

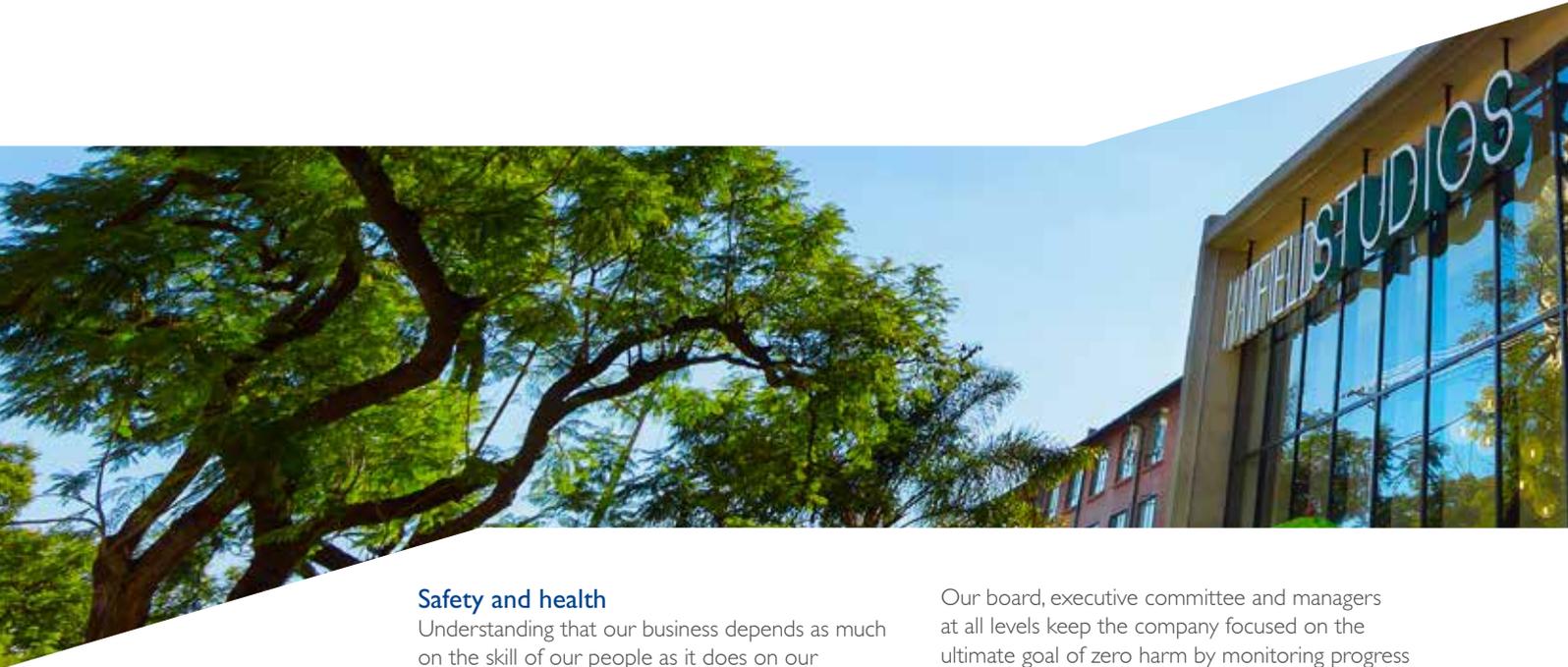




Basil Read
Sustainability review

Sustainability review

While Basil Read is a for-profit company, we understand that we interact with many different stakeholders. Mutually beneficial relationships ensure our corporate sustainability and a lasting positive impact for all our stakeholders.



Safety and health

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.

As part of the strategic drive to take our safety, health and environmental (SHE) performance to the next level, we have split the safety, health, environment and quality (SHEQ) function into separate divisions, namely SHE and quality assurance, both reporting directly to the executive committee.

At Basil Read, our intent and commitment is defined in our revised 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 the 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 surveillance audits in 2014, Basil Read retained both the OHSAS 18001 (occupational health and safety) and ISO 14001 (environment) certifications.

Safety

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.

We continue to aim at proactively reducing the frequency and severity of injuries by reviewing our strategic safety objectives every year.

As a result, the company disabling injury frequency rate (DIFR) has been reduced from 0,79 in 2009 to 0,17 in 2014. Although this is a lagging performance indicator, it is a tangible demonstration of management commitment in the journey towards zero harm.

Overview	2 – 19
Company performance	22 – 39
Divisional review	42 – 51
Governance	54 – 81
Sustainability	84 – 103
Summarised financial and shareholders' information	104 – 148



Basil Read DIFR January 2014 to December 2014



Regrettably, we recorded two fatal accidents during the year, both in the roads business unit in the construction division:

- On 21 March, Mfundo Manganye, a subcontractor employee, fell out of the bucket of a front-end loader while tensioning a conveyor belt and was fatally injured
- On 18 November, Patrick Mlangeni, employed by a subcontractor, was fatally injured by a tipper truck delivering asphalt to a road resurfacing project.

We again extend our sincere condolences to their families, friends and colleagues. Both incidents, and all others during the year where no lives were lost, were exhaustively investigated and lessons learned communicated to all sites across the company to prevent similar incidents.

Safety highlights for 2014

Basil Read mining division

The mining division finished the year with a DIFR of 0,05 which is below the set threshold of 0,10. The following sites recorded notable safety performances in 2014:

- Blasting and Excavating Venetia – 1 367 798 hours without a lost-time injury
- Jwaneng – 1 953 844 hours without a lost-time injury.

The following sites achieved 500 000 LTI-free hours:

- Beeshoek
- B&E workshop
- Mapochs
- Maun BRM Venetia.

Sustainability review *continued*



Basil Read construction division

The buildings business unit won the 2014 national Master Builders SA health and safety competition through its joint venture with Stefanutti Stocks, while the Kusile project was awarded first place in the Kusile Power Station 2014 regional health and safety competition, for achieving over 500 000 LTI-free hours.

The following sites and divisions also recorded excellent safety performances in 2014 (over 500 000 LTI-free hours):

- Medupi building project
- Medupi ash dump
- Medupi miscellaneous projects
- Mediclinic Centurion
- St Helena project
- Redhouse Chelsea interchange
- N5 Winburg.

Focus for 2015

- Further reduction in incidents
- SHE risk management coaching
- Aggressive implementation of visibly felt leadership across the company
- Vehicle safety.

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 the health risks as well as understand the safety and environmental risks.

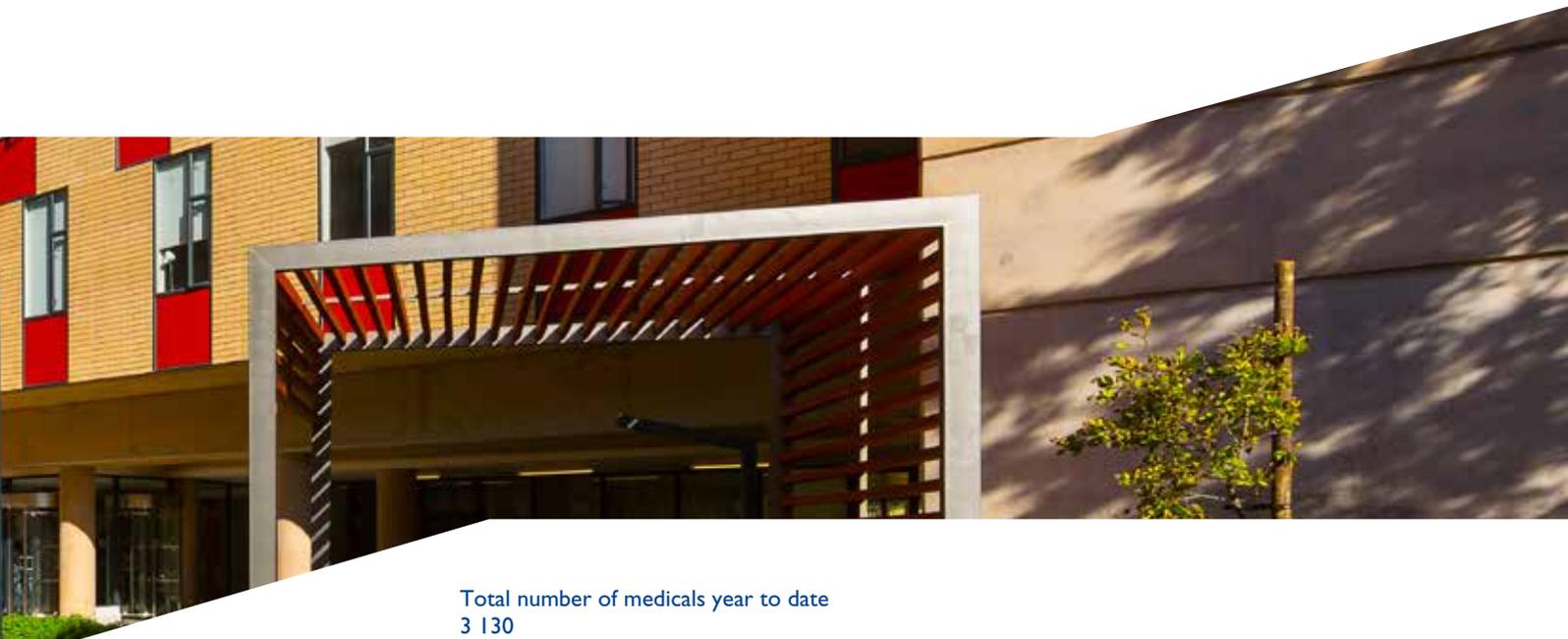
In its first year of operation, the Basil Read in-house clinic conducted 3 953 medical examinations to determine fitness for work, and a medical surveillance programme comprising:

