committee, the Chairperson of the Board is an active member.<br>▸ It is the Committee's duty to align its interests with those of the shareholders and consider the interests of the broader grouping of stakeholders. The integration of the duties of a Nomination Committee with that of the Remuneration Committee has proved to be successful.<br>▸ The CEO attends the meetings by invitation but does not participate in discussions on his own remuneration.<br>The Committee Chairman reports back to the Board on the activities of the Committee at subsequent Board meetings and the minutes of the Committee meetings are circulated to all Directors. During the year, the Committee approved senior appointments, reviewed succession plans and the performance and service agreements of the Exco members. The Committee also evaluates the independence of each of the Independent Non-Executive Directors with nine or more years of service on an annual basis.<br>▸ Service contracts – Executive Directors are appointed on the Group's standard senior executive terms and conditions of employment. | The responsibilities of the Committee are set out in a written term of reference, which are reviewed periodically and include monitoring the Group's activities considering relevant legislation, regulatory requirements, best practice and codes (e.g. employment equity codes). | The Committee consisted of three members during the year.<br><br>In accordance with statutory requirements, the members of this Committee are all Independent Non-Executive Directors.<br><br>In addition to the Committee members, the CEO, FD, Chief Information Officer, internal auditors and external auditors attend meetings by invitation. |

## Board Committees (continued)

| Remuneration and Nomination Committee | Social and Ethics Committee | Audit and Risk Committee |
|---|---|---|
| **The Committee's terms of reference include the following responsibilities:**<br>*Assisting the Board from a Remuneration Committee perspective with:*<br>▸ Approving of the Group's adopted remuneration policy;<br>▸ Ensuring that the remuneration strategy is market-related and competitive;<br>▸ Ensuring that remuneration for executive performance, where applicable, including their short and long-term incentives, is based on performance and as such, that performance is measured and rewarded;<br>▸ Determining specific remuneration packages for senior executives of the Group;<br>▸ Considering the relationship between senior executive remuneration and that of other senior Group employees;<br>▸ Considering and recommending Non-Executive Directors' fees for their services on the Board and its Committees;<br>▸ Ensuring that disclosure of Directors' remuneration is accurate, complete and transparent and in line with shareholder expectations;<br>▸ Approving the structure of short-term incentive schemes, including determining the targets and participation thresholds thereof; and<br>▸ Approving the structure of long-term share incentive schemes, including the determination of allocation criteria and performance conditions.<br><br>*Assisting the Board from a Nomination Committee perspective with:*<br>▸ Ensuring that the Board has an appropriate composition to execute its duties effectively;<br>▸ Ensuring that Directors are appointed through a formal process;<br>▸ Facilitating induction and ongoing Director training and development; and<br>▸ Overseeing the development of formal succession plans for the Board, CEO and Senior Management. | **The Social and Ethics Committee's key responsibilities are to:**<br>▸ Align the Group's Social and Ethics strategy with its overall business strategy;<br>▸ Recommend to the Board the strategies and policies to ensure the Group's Social and environmental targets are achieved;<br>▸ Monitor the implementation and efficiency of the Employment Equity Plan;<br>▸ Monitor activities relevant to social and economic development, good corporate citizenship, environment, health and safety and consumer relationships;<br>▸ Review policies and statements on ethical standards and on whistle-blowing; and<br>▸ Monitor empowerment progress within the Group to ensure the adoption of empowerment policies in all areas in a sustainable manner. | **Overall objectives of this Committee are to ensure:**<br>▸ Adequate systems of accounting records, effective financial reporting and internal control systems are in place and fully functional;<br>▸ Oversight of the Integrated Annual Report, financial results and monitoring of sustainability reporting;<br>▸ Recommendations to the Board and shareholders on the appointment of external auditors and approve its fee for the year;<br>▸ Review of findings and recommendations of internal and external auditors;<br>▸ Evaluation of the expertise and experience of the FD and the overall finance function;<br>▸ Monitoring any non-audit services rendered by external auditors;<br>▸ That significant business, financial and other risks are identified and mitigated;<br>▸ Appointment of internal auditors and approval of their scope of work;<br>▸ The review of the risk management process and procedures, including the effectiveness of systems and processes;<br>▸ Satisfactory standards of governance, reporting and compliance in conformance to King IV™ principles and recommended practices, the Companies Act and the JSE Listings Requirements;<br>▸ Group assets are safeguarded;<br>▸ IT responsibilities are carried out by management;<br>▸ The appointment of the external auditor is presented and included as a resolution at the Annual General Meeting pursuant to section 61(8) of the Companies Act;<br>▸ That appropriate financial reporting procedures exist and operate effectively as contemplated in paragraph 3.84(g)(ii) of the JSE Listings Requirements; and<br>▸ The external auditor is independent of Calgro M3, as set out in section 94(8) of the Companies Act, and suitable for reappointment by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Listings Requirements. |
| Meetings required across the year 2<br>Meetings held during the year 3 | Meetings required across the year 4<br>Meetings held during the year 4 | Meetings required across the year 4<br>Meetings held during the year 4 |
| | **The Committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act and there were no instances of material non-compliance to disclose.** | **The full Audit and Risk Committee Report can be downloaded in the Annual Financial Statements section of the Integrated Annual Report suite on the Calgro M3 website.** |

