



**AfriSam**

**SUSTAINABILITY REPORT 2013**





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A summary of the sustainability activities relating to AfriSam (Pty) Ltd from 1st January 2013 through 31st December 2013. The reporting period is in line with our financial reporting period and we aim to report annually on sustainability performance. The report includes information relating to AfriSam (Pty) Ltd operations in South Africa, Tanzania and Lesotho only and is also available on our website.

We welcome your feedback on our sustainability reporting process. Please send comments or suggestions to:

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#### LIST OF ABBREVIATIONS

ACMP	Association of Cementitious Material Producers	MPRDA	Mineral and Petroleum Resources Development Act
AFR	Alternative Fuels & Raw Materials	MWP	Mining Work Program
APC	All Purpose Cement	NIHL	Noise Induced Hearing Loss
ATS	AfriSam Technical Services	NOSA	National Occupational Safety Association
B-BBEE	Broad-Based Black Economic Empowerment	PFA	Pulverised Fly Ash
CBU	Cementitious Business Unit	PIC	Public Investment Corporation (SOC) Ltd
CDM	Clean Development Mechanism	PPE	Personal Protective Equipment
CEO	Chief Executive Officer	R & D	Research and Development
CFO	Chief Financial Officer	RMC	Ready-mixed Concrete
CM	Construction Materials	RSA	Republic of South Africa
CO2	Carbon Dioxide	SANS	South African National Standards
CoP	Code of Practice	SLA	Service Level Agreement
CSF	Condensed Silica Fume	SLP	Social and Labour Plan
CSR	Corporate Social Responsibility	SO2	Sulphur Dioxide
CVM	Customer Value Management	Tanga	Tanga Cement Company Limited
EE	Employment Equity	TB	Tuberculosis
EIA	Environmental Impact Assessment	TML	Top Management Level
EMP	Environmental Management Program	TMM	Trackless Mobile Machinery
EXCO	Executive Committee	TRIFR	Total Reportable Injury Frequency Rate
GGBFS	Ground Granulated Blast Furnace Slag	VOC	Volatile Organic Compound
HSC	High Strength Cement	WBSCD	World Business Council for Sustainable Development
ISO	International Organisation for Standardisation	YTD	Year to Date
MIC	Mineral Component		



# Message from the Chief Executive Officer

Dear Stakeholders

The concept of sustainable development has long since formed the foundation for AfriSam's business activities. It echoes an internal philosophy that we live on a daily basis.

As such, AfriSam fully subscribes to the Brundtland Commission's definition of sustainable development as 'development that meets the needs of the present without compromising the ability of future generations to meet their own need'.

While we acknowledge that, for our generation to prosper, it requires the utilisation of certain natural resources, we commit to future generations that we will utilise these in a deliberate and responsible manner.

We do this by actively managing our production processes and equipment to ensure that we reduce the consumption of natural resources such as coal, mineral resources and water, whilst at the same time reducing the CO<sub>2</sub> footprint of our products through increased efficiencies and the utilisation of by-products from other industries as part of our cement manufacturing process. Recently, the company completed the installation of a bag house at its Ulco Cement Operation in the Northern Cape, significantly reducing dust emissions from the Ulco stack. This project also won AfriSam an award from the National Clear Air Association.

Apart from reducing the environmental impact of our business activities, we also seek to sustainably uplift community members surrounding our operations to ensure that they too can look forward to a brighter tomorrow. This year, once again, we have made a significant difference to those in need. Through funds donated by the company and active employee involvement, we have built homes and schools, provided food, clothing and educational material - contributing towards the sustainable upliftment of communities surrounding our operations.

As the heartbeat of our company and the enablers of sustainability, AfriSam strives to provide a workplace that allow employees to grow and develop and actively contribute towards the success of our company, our country and our continent. I am proud that we are one of a select few companies in Africa that have been certified as a Top Employer by the Top Employers Institute. 2013 was the fourth consecutive year that AfriSam was honoured with this title.

The safety of our employees and all stakeholders that interact with our company remains our number one priority. In 2013, the company achieved its best safety performance to date since it started measuring its safety performance in 2006. This is due to a concerted effort by all employees to ensure that AfriSam becomes an even safer workplace. We will continue to drive towards our ultimate goal of 'Zero Harm to People'.

As a responsible corporate citizen, AfriSam actively pursues compliance to all laws and regulations that govern our business. Earlier in the year, a training programme, including

workshops and online training, was introduced to relevant employees to provide them with information about what they need to do to act within the ambit of the Competition Act as well as making them more aware of anti-fraud and corruption measures. The company also maintained its status as a Level 2 Broad-Based Black Economic Empowerment (B-BBEE) contributor.

AfriSam is committed to building a better future for the people of Africa. It is of this passion and commitment that we are most proud, not of what products we make, but rather of what we make possible – we create possibilities.

*Stephan Olivier*





# Organisational Profile

## 2.1 WHO WE ARE

AfriSam began its humble beginning in 1934 when it established its first cement operation in South Africa. Since then, the company has steadily grown into a formidable African company with an ever ambitious vision of further growth on the African continent.

The AfriSam Group has its roots firmly anchored in African soil and has remained true to its founding aspiration to be the leading supplier of superior construction materials and technical solutions.

AfriSam is a construction materials company on a mission to help build our great continent, making a meaningful contribution towards the economic development of Africa and its people.

**Vision:**

To sustainably grow shareholder value and make a positive difference for all stakeholders

**Mission:**

To relentlessly pursue our passion the help shape Africa and build a better society by responding to our customers' needs with superior construction material solutions.

## 2.2 PRESENCE AND CAPABILITIES

The AfriSam Group has operations in South Africa, Tanzania, Lesotho, Botswana and Swaziland. AfriSam is the majority shareholder of Tanga Cement Company Limited, listed on the Tanzanian Stock Exchange, and holds 62.5% of its shares. The Tanzanian company trades under its brand name, Simba Cement.

The Group is well positioned and equipped to offer superior construction material solutions made possible through its widely distributed footprint and well maintained production facilities.



### Cement

AfriSam is strategically positioned and connected through its fully-integrated cement plants, milling depots, blending operations and its distribution centres. There are three fully-integrated plants within the AfriSam Group: two in South Africa and a third plant located in Tanzania. The fully-integrated plants have a combined cement producing capacity of over five million tons of cement per annum.

### Aggregates and Readymix

The cement operations are strongly augmented by well-established aggregate and readymix operations located in all major growth nodes. There are presently 42 readymix operations capable of delivering more than 2 million cubic metres ready-mix concrete annually, and 17 aggregate quarries, producing over 10 million tons of aggregate.

### Facilities

The South African fully-integrated plants are linked by a well-established road and rail transport network to:

- A modern vertical roller mill in Roodepoort Gauteng, and three blending operations in Vandebijlpark and Brakpan, Gauteng.
- A slag grinding plant with a slag milling capacity exceeding 800 thousand tons per annum.
- 11 strategically located cement distribution centres across South Africa and Lesotho.

### Distribution

The Tanzanian operation has ten strategically located cement distribution centres throughout Tanzania, Burundi and Rwanda, and exports to Malawi. The South African footprint is supported by cement distribution centres in Botswana and Lesotho as well as an integrated blending, packing and distribution centre in Swaziland. Cement is also exported to Mozambique and the Democratic Republic of Congo (DRC).

## 2.3 PRODUCTS AND SERVICES

The AfriSam Group offers an extensive suite of construction materials, consisting of cement products in bag and/or bulk, ground granulated slag, varied aggregate products, readymix concrete, bulk dry mortar and pre-mixed bagged products, as well as speciality products such as road stabilisation cement.

AfriSam provides the following products and services:

- Cement
- Readymix with Pumping Service
- Aggregate
- Premix

## 2.4 PRODUCT RANGES

### CEMENT

All Purpose Cement  
Eco Building Cement  
High Strength Cement  
Rapid Hard Cement  
Roadstab Cement  
Slagment

### READYMIX

Starmix  
Application Brands  
Speciality Brands  
Customised Brands  
Pumping Service

### AGGREGATE

Road Stone  
Concrete Aggregate  
Road Layer Works  
Material  
Speciality Aggregates

### OTHER CONSTRUCTION MATERIAL

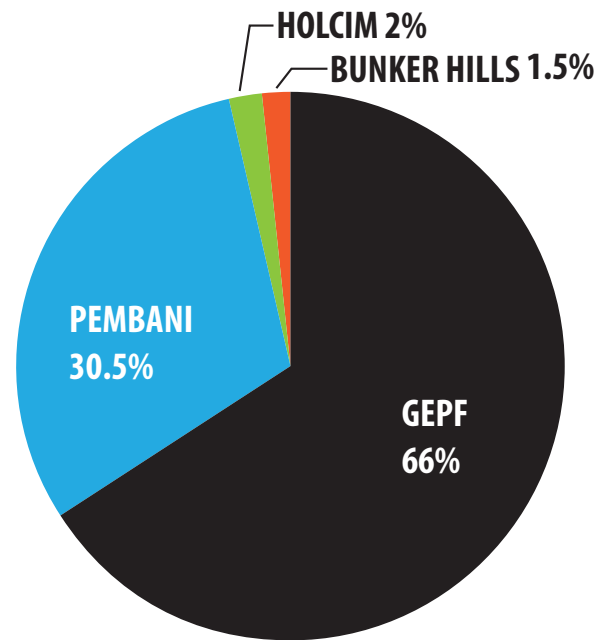
Concrete Premix  
Plaster Mix  
Building Mix  
Screed Mix



## 2.5 OWNERSHIP

With a majority shareholding by a broad-based BEE consortium, the company is the leading black-owned building construction materials group in southern Africa.

