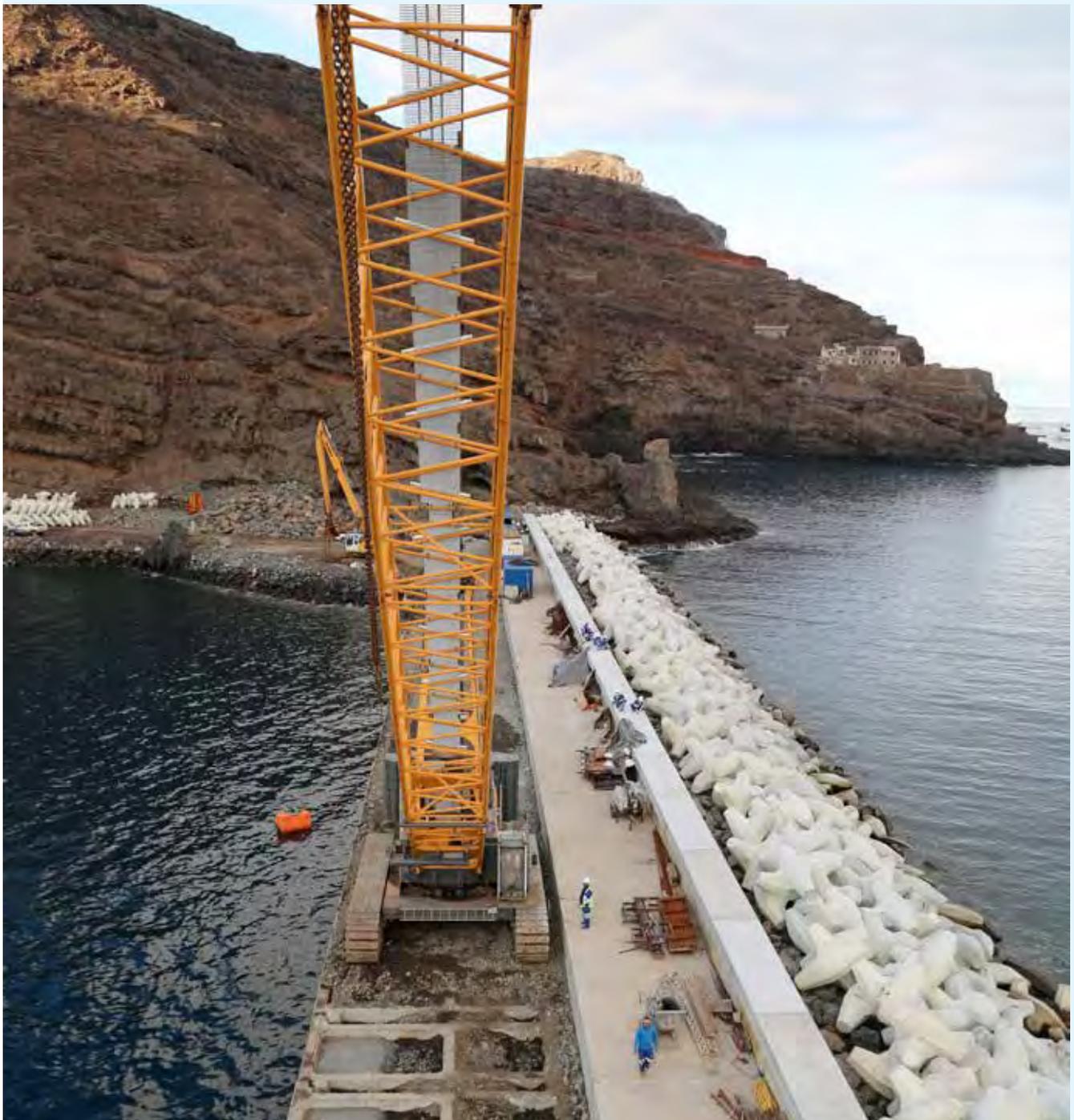


# Sustainability in action

## Case study: St Helena airport project

The St Helena project has proven itself a flagship contract in more ways than one. Beyond the specific challenges of logistically equipping a multifaceted project on a very remote site – over 2 000 km off the coast of Africa – the Basil Read team has literally become part of the island's fabric over recent years.



The industry adage is “no major airport was ever delivered on time”. St Helena just disproved that.



While we have covered project-specific details in prior reports, this year we focus on societal contributions.

At its various stages, the scale of St Helena’s first airport meant that Basil Read was the largest private employer on the island and a major economic stimulus. Ancillary benefits from constructing the airport extended to infrastructure – from electricity and water issues to landfill sites and bases for future wind farms.

Basil Read expats became part of St Helena community life, becoming involved in various sporting activities such as cricket, soccer and golf. Involvement in cultural and other social activities were also part of the integration with the community. Several children of Basil Read expats attended schools on the island and many now have a distinct Saint accent.

The Basil Read team even used its chartered ship for evacuation purposes at one point. That same ship effectively completed four global circumnavigations over the four years – 48 voyages transporting 60 000 tonnes of cargo from China, Singapore, India, Sweden, Italy, South Africa, the UK and USA from its dedicated bond facility in Walvis Bay, Namibia.

Over the same period, and despite exceedingly difficult terrain and working environment, hundreds of workers racked up more than four million working hours and only lost 390 hours to injury. The project reached the significant milestone of one million lost-time injury-free hours on three occasions.

