



DRIVING PERFORMANCE TO SUSTAIN OUR PURPOSE

Environment and Social
Supplementary report 2021



PPC

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STAKEHOLDER FEEDBACK

We appreciate your feedback on our FY21 reporting suite. Please contact our group company secretary with any comments:

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PPG AT A GLANCE

PPG was established almost 130 years ago outside Tshwane in South Africa. From its beginning as the country's first cement manufacturer, PPC expanded its footprint and now operates across six countries – proving to be a resilient organisation that responds to challenges and captures opportunities in various operating environments. PPC provides quality cement, aggregates, metallurgical-grade lime, burnt dolomite, limestone, readymix and fly ash across sub-Saharan Africa.

OUR PURPOSE

To empower people to experience a better quality of life.

OUR VALUES



BRAND PROMISE

By focusing on quality in everything, PPC dedicates itself to perfecting the science behind producing cement, aggregates, lime, readymix, fly ash, burnt dolomite and limestone. PPC continues to invest in the now to create a better world for future generations. The company encapsulates this purpose in its Strength Beyond brand promise, guided by the group's values embedded in its operations.

It is the strength of PPC's name and promise to customers, shareholders, investors, employees and communities.	It is the strength of PPC's guarantee – the integrity placed behind every purchase and every interaction, and the knowledge that when customers buy a PPC product, they place their trust and name on PPC's word.
It is the strength of PPC's purposeful and sustainable partnerships with like-minded organisations that will foster growth in its environment and help improve societies.	It is the strength of PPC's people to go beyond – to provide support beyond the ordinary and take an active role in helping stakeholders reach their full potential and transform their societies.

PPG'S PEOPLE

As the essence of the company, PPC's workforce needs to be motivated and skilled to help the company drive its strategy and deliver on its objectives. Every employee is critical to the success of the business, and the company strives to ensure that its inspiring, diverse and ambitious culture is embedded throughout the organisation. Employee experience is integral to the organisation, and it promotes the employee value proposition through six pillars, which create the unique and high-performing culture:

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT



On behalf of the social, ethics and transformation committee (SETCO), welcome to PPC's FY21 environment and social supplementary report (ESSR). The role of PPC's SETCO was particularly critical over the past year: overseeing the company's efforts to protect the safety and health of employees during the pandemic, while also supporting the communities and governments in the countries where PPC operates. Part of the group's purpose is to help its communities and employees live better lives and, as PPC enters FY22, it will continue to navigate the difficult operating environment to ensure it delivers on its purpose while serving the greater good.

SOUND AND ETHICAL GOVERNANCE

Ethical conduct is integral to group culture, and it is PPC's duty to promote equality, prevent unfair discrimination, eliminate corruption and contribute to social development. As a responsible corporate citizen, and noting stakeholders' calls for transparency and authenticity, PPC proudly fulfils its moral and legal obligations in the pursuit of sustainable value creation.

SETCO continues to discuss ethics as a standing agenda item during meetings. Furthermore, the committee oversees PPC's continued drive to implement an ethical culture across all jurisdictions. To support this commitment, SETCO reviewed and approved several policies and processes designed to support PPC's strategic objectives. Notably, SETCO approved the group's protection of personal information (POPI) and whistleblowing policies.


Looking ahead, the committee will continue to focus on fair and equal pay. Furthermore, SETCO will consider implementing a consolidated ethics framework across PPC and conducting a group-wide employee ethics survey during FY22 to further position the business as a responsible corporate citizen.

FORGING A PATH TO A GREENER FUTURE

Sustainability forms an integral part of the group's strategy, and it remains vital that PPC reduces the impact of its business on the environment in pursuit of optimal performance. For PPC to remain sustainable, it must initiate and implement projects that eliminate or diminish negative impacts while also enhancing positive impacts. To this end, SETCO reviewed and monitored the group's sustainability practices and its performance in relation to environmental compliance, energy management and climate change, water and air quality management, resource conservation and alternative fuels, including how this impacted PPC's employees, communities and customers.

PPC continues to be aware of the imminent threats associated with climate change. The business' thermal and process activities have an unavoidable effect on the environment. However, through various environmental initiatives and an extensive energy management system, PPC monitors and improves its energy-related activities. For example, PPC's SURERANGE products are designed to have a low-carbon footprint in support of the group's mitigation efforts. This is further supported by increased efficiency of the group's operations and optimising thermal and electricity usage.

Importantly, in FY21, PPC appointed an external consultant to assist with the company's reporting journey in terms of the Task Force on Climate-related Financial Disclosures (TCFD). As part of this process, PPC will create a strategy to address climate change and reduce greenhouse gas (GHG) emissions, and in addition, evaluate its resilience to different climate change scenarios. Ultimately, this process will help the group mitigate the effects of its operations on the environment and ensure transparent disclosure.

 Refer to pages 15 to 24 for more information on PPC's environmental performance.

INVESTING IN SOCIAL DEVELOPMENT SUPPORTING COMMUNITIES

Given the disruptions faced over the past year, PPC dedicated itself to strengthening its relationships with the communities surrounding the group's operations across Africa. Furthermore, driven by the group's purpose to empower people to experience a better quality of life, PPC pledged to help these communities in their fight against COVID-19. To this end, the group's disaster mitigation efforts included the provision of personal protective equipment (PPE), enabling access to COVID-19 screening and testing, and supporting health facilities. Furthermore, mobile clinics donated to

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

continued

the communities in Tshwane and Johannesburg were converted to COVID-19 clinics to support relief efforts.

While significant focus was placed on responding to COVID-19, PPC continued to create sustainable value for its communities in other areas. With oversight from SETCO, the group also focused on improving the standard and quality of education in communities, along with infrastructure development to improve the condition of schools and roads. Through an enterprise development programme, PPC collaborated with small, medium and micro-sized enterprises (SMMEs) to drive inclusion by means of skills development and investment, thereby creating sustainable businesses and supporting people living in the communities surrounding the group's operations.

As a responsible corporate citizen, PPC is determined to play its part in supporting the most vulnerable in its communities. The effects of the pandemic will remain for some time, and the group will increase its efforts to promote social development. To this end, SETCO approved a strategic framework that will guide PPC's efforts. Going forward, PPC will focus on embedding its corporate social responsibility (CSR) framework and researching external methods of measuring and reporting on CSR-related activities.

 Refer to pages 25 to 28 for more information on PPC's social performance.

TRANSFORMATION

The South African transformation agenda continues to be a priority for the company. Apart from ensuring that PPC's social and labour plans were aligned across South Africa, SETCO also oversaw the successful transition of the company's black economic empowerment (BEE) certification


from the Department of Trade, Industry and Competition's generic scorecard to the Construction Sector Code. This past year, SETCO also oversaw the implementation of the company's BEE roadmap, which was developed in FY20, and approved the winding-up of the BEE I and BEE II trusts and special purpose vehicles.

INVESTING IN PEOPLE

As a company that strives to be an employer of choice, PPC diligently ensures that the employee experience is one of positivity and empowerment, and that employees find meaning in the work they do. Furthermore, PPC endeavours to create a high-performance culture – one where employees are inspired and motivated to meet the group's strategic objectives.

PPC's first employee engagement survey was conducted during the last quarter of FY20 to assess engagement based on leadership, culture, human experience and talent. The survey results provided valuable insight into improvement areas and, in FY21, PPC developed and implemented action plans to address the gaps identified. This process will continue into FY22, after which PPC will conduct a second survey to understand how employees received the improvements.


For the past two years, PPC focused intently on creating inspiring leaders across the business. To this end, SETCO oversaw the implementation of PPC's coaching and leadership programme during the year, which is essential to developing authentic leaders at all levels of the business. PPC also initiated the second phase of the 360-degree leadership assessments with senior leaders. This programme will support PPC's leaders to unite employees towards a common goal.

 Refer to pages 3 to 9 for more information.

STAKEHOLDER RELATIONSHIPS

Stakeholder engagement is a continuous process, and the group tries to be as inclusive as possible to ensure it has a holistic understanding of stakeholders' needs and concerns. A business cannot remain sustainable without the support and acceptance of its stakeholders. PPC's stakeholder engagement process is overseen by SETCO, who gives due consideration to material matters and escalates anything important to the board, particularly matters relating to PPC's reputation. SETCO also approved a stakeholder engagement framework and monitored the alignment of the framework across operations.

This past year, the majority of PPC's engagements with stakeholders related to the fight against COVID-19. At both a group and operational level, PPC supported host governments and communities to alleviate the impacts of the pandemic. Engagement around the substandard cement quality of competitors in the South African industry remains topical, and continues to be a threat to the local sector, mainly due to unsustainable pricing and the potential danger because of non-compliance with industry standards. PPC will persevere in its efforts to defend the cement industry and its strategic position within the broader economic context of South Africa.

 Refer to pages 20 to 23 of PPC's integrated report for more information on stakeholder management.

APPRECIATION

On behalf of SETCO, I would like to extend our appreciation to the board, senior and executive management teams and dedicated employees. PPC truly worked together to ensure that the company was able to withstand the impacts of COVID-19. I am confident that the tenacity of each person within PPC, along with the valuable lessons learnt over the past year, will ensure that the company remains a high-performing organisation.



On behalf of SETCO

Nonkululeko Gobodo
Chairman

16 July 2021

PPC'S PEOPLE

PPC's people are the company's strength. PPC embraces diversity and recognises the value and contribution of each individual. The company strives to be an employer of choice and, through its purpose-led and performance-driven culture, attracts and retains great talent. Furthermore, the company strives to create an engaged and motivated workforce that will drive its strategy. In this way, the business remains sustainable, employees are inspired and value is created for stakeholders.

HIGHLIGHTS

The outcome of the HR pulse survey reflected a positive movement from the earlier employee engagement survey, which demonstrates PPC's commitment to creating a desired culture and employee experience

Employees supported the company's initiatives to sustain itself financially during the COVID-19 lockdowns by forfeiting annual salary increases, sacrificing leave days and agreeing to a retirement fund holiday

Employees were paid full salaries during the COVID-19 lockdown periods

Voluntary separation packages were offered to and accepted by employees with comorbidities who were close to retirement age

Successfully integrated the group's benefits, remuneration structures and human capital systems into our materials business

COVID-19 RELIEF EFFORTS

The outbreak of the COVID-19 pandemic significantly changed the world as we knew it. PPC is proud of the response from employees in helping the business navigate the complex and unique challenges of FY21. By working together, employees helped protect the sustainability of the business and communities.

PPC developed and implemented stringent COVID-19 protocols and procedures for the workplace, which were also observed externally.

PPC created a COVID-19 taskforce to monitor developments, create awareness and find ways to mitigate the spread of the virus among employees, their families, and in communities.

CHALLENGES

- The COVID-19 pandemic had a severe impact on the well-being of employees and their families
- Currency instability and hyper-inflationary pressures caused Zimbabwe employees to lose value on their earnings

RESPONSES

- Employees united in the fight against the pandemic and adhered to all COVID-19-related protocols and restrictions, both at home and in the workplace, once offices opened up
- Supported employees' well-being through employee assistance programmes
- Temporarily paid part of Zimbabwean employees' salaries in US dollars to mitigate their loss of earnings
- Successfully optimised structures through voluntary retrenchment packages

Employees pledged their support in the fight against COVID-19 and supported PPC initiatives to sustain the business by, for example, forgoing annual salary increases.

PPC introduced a COVID-19 communication platform to educate the workforce on COVID-19 safety measures.

PPC implemented a work-from-home approach specifically for administrative support functions and conducted virtual meetings wherever possible.

