INTEGRATED REPORT 2023

DRIVING PERFORMANCE TO SUSTAIN OUR PURPOSE

2023 CONTENTS

REPORTING SCOPE AND BOUNDARY

This integrated report (IR) details the financial and non-financial information for the year ended 31 March 2023 (FY23), including significant events after year-end and up to board approval on 21 July 2023. PPC's report provides concise material information on its operational performance (page 44) against the strategic focus areas of the Value Creation Framework (page 15), stakeholder relationships (page 23), governance practices (page 91) and material risks and opportunities (page 31). PPC's disclosures include the financial and non-financial performance of the following segments of the group:

- The cement business segments, comprising cement manufacturing plants, milling facilities and sales depots located in South Africa, Botswana, Zimbabwe and Rwanda
- The materials business segment, comprising readymix concrete, aggregates and fly ash plants across South Africa

PPC's audit, risk and compliance committee (ARCC) report on pages 98 to 100 provides annual internal assurance relating to the assurance plan's execution.

PPC used the GRI Standards as a reference guide for the FY23 reporting period.

Integrated reporting boundary IR* A, B, C, D and F	Financial reporting boundary Annual financial statements (AFS) B, C, D and E
Notice of the FY23 annual general meeting (AGM) B, C and D	FY23 King IV application register A

Legend

A Integrated Reporting Framework
B King IV Report on Corporate Governance™ for South Africa, 2016 (King IV**)
C Johannesburg Stock Exchange (JSE) Listings Requirements
D The Companies Act 71 of 2008, as amended (Companies Act)
E International Financial Reporting Standards (IFRS)
F Global Reporting Initiative (GRI) Standards

For detailed information on PPC's operational performance, refer to pages 44 to 53.

For comprehensive information on PPC's human capital, environmental and social performance, refer to pages 54 to 84.

** Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

Find PPC's reporting suite at **www.ppc.africa**

ABOUT THIS REPORT

PPC's IR provides a holistic yet concise view of the group's operations in four countries across sub-Saharan Africa.

While the report is aimed at shareholders and lenders, it includes information that will interest all stakeholders. In this report, PPC explains how it creates, preserves or erodes value for stakeholders over the short-, medium- and long-term, and includes information on the company's human capital, environmental and social performance.

ABOUT THIS REPORT

BOARD APPROVAL

The PPC board, with support from the ARCC, acknowledges its responsibility in ensuring the integrity of this report and that it fairly details PPC's FY23 performance.

The board is satisfied that this IR complies in all material aspects with the Integrated Reporting Framework and is confident that the report is an accurate account of all the material issues and core strategic commitments, risks and opportunities of the group, presented in a balanced and fair manner.

The board unanimously approved the FY23 IR on 21 July 2023. It will be presented to shareholders at the AGM on 6 September 2023.

DIRECTOR Title	Signature
Phillip Jabulani (Jabu) Moleketi Independent chairman	
Roland van Wijnen Chief executive officer	
Brenda Berlin Chief financial officer	
Kunyalala Maphisa Independent non-executive director (NED)	
Noluvuyo (Nono) Mkhondo Independent non-executive director	
Nonkululeko Gobodo Independent non-executive director	
Daniel Luke Smith Independent non-executive director	
Bjarne Hansen Independent non-executive director	
Charles Naude Independent non-executive director	
Mark Richard Thompson Independent non-executive director	

THE SIX CAPITALS

Social and relationship capital | Human capital | Intellectual capital | Manufactured capital | Financial capital | Natural capital

VALUE CREATION FRAMEWORK

Governance and compliance | Engaged people | Process excellence | Financial Performance | Delighted customers | Purpose and CSR

STAKEHOLDERS

Providers of capital and insurers (including investors, shareholders and banks) | Government and regulators | Suppliers and local business | Employees and labour unions | Customers | Industry associations, media, communities, NGOs and others

PPC'S PURPOSE

TO EMPOWER PEOPLE TO EXPERIENCE A BETTER QUALITY OF LIFE.

REPORT NAVIGATION

The following navigation icons appear throughout this IR for ease of reference:

Refers to related information in the IR.

Refers to additional information available on PPC's website at www.ppc.africa

STAKEHOLDER FEEDBACK

PPC appreciates your feedback on its FY23 integrated annual report. Please contact the group company secretary with any comments on this IR:

Kevin Ross
kevin.ross@ppc.co.za
+27(11) 386 9585

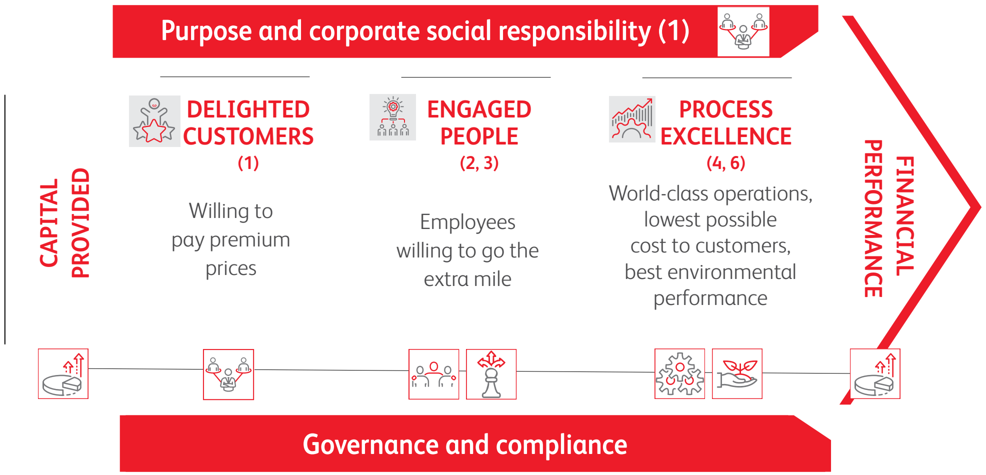
ABOUT THIS REPORT continued

PPC's Value Creation Framework describes integrated thinking as detailed in the Integrated Reporting Framework's six capitals, and depicts how the company creates value for stakeholders over time.

PPC has embraced integrated thinking internally, and it guides the business in creating a sustainable organisation.

INTEGRATED THINKING

PPC uses the six capitals to drive its integrated thinking to guide the company in creating value across the business for all stakeholders. The Value Creation Framework demonstrates the importance of value creation throughout the organisation – investors provide financial capital and PPC aims to provide suitable returns. The company does so by ensuring customers are delighted, employees remain safe and engaged through excellent processes, and PPC's communities and regulators are satisfied.



For more information on PPC's material risks, refer to pages 31 to 37.

1	**Social and relationship capital**	As a responsible corporate citizen, PPC partners with customers, communities, suppliers and other stakeholders in dynamic and responsive relationships.
2	**Human capital**	PPC realises its purpose by empowering its people through a safe and healthy, engaging, rewarding and meaningful working environment.
3	**Intellectual capital**	Innovation is critical to delivering quality products and affordable services, and PPC consistently seeks to improve its product offering.
4	**Manufactured capital**	Efficient management, optimisation and maintenance of PPC's assets (plants, factories and quarries) ensure stability and growth.
5	**Financial capital**	PPC manages its shareholders' investments in the business with diligent capital allocation and a drive to create value for all stakeholders.
6	**Natural capital**	PPC's commitment to operating a sustainable business includes environmental impact management. PPC reduces its carbon footprint through various environmental initiatives, such as air quality management and water and land use.

MATERIALITY

Material risks are top-of-mind issues that could substantially impact the group's ability to create value. PPC's materiality determination process is an essential step in establishing the company's approach to creating sustainable value for stakeholders. The group's senior leaders and management identify material risks by assessing the challenges, risks and opportunities facing the company.

PPC sources inputs and considerations of these issues from:

- Group and divisional strategies
- A group-wide risk assessment
- External and internal outlook

The ARCC assesses and approves the material risks and recommends them to the board for approval. The material risks are frequently evaluated to ensure PPC's strategy remains relevant in an evolving operating environment.

Effective management of the risks most material to PPC's business is essential to sustain the value created for stakeholders. The content of this IR examines those issues that could substantively impact value creation over time.

CHAPTER 1

CHAIRMAN'S REPORT

While the past year presented challenges throughout our regions, we remain resilient. We see many opportunities for our business and believe that our trajectory remains strong with a multi-skilled and passionate workforce.

Jabu Moleketi
Chairman
21 July 2023

OPERATING ENVIRONMENT

A persistent environment of low economic growth in our main South African market confronts us. The failure of major infrastructure programmes to materialise, and reduced investment in a low-growth and uncertain economy have resulted in depressed demand. The issue of imports remains unchanged from the previous year, compounding the situation – as does an environment of geopolitical uncertainty.

Given the challenges in our external environment, we need to manage efficiencies and margins across our value chains – from raw materials to our consumers. To ensure the efficiency of our equipment, we focus on human capital, training to maximise the efficiency of our production and continuous service and maintenance.

South Africa was particularly affected by macro-economic and structural factors and we saw Rwanda and Zimbabwe perform well in comparison. We are acutely aware of South Africa's underperformance and need to ensure efficiencies and cost structures are managed to increase shareholder benefit and value.

This difficult environment likewise confronts our peers and competitors and we must remain alert to our markets, produce relevant products for those markets and price them correctly.

OUR PEOPLE

We are proud of our safety performance and decrease in injuries over the year. However, even a single injury is one too many and we continue to create and maintain an environment in which safety risks are closely managed and mitigated.

PPC does well in supporting communities near its operations and entrenching its enterprise development initiatives. In Rwanda and Zimbabwe, particularly, we supported the establishment of enterprises that have proven sustainable beyond our involvement. Our end goal is to create long-term economic activity that extends beyond the lifespan of our operations.

Jabali, our human capital framework, is an essential component of our work to build an environment that is supportive and conducive to high performance, in which excellence is expected and performance appropriately awarded. The ethical underpinnings of our culture are supported by our anonymous whistleblower reporting platform, education and training, and by ensuring an ethical culture is embedded from the top.

Building an organisation that meets the needs of the future means we must create an adaptable workforce capable of learning and remaining productive in the face of new technologies and processes, without constraints on their performance. The mining industry has long been male dominated and I would like to see that change more quickly. We are managing this area closely, ensuring we create an environment where women feel safe and empowered.

GOVERNANCE AND LEADERSHIP

I am confident that PPC's governance is well-led. Over the past few years, we have paid attention to any gaps in board skills and today we have a competent, technically skilled board that is diverse in terms of gender, race, knowledge and experience. We ensure that the board operates effectively and complies with the Companies Act, King IV and JSE Listings Requirements.

CHAIRMAN'S REPORT continued

Our board maintains a professional relationship with executives – prioritising mutual respect and thorough scrutiny in advancing our shared goals – and effectively manages engagement with our broad base of stakeholders.

We maintain oversight and governance focus through our committees, ensuring we do business most efficiently. The board focuses on understanding, interrogating and following up on implementing our strategy, ensuring that this does not become a box-ticking exercise.

The social and ethics committee oversees aspects of PPC's human capital, including equal remuneration for work of equal worth and legacy gaps in race and gender, which requires our continuous focus. The reward and talent committee (RTC) oversees remuneration structures and incentivises executives and manages appropriately. Incentives are structured in a way that encourages accountability and performance and are rigorously aligned to KPIs.

We continuously look at our bench strength and succession planning of executives and the board. We were pleased to have Daniel Smith join us as a non-executive director (NED) and member of the strategy and investment committee (S&IC), effective 1 October 2022.

ENGAGEMENT WITH GOVERNMENT AND REGULATORS

We engage openly with the governments of the countries we operate in, cooperate with compliance inspections by various inspectors and adhere to laws and regulations. We advocate for an all-encompassing approach to imports, including tariffs, to protect local manufacturing capacity – especially in our South Africa market – in a way that enables local construction industries to access quality products that are appropriately priced.

DECARBONISATION

We know that investors and regulators pay close attention to our sustainability goals. We are high users of energy mainly derived from coal-based sources of electricity; we are dust emitters, and we operate quarries that require rehabilitation.

Effective management of environmental matters depends on a deep understanding of sustainability, particularly our sustainability-related goals within our operating environment. Every member of our workforce must understand that sustainability issues are an endeavour to leave a legacy for coming generations.

We are progressing well against our environmental, social and governance (ESG) commitments, with the view that this is a journey we will be on for many years. It is increasingly clear that, in the face of climate change, we must find a common purpose to build a sustainable way of life and future for our children. Our decarbonisation journey is a necessary condition for effectively managing our relations in society, robust governance and sustainability. To do this, we align with international standards and demonstrate our progress on our decarbonisation journey – signalling to our industry and stakeholders that we are accountable for our commitments.

BOARD FOCUS AREAS IN FY24

We expect the operating environment to remain challenging and will continue to focus on being an efficient and cost-effective producer of quality products. Our strategic objectives are clear, and we must ensure we are appropriately structured with the right mix of products to achieve our objectives. Decarbonisation will continue to receive our committed attention.

APPRECIATION

I think it is appropriate to extend my particular appreciation to Brenda Berlin, our chief financial officer (CFO), who oversaw our efforts to significantly strengthen our finance department, enabling the members of our ARCC to perform their primary role of rigorous oversight.

I would like to thank my fellow directors for their continued support and guidance and to extend my appreciation to all our employees for their ability to ensure that PPC remains a robust and key player in all the markets in which we operate.

The board is nearing the completion of selecting an appropriate successor for Roland, our chief executive officer (CEO), whose contract has been extended to 31 December 2023. We highly value his contribution to restoring organisational stability and driving the strategy forward over his tenure. Moreover, to him and the executive team, who have made great progress in embedding a purpose-led and performance-driven culture.

CEO'S REPORT

In a year marked by external challenges, including sharply rising energy costs, our business remains sound – as does our performance concerning those factors under our direct control.

Roland van Wijnen
Chief executive officer
21 July 2023

Our investment case is sound and we continue to focus on driving performance, generating returns in excess of our cost of capital and maintaining a leadership position in all markets in which we operate. I believe PPC is well-positioned to take advantage of growth in demand.

REFLECTING ON FY23

With our deleveraging substantially complete and our legacy issues behind us, FY23 was the first year in my tenure that we could look beyond the restructuring of the business and focus on our core southern African market to improve cash generation and overall equipment efficiency (OEE). At the same time, we were able to make progress against our medium-term goals of prudent capital allocation, accelerating decarbonisation and exploring new low-carbon revenue streams.

Reducing our usage of traditional energy sources, such as coal, is driven by our increasing use of alternative fuels and our reduction of the energy intensity of our products. These activities and our broader decarbonisation plans require foresight regarding how we train and upskill our workforce to ensure we can take advantage of any opportunities we identify.

Highlights over the year included CIMERWA's inaugural delivery of dividends in March 2023, the resilient performance of our Zimbabwean operations, the entrenchment of our Jabali culture philosophy and a good safety performance.

GROUP PERFORMANCE

Our South African investments' returns are not optimised at current margins. However, we saw sound cash flow outside of South Africa, and our operations in Rwanda and Zimbabwe are independent in terms of funding.

Group revenue for the 12 months ended 31 March 2023 remained flat at R9 902 million (2022: R9 882 million).

Group earnings before interest, tax, depreciation and amortisation (EBITDA) decreased by 9% to R1 358 million (2022: R1 493 million) with an EBITDA margin of 13,7% (2022: 15,1%).

Cash generated from continuing operations before working capital changes decreased by 10% to R1 370 million (2022: R1 516 million), while cash generated from continuing operations decreased by 25% to R1 096 million (2022: R1 454 million).

Cement sales volumes remained under pressure in the South African and Botswana markets, declining 5,8% compared to the prior year. CIMERWA saw a 1% increase, in line with expectations given the planned kiln shutdown in November 2022 and PPC Zimbabwe's volumes were 16% down despite robust cement demand from concrete product manufacturers and government-funded infrastructure projects.

SOUTH AFRICA AND BOTSWANA

South Africa remains the largest proportion of our overall operations. It continues to be affected by the significant headwinds prevalent in the country, most notably, the lack of policy certainty and slow progress in the evolution of the policy environment, the poor performance of state-owned enterprises, load shedding and subdued growth.

Companies like ours – that make significant, long-term investments – require policy stability and conducive engagements with regulators. This is especially important in a dynamic environment and we had hoped for progress to materialise more quickly. We are aware of the many competing priorities facing South Africa and hope that the environment stabilises in the near future.

CEO'S REPORT continued

The dumping of substandard imported cement on South African shores remains a significant threat to employment prospects and the sector's sustainability.

Imports subsided slightly in FY23, but we expect this to be temporary and therefore continue to engage with the relevant authorities and lobby for the equitable application of import regulations. In the meantime, we have engaged the Gordon Institute of Business Science to assist us with a report investigating the socio-economic impact of imports.