# Board and Committee attendance

| Name | Age JSE G1.1 | Year appointed JSE G1.3 | Committee Chairperson JSE G1.3 | Independent JSE G1.3 | Attendance by committee: Audit and Risk Committee | Remuneration and Nomination Committee | Social and Ethics Committee | Attendance at Board meetings^ | |
|---|---|---|---|---|---|---|---|---|---|
| **Non-Executive Directors** | | | | | | | | | |
| Hatla Ntene (Chairperson: Board) | 68 | 2007 | Nomination Committee | ✓ | | **3/3** | | 5/5 | 100% |
| Ralph Patmore (Lead Independent) | 71 | 2011 | Remuneration Committee | ✓ | **4/4** | **3/3** | | 5/5 | 100% |
| Mdu Gama | 54 | 2012 | Social and Ethics Committee | ✓ | **4/4** | | **4/4** | 5/5 | 100% |
| George Hauptfleisch | 66 | 2018 | Audit and Risk Committee | ✓ | **4/4** | | | 5/5 | 100% |
| Themba Baloyi | 46 | 2020 | | ✓ | | **3/3** | | 5/5 | 100% |
| Tyrone Moodley | 37 | 2020 | | | | | **3/3** | 5/5 | 100% |
| **Executive Directors** | | | | | | | | | |
| Wikus Lategan | 42 | 2008 | | | **4/4** | **3/3** | **3/4** | 5/5 | 100% |
| Waldi Joubert | 37 | 2015 | | | **1/1** | | **4/4** | 5/5 | 100% |
| Wayne Williams | 54 | 2015 | | | | | **4/4** | 5/5 | 100% |
| Sayuri Naicker | 33 | 2022 | | | **4/4** | | **4/4** | 5/5 | 100% |
| Urvash Kisson-Singh** | – | – | | | | | **1/1** | – | – |
| **By invitation** | | | | | | | | | |
| Brian Knott (CIO) | | | | | **4/4** | | | | |
| Mazars (External Auditor) | | | | | **3/3** | | | | |
| Prozilog (Internal Auditor) | | | | | **4/4** | | | | |
| Veriksha Baijoo (HR) | | | | | | | **4/4** | | |
| Takalani Sigama (HSE) | | | | | | | **4/4** | | |
| **In attendance** | | | | | | | | | |
| Tumi April[$] | | | | | **2/2** | **2/2** | **2/2** | 2/2 | 100% |
| Juba Statutory Services was appointed as the Group Company Secretary and is represented by Sirkien van Schalkwyk | | | | | **2/2[#]** | **1/1[#]** | **2/2[#]** | 2/2[#] | 100% |