Through PPC's CSI initiatives, the company raised awareness around COVID-19 and provided hygiene materials to communities surrounding operations.

WORKFORCE ANALYSIS

PPC's total workforce decreased by 8,7 % in FY21 to 3 030 employees (FY20: 3 293). The South African workforce increased from 1 913 in FY20 to 2 064 in FY21, mainly due to restructuring of the South African business and the inclusion of Pronto, 3Q and Ulula Ash employees in the South Africa totals for FY21. The workforce in international segments decreased marginally by 1,5 % in FY21 compared to FY20.

Total workforce as at 31 March

	FY21	FY20
South Africa	2 064*	1 913*
Subsidiaries (Pronto, 3Q and Ulula Ash)^		399
Botswana	116*	124*
Zimbabwe	377*	419*
Rwanda	295	286
DRC	178	152
	3 030	3 293

* Limited assurance – refer to the independent limited assurance report on pages 72 to 74 of PPC's integrated report..

^ Included in South Africa total for FY21.

Breakdown of the total workforce

	FY21	FY20
Total	3 030	3 293
Permanent	2 843	3 009
Fixed-term contracts	187	284
Consultants ⁽¹⁾	6	8
Labour brokers ⁽¹⁾	–	–

⁽¹⁾ Not included in total.

Through PPC's employee value proposition (EVP), the company intends to attract, retain and develop young talent as they build their careers. PPC's young talent (those younger than 30) comprises 16,09 % of the workforce, a decrease from 19,19 % in FY20. Young talent makes up 2,7 % of professionals and 15,66 % of skilled workers, while 16,27 % are in learner or other development roles. These learners then feed into PPC's skilled talent pipeline.

PPC appreciates the value of its experienced employees and understands that their experience includes intellectual capital and institutional knowledge critical to the success of the business. Employees over the age of 30 comprise 68,65 % of the workforce, with employees over 50 accounting for 15,26 %. To reduce the risk of losing this valuable capital, the company implemented a skills transfer programme for critical positions and scarce skills, especially for roles held by the over-55 age group.

WORKFORCE ANALYSIS

continued

EMPLOYMENT EQUITY

PPC's overall progress against transformation targets compares favourably with South African industry norms. Our South Africa operations appointed 124 people in FY21, of whom 115 were from designated employment equity (EE) groups and 112 were African, coloured and Indian (ACI) employees. The total new hire rate (excluding Pronto, 3Q and Ulula Ash) decreased to 6,73 % in FY21 from 11,20 % in FY20, mainly due to the restructuring of our South African business.

New hire rate for the period ending 31 March

	FY21 %	FY20 %
South Africa ⁽¹⁾	6,0*	12,9*
Botswana*	2,6*	1,61*
Zimbabwe	11,9*	6,2*
Rwanda ⁽²⁾	12,9	2,7
DRC ⁽²⁾	19,7	11,2
Group	6,7*	11,2*

⁽¹⁾ Excluding Pronto, 3Q and Ulula Ash.

⁽²⁾ Excluded from limited assurance.

* Limited assurance - refer to the independent limited assurance report on pages 72 to 74 of PPC's integrated report.

Professional representation increased from 66,1 % in FY20 to 69,3 % in FY21. This was mainly due to the restructuring of support functions.

PPC's African female representation decreased slightly from 15 % in FY20 to 13,9 % in FY21. This representation remains below the South African national economically active population (EAP) of 36,2 %. Female representation, particularly African female representation, remains a challenge. The company continues to focus on increasing female diversity through recruitment drives, advancing careers within the company and external talent mapping, among others. PPC's priority is to develop women and people with learning disabilities to assume leadership positions as part of succession plans.

National EAP versus PPC in FY21

	Male		Female		Total	
	EAP %	PPC %	EAP %	PPC %	EAP %	PPC %
African	42,7	49,1	36,2	13,9	78,9	63,0
Coloured	5,3	15,4	4,4	4,3	9,7	19,7
Indian	1,7	0,9	1,0	0,8	2,7	1,70
White	4,9	10,0	3,8	4,1	8,7	14,18
Total	54,6	75,4	45,4	23,0	100	98,5

Segment representation in comparison with industry norms

	Top management %	Senior management %	Professional %
FY20	75,0	62,5	66,1
FY21	75,0	62,5	68,2
Industry norm	43,5	46,5	60,9

WORKFORCE ANALYSIS

continued

TURNOVER

PPC's overall turnover rate is calculated using Global Reporting Initiative Standards. The total turnover rate (for Botswana, Zimbabwe and South Africa excluding Pronto, 3Q and Ulula Ash) decreased to 15,1 % in FY20 from 18,7 % in FY21, mainly due to the restructuring of the South African business. The turnover rate is 14,4 %* for South Africa, 23,7 % for Zimbabwe and 10,2 % for Botswana. The turnover rate in Rwanda was 5,0 % and 7,0 % in the DRC (not verified by Deloitte for assurance).

The turnover rate of employees from designated EE groups remains high. PPC analysed the 51 resignations in South Africa, and the results showed 90,2 % were from EE groups, including 84,3 % ACI and 37,2 % female. The company implemented measures to address this going forward. These measures include analysing exit interviews to identify trends and introducing corrective actions. Consistent application of the EVP has enormous potential to impact talent retention positively.

Voluntary and involuntary exits

		FY21 %	FY20 %
South Africa*	Voluntary	11,37	13,7
	Involuntary	5,07	6,7
International	Voluntary	13,05	3,6
	Involuntary	3,45	1,5
Total		16,8	16,5

* Limited assurance – refer to the independent limited assurance report on pages 72 to 74 of PPC's integrated report.

ABSENTEEISM

PPC's absenteeism rate was 2,15 % (FY20: 1,9 %). The absenteeism rate remains below the average industry benchmark of 3,0 % (South Africa and Botswana, excluding Pronto, 3Q and Ulula Ash).

BARGAINING REPRESENTATION

PPC believes that every employee is entitled to freedom of association and collective bargaining. The company prohibits unfair discrimination, and engages and collaborates with various unions representing employees. Overall union membership at PPC decreased from 35,9 % in FY20 to 32,7 % in FY21. Most employees are represented by the National Union of Mineworkers.

In South Africa, the Slurry plant experienced industrial action during FY21 relating to a dispute about annual salary increases agreed with the unions in previous years – which PPC, unfortunately, could not commit to in FY21 due to the challenges presented by the COVID-19 pandemic. This was successfully resolved by August 2020.

PPC did not face any further disruptions during wage negotiations in FY21.

HR SOLUTIONS

During the year, PPC continued to drive a high-performance culture despite the difficult operating environment. Many employees transitioned to remote working, which presented many challenges. However, PPC's people proved to be resilient and performed exceptionally well, embracing the new way of doing business. Line managers regularly assessed team performance virtually and provided constructive feedback.

This year, PPC introduced the roundtable initiative to adopt a collaborative approach to strategic priorities including human capital. The heads of country HR departments and those of different business units and group services participate in the roundtable. PPC is also streamlining position titles and grades to ensure alignment with industry best practice and to ensure internal equity across the group. This is important for succession planning across the group and to benchmark the company and its leaders appropriately in the market.

The Oracle Fusion system, an integrated talent management system implemented in FY19, was successfully relaunched for short-term incentive (STI) objectives in November 2020, which was finalised in March 2021. PPC developed a scorecard to use daily, which will be implemented during FY22. The company will redesign the system to ensure financial, health and safety-related performance management is integrated throughout PPC.

PPC successfully implemented the SAP human capital management system at PPC Barnet in the DRC and CIMERWA in Rwanda. In line with the HR solutions strategy to streamline processes and administrative tasks, this system creates better workflow management, effective reporting and ensures alignment across the group.

CULTURE

PPC believes that its company culture should support employees' performance levels and morale. To this end, the company focuses on implementing initiatives that will transform its culture and cultivate a conducive and motivating working environment. Driven by the HR department, leadership and culture change ambassadors, PPC implements culture plans across group and site levels.

The company conducts employee engagement surveys to obtain feedback from employees on how it is integrating its four key people themes into the business – being leadership, culture, human experience and talent. Through this survey, PPC can celebrate its strengths while also identifying improvement areas. PPC will conduct its next detailed employee engagement survey towards the end of FY22.

PPC aims to create a work environment where employees strive for excellence in pursuit of a collective purpose. After sharing the employee engagement survey results with employees, PPC developed and implemented action plans to address areas of improvement. Leading on from this process, PPC launched the employee engagement pulse survey in March 2021 to monitor progress against action plans and identify gaps in the implementation thereof. The pulse survey enabled the company to assess the effectiveness of employee engagement and culture initiatives across the business. Furthermore, feedback ensured that the company focuses on the issues that matter to employees.

PPC's group code of conduct is core to its culture and guides behavioural expectations. The company regularly reviews its code of conduct and ensures that any changes are entrenched throughout the business. The company reviewed and updated its group code of conduct during the second half of FY21. PPC is confident that employees understand the code of conduct and are aware of what is expected of them from an ethical perspective.

WORKFORCE ANALYSIS

continued

TALENT AND INSPIRING LEADERSHIP

By focusing on six clearly defined areas, which were crafted with input from employees, PPC intends to differentiate itself from other companies.

Inspiring leadership

PPC's leaders create a shared vision, which enables a diverse group of individuals to unite towards a common goal of building a high-performing organisation

An enabling culture

PPC embraces positive work relationships and the Strength Beyond team spirit, respects and values everyone, and recognises that each person is essential to the company's success

Talent nurturing

PPC is committed to providing a fulfilling career that offers growth and career stability to employees, with added opportunities for learning and development

A healthy and safe environment

PPC is committed to protecting the occupational health and safety of employees and all stakeholders at all times

We care

PPC strives to provide quality solutions in everything, which includes products, the support offered to communities in which the company operates, and the personal lives of employees

A happy home

PPC strives to create a positive work environment to promote a sense of personal achievement and work-life balance

As part of inspiring leadership, PPC is united towards its goal of building a high-performing organisation. To enable this, all leaders commit themselves to the leadership promise:

We ensure that we create a clear purpose and direction

We create structure, alignment and focus

We provide resources and develop competencies

We execute through effective stakeholder engagement

We measure and provide feedback, recognition and reward

We encourage and enable optimisation and continuous improvement

PPC aims to create a diverse and talented organisation. Unfortunately, some of its planned initiatives were delayed as it finalised the restructuring process during the year. The outbreak of COVID-19 also had an unavoidable impact, but PPC continued with talent engagement sessions through virtual platforms, thereby ensuring that high-potential talent remained engaged and motivated. Through continuous engagement, PPC assesses current performance to identify development needs and strengthen its talent pipeline. Looking ahead, PPC aims to implement targeted upskilling programmes in line with development plans through formal training, coaching, mentoring and practical exposure.

Over the past two years, PPC focused on driving inspiring leadership throughout the business. This year, specifically, PPC launched its quality in leadership programme and conducted intense and honest 360-degree leadership assessments with senior leaders. PPC believes this programme will support leaders as they create a shared vision that enables the diverse group of employees to unite towards a common goal. The programme aims to drive consistent and visible change within the leadership teams to create a purpose-led and performance-driven business. To this end, PPC developed individual development plans based on the feedback from the leadership assessments. The company will support its leaders through a coaching and mentoring programme to ensure it develops authentic leaders at all levels of the business.