St Helena was an integrated project and arguably one of the largest mass earthworks fills in the world – moving 16 million tonnes of material to create a runway of 116 m high fill to support the end of the runway without any significant settlements.

But it took place on an island with a rich historical heritage as well as unique environmental considerations that fell under stringent UK and US regulations.

The natural environment around the airport is being rehabilitated and protected under formal plans, managed by the St Helena government with an in-kind contribution from Basil Read. Over the past year, new nurseries have propagated almost 50 000 plants for restoration planting, including over 20 species either endemic or native to St Helena, rabbit-proof fencing has been installed and a larger local team is being built to manage conservation activities.

Four years of hard work paid off in September 2015 when history was made as the first aircraft landed at St Helena airport – the first in a series of calibration flights ahead of airport certification in 2016 that will open the island to the world.

The industry adage is “no major airport was ever delivered on time”. St Helena just disproved that.



# Safety and health

To maintain our international certification for safety and health (OHSAS 18001), we set specific targets in 2015.

Discipline	Policy	Objective	Performance indicator	Target
Safety	Aspiring for all our operations to be zero-harm workplaces	Eliminate fatalities and disabling injuries in our operations	Number of fatalities	Zero
			Disabling injury frequency rate (DIFR)	<0.1
	Implement systematic processes of hazard identification, risk assessment and risk treatment	Instil a proactive risk management approach for safety, health and environment (SHE), focused on engineering risks out	Risk and critical controls register	100% completion
	Create and maintain a supportive culture	To entrench visibly felt leadership (VFL) throughout Basil Read	Number of VFL visits per site per manager/supervisor	One VFL visit per week per manager/supervisor
Health	Implement a comprehensive health and wellness programme	Implement primary health clinic	Number of employees visiting the clinic	Improvement on absenteeism rate resulting from day-to-day illnesses
		Managing chronic diseases (HIV/Aids, diabetes and hypertension, etc)	Number of visits to clinic	100% management of all known cases

Understanding that our business depends as much on the skill of our people as it does on our equipment, we focus on maintaining a safe and healthy workplace, supported by ongoing training.

At Basil Read, our intent and commitment is defined in our SHE policies. This is practically implemented via a SHE management system that integrates hazard identification, risk analysis and risk management into all our activities, while our annual SHE plan is aligned with our business strategy and ensures continuous improvement of the system.

Our board, executive committee and managers at all levels keep the company focused on the ultimate goal of zero harm by monitoring progress against annual SHE targets at monthly and quarterly meetings. Following a recertification audit in November 2015, Basil Read retained its OHSAS 18001 certification for occupational health and safety.

## Safety

At Basil Read, we continue to aim at proactively reducing the frequency and severity of injuries by reviewing our strategic safety objectives every year.

In addition to complying with safety regulations and putting necessary systems, policies and corporate standards in place, we also promote individual responsibility for safety throughout the organisation.

Regrettably, our safety performance in 2015 deteriorated. We missed our DIFR target of 0.1 to record 0.22, despite the commendable performance of the mining division. Although the DIFR is a lagging performance indicator, it is a tangible demonstration of management's commitment in the journey towards zero harm.

Regrettably, Basil Read recorded four fatalities in two accidents in 2015:

- **Civils:** Three employees (Simon Tsehla, Simon Ratau and Johannes Madigoe) died after being engulfed by soil when the side of the trench they were working in collapsed

- **Roads:** One employee (Nokuzola Magangqa) lost her life after being knocked down by a reversing concrete spinner truck.

We extend our sincere condolences to their families, friends and colleagues. All incidents, regardless of the severity of the injury sustained, are exhaustively investigated and lessons learned are communicated to all sites across the company to prevent similar incidents.

## Safety highlights for 2015

### Mining

The mining division recorded a DIFR of 0.10, achieving the company target for 2015. Between 2012 and 2015, this division has decreased both its all-injury frequency rate (AIFR) and DIFR from 2.60 and 0.17 to 0.92 and 0.10 respectively.

The following sites recorded notable safety performances in 2015:

- Jwaneng achieved over 2.5 million hours without a lost-time injury (LTI)
- Venetia achieved over 1.2 million hours without an LTI.

## Construction

The construction division recorded a DIFR of 0.22 for 2015. A project aimed at improving the quality of risk assessments and better understanding the risks and controls is being rolled out across Basil Read's projects (see table below).

The Kusile miscellaneous buildings project achieved first place in the Master Builders regional and national safety competition in the R500+ million category for the third year in succession. Other notable safety performances include:

- Medupi ash dumps project achieved 4 million LTI-free hours
- Medupi buildings achieved 1.5 million LTI-free hours.

The following sites and divisions recorded outstanding safety performances in 2015 (500 000+ LTI-free hours):

- Medupi clarifiers
- Kusile miscellaneous buildings
- Redhouse Chelsea
- Medupi buildings.

The following sites and divisions recorded zero LTIs in 2015:

Civils:

- Port of Saldanha
- Prasa Bombardier.

Roads:

- Montagu to Ashton
- Port of Ngqura
- Haldon.

Pipelines:

- Wallmansthal.

Buildings:

- Nissan incubator – Rosslyn
- Protea Hotel – Umhlanga
- Port Shepstone
- Nokuthula schools
- ACJ Phakade School
- Dunoon School
- Nalिकamva School.