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

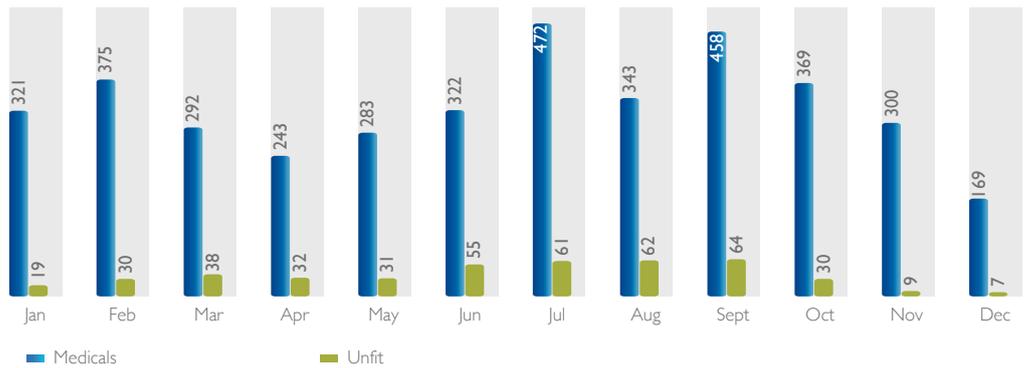
These examinations are conducted at the head office-based clinic or on site using a mobile clinic, which had a steady flow of work throughout its first year in operation.

Due to the significantly high prevalence rate of employees with hypertension, we have introduced an additional service in the form of primary healthcare in the head office clinic. This will ensure Basil Read has a holistic, integrated and sustainable occupational healthcare system geared towards total wellness of its workforce. The primary healthcare service includes treatment of minor illnesses, management of chronic illnesses, a work-related injury management programme, as well as HIV awareness and testing.

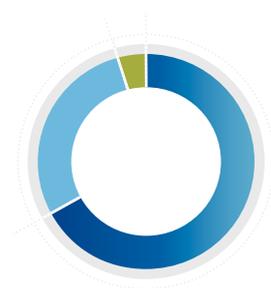
Overview	2 – 19
Company performance	22 – 39
Divisional review	42 – 51
Governance	54 – 81
Sustainability	84 – 103
Summarised financial and shareholders' information	104 – 148



Total number of medicals year to date
3 130



Unfit causes year to date 2014



- THC positive cannabis 67%
- Medical condition 29%
- Optometric condition 4%

Our people

Our success as a leading company in the construction and mining sectors is driven by each individual we employ locally and internationally. We believe that better business decisions – and stronger business performance – are driven by groups of competent, high-calibre individuals operating in a diverse environment.

In the review period, the company faced increasingly fierce competition, demanding clients, and economic pressures as well as financial and cash flow constraints that affected all employees.

With the appointment of a new CEO in the latter part of 2014 and through the formation of a new executive committee and operational management team, we were able to stabilise any uncertainties among employees and realign our focus to streamline delivery in terms of operations and support services.

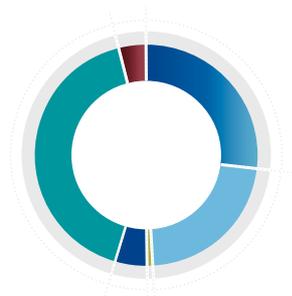
Sustainability review *continued*



Workforce data

Due to organisational and management changes, as well as the process of streamlining our operations and support services, total staff turnover in the review period was 13%.

2014 staff turnover



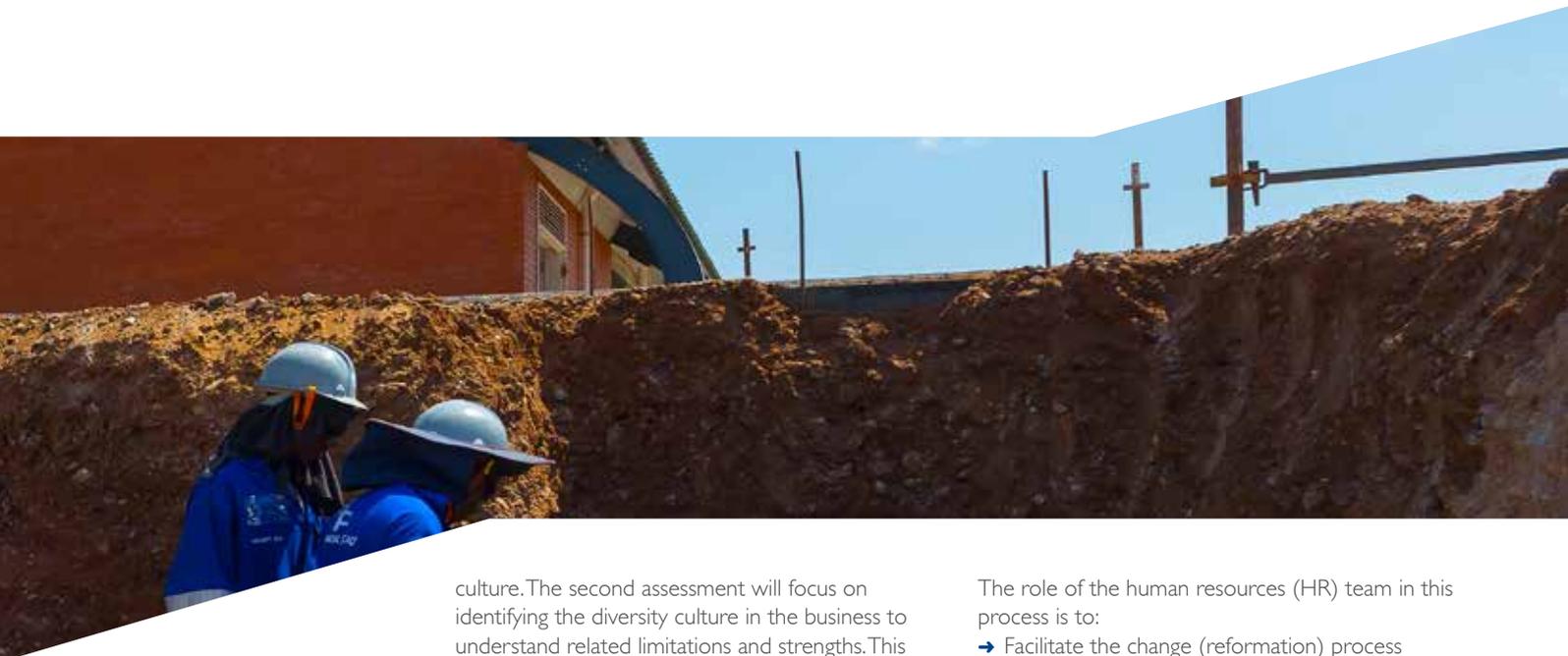
Retrenchments	131
Contract expired	108
Deceased	2
Dismissed	23
Resignation	202
Retired	18

Employee engagement

A fundamental principle in any successful organisation is that positive results are achieved only when all employees are engaged, feel valued and accept accountability for their actions. Communication across all levels is the starting point for achieving positive work relations and we have focused on ensuring regular communication goes out directly from the CEO's office. This is gradually instilling a sense of security and appreciation among all employees after a very uncertain start to the year.