AfriSam is owned by various shareholders, with The Public Investment Corporation (PIC) having the majority share of 66.5%, Pembani Group (PTY) Ltd with 30%, Holcim Limited with 2% and Bunker Hills with 1.5%. This makes the company a Broad Based Black Economic Empowerment (BBBEE) level 2 contributor; an achievement we are proud of.



### GEPF:

Government Employee Pension Fund (GEPF) duly represented by the Public Investment Corporation (PIC)

Established in 1911, the Public Investment Corporation (SOC) Limited is one of the largest investment managers in Africa today, managing assets of over R1.17 trillion and still growing.

The PIC, a registered financial services provider, is wholly owned by the South African Government, with the Minister of Finance as shareholder representative. They invest funds on behalf of public sector entities, based on investment mandates set by each of these clients and approved by the Financial Services Board (FSB).

### Pembani:

Pembani Group (Pty) Ltd is a private equity firm specialising in investments in mezzanine, middle market, later stage, mature, turnaround, emerging growth, recapitalisation, buyout, growth capital. It prefers to invest in all aspects of the energy sector mineral resources, and infrastructure industries. The firm prefers to invest in companies based in sub-Saharan Africa.

Pembani Group (Pty) Ltd was founded in 1994 and is based in Sandton, South Africa.

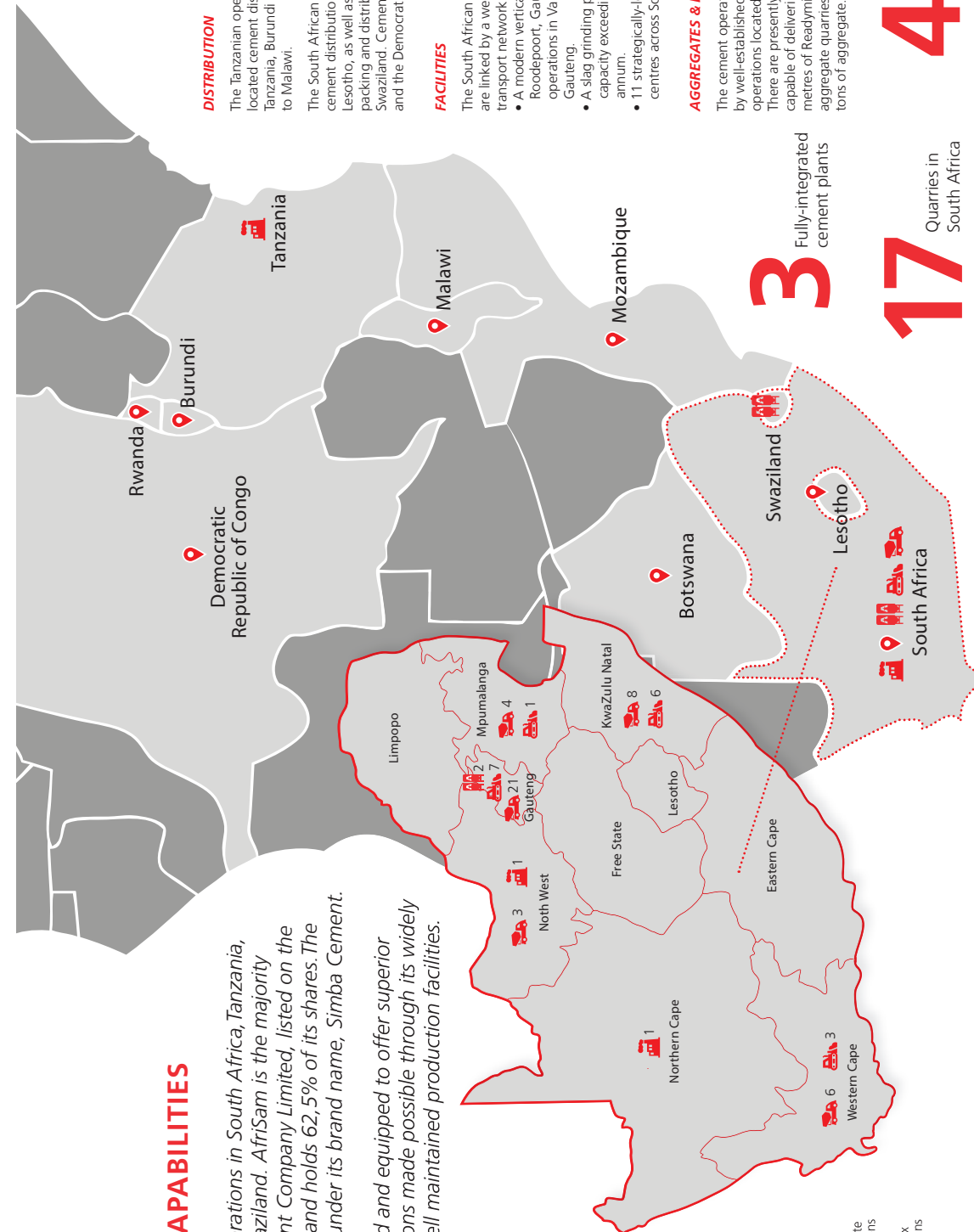
## PRESENCE AND CAPABILITIES

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*The Group is well positioned and equipped to offer superior construction material solutions made possible through its widely distributed footprint and well maintained production facilities.*

### CEMENT

AfriSam is strategically positioned and connected through its fully-integrated cement plants, milling depots, blending operations and distribution centres. There are three fully-integrated plants within the AfriSam Group: two in South Africa and a third plant located in Tanzania. The fully-integrated plants have a combined cement-producing capacity of **over five million tons of cement per annum**. The capacity will increase soon to more than eight million tons of cement per year post the commissioning of a second clinker production unit at the production facility of Tanga Cement Company Ltd.



### DISTRIBUTION

The Tanzanian operation has ten strategically located cement distribution centres throughout Tanzania, Burundi and Rwanda, and exports to Malawi.

The South African footprint is supported by cement distribution centres in Botswana and Lesotho, as well as an integrated blending, packing and distribution operation in Swaziland. Cement is exported to Mozambique and the Democratic Republic of Congo (DRC).

### FACILITIES

The South African fully-integrated cement plants are linked by a well-established road and rail transport network to:

- A modern vertical roller mill operation in Rodepoort, Gauteng, and three blending operations in Vanderbijlpark and Brakpan, Gauteng.
- A slag grinding plant with a slag milling capacity exceeding 800 thousand tons per annum.
- 11 strategically-located cement distribution centres across South Africa and Lesotho.