## Occupational health

At Basil Read, we believe that protecting our employees is not just about keeping

them safe at work. It is about helping them remain healthy by understanding their health risks as well as ensuring they understand the safety and environmental risks.

In its second year, the Basil Read in-house clinic conducted 3 890 medical examinations to determine fitness for work, and a medical surveillance programme comprising:

- Pre-employment
- Periodic/annual
- Exit medicals.

In May 2015, a primary health clinic was launched at the Basil Read corporate office, with the number of employees using this service rising monthly. Importantly, the clinic is assisting employees in managing and controlling chronic diseases.

For 2016, the Basil Read occupational health clinic has scheduled a number of educational sessions at the corporate office to promote the benefits of using its services.

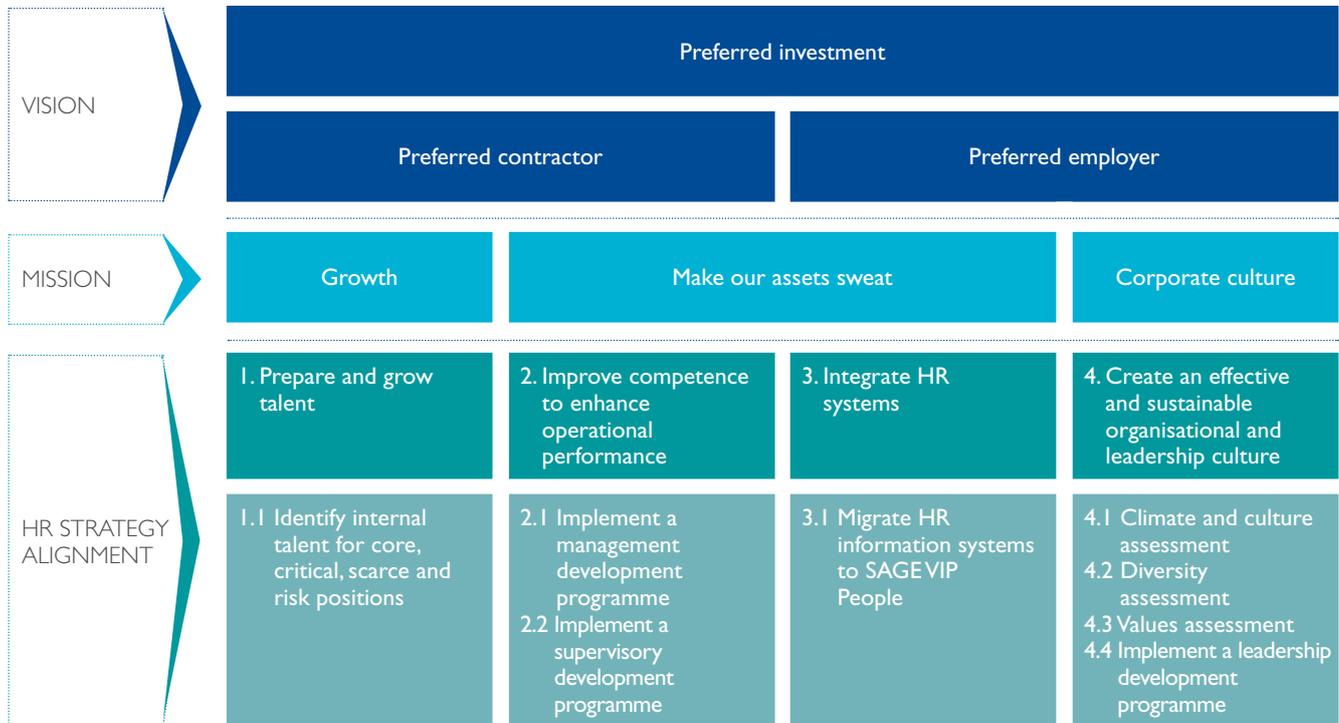
Basil Read's approved safety and health objectives for 2016 are summarised below:

Discipline	Policy	Objective	Performance indicator	Target
Safety	Aspiring for all our operations to be zero-harm workplaces	To eliminate fatalities in our operations	Number of fatalities	Zero
		To continuously reduce the number of disabling injuries in our operations	Disabling injury frequency rate (DIFR)	<0.17
	Implement systematic processes of hazard identification, risk assessment and risk treatment	Review of all baseline, issue-based risk assessments for all divisions	Number of divisions with complete risk and controls registers	50% by end 2016
	Create and maintain a supportive culture	Entrench visibly felt leadership (VFL) throughout Basil Read	Number of VFL visits per site per manager/supervisor	One VFL visit per week per manager/supervisor
Health	Implement a comprehensive health and wellness programme	Prevent new cases of occupational illnesses resulting from exposure to our activities	Number of new cases	Zero
		Promote the use of the primary health clinic to manage chronic illnesses	Number of awareness sessions	One awareness session every three months at corporate office

# Our people

## HR strategy 2015

The strategy of the human resource (HR) function was critically reviewed to align it to the company's strategy.



The HR strategy consisted of four strategic objectives:

- Prepare and grow talent to ensure the company has the capacity and capability to deliver as it grows
- Improve competence to enhance operational performance via tailored management development and supervisory development programmes
- Integrate disparate HR systems into a core database supporting informed decision making
- Create an effective and sustainable organisational and leadership culture based on common values, and supported by a new leadership development programme focused on equipping leaders with the required strategic and operational competencies.