The South African industry remains highly competitive, especially in inland regions. In addition to integrated cement producers, smaller operations buy and blend cement to produce their products. Unfortunately, we continue to see too many small operators taking shortcuts when it comes to quality. This is an issue that ultimately requires proper intervention from the regulator.

Volume and price challenges continue to prevail in South Africa. The inability to pass on the residual impact of rising input costs, even after mitigation through cost containment actions, caused a margin squeeze that set us back compared to FY22. While price increases were implemented, these were lower than required to maintain EBITDA margin. Our goal is to maintain market share and take advantage of improving conditions when they arise.

ZIMBABWE

Zimbabwe remains a robust market. We took a relatively long operational stop to ensure our operations in the country are future-proof and improved from an environmental standpoint. The plant is now performing well from both an output and cost-per-tonne perspective.

We knew our EBITDA would be reduced due to this operational stoppage. We have since stepped up production and reclaimed market share, and we anticipate EBITDA to meet or exceed FY22 levels in FY24.

Dividends continue to be declared and paid biannually without challenges.

We maintain constructive engagements with the regulator in Zimbabwe, who sees the necessity of a strong local industry. We also engage with the government on the regulation of imports. Power stability and availability are growing concerns, and we are conversing with the electricity producer and government. The recent installation of new capacity will hopefully alleviate some of these issues.

RWANDA

Rwanda is a good market for us, and we have benefited from cost-reduction programmes and price increases, allowing us to maintain our margins in the face of rising costs. CIMERWA, PPC's subsidiary in Rwanda, was able to declare dividends following strong cash flow generation and the full utilisation of assessed tax losses and has ensured a return on invested capital that is greater than the cost of that capital.

STRATEGIC PRIORITIES

There were no material changes to our strategic priorities in FY23, and we continue to measure the success of our strategic implementation by assessing the return on invested capital relative to the cost of capital, our environmental impact and carbon intensity, and supporting an engaged workforce willing to go the extra mile. We constantly measure against those three objectives to ensure we remain on track.

We listen closely to our investors and capital providers and understand their concerns relating to the inability of the industry to pass on the impact of the energy costs we cannot mitigate through cost action. We observed a general margin squeeze across the industry, and our stakeholders are interested in our ability to protect our margins and stay cash generative.

They know that we stand to benefit more than others do in our industry when South Africa's macro-economic conditions improve, and appreciate our focus on value generation for shareholders, including share buybacks and dividends.

We are making good progress on the decarbonisation targets announced to the market in 2021. We expect to reach them by 2025 through initiatives related to clinker-factor reduction, electrical efficiency, renewables, thermal efficiency and alternative fuels, and OEE. We expect the impact of these efforts to be realised not just in terms of environmental benefits, but also value accretion.

We continue to drive a purpose-led, performance-driven workforce across the organisation, most recently through our Jabali culture framework, and we have seen a positive shift in how people in the company perceive our culture. We completed our external employee engagement survey, recording significant progress since the same survey was conducted three years ago.

Ours is a business in which local knowledge and strong leadership are imperative, and we are pleased with the depth and calibre of leadership across all jurisdictions. Succession planning is embedded at all levels of the company. It is the daily responsibility of line managers to support and develop the careers of our people. EXCO participates in talent review sessions twice a year, and the RTC reviews the board annually.

OUTLOOK

What sets us apart as a business is our people, their passion to help empower people to experience a better quality of life, and their capacity to deliver products that help build societies.

As an investment, we are unique in our ability to grow in conducive environments without making significant investments.

We aim to excel in the areas that we can directly control, exert influence on the aspects beyond our direct control, and not give excessive attention to matters entirely out of our control.

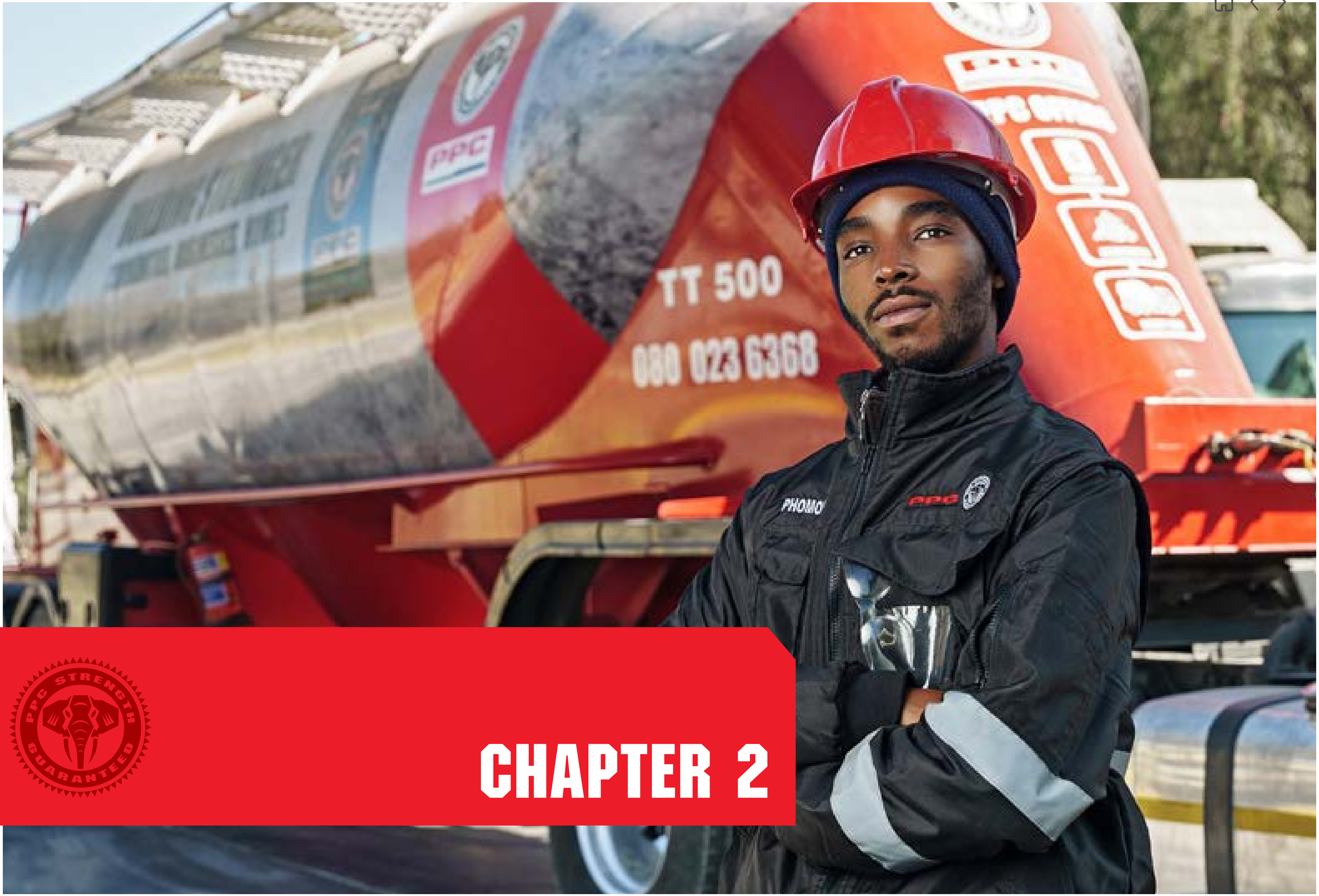
We will focus on cost reduction and see opportunities remaining in that regard. Our biannual price increase rhythm will continue as we aim to recover from the margin reduction we saw in FY23. We will continue to focus on cash generation and distributions to shareholders.

It is undeniably tough to do business in South Africa at the moment. Despite this, we remain a proudly South African company. We believe in the country's potential and will continue to maintain a productive focus. As one of the few companies with readily available additional capacity, we expect to benefit from South Africa's upswing as and when it comes.

APPRECIATION

Our year in terms of safety statistics was one of the best in our history. I am grateful to everyone in the organisation for keeping risk management at the centre of their work. Let us keep that focus and aim to improve even further in the years to come.

I also appreciate our partners in finding innovative solutions, our customers for their faith in our brand, and our employees, executive team and board who continue to make PPC successful.



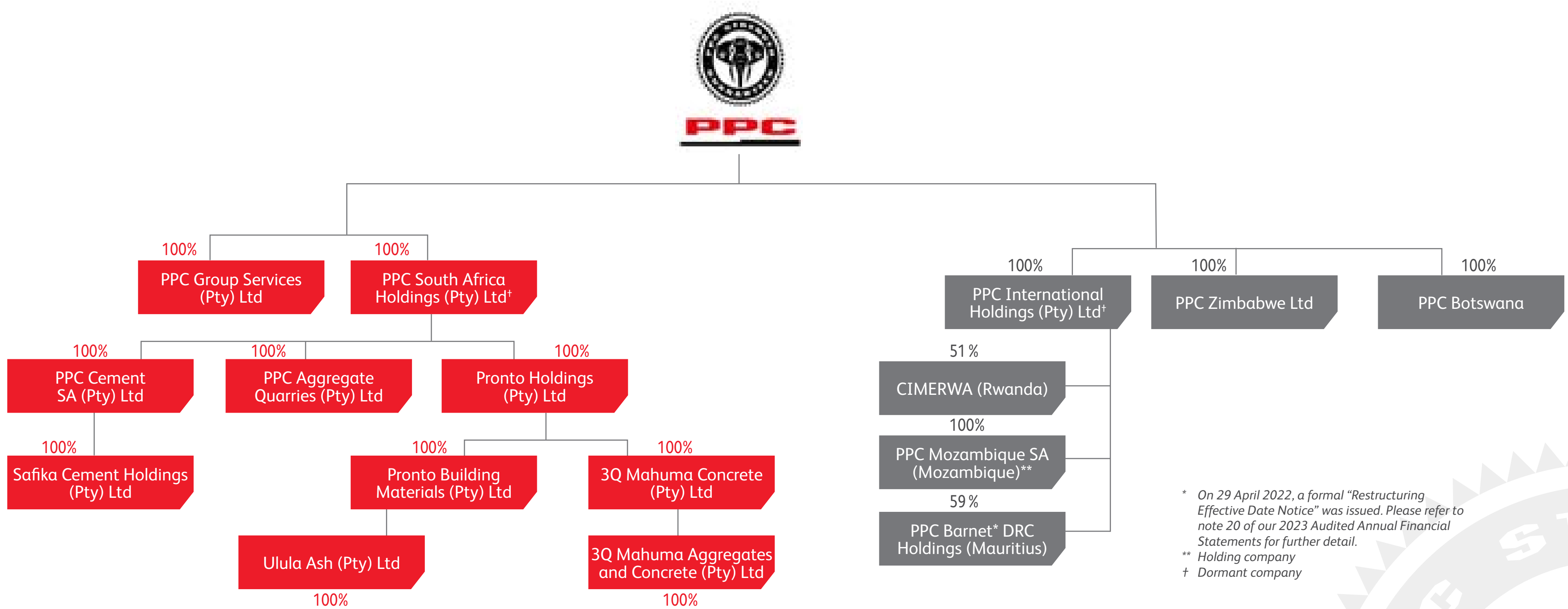
CHAPTER 2

PPC AT A GLANCE

COMPANY LEGAL STRUCTURE

PPC began its journey as South Africa's first cement manufacturer over 130 years ago. PPC has remained resilient, and over time expanded its footprint to four countries across sub-Saharan Africa.

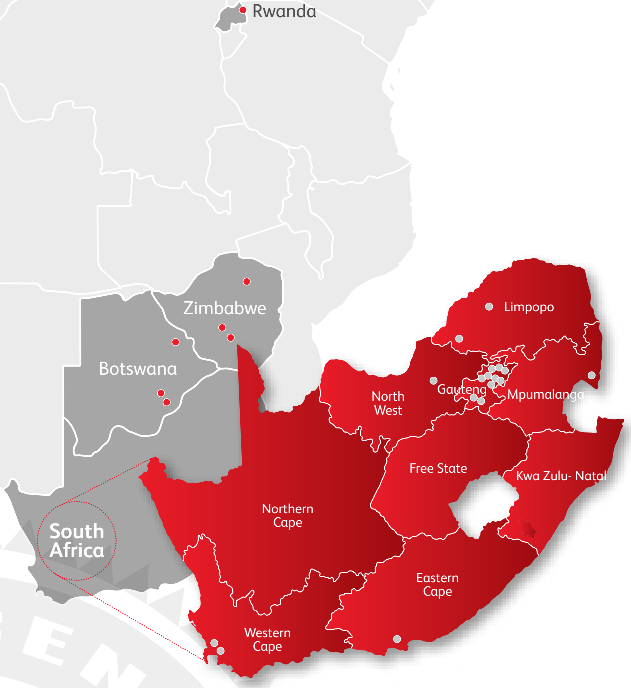
PPC provides quality cement, aggregates, premixes, readymix concrete, slag and fly ash.

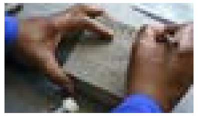
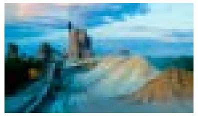


* On 29 April 2022, a formal "Restructuring Effective Date Notice" was issued. Please refer to note 20 of our 2023 Audited Annual Financial Statements for further detail.
** Holding company
† Dormant company

PPC'S FOOTPRINT

As a leading supplier of materials and solutions in the essential services sector, PPC's well-developed portfolio remains responsive to shifting economic, operational and political environments.



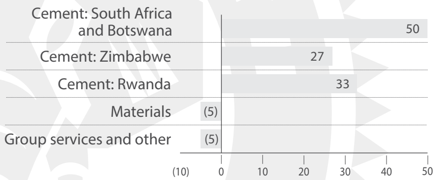



	Employees[1]	Population[2]	Urban population growth (annual %) (2020)[3]	Projected real GDP (%) (2022)[4]	Cement consumption per capita (kg)[5]
SOUTH AFRICA					
> **Managing Director (MD):** Njombo Lekula > **Head (Inland):** Bheki Mthembu > **Head (Materials):** Dave Miles > **Head (Coastal):** Johan Vorster	1 840*	61,51 million	1,7 %	0,1 %	245
BOTSWANA					
> **Head (Botswana):** Tuelo Botlhole	36	2,5 million	2,6 %	3,7 %	287
ZIMBABWE					
> **MD:** Kelibone Masiyane	403*	15,5 million	2,2 %	2,5 %	89
RWANDA					
> **CEO**:** James Onyango Odour	304	13,9 million	3,1 %	6,2 %	57

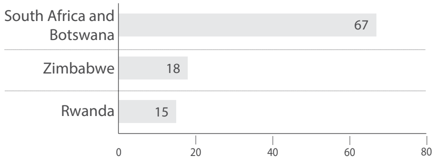
(1) Includes employees employed by Pronto, 3Q and Ulula Ash.
(2) Source: www.worldometers.info (United Nations data) as at 11 May 2023.
(3) Source: The World Bank.
(4) Source: IMF World Economic Outlook Database, April 2023.
(5) Source: The Global Cement Report – 14th edition.
** Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*
*** Albert Sigei's term as CEO ended on 1 October 2022. James Onyango Oduor was appointed as director and CEO of CIMERWA on 30 November 2022.*

Refer to manufactured capital on pages 44 to 53 for a detailed operational review.

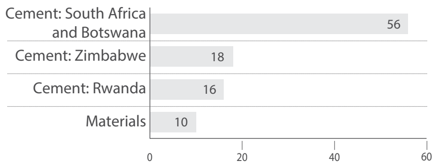
Contribution to group EBITDA by segment (%) – continuing operations



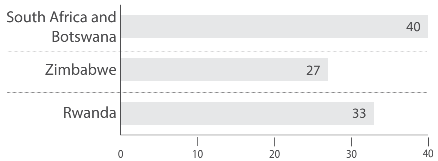
Contribution to group revenue by region (%) – continuing operations



Contribution to group revenue by segment (%) – continuing operations



Contribution to group EBITDA by region (%) – continuing operations



ALIGNMENT WITH THE UNITED NATIONS

SUSTAINABLE DEVELOPMENT GOALS

PPC's purpose to empower people to experience a better quality of life directs its approach to driving socio-economic development initiatives. The company builds mutually beneficial relationships with social partners, operating a sustainable business that creates value for stakeholders.

The United Nations (UN) Sustainable Development Goals (SDGs) are 17 goals that provide a shared blueprint for global peace and prosperity. These were adopted by all UN member states in 2015. The goals are an urgent call for action to help end poverty and reduce inequality, improve health and education and spur economic growth, while working to combat climate change.