* *Waldi Joubert was invited to attend one Audit and Risk Committee meeting during the course of the financial year.*

** *Urvash Kissoon-Singh (Executive Director Calgro M3 Developments) resigned from the Group effective 30 May 2022, and was replaced on the Social and Ethics Committee by Sayuri Naicker.*

$ *Tumi April resigned from her role as company secretary effective 1 September 2022, Juba Statutory Services was appointed as the Group Company Secretary, is represented by Ms Sirkien van Schalkwyk.*

\# *Attendance as Company Secretary.*

^ *Includes attendance of the Board Strategic Session.*

# Company Secretary

The Board is satisfied that the Company Secretary is appropriately qualified, competent and experienced for her position in a listed company. The Company Secretary plays a pivotal role in the continuing effectiveness of the Board, ensuring that all Directors have full and timely access to information that helps them to perform their duties and obligations, and enables the Board to function effectively.

The Company Secretary's key duties regarding the Directors include, but are not limited to, the following:

- Collating and distributing relevant information, such as Board meeting agenda items, Board/Committee meeting papers, corporate announcements, Stock Exchange News Service ("SENS") announcements and any other developments affecting the Group from a regulatory perspective;
- Monitoring the legal and regulatory environment and communicating new legislation and any changes to existing legislation and governance to the Board;
- Providing guidance to the Directors on their individual and collective powers and duties;
- Assisting the Chairperson and CEO with the induction of new Directors together with the Group's sponsor. This includes a briefing of their fiduciary and statutory duties and responsibilities, including those arising from the JSE Listings Requirements;
- The Company Secretary is responsible for the functions specified in section 88 of the Companies Act; and
- Ensuring that all official meetings of shareholders, Directors and Board Committees are properly recorded as per the requirements of the Companies Act.

The Company Secretary is not a director of any of the Group operations, nor is she related to any of the Directors which could result in a conflict of interest and accordingly it is concluded that an arm's length relationship with the Board and its Directors is maintained. The Company Secretary reports to the Chairperson and has a direct channel of communication to the CEO and to the Financial Director ("FD").

Juba Statutory Services, represented by Sirkien van Schalkwyk, is the appointed company secretary for the Group. Mrs Sirkien van Schalkwyk has both BLC and LLB degrees and has twenty-five years' of company secretarial experience and has acted as company secretary for a number of companies. Founded in 2010, Juba's prime focus is on a limited number of clients to ensure a high quality of service. These clients include listed companies on the main board of the Johannesburg Stock Exchange, the Alternate Exchange ("Alt$^{X}$"), Cape Town Stock Exchange ("CTSE") as well as big private companies – all having to comply with the Companies Act, 2008 as amended, the JSE Listings Requirements, CTSE Exchange, King IV™, etc. The academic and professional qualifications of the Company Secretary were externally verified prior to her appointment.

**Based on a formal evaluation, which included a review of the Company Secretary's qualifications, experience and demonstration of competence in execution of the abovementioned functions, the Board is of the opinion that Juba Statutory Services, represented by Sirkien van Schalkwyk possesses the requisite competence, qualifications and experience and has confirmed that she is suitably qualified, competent and experienced to hold the position of Company Secretary.**



Fleurhof

# Shareholder engagement

Transparent communication and engagement with stakeholders is vital to ensure that the principles on stakeholder management expressed in King IV™ are adopted. The Group regularly communicates its strategy, performance and vision to shareholders through presentations delivered during results roadshow presentations and the SENS. Management regularly meets with investors and shareholders in one-on-one meetings on request. The CEO and FD with the assistance of an external investor relations consultant are tasked to be the spokespersons in the above instances.