### AGGREGATES & READYMIX

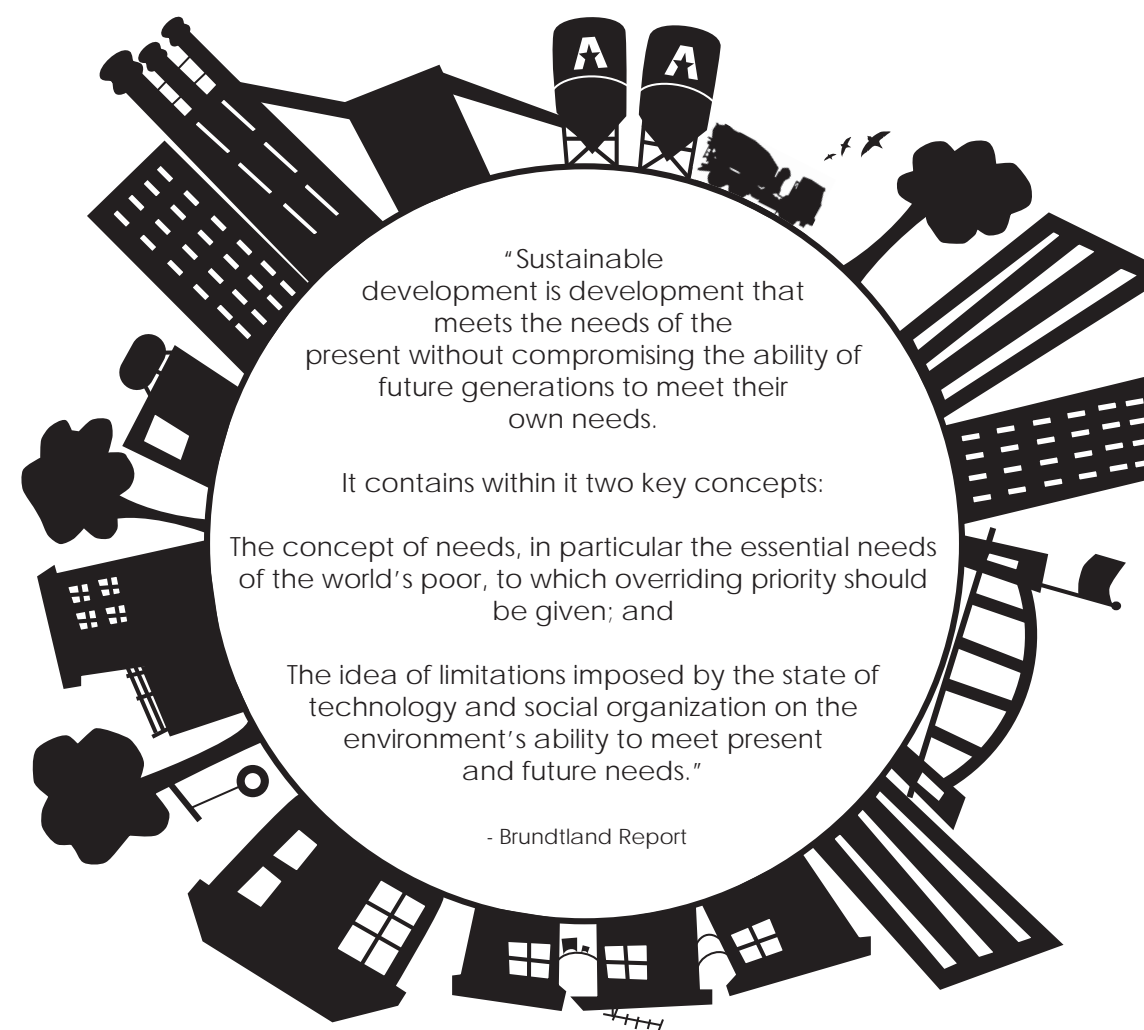
The cement operations are strongly augmented by well-established aggregate and Readymix operations located in all major growth nodes. There are presently 42 Readymix operations, capable of delivering more than 2 million cubic metres of Readymix concrete annually, and 17 aggregate quarries, producing over 10 million tons of aggregate.



# AfriSam Sustainability

## 3.1 ENVIRONMENTAL IMPACT

Afrisam is committed to operating in a way that not only benefits our consumers and our business, but also the environment in which we operate. We are guided by the 1987 Brundtland Commission's definition of sustainable development (SD) and are committed to operating in a way that doesn't compromise the future of the environment.





## 3.2 AFRISAM SUSTAINABILITY STORY

**13** AfriSam has achieved a significant milestone in its history by becoming the first construction materials company to sign the **49M** pledge. This step signifies the company's commitment to the global agenda for energy efficiency and to playing a proactive role in contributing to energy saving across South Africa.

**12** The clinker content of our Eco Building Cement has dropped to levels as low as **35%**

**11** AfriSam cement saves water by needing less to become workable when being mixed.

**10** Due to our C-Tech technology, we use **40%** less electrical and thermal energy in production.

**9** Our Eco Building Cement has a carbon (CO<sub>2</sub>) footprint of **442g/kg**.

**8** The CO<sub>2</sub> footprint rating stamps on AfriSam cement bags, an industry first, is the calculation of the **CO<sub>2</sub> footprint** in g/kg of each cement product from each plant by an independent consultant in terms of the Cement CO<sub>2</sub> Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

**1** Implementing a production and maintenance tool at our Ulco facility in the Northern Cape, to assist with load shifting during peak demand periods, has contributed significantly to

**energy saving** and will be implemented at the company's other operations.

**2** An energy efficient Vertical Roller Mill was installed at our Roodepoort operation in 2008.

This mill has since achieved a **24%** reduction in electrical energy consumption. Vertical roller mills are also being earmarked for installation at AfriSam's proposed Saldanha and Coega facilities.

**3** To produce AfriSam's Advanced Composite Cement products, we use mineral components that are by-products of the **energy** generation and steel manufacturing processes. This has further reduced the carbon footprint of the cement making process and has successfully created a market for a product that may otherwise be sent to landfill as waste.

Fly Ash is a by-product of coal-powered power stations while GGBFS is from the steel industry.

**4** Pneumatic pumps allow us to deliver our products on site without excessive dust pollution

**5** Fresh water consumption has been significantly reduced through **recycling** of water on-site, in some instances by up to **70 litres/m<sup>3</sup>** of concrete.

**6** AfriSam involves itself with a number of **Conservation** Projects which aim to empower our host communities in environmental matters affecting our common heritage and livelihoods.

**7** **Rehabilitation** of land.

All AfriSam mines operate in terms of approved Environmental Management Programmes that encourage the rehabilitation of mining sites to a self-sustainable or positively useful land form upon final closure.

At our Dud-field Quarry, the mined land is returned to grazing within 2 years





## 3.3 C - TECH

AfriSam's knowledge of composite cements and the use of admixtures continues to give us a competitive edge, both technically and commercially. Our range of cement products with C-Tech technology offer our customers guaranteed quality performance and peace of mind.



### 3.3.1 LOW CARBON

Concrete is the most widely used material on earth, eclipsing the combined volumes of all other man-made materials by a factor of ten. In terms of its embedded carbon, it is a benign product associated with relatively little CO<sub>2</sub> per unit mass when compared to other materials such as metals, glasses and polymers. However, it is made in such vast quantities that it is responsible for over five percent of the CO<sub>2</sub> emissions for which humans are accountable.

Despite recent advances in kiln design and alternative low energy clinkers, the greatest carbon savings from the industry are likely to be made by the inclusion of mineral components like limestone, GGBFS and PFA.

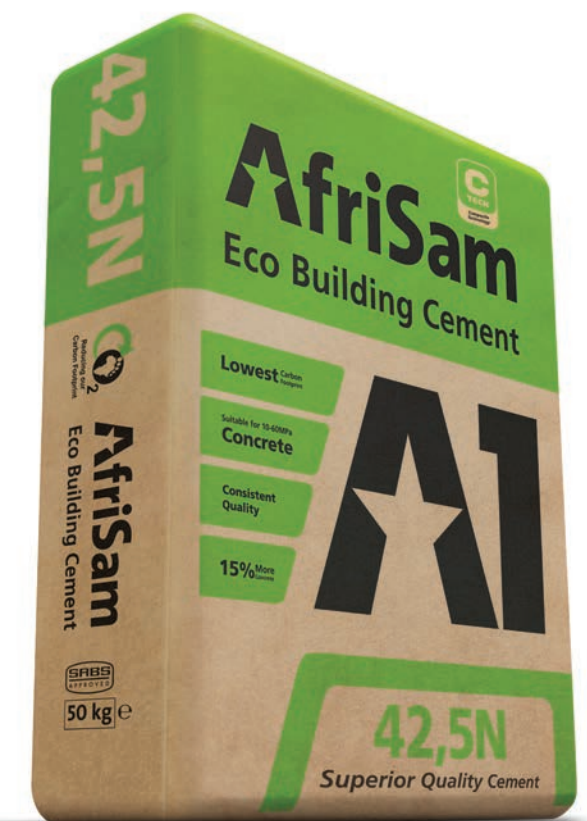
Our Eco Building Cement is the result of careful and dedicated research by our talented technicians to create the most environmentally friendly cement currently available.

Choice of materials not only relates to cement blends, but also to other materials such as aggregates and structural components, all of which may have higher or lower carbon footprints. In addition to embodied constructional carbon, it is now widely accepted that the overall footprint of the project includes operating energy consumption and the destination of the materials in the project at the end of its service lifetime. The role of appropriate cementitious materials as enablers for reusing resources and giving low operational carbon designs is being increasingly appreciated in mainstream construction.

### 3.3.2 FUNCTIONALITY

Our C-Tech-enhanced cements are superior to pure cements in function as well as in environmental impact.