To support the communications and employee participation strategy, the organisational development team will focus on organisational diagnostic assessments in 2015. As part of the change process of new management, these assessments will provide valuable information to establish an effective climate, culture and values in the business. The first assessment will evaluate the climate, culture and levels of work-related employee wellbeing. It will indicate human capital risks and strengths that management can use to establish a sustainable organisational climate and

Overview	2 – 19
Company performance	22 – 39
Divisional review	42 – 51
Governance	54 – 81
Sustainability	84 – 103
Summarised financial and shareholders' information	104 – 148



culture. The second assessment will focus on identifying the diversity culture in the business to understand related limitations and strengths. This will assist management to improve diversity in the business. The third assessment will evaluate the current values of the business and identify any gaps between these and the core values of the business. This will enable management to cultivate united values and govern value-driven behaviour:

Organisational transformation

Transforming Basil Read into a sustainable and reputable high-performing organisation for the next generation requires a process of business reformation through leadership with three specific milestones:

- Firstly, leadership must set a clear purpose (vision), strategic intent (mission), and values for the business focused on the triple bottom line, ie to be the provider of choice, employer of choice, and investment of choice
- Next, leadership must design the business model and infrastructure (systems, processes and procedures) to support the organisational purpose and strategic intent
- Finally, leadership must establish a capability and capacity framework to empower employees to execute the strategic intent.

Leaders then become ambassadors, rolemodels and coaches to continuously empower and support employees to execute the strategic intent and ensure the triple bottom line is achieved.

The role of the human resources (HR) team in this process is to:

- Facilitate the change (reformation) process
- Set an HR vision (purpose of existence) aligned with the organisational vision
- Translate the strategic intent into key performance areas for HR
- Design and implement an HR model and infrastructure (systems, processes, toolkits and procedures) that support the business strategy
- Develop and implement a capacity and capability framework to mobilise the strategic intent. These frameworks will be aligned with the general organisational infrastructure set by the leadership team
- Empower leaders to transform the business by providing mechanisms to:
 - Sustain an effective climate and culture (employee engagement)
 - Align individual talent, values and intent to a specific goal or the tasks of a job (recruitment and selection)
 - Ensure continuous employee development
 - Grow diverse talent in the business
 - Monitor performance
 - Communicate best HR practices
 - Offer coaching and individual support where needed.

Sustainability review *continued*



Organisational development

In 2014, the aim of the organisational development function was to instil new human capital systems and processes to improve quality, sustainability and governance in terms of human capital optimisation. New job profiles were developed for salaried employees after a comprehensive job analysis process. A new performance management system and procedure was also developed and implemented. In addition, a new talent

management strategy, procedure and policy was developed.

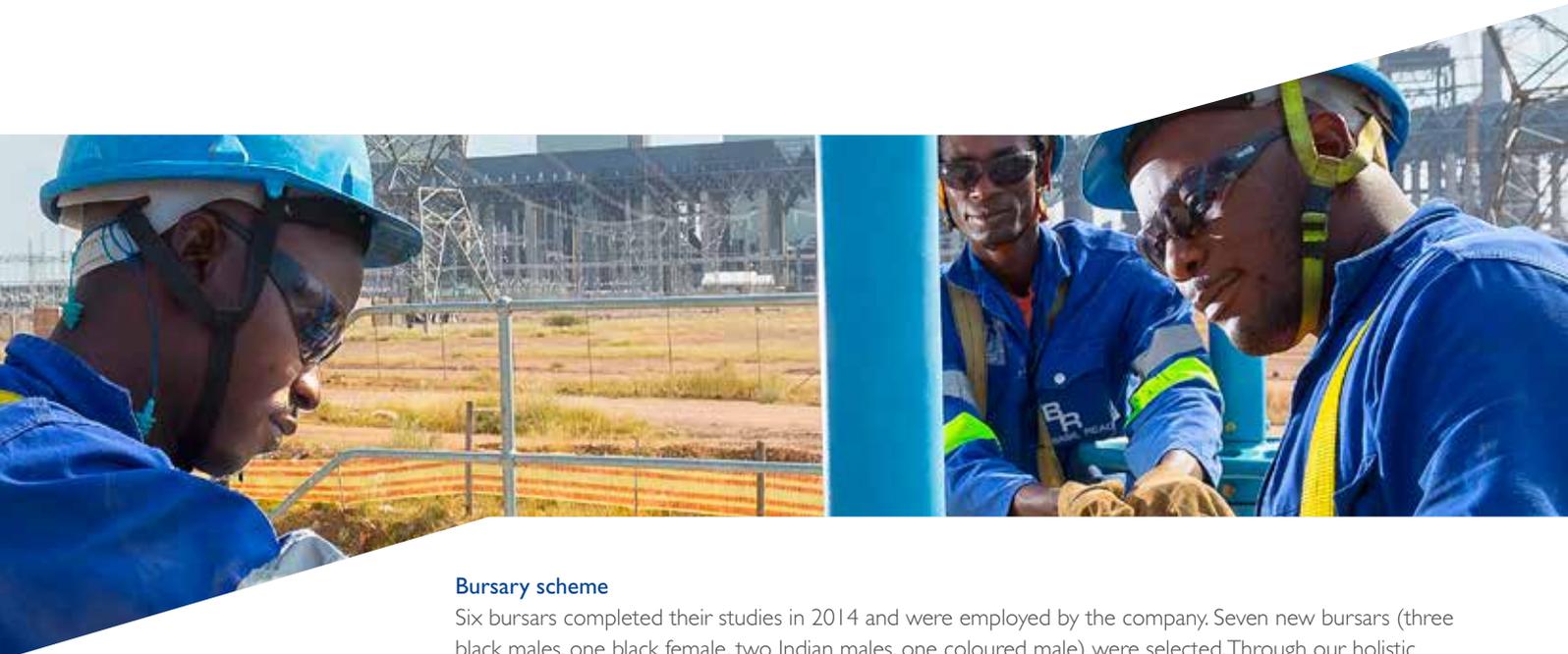
Training and development

In 2014, Basil Read invested over R10 million in the growth and development of its employees: 1 064 employees (17%) were trained, with an average spend of over R9 000 per employee. The training type and approximate spend distribution are shown below:

Training type and spend distribution summary

Training cluster	Amount R million
Competency training (training needs analysis)	2,0
Special needs training (learnerships)	1,4
Operator training	1,4
Study assistance (bursaries and professional registrations)	3,3
Operational costs	2,0
Total	10,1

Overview	2 – 19
Company performance	22 – 39
Divisional review	42 – 51
Governance	54 – 81
Sustainability	84 – 103
Summarised financial and shareholders' information	104 – 148



Bursary scheme

Six bursars completed their studies in 2014 and were employed by the company. Seven new bursars (three black males, one black female, two Indian males, one coloured male) were selected. Through our holistic approach to financial support, Basil Read sponsors tuition fees, accommodation, meals and stationery costs.

Breakdown of current bursars

Study field	Gender		Race				Total learners
	Male	Female	Black	White	Coloured	Indian	
Civil engineering	6	3	3	3	1	2	9
Quantity surveying	2	0	2	0	0	0	2
Construction management	3	1	3	1	0	0	4
Building science	2	0	2	0	0	0	2
Architecture	0	1	0	1	0	0	1
Industrial engineering	1	0	0	1	0	0	1
Law	0	1	0	0	0	1	1
Total	14	6	10	6	1	3	20

Learnerships and skills programmes

In the review period, 66 employees completed technical learnerships or skills programmes as shown below. In addition, eight learners will complete their diesel mechanic qualification in 2015 and six will complete their blasting certificate in the next year:

Breakdown of programmes completed in 2014

Training programme	Gender		Race				Total learners
	Male	Female	Black	White	Coloured	Indian	
Foreman development	33	7	38	2	0	0	40
Carpenter apprentice	4	0	4	0	0	0	4
Construction management	6	0	1	5	0	0	6
Health and safety	6	1	7	0	0	0	7
Diesel mechanic	2	0	0	2	0	0	2
Learner blaster	7	0	1	6	0	0	7
Total	58	8	51	15	0	0	66

Sustainability review *continued*



Continuous improvements implemented

The training and development department continuously strives to improve its service to internal or external customers and constantly applies best practices. One of the continuous improvement initiatives in 2014 was to align standardised training courses with the competencies of new job profiles. This ensures an accurate training needs analysis via the performance management system and effective closing of competency gaps using standardised courses. From a quality perspective, the training and development department received a clean audit from an external assurer, and was complimented on its annual performance and improvements applied.