PPC aims to empower leaders to build a culture of unity and inspire employees who, ultimately, deliver on the strategy. The company's leaders drive transformation initiatives, build a coaching and mentoring culture, and elevate the level of employee engagement and decisiveness to ensure it creates meaningful value for stakeholders. The following seven competencies guide PPC's leadership teams:

- Setting the direction
- Aligning the people
- Results orientation
- Coping with change and ambiguity
- Value-driven
- Personal mastery
- Decisiveness and courage

PPC incorporated the seven competencies into its leaders' assessments, enabling the company to identify their strengths and development areas. The company concluded phase one of its leadership assessments with 24 leaders at a strategic level. The second phase of assessments was initiated in September 2020 with international management committee members and department heads. PPC expects to complete this during FY22. Individual development plans are updated after the assessment feedback is given and shared with the group executive committee (EXCO) and then implemented by the leaders. The formal progress update is conducted twice a year.

WORKFORCE ANALYSIS

continued

LEARNING AND DEVELOPMENT

To successfully execute PPC's strategy and create value for stakeholders, PPC must ensure that the workforce is highly motivated and productive. Therefore, talent and skills development is a priority for PPC which, the company believes, will create a healthy pipeline of talented and motivated individuals who can help position PPC on a global scale.

Investing in future leaders and empowering employees through learning and development is critical to attract and retain the best talent. In FY21, PPC focused on:

- Implementing mentorship programmes
- Aligning junior management development programmes with the quality in leadership programmes
- Developing the technical skills academy to strengthen the artisan talent pipeline
- Expanding the existing offerings of the technical skills programmes, such as the millwright learnership

PPC invests significantly in developing people to ensure it creates a highly motivated and performing workforce that will enable future growth. In South Africa, PPC invested 1,9% of its wage bill in learning and development, down from 2,9% invested in FY20. This was due to the COVID-19 pandemic and subsequent lockdowns.

Total expenditure as a percentage of the wage bill

	Annual wage bill	Training spend	FY21 %	FY20 %
South Africa (R)	899 430 955	10 722 872	1,9	2,9
Zimbabwe (USD)	11 515 689	14 256	0,12	1,3
Botswana (P)	23 711 519	270 504	0,01	0,4
Rwanda (RWF)	5 972 193 376	31 414 438	0,5	3,0
DRC (US\$)	6 923 000	3 765	0,05	1,2

PPC measures employee participation in learning and development as a percentage of its total wage bill. This is done by measuring the average hours an employee spends participating in learning and development initiatives against the associated costs. Employees attended an average of 75 hours of learning and development in FY21, a decrease from 79 hours in FY20. This is well within PPC's benchmark of 72 to 90 hours (eight to 10 days). The total training hours for the South African operations (excluding Pronto, 3Q and Ulula Ash) decreased from an average of 88 hours per employee in FY20 to an average of 75 hours in FY21. This decrease is mainly due to the COVID-19 lockdowns during the reporting period.

Training hours per country: international (average hours per employee)

	FY21	FY20
Zimbabwe	25	97
Rwanda	7	107
Botswana	17	16
DRC	63	11

WORKFORCE ANALYSIS

continued

Training hours per employment category: South Africa

	FY21*			FY20*		
	Total training hours	Total employees	Average hours/employee	Total training hours	Total employees	Average hours/employee
Top management	9	6	2	–	3	–
Senior management	30	16	2	76	24	3
Professionals	4 103,75	199	20,62	2 618	192	14
Skilled workers	31 230,25	532	58,70	30 112	590	51
Semi-skilled	12 287,75	853	14,41	21 015	1 038	20
Unskilled	3 721	9	413	103	3	34
Learners	75 474,0	78	967,62	114 052	63	1 810
Total	126 855,75	1 693	74,93	167 976	1 913	88

* Limited assurance – refer to the independent limited assurance report on pages 72 to 74 of PPC's integrated report.

Developing young talent will ensure that PPC meets its long-term business objectives. PPC devoted 43,5 % of its learning and development investment in FY21 to develop young talent (FY20: >30 %). Approximately 18 % of new hires were appointed to entry-level positions within PPC, and seven youths were given the opportunity at PPC to improve their marketable skills, making them more employable by both PPC and other players in the industry.

Young talent development initiatives (South Africa)

	FY21	FY20
Learnerships	45	54
Chartered accountant trainees	2	6
Graduate development programme	5	4
Internships	4	3
Bursaries	6	17
Study assistance	53	54
Trainees – other	25	41

OCCUPATIONAL HEALTH AND SAFETY

PPC is committed to building a proactive health and safety culture at individual, organisational and leadership levels. Managing occupational health and safety is critical to the sustainability of the business, and the company understands its responsibility towards protecting its people. For this reason, PPC designs its operations to ensure everyone works in an environment that does not threaten their health and safety in any way.

PPC's health and safety controls and mechanisms meet its own stringent standards, as well as international best practice and legislative requirements. The company rigorously monitors its occupational health and safety management through risk assessments, incident investigations, site inspections and observations, internal and external audits, legal compliance audits and regulatory requirements. The company also creates a safe working environment through responsible maintenance and safeguarding its physical environment, such as infrastructure, equipment and tools.

The company's management and leadership teams are wholly committed to its health and safety

principles. To deliver on the health and safety strategy, PPC depends on employees – who need to be empowered with the knowledge and resources needed to keep themselves and each other safe. This is done through regular health and safety training to ensure that PPC collectively maintains a healthy and safe workplace environment.

PPC is committed to its group health and safety policy, which is regularly evaluated by the SETCO. The committee reviewed and approved the policy in FY21. The policy is guided by international best practice, as well as country-specific requirements, taking into account the varying health and safety risk profiles across operations.

PPC displays the group health and safety policy at all of the operations in designated and strategic locations, and it is communicated to employees and contractors regularly and effectively through various engagements such as inductions, training and workshops, and toolbox talks. Any visitors to operations must attend health and safety inductions, where the policy is clearly explained to them.

HIGHLIGHTS

In South Africa, a mandatory Code of Practice (COP) on the management and mitigation of COVID-19 was developed and submitted to the Department of Mineral Resources and Energy (DMRE). PPC International sites developed COVID-19 mitigation protocols as per their specific in-country legal requirements

PPC implemented COVID-19 rapid testing across the business as a precautionary measure against the spread of the virus

Oxford-AstraZeneca COVID-19 vaccine administered to a total of 169 people at CIMERWA

PPC Lime received its ISO 45001 Safety Management System transition certificate. Harare factory maintained its ISO 45001 certification.

Bulawayo and Riebeeck factories accomplished five and four million hours without a lost-time injury (LTI) respectively

Only two LTIs were recorded in FY21 at the international operations, resulting in a lost-time injury frequency rate (LTIFR) of 0,11 – significantly, 11 of PPC's sites have operated for over three years without an LTI

PPC Barnet implemented a safety school to conduct safety, health and environment induction and competency tests

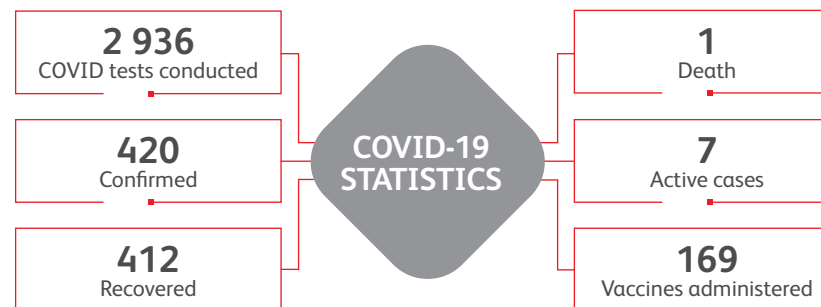
Annual safety improvement plan submitted to the South African Railway Safety Regulator was approved

OCCUPATIONAL HEALTH AND SAFETY continued

CHALLENGES	RESPONSES
COVID-19 pandemic	<ul style="list-style-type: none"> ■ A group policy on COVID-19 management was adopted and implemented at all PPC sites, coupled with a reporting system to facilitate contact tracing and minimise further spread. This ensured business continuity ■ Implemented measures to align to respective legal requirements in all jurisdictions
Four cases of noise-induced hearing loss were reported at the Bulawayo factory during periodic medical examinations	Bulawayo factory will fully analyse the assessment report compiled by the OHP and implement preventative actions
A total of four section 54 notices were issued at PPC Slurry during FY21	Preventative and corrective measures were implemented as instructed by the authorities. All section 54s were successfully uplifted
PPC recorded 15 LTIs during the reporting period. Tragically, CIMERWA recorded a fatality during FY21	<ul style="list-style-type: none"> ■ Thoroughly investigated all LTIs ■ Shared learning points throughout the group through Isometrix and other learning reviews ■ Addressed any shortcomings identified through the investigation conducted by relevant in-country authorities

RESPONDING TO COVID-19

Health and safety are the most critical factors when PPC considers employees. The advent of the COVID-19 pandemic meant that the company had to introduce additional protocols to existing systems and procedures. PPC recognises the commitment of employees to ensure their safety and that of their peers during this crisis. PPC recorded a total of 2 936 COVID-19 tests conducted across the group in FY21.



PPC implemented the following measures at operations, which align with best practice and in-country legislative and regulatory requirements:

- A group policy on COVID-19 management was implemented at all operations, including awareness and hygiene training. The policy included mandates such as screening, social distancing and hand sanitizing. In South Africa, a mandatory COP on the management and mitigation of COVID-19 was developed and submitted to the DMRE. All employees are trained and assessed as per COP requirements. PPC International sites developed COVID-19 mitigation protocols as per their specific in-country legal requirement
- COVID-19 statistics across the group are maintained on an ongoing basis, and employees are kept updated with this information
- PPC implemented COVID-19 PCR and rapid testing across the business as a precautionary measure against the spread of the virus. This largely contributed to business continuity and safeguarding other employees against asymptomatic COVID-19 cases.

OCCUPATIONAL HEALTH

PPC has robust health procedures and processes in place at all operations. The company equips employees with the necessary resources and systems needed to ensure they manage their health effectively.

The company intends to minimise risks in the workplace and surrounding communities by consistently identifying potential hazards. The risk assessments are updated and redistributed to all employees on a regularly or as and when new risks are identified.

Employees must conduct entrance, exit and annual medical examinations, which are completed at PPC's clinics. Additional medical examinations or specialist medical services are provided if and when needed. Employees or contractors required to travel internationally are required to complete extensive pre-deployment health assessments, including individual health travel assessments, vaccinations, a full medical evaluation to assess their fitness to work and travel.

Through annual occupational hygiene surveys, PPC monitors health concerns relating to noise, dust, heat, ventilation, ergonomics, lighting and vibration. If employees face any health issues relating to these factors, occupational hygiene and medical personnel provide medical attention.

All major operations have well-established, on-site medical clinics with medical professionals responsible for managing diseases. Smaller operations utilise external medical service providers for all health and medical examinations. As required by law, all medical records and information are kept confidential between the medical practitioner and the patient.

While the prevalence of HIV/Aids and TB is low within the operations and communities, each operation runs an HIV/Aids and TB programme for those employees who live with these conditions. Programmes assisting with managing lifestyle or chronic diseases are also offered at sites. Medical reports are submitted to the regulatory authorities unfaithfully through robust reporting mechanisms.

No cases of silicosis were reported in FY21*, maintaining the trend of more than 11 years. Operations in the DRC and Rwanda have active malaria control programmes to ensure that the disease is managed proactively. In addition, PPC Barnet and CIMERWA launched a malaria vectors control campaign in surrounding villages to control the spread of malaria.