- Improved workability
- Reduced heat of hydration
- Reduced susceptibility to chemical attack
- Reduced permeability thereby increasing corrosion resistance
- Increased erosion resistance
- Continues to gain strength over time
- Increased durability





# Sustainability Reporting

AfriSam has aligned with the internationally recognised G3.1 sustainability reporting principles and guidelines, which have informed the development of the reporting process. The GRI guidelines promote engagements with multiple stakeholders and responsiveness to these stakeholders. GRI reporting is voluntary and AfriSam has no obligation to report on sustainability or to make use of the GRI Guidelines and principles. However, the company has decided to incorporate the guidelines so that the reporting process is as meaningful and effective as possible. This report has been driven by the Sustainability Department at AfriSam in consultation with an external sustainability consultancy.

The process for determining content to be included in this report was guided by:

- The usefulness of the report for stakeholders (including interests and expectations of stakeholders)
- The purpose, experience and nature of core business at AfriSam
- The material environmental, social and economic impacts of the business
- The importance of reporting credibly and in accordance with the GRI G3.1 Guidelines
- The intention to report data for as many indicators as was reasonably and practically possible
- The availability of data for the reporting period

A materiality process was used to establish the relative importance of key environmental, social and governance issues for the organisation and its stakeholders. Issues were mapped and cross referenced using risk and importance to the company, and then then against importance for stakeholders and the company's ability to influence these issues. The materiality process was used to inform the Stakeholder engagement process as well as the process for determining content for this report.

The report has been written with all key stakeholders in mind and the company trusts that stakeholders will be able to access, read and understand the report and that they will offer feedback. Having said this, we believe that the report will be read mostly by employees, shareholders, customers and suppliers.



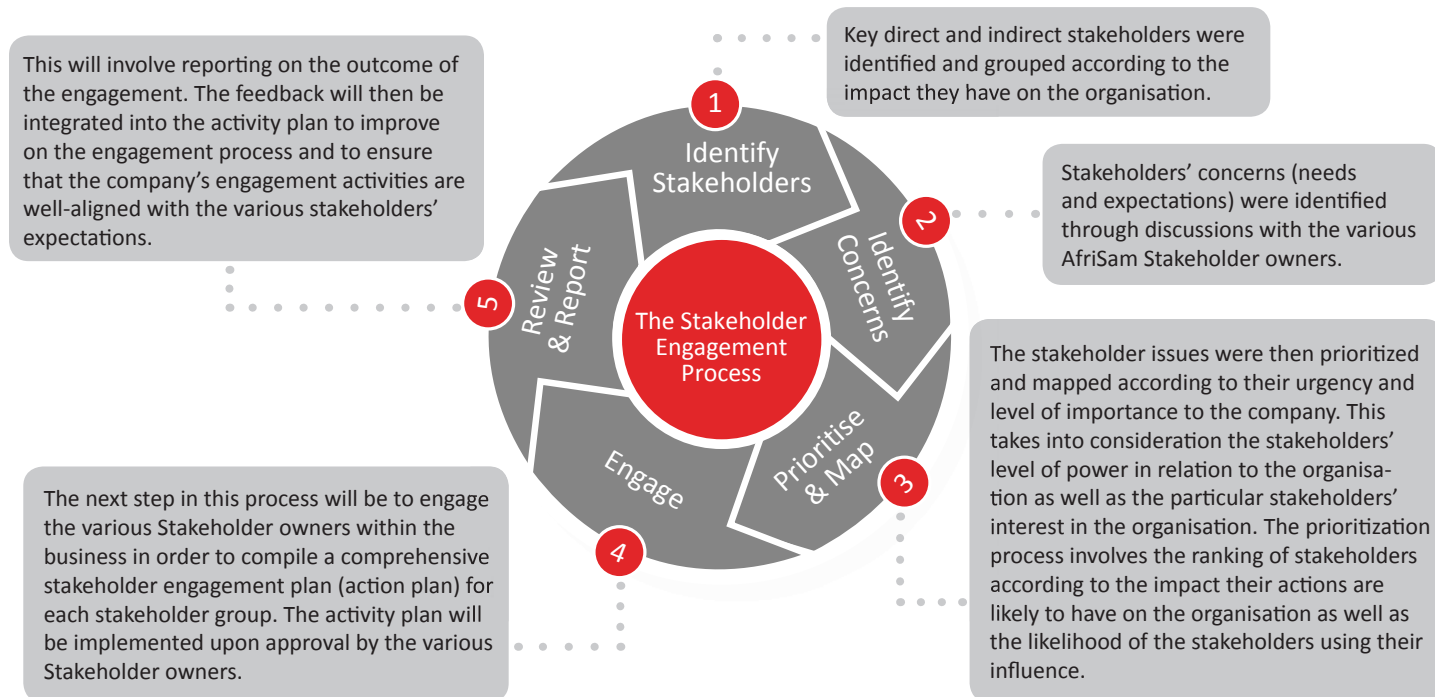
## 4.1 STAKEHOLDER MANAGEMENT

Expanding our stakeholder dialogue from the local to the corporate level helps AfriSam to further understand and respond to the needs and expectations of those affected by our business. The ideas and positions presented through stakeholder engagement help to shape and influence our processes of issue identification and prioritisation.

Stakeholder Engagement is a requirement of the King III guidelines, which state that stakeholders' assessments and perceptions of companies lead to the formation of corporate reputations for those companies.

With the link that has been created between a company's reputation and its economic value it follows that managing stakeholder perceptions is a critical part of a company's sustainability. To manage stakeholder perceptions an organisation would first need to know exactly who the various stakeholders of the business are, what their interests are with regards to the company (whether affected directly or indirectly), what their expectations of the company are, establishing the gap between the expectations and reality and implementing a plan to bridge this gap.

For this purpose the Stakeholder Engagement Process model has been adopted.



## STAKEHOLDER ENGAGEMENT TABLE

Stakeholder Grouping	Stakeholder Issues	Key Messages	Engagement Methods	Relationship Owners
<b>Employees</b>	Job security Company stability and performance Company reputation Good work environment Work-life balance Fair HR practices	Building a better future together. AfriSam is an employer of choice. Zero harm to people. 5 Strategic objectives Reputable company which achieves growth and targets, creating value and opportunity for employees. People. Planet. Performance.	Internal newsletters Intranet EXCO roadshows Face-to-face Ongoing line management engagements Meetings Emails	Human Resources EXCO Line Management Internal Communications (channel)
<b>Unions</b>	Job security Company stability and performance Good work environment Protection of union member rights Outsourcing Decent wages and benefits	Building a better future together. People. Planet. Performance. A progressive company that can be trusted.	Face-to-face Information-sharing sessions and consultations	Human Resources Senior Management Local General Managers
<b>Shareholders/Board Directors</b>	Return on investment Company stability and growth Company reputation	Building a better future together. People. Planet. Performance. On target. Achieves growth objectives. Creates value.	Board meetings Written communication Website Financial reports Media articles One-on-one engagement	CEO CFO Company Secretary
<b>Customers</b>	High product quality Competitive price Good service Product availability Short lead-times Security and consistency of supply Partner of choice	The leader in sustainability - leaders in the innovation of sustainable construction materials. Preferred partner Solutions-driven Reputable company Responsive and efficient Multi-product solutions – the company that looks beyond product to provide value-creating solutions for its partners. CVM Messaging: AfriSam understands your needs as a customer. We make it our business to meet your needs and add value to your business by providing suitable solutions at the right price. We consistently deliver on our quality promise.	In-store Point Of Sale Competitions Reseller News Personal selling Website Radio Television Outdoor Trade Journals Face-to-face	Sales Marketing EXCO Senior Managers
<b>Government</b>	Job creation Health and Safety Legislation compliance Housing and infrastructure development Community upliftment Environmental compliance District economic growth	The leader in sustainability - leaders in the innovation of sustainable construction materials. Building a better future together. Working with local government to uplift local communities. Addressing issues of national importance. Socially-responsible corporate partner	Television Radio Print media Events Face-to-face Website	Plant/Works Managers Regional Managers Local General Managers Human Resources Health and Safety CSR Legal External Communications
<b>Suppliers</b>	Company stability and performance Company credit record Low value, high risk customer	The leader in sustainability - leaders in the innovation of sustainable construction materials. People. Planet. Performance. Reliable, pay-on-time customer.	Face-to-face Email/letter	CFO (Financial Institutions) EXCO Procurement
<b>Local Communities</b>	Job creation Health and Safety Community upliftment Environmental impact of operations	The leader in sustainability - leaders in the innovation of sustainable construction materials. Building a better future together. Ploughing resources back into local communities. Building better communities together. A responsible attitude towards the environment.	Television Radio Print media Community meetings Newsletters	Plant/Works Managers Regional Managers Local General Managers CSR Legal External Communications (channel)



# Governance

The company is governed by an executive committee and a board of directors. The executive committee consists of a CEO, Sales and Marketing Executive, Chief Information Officer, Strategic Growth Executive, CFO, Human Resources Executive, Construction Materials Officer and a Cementitious Executive.