PPC's footprint across southern Africa provides a platform to contribute to the SDGs it aligns with, creating long-term impact and participation in social, economic and environmental sustainability and development. The company empowers communities with social investment, promotes health and safety, and security, and adds value to affected stakeholders. PPC's ESG strategy aligns with its purpose and the following SDGs have been achieved through the honoured corporate social investment (CSI) commitments:

SUSTAINABLE DEVELOPMENT
LINK BETWEEN PPC FOCUS AREAS AND 17 UN SDGS

CSI Pillar	UN SDGs	PPC progress
1 Education and skills development*	**Goal 1: No poverty** End poverty in all its forms everywhere **Goal 2: Zero hunger** End hunger, achieve food security and improved nutrition and promote sustainable agriculture **Goal 4: Quality education** Ensure inclusive and equitable quality education and promote lifelong opportunities for all	**Goal 1: No poverty** • PPC is committed to ending all forms of poverty through corporate social initiatives spend, focusing on providing support in education and skills development, enterprise development, infrastructure development, environmental protection and primary healthcare to the most vulnerable in the society **Goal 2: Zero hunger** • PPC facilitates the implementation of school-based feeding schemes and sustainable agricultural solutions in communities, helping to ensure sustainable food production systems and limit exposure to food insecurity **Goal 4: Quality education** • PPC ensures inclusive and equitable quality education is received by all through programmes; for example, the Sure Academy facilitates a bursary programme affording students a tertiary education • Through the provision of support in the form of teacher stipends, the erection of science and computer labs, and general infrastructure improvements, PPC strives to improve the learning experience of students and provide effective learning environments • The youth employment service (YES) programme equips youth with the necessary skills, knowledge and experience required to promote sustainable development in the workplace

* *These represent the focus areas deemed relevant and strategic towards socio-economic development in areas where PPC operates as per the CSI policy.*

ALIGNMENT WITH THE UNITED NATIONS continued

SUSTAINABLE DEVELOPMENT GOALS continued

CSI Pillar	UN SDGs	PPC progress
2 **Enterprise development***	**Goal 5: Gender equality** Achieve gender equality and empower all women and girls **Goal 8: Decent work and economic growth** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all **Goal 10: Reduce inequalities** Reduce inequality within and among countries	**Goal 5: Gender equality** • PPC affords the same opportunities to all, irrespective of sex or other status, ensures full and equal leadership opportunities at all levels, and encourages participation in decision-making • By actively monitoring fair and responsible remuneration, PPC is committed to providing equal pay for equal work **Goal 8: Decent work and economic growth** • PPC builds its people's skills with programmes from, among others, the Sure Academy, which promotes leadership development and provides functional and technical skills • PPC facilitates training for brickmakers and provides tools of trade. It also provides training and training and equipment for sewing, and initiates of farming and agricultural projects **Goal 10: Reduce inequalities** • PPC affords the same opportunities to all irrespective of sex, disability, race, ethnicity, origin, religion or economic or other status, and is committed to contributing towards the achievement of equitable demographic representation of our workforce profile and increasing diversity in the company

CSI Pillar	UN SDGs	PPC progress
3 **Infrastructure development***	**Goal 9: Industry, innovation and infrastructure** Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation **Goal 11: Sustainable cities and communities** Make cities and human settlements inclusive, safe, resilient and sustainable	**Goal 9: Industry, innovation and infrastructure** • PPC demonstrates this by building schools and sporting facilities that provide quality, reliable, and resilient infrastructure to support human well-being and provide equitable access for all • PPC promotes the integration of small-scale enterprises into the value chain by supporting the sewing businesses implemented across the business, and the agricultural economies being created through farming solutions **Goal 11: Sustainable cities and communities** • PPC contributed to the rebuilding of communities that were left vulnerable due to the KwaZulu-Natal (KZN) floods, and provided materials to build adequate and safe housing for those in need • PPC's commitment to its decarbonisation strategy will see improvement in air quality and municipal and other waste management with planned initiatives that will reduce its impact

* *These represent the focus areas deemed relevant and strategic towards socio-economic development in areas where PPC operates as per the CSI policy.*

ALIGNMENT WITH THE UNITED NATIONS continued

SUSTAINABLE DEVELOPMENT GOALS continued

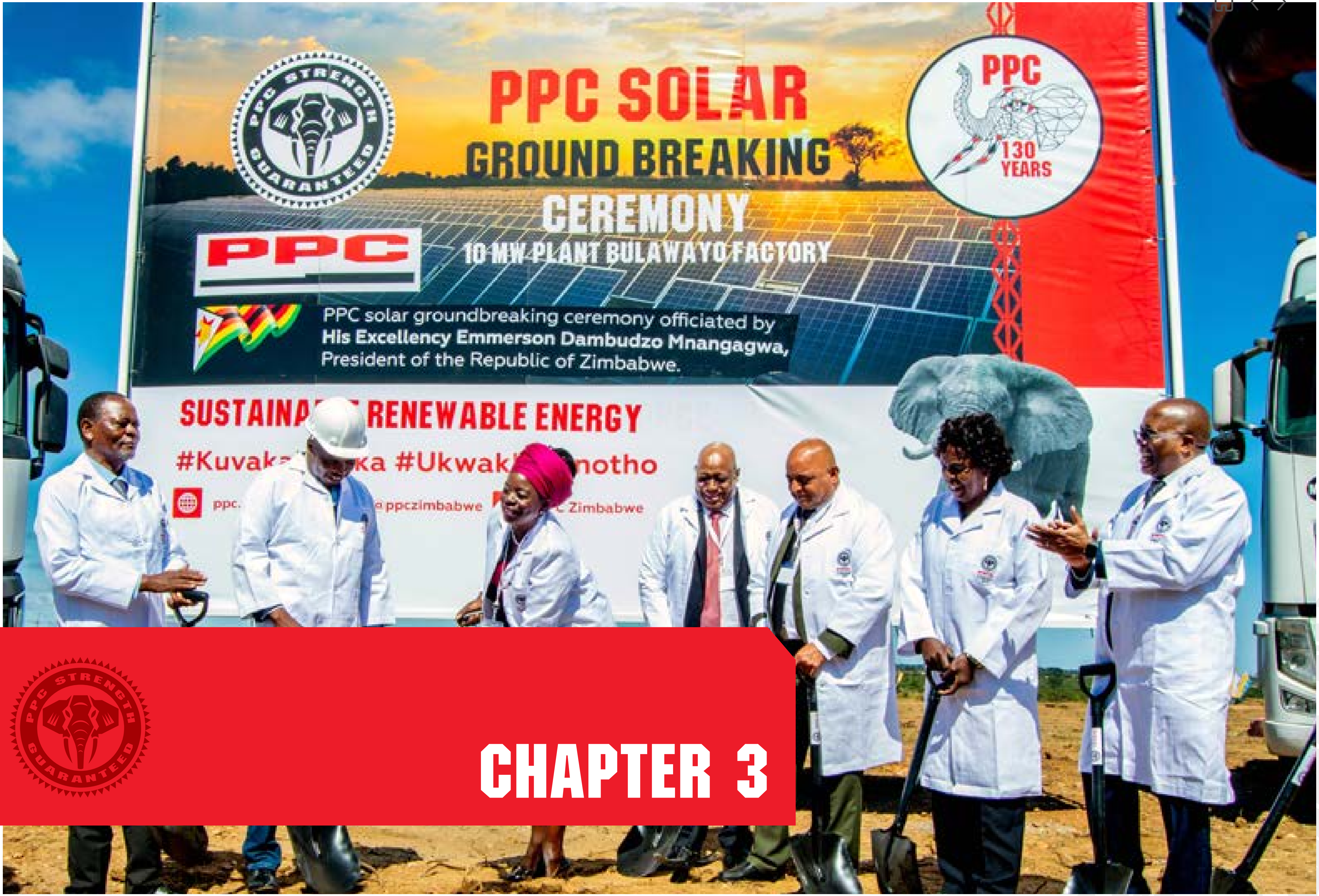
CSI Pillar	UN SDGs	PPC progress
4 Environmental protection*	**Goal 7: Affordable and clean energy** Ensure access to affordable, reliable, sustainable and modern energy for all **Goal 12: Responsible consumption and production** Ensure sustainable consumption and production patterns **Goal 13: Climate action** Take urgent action to combat climate change and its impacts **Goal 15: Life on land** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	**Goal 7: Affordable and clean energy** • PPC's installation of renewable energy-generating infrastructure at its various operations highlights its commitment to promoting and utilising affordable and clean energy • PPC facilitated building and equipping solar-powered science and computer labs in vulnerable communities **Goal 12: Responsible consumption and production** • PPC facilitated the initiation of farming and agricultural projects in communities • PPC's commitment to its decarbonisation strategy will see improvement in the waste recycling rate, consumption of natural resources and effective management of its carbon footprint with planned initiatives to reduce its impact **Goal 13: Climate action** • PPC remains committed to achieving its decarbonisation strategy. The planned initiatives will see it curb its impact on the climate **Goal 15: Life on land** • PPC's decarbonisation strategy will enable the company to improve its conservation efforts and promote sustainable biodiversity • The group's support for waste management initiatives in communities ensures that urgent and significant action to reduce the degradation of natural habitats is achieved
5 Primary Healthcare*	**Goal 3: Good health and well-being** Ensure healthy lives and promote well-being for all at all ages **Goal 6: Clean water and sanitation** Ensure availability and sustainable management of water and sanitation for all	**Goal 3: Good health and well-being** • PPC's provision of access to basic medical treatment and services for vulnerable communities, and necessities to old age homes aims to promote well-being for all ages • Constant monitoring of and education on the various epidemic statistics in the workforce improves prevention and management through strengthened awareness **Goal 6: Clean water and sanitation** • PPC provides sanitary facilities and the installs water tanks at schools, orphanages and communities, encouraging access to safe water and sanitation services for all • In line with its decarbonisation strategy, PPC constantly seeks ways to improve its water resource management initiatives across the business

* *These represent the focus areas deemed relevant and strategic towards socio-economic development in areas where PPC operates as per the CSI policy.*

ALIGNMENT WITH THE UNITED NATIONS continued

SUSTAINABLE DEVELOPMENT GOALS continued

CSI Pillar	UN SDGs	PPC progress
6 Other 17 PARTNERSHIPS FOR THE GOALS	**Goal 17: Partnerships for the goals** Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development	**Goal 17: Partnerships for the goals:** • PPC sustains partnerships with Time Out with GC, Cape TV, DSTV Channel 263, the Temba Bavuma Foundation and Food and Plan Organisation to achieve various goals within various communities • PPC's partnership with the World Cement Association (WCA) allows for effective engagement regarding decarbonisation progress with numerous cement industries in developed countries


PPC SOLAR
GROUND BREAKING
CEREMONY
10 MW PLANT BULAWAYO FACTORY
PPC
130 YEARS
PPC solar groundbreaking ceremony officiated by
His Excellency Emmerson Dambudzo Mnangagwa,
President of the Republic of Zimbabwe.

CHAPTER 3

PPC'S VALUE CREATION FRAMEWORK

VALUE CREATION

PPC's Value Creation Framework embeds integrated thinking to drive sustainable value creation for all its stakeholders. PPC's purpose of empowering people to experience a better quality of life is shaped by its business model, which is guided by the elements of the framework.

Additional areas that shape PPC's Value Creation Framework include stakeholders' expectations, material risks and opportunities to the business, and the external environment in which PPC operates. As a representation of the integrated nature of the group's inputs, business activities, outputs and outcomes, the framework aims to describe the requirements and processes that result in PPC's success and sustainability.

PPC'S VALUE CREATION FRAMEWORK continued

VALUE CREATION continued

PPC aligns its Value Creation Framework with the six capitals, representing key inputs that create value in the short, medium and long term. PPC's outcomes result from its business activities and are linked to the company's key performance indicator (KPI) within the Value Creation Framework.

INPUTS

SOCIAL AND RELATIONSHIP CAPITAL
- PPC's reputation and brand
- Customer and supplier experience
- Engagements with stakeholders

HUMAN CAPITAL
- Skills development
- Leadership
- Performance-driven workforce
- Transformation

INTELLECTUAL CAPITAL
- Technology for cement and materials production
- Innovation driving operational efficiencies, reduced costs and logistics optimisation

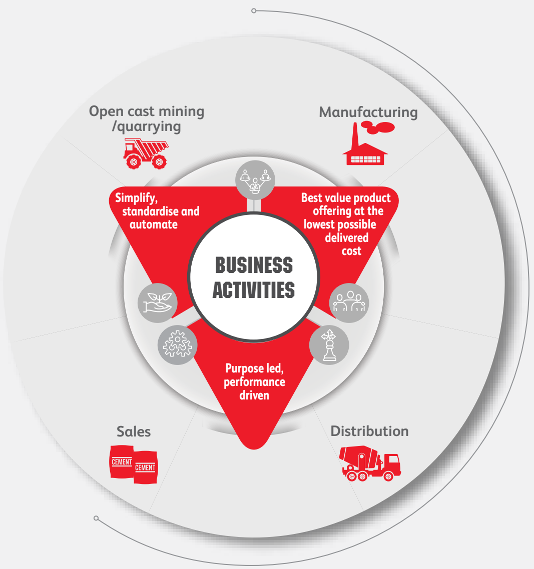
MANUFACTURED CAPITAL
- Property, plant and equipment
- Production capacity
- Quality products and services
- Capital expenditure

FINANCIAL CAPITAL
- Funding facilities and investors
- International and domestic capital markets
- Finance institutions

NATURAL CAPITAL
- Water
- Air
- Land
- Biodiversity
- Waste

BUSINESS ACTIVITIES

PPC's value chain describes the business activities that create its outputs. The business activities and the related processes within them are guided by the following principles:
- Purpose-led, performance-driven
- Simplify, standardise, automate
- Best value product offering at the lowest possible delivered cost



OUTPUTS

PPC'S VALUE CREATION FRAMEWORK continued

OUTCOMES

Relationships/customers		Performance	FY23	FY22
Number of customer complaints	KPI	↑	877	482
Spending on socio-economic development (Rm)#	KPI	↓	5,3	6,1
BEE level	KPI	–	Level 2*	Level 2*
Procurement from preferential suppliers (Rbn)	KPI	↓	2,6	3,8

* Based on FY22 Annual Financial Statements.
\# Based on South Africa and Botswana.

Purpose and corporate social responsibility		Performance	FY23	FY22
Number of fatalities**	KPI	–	0	0
Number of lost-time injuries (LTIs)**	KPI	↓	5	12
Lost-time injury frequency rate (LTIFR)**	KPI	↓	0,09	0,19
Water intensity (m^3/tonne of cement)	KPI	↓	0,35	0,35
Quantity of waste to generated (tonnes)	KPI	↓	7 288	7 987
Land rehabilitated per site to targeted plan %	KPI	↑	95,3	94,9

** Limited assurance – refer to the independent limited assurance report on pages 128 to 129.

KPI The key performance indicators linked to PPC's Value Creation Framework.

Financial performance		Performance	FY23	FY22
EBITDA (Rbn)	KPI	↓	1,4	1,5
Capital expenditure (Capex) (Rm)	KPI	↓	433	571
Cash generated from operations (Rbn)	KPI	↓	1,1	1,5
Net working capital as a % of revenue	KPI	↑	10%	9 %
Group debt (Rbn)		↓	1,2	1,6
Gross debt/EBITDA ratio		↓	0,88	1,06
Cash interest paid (Rm)		↓	172	240
Basic earnings per share (EPS) (cents)		↓	(16)	(5)
Headline earnings per share (HEPS) (cents)		↓	(8)	(3)

Governance and compliance		Performance	FY23	FY22
Rates and taxes paid to governments (Rm) – continuing operations	KPI	↑	31	29

Process excellence		Performance	FY23	FY22
Cement (kt)	KPI	↓	5 038	5 747
Aggregates (kt)	KPI	↓	1 501	2 055
Readymix (m^3)	KPI	↑	617	583
Fly ash (kt)	KPI	↓	497	604

People		Performance	FY23	FY22
Salaries, wages and other benefits paid to employees (Rbn) (continuing operations)		↑	1,5	1,3
Employee engagement (%)		↑	81,2	77,5
Women representation (%)	KPI	↑	25,2	24,5
Employee turnover (%)	KPI	↓	10,3	15,1

TRADE OFFS

- To finalise the tying in and commissioning of the baghouse project to ultimately reduce emissions, Colleen Bawn in Zimbabwe experienced a necessary operational shutdown for 55 days which negatively affected the sales volumes
- In Botswana, the business restructure resulted in lay-offs to improve production and operational efficiencies
- In Zimbabwe, essential costs such as marketing were deferred to curtail expenditure to reduce overheads
- In South Africa, Inland had to optimise costs and counter prevailing market conditions by reducing reliance on stand-by kilns at all mega sites to consolidate volumes at the remaining facilities

PPC's strategic focus areas are driven by its Value Creation Framework. The group creates value by adhering to PPC's guiding principles and by being purpose led and performance driven to provide the best value product offering to customers.

The Value Creation Framework guides PPC's process in setting objectives, determining business risks and opportunities and measuring progress. The company's strategic objectives focus on material issues that will affect the group's ability to create value in the short, medium and long term. The strategy is an evolving process that is continually reviewed and amended.