* *Limited assurance – refer to the independent limited assurance report on pages 72 to 74 of PPC's integrated report.*

SAFETY PERFORMANCE

PPC's employees play a key role in driving success and achieving objectives, and their safety is top priority. Employees have to adapt to a constantly changing operating environment, and it is imperative that the company continuously strengthens its safety programmes to identify, understand and mitigate the risks employees face.

PPC believes that safety is not about the absence of something but rather the presence of proactive and positive activities. The company's commitment to the safety of its people is evident in the above-average health and safety performance, and it ensures that effective programmes and initiatives are regularly communicated to all employees.

Tragically, the CIMERWA plant in Rwanda recorded one fatality in FY21. PPC expresses deepest sympathies for this loss. The company remains committed to protecting employees as best as possible. The company performance remained flat year on year whereby 15 LTIs were recorded in FY21. In total, 86 % of LTIs occurred at South African operations. The LTIFR for the group was 0,26 in FY21. A total of 65 medical treatment cases and 101 first aid cases were reported across the group in FY21.

PPC subscribes to International Organization for Standardization (ISO) 45001 Safety Management Systems. Harare factory maintained its ISO 45001 certification. The South African manufacturing sites are OHSAS 18001-certified. PPC intends to transition all OHSAS 18001-certified sites to ISO 45001 over the next two years. The company is pleased with its progress thus far. PPC Lime in South Africa became the first operation to transition to ISO 45001. All remaining operations have undergone qualifying audits and have been recommended for ISO 45001 certification. The CIMERWA plant in Rwanda notified the Rwanda Certification Body (RCB) of its intention to obtain an integrated management system certification

for ISO 45001 and 14001 which will position CIMERWA as a responsible cement producer. This will further support the goal to be a leader in the industry in Rwanda. Certification is aimed for FY22.

PPC includes the safety statistics of entities in which it has a majority share, using management control as a guide. Where the company does not have a majority shareholding or effective management control, statistics are reported separately. Under this definition, the company includes the safety statistics of Inland Cement Blending (previously Safika) (100 % holdings), Pronto and 3Q (100 % holdings), and excludes Habesha's statistics (38,0 % holding), which is reported separately from the group.

Safety performance

	Target March 2021	Actual March 2021	Trend	Actual March 2020	Actual March 2019	Actual March 2018	Actual March 2017
Fatalities*	0	1	Up	–	–	–	1
Fatality frequency rate (FFR) per 200 000 hours worked*	0	0,02	Up	–	–	–	0,01
LTIs*		15	Flat	15	21	19	31 ⁽²⁾
LTIFR per 200 000 hours worked (12-month window)*	0,20	0,26	Up	0,22	0,29	0,25	0,40
Total LTIs and fatalities		15	Flat	15 ⁽²⁾	21 ⁽²⁾	19 ⁽²⁾	32 ⁽³⁾
Operational LTIs and fatalities		16	Down	15	19	18	28
Project LTIs		–	Neutral	–	2	1	4
PPC employees injured		7	Down	7	16	14	18
PPC contractors injured		7	Down	8	5	5	14
Significant administrative notices ⁽⁵⁾	0	4	Up	2	10	2	4

⁽¹⁾ Assurance scope includes all South African PPC sites, Pronto, Botswana and Zimbabwe.

⁽²⁾ No fatalities.

⁽³⁾ One fatality and 31 LTIs.

⁽⁴⁾ One fatality and 11 LTIs.

⁽⁵⁾ Section 54 (DMRE – South Africa only).

* Limited assurance – refer to the independent limited assurance report on pages 72 to 74 of PPC's integrated report.

SAFETY

PERFORMANCE continued

PPC's serious incident analysis tool is linked to its Isometrix system to investigate all significant incidents and near-misses, identify trends and share data. Through this integration, PPC can determine the root cause of incidents, taking into account factors such as people, the environment, equipment, tools, materials, procedures and standards, and other organisational influences. All results are shared across the group to mitigate similar incidents and to create awareness. Then, by developing action plans and lessons, the company cultivates a culture of learning.

PPC's South African operations had 47 visits by authorities during FY21 where four section 54 and one section 55 notices were issued by the DMRE. No notices were issued by the Department of Labour at our operations which fall under the auspices of the Occupational Health and Safety Act. In FY21, the Department of Energy conducted a gas management audit (permit, handling and storage) at PPC Barnet. The company is pleased that no adverse findings were reported.

PPC Barnet in the DRC and CIMERWA in Rwanda have implemented an additional safety awareness training programme for logistic contractors at their operations. The goal is to improve road safety and minimise potential property damage.

Alcohol is strictly forbidden on site. In preparation for the holiday period in December 2020, each site launched a 'Silly Season' campaign, along with increased alcohol testing, to mitigate any potential incidents and ensure the safety of employees.

PPC will focus on the following going forward:

- In FY21, the company implemented a roundtable to create awareness of and establish best safety practice across the group and will continue to move this programme forward with a mandate to:
 - Develop, learn, lead and advise the group on all occupational health and safety relating to legislation and research across the business
 - Formulate and develop best practices and advisory documents
 - Promote positive health and safety culture in the group
 - Demonstrate leadership in safety
 - Review, benchmark and review safety across the group
- For FY22 PPC aims to improve its occupational health and safety performance by implementing a focused drive that aims at tackling issues of concern.

ENVIRONMENT AND ENERGY REVIEW

PPC understands that its operations have an inexorable impact on the environment. To ensure the company builds a thriving business while remaining a responsible corporate citizen, PPC focuses on effective environmental and energy management. By doing this, the company can ensure the business continues to create sustainable value for stakeholders.

HIGHLIGHTS

For the second consecutive year, no environmental fines were issued to any of PPC's operations

All cement and lime operations in South Africa and Zimbabwe maintained their ISO 14001:2015 and ISO 9001:2015 certifications

In South Africa, all cement atmospheric emission licences (AELs) were renewed to align with the 2020 Minimum Emission Standards

In Zimbabwe, the Environmental Management Agency (EMA) issued all outstanding annual environmental management licences to the Harare, Colleen Bawn and Bulawayo operations

The South African Minister of Environment, Forestry and Fisheries dismissed an appeal against the proposed facility upgrades at the existing Riebeeck plant in favour of PPC, enabling the company to continue with the project in line with environmental authorisation received

PPC successfully registered and was approved on the South African Greenhouse Gas Emission Reporting System (SAGERS)

CIMERWA achieved an average coal substitution with an alternative fuels and resource (AFR) rate of 12,7% against a target of 10%

Clinker factor at CIMERWA improved by 11% during the year

In Zimbabwe, PPC was recognised during the Provincial CSR Awards for environmental stewardship, being the Top COVID-19 Fight Supporting Organisation, and Responsible Investment

Planted 540 trees at Mashyuza Quarry as part of the Greening of CIMERWA project

CHALLENGES

During August and September 2020, Nitrogen oxide (NOx) emissions at PPC Barnet in the Democratic Republic of the Congo (DRC) did not comply with the recommended limit of the International Finance Corporation (IFC)

Sulphur dioxide (SO₂) emissions at De Hoek did not comply with minimum emission standards

Communities surrounding CIMERWA lodged a complaint with Rwandan authorities relating to potential negative impacts of dust, noise and vibrations emanating from operations

A community member raised concerns about the renewal of Hercules' five-yearly AEL because of fugitive dust emissions and noise from the plant

RESPONSES

- Completed process optimisation during January 2021
- Engaged with the IFC as part of compliance efforts
- Procured ambient monitoring instruments to determine the impact of NOx on sensitive receptors and to scientifically justify ambient air impact and the subsequent reduction of the proposed limit

Introduced a trial to decrease SO₂ emissions from Kiln 5. Emissions have improved significantly since December 2020. Emissions from Kiln 6 continue to exceed minimum emission standards (MES)

- Engaged with the community and the Ministry of Environment
- Submitted an action plan, including a commitment to install ambient air monitoring and conduct an environmental audit, to the Rwanda Environment Management Authority (REMA)
- Completed an environmental audit with the results submitted to REMA
- Commissioned the ambient air monitoring with the first quality report to be submitted to the relevant authorities in the second quarter of FY22

After an investigation PPC Hercules agreed to source a service provider to clean the panels

ENVIRONMENTAL MANAGEMENT APPROACH

PPC's commitment to operating a sustainable business means constantly pursuing ways to reduce its environmental footprint and improve its performance management systems. This is critical to its long-term success, and the company continues to focus on minimising or eliminating the adverse effects of the business while maximising its positive impacts.

To minimise the environmental impact, PPC is committed to:

- Integrating environmental management into management practices across the business
- Implementing environmental operational standards to reduce the negative environmental impact of operations
- Being a responsible corporate citizen and playing an active role in protecting and preserving the environment by addressing climate change, encouraging the sustainable use of resources, and protecting the ecosystems around areas of operation
- Preventing pollution
- Identifying significant environmental matters relevant to the business, setting appropriate objectives and targets, and measuring these by reviewing the environmental performance of the workplace and the status of the surrounding environment
- Complying with applicable environmental legislation and other obligations
- Responsibly managing natural resources through efficient energy strategies and implementing responsible waste management practices
- Effectively and transparently communicating with stakeholders through, among others, internal communication and environmental management stakeholder forums
- Training and educating employees on environmental responsibilities
- Building capacity among stakeholders to identify, report and act on opportunities to minimise environmental impacts
- Managing resources and maintaining biodiversity through concurrent rehabilitation

To achieve environmental and sustainability objectives, it is crucial that employees and contractors are involved in environmental management programmes and initiatives. PPC's workforce takes ownership of their role in environmental responsibility and integrates environmental concerns into their daily activities.

PPC's environmental management system (EMS) identifies and evaluates operational and environmental risks and opportunities applicable to the business, which PPC then manages to ensure compliance and ongoing improvement. The company has also implemented an energy management system (EnMS), which evaluates and monitors all energy-related activities. The EnMS also:

- Ensures the credibility, reliability and usefulness of energy data to support the prioritisation of interventions and improved decision-making
- Ensures all employees are aware of the nature, meaning and value of an effective EnMS throughout the group
- Identifies priority energy-saving initiatives and implements these on an ongoing basis

ENVIRONMENTAL MANAGEMENT APPROACH continued

ENVIRONMENTAL FOCUS AREAS

PPC analyses internal and external factors to identify environmental issues the company has to manage and ensure the sustainability of the business. These issues are categorised into five focus areas (detailed below), and PPC reports on its progress against these areas annually.

Compliance	Energy management and climate change	Efficient and responsible use of water resources	Air quality management	Resource conservation and alternative fuels
PPC remains compliant with the frequently changing environmental regulations and legislation in the regions where it operates	PPC ensures that operations consume energy as efficiently as possible while also optimising thermal and electrical energy usage	PPC focuses on efficient water consumption through responsible conservation efforts	PPC identifies, monitors and reports on the emissions generated by operations, and mitigates these as efficiently as possible	PPC proactively manages its environmental footprint and land and resource stewardship efforts throughout the life cycle of operations

COMPLIANCE

PPC monitors environmental compliance by identifying those environmental-related issues, risks and obligations relevant to the business, which it then maps to appropriate compliance requirements. The company's environmental legal registers are linked to its EMS, which it updates periodically to ensure it keeps abreast of all relevant legal and other requirements. PPC monitors its adherence to regulatory and legislative requirements through internal and external assessments and audits. The company has dedicated operational plans and authorisations in place at each plant – including environmental management plan reviews (EMPRs), water use licences (WULs), AELs and waste management licences.