Management development programme

One of the key focus areas in 2015 will be management development. Based on a managerial competency framework, an internal programme will be implemented to develop an estimated 80 senior and middle managers on key skills.

Supervisory development programme

A supervisory development programme will be implemented to equip foremen with the fundamental supervisory skills of planning, organising, leading and control. The aim is to train around 200 supervisors in 2015.

Industrial and employee relations

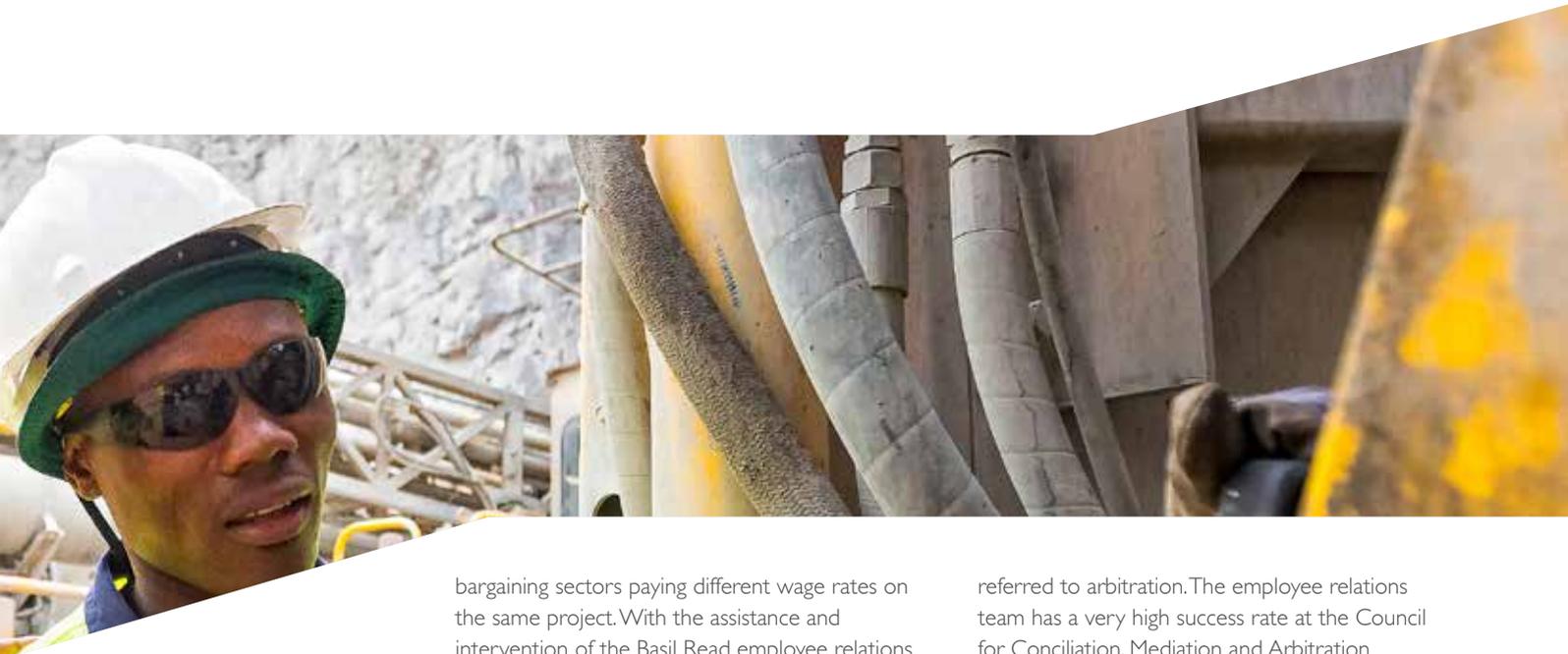
In restructuring Basil Read, a voluntary separation process was initiated in October and concluded in December 2014. Through this process, we were able to restructure resources to better position the business in terms of operational delivery versus overhead cost.

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

Although the company enjoyed a relatively peaceful year from an industrial relations perspective, we are mindful that this stability was due to two main factors: there were no wage negotiations in 2014 for the construction or mining industries; and there was limited mass action on any of the mega projects (ie Medupi or Kusile). Industrial relations were mostly limited to internal matters.

The only major related matter involved Matomo in terms of mass action at the Boshoff renewable energy site in Kimberley. This was mainly due to non-compliance with industry agreements by subcontractors working on this project, and exacerbated by subcontractors from various

Overview	2 – 19
Company performance	22 – 39
Divisional review	42 – 51
Governance	54 – 81
Sustainability	84 – 103
Summarised financial and shareholders' information	104 – 148



bargaining sectors paying different wage rates on the same project. With the assistance and intervention of the Basil Read employee relations team, these issues were resolved and disruptions minimised on the affected projects.

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 group employee relations manager on the negotiations team representing employers at SAFCEC national wage negotiations.

→ **Labour law amendments**

Basil Read is preparing to comply with labour law amendments that came into effect on 1 January 2015. This will affect workers sourced from labour brokers on some projects.

Training staff on related matters and managing disciplinary processes to ensure procedurally and substantively fair outcomes have remained 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), reflecting that these matters are dealt with in a fair and correct manner within the parameters of labour law in South Africa.

Employee wellness

In January 2014, we established an in-house occupational health clinic that, in addition to related services, also provides basic medical evaluations for all employees. This allows individuals to monitor their health indicators regularly and seek medical assistance where necessary.

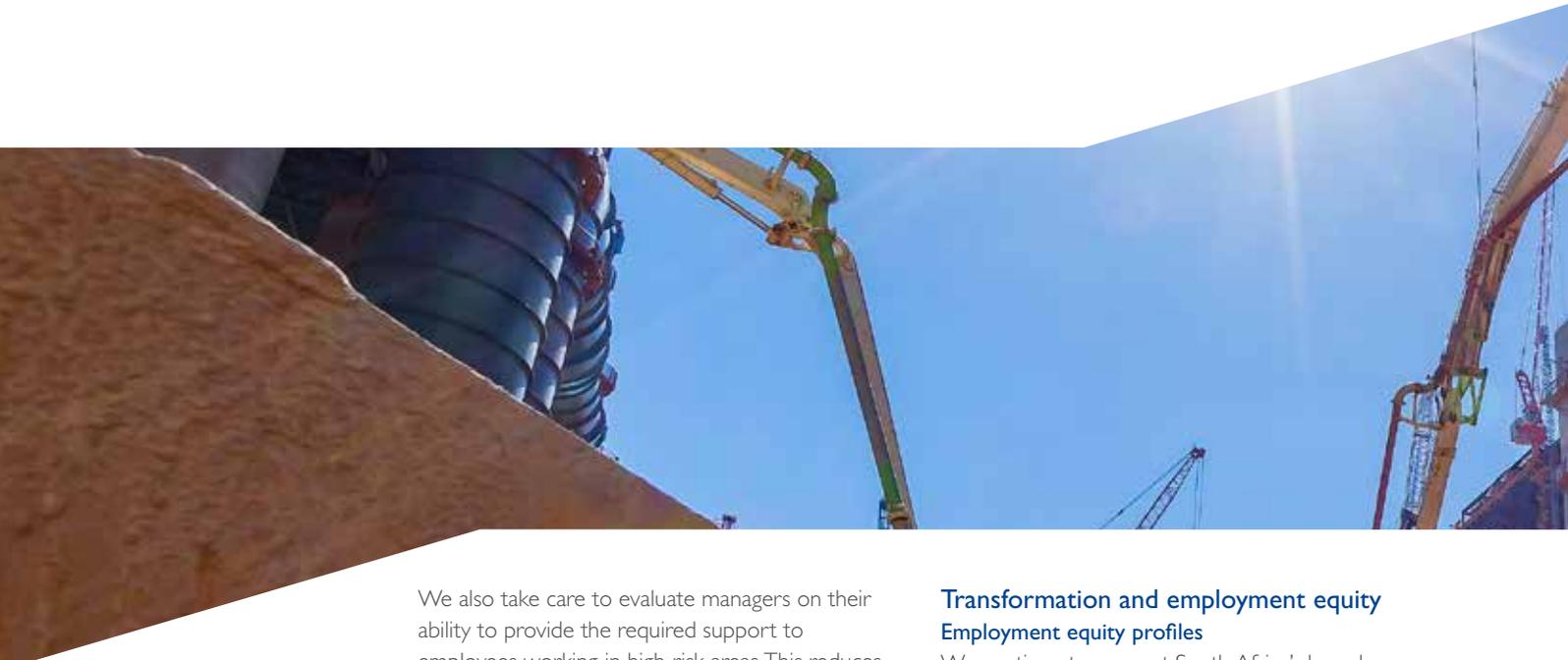
We take a holistic approach to employee wellness and, through our healthcare brokers and medical aid administrators, we provide various services from employee wellness days, HIV/Aids testing and support to trauma and other counselling.