In FY23, PPC focused on driving efficiencies. The group was set back due to the inflation in the cost of energy but will continue with prudent capital allocation and asset and cost optimisation. The group intends to focus its financial and human capital on southern Africa to increase operational efficiencies to mitigate rising input costs, reduce the carbon intensity of existing cement products and identify opportunities for accelerated growth through additional "low/no-carbon" revenue streams.

In FY24, PPC will focus on:

- **Asset and cost optimisation**
- **Prudent capital allocation**
- **Talent development and management**
- **Driving efficiencies**
- **Reducing clinker factor and carbon emissions**
- **Identification of new low carbon revenue areas**
- **Succession planning**
- **Transformation**

STRATEGIC AMBITION

To be a leading southern African cementitious player that is selectively active in related businesses.

PPC has built a solid foundation on these three pillars, which remain its short to medium-term priorities:

- Being return on investment capital (ROIC) positive
- Becoming a leader in minimising environmental impact in southern Africa
- Being recognised for attracting, retaining and developing top talent

Guiding principles

- Purpose-led, performance-driven
- Simplify, standardise and automate
- Cash and value generation
- Best value product offering at the lowest possible delivered cost

In the medium- to long-term:

PPC will concentrate on:

Innovation and technology

Why is this important

Factors motivating cement manufacturers to transform the way they do business include stricter regulations, declining demand and changes in the broader construction industry, accelerated digitalisation and the need for decarbonisation.

Swiftly adopting technology and digitalisation is essential to reduce operating costs and create a higher asset value through increased energy efficiency, yield and throughput.

PPC must remain agile and performance-focused, with a distributed workforce, a hybrid working model where relevant, and purposeful reskilling and upskilling to create engaged employees.

Digitalisation and innovation are key to helping PPC achieve its objectives. Innovative production and business solutions driven by transformation initiatives and enhanced integrated systems and processes will enable PPC to meet these objectives.

How PPC will achieve its targets

- Build integrated operating and business models
- Foster innovation
- Build on integrated systems and processes
- Simplify, standardise and automate

Related material risks

4 Climate change and the need to reduce the group's environmental impact

6 Ability to effectively utilise access to process and product innovation

Link to Value Creation Framework

Governance and compliance

Process excellence

Engaged people

Financial performance

PPC will concentrate on:

New horizons

Why is this important

The cement industry is responsible for 8% carbon dioxide (CO_2) of global emissions, driving increased pressure from governments and stakeholders for stricter directives around carbon regulation.

PPC has not yet received substantial pressure from stakeholders and investors but has pre-emptively stated an ambition to achieve net-zero emissions by 2050. PPC believes its forward-looking approach to achieving net-zero emissions will place it ahead of its industry peers in facing climate change challenges.

The CO_2 challenges facing the cement industry are significant. Within sub-Saharan Africa, the industry's decarbonisation efforts are inhibited by the lack of viable emission reduction options and standards, testing and track records of new products.

Country-specific construction methods and codes bind PPC's efforts to achieve net zero.

Despite challenges, the company will continue to evaluate its strategy, be agile in its responses to changing circumstances and collaborate with stakeholders to create an enabling environment. PPC will take a leadership role in using waste as a fuel source and draw on its experience in balancing environmental, social and financial elements to ensure its future sustainability.

How PPC will achieve its targets

- Work with regulators to create an enabling environment
- Move forward concentrating on sustainability and climate change-related issues
- Consider new low-carbon revenue streams

Related material risks

4 Climate change and the need to reduce the group's environmental impact

6 Ability to effectively utilise access to process and product innovation

8 Consider new low-carbon revenue streams

Link to Value Creation Framework

Purpose and Corporate social responsibility (CSR)

Governance and compliance

Delighted customers

Engaged people

Financial performance

In the medium- to long-term:

PPC will concentrate on:

Growth

Why is this important

Growth, strategy and stakeholder value are interconnected. PPC strives to create and maintain value for its stakeholders, and leverages its partnerships with key stakeholders to learn and grow. Strategic partnerships drive growth and profitability, and partners provide access to technology, learning and expertise.

How PPC will achieve its targets

- Strategic partnerships and alliances
- Strategic acquisitions
- Improve operational performance

Related material risks

2 Overcapacity in South Africa

3 Low demand in South Africa due to slow economic growth

5 Talent management and development

6 Ability to effectively utilise access to process and product innovation

8 Credibility to external stakeholders

Link to Value Creation Framework

Purpose and CSR

Delighted customers

Engaged people

Financial performance

PPC will concentrate on:

New products

Why is this important

An innovative culture fosters growth and efficiencies, builds resilient companies and creates opportunities.

PPC continues to find ways to understand and fulfil customers' expectations. New strategies and innovative ways of using existing products lead to time and money savings and give PPC a competitive edge.

PPC expects the demand for alternate building technologies across sub-Saharan Africa to increase as the cement industry continues to grow, reducing the need for clinker-based cementitious building materials. PPC will drive the innovation of cement-alternative building practices and is exploring how to combine traditional African building methods with emerging global methodologies.

How PPC will achieve its targets

- Invest in research and development
- Adapt international innovation to the African context
- Investigate alternative building technologies
- Find innovative ways to use existing products

Related material risks

1 Substandard cement quality in the South African market

2 Overcapacity in South Africa

3 Low demand in South Africa due to slow economic growth

4 Climate change and the need to reduce the group's environmental impact

6 Ability to effectively utilise access to process and product innovation

8 Credibility to external stakeholders

Link to Value Creation Framework

Governance and compliance

Delighted customers

Engaged people

Process excellence

Financial performance

EXTERNAL ENVIRONMENT

PPC monitors changing factors that impact the business over time in terms of four broad themes that cover influential trends.

	CONTEXT AND TRENDS	HOW PPC IS RESPONDING
Regulatory environment	As a multinational organisation, PPC must comply with complex and varied legislation in different countries. PPC is also directly impacted by evolving regulations as part of the cement industry, which significantly contributes to CO_2 and other emissions. This includes carbon tax, introduced by the South African government in June 2019 to mitigate the effects of climate change, at an increasing rate.	PPC complies with all regulatory requirements in the countries it operates in. The company monitors changes to relevant legislation to identify potential material impacts and engages directly or indirectly with regulatory bodies, contributing to shaping its regulatory landscape. PPC recently petitioned the South African government to reconsider the planned withdrawal of carbon tax allowances unless border tax control is instituted to avoid destabilising the cement industry, and encouraged the authorities to ensure that carbon tax is used to accelerate decarbonisation. PPC continually enhances its compliance training and monitoring processes, and frequently reviews the robustness of its policies and procedures.
Economic conditions	Dollar-denominated debt service payments increased when the US dollar exchange rate reached a 20-year high in 2022, and interest payments doubled for the average sub-Saharan African country over the past decade.[1] South Africa faces the additional impacts of climate change on food production, technological disruption affecting job creation, a growing youth population, supply chain disruptions due to “global fracturing” (alliances with either the US or China) and domestic social instability.[2] [1] *IMF's sub-Saharan Africa Regional Economic Outlook The Big Funding Squeeze.* [2] *South Africa Economic Outlook 2023 (pwc.co.za).*	Despite challenging conditions across markets, PPC continues to mitigate the impact of input cost inflation by enhancing its financial resilience with internal efficiencies and price structures that enable the company to remain competitive while supporting local suppliers. In South Africa, where government stipulates minimum percentages for local production and content, the group contributes to ensuring economic sustainability for the cement industry.

EXTERNAL ENVIRONMENT continued

	CONTEXT AND TRENDS	HOW PPC IS RESPONDING
Social landscape	Sub-Saharan African government debt and double-digit inflation is at unprecedented levels, negatively impacting household purchasing power as the cost of living continues to increase.[3] Confined by higher borrowing costs in international and domestic markets due to global monetary policy tightening and market access constraints since 2022, sub-Saharan African countries are unable to respond appropriately with vital services (healthcare, education and infrastructure).[4] In South Africa, although employment increased in 2022, the outlook for job creation is conservative as a result of "gross domestic product (GDP) shedding" – a term to describe the loss in economic activity due to ongoing power cuts, which is heightening social issues and related business risk. Supply chain disruptions continue to increase the cost of household goods while consumer spending decreases as the buying power of salaried workers declines due to lower take-home pay and higher inflation.[5] Positively, consumers are willing to pay higher-than-average prices for products that promote ESG considerations.[6] [3] *IMF's sub-Saharan Africa Regional Economic Outlook The Big Funding Squeeze.* [4] *IMF's sub-Saharan Africa Regional Economic Outlook The Big Funding Squeeze.* [5] *South Africa Economic Outlook – March 2023 I Press release (pwc.co.za).* [6] *South Africa Economic Outlook – March 2023 I Press release (pwc.co.za).*	PPC upholds ESG principles and complies with related legislation while initiating partnerships with governments and communities through its group-wide CSR programme and social and labour plan projects in South Africa. The social and labour plan projects comply with the South African Mining Charter to maintain PPC's social licence to operate. In other regions, the company has a similar approach to socio-economic development to improve quality of life with education, health and wellness initiatives, job creation and youth development in host communities.
Decarbonisation	Globally, the public and private sectors have prioritised decarbonisation to address climate change. Governments have introduced green taxes and incentives to help businesses achieve ESG goals. In South Africa, where investment in renewable energy is crucial to solve the country's energy crisis, the government has introduced tax incentives for companies and homes to invest in renewable energy generation.[7] [7] *Budget 2023 and green incentives I Press release (pwc.co.za).*	Guided by a Greenhouse gas (GHG)-reduction strategy, PPC's decarbonisation committee coordinates climate change-related risk mitigation and opportunities to achieve internal targets and help create low-carbon cement markets. PPC's MD of Industrial and Innovation oversees the company's decarbonisation journey, keeping abreast of climate change research and developments, including engagements with authorities about evolving legislation through global and local cement industry bodies.

STAKEHOLDER MANAGEMENT

PPC aims to create and deliver value for stakeholders who enable the company to sustain its purpose.

STAKEHOLDER RELATIONSHIP QUALITY

Stakeholder management is an integral part of decision-making and accountability, helping the company to understand and respond to stakeholders' needs and concerns. It also ensures effective governance across the group. Through regular consultations with stakeholders, management can make informed decisions that build confidence in the PPC brand and embed the company's commitment to its Strength Beyond promise.

STAKEHOLDER MANAGEMENT FRAMEWORK

In FY23, PPC continued standardising its stakeholder management framework across the business at country and executive committee (EXCO) levels, clearly defining stakeholder maps and appropriate plans. An assessment of stakeholder engagement plans for the year was undertaken, with the result that, although the group meets with stakeholders as planned, it should invest more time in ensuring positive outcomes. Focus areas for the year – to ensure deliberate, focused and coordinated approaches to stakeholder engagements – were successful, with engagements leading to the implementation of various strategic initiatives.

ISOMETRIX®

Isometrix®, a stakeholder management tool embedded in the group, facilitates quarterly reporting of engagement outcomes and related actions – using dashboards and analytics – to the social, ethics and transformation committee (SETCO). Stakeholders are continuously mapped and categorised according to their interests, influence and support, enabling PPC to define key messaging as well as engagement frequency and methods to effectively implement strategic initiatives.

Ongoing efforts include continual assessment of stakeholder engagements based on influence, interest and support, and stakeholder category; and improvements to Isometrix®, dashboards and analytics for greater transparency. Enhancements and system updates enable PPC to meet reporting requirements, track actions and manage planned versus conducted engagements to reduce related risk.

For more information on PPC's financial performance, refer to the CFO's review on pages 39 to 41.

Providers of capital and insurers (including investors, shareholders and banks)

Capitals impacted

Why these stakeholders are important to PPC

PPC's shareholders and lenders expect sustainable returns on their investments over the long term, in excess of the cost of capital. To remain a credible and worthy investment, PPC must ensure strong leadership to deliver sustainable financial results.

How PPC creates value for these stakeholders

Delivering on set targets and financial KPIs, including:
- EBITDA and EBITDA margin
- Cash generated from operations
- Net working capital as a percentage of revenue
- Group debt
- Gross debt/EBITDA ratio
- Cash interest paid
- ROIC

Specific actions in FY23

- Consolidated and restructured the business to align with anticipated market conditions
- Implemented a new route-to-market pricing strategy
- Optimised operations to reduce operating costs and to prepare for an expected increase in demand for products
- Regularly communicated with stakeholders to keep them informed of business performance

STAKEHOLDER MANAGEMENT continued

Government and regulators

Capitals impacted

Why these stakeholders are important to PPC

PPC closely monitors policy and regulatory developments, directly submitting comments and opinions through relevant industry bodies. The strength of PPC's relationships with government and regulatory bodies is critical to its sustainability.

How PPC creates value for these stakeholders

Delivering on CSR, governance and compliance KPIs by:

- Executing community development plans
- Protecting the safety of PPC's people
- Reducing carbon, dust, nitrogen oxide (NO_x) and sulphur oxide (SO_x) emissions
- Reducing waste
- Reducing water consumption
- Executing mine rehabilitation plans
- Receiving zero regulatory penalties
- Monitoring the execution rate of identified improvement actions

Specific actions in FY23

- Continued to lobby government on tariffs on cement imports to support classification of locally produced cement as a designated product and review customs tariffs on imported materials, including coal, gypsum and woven polypropylene bags, to support local industries
- Maintained our environmental, social and governance transparency score in the construction materials and equipment sector
- Solidified our approach to developing suppliers in host communities
- PPC is determined to defend the cement industry and its strategic position within the broader economic context of South Africa, and to prevent the destruction of value in the cement industry through regular and consistent dialogues with the relevant government bodies
- PPC continues to enhance its compliance training processes, to align with international best practice guideline
- PPC has focused on its carbon footprint strategy to ensure that operations reduce its emissions in line with the plan
- No non-compliance with environmental, social, and economic regulations*
- PPC Zimbabwe engaged with the Minister of Energy and the Zimbabwe Electricity Supply Authority regarding the solar implementation

More information on PPC's environmental performance during the year is detailed on pages 68 to 80.

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

Suppliers and local business

Capitals impacted

Why these stakeholders are important to PPC

PPC nurtures its relationships with suppliers to ensure efficient procurement processes that produce the best possible outcomes for both parties.

How PPC creates value for these stakeholders

Engaging with suppliers to ensure compliance with the group's transformation agenda and to strive for mutually beneficial relationships.

Specific actions in FY23

- Ensured timely payment of suppliers
- Continued to ensure contractor safety through additional on-site training
- Each region developed its own vetted and preferred supplier list, taking into account regulatory requirements (such as broad-based black economic empowerment (BBBEE))
- In Rwanda, CIMERWA held its annual suppliers' day to engage with and thank suppliers
- CIMERWA developed a standard terms and conditions policy for contracting with suppliers

More information on how PPC's operations performed during the year is detailed on pages 44 to 53.

Employees and labour unions

Capitals impacted

Why these stakeholders are important to PPC

PPC's employees drive its strategy and achieve its objectives. PPC's workforce must be safe and healthy, diverse, competitive, skilled and motivated to create and deliver stakeholder value.

How PPC creates value for these stakeholders

- Cultivating a culture of zero harm
- Ensuring skills development
- Offering fair, performance-based rewards and benefits
- Implementing culture change initiatives
- Conducting employee engagement surveys and implementing outcomes-based actions
- Ongoing developmental initiatives

Specific actions in FY23

- Protected the health and safety of all staff and implemented COVID-19 mitigation measures to continue keeping the workforce safe
- Frequently engaged with unions in the various regions in which PPC operates
- Monthly staff engagements through town hall sessions
- Held the virtual annual culture celebration week across all sites
- Introduced the human resources (HR) roundtable initiative to adopt a collaborative approach to human capital strategic priorities
- Initiated a quality in leadership initiative to enhance the culture of leadership in the business
- CIMERWA designed gender-based HR programmes to increase women representation to 30%

More information on how PPC's people performed during the year is detailed on pages 54 to 68.

Customers

Capitals impacted

Why these stakeholders are important to PPC

PPC's customers are vital to the sustainability of the business. PPC must provide value for money and innovative solutions while enhancing customer-centricity and process excellence. As customers' needs evolve, PPC aims to understand and meet these needs at every touchpoint.

How PPC creates value for these stakeholders

Anticipating customers' needs and delivering excellence by:

- Ensuring great customer experiences
- Offering consistent and quality products
- Providing innovative technical solutions
- Engaging with consumers on an ongoing basis
- Conducting customer satisfaction surveys
- Implementing branding interventions and strategic marketing initiatives
- Exploring new market segments

Specific actions in FY23

- From FY21, PPC partnered with customers to enhance value creation through the value chain – these customers are now fully operational and commercially structured
- Conducted a customer advocacy survey to ensure continuous assessment of customer needs and derive actions to address those needs

More information on how PPC's operations engaged with customers during the year is detailed on pages 44 to 53.