### Organisational development

The main focus of the organisational development function in 2015 was to:

- Conduct organisational diagnostic assessments
- Establish new values for the company
- Improve current HR systems.

### Organisational diagnostics

Three organisational diagnostic surveys were conducted in 2015. The first measured the current climate and culture in the company, with positive findings overall. Corrective actions were implemented to mitigate identified risks.

The second survey measured the state of diversity with action plans developed to address areas identified for further improvement.

The third survey measured the state of values by evaluating employees' personal values, current organisational values and desired values with behavioural indicators in the Basil Read context.

In summary, the surveys identified five areas of focus:

- Leadership development
- Performance management
- Training and development
- Recruitment and selection
- Communication.

### New Basil Read values

A new values framework was established after a comprehensive bottom-up process that involved employees taking part in two values surveys. In 2016, a top-to-bottom approach will be used to embed these values (page 16) and monitor behavioural shifts in the organisation.

### HR information system

A new system was successfully implemented in 2015. All HR processes such as payroll, job profiling, training and development, performance management and employee administration are now administered on one company-wide system.

## Training and development

In 2015, Basil Read invested over R11 million in the growth and development of its people. In total, 1 325 employees (25%) were trained at an average spend of R8 380 per employee.

Type	Spend R000
Competency-related training (training needs analysis)	702
Special needs training (learnerships, management and supervisor development programmes)	2 947
Operator training	297
Study assistance (bursaries and professional registrations)	2 511
Project-related training	2 088
Operational costs	2 559
<b>Total</b>	<b>11 104</b>

## Bursary scheme

Basil Read sponsored 20 students with educational bursaries in 2015. Nine students completed their degrees in the reporting period and will be considered for employment at Basil Read. An additional six students will be recruited and sponsored for education in 2016. The breakdown of current bursars is shown below:

Study field	Gender		Race			
	Male	Female	African	White	Coloured	Indian
Civil engineering	5	4	3	2	1	3
Quantity surveying	2		2			
Construction management	4		3	1		
Building science	1	1	2			
Industrial engineering	1			1		
Architecture		1		1		
Law		1				1
<b>Total</b>	<b>13</b>	<b>7</b>	<b>10</b>	<b>5</b>	<b>1</b>	<b>4</b>

We also sponsored five scholars in the Go for Gold initiative. This prepares scholars from disadvantaged communities to work in the construction industry by giving them an opportunity to gain industry experience at construction companies after completing Grade 12, as well as possible sponsorship for further studies.

# Our people *continued*

## Learnerships and skills programmes

We implemented several skills programmes and learnerships in 2015 to enhance operational competence and performance, summarised below:

Programme	Focus
Project management learnerships	Equipping junior managers with fundamental project management skills: 10 junior managers successfully completed this learnership.
Learner blaster skills programme	Blasters are a scarce skill in the mining division. This programme created a talent pipeline internally: 20 employees were trained as blasters in 2015.
Diesel mechanic programme	Diesel mechanics are also a scarce skill for the mining division. This programme created a talent pipeline of diesel mechanics internally: eight employees completed this qualification in 2015.
Professional registration programme	Due to the shortage of professional registered engineers, construction managers and quantity surveyors, this programme aims to have 41 employees professionally registered in the next two years.
Management development programme	Training operational managers on core managerial competencies. In 2016, 58 managers will complete this programme.
Supervisory development programme	Equipping foremen with the supervisory skills of planning, organising, leading and control. In 2016, 140 foremen will complete this programme.

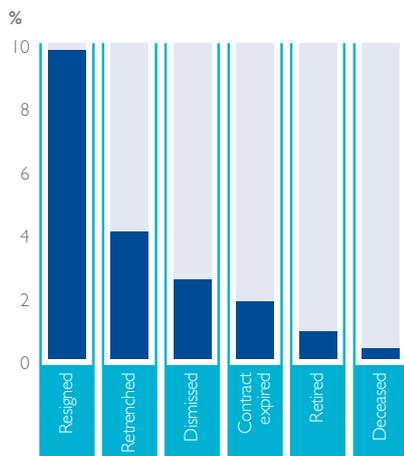
The demographic breakdown of employees in training programmes is shown below:

Training programme	Race				Total learners
	Black	White	Coloured	Indian	
Project management learnerships	5	4		1	10
Learner blaster skills	13	7			20
Diesel mechanic	4	4			8
Professional registration	5	33		3	41
Management development	13	42	2	1	58
Supervisory development	77	54	9		140
<b>Total</b>	<b>117</b>	<b>144</b>	<b>11</b>	<b>5</b>	<b>277</b>

## Staff turnover

Despite strategic organisational and management changes, as well as streamlining our operations and support services, total staff turnover in the review period was lower at 9.8% (2014: 13%). Regular communication from the CEO's office is instilling a sense of security and appreciation among employees.

### Staff turnover



## Employee relations

Basil Read aims to foster good working relationships with organised labour structures and monitor and resolve employee issues before they lead to industrial action.

The company enjoyed a relatively stable year from an industrial relations perspective, and three-year wage

negotiations were successfully concluded in 2015. Labour disruptions on mega projects (ie Medupi and Kusile) had a limited impact on Basil Read.