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

International management strategy

Given that Basil Read has expanded its footprint into Africa, we have learned that intensive due diligence is essential in managing our people effectively. When seconding expatriates, we have secured the services of a psychologist who specialises in evaluating expatriates for their suitability to work on projects in foreign countries.

Sustainability review *continued*



We also take care to evaluate managers on their ability to provide the required support to employees working in high-risk areas. This reduces the risk of exposure to global threats and protects our employees, assets and reputation.

Partnering with specialist service providers on expatriation and cross-border remuneration, over the past three years we have developed and implemented a solid cross-border policy and framework for expatriation procedures, remuneration and benefits. Our employees are remunerated generously and fairly for their sacrifice and commitment when working in foreign countries.

The international St Helena airport project is a good example of the internal expertise and excellence within the business, from project and logistics management to human capital management.

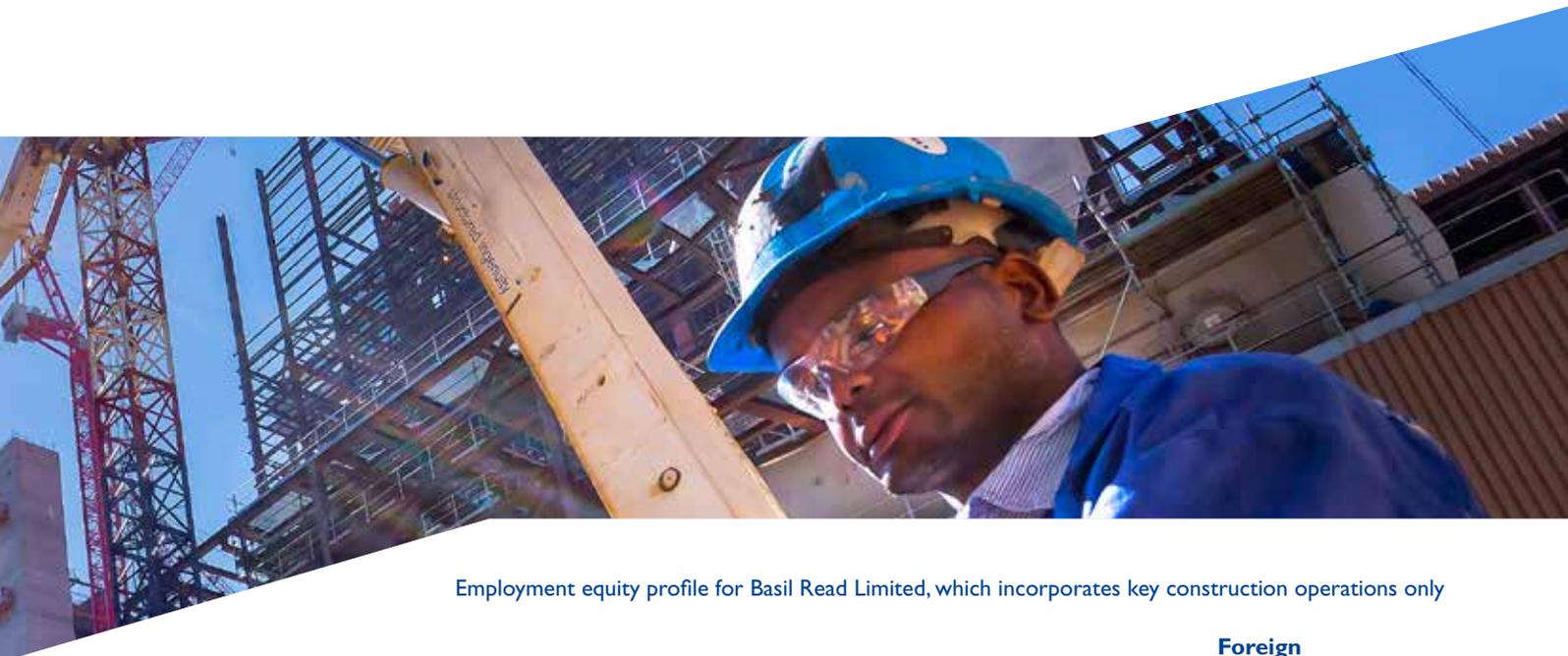
Transformation and employment equity Employment equity profiles

We continue to support South Africa's broad-based black economic empowerment (B-BBEE) initiatives aimed at growing the economy by empowering previously disadvantaged citizens.

Our support is centred on three focus areas: B-BBEE, employment equity and enterprise development.

Basil Read is actively addressing the targets of employment equity through developmental change, transitional change and transformation change. Significant progress has been made across all occupational levels in meeting legislative stipulations.

Overview	2 – 19
Company performance	22 – 39
Divisional review	42 – 51
Governance	54 – 81
Sustainability	84 – 103
Summarised financial and shareholders' information	104 – 148



Employment equity profile for Basil Read Limited, which incorporates key construction operations only

Occupational levels	Male				Female				Foreign nationals		Total
	B	C	I	W	B	C	I	W	Male	Female	
Top management	1	0	0	2	1	0	0	1	1	0	6
Senior management	3	0	2	26	0	0	0	1	1	0	33
Professionally qualified and experienced specialists and mid-management	26	5	14	100	6	1	4	10	5	0	171
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	706	23	5	149	43	8	2	61	15	1	1 013
Semi-skilled and discretionary decision-making	567	12	2	3	38	2	2	5	3	0	634
Unskilled and defined decision-making	978	44	0	7	176	8	0	2	0	0	1 215
Total permanent	2 281	84	23	287	264	19	8	80	25	1	3 072
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	2 281	84	23	287	264	19	8	80	25	1	3 072

Sustainability review *continued*



Broad-based black economic empowerment *Construction sector and dti generic scorecard*

During the year, Basil Read maintained its level 2 contributor rating based on the construction sector scorecard.

The dti issued revised codes of good practice in October 2013 which will come into effect on 1 May 2015. The seven elements we were previously measured on have been reduced to five (with three designated as priority elements*):

- Ownership*
- Management control
- Skills development*
- Enterprise and supplier development*
- Socio-economic development (SED).

The process to align the construction sector scorecard with the revised dti codes is under way with the assistance of the construction sector

charter council. The impact of the revised codes on our current status will only become apparent once the alignment process is complete.