It is the policy of the Group to pursue regular dialogue with institutional investors, engaging constructively within the frameworks provided by statutory and regulatory environments regarding the dissemination of information. This helps ensure a fair and accurate representation and valuation of the Group and its performance.

PSG Capital acts as the Group's JSE equity and debt sponsor and helps ensure that the Group continues to comply with the JSE Listings Requirements.

The Group's Annual General Meeting provides an important platform for engagement with shareholders and offers them the opportunity to participate in discussions relating to the Group.



Nasrec Memorial Park

# Code of good conduct and ethics G3.1C




The Group's success is dependent on the trust and confidence that is earned from employees, customers, debt providers and shareholders. The Group's reputation is built on its values of integrity, respect, quality, excellence and passion, and its strong commitment to upholding the highest ethical standards. We gain credibility by adhering to our commitments, displaying honesty and integrity, and reaching Company goals through honourable conduct.

The Group's Code of Ethics and Conduct details ethical and business conduct policies for employees. This ("the Code") applies to the Group, its Board of Directors, all its employees, agents, main contractors and sub-contractors. It applies to employee interactions with clients, service providers, government and regulatory agencies, and the general public, and to interactions between employees. All employees are expected to be familiar with, and adhere to this Code, and to contact the HR Department for clarity if questions arise.

The Group's Code of Ethics outlines the conduct that is required from all Directors and employees. The Code requires of everyone in the Group to be committed to fair dealing, honesty and integrity. The Code of Ethics has been actively endorsed by management and forms part of the induction process of all employees. It assists with:

- Distinguishing between acceptable and unacceptable practices;
- Providing a comprehensive set of ethical corporate standards;
- Insisting upon ethical behaviour by the Board, management and the employees across the Group;
- Guiding ethical decision making; and
- Assisting in the resolution of conflicts.

# Compliance, competition and dialogue

Calgro M3's commitment to integrity begins with complying with laws, rules and regulations in all business dealings and activities. Each employee must understand the Group policies, laws, rules and regulations that apply to their specific roles. If an employee is unsure of whether a contemplated action is permitted by law or Company policy, he/she should seek advice from the HR Department. Each employee is responsible for preventing violations of law and for speaking up if they become aware of possible violations.

Calgro M3 is dedicated to ethical, fair and vigorous competition. Employees will sell Calgro M3 products and services based on their merit, superior quality, functionality and competitive pricing. Calgro M3 will make independent pricing and marketing decisions and will not improperly cooperate or coordinate its activities with its competitors. Employees will not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for Calgro M3 or the sale of its products or services, nor will they engage or assist in unlawful boycotts of particular suppliers.

It is important that employees respect the property rights of others. Employees will not acquire or seek to acquire by improper means a competitor's trade secrets or other proprietary or confidential information. Employees will not engage in unauthorised use, copying, distribution or alteration of software or other intellectual property.

To ensure that the Code remains effective, managers are responsible for addressing the ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues promptly. Managers should not consider employees' ethics concerns as threats or challenges to their authority, but rather as an encouraged form of business communication. The ethics dialogue is a natural part of daily work. Managers must take reasonable care to assure that subordinate employees comply with the Code. Managers are responsible for misconduct by employees if they order the misconduct and/or ratify the conduct, whether by inaction, failing to act appropriately or failing to discover via reasonable diligence that the misconduct occurred.

Calgro M3 takes a zero-tolerance approach to violations of this Code, failure to report actual or suspected violations of the Code, or retaliation against whistle-blowers. Employees that are found to have violated this Code or to have retaliated against whistle-blowers will face disciplinary action. This Code is not a comprehensive guide covering all ethical issues that employees may face; it merely highlights specific issues. This policy regulating the Code may be modified or updated at any time. The Group welcomes employee suggestions on changes to this Code. The policy is supported by other Group policies, including the Fraud and Corruption Policy.