During FY21, the company conducted several internal audits at PPC Barnet in the DRC and operations in Zimbabwe, as well as De Hoek, Riebeeck, Lime Acres, Beestekraal and Port

Elizabeth in South Africa, to ensure compliance and continuous improvement. Due to COVID-19 lockdown restrictions, the company was unable to conduct some external audits during the year.

Provincial authorities conducted a legal audit on environment tax and compliance at PPC Barnet in the DRC. Pleasingly, no significant findings were raised. In Zimbabwe, the EMA inspected sites, and no material issues were raised or fines issued.

All cement and lime operations in South Africa and Zimbabwe maintained their ISO 14001:2015 and 9001:2015 certifications. Dwaalboom's WUL was delayed due to process changes with the result that some of the studies conducted are now redundant. A new application has been lodged once PPC completes revised specialist studies to ensure it aligns with current operational and legislative requirements. During FY20, PPC Lime submitted an amended WUL application to the Department of Water and Sanitation to accommodate the Bowden North quarry extension.

CIMERWA's water permit application is on hold pending finalisation of the newly established Institution of Water Resource Management. Rwanda also announced a new water tariff regulation. CIMERWA has instituted a water management programme to prepare for forthcoming legislative requirements.

PPC Barnet in the DRC successfully renewed its water harvesting permit and associated abstraction agreement while PPC obtained water abstraction and effluent permits for all Zimbabwean operations.

ENVIRONMENTAL MANAGEMENT APPROACH continued

ENERGY MANAGEMENT AND CLIMATE CHANGE

PPC is an energy-intensive business and the company recognises that its energy consumption is inextricably linked to its carbon footprint. Therefore, PPC is committed to efficient energy usage and effective management of the natural resources the business depends on.

PPC's approach to effective and optimal energy management is guided by its energy policy and based on the following pillars:

Monitoring and evaluating all energy-related activities

Continuously identifying energy-saving initiatives and implementing value-adding opportunities

Improving thermal and electrical energy footprint

Investigating and possibly implementing and producing PPC's own source of electricity using renewable and non-renewable resources, where viable

Energy management

Energy management in PPC Cement SA

During FY21, direct energy usage increased by 14% (FY20: 21,0% decrease), and indirect energy usage increased by 20% (FY20: 33,0% decrease), mainly due to a diversion in the run plan.

Energy consumption in PPC Cement SA

Energy terajoules (TJ)	Year-on-year progress	FY21	FY20	FY19
Direct (thermal/coal)	Up	11 161	9 621	12 253
Indirect (electrical)	Up	1 447	1 155	1 736

PPC's bid for optimal energy management continuously strives to improve its thermal and electrical energy consumption. The company implements optimum alternative thermal fuels wherever possible.

The on-site solar PV project at Slurry, Dwaalboom and De Hoek is currently in the implementation phase with environmental impact assessment and financial closure underway. The commercial operating date for this project is July 2022. On completion approximately a total of 30MW is expected to be generated from solar power.

Rooftop solar for our Jupiter and Hercules plants are also underway. These projects, once approved, will be operational in June 2022. A total of approximately 2MW is expected to be generated from solar.

PPC is also at the advanced stages of the feasibility study into wheeling of power from independent power producers. The power shall be generated from solar and wind at a remote location and will be supplied to PPC's plant via the national grid.

During FY21, thermal-specific heat consumption increased by 6% (FY20: 3% decrease) while electrical-specific energy consumption increased by 5% (FY20: 7% decrease).

Energy performance (South Africa cement)

Energy intensity	FY21	FY20	FY19
Thermal-specific heat consumption (MJ/t clinker)	3,90	3,66	3,78
Electrical-specific energy consumption (kWh/t cement produced)	108	102	110

SA Cement alternative fuel programme was impacted by the delay in issuance of the alternative fuels and resources (AFR) AEL. This has impacted the ultimate objective, which is to co-process tyres as a source of non-renewable energy. PPC continues to source alternative energy materials to replace non-renewable energy sources and combat climate change.

ENVIRONMENTAL MANAGEMENT APPROACH continued

Energy management at PPC's international operations

Thermal and electrical performance was driven by several factors, including overall kiln reliability and pyritic limestone raw material at Colleen Bawn in Zimbabwe. This was further impacted by higher-than-average limestone moisture content at CIMERWA negatively impacting raw mill throughput and, consequently, kiln capacity utilisation. PPC is implementing a limestone dryer project to mitigate this issue.

Energy consumption (international)

Energy terajoules (TJ)	Year-on-year progress	FY21	FY20	FY19
Direct (thermal/coal)	n/a	4 191	–	–
Indirect (electrical)	n/a	650	–	–

Energy performance (international)

Energy intensity	FY21	FY20	FY19
Thermal-specific heat consumption (MJ/t clinker)	3,98	–	–
Electrical-specific energy consumption (kWh/t cement produced)	115	–	–

All PPCI sites continued focusing on electrical energy cost reductions by aligning production plans with optimal time-of-day power usage.

In Rwanda, PPC installed a 50kW solar photovoltaic (PV) plant based on a power purchase agreement (PPA) and is exploring the possibility to increase the capacity of the plant to 1MW under a second PPA. The company employs local community members to conduct regular maintenance and upkeep of the plant. CIMERWA also installed 51 solar power units to power the geysers of houses in the local village during the year.

The tender process to install a solar PV plant at Colleen Bawn in Zimbabwe has been finalised and approved by the board with work planned to begin in FY22. Final negotiations are underway with the PPA contract negotiation in the final stages with the successful bidder. Strategic projects which will contribute to thermal and electrical energy savings at Colleen Bawn are well and underway and will be completed during FY22.

ENVIRONMENTAL MANAGEMENT APPROACH continued

Climate change

Climate change remains a very real and imminent threat. Globally, PPC has seen a significant and growing number of climate-related drivers materially impacting companies. This includes new regulatory requirements, pressure from investors and civil societies, industry membership requirements, and changing customer preferences and demands for goods and services. For PPC, these factors could lead to increased costs relating to carbon tax, additional reporting burdens and reduced access to capital, among others.

The company recognises the effect of its thermal and process activities on the environment and is committed to responsibly and efficiently managing the natural resources on which it relies. PPC's fit-for-purpose SURERANGE products, which have a low carbon footprint, are a significant part of its current mitigation efforts. The company is

also implementing measures to improve thermal efficiency, reduce clinker and improve cement quality.

An alternative energy management programme enables PPC to identify and understand any risks and opportunities relevant to operations, and implement short and long-term solutions to climate change. CIMERWA, particularly, had success with alternative materials (peat, rice husks and plastic bottles), achieving a substitution rate of approximately 12,7% (FY20: 5%), against a targeted 10%, emanating from improved process stability. Furthermore, CIMERWA increased its levels of peat usage, which peaked at 30% and improved total coal substitution to 19,9%. The plant's clinker factor reduced by 11%, mainly due to various product mix initiatives. In the DRC, PPC Barnett recorded a 3% reduction in clinker factor performance.

PPC is constantly finding innovative ways to improve the way it operates. In FY21, the company appointed a consultant, Change Pathways, to help it develop a roadmap to guide its response to the growing stakeholder expectations related to climate change. The company will particularly focus on how it can incorporate the recommendations of the TCFD into the business and develop a climate change strategy to improve performance. This will also help investors, regulators and other stakeholders better understand PPC's approach to mitigating the effects of climate change.

As a first step, PPC will conduct a scenario analysis to better understand the business' vulnerability to, and resilience on, varying climate situations in the medium to long term. The company will then focus on developing a strategy to reduce its GHG emissions and set measurable and attainable targets for the short, medium and

long term. Internationally, PPC will focus on product innovation, research and development on how to maximise alternative fuel usage and explore a partnership with government to combat plastic waste.

Carbon footprint

PPC monitors its carbon footprint, including direct and indirect emissions and energy consumption, by collecting, monitoring and assessing data. This is a critical step to effectively identify ways to improve its processes and manage its emissions and energy usage effectively. The company regularly conducts internal verification audits to assess and improve the accuracy and assurance of its data collection and analysis processes.

CO₂ emissions in FY21*

	Total	Direct	Indirect
PPC Lime and dolomite	513 583	474 436	39 147
South Africa cement	2 940 536	2 522 410	418 126
International	1 007 896	939 196	68 700

* Limited assurance – refer to the independent limited assurance report on pages 72 to 74 of PPC's integrated report.

GHGs

When South Africa initiated the first voluntary five-year cycle of GHG emission mitigation system in 2016, PPC readily participated in this initiative. The initial carbon budget was approved in 2016

and, in FY21, PPC submitted its carbon budget review. The Department of Environment, Forestry and Fisheries has acknowledged receipt and has committed to reviewing the carbon budget performance together with the annual pollution prevention plans.

All PPC's cement and lime operations are registered and approved on SAGERS, which will be used to inform PPC's carbon tax liability. Its annual GHG report was submitted through the SAGERS system as per GHG reporting regulations.

Cement carbon intensity increased from the FY20 due to the short run of swing kilns – which require start-up fuel for a short period of time – and the implementation of the mega-plant strategy to ensure the efficiency of our operations. The carbon emission intensity for the South African cement operations is detailed below.

CO₂ intensity

CO ₂ /t cement	FY21	FY20	FY19
South Africa cement	756	796	788
International cement	686	–	–

ENVIRONMENTAL MANAGEMENT APPROACH continued

Carbon tax

South Africa's Carbon Tax Act 15 of 2019 (CTA) came into effect on 23 May 2019, intending to drive sustainable growth and enable South Africa to contribute to the global effort to reduce concentrations of GHG emissions. During the year, National Treasury promulgated a carbon tax benchmark allowance of 5% and a trade exposure allowance of 8,26%, reducing the carbon tax liability by approximately 46%. The deadline for submitting a carbon tax account and payment for the first tax period ended 31 December 2019 was delayed by three months. PPC's submission and payment relating to the first tax period were completed during FY21.

EFFICIENT AND RESPONSIBLE USE OF WATER RESOURCES

Water remains a scarce and valuable resource, particularly in southern Africa, and PPC continues to use water as responsibly and efficiently as possible in its business activities.

The availability and supply of water vary in each region where PPC operates. The company is constantly looking for new and innovative ways to save water and frequently assesses how it can ensure water security in the long term. PPC regularly reviews and updates its water management strategy, ensuring it improves its approach to water conservation as much as possible. PPC also considers the needs of host communities during this process. The water targets are developed in line with integrated WULs and environmental and social impact assessment commitments.

PPC's performance during FY21

Overall, group water consumption decreased by 31% against the target. This reduction was driven by the reuse of quarry water for dust suppression, recycling process water and harvesting rainwater.

Water intensity

m³/t cement	FY21	FY20
Group	0,33	0,48

PPC has a holistic, integrated approach to water management to ensure it considers the needs of its entire business across countries. In this way, the company can manage water-related impacts beyond its operational boundaries by:

- Identifying water sources and uses
 - Monitoring water quantity and quality
 - Managing water usage according to monitoring results
 - Reusing and augmenting alternative sources
 - Complying with, among others, the conditions of WULs and permits
- Conducting risk assessments, including agility on emerging legal requirements for issues of national and sustainability interest

The Mashyuza hot spring located close to the CIMERWA quarry suddenly dried up during the year. This was a significant cause for concern with speculation that the incident was caused by blasting activities from PPC's quarry. However, after an investigation conducted by the Rwanda Mines, Petroleum and Gas Board, it was discovered that the disappearance of the hot spring was caused by a natural chemical weather process, ruling out PPC's blasting activities.