Enterprise development

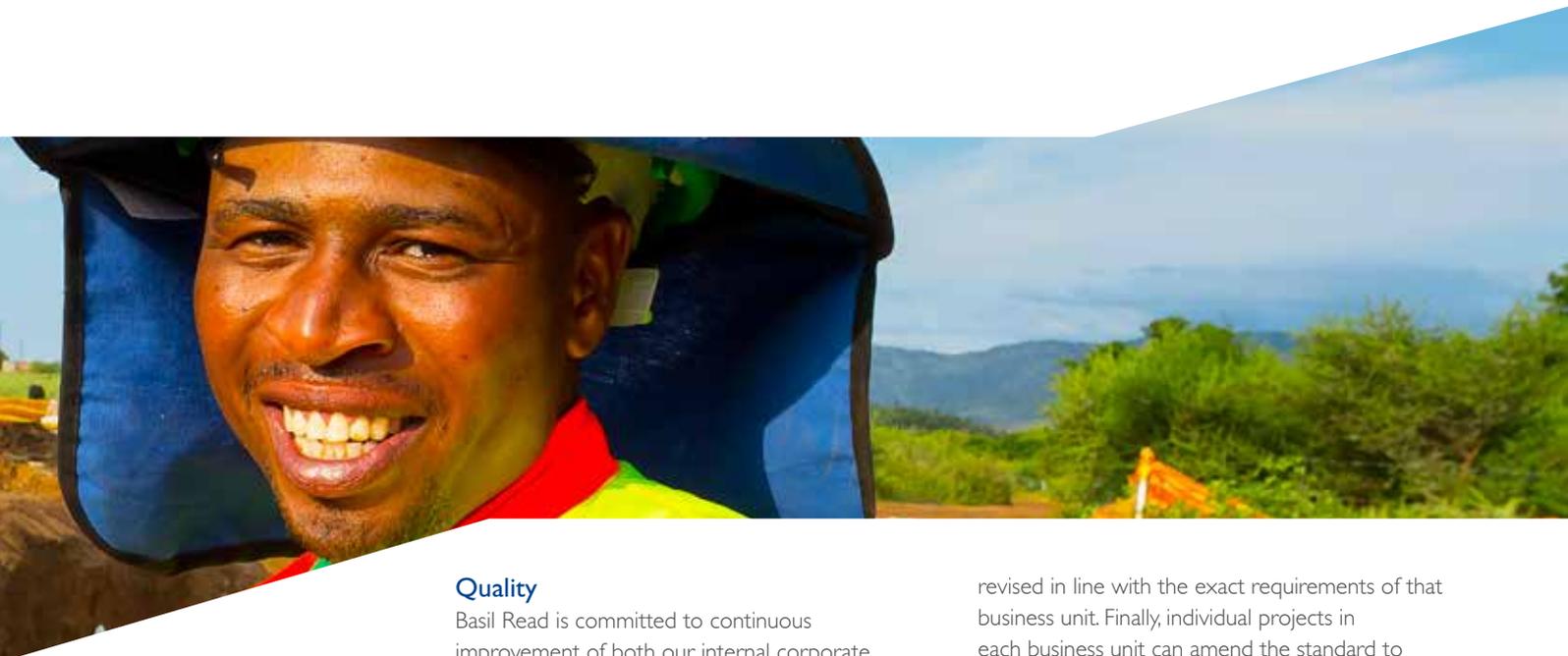
Basil Read's enterprise development is an essential tool to address economic growth, unemployment, gender equality, health and other poverty-related issues. With proper financial and infrastructure support in the form of mentorship programmes, skills transfer, loans, integrated support systems, increased 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 2014

Beneficiary	Black ownership %	Black women ownership %	B-BBEE 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

Overview	2 – 19
Company performance	22 – 39
Divisional review	42 – 51
Governance	54 – 81
Sustainability	84 – 103
Summarised financial and shareholders' information	104 – 148



Quality

Basil Read is committed to continuous improvement of both our internal corporate management structures and the physical works we complete daily for our many clients. We strive to complete projects to world-class delivery and construction standards.

Basil Read maintained its ISO 9001 certification in 2014. For 2015, we will align the mining and construction divisions under one, new certification body (BSI or British Standards Institution). By the end of 2015, BSI will have completed all required recertification audits, taking over where the last certification body (NQA) left off.

Safety, health, environment and quality are essential to our business, and are inter-related. Achieving the required standards in each field is the responsibility of line management.

Splitting the previously integrated SHEQ system into separate safety, health, environment and quality systems will allow for more focused management structures, and better control of these functions. As part of this process, Basil Read is reviewing and updating related company management systems, with a dedicated team mandated to set up and roll out the new quality systems.

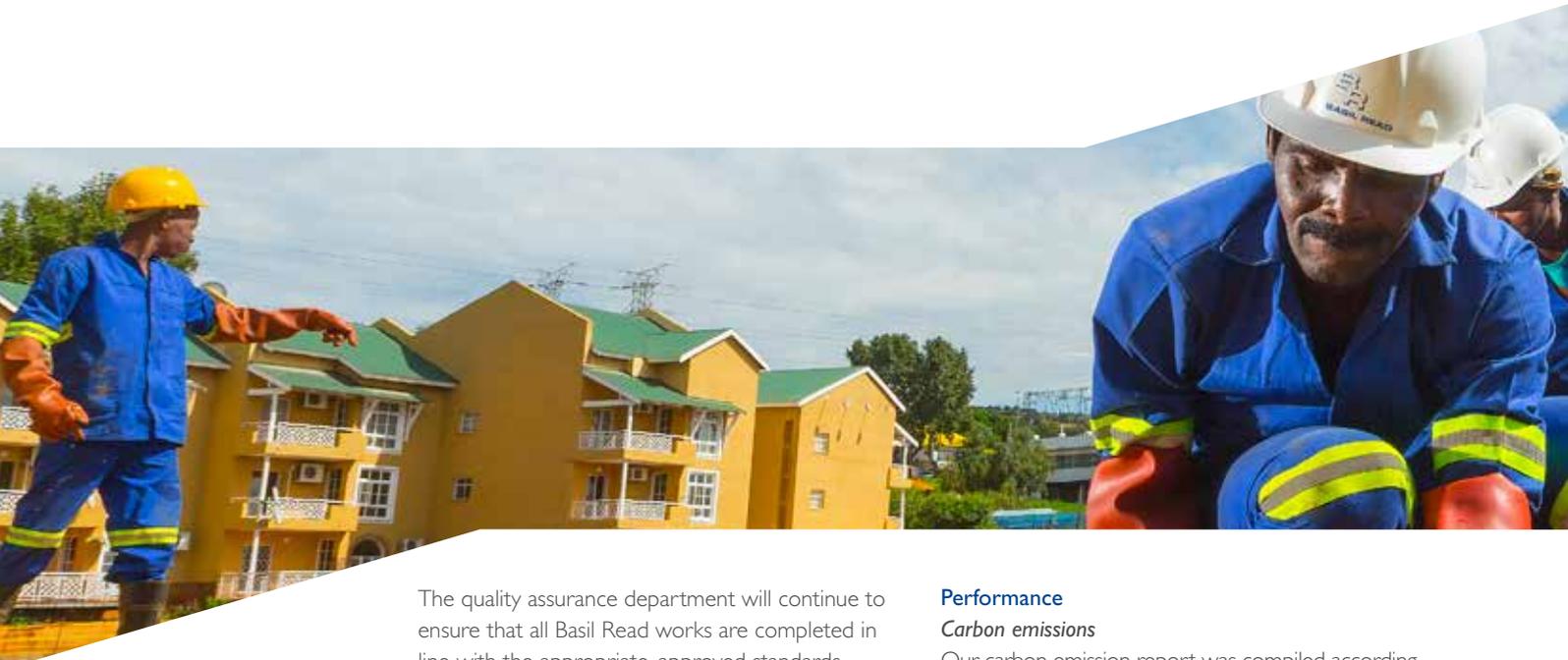
Under the new company management system, standards are drafted at corporate level, approved and set for the company. At business unit level, these group standards are applied, and if required,

revised in line with the exact requirements of that business unit. Finally, individual projects in each business unit can amend the standard to be project-specific, in line with client and project requirements.

Using this approach, we ensure we are always operating in line with international and national guidelines, and that guidelines are specific to the requirements of each project. This will ensure that the team on the ground will manage the works accordingly.

In the review period, Basil Read completed a number of detailed investigations into troubled projects to identify key drivers that contributed to poor project performance. Two main issues were identified. Firstly, due to the size, diversity and location of the numerous Basil Read operations, many key "lessons learned" were not being successfully fed back into the system to be used as corporate standards, or best practice guidelines. Accordingly, we are developing a centralised IT-based information repository, which will house all company documents, and be accessed by nominated personnel when new projects are being set up. Secondly, while we have good control over our own internal contributions to projects, in many cases this has been affected by the poor quality and business management systems of our subcontractors. To manage this better, we are developing a company-wide site management manual that emphasises subcontractor tracking, control and management.

Sustainability review *continued*



The quality assurance department will continue to ensure that all Basil Read works are completed in line with the appropriate, approved standards, while updating existing approved standards to ensure they are fit for purpose in today's construction market.

Environment

Overview of the environmental policy

Respect for the environment is important for our business. We strive to minimise harm by conducting our activities in an environmentally responsible manner. Our goal is to go beyond compliance to conserve and protect our natural resources.