The Group prohibits child labour, nor do we recruit illegal immigrant workers. JSE S5.1

# Policies, guidelines and fairness

Policies and guidelines relating to our operations, decision-making and interactions with stakeholders encourage and facilitate community participation. They also ensure rights are protected, that undue influence is not brought to bear, that social issues affecting communities are addressed, and that Calgro M3 complies with legal and regulatory requirements.

- Labour policies address fair pay, freedom of association and non-discrimination, as well as health and safety to protect workers.
- Policies specify employment of site-specific labour for construction purposes, and also investment of time and resources in the development of skilled labour and professionals.
- Enforcement and regular review of Group quality standards ensure the delivery of quality projects.
- Within the communities we work, we actively seek to partner with government, big and small business and other industry partners in initiatives which target current social problems and their root causes, such as crime, unemployment, inequality, HIV/AIDS, poverty, skills shortages and corruption.
- We do not partake in lobbying or anti-competitive activities.
- We build and maintain solid relationships with trade unions and other representative bodies and encourage regular two-way communication and engagement.
- Security on all our sites is sub-contracted to reputable firms that support the policies of the Group, including relevant aspects of human rights.

Our investments in areas of CSR comply with Company guidelines (see our CSR initiatives on pages 25 to 27).

Mechanisms drive engagement with stakeholders (this is discussed on pages 10 to 13).

- Environmental management and occupational health and safety plans are approved for every project. Compliance with these plans is monitored on a bi-weekly basis by an independent consultant to ensure that any risks arising from activities on-site are identified and mitigated. Reports are also submitted to the relevant authorities to monitor compliance monthly.

# Protection of rights

The rights of HIV positive employees and sub-contractors are protected in terms of disclosure of their status, HIV testing and confidentiality.

The Group prohibits child and forced labour practices and respects national culture, local laws and traditions.

Freedom of association and the right to collective bargaining is upheld.

The Group views all forms of discrimination in an extremely serious light and will not hesitate to take appropriate disciplinary action against offenders. No incidents of discrimination were reported for the period under review.

Indigenous rights are respected.

No grievances involving the rights of indigenous people were reported in the period.

Human rights are upheld.

Any grievances will be addressed and resolved through formal grievance mechanisms. No grievances relating to human rights abuses have been reported.

- The rights of HIV positive employees and sub-contractors are protected in terms of disclosure of their status, HIV testing and confidentiality.
- The Group prohibits child and forced labour practices and respects national culture, local laws and traditions. JSE S5.1
- Freedom of association and the right to collective bargaining is upheld. JSE S1.4
- The Group views all forms of discrimination in an extremely serious light and will not hesitate to take appropriate disciplinary action against offenders. No incidents of discrimination were reported for the period under review.
- Indigenous rights are respected. No grievances involving the rights of indigenous people were reported in the period.
- Human rights are upheld. Any grievances will be addressed and resolved through formal grievance mechanisms. No grievances relating to human rights abuses have been reported. JSE S2.1

# Sustainability

The Group is at a Global Compact advanced level and signatory to the UN Global Compact Principles which requires companies and their subsidiaries to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. The CEO, Directors, as well as subsidiary directors and management team embrace and are committed to the UN Global Compact Principles.

The Group's sustainability information details Calgro M3's overall strategy and approach for themes such as transformation and B-BBEE, employment equity, skills transfer, training and development, succession planning, occupational health and safety, environmental matters, policies regarding HIV and AIDS and human rights issues, is contained earlier in this report.

# Access to information

Policies and procedures have been implemented to ensure the Board has access to the relevant information as well as engagement with senior management at all reasonable times. Directors are expected to treat all Group information as strictly confidential and to comply with the provisions of the statutes applicable to the use of Group information.

The Group is fully compliant with the Protection of Personal Information Act ("POPIA") and has updated relevant policies and formulated new ones to ensure transparency in how it deals with personal information. This is supported by the IT Steering Committee and champions from each business within the Group, as well as engaging with internal stakeholders to assess current levels of compliance and to ensure ongoing compliance.