We respect our employees' right to union affiliation. Accordingly, management strives to develop productive partnerships with trade unions on collective bargaining and other issues. Notable developments during the year included:

- Bargaining council**  
 The civils sector bargaining council was enacted in December 2013. Basil Read plays an active role in the council and its committees
- South African Federation of Civil Engineering Contractors (SAFCEC)**  
 Basil Read is actively involved in industry initiatives, with the employee relations manager on the negotiations team representing employers at SAFCEC national wage negotiations
- Labour law amendments**  
 Basil Read complies with all labour law amendments as stipulated from time to time.

Training staff on related matters and managing disciplinary processes to ensure procedurally and substantively fair outcomes remains a focal area. This contributed to a stable environment over the past year, minimising the number of matters referred to arbitration. The employee relations team has a very high success rate at the Council for Conciliation, Mediation and Arbitration (CCMA),

confirming that these matters are dealt with fairly and correctly within the parameters of labour law in South Africa.

## Employee wellness

Two years ago, we established an in-house occupational health clinic that provides basic medical evaluations for all employees. This allows individuals to monitor their health indicators regularly and seek medical assistance where necessary.

We take a holistic approach to employee wellness and, through our healthcare brokers and medical aid administrators, we provide various services, from employee wellness days, HIV/Aids testing and support, to trauma and other counselling.

The gym facilities and restaurant in the corporate office also give employees the opportunity to follow a balanced lifestyle while at work.

## Transformation and employment equity

### Employment equity profiles

We continue to support South Africa's broad-based black economic empowerment (BBBEE) initiatives aimed at growing the economy by empowering designated groups.

Basil Read is actively addressing the targets of employment equity. Significant progress has been made across all occupational levels in meeting legislative stipulations.

# Our people *continued*

## Employment equity profile for Basil Read Limited (key construction operations only)

Occupational levels	Male				Female				Foreign nationals		Total
	B	C	I	W	B	C	I	W	Male	Female	
Top management	1			2	1			1	1		6
Senior management	10		2	37	1	2		1	1		54
Professionally qualified and experienced specialists and mid-management	20		3	59	2	2		6	1		93
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	699	28	9	195	62	8	7	82	25		1 115
<b>Grand total</b>	<b>730</b>	<b>28</b>	<b>14</b>	<b>293</b>	<b>66</b>	<b>12</b>	<b>7</b>	<b>90</b>	<b>28</b>		<b>1 268</b>

### Broad-based black economic empowerment

#### Construction sector and dti generic scorecard

The Department of Trade and Industry (dti) mandated all sectors to align their sector codes by the end of October 2015. Given the failure by member organisations in our industry to reach agreement, the construction charter was repealed in February 2016.

Implications for Basil Read:

- The amended BBBEE codes of good practice (1 May 2015) will be used for verification purposes from February 2016
- Under the new codes, Basil Read is likely to drop from its current level 2 status, possibly to level 4 of the codes. This poses a major risk to our ability to successfully tender for business.

### Enterprise development

Basil Read's enterprise development is an essential tool to address economic growth, unemployment, gender equality, health and other poverty-related issues. With proper financial and infrastructure support in the form of mentorship programmes, skills transfer, loans, integrated support systems, and increased accessibility to finance or job

creation, poverty reduction strategies will be achieved.

Given that enterprise development is the key to economic growth, our related initiatives concentrate on investing time and capital in assisting people to establish, expand or improve businesses or income-generating activities that contribute to the local economy.

#### Basil Read enterprise development beneficiaries 2015

Beneficiary	Black ownership %	Black women ownership %	BBBEE recognition level
BR-Tsima Construction	90.6	20.86	Level 3
Medja Construction	100	0	Level 3
Makali Plant and Construction	65	15	Level 2
Triple E Construction	100	50	Level 3
Makgetsi Construction Enterprise	100	60	Level 2
Anquet Construction Solution	100	10	Level 2

# Quality

The focus for 2015 was to develop and implement a new quality management system, in line with the new corporate structure and strategies, and to ensure that Basil Read operating divisions achieved their ISO 9001:2008 recertifications from a new external certification body. These audits took place in August and November 2015, and the company retained its ISO 9001:2008 certifications.

Key changes to the system stemmed from the decision in late 2014 to separate the quality discipline from the traditional Basil Read SHEQ (safety, health, environmental and quality) integrated system, given that this discipline contributed not only to operations, but more specifically to business improvement. As such, related efforts at company level are focused on improving business processes and operational efficiencies – spanning training, human resources, finance, safety, environmental, and more.

Key milestones in 2015 included:

- The Basil Read ISO 9001:2008 quality management system has been developed, and aligned with our vision, mission and strategy statements. Following management approvals, this system was implemented throughout the company, supported by appropriate training
- The system operates on a centralised SharePoint database, ensuring only current procedures and standards are used
- A new certification body, British Standards Institution (BSI), has been appointed to conduct ISO 9001:2008 certification audits to align all Basil Read divisions under one certification body, and to have our new system reviewed and audited from a fresh viewpoint.
- In 2015, our internal team attended workshops on the requirements of the ISO 9001:2015 standard. As a result, all procedures and standards currently being developed include a risk-based philosophy.