Port Elizabeth experienced a significant water crisis with low dam levels. This motivated PPC to initiate a rainwater harvesting programme. Using rainwater as process water has dropped PPC's monthly water usage targets from 5 200kL to 2 000kL per month.

PPC Lime continues to emphasise water resource conservation by metering and recording water use. PPC is also implementing an ongoing awareness campaign for all employees and residents in the communities surrounding operations. Wherever possible, effluent water is used for slurry and dust suppression, allowing PPC to reduce its freshwater usage.

To ensure PPC complies with the conditions of its WUL, slurry completed water-related specialist studies to assess the relevance of the conditions in the WUL and integrated wastewater management plan to the business. Any amendments will be relayed to the Department of Water and Sanitation.

ENVIRONMENTAL MANAGEMENT APPROACH continued

AIR QUALITY MANAGEMENT

PPC's manufacturing processes release air emissions such as dust particulate matter (PM), SO₂ and NO_x. The company ensures it monitors all emissions from its operations as effectively as possible, and its inventory of relevant requirements is updated regularly. Emissions from kiln stacks and other legislated points are monitored, as well as all point sources at South African operations. PPC also monitors all point sources at international operations, except for Colleen Bawn's NO_x and SO₂ emissions and CIMERWA's SO₂ emissions.

PPC operates in an ever-changing environment, which means that the company has to ensure its technology is kept updated and aligned with any new compliance standards. The company continuously assesses current targets and sets new targets through the EMS and maintains its calibration monitoring equipment to ensure data accuracy.

Tonnes*	Dust		NO _x		SO ₂	
	FY21	FY20	FY21	FY20	FY21	FY20
South Africa	82	267	7 514	6 270	856	451

* Limited assurance – refer to the independent limited assurance report on pages 72 to 74 of PPC's integrated report.

Internationally, PPC focused on regular maintenance and in-house calibration of its continuous emission monitoring systems. The company annually conducts stack emission verification through independent stack emission testers. Logistical delays have historically prevented CIMERWA from effectively conducting stack emission verifications, however, the company has purchased isokinetic equipment to ensure the site complies with the statutory requirement timeously.

Air quality

Emissions from kilns 5 and 6 at the De Hoek operation in South Africa did not comply with industry standards, especially SO₂ emissions. The company introduced a trial where it injects lime dust through the preheater, which led to significant improvements in the emissions from Kiln 5; those from Kiln 6 continue to exceed acceptable limits. PPC will continue to implement additional process optimisation measures to reduced emissions in line with regulatory requirements.

At Riebeeck, while the main stack emissions complied with relevant requirements, raw meal stacks did not meet minimum emission standards.

In August 2020, PPC Barnet recorded an average of 822mg/Nm³ NO_x emissions, thereby failing to comply with the limit of 600mg/Nm³ prescribed by the IFC. The operation replaced its kiln dust and gas (NO_x and SO₂) continuous emission monitors to ensure accurate emission monitoring. The plant also purchased an ambient air monitoring station to meet the requirements of its covenant with the IFC, which will be commissioned during FY22. Ambient air monitoring will determine the impact of NO_x on sensitive receptors and provide a scientific justification for reducing the proposed NO_x limit.

PPC conducted an air quality impact assessment at Colleen Bawn in Zimbabwe, which indicated that predicted ambient concentrations of dust (PM₁₀ and PM_{2,5}) exceeded the World Health Organization's 24-hour and annual ambient air quality limits. The dust concentrations also extended beyond the property's boundary and could potentially impact sensitive receptors in the area. To address this concern, the company refurbished the electrostatic precipitator (ESP) during the kiln shut down in April 2020. While this improved the operation's dust emission levels, it still exceeds permitted levels. To further mitigate this, PPC is implementing a bag filter project to install continuous emission monitoring equipment that complies with international best practice. PPC expects to complete this project during FY22.

RESOURCE CONSERVATION AND ALTERNATIVE FUELS

Rehabilitation

Most of PPC's operations reside in low-sensitivity environments, and the company considers the impact of its operations throughout the business cycle – including exploration, operations, decommissioning and closure. The company understands the importance of land and resource stewardship to the sustainability of the environment and communities surrounding its plants. PPC, therefore, monitors its environmental footprint through annual fly-over surveys and measures this against its EMPR commitments. PPC also measures its progress against mine-specific annual rehabilitation plans and has restored 95,0% of disturbed land in line with targets. The company leases rehabilitated land to neighbouring farmers.

PPC provides for mine closure costs through various financial vehicles, which are annually reviewed by an independent specialist to ensure it aligns with draft financial provision regulations. The company uses a risk-based approach to assess its annual closure liabilities regarding financial provision for prospecting, exploration, mining or production operations. The current quantum provision remains up to date until the new regulations are published.

In South Africa, the date of compliance with the National Environmental Management Act 107 of 1998 (NEMA), as amended, and related financial provisioning regulations (government notice 42 956 gazetted on 17 January 2020) has been postponed to June 2022. The postponement is due to the delay in publishing the final regulation, which determines the quantum calculation for rehabilitation liability.

ENVIRONMENTAL MANAGEMENT APPROACH

continued

WASTE MANAGEMENT

PPC's waste management programme identifies waste streams and monitors the general and hazardous waste produced from its business activities. The goal is to recycle and reduce waste. The company focuses on using alternative sources, such as slag and fly ash, as raw materials for its activities, and extension for its cement and concrete production. PPC complies with all regulatory and legislative requirements.

PPC generated 2372 tonnes of general waste during FY21, of which 61 % was recycled by the operations (FY20: 2716 tonnes/39,0 %) and 565 tonnes of hazardous waste (predominantly oil-contaminated waste), of which 67 % was recycled (FY20: 943 tonnes/64,0 %). In Zimbabwe, the Bulawayo plant reduced disposable waste by 7,5 % through its partnership with the MacDonald's brickmaking factory, which uses the waste generated by the plant as an energy source.

PPC's waste management programme complies with the waste hierarchy set out in legislation, which is informed by the general principles of waste management and focuses on reducing waste sent to landfills. As a cement manufacturer, the company is uniquely positioned to enhance this hierarchy through co-processing activities by substituting

coal with alternative materials – such as tyres and biomass. This will preserve natural resources and reduce its carbon footprint while providing sustainable solutions to waste management in the long term. In Rwanda, CIMERWA has seen promising results from this process and achieved an average coal substitution with AFR rate of 12,7 % against a target of 10 %.

CIMERWA also implemented a zero-waste strategy to reduce the impact of its operations on the environment. The strategy helps PPC empower its host community members by creating employment opportunities as waste handlers. By achieving zero waste, CIMERWA fulfils the waste management hierarchy and has shifted towards a circular economy. The plant supports the Ministry of Environment's waste reduction strategy to replace 500ml single-use plastic water bottles with 20l refillable bottles. This has created an 80 % cost saving for the operation.

PPC will continue to identify alternative raw materials and fuels to use in its processes and replace non-renewable resources where possible. This aligns with PPC's environment and energy strategies and demonstrates its support for the objectives of the white paper on integrated pollution and waste management.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a priority for PPC. The company ensures that it regularly engages with interested and affected parties at all sites, particularly regarding changes or expansions to operations. PPC does this in line with the various in-country legislative requirements.

In FY21, CIMERWA engaged with the Institution of Water Management to discuss pending water tariffs, and also met with the Rwanda Standards Board on the development of energy and noise monitoring standards.

PPC is represented on various industry bodies, including the Association of Cementitious Material Producers, the Environmental Policy Committee of the Minerals Council South Africa, Business Unity South Africa, the Cement and Concrete Institute of Zimbabwe, the Zimbabwe Chamber of Mines, the Professional Committee of Cement Manufacturers, DRC Chamber of Commerce and Industry, the Rwanda Mining Association and the World Cement Association.

 For more information on stakeholder relationships, refer to PPC's integrated report.

TCFD DISCLOSURE

The recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) were developed by a global task force comprising various organisations, including banks, asset managers and pension funds, insurance companies and non-financial companies, consulting and accounting firms, and credit ratings agencies. These recommendations aim to assist businesses to identify the necessary information to assess and price their climate-related risks and opportunities accurately. Designed to promote forward thinking on climate change in organisations, the disclosures focus on encouraging the transition towards a lower-carbon economy.

PPC began its TCFD reporting journey in FY21 by appointing an external consultant to help the company carve an efficient and accurate path forward. As the company works towards creating a strategy to address climate change and reduce its GHG emissions, a key part of its approach is to evaluate its resilience to different markets and climate change scenarios. This includes conducting risk assessments, identifying and eliminating gaps

in processes and stakeholder management strategy, setting targets, and moving towards more detailed reporting that is structured according to the TCFD.

This will ensure that PPC is prepared to respond to climate change eventualities while working towards decreasing its carbon footprint and ensuring transparent disclosure. The project will be concluded over the course of FY22.

TCFD APPROACH

Evaluate PPC's resilience to different market and physical climate change scenarios

Report on detailed climate change information, framed according the TCFD

Develop an informed GHG reduction plan and appropriate strategy

Develop a detailed climate change strategy

SOCIAL PERFORMANCE

Social impact is, and has always been, at the forefront of PPC's sustainability strategy. The company's brand promise of Strength Beyond refers not only to its products but also to relationships with the communities where it operates. This past year has truly revealed the integrated nature of this world. It is imperative that PPC creates shared value to build better lives for host communities while reinforcing the sustainability of the business.

PPC's social projects focus on education and skills development, enterprise development, infrastructure development and environmental protection. In a year of great disruption, and with PPC's impact-based approach to societal needs, FY21 saw the company focusing on the following interventions in support of our broader approach:

Health and safety	Infrastructure	Education
<p>PPC focused on disaster mitigation, provision and support of health facilities in the fight against COVID-19, providing access to COVID-19 screening, and procuring additional personal protective equipment (PPE) for employees and communities.</p>	<p>PPC aimed to uplift and improve the condition of schools and roads in host communities, provide power supply through strategic partnerships and avail potable water.</p>	<p>PPC endeavoured to improve the standard and quality of education of disadvantaged schools in communities and, particularly, support learners throughout the pandemic.</p>



SOCIO-ECONOMIC DEVELOPMENT IN FY21

Socio-economic development is a vital part of PPC's transformation strategy. The company actively engages with host communities to build relationships that will endure over time, and enable PPC to identify opportunities that will improve the socio-economic landscape. Each project PPC implements considers how the company can add value for communities. The company takes into account the sustainability of the project, the needs of the community, as well as how it can create sustainable job opportunities and uplift individual members of communities. Through a participatory approach, PPC involves community members in decision-making and implementation processes, thereby ensuring it empowers them over the long term.



South Africa and Botswana

SUPPORTING COVID-19 RELIEF EFFORTS

Throughout the year, PPC focused on implementing an impact-based approach to sustainable community development. With this in mind, and in a bid to meet the needs of the ever-changing socio-economic landscape, PPC partnered with the Temba Bavuma Foundation to provide food, face masks and feminine hygiene products to the value of R25 000 to 30 women and 18 children at the Frida Hartley Women Shelter. Furthermore, in partnership with the Temba Bavuma Foundation and Inhance, the company provided products to the value of R50 000 to women and senior citizens at the Al Taawun Fi Al Centre.

PPC collaborated with SMMEs to invest directly in communities through an enterprise development programme. The company partnered with two small enterprises during the pandemic – Katrimac and Time for Change – which, with PPC's support, provided affordable uniforms and masks to workers, learners and customers in the community.

PPC also assisted several brick and block makers, providing them with machinery, technical expertise and business development support – empowering these individuals and helping them grow their businesses during a challenging year.