The board consists of a chairman, deputy chairman, executive directors (2) and non-executive directors (6).

## Chairman of the Board



**Mr P Nhleko**  
Non-Executive Director  
(Pembani)

## Deputy Chairman of the Board



**Mr J Strydom**  
Non-Executive Director  
(PIC)

## Executive Directors



**Stephan Olivier**  
Chief Executive Officer  
BSc, BSc (Hons), MSc. PhD  
(Biochemistry)



**Leon Serfontein**  
Chief Financial Officer  
BCom (Accountancy)(Hons); CA(SA)  
Appointed CFO on 1 November 2013

## Executive Management



**Grant Naser**  
Executive: Sales & Marketing  
MEng. (Civil), BCom (Business Economics)



**Hannes Meyer**  
Executive: Cementitious  
MSc (Chemistry)



**Roshni Lawrence**  
Executive: Strategic Growth  
BSc Hons (Metallurgy)



**Louise van der Bank**  
Executive: Information Services  
BSc (Computer Science)



**Malose Chaba**  
Executive: Construction Materials  
BSc (Electrical Engineering); MSc (Computer Tech in manufacture)



**Sandile Khwela**  
Executive: Human Resources  
BA (Hons) Industrial Psychology, MA Industrial Psychology  
Appointed on 1 March 2014

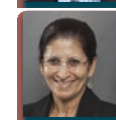
## Non-Executive Directors



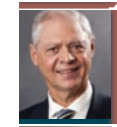
**Mr R Wessels**  
Non-Executive Director  
(Pembani)



**Mr E Nesane**  
Non-Executive Director  
(PIC)



**Ms F Jakoet**  
Non-Executive Director  
(Independent)



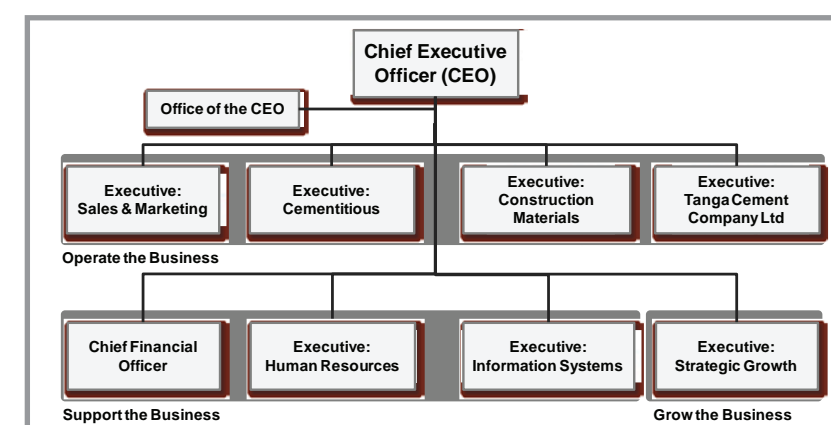
**Mr T Wagner**  
Non-Executive Director  
(Independent)



**Mr J Molobela**  
Non-Executive Director  
(Independent)



**Mr M Muller**  
Non-Executive Director  
(PIC) - Alternate





## 5.1 RISK MANAGEMENT POLICY

Afrisam has an ongoing risk evaluation process through which risk associated with the business is regularly recorded and reported on. Its successful implementation of its strategic business and operational objectives is determined and measured by its ability to identify and manage risk, striking a balance between harnessing opportunities and containing threats. Issues which are considered high risk are brought to management and decisions are then made on how to proceed and how risk may be avoided in future.

Using our Enterprise Risk Management Policy (ERM), AfriSam apply a disciplined and structured approach to decision making on risk management related issues. Through this, our main stakeholders can be reasonably assured that our vision, goals and objectives will be met.

## 5.2 VALUES, PRINCIPLES, CODES

Success is only made possible by living AfriSam's values of People, Planet and Performance, which inextricably connect all people and business activities.

### People

In our business, people make the difference. Success is made possible through harnessing the combined passion, pride, skills and energy of all our common goals. We proudly work to delight our customers and all stakeholders. We are passionate about what we do and we respect and encourage each other to achieve. We believe in acting with respect and integrity and strive to always conduct ourselves in a professional, courteous and honest manner.

### Planet

We are passionate in the collective cause to conserve our planet for future generations. We are driven by our commitment to operate our business in a sustainable manner and use resources in a deliberate way, ensuring life for future generations. We are responsible for our impact on the community and environment. We embrace our cultural heritage and we strive for a responsible and engaging approach with all our stakeholders.

### Performance

Performance is what counts. We are uncompromising in our commitment to deliver superior performance on all frontiers. We strive to be the best in everything we do, making the most of our time, energy and resources to deliver significant value to our shareholders, customers, colleagues and business partners.



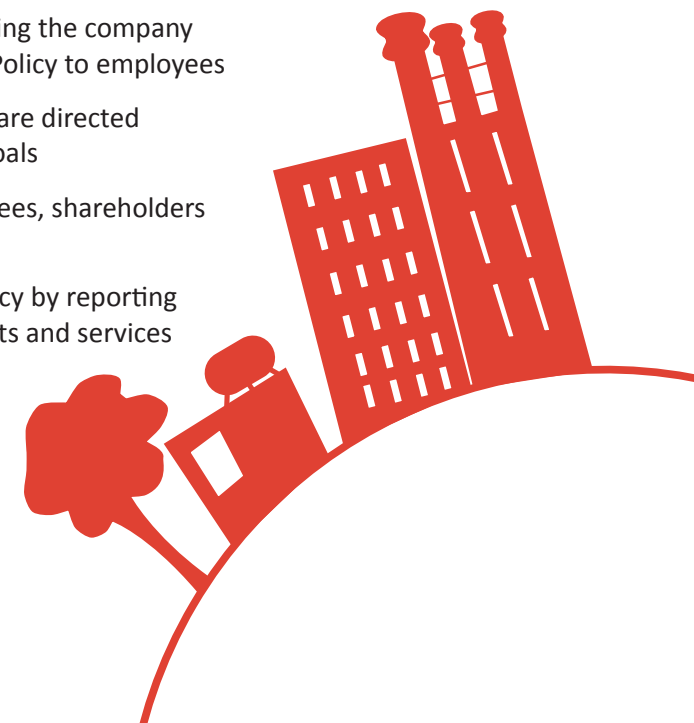
## 5.3 MEMBERSHIPS AND ASSOCIATIONS

AfriSam partners with a number of organisations to ensure we remain relevant and accountable to our customers and stakeholders.

- South African Institute of Architects (SAIA) Awards for Sustainable Architecture
- World Wildlife Fund (WWF)
- Wildlife and Environment Society of South Africa (WESSA)
- Green Building Council of South Africa (GBCSA)
- Cement and Concrete Institute (C&CI)
- Concrete Manufacturers Association (CMA)
- Concrete Society of Southern Africa
- The Association of Cementitious Materials Producers (ACMP)
- Aggregate and Sand Producers Association of Southern Africa (ASPASA)
- National Business Initiative (NBI)
- United Nations Global Compact (UNGC)

Our technicians are constantly monitoring the quality of our cement to ensure that our products comply with SANS 50197 standards. In addition, we adhere to a quality policy which includes the following objectives:

- Compliance with the requirements of ISO 9001:2008 quality management system standard
- Identify customer requirements, plan their realisation and measure our success in meeting them
- Set specific quality objectives appropriate to the activities of our business units, measure the progress and review the achievement thereof
- Audit and continually improve the effectiveness of the documented quality management system
- Increase quality awareness throughout the organisation, by using the company communication systems to communicate the AfriSam Quality Policy to employees
- Agree on key performance indicators for all employees, which are directed towards quality performance, personal growth and business goals
- Share the achievements of business performance with employees, shareholders and customers
- Employees will assist management in the execution of this policy by reporting non-conformities that have an impact on the quality of products and services





# Economic Sustainability

## 6.1

Afrisam is committed to operating in a way that not only benefits our consumers and our business, but also the environment in which we operate. We are guided by the 1987 Brundtland Commission's definition of sustainable development (SD) and are committed to operating in a way that doesn't compromise the future of the environment.

Decisions within AfriSam touch upon SD's interdependent economic, environmental and social factors as we strive to ensure that we always think long-term. In this light, we assume a responsible attitude towards the impact of our actions and utilise natural resources in a deliberated manner.