Industry associations, media, communities, NGOs and others

Capitals impacted

Why these stakeholders are important to PPC

The communities in the areas where PPC operates are critical to maintaining its social licence to operate. The company strives to preserve and strengthen these relationships. PPC aims to empower communities through varied and extensive CSI projects in consultation and cooperation with residents.
Through engagements with various associations and industry bodies, PPC collaborates in updating legislation and regulations that may affect the business.

How PPC creates value for these stakeholders

- Engaging with relevant associations and industry bodies
- Holistically approaching communities through monthly meetings and biannual engagement forums where applicable
- Participating in conferences, roundtable discussions and summits
- Regularly consulting with community representatives
- Implementing appropriate and relevant social and labour plans (SLPs)
- Partnering with communities and national and provincial government departments to implement CSI initiatives

Specific actions in FY23

- Conducted meetings with communities and local leadership
- Sponsored and participated in Mandela Day in South Africa and other significant days across the regions in which PPC operates
- Sponsored various continuing professional development events
- Provided regular business updates to the media and other stakeholders
- Sponsored local non-governmental organisation (NGO) activities
- PPC contributed to the Cement & Concrete SA (CCSA) and National Business Initiative (NBI) decarbonisation roadmaps for cement and heavy manufacturing in South Africa, and provided commentary on several proposed legislative initiatives
- CIMERWA continuously collaborated with professional associations to drive the skills agenda in Rwanda's cement industry

More information on how PPC's operations engaged with customers during the year is detailed on pages 27 to 30.

CUSTOMER REVIEW

PPC's customer-centric strategy is vital to the sustainability of the business. The Value Creation Framework ensures customers access, added value and innovative solutions. PPC's culture enhances customer focus by highlighting product quality and process excellence, translating to market growth and entrenching PPC as a market leader.

PPC's value proposition is tailored to meet customers' individual needs and rests on six pillars:

- Logistics services
- Point of sales interventions
- Technical support and fit-for-purpose, quality products
- After-sales service
- Business development support
- Loyalty rewards

CUSTOMER RELATIONSHIP ASSESSMENT

PPC can provide fit-for-purpose products and services by understanding customers' needs and expectations. PPC conducts a customer relationship assessment (CRA) every two years to determine customer requirements and concerns and measure brand performance against business objectives, while the Net Promoter Score (NPS) assessment to determine customer advocacy is conducted annually. Market-specific assessments identify gaps and propose solutions by monitoring, recording and resolving customer complaints and queries within 24 hours (depending on complexity). PPC also meets with customers in person, where relevant, to understand complaints and provide effective solutions.

Key evaluation areas in CRAs include:

- Delivery on the promise of customer excellence
- Understanding and meeting customers' needs
- Purchasing behaviour (including customers' propensity to buy, trial and repeat purchases)
- Analysing factors that drive lapsed customers

CRA FINDINGS IN FY23

OPERATION	FOCUS AREAS IN FY23	ACTIONS	FOCUS AREAS IN FY24
South Africa • CRA score unchanged at 81% as study is conducted biennially • NPS of 59%, affected by product quality challenges and the macro-environment (FY23 target: 75%) **Botswana** • 97% of customers retained year-on-year (churn rate: less than 3%)	• Continuing to seek innovative ways to improve processes, products and technologies to drive cost reduction • Reclassifying SURERANGE products to suit applications • Due to the subdued retail environment, the focus was redirected toward the industrial segment with: – Bulk offerings – Quality products and superior technical support services on large projects – including special mixes for wind farms – Strong business relationships with consistent and sustainable supply	• Provided counter staff training programmes and in-store activations in the retail space to create a top-of-mind brand of choice • Extended the SUREREWARDS consumer loyalty initiative • Increased product knowledge through on-site technical training and best practice for construction customers and training in cement types and classes for industrial customers	• Grow small, micro and medium enterprises (SMME) in the brick and block manufacturing sectors • Efficiency, cost controls, product innovation and the environment • Entrench the newly implemented customer relationship management system • Emphasise customer service, quality controls and overall customer-centricity • Diversify into complementary low-carbon business opportunities • Focus on decarbonisation and greener cement • Training and product knowledge workshops to equip contractors (small and medium-sized businesses) and end users • Partner with key stakeholders in CSI projects where they operate

CUSTOMER REVIEW continued

OPERATION	FOCUS AREAS IN FY23	ACTIONS	FOCUS AREAS IN FY24
Zimbabwe • CRA score decreased from 86% to 81% (FY23 target: 80%) due to product shortages and quality challenges • NPS of 68%, affected by product shortages (FY23 target: 70%) • 98% of customers retained year-on-year (churn rate: less than 2%)	• Main supplier to multiple national infrastructure projects (road, thermal power and dams) • Long-term and rewarding relationships with customers to ensure business sustainability • Customer engagements remained vital to establish a firm foundation for future growth while cultivating loyalty	• Daily virtual customer-focused sales and marketing meetings with plant and production managers, operations and supply chain departments to ensure alignment and consistent service delivery improvements • Business-focused discussions with customers to measure PPC's performance and consistently establish growth targets • Continued promoting online transactions as well as improving order turnaround times and service delivery • Sustained product supply for roads and other major projects	• Continue supplying national infrastructure projects until completion • Strengthen PPC's presence through consistent product supply • Deliver a superior cost solution to gain market share • Continue technical engagements to improve relationships • Provide technical support with a fit-for-purpose, diverse and quality product range • Improve logistics solutions to enhance customer experience • Monitor and improve bulk tanker turnaround times • Expand the product mix within identified areas to meet specific customer needs
Rwanda • CRA score improved from 72% to 81% (FY23 target: 80%) • NPS score of 51% affected by price perceptions (FY23 target: 75%) • 95% of customers retained year-on-year (churn rate: less than 5%)	• Accelerating the digitisation of commercial operations to improve productivity and enhance customer experience • Optimising prices to balance sales volumes and margins • Driving product innovation through new releases • Effectively managing the PPC brand to create a brand leader in the market • Driving sales in construction (a key strategic segment for future growth) • Building a strong and cohesive team	• Annual customer appreciation dinner with rewards for top sales performers and feedback on operations • Expanded product portfolio to include SUREWALL masonry cement in line with ambitions to offer application-based cement types to minimise material waste and maximise performance • Broadened the SURERANGE offering with SURECEM multi-purpose cement and SUREBUILD cement for large construction sites and concrete to meet the growing demand for bulk solutions • Began moving from a supplier of building materials to a provider of building solutions and services (bulk cement contributed 7% of total sales volume) • Developing other value-added products to meet changing customer needs (including ready-mix cement, tile adhesives and dry mortars and premixes)	• Achieve a CRA score above 85% • Enhance customer service with greater visibility of orders through digital applications • Expand construction offering with bulk cement solutions and technical advice • Offer support and solutions that enhance customer loyalty (such as credit solutions and reward programmes)

OUTLOOK

In FY24, PPC plans to continue strengthening stakeholder relationships through open, inclusive and transparent engagements with stakeholders to enhance working relationships and deliver on objectives and its Strength Beyond promise. Engagements, prioritised in terms of stakeholder maps, will strive to create shared value in line with PPC's purpose to empower people to experience a better quality of life. PPC envisages a deliberate, focused and coordinated approach to stakeholder engagement with further integration of stakeholder maps into the company's strategic planning and implementation processes.

PPC'S COMMITMENTS TO CUSTOMERS

- PPC goes the extra mile
- PPC provides excellent service and quality solutions
- PPC creates a consistently exceptional customer experience
- PPC is agile and responsive
- PPC puts itself in customers' shoes and anticipates their needs

PPC'S CORE CUSTOMER OBJECTIVES

- Delighted customers
- Deliver fast and effective building solutions
- Adopt and nurture a customer-focused mindset
- Improve customer loyalty

VALUE-ADDED OFFERINGS

More than 230 000 hours of quality control annually	Product support services	World-class laboratory facilities	On-time and efficient deliveries for better building project management
A mechanism to track orders, including SMS notification	Wider distribution network	Digital solutions for real-time access to information	Customer synergies and strategic partnerships
Thought leaders in all sectors	Technical support line	Intelligent concrete solutions	Digital transactional solutions to enhance customer experience

MATERIAL RISKS AND OPPORTUNITIES

PPC identifies, manages and responds to material risks and opportunities to protect and create value for stakeholders.

To ensure that the group is agile and responsive in the current volatile, uncertain, complex and ambiguous economic environments, PPC proactively identifies risks and opportunities and considers appropriate actions and timelines to assist the company in mitigating risks and capturing opportunities as they arise.

The board is ultimately responsible for establishing and maintaining an enterprise risk management framework and providing oversight over the risk management process of the business. PPC's group risk management policy and framework formalise management's responsibilities regarding risk management and details the processes to be followed when identifying and escalating key risks from an operational level to EXCO, ARCC and the board.

At an operational level, risks are identified during day-to-day activities, with mitigating actions instituted; alternatively, identified risks are escalated to the next management level based on impact and the levels of authority. Other significant risks are further escalated to the business unit or in-country management teams, EXCO, and the group's board of directors.

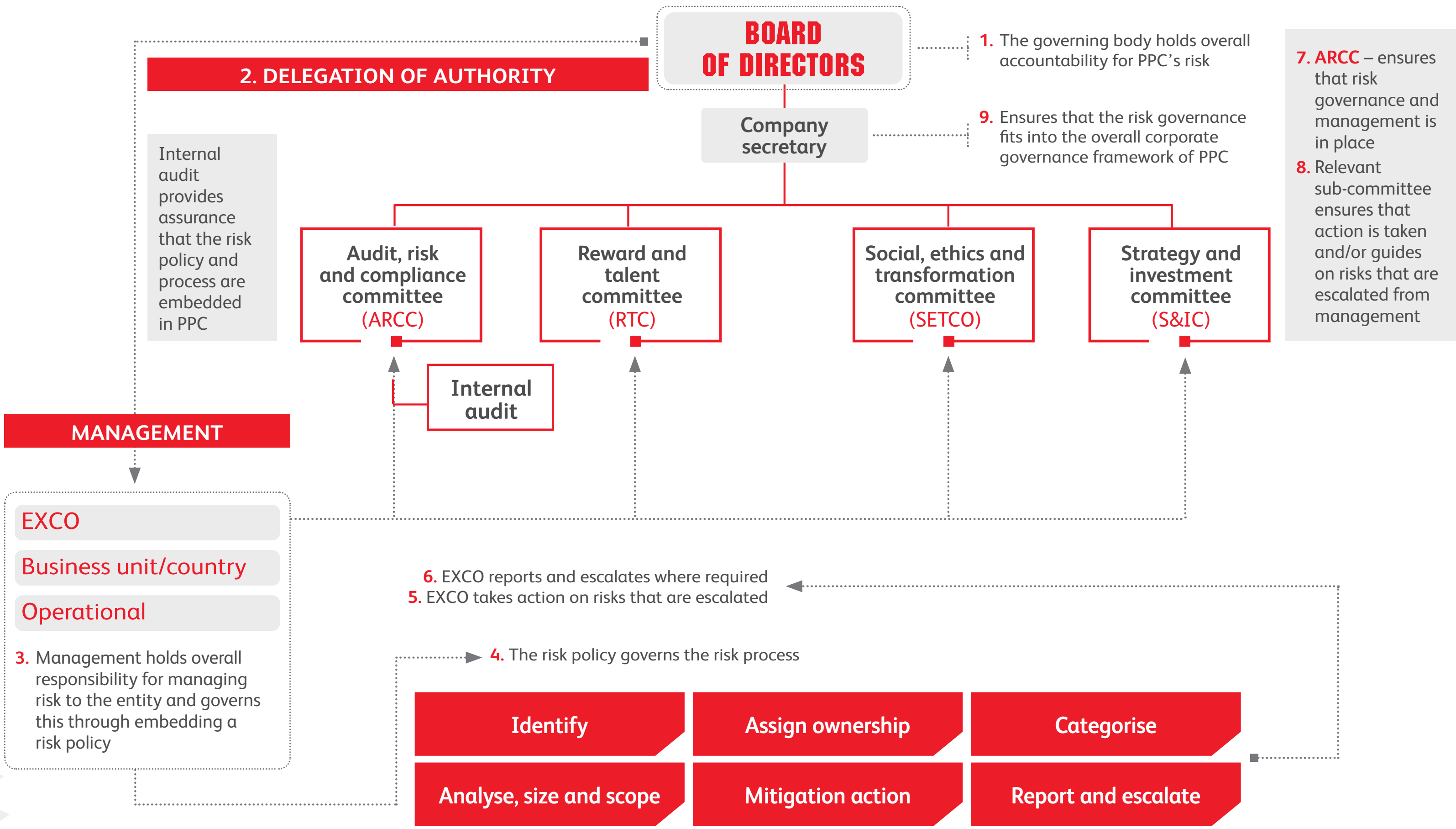
The top-down and bottom-up approach ensures all relevant risks are considered. Progress against mitigating actions is reported to EXCO quarterly by the relevant country or business unit management team. Risk management forms a key part of the group's combined assurance framework. With the constant increase in risk maturity and the evolution of risk management, PPC continues to maintain and improve its integrated risk management approach.

PPC's current combined assurance process uses a "four lines of assurance" model:

Board and subcommittees	Oversight of risk management across all frameworks
Fourth line: external assurance providers	Independent assurance on risks and controls related to financial and non-financial information communicated internally and externally, such as financial statements, social and environmental data
Third line: internal audit	Risk-based reviews and systematic testing of the effectiveness of risk mitigation measures
Second line: legal and compliance and risk management functions	Define and embed controls based on the agreed delegation of authority and defined policies, procedures and processes with a focus on consolidation of escalated risks and monitoring the implementation of defined actions
First line: line management	Identify, own, analyse, manage and escalate the risk

MATERIAL RISKS AND OPPORTUNITIES continued

RISK MANAGEMENT FRAMEWORK



MATERIAL RISKS AND OPPORTUNITIES continued

1 Substandard cement quality in the South African market FY22: 1

Why this is material

Cement is the primary material in concrete which is used to build infrastructure and is key to economic growth. Using substandard quality cement can negatively affect the sustainability of buildings and structures – leading to increased repair or maintenance costs, and injuries and fatalities due to structural failures or collapse.

Substandard products can undermine the public's confidence in using cement, as doing so could have negative impacts on the long-term built South African environment and infrastructure.[1]

While PPC adheres to all quality protocols, there are blended cement producers and importers of cement who do not apply the same level of quality control. These cheaper cement blends affect PPC's sales percentage in the retail market.

[1] *The real threat of using sub-standard cement – Concrete trends.*

How this played out in FY23

- PPC remains supportive of the Department of Trade, Industry and Competition (dtic) campaign encouraging consumers to "buy local". The company believes this message, along with mitigating measures to deter construction companies from using substandard cement, will assist the industry in curbing the use of such products
- PPC as a custodian of quality cement within the industry continued to independently test cement products available in the market through BETON-Labs, where results have shown that some products do not comply with minimum standards
- Further to the above, PPC continued to engage with the National Regulator for Compulsory Specifications and the South African Bureau of Standards (SABS) which is the certification body to act in their capacity as regulators

Our response

PPC continues with its initiatives to educate the public about the importance of cement quality and the potentially detrimental consequences of using substandard products.

The group realigned its focus to industrial sales to mitigate the effect of lower sales volumes due to competition from cheaper cement blends.

2 Overcapacity in South Africa* FY22: 2

Why this is material

Overcapacity is an ongoing challenge for the cement and construction industry, intensified by high levels of imports and a lack of government spending on infrastructure due to budget constraints. The industry can produce approximately 20 million tonnes of cement per year, while currently only producing 12 million tonnes.

Over the past year, input costs have increased significantly – particularly electricity and energy costs –as a result of increased load shedding and the considerable price increases of coal due to the increase in demand and exports from South Africa. The overcapacity is also aggravated by approximately 1m/t of cement imports per year.[2]

At the beginning of 2023, Cape Town mayor Geordin Hill-Lewis announced a R120 billion infrastructure development plan spanning the next 10 years, which should contribute to improving overcapacity challenges in Western Cape areas of South Africa over the longer term.

[2] *South Africa's cement and concrete industry facing multiple threats – YouTube.*

How this played out in FY23

- The classification of locally produced cement as a designated product by the South African government means the use of imported cement on government-funded projects is no longer permissible, allowing for growth in local producers' sales
- Unfortunately, Osho (an importer) in the Western Cape are exempted from the local content designation by the dtic
- An import tariff application was submitted to the International Trade Administration Commission by the CCSA in partnership with other industry players and producers and is underway
- The slow down of GDP and investment into infrastructure

Our response

PPC is committed to defending the cement industry and its strategic position within the broader economic context of South Africa.

PPC will continue to focus on cost reduction initiatives as low-cost producers are better positioned within the market.