For Mandela Day, PPC teamed up with the JP21 Foundation and MOT SA to provide educational material, stationery, nutritional packs, hand sanitiser stations and face shields for members of the Mitchells Plain community. The company also focused on educating learners about COVID-19-related hygiene practices.

In Botswana, PPC donated BWP1 million to the COVID-19 Task Force, a fund to which corporates can donate money for COVID-19 relief efforts. The fund provided wage subsidies to SMMEs to reduce the strain of unemployment and also provided PPE to frontline workers.

PATH OUT OF POVERTY AND PATH ONTO PROSPERITY YOUTH CENTRES

PPC continues to support the Porterville Path out of Poverty youth centre, which is managed by the Goedgedacht Trust and aims to transform impoverished rural communities through educational opportunities.

The Swartland area in the Western Cape was identified as a high-risk COVID-19 area with the community in desperate need of PPE. PPC's Riebeeck team engaged with the local ward councillor and municipality manager to assist in this regard, donating PPC-branded masks, sanitisers and food parcels to the local soup kitchen. These relief efforts included two Path onto Prosperity centres, which support the elderly, aftercare programmes for children, and feeding schemes for unemployed and homeless people in the area. This drive helped raise awareness about hygiene practices and the importance of wearing masks to protect each other during the pandemic.

SUPPORTING LOCAL ENTREPRENEURS

PPC believes it is imperative to drive enterprise and skills development in host communities. In Botswana, the company partners with the local enterprise authority to provide training to small enterprises or start-ups. The Molepole Sewing Ladies is a company based in Molepole that manufactures products made from recycled cement bags. The group of women, all from the local community, makes school uniforms for local learners and was also able to produce masks during the pandemic. PPC's skills training helped build this flourishing enterprise, creating employment and becoming an economic player in the community.

MOBILE CLINICS

Over the past two years, PPC donated mobile clinics to the cities of Tshwane and Johannesburg. This year, these units were converted into mobile COVID-19 clinics and used to screen and test patients for COVID-19, and raise awareness about the pandemic. PPC's partnership with the City of Tshwane also allowed the company to provide nurses and support staff, thereby improving access to healthcare in impoverished communities.



SOCIO-ECONOMIC DEVELOPMENT IN FY21

continued

SUPPORTING SCHOOLS IN HOST COMMUNITIES

While the circumstances of the past year greatly disrupted the education sector, PPC continued to support schools in host communities. In the past year, the company delivered mobile laboratories and smart tablets to high schools across South Africa; donated school uniforms, masks, sanitiser and stationery; and donated a cricket pitch in partnership with JP21 Foundation.



As part of PPC's efforts to bring about meaningful and sustainable development through social infrastructure, the company donated materials to improve the learning environment at the Happy Sabby Day Care Centre in Pretoria – an early development centre with more than 63 children and four staff members from the Hercules community. PPC's donation included paving and cement, materials to fix the centre's roof, and a Wendy house to ensure learning could continue in line with COVID-19 protocols. By doing this, the company can help these facilities create an environment conducive to teaching and learning. PPC also plays a part in empowering the lives of children, giving them the security and dignity needed to realise their potential.

With education as one of PPC's core focus areas, the company strives to provide learners with the relevant tools to help them excel and achieve their dreams. In partnership with the Department of Basic Education, PPC donated a mobile science laboratory valued at R140 000 to the Itumeleng Secondary School in Letlhabile, Rustenburg. PPC believes this donation supported learners as they completed their academic year while also encouraging them to realise their potential and experience a better quality of life. Since 2016, PPC's science education programme has deployed 33 mobile science labs valued at R155 000 each.



PPC continues to support the Carel du Toit Centre, where children with hearing impairments learn spoken language through the use of hearing technology. As part of the company's annual donation, it provided the cement used to upgrade the centre's aftercare facilities.

In Botswana, PPC's support at the Mokolodi Pre-School and Mogonono Primary School ensured that pupils were cared for during the COVID-19 pandemic. Through basic pandemic awareness training, provision of PPE and good nutrition, learning could continue within COVID-19 regulations. In addition, PPC donated a Kombi and 413 textbooks to the value of BWP98 000 to the Mogonono Primary School.



Zimbabwe

COLLABORATING WITH GOVERNMENT

Zimbabwe was severely affected by Cyclone Idai, which destroyed thousands of homes and led to the loss of many lives. PPC Zimbabwe assisted the government's relief efforts by donating 90 tonnes of cement to rebuild homes that were destroyed.

The COVID-19 pandemic further exacerbated the pressure on Zimbabwe's health and social system. PPC Zimbabwe assisted communities by donating 500 tonnes of cement to renovate a COVID-19 isolation and treatment centre at Mater Dei Hospital in Bulawayo. The company sponsored the renovation of an old unit in the Gwanda Provincial Hospital, turning it into an isolation centre. PPC provided funds to repair a broken incinerator at the hospital – allowing for the hygienic disposal of waste, which is integral in the fight against COVID-19. PPC Zimbabwe also partnered with the local municipality to disinfect the entire town.

PPC Zimbabwe donated PPE to the value of ZWL1,297 million to various hospitals and health institutions to help frontline workers in the fight against COVID-19. The company also partnered with a local university to develop and distribute hand sanitisers, including procuring the chemicals necessary for manufacturing.

EDUCATION AND SKILLS DEVELOPMENT

Education and skills development are key focus areas for the group. In FY20, PPC decided to embark on a project to build and equip a science and computer laboratory for one disadvantaged school in each of Zimbabwe's 10 provinces. The company completed its first solar-powered laboratory at Sojini Secondary School in rural Matabeleland North in late FY21.

PPC provided undergraduate students in host communities with practical on-the-job training, giving them exposure to the working environment and enabling them to learn and develop while meeting their course requirements.

PPC Zimbabwe supported informal entrepreneurial brickmakers in Chitungwiza and Marondera by providing them with training to help them expand their businesses and create a cycle of empowerment through the training of others. The company also donated containers for them to store their cement securely.

EMPOWERING WOMEN, YOUTH AND THE VULNERABLE

PPC strives to eliminate inequality by empowering women, youth and other vulnerable groups in host communities. In doing so, the company believes it will contribute to food security, improved health and overall economic growth in host communities.

PPC has implemented sewing projects at its factories in Colleen Bawn and Bulawayo, and invested US\$171 613,01 to purchase state-of-the-art equipment and renovate buildings to ensure a secure and healthy working environment. The company believes that this initiative will create employment and boost incomes for 150 women directly, and up to 500 lives indirectly. While PPC planned on expanding this project to Harare during FY21, its plans were negatively affected by COVID-19-related restrictions. PPC hopes to complete this project once lockdown restrictions ease.

To further contribute to the improvement of livelihoods, PPC Zimbabwe is currently developing community gardens in Colleen Bawn and Bulawayo, powered by irrigation infrastructure around its sites.

INFRASTRUCTURE DEVELOPMENT

In FY21, PPC Zimbabwe repaired the access road from Mutare to its Harare plant, also benefiting the many small and medium organisations that neighbour the plant. The company built four houses for families to replace the homes affected by its limestone mining activities in Shamva. PPC also drilled a borehole for the Shamva community so they can have access to potable water.

SOCIO-ECONOMIC DEVELOPMENT IN FY21

continued



Rwanda



CONTRIBUTING TO COVID-19 RELIEF EFFORTS

While the outbreak of COVID-19 significantly impacted the delivery of PPC's CSI projects, the company continued to find ways to help surrounding communities. In partnership with the Ministry of Health, CIMERWA conducted COVID-19 screening and testing for all employees and members of surrounding communities. PPC also provided masks and COVID-19 awareness training. The company honoured a request from the district of Rusizi and pledged RWF16 million to help construct six automated handwash stations to promote hygiene and sanitation in the region.

CIMERWA provided food parcels to the value of RWF6,4 million to vulnerable community members in the Bugarama sector. PPC employees pledged 5% of their net salary contributions (one payment over a three-month period) to the COVID-19 National Fund. These contributions totalled RWF21 million and helped mobilise resources and support impoverished communities.

SUPPORTING A TAILOR'S COOPERATIVE

CIMERWA has supported a tailor's cooperative (TTCM) since FY19. The cooperative has 61 members, mainly women from the community, who manufacture staff overalls and school uniforms. They also provide skills training to young girls who are unable to attend high school.

EMPLOYEE VOLUNTEERISM

Umuganda is a monthly practice in Rwanda where the concepts of self-help and cooperation are honoured through residents' participation in civic activities to promote community development. Activities include the improvement of general hygiene and sanitation, building roads, creating water channels and building homes for vulnerable people. CIMERWA employees participate in Umuganda. However, due to COVID-19 restrictions, these activities were halted in FY21.

PROMOTING EDUCATION

CIMERWA promotes quality education by supporting local schools. L'Educateur Primary School houses 200 pupils. PPC helped keep learners and staff safe during the pandemic by providing masks and hand sanitisers, ensuring learning activities were not disrupted by the pandemic.

SELLING POINT MARKET

The selling point market in Nyenyeri Village (in the Bugarama sector of the Rusizi district) helps women sell food to surrounding communities. CIMERWA invested RWF57 million to construct this market in FY19 and has continued supporting the project through ongoing maintenance. CIMERWA is exploring the possibility of expanding this project to other districts.



DRC

SEWING FOR SUSTAINABLE LIVELIHOODS

In FY20, PPC Barnett invested US\$35 990 in a craft centre to create a sustainable local business where local young women can improve their sewing and gain entrepreneurial skills. While the outbreak of COVID-19 delayed the project, PPC officially opened the centre in August 2020. To date, 16 young women from local communities received training in basic sewing skills. The centre currently produces school uniforms for PPC Barnett's pre-primary and primary classes.

INVESTING IN EDUCATION

In FY21, PPC Barnett donated a total of US\$15 000 to support schools in host communities. The company donated cement to Kubama College to help them renovate the school's boundary wall, and appointed a contractor to renovate buildings at the former Sinoma Camp to relocate the pre-primary and primary school to the site.

The company donated 1 200 trees to various schools during Arbor Day to spread awareness about the importance of environmental sustainability.

SUPPORTING COVID-19 RELIEF EFFORTS

PPC Barnett donated hand sanitiser, water tanks, soap and cloth masks to schools and communities in Malanga, Zamba, Malanga Gare and Nkumba to help protect individuals against COVID-19. The company also conducted a monthly awareness training programme.

HELPING HOST COMMUNITIES

PPC Barnett continued to offer emergency services to surrounding communities during FY21. Furthermore, to ensure PPC's communities felt safe, the company recruited 70 young women and men as security officers. It also provided waste bins at Zamba and Malanga, which are emptied regularly.

Given the importance of developing infrastructure to empower communities, PPC donated cement

to assist local communities in improving road conditions and stormwater drainage. The cement donated was also used to improve housing conditions. The company continued to maintain roads used by residents to move their crops and provided spare parts for the equipment necessary to create a borehole in Malanga. Additionally, PPC constructed stormwater drainage in the Zamba village.

Unfortunately, the challenges created by the pandemic affected PPC's ability to provide electricity to the Zamba community but the company intends to start implementing the project in FY22.



Ethiopia

SUPPORTING HOST COMMUNITIES

In Ethiopia, PPC continued to focus on developing infrastructure, contributing to the social landscape and protecting the environment. This year, the company supplied power to the Goro Mako district, where its limestone crusher is located. The company performed regular maintenance on the 30km public road from UI Gora Town in the Goro Mako district and constructed a 2km feeder road for Lega Robi town.