The company's SHE system is a tool to measure our environmental performance against our key performance indicators (KPIs).

Key activities during the year

Our 2014 response to the global carbon disclosure project (CDP) was scored at 86 D, which the adjudicators considered a notable achievement for a company being scored for the first time. Our disclosure compared favourably with JSE top 100 average scores on governance and strategy, and risks and opportunity management.

Performance

Carbon emissions

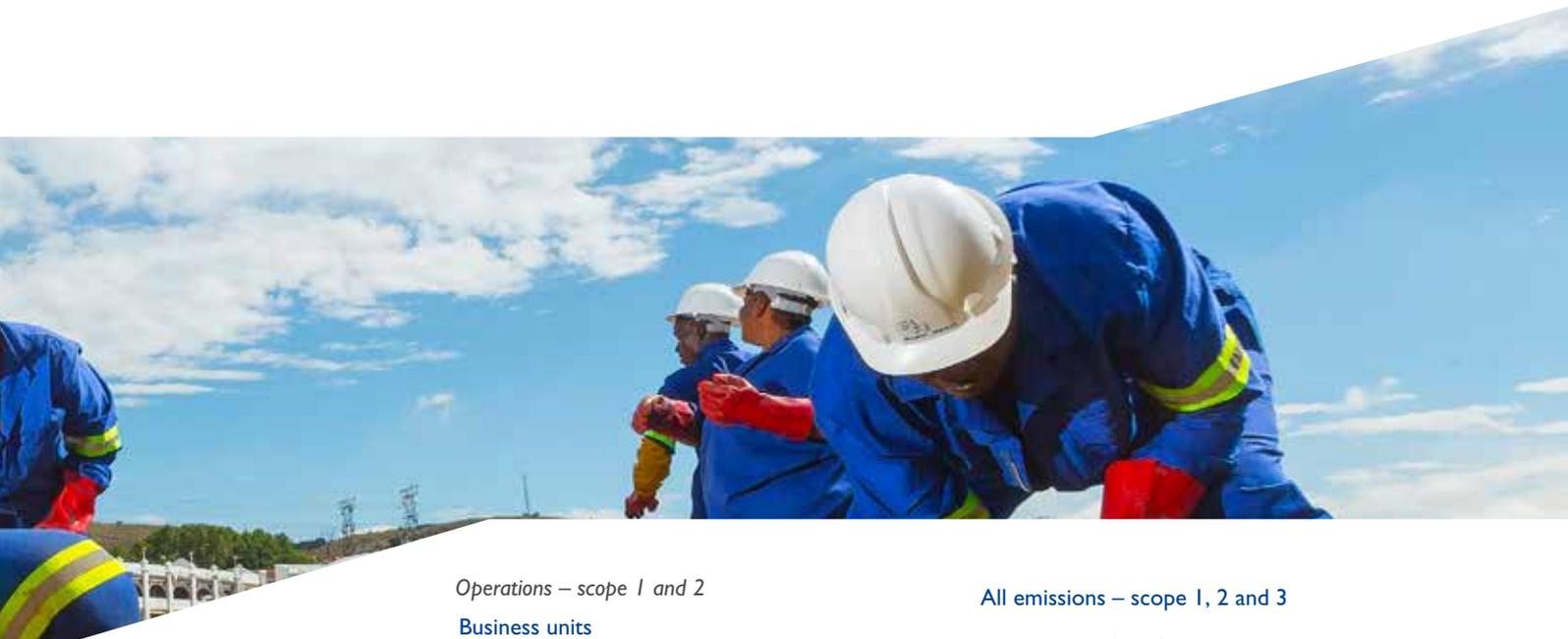
Our carbon emission report was compiled according to ISO 14064:1, ENCORD, as well as the greenhouse gas (GHG) protocol guidelines, and covered only activities over which we have control. By applying these principles, the GHG inventory is a fair representation of the company's GHG emissions.

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 consequence of the company'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:

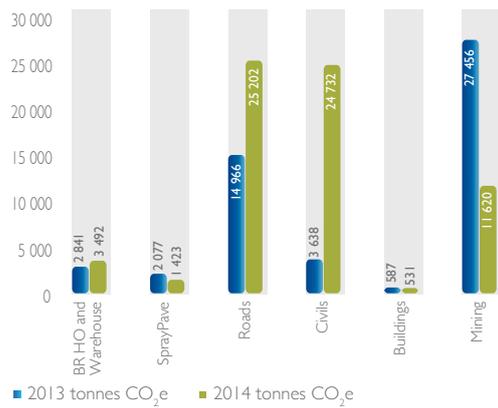
- Scope 1: fossil fuel consumption – diesel and petrol
- Scope 2: use of national electricity grid
- Scope 3: business travel (road and air).

Overview	2 – 19
Company performance	22 – 39
Divisional review	42 – 51
Governance	54 – 81
Sustainability	84 – 103
Summarised financial and shareholders' information	104 – 148

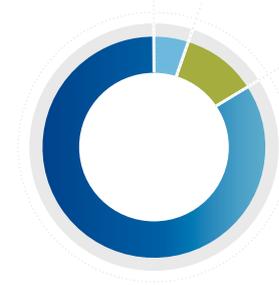


Operations – scope 1 and 2

Business units

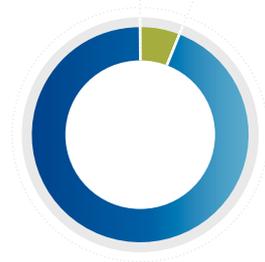


All emissions – scope 1, 2 and 3



- Scope 1 84%
- Scope 2 25%
- Scope 3 11%

Basil Read's 2014 carbon emissions (scope 1 and 2)



- Diesel 94%
- Petrol 0%
- Electricity 6%

The 2014 carbon footprint has increased to 75 209 tonnes CO₂e from 72 928 tonnes in 2013.

	2014	2013
Emission intensity		
Employee intensity	13,84	11,54
Financial intensity	0,012	0,012

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 255 203 kℓ of water in its activities for 2014 (2013: 263 196 kℓ).

Sustainability review *continued*



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

Waste

Basil Read's waste management plan ensures that waste management is properly implemented. We continue to separate our waste to comply with legislation, and to 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.

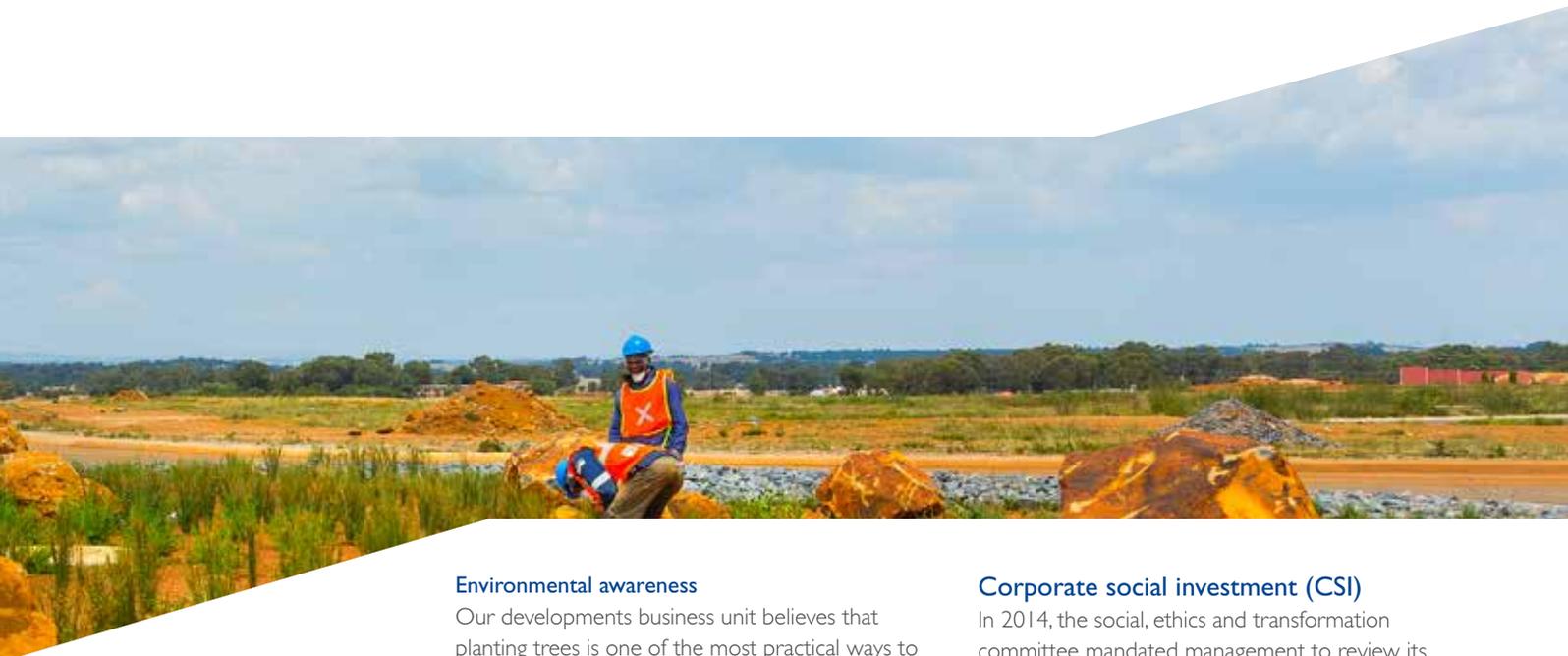
Our risks include:

- 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 INX system where environmental incidents are reported in order to better manage incidents, and to prevent the reoccurrence of such. It is a system requirement that an investigation be conducted for every incident reported. Significant environmental incidents were reported at the company's pipeline project in Steelpoort, which is an environmentally sensitive project. The most common environmental incidents reported relate to minor spillages. We are aiming for continuous improvement in our management of environmental incidents, in line with our objective of preventing pollution.

Overview	2 – 19
Company performance	22 – 39
Divisional review	42 – 51
Governance	54 – 81
Sustainability	84 – 103
Summarised financial and shareholders' information	104 – 148



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 Cosmo City and now Savanna City, it was 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 have planted and distributed hundreds of trees in these communities.

We also started an earthworm farm to produce our own environmentally friendly organic fertiliser. We established nurseries at Cosmo City and Savanna City to propagate trees and we are planting these trees in other projects, eg Rolling Hills and Malibongwe Ridge.

Looking ahead

Across the company, we continue to improve on the following SHE 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 2014, the social, ethics and transformation committee mandated management to review its current CSI policy, strategy and initiatives. Working with an external expert, the executive committee and operational management are assessing CSI initiatives across the company.

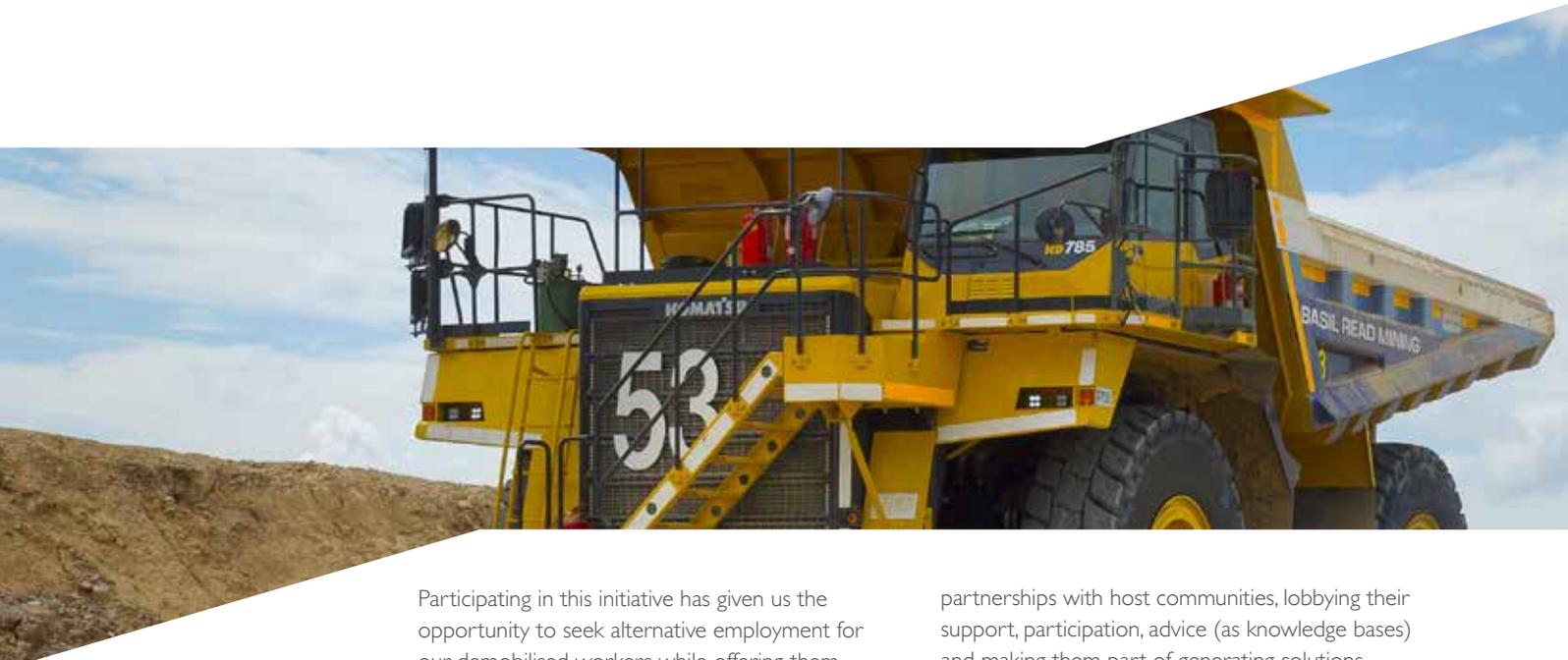
CSI highlights for 2014

- Alldays landfill site – upgrading and legalising a refuse disposal facility
- Recreational facilities upgrade – Venetia building a municipal swimming pool and revamping existing facilities
- Medupi leadership programme – detailed below.

As a key member in the Medupi leadership initiative, we invested in the Drylands and life skills projects. These are run by independent third parties and we are updated on progress and implementation:

- The life skills project focuses on picture-based learning through two modules (financial literacy and drive your life). All our wages employees on the Medupi site had completed both training modules by the end of 2014. This has proven to be of great value for the company and the workers
- The Drylands project (in cooperation with the Department of Environmental Affairs) aims to offer demobilised Medupi workers opportunities to acquire skills in related fields.

Sustainability review *continued*



Participating in this initiative has given us the opportunity to seek alternative employment for our demobilised workers while offering them empowering life skills.

Community engagement

Establishing and maintaining meaningful, lasting relationships based on honesty and trust with our host communities is key to successfully executing our projects. With single projects hosted by multiple communities, good communication, negotiation and conflict handling skills are essential. The ability of our social facilitation team to consider the needs, interests and wishes of each group while balancing their diverse powers in the engagement process makes our projects sustainable.

Setting clear objectives to avert ambiguities in future and manage expectations are critical at project implementation stage. Fostering

partnerships with host communities, lobbying their support, participation, advice (as knowledge bases) and making them part of generating solutions reinforces the relationship.

Throughout the lifecycle of our projects, there is ongoing consultation, communication and regular progress feedback. Our ability to respond to community requests on time prevents conflict, minimising the risk of work disruptions and making our projects economically viable. Production teams have been inducted on access protocols to ensure established relationships are not compromised.

For each project in communities where we have a direct impact, we make a difference through job creation opportunities and portable skills training to enhance self-reliance and self-sufficiency. This aligns with our pledge of building legacies, which underpins our business.

Overview	2 – 19
Company performance	22 – 39
Divisional review	42 – 51
Governance	54 – 81
Sustainability	84 – 103
Summarised financial and shareholders' information	104 – 148



Case study:
Alldays Combined
School – teaching
programme

Basil Read Mining has provided the Alldays Combined School with four qualified teachers to alleviate the shortage of tutors.

The aim is to promote accounting, mathematics and science in disadvantaged schools. Textbooks, calculators and writing equipment were distributed to the higher grades and winter schools initiated to prepare grade 12 learners for their final exams (some 2 000 learners attended).

One of new teachers, Mubeni Jerrifanos, encouraged his students to write an essay for a chance to represent the school at the summer school run by Waterloo University in Canada. Student Tshupo Sementa was invited to attend this event with his teacher. This was a singular highlight for all concerned, including Basil Read.