* *Risks 2 and 3 were separated into singular risks (previously combined: overcapacity and slow economic growth in South Africa).*

MATERIAL RISKS AND OPPORTUNITIES continued

3 Low demand in South Africa due to slow economic growth* FY22: 2

Why this is material

South Africa is facing multiple crises, including energy, low economic growth and high inflation. The war in Ukraine has intensified South Africa's cost-of-living crisis, and the resultant high inflation has increased the cost of debt, affecting government, companies and individuals.

The cost-of-living crisis is the foremost risk noted in the World Economic Forum's Global Risks Report 2023; it is expected to escalate social vulnerabilities and erode future resilience.

The global risk landscape faces widespread and historically high levels of public and private sector debt and forecasts a low-growth and low-investment era.

How this played out in FY23

- The market contracted in FY23
- Consumers and retailers searched for better pricing and cheaper products
- New players in the market acquired capacity

For more information on PPC's environmental initiatives, refer to pages 68 to 80.

Our response

PPC mitigated these effects by ensuring operational efficiencies, managing expenses, finding alternative ways to manufacture cement for manufacturing efficiencies, and customer management and engagement – focusing on pricing discussions and market research.

4 Climate change and the need to reduce the group's environmental impact FY22: 3

Why this is material

The cement industry has a significant carbon footprint and is a major contributor to global warming and climate change.

An energy-intensive process, during cement production the processing of raw materials releases dust, noise and greenhouse gases.

How this played out in FY23

- In FY22 PPC participated in the government's consultative processes on climate change-related policies and measures
- There is increased pressure from stakeholder and investor groups to implement actions concerning climate change and environmental impact
- Organisations are expected to disclose their financial and environmental impacts comprehensively
- PPC published its first Taskforce on Climate-related Financial Disclosures (TCFD) report in November 2021 stating its commitment to reducing the company's carbon emissions
- Subsequently, PPC developed a decarbonisation steering committee to monitor action plans for reducing its carbon footprint and to guide the company in achieving its defined commitments
- PPC actively participates in several initiatives to expand its knowledge base and contribute towards the mitigation of the effects of climate change, including the Just Transition initiative and the King IV sub-committee on climate change

Our response

Through its decarbonisation strategy, PPC is focusing on reducing its CO_2 emissions, using energy efficiently and replacing fossil fuels with alternative fuels and resources (AFRs) wherever possible.

PPC aims to become a leader in the industry in minimising its environmental impact in the countries in which it operates, preparing the way for future projects and supporting research and development efforts to reduce clinker factors, CO_2 emissions and energy consumption.

MATERIAL RISKS AND OPPORTUNITIES continued

5 Talent management and development FY22: 4

Why this is material

PPC needs a highly motivated, skilled and productive workforce to execute its strategy. Talent and skills development cultivates a pipeline of talented and motivated individuals and helps position PPC on a global scale.

PPC intends to position itself as an employer of choice; however, this can be challenging due to its geographic locations, which are sometimes remote.

In addition, it is difficult to retain talent in the current market, so it is imperative that PPC's propositions are competitive.

How this played out in FY23

- PPC introduced a new talent and organisation development role whose responsibilities will include reviewing existing training and development programmes to identify improvements
- Identified solutions and partnerships for various areas of skills development, including technical and leadership skills
- Initiated governance and programme designs

Our response

Robust talent management, succession planning, and development plans will be embedded in the business.

A partnership with a reputable business school will initiate leadership development for tactical and strategic levels of leadership. Furthermore, a partnership with a first-line leader development training partner will assist with the development of our operational leaders.

The technical skills academy will focus on semi-skilled technical development.

A graduate development programme and a bursary programme has been implemented.

6 Ability to effectively utilise access to process and product innovation FY22: 5

Why this is material

PPC is well-positioned to take advantage of structural growth in infrastructure demand. Several large companies in the global cement industry have significant resources enabling them to focus on research and development, benefiting the entire industry.

PPC's partnerships and membership at the WCA allow it to access the latest trends and technologies, creating a space for the company as a "fast follower" in innovation and opening opportunities for improvement within the organisation.

How this played out in FY23

- PPC's participation in the WCA helps it benchmark against international cement producers. This helps PPC learn from others to improve important parameters such as electricity consumption
- PPC continued to participate in WCA workgroups, and through the association, networked with companies that offer solutions to reduce the carbon intensity of cement and provide low-carbon energy solutions
- PPC visited companies in the cement industry outside the African continent to increase its knowledge in various categories
- The company implemented product innovation roundtables to monitor and implement initiatives to improve innovation throughout the group

Our response

PPC's innovation strategy as a "fast follower" enables the group to remain updated on research and product innovations in the cement industry, and to find innovative ways to enhance its processes, products and technologies to assist in cost-reduction initiatives.

The group's decarbonisation strategy ensures that it is well-informed on the latest technological solutions relating to climate change and net-zero targets.

MATERIAL RISKS AND OPPORTUNITIES continued

7 Political instability and civil unrest
FY22: 6

Why this is material

As PPC operates mainly in sub-Saharan Africa, it is directly exposed to economic, political and social instability, foreign exchange volatility and civil unrest.

The group is affected by macro-economic challenges, including low unemployment levels, currency depreciation and energy shortages. These challenges place pressure on the economies of the countries the group operates in.

Political tensions may result in social unrest that affects PPC's operations and employees. Economic, social and political instability also potentially impact the group's operating environment, assets and business.

The group is also dependent on government infrastructure, and as a result, the continuous load shedding affects the volumes produced.

How this played out in FY23

- PPC faced significant challenges in terms of cost management and working expenses
- The current consequences and challenges in Europe have created spikes in energy, transportation and food costs
- The ongoing deterioration of Transnet Freight Rail led to more road volumes and higher costs, impacting the costs of production
- Strikes and protest actions further placed challenges on the business
- The implementation of load shedding by the utility supplier has mainly affected productivity as various plants within the business have had to reduce or halt operations

Our response

PPC has adequate emergency response and crisis management plans in place.

The group maintains transparent and ongoing communication lines with communities and trade unions.

PPC is intentional in building and maintaining relationships with local, provincial and national government and its affiliated networks.

Through proper planning, enhanced maintenance plans and installation of solar projects, the group manages the possible effects of political instability.

8 Credibility to external stakeholders
FY22: 8

Why this is material

PPC strives to ensure its trustworthiness to its stakeholders. In general, stakeholders increasingly expect transparency and clear action and for companies to meet their promises and obligations.

By delivering on its agreements with its stakeholders and meeting their expectations timeously, PPC creates value and meets its strategic objectives.

The group builds trust in the market by ensuring that lines of communication are open and by driving relationships with its customers.

How this played out in FY23

- PPC delivered on the commitments it made to its lenders during its restructuring and did not raise new capital from shareholders, which was a main objective at the start of the capital restructuring project
- PPC continued to strive to delight its customers, keep its employees safe and engaged and satisfy communities and regulators
- Through regular interactions and PPC's continuous drive to ensure that its governance process is improved, credibility for the organisation has improved and is maintained
- PPC has concluded customer relations assessments across the group and is currently formulating actions to improve credibility throughout the group

Our response

Delivering on PPC's commitments and achieving results ensures that the group maintains its credibility and relationships with stakeholders.

PPC has a robust strategy process, with three-year targets and KPIs focused on assessing and meeting stakeholder needs and expectations.

The group plans and monitors its engagements with stakeholders through a stakeholder engagement plan, and performs annual CRAs.

MATERIAL RISKS AND OPPORTUNITIES continued

9 Regulatory environment
FY22: 9

Why this is material

PPC is a multinational organisation and is responsible for complying with the different regulatory and legislative requirements of the regions in which it operates.

How this played out in FY23

- To keep abreast of any legislative changes, PPC continuously engages with regulatory authorities
- PPC developed a risk compliance matrix and mitigating action plans for all regions and assesses these annually
- PPC rolled out various regulatory compliance training programmes, including competition compliance training, protection of personal information policy compliance training and fraud awareness training
- Engagements with key government stakeholders across the group are recorded using Isometrix and related outcomes that have legal implications are closely monitored

Our response

PPC continues to enhance its compliance training processes, to align with international best practice guidelines. These actions will ensure PPC's continued compliance with country-specific regulations and legislation.

10 Internal process control framework
FY22: 7

Why this is material

PPC's internal control process control framework must inspire confidence in the group's ability to create value. Transparency in the risk process assures shareholders who entrust PPC with their capital on how the group manages risk.

These frameworks are embedded across the business.

How this played out in FY23

- PPC continued to focus on establishing a firm foundation for risk management, embedding a formalised risk management framework
- The group aligned the risk management process to each operation in the group
- Established risk committees
- Held risk identification workshops and training with each BU every two months
- Reviewed each BU's risk register
- Reviewed the system to capture and maintain risks

Our response

PPC operationalised and embedded all relevant risks, compliance and assurance systems across the group. Significant growth in risk awareness throughout the group was observed.

In FY24, PPC intends to conduct workshops with industry experts to host and discuss potential challenges in the industry, and aims to enhance the risk system - including governance and policies, reporting and communication on scope, and results of risk analyses.

CHAPTER 4

CFO'S REVIEW

PPC's financial performance in the reporting period was sound.

SA Obligor group (South Africa and Botswana)

Revenue, excluding dividends, increased 1% to R6 586 million (FY22: R6 501 million). EBITDA margins declined to 8,7% (FY22: 11,8%). Net debt for the region improved by R263 million.

Zimbabwe

Slower than anticipated recovery after planned kiln shutdown. The market remains sound, but hyperinflation materially impacts reported results. Dividends of R147 million were received by the group (FY22: R91 million).

CIMERWA

Volume growth of 1% was in line with expectations. EBITDA increased 31% and margins increased slightly to 29%. The group received an inaugural dividend of R79 million in March 2023.

SALIENT FEATURES – continuing operations

Group revenue: R9,9 billion (FY22: R9,9 billion)	A distribution of R200 million through a share repurchase programme
Group EBITDA: R1,4 billion (FY22: R1,5 billion)	Cash dividend of R147 million (US$8,8 million from Zimbabwe (FY22: R91 million or US$6,2))
EPS: 16 cents loss (FY22: 5 cents loss)	Inaugural dividend of R79 million (US$4,3 million) from CIMERWA
HEPS: 8 cents loss (FY22: 3 cents loss)	

FINANCIAL CAPITAL continued

CFO'S REVIEW continued

GROUP PERFORMANCE AND AREAS OF FOCUS

PPC continues to focus on sound capital allocation principles, maximising cash generation from its South African and Botswana businesses (the SA obligor group) and repatriating cash from its investments in Zimbabwe and Rwanda (the International Businesses).

Historically, dividends from Zimbabwe contributed to the deleveraging of the group's South African balance sheet. However, in FY23, the SA obligor group reached an optimal level of gearing, allowing for the implementation of a new distribution policy. This policy is based on distributing cash amounts such that the 12-month backward and expected 12-month forward SA obligor group gross debt to EBITDA is at a ratio of between 1,3 times to 1,5 times.

The board approved a distribution in the form of a share repurchase of up to R200 million.

PPC accounted for PPC Barnet (DRC) as a discontinued operation until 29 April 2022, whereafter it was deconsolidated and treated as an equity-accounted investment.

REVENUE

The SA obligor group revenue for the year ended 31 March 2023, excluding dividends from the International Businesses, increased by 1,31% to R6 586 million (March 2022: R6 501 million), driven primarily by the 1,7% increase in revenue in South Africa and Botswana cement. While cement volumes remained under pressure, declining 5,8% on the prior year, average price increases of 8,0% over the period ensured revenue growth remained positive, albeit slightly (0,5%) negatively affected by an adverse product mix.

Including the impact of the International Businesses, which contributed 33% (March 2022: 34%), total group revenue was flat at R9 902 million (March 2022: R9 882 million).

The 29% increase in revenue from CIMERWA (Rwanda) was more than offset by the reduced contribution of PPC Zimbabwe due to reported sales in ZAR declining by 19%.

EXPENSES

Excluding the International Businesses' cost of sales and administration and other operating expenditure for both periods, such costs in the SA obligor group increased by 4% year-on-year. Including the International Businesses, the cost of sales and administration and other operating expenditure was flat at R9 425 million (March 2022: R9 409 million). Zimbabwe's costs in rand decreased by 23%, which offset CIMERWA's cost increases (in rand) of 26%.

EBITDA

SA obligor group EBITDA, excluding dividends from the International Businesses, decreased by 26% to R570 million (March 2022: R768 million) and EBITDA margins declined to 8,7% (March 2022: 11,8%) as, notwithstanding sound cost containment measures, cost increases remain higher than price increases resulting in compressed margins.

Including the dividends received from the International Businesses, the SA obligor group's EBITDA amounted to R804 million (March 2022: R863 million), resulting in a gross net debt/EBITDA ratio of 1,2 times, thereby facilitating the R200 million share repurchase.

Including the EBITDA of the International Businesses, group EBITDA declined by 9% to R1 358 million (March 2022: R1 493 million). The 31% increase in CIMERWA's EBITDA was partially offset by a reduction in PPC Zimbabwe's contribution of 7%.

FAIR VALUE AND FOREIGN EXCHANGE

Fair value and foreign exchange movements resulted in a gain of R69 million (March 2022: R2 million), mainly due to the significant depreciation of the Zimbabwean dollar against the US dollar of 553% (March 2022: 69%) which resulted in foreign exchange gains on net monetary items.

IMPAIRMENTS

Impairments of R145 million (March 2022: R38 million) were taken during the year under review, the largest item being R84 million, related to an impairment at group level of a portion of the premium paid on the acquisition of CIMERWA. Of the R84 million, R42 million is related to the impairment of goodwill.

FINANCE COSTS

Finance costs decreased by 28% to R172 million (March 2022: R240 million) due to the successful de-gearing of the group, with gross debt declining from R1 586 million at March 2022 to R1 189 million at March 2023.

DISPOSAL OF INVESTMENT

During the current year, the group realised a net profit of R23 million (March 2022: nil) from the disposal of the previously equity-accounted investment in Habesha (Ethiopia).

TAXATION

Notwithstanding group profit before tax declining to R93 million (March 2022: R186 million), taxation increased 17% to R242 million (March 2022: R207 million). The current year's tax charge is significantly negatively impacted by non-cash items of R195 million (March 2022: R56 million). These non-cash items are primarily due to the SA obligor group not recognising deferred tax assets and PPC Zimbabwe hyperinflation impacts.

EPS

Basic EPS from continuing operations decreased from a loss of 5 cents to a loss of 16 cents. HEPS from continuing operations decreased from a loss of 3 cents to a loss of 8 cents. This is primarily due to the impact of the following:

- Significant non-cash tax items in the current year of R195 million (March 2022: R56 million), relating primarily to hyperinflation accounting and deferred tax not recognised on losses
- Lower earnings generation in the SA obligor group and PPC Zimbabwe
- The positive impact of the strong CIMERWA performance not flowing fully to EPS and HEPS, given the operations are 51% held by PPC

CFO'S REVIEW continued

EBITDA Continuing operations	FY23	FY22	% change
EBITDA (Rm)			
South Africa and Botswana cement	**674**	825	(18)
Materials	**(65)**	41	(259)
Group shared services and other	**(39)**	(98)	60
SA obligor	**570**	768	(26)
Rwanda	**447**	341	31
International holdings	**(24)**	(9)	167
Zimbabwe	**365**	393	(7)
Group continuing operations	**1 358**	1 493	(9)

STATEMENT OF FINANCIAL POSITION

The SA obligor group's gross debt (excluding capitalised transaction costs) declined from R1 210 million at 31 March 2022 to R931 million at 31 March 2023 in accordance with the debt repayment terms. Unrestricted cash holdings at 31 March 2023 were R131 million (March 2022: R147 million), leaving net debt at R800 million (31 March 2022: R1 063 million).

Zimbabwe is debt-free and had unrestricted cash holdings at 31 March 2023 of R118 million. The cash balance declined from R353 million at 30 September 2022 due to a dividend of US$5 million paid in November 2022 and lower US dollar balances at year-end, with the cash holdings in Zimbabwean dollar (ZWL) depreciating significantly against the rand. Some 70 % of PPC Zimbabwe's cash is held in hard currencies.

CIMERWA's gross debt declined to R265 million (March 2022: R383 million). Cash also declined from R221 million at 31 March 2022 to R160 million at 31 March 2023 due to the dividend paid in March of R172 million.

CASH FLOW STATEMENT

Consolidated net cash inflow before financing activities from continuing operations remains positive at R392 million (March 2022: R675 million) as cash generation remains a priority.

Capital investment remained disciplined and reduced to R415 million (March 2022: R553 million). The reduction in spend was largely attributable to lower capital expenditure in the South Africa and Botswana cement operations (R53 million reduction) and Zimbabwe (R69 million reduction).

For more information on our operational performance, please refer to pages 44 to 53.