In addition, stakeholder expectations about the role of business in society have grown in many markets and AfriSam recognises that earning and keeping the trust and respect of our stakeholders, through strong SD performance, is not only a pre-requisite for our license to operate, but also something which will fundamentally strengthen the business. We will therefore always follow the principles of sustainable development and never operate in a way which is harmful to any sectors of society or to the environment.





# Environmental Sustainability

## 7.1 PRODUCTS AND SERVICES

### 7.1.1 ECO BUILDING CEMENT

A masterpiece of cement engineering, this green building product is the most environmentally friendly cement available and the result of careful research and development by our dedicated team of technicians.

A unique combination of Portland cement and mineral components, it embodies our passion for the environment and the desire to lower our carbon footprint. It is also a part of our company-wide drive towards a sustainable life for future generations and a reflection of our belief in 'planet' as one of our core values that drive our business.

This high quality, high performance, durable eco-friendly cement is loved by architects, engineers and home builders alike.

#### Features and Benefits:

- Guaranteed high-performance and reactive mineral components with excellent cementitious properties
- A smooth, defect-free finish for concrete, masonry and plaster work
- Maintains strength and stability for years
- Durable and suitable for aggressive conditions
- Perfect for reducing the heat of hydration in mass concrete
- Perfect for improving concrete's resistance to chemical attack
- Makes concrete highly resistant to alkali-aggregate reaction and is suitable for reducing permeability of concrete in water retaining structures
- Extremely easy to work with
- Produces consistently excellent results



## 7.1.2 REHABILITATION

In terms of mining, both for raw materials for cement and for aggregate, by adopting the principles the International Chamber of Commerce “Business Charter for Sustainable Development”, AfriSam reconciles the “finiteness” and, as such, non-sustainability of our mineral resources with the policy goal of supporting “sustainability”. Planning and foresight govern our surface mining, and the subsequent rehabilitation of mines is a land use transformation that not only contributes to current needs for construction materials, but also allows the return of the mined land to a new land use once mining operations end. Proper mining planning is conducted at every operation and facilitates the notion of converting land into something self-sustainable and positively useful.

All AfriSam mines operate in terms of approved Environmental Management Programmes that encourage optimal utilisation of resources. A Trust Fund provides for rehabilitation on closure to a positively useful our self-sustaining landform. Typically this includes the development of office parks, shopping complexes, sports facilities, residential areas, water storage or even landfills for waste generated by surrounding communities.

Rehabilitation includes phase wrecking through drilling, blasting, levelling, topsoiling and seeding with indigenous species. Rehabilitation efforts have proven successful to date. For example, Dudfield Quarry topsoil is replaced in depleted shallow workings, and the mined land is returned to grazing within two years.

Those operations that are active, practice what is known as concurrent rehabilitation. Mine planning identifies areas which can be rehabilitated instead of leaving it to the end of the life of the mine. These areas are usually areas where mining has ceased.

## 7.2 MATERIALS

Cement is manufactured from a carefully controlled mixture of calcium oxide, silica, alumina and iron oxide. Calcium is generally obtained from limestone. Silica, alumina and iron are generally obtained from clay or shale and iron oxide.

Special materials are often added to the base (portland) cement to modify its qualities. These materials include GGBFS, FA, Condensed Silica Fume (CSF) and limestone. A small amount of gypsum is also added to the cement to control the setting time of the final product.

Clinker = result of fusing a mixture of usually limestone and clay at high temperature.

AfriSam consumed just under 5000 000 tons of shale, sand, clay and natural gypsum; just under two thirds of which was limestone. We also consumed over 3 million litres of grinding aid, lubricants and solvents; the bulk of which being grinding aid.

AfriSam consumed over 650 000 tons of secondary materials used as raw materials in the form of boiler ash, slag, synthetic gypsum, refractory SPL, phosphor gypsum. Over 95% of the materials being boiler ash, slag and phosphor gypsum.

## 7.3 REUSED MATERIALS

### 7.3.1 INDUSTRY WASTE

As part of our efforts to conserve the environment, AfriSam has perfected the art of producing composite cements using additives such as Fly Ash, Ground Granulated Blast Furnace Slag (GGBFS) and limestone as partial replacement for cement. These products are known to have pozzolanic properties, that is they behave like pure cements in the presence of cement or lime. Not only does this practice of recycling by-products from other industries minimise harm to our environment, but these additives enhance the performance of cement and offer advantages over ordinary Portland cement. Fly Ash is a by-product of coal-powered power stations while GGBFS is obtained from the steel industry.

## 7.4 WATER

Discharge of water is kept to a minimum where possible and fresh water consumption has been significantly reduced through recycling of water on-site, in some instances by up to 70 litres/m3 of concrete.

While no formal water management plan is in place, we manage our water according to the water licence granted at one of our four sites of operation. The remaining three sites of operation have submitted their applications and are awaiting approval.

### Water use for cement (excluding Readymix)

Reporting Year	Total volume water withdrawal from ground water	Total volume water withdrawal from municipal water	Unit
2011	520800	59700	m3
2012	590200	109500	m3
2013	1707000	332600*	m3

\*Spike in municipal water use due to addition of Tanzanian operations





## 7.5 WASTE

Waste minimisation begins with procurement policies that ensure the right amount of raw materials are being brought in. Afrisam always tries to ensure that the correct amounts of raw materials are sourced so that waste is kept to a minimum.

### Waste Management 2013

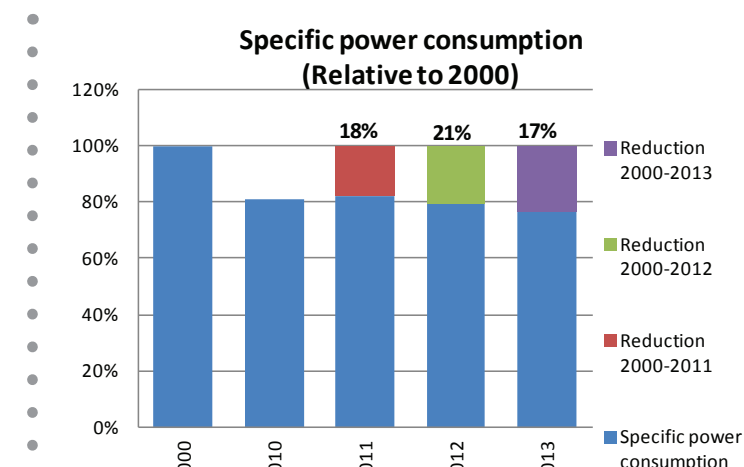
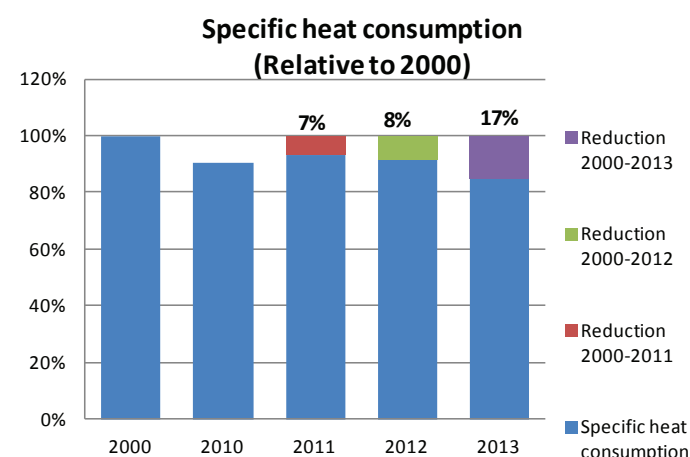
Waste Type	Disposal Method	Disposed Amount (tons)	Recycled Amount (tons)
General Waste	External service providers (Envirowaste, Wasteman etc) and recycling	6410	5105
Hazardous Waste	External service providers (Envirowaste, Wasteman etc) and recycling	234	124

## 7.6 ENERGY

### Energy Consumption at Our Mines, Kilns, Clinker Storage, Blending and Cement Mills\*

Energy Consumption/ Fuel Combustion (operations)	2011	2012	2013	Unit
Electrical	349147	397429	375636	MWH
Coal	338177	381561	364073	Tons used
Coal	8724967	9844274	9247454	Giga Joules
Diesel	4885	4411	3154	Kilo Litres
Diesel	211504	190999	136562	Giga Joules

\*Excluding Readymix and aggregate consumption



## 7.7 EMISSIONS

AfriSam, was the first construction materials company to sign the 49M pledge, a step which signifies the company's commitment to the global agenda for energy efficiency and to play a proactive role in contributing to energy saving across South Africa.

The global cement industry produces an estimated 5% of total man-made CO<sub>2</sub> emissions. Afrisam have voluntarily committed to a reduction target and a program of eco-efficiency to minimise their impact.