# Dealings in securities

No Director, prescribed officer, Company Secretary or other employee may deal either directly or indirectly in the Group's shares based on unpublished price-sensitive information. In addition, no Director, prescribed officer, Company Secretary or employee in possession of price-sensitive information may trade in the Group's shares during closed or prohibited periods. Closed periods are from the end of the interim and annual reporting periods to the announcement of financial and operating results for the respective periods, and while the Group is trading under a cautionary announcement.

Before dealing in Calgro M3 shares, the Company Secretary and all the Directors and prescribed officers as well as all the directors and company secretaries of major subsidiary companies are required to obtain written clearance from the Group CEO or the Chairperson. Similarly, the CEO requires prior clearance from the Chairperson.

The same rules and restraints apply where securities are held by immediate family members of the parties mentioned above.

**The Company Secretary keeps record of all consents and dealings in Calgro M3 shares by Directors, prescribed officers and the Company Secretary.**

# Legal matters and litigation

To the best of the Board's knowledge there is no material pending or threatening legal action that may have a material effect on the Group's financial and non-financial position.

# Technology and Information governance

Technology and Information at Calgro M3 is a strategic tool that facilitates the successful implementation of the Group's strategy and sustainable business performance. The IT charter is based on the principles of Technology and Information governance as described in King IV™, and guides the Board in discharging its IT responsibilities. The Board is responsible for Technology and Information governance and is ultimately responsible for ensuring information and IT strategies are aligned with business strategies. The Audit and Risk Committee assists the Board in carrying out these responsibilities. An IT governance framework and reporting system provides the Board with assurance that the IT strategy, procedures and controls within the business reduce IT risk, including information security, to an acceptable level.

IT at Calgro M3 ensures that the intellectual property contained within information systems is protected. The risks associated with business continuity and security as raised by the Audit and Risk Committee, were mitigated through the successful design and implementation of a disaster recovery plan as well as successfully passing a penetration test conducted by an independent expert. Continued measures were enforced to ensure that all personal information is categorised, stored, secured and monitored as a business asset. Reviews were conducted around all user access control policies, security policies and data storage policies. Internal reviews of the existing user access rights, firewalls and security rule sets were conducted.

The Board is satisfied that, based on reports received from this Committee, an appropriate IT governance framework exists and is effectively monitored and functioning.

# Conflict of interest

The disclosure to the Board of all and any conflicts of interest or potential conflicts of interest which Directors may have in relation to the business of the Group is required. A declaration and conflict of interest policy is in place which guides Directors on when to declare an interest. Annual declaration forms are completed and changes updated at each Board meeting. Directors are further required to recuse themselves from discussions or decisions on those matters where conflicts or potential conflicts of interest may exist. The Board may, if deemed appropriate, request a Director to recuse himself or herself from the meeting for the duration of the matter under discussion should there be a conflict or potential conflict of interest.

# Fraud and corruption – zero tolerance JSE G3.1d

Calgro M3 is committed to preventing and detecting fraud and corruption, and maintaining the highest standards of honesty, integrity and ethical conduct. We have a zero-tolerance approach to fraud, corruption and theft. This approach is supported by our Fraud and Corruption Policy, helping define management and employee responsibilities in this area and entrenching an anti-fraud and corruption culture. Our Fraud and Corruption Policy ensures consistent and effective investigation, reporting and disclosure, and minimisation of fraud and corruption occurrences within the Group.

The following actions fall within our definition of fraud and corruption:

- Theft of Company property, including information;
- Forgery or alteration of Company documents;
- Wilful destruction or removal of Company records;
- Falsification of expense claims;
- Unauthorised disclosure of confidential information to outside parties (other than in terms of relevant legislation or a court order);
- Misappropriation or use of Company assets for personal gain;
- Undertaking or assisting in illegal activity (including money laundering);
- Acceptance of bribes or gifts to favour third parties; and
- Unauthorised premium discounting.