OUTLOOK AND APPRECIATION

Cost containment, capital allocation discipline and further embedding of internal financial controls will remain key areas of focus. Our objective is to continue upstreaming dividends from Zimbabwe and Rwanda and to maintain the SA obligor group leverage at 1.3 times to 1.5 times gross debt to EBITDA, thereby allowing continued distributions to shareholders.

I would like to thank my colleagues, particularly those in the finance team, for their commendable efforts in improving the internal financial control environment, and our audit, risk and compliance committee for their invaluable ongoing support.

Brenda Berlin
Chief financial officer
21 July 2023

FINANCIAL CAPITAL continued

SEVEN-YEAR REVIEW for the period ended 31 March 2023

	12 Months ended March 2023 Rm	12 Months ended March 2022[a] Rm	12 Months ended March 2021[a] Rm	12 Months ended March 2020 Rm	12 Months ended March 2019 Rm	12 Months ended March 2018 Rm	12 Months ended March 2017 Rm
Total assets[b]	**10 479**	12 409	12 823	17 093	17 651	16 076	18 035
Net working capital[c]	**994**	840	949	1 444	907	1 165	1 449
Total equity	**6 342**	7 372	7 405	7 553	9 192	7 823	8 385
Gross borrowings	**1 189**	1 581	2 628	5 800	5 002	4 682	5 736
EBITDA interest cover (times)	**7,90**	6,22	5,65	3,96	2,88	2,79	2,79
Gross debt to EBITDA (times)	**0,88**	1,06	1,64	4,20	2,57	2,49	2,78
Number of years to repay interest-bearing borrowings[d]	**1,41**	1,51	1,93	12,53	3,98	3,27	6,72
Revenue	**9 902**	9 882	8 938	8 671	10 409	10 271	9 641
EBITDA	**1 358**	1 493	1 598	1 381	1 946	1 880	2 065
EBITDA margin (%)	**13,71**	15,11	17,88	15,93	18,70	18,30	21,42
Effective rate of taxation (%)	**261,9**	111,0	42,0	21,0	15,0	67,9	85,0
EPS	**(16)**	(5)	65	(43)	16,0	10	8
HEPS	**(8)**	(3)	3	54	20,0	15	7
Dividends per share	**–**	–	–	–	–	–	–
Dividend cover (times)	**–**	0	0	0	0	0	0
Cash generated from operations	**1 096**	1 455	1 375	728	1 980	2 300	1 871
Cash conversion ratio	**0,81**	0,97	0,86	0,53	1,02	1,22	0,91
Dividends paid to non-controlling interests (Rm)	**94**	7	5	–	4	–	8
Investment in property, plant and equipment and intangible assets(adjusted for capital expenditure accruals)	**433**	571	383	570	797	927	2 077
Investment in subsidiaries and equity-accounted investments	**–**	–	–	–	–	42	18
Total shares in issue (net of treasury shares) (000)	**1 524 609**	1 539 450	1 508 212	1 506 788	1 512 292	1 512 993	1 137 338
Weighted average number of ordinary shares in issue during the year (000)	**1 523 787**	1 542 968	1 508 212	1 506 788	1 512 292	1 510 163	1 137 338

[a] These figures have been restated, refer to note 1.7 in the AFS.
[b] Continuing operations only for each relevant year.
[c] Net working capital is calculated as follows: inventory plus trade and other receivables less trade and other payables.
[d] This amount is determined as gross debt over net cash flow from operating activities.

FINANCIAL CAPITAL continued

VALUE ADDED STATEMENT FROM CONTINUING OPERATIONS

A measure of the wealth created by the group is the amount of value added to the cost of raw materials, products and services purchased.

This statement shows the total wealth created and how it was distributed.

	Notes	Year ended 31 March 2023 Rm	Year ended 31 March 2022 Rm
Revenue		9 902	9 882
Paid to suppliers for materials and services	1	(6 882)	(7 113)
Value added		3 020	2 769
Impairments		(145)	(38)
Income from investments[(a)]		27	10
Total wealth created		2 902	2 741
Wealth distribution:			
Salaries, wages and other benefits	2	1 515	1 401
Providers of capital			
Finance costs (including fair value adjustments on financial instruments)		137	200
Governments	3	294	215
Reinvested in the group to maintain and develop operations		956	925
Depreciation and amortisation		903	803
Retained profit/(loss) for the year from continued operations		(149)	(21)
Net monetary loss/(gain)		131	108
Deferred taxation		71	35
		2 902	2 741
Value added ratios			
Number of employees		2 579	2 588
Revenue per employee (R000)		3 839	3 818
Wealth created per employee (R000)		1 125	1 059

[(a)] *Includes interest received and dividend income.*

NOTES

1. Paid to suppliers for materials and services

Inhance is the only supplier of services exceeding 10 % of total amounts paid. They provide supply chain solutions.

	2023 Rm	2022 Rm
2. Salaries, wages and other benefits		
Salaries, wages, overtime payments, commissions, bonuses and allowances	1 415	1 339
Employer contributions (retirement funding, medical and insurance)	100	62
	1 515	1 401
3. Governments		
Normal taxation – Local	39	44
Normal taxation – Foreign	110	106
Withholding taxation	36	22
Municipality rates and levies paid to local authorities	31	29
Customs duties, import surcharges and excise taxes	73	5
Skills development levy	5	9
	294	215

MANUFACTURED CAPITAL

SOUTH AFRICA AND BOTSWANA CEMENT

PPC supplies cement and aggregates across southern Africa with four integrated cement plants and three grinding stations, offering a combined installed capacity of 7 mtpa.

The cement division is located in five of the nine South African provinces and is represented by two business units: Inland and Coastal. The plants are in the Western Cape, Eastern Cape, North West, Limpopo, and Gauteng. Across Botswana, PPC has a milling operation in Gaborone and warehousing and distribution facilities in Palapye and Francistown.

KEY ACTIONS TAKEN DURING FY23

SOUTH AFRICA

Inland	Coastal
The Highveld blending plant construction is in progress. Completion is expected in mid-FY24	Volumes increased by 6%
Applied thermal substitutions at mega sites to mitigate fuel costs	Implemented price increases to cover cost pressures
In line with the decarbonisation strategy, reduced clinker-factor rates while maintaining premium product performance	Reduced clinker-factor rates while maintaining premium cement performance
Continued with OEE improvement initiatives	Outsourced mining activities at Riebeek West to achieve higher efficiencies and reduced costs

BOTSWANA

Underwent restructuring during the year to achieve production and operational efficiencies

MANUFACTURED CAPITAL continued

SOUTH AFRICA AND BOTSWANA CEMENT continued

PROGRESS AGAINST KEY PERFORMANCE INDICATORS (KPIs)

KPI		PROGRESS
SOUTH AFRICA		
Coastal		
Cement sales volumes	–	• Year-on-year cement sales were flat • The regional cement market declined by 9,2%
Logistics costs	↓	• Optimised shorter lead distances by reducing warehouse costing and optimising fleet contract • 13% cost increase year-on-year
Clinker production volumes	–	• Clinker production volumes flat, in line with the market
Clinker-factor reduction	↑	• Reduced 1,5% by producing more reactive clinker resulting in greener cement production
OEE	↑	• Improved 1,2% year-on-year due to enhanced equipment reliability and efficiency
Inland		
Cement sales volumes	↓	• Declined by 10% year-on-year due to reduced demand, particularly within the retail segment
Clinker production volumes	↓	• 4% lower production in line with reduced demand
Clinker-factor reduction	↓	• 1% higher due to increased sales of SURETECH to the industrial segment
OEE	↑	• Improved year-on-year due to enhanced equipment reliability and efficiency
BOTSWANA		
Cement sales volumes	↓	• Declined by 10% year-on-year due to the Botswana market demand being less than full capacity • Completion of long-term infrastructure projects in FY22 resulted in less demand in FY23

↓ Below target – Flat ↑ Target reached

SOUTH AFRICA AND BOTSWANA CEMENT continued

TRADING CONDITIONS DURING FY23

SOUTH AFRICA

Inland

Cement demand year-on-year was lower than anticipated, as there was a significant drop in the retail sector compared to FY22. PPC continued to focus on the industrial and construction segments, where it demonstrates its enhanced value proposition. PPC continued to take advantage of opportunistic cement sales due to its agility in meeting customers' demands.

DEMAND	PRICING
• PPC saw an increase in industrial and construction sales in FY23, with a reduction in the retail segment due to reduced consumer household disposable income	• Percentage price increase realisation was low due to competitive pricing in the market leading to an increased price premium

Coastal

Coastal trading conditions were marked by muted growth in the Western Cape and high competition in the Eastern Cape, resulting in retraction from the far Eastern Cape. Imports of cement from the Alpine Group stopped for eight months, benefiting local producers.

DEMAND	PRICING
• Demand was driven by semigration into the Southern, Western Cape and West Coast areas, motivated by private residential developments • The reduction of imports in the Western Cape helped to drive demand • Demand in the readymix concrete industrial market segment improved due to innovative offerings to this market	• Selling price increases helped to recover escalating coal, energy and logistics costs

BOTSWANA

Competition in the local market remained heightened, adding to economic and geopolitical performance pressures. Despite a challenging operating environment, PPC remained resilient. Trading conditions were stable but operated below full market capacity.

DEMAND	PRICING
• The global, regional, and domestic environments remained uncertain in FY23. Although COVID-19 was no longer an immediate threat to the local economy, global financial conditions tightened significantly throughout the year, placing pressure on consumers and access to financial assets for businesses	• The average sales price grew modestly year-on-year as competition remained heightened within the local market. This added to the pressure of cost management resulting from economic and geopolitical performance pressures

MANUFACTURED CAPITAL continued

SOUTH AFRICA AND BOTSWANA CEMENT continued

FINANCIAL IMPACT

SOUTH AFRICA

Inland

Inland in FY23 saw reduced profitability due to lower margins. This was driven by lower volumes and below-inflation price increases

Energy cost inflation resulted in higher costs of raw materials and lower household disposable income

Coastal

FY23 saw top-line growth due to increased volumes and realised biannual price increases in the Western Cape. However, margins declined due to above-inflation cost increases

BOTSWANA

Global economic instability resulted in cost pressures, while market capacity constrained volumes. In response, cost-saving measures were put in place to ensure the sustainability of the business

OUTLOOK

SOUTH AFRICA

Inland

- Clinker-factor reduction is a continued focus for FY24, in line with the group's decarbonisation strategy. The key enabler will be commissioning the Highveld Blender plant – the construction of the plant is expected to strengthen the Highveld market and significantly increase clinker extension
- Volumes are expected to remain flat year-on-year with biannual inflationary price increases

Coastal

- Outlook is muted due to the persistent threat of imports however there are some green shoots expected in the medium-term with several large infrastructure projects planned in FY24
- With headwinds with rail logistics, the Coastal BU has had to adjust its strategy to more road haulage to meet the increasing demand

BOTSWANA

- Botswana shows subdued growth in the medium-term due to the economy operating below full capacity. Headwinds include persistent drought and the effects of South Africa's weak economic growth on Botswana's exports
- The Botswana government remains supportive of economic growth by fully implementing the economic recovery and transformation plan – investing in the construction industry with significant water and power infrastructure projects across the country
- Inflation remains above the Central Bank's medium-term objective range, averaging 12,2% in FY23. Inflation is expected to revert to within the Central Bank's range of 3% to 6% in Q4 of FY24

MANUFACTURED CAPITAL continued

SOUTH AFRICA MATERIALS

PPC's materials business operates in South Africa and includes three divisions: aggregates, fly ash and readymix concrete.

PPC's two aggregates quarries are located in Laezonia and Mooiplaas in the Northwest of Tshwane in Gauteng. The fly ash division operates from the Eskom Kriel Power station and Sappi Ngodwana in Mpumalanga. The division was awarded a new supply agreement to provide ash extraction services at Kusile Power Station. Due to unforeseen issues at Kusile, it is difficult to determine when the new plant will be online. Readymix's 24 operations are spread across South Africa, in Gauteng, North West, Limpopo and Mpumalanga provinces.

KEY ACTIONS TAKEN DURING FY23

Commenced upgrades on the Kriel Ash plant to increase ash availability, particularly classified ash. The upgrades are expected to be completed in July 2023

Optimised the readymix footprint to increase proximity to the market PPC serves (Rustenburg was moved in FY2023 and Steyn City and Secunda will be relocated in FY24). This will have a positive impact on client service and transport costs

Temporarily decommissioned the road material plant, Laezonia, due to a lack of road construction projects in Gauteng. Business has not been affected as Mooiplaas quarry is servicing all requirements

PROGRESS AGAINST KPIs

KPI		PROGRESS
Volumes	↓	• Volumes for aggregates, fly ash and readymix concrete were below expectations: – Aggregates: 22% below FY22 – Ash: 18% below FY22 – Readymix concrete: 4% below FY22
Fixed and variable costs	↑	• Costs were maintained by the business, with fixed costs 10% higher than FY22. Variable costs were negatively impacted by 14% compared to FY22, mainly due to fuel costs and load shedding • Tight cost controls lessened the financial impact on the business due to lower-than-forecasted volumes
EBITDA and free cash flow	↓	• Despite efforts to curtail costs, volume reduction significantly impacted EBITDA and free cash flow, which was below expectations

↓ Below target – Flat ↑ Target reached

SOUTH AFRICA MATERIALS continued

TRADING CONDITIONS DURING FY23

The market was strained, with a reduction in available projects. This led to reduced volumes and placed pricing under pressure.

DEMAND	PRICING
• Aggregates: under pressure, particularly with specialised products like agricultural lime and chemical dolomite • Ash: less requirement for ash to be used as a cement extender due to decreased demand in the bagged cement market (a large percentage of ash is supplied to this market) • Readymix concrete: there was increased demand in certain areas, particularly Gauteng, however, the rural areas of Mpumalanga and North West saw a marked decline	• Aggregates: pricing was flat for the year mainly due to a lower-than-expected demand for high-end products. Lower-end products saw an annual price increase of 6% • Ash: showed an average price decrease of 7% due to a low demand for classified ash which saw a 25% decrease in sales • Readymix concrete: achieved a 10% increase in average selling price for the year

FINANCIAL IMPACT

- Revenue at R1,171 billion was flat compared to FY22
- EBITDA was below expectations

OUTLOOK

Similar to FY23, FY24 forecasts little growth in the market, especially with readymix. Due to subdued demand for concrete, prices are expected to remain under pressure. The focus for readymix will be on cost control, and integrating a larger "per portion" of sub-contracted transporter trucks to increase the exposure of variable costs for the business. The Secunda and Steyn City moves will be completed in Q2 of FY23, enabling the business to secure additional volumes, particularly in Secunda.

Kriel upgrades will be completed in line with the completion of the Highveld blending plant. The upgrades will ensure that the plant can meet the additional demands of the blending plant. The rest of the ash market is expected to remain flat, due to the low demand for bagged cement products.

A slight increase in price demand is anticipated for aggregates, particularly with speciality products. There is no expected increase in infrastructure products in our zone of natural advantage, and the demand for these products is predicted to remain subdued.

The business is undergoing a restructuring to align with market demands, which will reduce overhead costs and make the business more variable cost focused.

MANUFACTURED CAPITAL continued

ZIMBABWE

PPC is the largest cement manufacturer in Zimbabwe regarding production capacity and market share, with a clinker plant at Colleen Bawn and milling plants in Bulawayo and Harare. It has a total capacity of 1,4 mtpa.

KEY ACTIONS TAKEN DURING FY23

- Foreign currency sales split was above target at ~78%
- Reduced long-standing intercompany liabilities balance by settling group management fees of US$5,2 million
- Declared and paid dividend above budget at US$10 million
- Successfully managed cash risk by keeping ZWL balances at minimal levels
- Commissioned a dust-abatement system and raw material feeding buckets at Colleen Bawn to reduce dust emissions and improve energy efficiency, respectively

PROGRESS AGAINST KPIs

KPI		PROGRESS
EBITDA margin of 29,9%	↓	• Below target at 20,5%
Declare dividend of US$9 million	↑	• Above target with US$10 million declared in FY23
Maintain 85% bank balances in foreign currency	↑	• Achieved over most of FY23 • Levels dropped in Q4 due to increased ZWL liquidity, and the electricity provider switching to partial settlement in US$
Free cash flow: EBITDA US$40,3 million Capex US$7,1 million	↓	• Below target due to low sales volumes and production challenges

↓ Below target – Flat ↑ Target reached

ZIMBABWE continued

TRADING CONDITIONS DURING FY23

Due to the almost two-month kiln shutdown, PPC Zimbabwe experienced some product shortage challenges, with a negative impact on its market share. The sales volumes were below plan due to clinker shortages. Following the shutdown, the business faced a significant number of unplanned stops and a more aggressive competitive landscape. The multi-currency continued to cause challenges, with rapidly rising ZWL to US$ exchange rates.