In 2016, the quality department will focus on a number of areas:

- While we have successfully retained our certification, our system is still in its infancy, and will be updated and modified as areas for improvement are identified. The expected roll-out of the ISO 9001:2015 standard will need to be implemented and existing procedures and standards amended accordingly. This includes aligning all divisional procedures and standards
- Internal communications between auditors and business unit executives, more specifically the reporting and rectification of observations and findings after internal project and departmental audits
- Management and control of outsourced processes, including those for suppliers, consultants and subcontractors
- End-product quality, relating to both actual quality and the cause and impact of any required rework.

# Environment

## Environmental policy statement

Our mission is to minimise harm to the environment by conducting our activities in an environmentally responsible manner.

In delivering on our duty of care to future generations, it is our priority to encourage our stakeholders to practice good environmental behaviour and operate sustainably. This requires that all should conserve and protect environmental resources through efficient use of energy and water, minimising waste and preventing pollution.

Basil Read is committed to managing its operations in an environmentally responsible way by:

- Complying with all applicable legal requirements
- Preventing pollution
- Recycling waste materials for reuse where possible
- Setting objectives and targets to monitor our environmental performance and continually improve.

## Environmental strategy

Flowing from the Basil Read environmental policy, we have refined and quantified our strategy for the next two years to minimise our impact on the natural environment.



In addition, we set specific targets in 2015 to maintain our international certification for environmental management (ISO 14001).

Policy	Objective	Performance indicator	Target	Achieved
Comply with applicable legislation and other requirements	Maintain compliance with relevant legislation and other requirements	Compliance evaluation audits	100%	✘
Continual improvement of the environmental management system	Continually improve environmental performance	Audit scores	>85%	✓

### Key activities during the year

Our 2015 response to the global carbon disclosure project (CDP) was scored at 91C (2014: 86D), indicating both improved disclosure and performance. Our disclosure compared favourably with industry group average scores.

### Performance

#### Carbon emissions

Our carbon emission report was compiled according to ISO 14064:1, ENCORD (the construction CO<sub>2</sub>(e) measurement protocol), as well as the greenhouse gas (GHG) protocol guidelines, and covered only activities over which we have control. By applying these principles, the GHG inventory is a fair representation of the company's related emissions.

In line with international best practice, data was collected on direct emissions (scope 1), indirect emissions (scope 2) and other indirect emissions (scope 3). Direct emissions are those from sources owned or controlled by the company. An indirect emission is the result of Basil Read's activities, but occurs at sources owned or controlled by another company. While the boundaries of scope 1 and 2 emissions are clearly defined, scope 3 presents more of a challenge. This additional voluntary disclosure requires surveying an organisation's entire supply chain, as well as those of its suppliers. Basil Read elected to include scope 3 emissions in its carbon footprint in the interest of transparent reporting.

Our carbon footprint quantifies and reports emissions associated with the following activities:

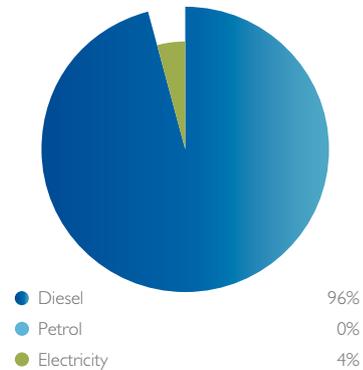
- Scope 1: fossil fuel consumption – diesel and petrol
- Scope 2: use of national electricity grid
- Scope 3: business travel (road and air).

#### Operations – scope 1 and 2

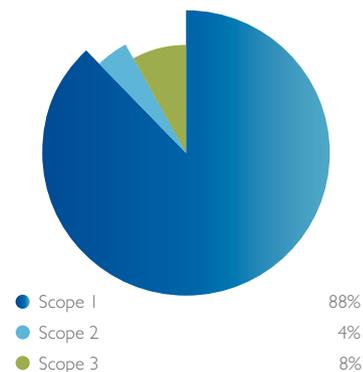
tCO<sub>2</sub>(e)



#### Carbon emissions (scope 1 and 2)



#### All emissions (scope 1, 2 and 3)



The 2015 carbon footprint has increased to 93 261 tonnes CO<sub>2</sub>(e) from 75 209 tonnes in 2014.

Emission intensity	2015	2014	2013
Employee intensity	<b>18.5</b>	13.84	11.54
Financial intensity	<b>0.017</b>	0.012	0.012

Energy consumption for 2015 was 1 019 041 GJ compared to 836 104 GJ in 2014.

# Environment *continued*

## Water

Water affects the triple bottom line of many businesses. Its availability has an impact on economic development, social upliftment and the wellbeing of the environment. As a business, our risk lies in stricter controls on water access for use.

Basil Read monitors water consumption at its operations. The company used 21 777 kℓ of water in its activities for 2015.

To save water, rainwater from building roofs and groundwater from the subsoil drainage system is collected in storage tanks and used for irrigation, alleviating pressure on the municipal water supply.

## Waste

A detailed plan ensures waste management is properly implemented. We continue to separate our waste to comply with legislation, and reduce our impact on the environment. In managing our waste, we follow the waste hierarchy, namely:

- Prevention (most favoured option)
- Minimisation
- Reuse
- Reduce
- Recycle
- Energy recovery
- Disposal (least favoured option).