As a result of on-going research, Afrisam were able to come up with a product that has a carbon (CO<sub>2</sub>) footprint of 453g/kg, which is almost half of the world average of 890g/kg. It also complies with the SANS50197 cement specification for common cements.

## 7.8 CONSERVATION PROJECTS

Afrisam is committed to the environment and as a result has involved itself with a number of Conservation Projects which aim to empower AfriSam's host communities in environmental matters affecting our common heritage and livelihoods.

Every year AfriSam invests in deserving non-government organisations with an interest in the environment. Projects within this focus area include:

- Learner awareness programmes
- Annual eThekweni World Environment Day
- poster competition
- AfriSam Conservation Bursary
- Two Oceans AfriSam Activity Centre
- Teacher Awareness Programme
- Environmental organisation support

### Corporate Social Responsibility Spending Jan - Dec 2013

Conservation: R1118 400

Education: R5217 400

Other: R8016 000

Total: R14 351 900

- South African Wildlife College bursary sponsorship for two South African students - R140 000
- Cape West Coast Biosphere Reserve AfriSam Graduates 2013 Project - R200 000
- University of Stellenbosch Saldanha Student Revegetation Project - R110 000
- Delta Environmental Centre Youth Environmental Service (YES) - R100 000

We have a biodiversity management plan that is reviewed every five years. We are gaining traction with improvements on aspects such as concurrent rehabilitation. Our rehabilitation programme includes alien vegetation removal/eradication and we are continuously raising our operations awareness of areas with sensitive biodiversity.



# Social Sustainability

## 8.1 LABOUR PRACTICES AND HUMAN RIGHTS

At AfriSam, our employees are our most valued asset and the ultimate driver behind the success of our business. As such, we strive to create a rewarding experience through the adoption of various employee benefit programmes.

We promote Human Resource practices that promote the attraction and the retention of the best people. We view employee development as a path to providing value for both our customers and employees. We operate in accordance to the Labour code (1996) and have had no incidents of misconduct. Employees at AfriSam receive market-related remuneration packages.

## 8.2 EMPLOYMENT AND REMUNERATION

### Workforce Breakdown and Percentage Earnings

		% Earnings*	Total	Female	Male
<b>Workforce</b>	Top Management	3.2	15	4	9
	Senior Management	9.6	70	11	41
	Mid Management	17.5	164	40	102
	Junior Management	50.1	893	245	598
	Semi-skilled and discretionary decision making	19.2	962	77	704
	Unskilled and defined decision making	0.4	47	7	28
<b>Gender</b>	Female	22			
	Male	78			

\*percentage earnings split does not include Tanzania



Workforce Breakdown by Region and Age

		Total
Region	Gauteng	921
	Western Cape	70
	KZN	234
	Northern Cape	211
	North West	317
	Free State	9
	Eastern Cape	24
	Mpumalanga	49
	Maseru	10
	Swaziland	24
	Botswana	5
	Tanzania	277
Age Group	20 - 29	162
	30 -39	636
	40 - 49	638
	50 -59	567
	60 - 69	148



8.3 ECONOMIC EMPOWERMENT

Socio-Economic Development Contributions consist of monetary or non-monetary contribution initiated and implemented in favour of beneficiaries by the company with the specific objective of facilitating sustainable access to the economy for those beneficiaries.

The full value of contribution made to beneficiaries is recognisable if at least 75% of the value directly benefits black people. If less than 75% directly benefits black people, the value of the contribution multiplied by the percentage that benefits black people, is recognisable.

8.4 DIVERSITY AND EQUAL OPPORTUNITY

AfriSam is a level 2 Broad Based Economic Empowerment contributor. BEE Verification Report performed by the National Empowerment Rating Agency (NERA).

8.5 OCCUPATIONAL HEALTH AND SAFETY

We are committed to significantly improving our performance, and are taking important steps to implement global Occupational H&S standards at all operations. Our people are our most valuable asset. It therefore makes sense that their health and safety is of utmost importance to us.

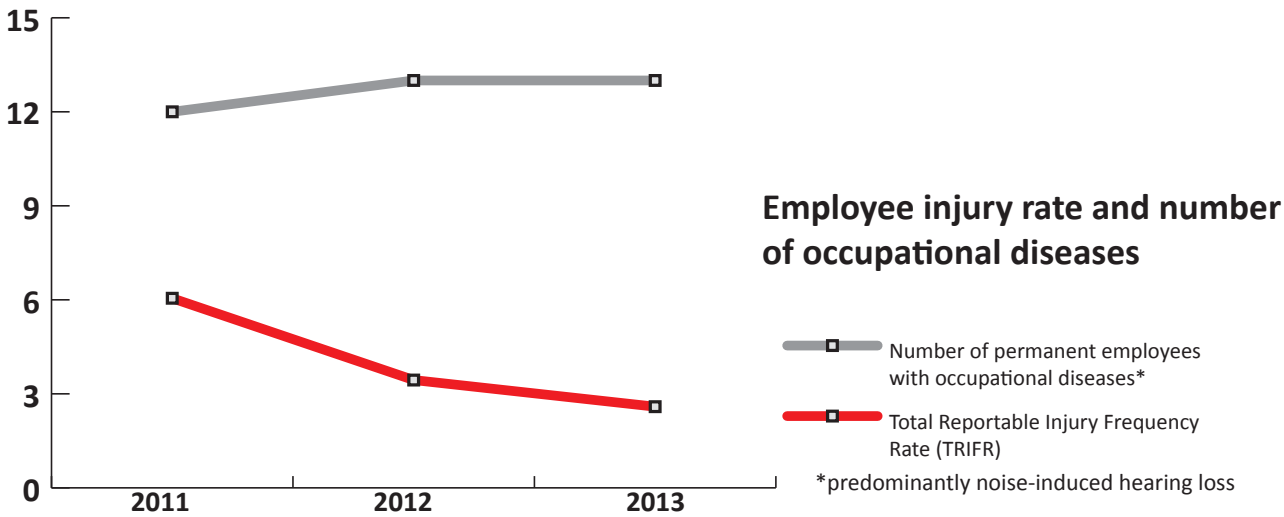
By implementing SHE (Safety, Health and Environment) best practice, our Health and Safety policy regulates the way all our operations are managed. We are committed to providing a safe and healthy working environment at all our sites and premises at all times.

The policy promotes not only the safety of our employees but that of all the people who deal with us. These include customers, contractors and visitors alike.

**Testing**  
All permanent staff undergo medical surveillance monitoring. The frequency is risk-based, with most of our staff undergoing annual tests.

Our medical surveillance tests are comprehensive, covering over 30 mandatory checks including TB, sillicosis, noise-related hearing loss and AIDS.

**Employee management**  
All cases where an individual is tested positive for any of the above-mentioned issues are treated confidentially and with sensitivity. The authorities are notified of all reportable cases. In some cases we first obtain a second opinion from external medical practitioners. We then manage the case. The management of the case varies. Where feasible, the source of the occupational disease is eliminated or reduced. Appropriate PPE is also supplied. There are also instances where the employee is relocated to other areas. Where required, our medical boarding process is followed. There are ongoing education and information sessions. These sessions are normally conducted by occupational medical practitioners, occupational health nursing practitioners peer educators and external service providers.





## 8.6 TRAINING AND EDUCATION

Due to the serious skills shortage in our country, we feel that it is important that we invest in education. Our aim is to empower people with skills that they can use to become self-reliant and in the process, reduce poverty.

We believe that education, in which ever form it may be, helps in the development of skills, addresses unemployment and promotes development.