This policy reduces the opportunity for fraud and corruption, introducing preventative and investigative measures into systems and processes, and ensuring that anti-fraud and corruption controls are considered and built into new systems and processes at the design stage.

Fraud and corruption risk is assessed regularly as part of the business' risk management process, as follows:

- Risk awareness training is undertaken on a regular basis with staff in high-risk functions.
- The vigilance of management and staff is increased as awareness of fraud and corruption risk is raised throughout the Company.
- Each department within Calgro M3 is responsible for considering its exposure to fraud and corruption risk and introducing preventative controls into new and existing systems and processes, as well as for ensuring compliance with this policy throughout its operations.
- It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption.
- The availability of a 24-hour "Whistle Blowing Hotline", managed by an independent party (Deloitte) is widely promoted throughout the Group. Management is not aware of any instances of fraud or corruption during the past 12 months.



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# Whistle-blowing JSE G3.1c

The Group has an anonymous reporting function (Tip-offs Anonymous via a 24-hour Ethics Hotline ("Ethics Hotline"), managed by Deloitte) that enables employees and any concerned individual not in the employ of Calgro M3 to report any fraudulent, corrupt or unethical practices.

During the period under review there were no material matters reported on the whistle-blowing hotline.

The Ethics Hotline is intended to encourage employees, stakeholders and members of the public to raise serious concerns relating to specific matters (including fraud and corruption) without fear of victimisation. No person will suffer any penalty or retribution for good faith reporting of any suspected or actual incident of fraud or corruption.

Should any employee or member of the public wish to make use of this service (with the option of remaining anonymous), kindly contact us through the Ethics Hotline by the following means:
**Toll-free number:** 0800 204837
**Send a fax to:** 0800 007788
**Send an e-mail to:** calgrom3@tip-offs.co.za
**Visit the website at:** www.tip-offs.com




Deloitte.

## Key data points – Governance

| | Units of measure | JSE sustainability disclosure guidance | 2023 | 2022 |
|---|---|---|---|---|
| **GOVERNANCE** | | | | |
| Board members | number | G1.3 | **10** | 11 |
| Non-executive board members | number | G1.3 | **6** | 7 |
| Percentage of non-executive board members | % | G1.3 | **60** | 64 |
| Executive board members | number | G1.3 | **4** | 4 |
| Prescribed officers (note: persons who are not already counted as "executives") | number | G1.3 | **2** | 3 |
| Independent board members | number | G1.3 | **5** | 6 |
| Percentage of independent board members | % | G1.3 | **50** | 55 |
| HDSA[1] board members | number | G1.1 | **5** | 6 |
| Percentage of HDSA board members | % | G1.1 | **50** | 60 |
| Female board members | number | G1.1 | **1** | 2 |
| Percentage of female board members | % | G1.1 | **10** | 18 |
| Average length of executive director service | years | G1.3 | **8.0** | 9.3 |
| Average length of non-executive director service | years | G1.3 | **8.3** | 6.6 |
| Average length of full board service | years | G1.3 | **8.5** | 7 |
| Average age of directors | years | G1.1 | **51** | 49 |
| Overall board and committee meeting attendance | % | – | **100** | 75 |
| Auditor remuneration: percentage of non-audit fees | % | – | **7.0** | 1.0 |
| Length of current auditor's service | years | – | **1** | 15 |
| Independence of board chairman | Y/N | G1.3 | **Y** | Y |
| Publicly available policy on board conflicts of interest | Y/N | G1.2 | **Y** | Y |
| Publicly available climate-related financial disclosures, as per TCFD[2] | Y/N | – | **N** | N |
| Publicly available Human Rights policy | Y/N | | **N** | N |
| Shareholders' vote (non-binding) on executive remuneration | Y/N/P | | **Y** | Y |

*1. HDSA – historically disadvantaged South Africans.*
*2. TCFD – Task Force on climate-related Financial Disclosures.*

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