## Key challenges

### Climate change

Global climate change (caused by GHG) has been identified as a risk, where detrimental weather events and temperature extremes will have a direct effect on our construction operations, rendering sites unworkable (flood events) and affecting the health and safety of our workforce. The company has identified its risks (below), and we continue to monitor our carbon emissions to assist us in reaching our carbon emission reduction target.

Our risks include:

- Carbon tax – driven by changes in regulation
- Delays in projects, damage to sites, concrete pouring hampered by extreme temperatures – driven by physical climate parameters
- Irreversible damage to projects, lack of availability of water – driven by changes in precipitation (flash flooding, drought).

### Environmental incidents

Basil Read has implemented an electronic system where environmental incidents are reported to better manage incidents, and prevent recurrence. It is a system requirement that an investigation be conducted for every incident reported. The most common environmental incidents are minor spillages.

We are aiming for continuous improvement in managing environmental incidents, in line with our objective of preventing pollution.

### Environmental awareness

Our developments business unit believes that planting trees is one of the most practical ways to preserve South Africa's natural heritage. In our integrated mixed-use developments, such as Savanna City, it is critical to optimise environmental awareness among community residents. In partnership with Food and Trees for Africa, a non-governmental organisation, and Johannesburg City Parks, we will be planting and distributing trees in these communities.

We also started an earthworm farm to produce our own environmentally friendly organic fertiliser. We established nurseries at Mallibongwe Ridge and Savanna City to propagate trees.

### Looking ahead

Across the company, we continue to improve on the following environmental management practices:

- Energy and carbon footprint
- Water
- Waste
- Incident reporting.

At all times and on every site, we strive to use natural resources conservatively and protect the environment to the best of our ability.

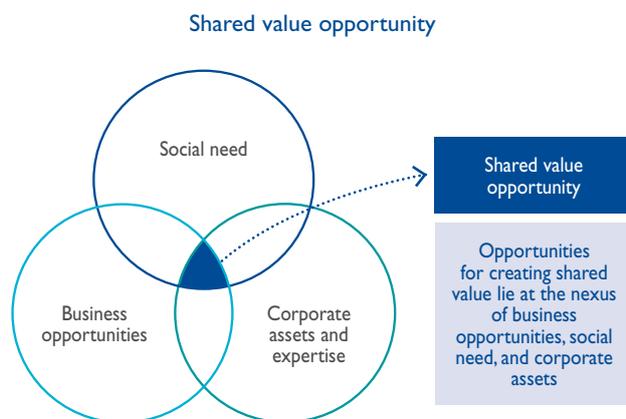
# Corporate social investment (CSI)

In 2015, our CSI policy, strategy and initiatives were refined to better reflect our operating environment and social obligations. CSI encompasses projects external to the business or outward looking, projects to uplift communities in general and those with a strong developmental approach. It also includes projects focused on social, developmental or community aspects where the investment is not primarily driven as a marketing initiative.

CSI projects aim to support disadvantaged communities in becoming more sustainable and functional in both social and economic development.

While CSI is a business imperative for companies in South Africa, Basil Read takes a broader view of its role in society and therefore realises the importance of socio-economic development in the growth of the South African economy. Given the nature of our business, Basil Read builds legacies and, equally, intends to build a legacy through CSI.

We believe strategic CSI offers an opportunity for shared value between our businesses and the communities they intend to serve.



Shared value allows collaborations that assist in meeting development objectives of:

- **Life sustenance:** basic needs
- **Self-esteem:** self-worth
- **Freedom from servitude:** choice.

## CSI strategy

Against this background, our new CSI strategy has been approved and Basil Read is committed to spending 1% of net profit after tax on socio-economic development (or a minimum of R3 million if the company records a loss in that financial year). In 2015, we invested R7,5 million, representing 4% of net profit after tax.

Our geographical focus areas are Limpopo, the Eastern Cape and the Northern Cape, based on research conducted that these provinces receive the least CSI funding.

The CSI spend will also concentrate on:

- **Education:** capacity building for educators and officials, and leadership development in young learners
- **Job creation:** skills development for youth, and income generation
- **Health:** community outreach, particularly for vulnerable children.

## 2015 initiatives

Basil Read aims to leave a legacy where we operate through infrastructure enhancement with lasting benefits for communities. This was embodied through various CSI initiatives in 2015:

- Basil Read launched various initiatives in the Blouberg municipality in Limpopo, detailed below
- The Malibongwe Ridge development team supported the local community by selecting 10 disabled people as beneficiaries to receive winter-warmer gifts
- On Mandela Day, the Savanna City development team spent time at the Precious Place of Hope (disability home) and donated gym mats for each child, as well as musical instruments
- The Basil Read Nelson Mandela Day volunteer afternoon focused on giving Kids Haven Village in Benoni the opportunity to become self-sustainable by creating income through the garden initiative and supporting their existing feeding schemes. Over and above this, our workshop teams assisted with general maintenance including basic plumbing, plastering, electrical and painting work.

## Blouberg municipal district projects

Basil Read has invested some R7.4 million in the Blouberg municipal district over the past year. These projects are part of the client's (De Beers Venetia mine) mining licence requirements.

We are also building an old-age support facility near Kromhoek Village, with a small bathroom, kitchen and utility room, which will be kitted to produce clean drinking water for the village. The municipality has agreed to supply the land, water and electricity at cost and Basil Read will build the facility. The drinking water is supplied via a purification system and Basil Read will assist in the production of bottled drinking water for the first year to help them make a sustainable business in supplying water to the mine and Alldays community. The company will also assist in project and financial management, training and business development.