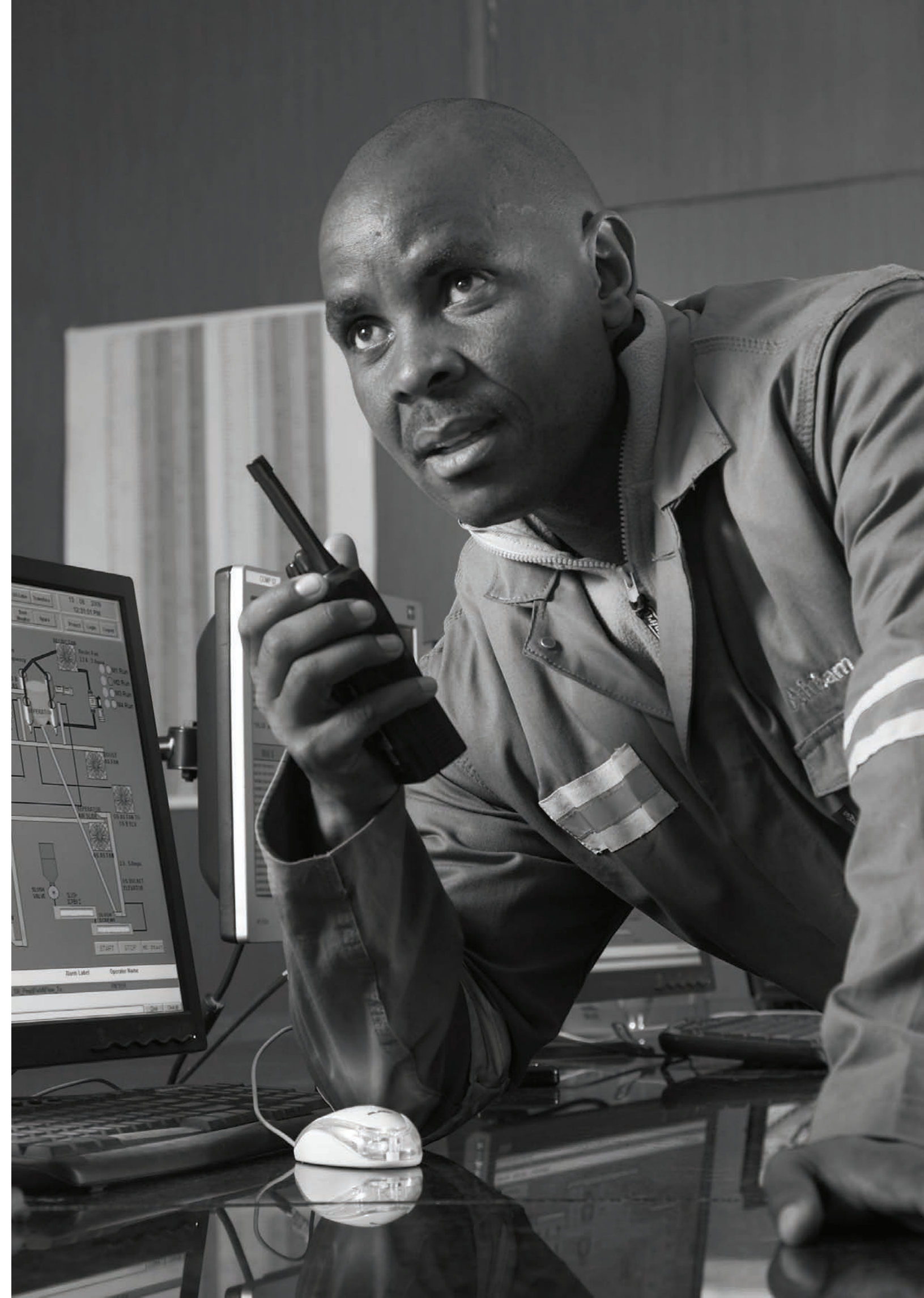
### Average hours AfriSam employees spend in training

Employment Type	Male 2011	Female 2011	Male 2012	Female 2012	Male 2013	Female 2013
Senior/Top Management	11.5	11.6	10.9	11.1	11.7	11.9
Middle Management	11.4	11.5	10.9	10.9	11.7	11.7
Junior Management	11.4	11.4	10.9	10.9	11.7	11.7
Labour	11.4	11.4	10.9	10.9	11.7	11.7

## 8.7 COMMUNITY DEVELOPMENT

At AfriSam, we know that we are a part of the communities in which we operate. We believe in understanding the needs of communities in areas where we do business so that we are able to make meaningful contributions to their upliftment. We see this as a chance to improve the quality of life of our employees, their families and the communities around our operations. In particular we try to focus on areas that can make a difference to as many entities as possible. These include education and development, conservation and legacy projects.
























Contributing to the development of our host communities is one way that we at AfriSam seek to demonstrate our corporate responsibility, for the good of all concerned. We recognise that being a good neighbour entails not only limiting environmental impacts, but also working with our stakeholders to help improve their quality of life. For a company such as AfriSam, the license to operate comes directly from the communities and regions close to our plants and quarries.






























# GRI Index

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














INDICATOR	RESPONSE	COMPLIANT
1.1	Page 8, 9	
2.1	Page 5, 6	
2.2	Page 14, 18, 19	
2.3	Page 17, 29	
2.4	Page 6, 17, 52	
2.5	Page 17	
2.6	Page 20	
2.7	Page 17 (add customer type to products section?)	
2.8	Page 17, 20, 29, 43, 44	
2.9	There have been no significant changes during the reporting period regarding size, structure, or ownership including: - The location of, or changes in operations, including facility openings, closings, and expansions; - Changes in the share capital structure and other capital information, maintenance, and alteration operations.	
2.10	Awards received	
3.1	Page 6	
3.2	There was no previous report.	
3.3	Page 6	
3.4	Page 6, 52	
3.5	Page 23 - 27	
3.6	Page 6	
3.7	Page	
3.8	No reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations has been required in the current boundary and scope of this report.	
3.10	There have been no restatements of information in this report.	
3.11	There have been no significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in this report.	
3.12	Page 48 - 51	
3.13	Page 52	
4.1	Page 20, 43	
4.2	Chair of the highest governance body is not also an executive officer.	
4.3		
4.4	Page 27	
4.5		
4.7		

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INDICATOR	RESPONSE	COMPLIANT
4.8	Page 30	
4.10		
4.12	Page 9, 14, 31, 35, 43 - 46	
4.13	Page 31	
4.14	Page 27	
4.15	Page 23 - 27	
4.16	Page 23 - 27	
4.17	Page 27	
EN1	Page 37	
EN2	Page 37	
EN3	Page 39	
EN4	Page 39	
EN5	Page 39 (?)	
EN6		
EN7		
EN8	Page 38	
EN9		
EN10	Page 38	
EN11	No land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	
EN12		
EN13	No habitats have been protected or restored.	
EN15	No IUCN Red List species and national conservation list species with habitats in areas affected by the company's operations.	
EN16	Page 40	
EN18	Page 40	
EN19	Page 40	
EN20		
EN21		
EN22	Page 38	
EN23	There have been no significant spills.	
EN24	No treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII has been transported, imported, exported and no transported waste has been shipped internationally.	
EN25	No water bodies and related habitats have been significantly affected by discharges of water and runoff.	
EN26	Page 12 - 14, 35 - 38	
EN27		
EN28	No fines and/or non-monetary sanctions for non-compliance with environmental laws and regulations have been incurred in the reporting period.	



# GRI Index

INDICATOR	RESPONSE	COMPLIANT
EN29	No significant environmental impacts of transporting products and other goods and materials used for the organisation's operations have occurred in the reporting period.	
HR1	There are no significant investment agreements that include human rights clauses or that have undergone human rights screening.	
HR2	There are no significant suppliers and contractors that have undergone screening on human rights and actions taken.	
HR3	No specific training relating to human rights policies and procedures in operations takes place at this time. Employees do, however, undergo an induction training process that is informed by the policies and principles of the Labour Relations Act and the Basic Conditions of Employment Act, both of which refer to human rights issues that are relevant for the company.	
HR4	No incidents of discrimination have been recorded.	
HR5	No operations have been identified in which that right to exercise freedom of association and collective bargaining may be at significant risk.	
HR6	No operations have been identified as having significant risk of incidents of child labour. Internal (and external BCEA) policy is strictly applied in terms of legal employment age requirements.	
HR7	No operations have been identified as having significant risk for incidents of forced or compulsory labour.	
HR8	All security personnel (100%) receive training that includes policies and procedures that relate to human rights.	
HR9		
HR10		
HR11		
LA1	Page 43, 44	
LA3		
LA4		
LA5	Minimum notice periods for employees regarding operational changes are governed by the Basic Conditions of Employment Act of 1996 (the Act). In respect of termination these are: - During the first 6 months of employment, workers will be entitled to at least 1 weeks' notice of termination of their services. - Between the first 6 months and 12 months, workers will be entitled to 2 weeks' notice. - If they have worked for more than a year, workers are entitled to 4 weeks' notice. This applies to collective agreements for workers whose contracts are deemed to be governed by the Act.	
LA7		
LA8	Page 45	
LA10	Page 46	
LA11		
LA13	Page 43, 44 (partial)	
LA14	Page 43 (partial)	
SO2	All business units and departments are regularly analysed for risks related to corruption.	

# GRI Index

[illegible]





# AfriSam Contact Details

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This report has been compiled by AfriSam with the assistance of GSA Campbell Sustainability Consulting using the Global Reporting Initiative (GRI) G3.1 Guidelines. The company is self-declaring a C Application Level. The company believes that the level of independence and guidance achieved by the appointment of GSA Campbell is sufficient for this inaugural report and does not believe that a third party assurance process is necessary at this time.

This report is available on our website at [www.afrisam.co.za](http://www.afrisam.co.za) and any questions or comments can be addressed to:  
[customer.service@za.afrisam.com](mailto:customer.service@za.afrisam.com)