Considering the importance of education to societal development, PPC supported the expansion of the high school in UI Gora Town. In the Metta Wolkite district, the company constructed a veterinary clinic to help local farmers eradicate livestock diseases. It created a potable water supply for the Bekkakanna Kore Iddoo and Robgaba districts, and regularly assists various districts in constructing and furnishing schools for learners.

Job creation is a key focus for PPC and, in FY21, the company created 24 job opportunities for youth in host communities. The company established a tree seedling plantation in FY18 to create awareness of the importance of environmental responsibility and how this impacts the health and sustainability of communities.

CUSTOMER REVIEW

PPC believes its focus on excellent customer service sets the company apart as a market leader in the regions where it operates. Customers are an integral part of the company's value chain, and it cultivates relationships based on understanding and trust to ensure the sustainability of the business.

PPC'S COMMITMENTS TO CUSTOMERS



Navigating the virtual landscape of the COVID-19 pandemic meant finding innovative ways to engage with customers. However, the company was able to nurture and strengthen relationships with customers despite social distancing and other COVID-19-related protocols. Above all, PPC remained committed to meeting customers' dynamic needs despite the disruption experienced over the past year.

PPC'S CORE CUSTOMER OBJECTIVES



VALUE-ADDED OFFERINGS



CUSTOMER RELATIONSHIP ASSESSMENT

PPC conducts an annual customer relationship assessment to measure brand performance against business objectives. Understanding customers' needs allow the company to tailor its products to consumer preferences, providing relevant products and customer services that meet expectations.

Key evaluation areas in customer relationship assessments:



PPC's next group-wide customer relationship assessment will be conducted in FY22. Additionally, each operation conducts market-specific customer assessments to identify gaps, and subsequently, solutions to ensure it provides customers with the products they need. The various regions also monitor and record client complaints and queries with the goal of resolving these within 24 hours, depending on the complexity of the issue. It is also PPC's practice to meet with customers in person, where relevant, to understand the nature of their complaints and provide a solution. While in-person meetings were suspended due to COVID-19, PPC continued to meet with customers virtually.

CUSTOMER REVIEW

continued

PPC'S CUSTOMER VALUE PROPOSITION FOCUS AREAS

Extensive distribution network to serve key markets (including domestic and export, where applicable)

Diverse product offering and technical solutions

Value-adding partnerships throughout the value chain to support and deliver each customer's vision

Improved technologies to enhance agility and customer experience

SOUTH AFRICA AND BOTSWANA

While PPC is a market leader in many of the regions where it operates, the company continues to enhance its customer value proposition to ensure it remains sustainable in a competitive environment. It is critical that PPC anticipates and responds to customers' changing needs, believing that customer-centricity is key to its competitive advantage. PPC continues to prioritise excellent and consistent end-to-end service to ensure it delivers on its promises to customers.

In FY21, PPC specifically focused on:

- Improving turnaround time on deliveries
- Providing superior customer service
- Exceeding customers' expectations to ensure a great experience
- Streamlining product quality and consistency
- Providing technical solutions that aligned with customers' needs

PPC understands the importance of working together during difficult times. Therefore, the company also invested in entrepreneurship and partnered with several SMMEs during the year to create sustainable businesses. These SMMEs operate across the value chain – from hardware to paving and cladding – and are now fully operational and commercially stable.

The company also introduced SureRewards in FY21, a customer cashback rewards programme that, at the same time, enables PPC to conduct market research to identify customer needs. In this way, PPC can obtain a detailed understanding of consumer behaviour and adapt its product range accordingly.

Beyond the challenges PPC faced, FY21 presented an opportunity to prove its dedication to customers through world-class leadership and service offerings. PPC played a part in the sustainability of customers' business, thereby building long-term, mutually beneficial partnerships.

Looking ahead, PPC's customer value proposition focus areas for FY22 include:

Joint business planning to create sustainable partnerships through strategy alignment workshops

Sharing and expanding networks within the industry, thereby strengthening and expanding customer environments

Mutual growth through collaborative market research, creating benefits for all

Expansion of the product mix within identified areas to meet specific customer needs

ZIMBABWE

PPC aims to build long-term relationships with customers to ensure the sustainability of the business. Customer engagements remain vital for establishing a firm foundation for future growth while cultivating loyalty.

PPC Zimbabwe's sales and marketing team – along with its plant and production managers and supply chain department – held daily virtual customer focus meetings to ensure they consistently improve service delivery despite the difficulties of COVID-19. Discussions with customers are also business-focused on enabling PPC to measure its performance and establish growth targets consistently.

During FY21, PPC launched its SUREROAD product in Zimbabwe and created improved route-to-market strategies to improve container and silo contribution to total sales. While the COVID-19 pandemic negatively impacted sales volumes, the company mitigated this by promoting online transactions and improving turnaround time for orders.

This year, PPC also introduced bulk spreading for road projects and set up a bureau de change facility to assist customers' foreign exchange needs during the restriction period. PPC also introduced an additional service where it palletised and shrink-wrapped products during the rainy season to ensure optimal quality.

Looking ahead, the customer value proposition focus areas for FY22 include:

Creating value-adding partnerships across the value chain to help achieve customers' visions

Technical support, along with a diverse and quality product range

Improving logistical solutions to enhance customer experience

Expansion of the product mix within identified areas to meet specific customer needs

CUSTOMER REVIEW

continued

RWANDA

At CIMERWA, PPC focuses on delighting the customer – this is core to the Value Creation Framework. The company seeks to be a leader in the industry and understand that it needs customers' loyalty and satisfaction to meet its goals.

PPC believes it made significant progress towards meeting customers' needs in FY21. The company specifically focused on:

- Rebranding the SURERANGE products
- Launching the SUREWALL masonry cement product
- Ensuring business continuity following a 50-day lockdown period

Furthermore, encouraged by the promise of Strengthening Rwanda, PPC improved its route-to-market strategies across all markets, including exports to the eastern DRC. To improve resource planning, the company migrated to SAP to integrate robust planning solutions across the business. PPC also continued to work towards the goal of entrenching a high-performance culture by consistently improving product quality and availability. The company is proud to be the key cement supplier to the Ministry of Education's classroom construction project.

PPC believes that on-time and efficient deliveries, creating customer synergies and strategic partnerships – along with excellent and practical technical support – will differentiate the business

DRC

Customers are at the heart of PPC's strategy, and the company aims to meet their needs while building strong and lasting relationships consistently. Despite the challenges of COVID-19, the company continued to strengthen relationships with customers due to its ability to deliver excellent services tailored to their needs. This is demonstrated by customer and volume retention rates, which remained above 70% for the year.

During the second quarter of FY21, PPC conducted a market survey to determine customer pain points and consumer behaviour. The results of the survey encouraged the company to enhance its customer service strategy, implementing initiatives to help increase brand preference and customise its offering. PPC also restructured the sales team to optimise customer experience. These initiatives enabled the company to sustain premium prices amid a challenging economic environment.

The company conducts market research to understand industry dynamics and position the business as a leader in the cement industry. PPC designed a robust route-to-market strategy across three defined sales regions, intending to:

- Meet the needs of customers in remote markets through a comprehensive logistics network
- Increase customer engagement by creating dedicated sales teams in each region
- Drive trade actions that bring PPC closer to end-users
- Reduce the response time for customer complaints

More than the above, value-added offerings included:

- Prompt technical solutions for customers
- Providing mobile payment facilities through M-Pesa
- Securing bank credit for retailers
- Diversifying customer revenue

and support the journey of becoming an industry leader. Looking ahead, the customer value proposition focus areas for FY22 include:

Building an extensive distribution network that serves both the domestic and export markets

Integrating technical solutions with the diverse product offering

Creating value-adding partnerships across the value chain to help customers achieve their visions

Improving and leveraging technologies to enhance customer experience

- Deploying more than four silos on customer sites
- Increasing the cement warehouse footprint across regions
- Providing a dedicated bulk transport facility for construction projects
- Introducing a loyalty programme rewarding customers for their continued support

Looking ahead, the customer value proposition focus areas for FY22 include:

A comprehensive logistics offering

Technical support along with a diverse and quality product range

Excellent after-sales service and point of sale interventions

Business development support

PARTNERING TO BUILD SUSTAINABLE BUSINESSES SUPPORTING ENTREPRENEURS

Keletshabile Maswabi dreamt of owning a business that would provide quality building materials to his community in Lobatse, 70km from Gaborone. His vision was to support his community members and empower them to improve their quality of life.

Keletshabile faced many obstacles as he pursued his dream – specifically, he struggled to obtain the necessary funding. After knocking on many doors, Keletshabile approached PPC Botswana – and was amazed at the reception he received. PPC Botswana's sales team contributed significantly to the growth of his business. The team provide specially designed mixes for cement and aggregates that enabled Keletshabile's business – Kelyn Mass – to diversify its product range in response to the needs of the market. Ultimately, PPC's support allowed Keletshabile's business to grow and prosper.

The relationship between PPC and Kelyn Mass keeps going from strength to strength – truly demonstrating that #togetherwearestronger.

EMPOWERING LOCAL BUSINESSES

Rapha Shammah Hardware is a successful hardware store in Kopong, founded and operated by Tebogo Chifani, a Motswana female entrepreneur. Facing many obstacles while building her business, Tebogo is an inspiration to other women in the Kopong and surrounding villages.

PPC became a trusted partner in Rapha Shammah Hardware early on. The company assisted the business with technical support and marketing-related services, creating a competitive advantage for the hardware store. By providing quality and local building materials to Rapha Shammah and, in turn, the Kopong community, PPC has demonstrated its commitment to investing in and creating sustainable small businesses, ultimately empowering communities.

GLOSSARY

Abbreviations

ACI	African, Coloured and Indian
AELs	Atmospheric emission licences
AFR	Alternative fuels and resource
BEE	Black economic empowerment
COP	Code of Practice
CSI	Corporate social investment
CTA	South Africa's Carbon Tax Act 15 of 2019
DMRE	Department of Mineral Resources and Energy
DRC	The Democratic Republic of the Congo
dtic	Department of Trade, Industry and Competition
EAP	Economically active population
EE	Employment equity
EMA	Environmental Management Agency (in Zimbabwe)
EMPRs	Environmental management plan reviews
EMS	Environmental management system
EnMS	Energy management system
ESP	Electrostatic precipitator
ESSR	Environmental and social supplementary report
EVP	Employee value proposition
EXCO	Group executive committee
FFR	Fatality frequency rate
FY20	Financial year ended 31 March 2020
FY21	Financial year ended 31 March 2021
FY22	Financial year ended 31 March 2022
GHG	Greenhouse gas
group/company	PPC Ltd
HR	Human resources
IFC	International Finance Corporation

Inland Cement Blending	Previously Safika
IOS	International Organization for Standardization
IR	Integrated report
LTI	Lost-time injury
LTIFR	Lost-time injury frequency rate
MES	Minimum emission standards
NEMA	National Environmental Management Act 107 of 1998
NOx	Nitrogen oxide
PM	Particulate matter
POPI	Protection of personal information
PPA	Power purchase agreement
PPE	Personal protective equipment
PV	Photovoltaic
RCB	Rwanda Certification Body
REMA	Rwanda Environment Management Authority
SAGERS	South African Greenhouse Gas Emission Reporting System
SETCO	Social, ethics and transformation committee
SMMEs	Small, medium and micro-sized enterprises
SO₂	Sulphur dioxide
STI	Short-term incentive
TCFD	Task Force on Climate-related Financial Disclosures
TJ	Terajoules
WULs	Water use licences



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