We have made the necessary arrangements that the mine and shop owners in the district will support the drinking water initiative by purchasing bottled water from the community to ensure the project generates cash flow to support the elderly in the area and becomes sustainable.

This non-profit organisation will generate its own income and, even if Basil Read withdraws, the project will be sustainable.

## Kids Haven garden project

The Basil Read garden initiative in partnership with Reel Gardening has to date invested over R18 000 in the Kids Haven garden project (see case study on page 57).

## Donations and sponsorships

Basil Read also participated in the 702 Sun International CEO Sleepout initiative to empower vulnerable youth by contributing R100 000 to Boys and Girls Town South Africa.

# Corporate social investment (CSI) *continued*

## Case study: The benefit of integrated CSI

Spearheaded by our mining division, Basil Read launched the Madiba Sports Complex in Blouberg municipality, Limpopo, in July 2015. As part of the project, we also refurbished the surrounding area and buildings.

With its soccer field and other training facilities, as well as braai facilities, the complex is a welcome addition to the area as it provides a platform for sports and recreation.

The installation of this social infrastructure is part of Basil Read's CSI initiatives in the area, highlighting our commitment to making a difference through meaningful initiatives that transform people's lives and empower communities for a sustainable future.

The launch of the Madiba Sports Complex follows the recent opening of another sports complex in the same area by Basil Read. This complex has a swimming pool with toilets and showers.

The mining division has a number of integrated CSI initiatives in the area including:

- **Alldays Combined School**

We have employed four permanent teachers at this school to assist learners in reaching their potential in mathematics, accounting and science. We have also supplied the school's grade 10, 11 and 12 learners with textbooks, as well as scientific calculators for Grade 12 learners.

One of these teachers encouraged learners to enter an international essay competition for the opportunity of attending a science fair in Canada for a week. Two learners, Tshelo Semata and Marble Stuurman, were selected (as part of 42 learners worldwide) to represent the school at the University of Waterloo in Canada.

- **Winter school**

Since 2014, Basil Read has sponsored Grade 12 learners in the Alldays community to attend a winter school



programme to prepare for year-end exams. This initiative was extended to all learners in the municipality and was well received, with learners from nine schools participating in June 2015.

- **Bus stops**

We built four new bus stops on the main route to the De Beers Venetia mine for the convenience of local employees. The routes are used by all locals employed in the area, not just Basil Read employees.

- **Landfill site**

Respect for the environment is crucial for our business. We, therefore, sponsored the clean-up and upgrading of the local landfill area. New fencing was erected, a guardhouse and sorting area built, and the pathway paved.

This was done to facilitate recycling of waste to minimise the environmental impact.

- **Community hall**

In 2015, the community centre received much needed basic building repairs and security upgrades, enabling the community to host their first matric farewell dance locally.

- **University students**

Each year, we assist university students with tuition, study, accommodation and book fees at various universities. The company is currently assisting three full-time university students and we employ an experiential learner at the De Beers Venetia mine who is studying for a diploma in safety management through Unisa.



## Case study: Reel Gardening at Kids Haven

As a part of Basil Read's ongoing commitment to social and economic development in its communities, the company teamed up with Reel Gardening to launch an income-generating project at Kids Haven Village for Nelson Mandela Day. Volunteers spent the afternoon giving Kids Haven residents the means to become self-sustainable by creating income through the garden initiative that will also support their existing feeding schemes.

Reel Gardening provided a 200 m<sup>2</sup> Garden in a Box, comprising four individual 50 m<sup>2</sup> vegetable gardens. This garden will supplement up to 30 meals per day over the two-month harvesting period, with surplus vegetables being sold to create income to plough back into the garden, creating sustainability. As part of the project, Kids Haven received training

and guidance on staggered planning for a sustainable harvest of vegetables throughout the year.

Reel Gardening seed strips encase organically fertilised vegetable and herb seeds at the correct distance apart in a biodegradable custom-made paper tape that anchors the seed at the correct depth for improved germination. The Garden in a Box concept, in turn, was designed as a prepacked community development solution using the same technology and encompassing the Reel Gardening philosophy of creating an empowering and effective "I Can" experience. The layout simplifies complex planting knowledge such as companion planting for maximum success of the garden. In addition, by showing the user where seeds are once planted, localised watering enables a potential saving of 80% in water consumption. The paper absorbs the water and keeps the seed in a moist environment that aids germination. Once it decomposes, it adds to the nutrient level of the soil.

The Basil Read volunteers donated an afternoon to prepare the garden for planting in September 2015. After that, a trainer visited the centre to conduct the first training and implementation session. Over the next three months, post implementation, the trainer returned to assist the garden caregivers with any challenges they had encountered in growing green beans, peas, butternut, carrots, green peppers, tomatoes and gem squash.

In line with the Kids Haven mission of providing love and shelter in a nurturing, safe environment, a garden is the perfect setting for sharing these ideals with young residents at the centre. Even more fitting, given its latest application in a children's centre, the clever system was invented by a 16-year-old, Claire Reid, in 2002. Reel Gardening has won numerous awards for its water-saving potential and gets people excited about vegetable gardening.