DEMAND	PRICING
• The demand in FY23 remained strong as anticipated, primarily driven by home building and national projects	• Pricing was above the FY23 parameters in response to higher-than-expected inflation levels, aiding in alleviating the adverse impacts of global inflationary increases on margins

FINANCIAL IMPACT

- Foreign currency sales were split above target at ~78%
- The company kept overheads below budgeted targets with effective cost-saving initiatives
- Revenue was below target due to low sales volumes
- Production challenges in FY23 meant lower-than-budgeted profits (EBITDA) and free cash flow
- Product costs were higher than budgeted for due to external clinker purchases and high maintenance costs

OUTLOOK

Sales volumes are expected to pick up in FY24, due to strong demand driven mainly by national projects and individual home builders. The Colleen Bawn plant has been stabilised and clinker production volumes are expected to improve, along with overall demand for products. Zimbabwe has entered election season, with elections announced for August; however, PPC Zimbabwe does not expect demand or production to be negatively affected.

MANUFACTURED CAPITAL continued

RWANDA

Rwanda's sole integrated cement producer, CIMERWA, is in Muganza, the Great Lakes region. Its installed cement production capacity of 0,6 mtpa includes mining raw materials, producing clinker, and selling cement for general and civil construction.

KEY ACTIONS TAKEN DURING FY23

- **OEE improvement**
- **Price optimisation to mitigate inflationary cost increases**
- **Prudent cost management amid high inflation economy, including a reduction in thermal energy (coal)**

PROGRESS AGAINST KPIs

KPI		PROGRESS
Cement production	↑	• Increased mill tonnes per hour by 7,16% due to improved grinding efficiency • Reduced downtime on the raw mill of 2,1% through increased reliability of the cement mill
Clinker production	↑	• Reduced kiln downtime by 7,2% from FY22 due to shutdown management • Increased kiln utilisation from 76% to 82% due to raw mill availability and increased kiln reliability • Raw mill production improved to 76% (FY22: 72%) • Raw mill downtime was reduced by 6,3% due to increased mill reliability
Kiln net operating equipment efficiency	↑	• Increased kiln tempo and kiln equipment reliability to 78% (FY22: 72%)

↓ Below target – Flat ↑ Target reached

RWANDA continued

TRADING CONDITIONS DURING FY23

Demand is generally strong in Rwanda, particularly regarding the export market. The main drivers for this are due to recovery from the COVID-19 pandemic, with renewed confidence in the market and an increase in public spending. CIMERWA is also the preferred government partner for key infrastructure projects. There is a move from a period of local demand exceeding supply to one of the local producers being unable to meet local supply needs.

CIMERWA retains the dominant market share in Rwanda with 42% of the domestic market and can leverage off the export market which increased to 25% in FY23 (FY22: 18%).

DEMAND	PRICING
• Exports accounted for a larger share of total volumes at 30% (FY22: 22%), growing 23% year-on-year	• Increased price across SUREBUILD and SURECEM products • Continued to monitor demand to ensure optimal pricing and protect margins

FINANCIAL IMPACT

- Average selling price, cement sales and production were above target
- Variable costs were below budget due to low operational efficiency and the increased cost of raw materials

OUTLOOK

The outlook for CIMERWA is positive in light of macro-economic projections, such as GDP averaging 6%, a decline in headline inflation and an increase in cement demand. These are driven by large infrastructure projects, including stadiums, schools, affordable housing and an airport.

HUMAN AND INTELLECTUAL CAPITAL

PPC'S PEOPLE

PPC embraces diversity and recognises the value and contribution of its people.

PPC's people drive innovation within the company and ensure the delivery of the company's strategy. The company aims to be an employer of choice and attract and retain great talent by establishing a purpose-led, performance-driven culture. PPC creates an engaged and motivated workforce through the Jabali culture framework to ensure the business remains sustainable, employees are inspired and value is created for all stakeholders.

PPC's employee value proposition (EVP) is focused on the employee experience internally through the Jabali culture framework, promoting an integrated working culture across the group through inclusivity, equity, and fairness.

HIGHLIGHTS

- Enabled a future-fit organisation through enhanced HR service delivery by way of digitisation and automation of existing processes
- Entrenched the HR business partner model
- Developed a clear EVP and socialised it within and outside the company to retain and attract talent
- Implemented leadership development programmes, including executive development, senior manager development, management development and first-line management
- Entrenched the Jabali culture
- Developed and implemented the shared assessment and review process to assist with the monitoring and evaluation of HR governance and compliance, sharing best practices and risk management
- Focused on performance management to enhance a purpose-led and performance-driven culture
- Socialised benefit offerings throughout the business
- Reviewed management job models throughout the business
- Onboarded 11 graduates for the Sure Academy 24-month development programme to promote building young talent in the industry
- Reinstated the bursary programme for the benefit of the children of employees – PPC provides a scholarship for successful bursars (three in FY23) to study towards the following degrees: BCom (finance), BEng (electrical engineering) and BSc (medical sciences)

HUMAN AND INTELLECTUAL CAPITAL continued

PPC'S PEOPLE continued

CHALLENGES	RESPONSES
• Skills shortages and quality of scarce technical skills (engineering, production and quality) • Remote locations of plants create challenges in attracting and retaining top talent or scarce skills • The mental well-being of employees due to psychosocial issues (for example, the rise in the cost of living)	• Introduction and enhancement of the Sure Academy and revitalisation of the Technical Skills Centre • The focus for FY24 is on developing a retention strategy for remote locations • Employee Assistance Programme active across the whole group • South Africa introduced a new service provider, Independent Counselling and Advisory Services (ICAS), which was rolled out throughout operations • Zimbabwe is working with a partner, CONNECT, for in-country support • CIMERWA is exploring a service provider for implementation in FY24

PROGRESS AGAINST KPIs

KPI		PROGRESS
HR working model and competencies	–	• Realigned the HR function with business requirements • Entrenched the HR business partner model by upskilling its leadership team
Building critical skills and competencies	–	• Launched the Sure Academy and rebranded the Technical Skills leadership coaching programme • Enhanced and aligned the PPC Graduate Development programme for critical operational skills as a feeder into the skilled pipeline • Implemented leadership development programmes, including executive, senior managers, management and first-line management development • Expanded the leadership coaching programme to business unit heads and the level below
Employee engagement	–	• Compiled journey maps and rolled these out at all sites • Finalised leadership promises to the supervisory level • Socialised Jabali elements within the business • Enhanced and implemented the recognition programme • Enhanced and standardised the employee wellness programme through the introduction of ICAS • Completed the Best Company by Deloitte employee engagement survey
Talent management	–	• Introduced talent reviews at the business unit and country management levels • Entrenched performance management principles and talent management methodology by upskilling management employees • Revised the performance management process • Approved and implemented the "introduction of calibration process" for all management employees
Employee experience	–	• Completed bullying and harassment workshops for leaders. The workshops will be rolled out to the rest of the workforce in FY24 • Established the diversity, equity, and inclusion (DEI) committee and trained its members
Compensation and benefits	–	• Implemented minimum wage for South African employees • Reviewed and updated job models for management roles to ensure industry alignment • Implemented benefits socialisation sessions
Future-fit organisation	–	• Partnered with information technology (IT) to explore existing HR analytics tools • Implemented an e-recruitment system in Q1 of FY24 • The SAP Fiori launch is in progress
Stakeholder management and compliance	–	• Revised, consolidated and approved the employment equity reporting structure under PPC Limited • Conducted successful wage negotiations with zero disputes

↓ Below target – Flat ↑ Target reached

HUMAN AND INTELLECTUAL CAPITAL continued

PPC'S PEOPLE continued

WORKFORCE ANALYSIS

PPC's workforce includes South African and international employees. The group also includes Pronto, 3Q and Ulula Ash employees in the South African totals.

PPC's total workforce decreased by 7,5 % in FY23 to 2 579 employees (FY22: 2 588). The workforce in international segments decreased by 22,6 % in FY23 compared to FY22.

Refer to manufactured capital on pages 44 to 53 for PPC's operational reviews.

Total workforce as at 31 March

	FY23	FY22	FY21
South Africa[1]	**1 845***	1 840	2 064
Botswana	**36***	51	116
Zimbabwe	**403***	393	377
Rwanda	**297**	304	295
	2 579	2 588	2 852

(1) Subsidiaries (Pronto, 3Q and Ulula Ash) included in the South African total for FY23.
** Limited assurance – refer to the independent limited assurance report on page 128 to 129.*

Breakdown of the total workforce

	FY23	FY22	FY21
Total	**2 579**	2 789	3 030
Permanent	**2 361**	2 594	2 843
Fixed-term contracts	**218**	195	187
Consultants	**1**	3	6
Labour brokers	**–**	–	–

PPC's talent

	Young talent (under 30)	Experienced talent (over 30)
% of workforce	**17,6** (FY22: 18,2)	65,7 (FY22: 67,1)

Young talent comprises 2,7% professionals, 10,8% skilled workers and 26,5% in learner or other development roles. Experienced employees share intellectual capital and institutional knowledge critical to the business's success. Employees over 50 account for 16,8% of the workforce.

PPC fosters collaboration by developing skills transfer and mentoring programmes to reduce the risk of losing valuable capital. The company is focused on ensuring standard operating procedures, and processes are updated and entrenched throughout the workforce.

PPC'S PEOPLE continued

EMPLOYMENT EQUITY

PPC's transformation targets compare favourably with South African industry norms. In FY23, the group appointed 122 permanent new hires in South Africa, of which 114 were from designated employment equity (EE) groups, with 107 being African, Coloured and Indian (ACI) employees.

New hire rate for the period ending 31 March

	FY23	FY22 %	FY21 %
South Africa	13,9*	13,4	6,0
Botswana	5,6*	3,9	2,6
Zimbabwe	14,2*	13,2	11,9
Rwanda	4,4	5,5	12,9
Group	12,8	7,5	6,7

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

Representation at senior management level decreased from 72,2% in FY22 to 65% in FY23, and professional representation increased from 71% in FY22 to 74,9% in FY23 due to external appointments.

Female representation, in particular African females, continues to be challenging compared with the national economically active population (EAP). The group prioritises the recruitment of females with the introduction of a gender recruitment ratio of 60/40 KPIs into our monthly HR Dashboard. PPC's African female representation increased from 15,7% in FY22 to 16,5% in FY23. This representation remains below the South African EAP of 35,6%. A part of the company's initiatives includes reviewing its talent acquisition channels, driving female learnership intake, reviewing the existing exit interview process and reviewing its retention strategy to ensure the retention of ACI employees at middle and junior management levels.

National EAP versus PPC

	Male		Female		Total	
	EAP %	PPC %	EAP %	PPC %	EAP %	PPC %
African	43,7	49,6	35,6	16,5	79,3	66,1
Coloured	4,8	15,2	4,1	4,0	8,9	19,2
Indian	1,8	1,1	1,0	1,1	2,8	2,2
White	5,1	7,5	3,9	3,6	9,0	11,1
Total	55,4	73,4*	44,6	25,1*	100,0	98,6*

* *Excluding non-South African citizens.*

Segment representation in comparison with industry norms

	Top management %	Senior management %	Professional %
FY22	75,0	72,2	71
FY23	**75,0**	**65,0**	**74,9**
Industry norm	46,3	49,8	64,0

National EAP targets as at Q2 FY22; source: 22nd Commission for Employment Equity Annual report 2021 – 22.

TURNOVER

PPC's overall turnover rate is calculated using GRI Standards. The total turnover rate (for Botswana, Zimbabwe and South Africa) increased to 11%* in FY23 from 7,9% in FY22. The turnover rate was 10,6%* for South Africa, 9,3%* for Zimbabwe and 50,0%* for Botswana, which is largely attributable to the transfer of employees as a result of the sale of PPC Aggregate Quarries Botswana. The turnover rate for Rwanda was 5,7%.

The turnover rate of employees from designated EE groups remains high. PPC analysed the 119 resignations in South Africa, and the results showed 85,7% were from EE groups, including 75,6% ACI and 34,4% female. The company implemented measures to address this going forward, including analysing exit interviews to identify trends and introducing corrective actions. Consistent application of the EVP has significant potential to impact talent retention positively.

Voluntary and involuntary exits

		FY23 %	FY22 %
South Africa*	Voluntary	7,1	5,7
	Involuntary	3,5	3,2
Zimbabwe*	Voluntary	8,4	3,3
	Involuntary	0,8	0,8
Rwanda	Voluntary	2,7	1,0
	Involuntary	3,0	0,7

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

HUMAN AND INTELLECTUAL CAPITAL continued

PPC'S PEOPLE continued

ABSENTEEISM

PPC's absenteeism rate was 1,5%* (FY22: 2,26%). The absenteeism rate remains below the average industry benchmark of 3,0% (South Africa, Botswana and Zimbabwe).

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

BARGAINING REPRESENTATION

PPC believes in the power of collective representation and that every employee is entitled to freedom of association. The company prohibits discrimination and engages with various unions representing employees. Overall union membership at PPC increased from 28% in FY22 to 29%* in FY23. The National Union of Mineworkers represents most employees.

No industrial action or incidents took place in FY23. Wage negotiation processes were concluded in record time, indicating the strength of the company's relationships with unions and the effective groundwork done to educate its workforce.

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

HR SOLUTIONS

PPC focuses on various human capital strategies to equip the HR business unit to successfully partner with business leaders at all levels. In FY23, a new HR reporting tool was implemented to automate and optimise key HR processes, including payroll, compliance and recruitment. The business unit is currently undergoing training on this tool. Additionally, the unit implemented SAP Fiori (a design system enabling the creation of business apps) and an e-recruitment system in Q1 of FY24.

CULTURE: THE JABALI JOURNEY

JABALI GUIDING PRINCIPLES

PPC creates clear purpose and direction through:

- Values and code of conduct
- Leadership promise
- Strategic thinking and planning
- Linked EXCO scorecard
- Resilient safety leadership
- Communicating strategy and desired culture through journey maps

PPC creates structure, alignment and focus through:

- Structure, roles and responsibilities
- Performance scorecards
- Opportunities and risks
- Policies and standard operating procedures
- Talent strategy
- Diversity, equity and inclusion

PPC provides resources and develops competencies through:

- Resources (manpower, materials, machines, method, money)
- Skills and competency development
- Leadership talent management and development across all levels
- Health and safety management systems
- Business processes and protocols
- IT systems

PPC executes through effective stakeholder engagement:

- Engagement at all levels
  - Group town halls
  - Effective Invocoms® (vertical and horizontal)
  - Key leader summits
- Stakeholder engagement plans
- CSR

PPC measures and provides feedback, recognition and reward through:

- Individual, team and organisational performance management
- Consequence management
  - Recognition and reward
  - Corrective action (performance improvement process)

PPC encourages and enables optimisation and continuous improvement through:

- Business analysis and process re-engineering
- Systems optimisation
- Data optimisation
- Continuous improvement initiatives
- Employee growth and development

In FY23, the focus was placed on entrenching the Jabali culture throughout the organisation. The Jabali journey ensures concrete talent development initiatives through employee engagement, performance management, recognition and reward, and growth and development. PPC has seen good progress in this area, with the framework becoming well-entrenched. It has been included in the employee induction programme, most of the leadership promises are established, and the journey maps have been developed and implemented throughout PPC. The DEI committee has been established and trained, and individual development plans for most employees are in place. Additionally, PPC initiated online compliance-related training initiatives, including webinars, for all line managers on sexual harassment and bullying.

PPC'S PEOPLE continued

CULTURE: THE JABALI JOURNEY continued

JABALI GUIDING PRINCIPLES continued

Inspiring leadership

PPC drives a purpose-led and performance-driven culture through Jabali. Leaders are committed, uphold their leadership promises and lead from the front. Leaders are regularly assessed against their leadership promises, and each line manager is responsible for leading by example. In FY23, PPC assessed its senior leaders through 360˚ leadership assessments, provided feedback and instituted coaching sessions where necessary. The focus on leadership assessments expanded to include development interventions, comprising leadership skills and functional and technical competencies.

PPC uses the Invocom® methodology to help build effective communication among leaders and employees. This methodology is entrenched in operations, and best practice has been shared internally with support functions.

In FY23, PPC implemented executive development, senior manager development, management development, first-line management and coaching programmes. PPC's coaching programme has been extended to include management committee members and other managers, with 17 employees – excluding executive members – currently in the programme.

The leadership promise demonstrates the values of the company and reinforces behaviours that reflect those values. Leadership promises are reviewed as needed and will be evaluated in FY24.

Performance and talent management

PPC's remuneration policy supports sustainability and a performance culture. There is a strong link between performance and remuneration, which drives employee performance by rewarding employees who are performing at an exceptional level.

In FY23, PPC entrenched performance management processes and introduced a pre-calibration process, aligning employee and business performance. Performance is managed with monthly one-on-one discussions and mid-year and year-end performance reviews.

The elements of Jabali – measurement, feedback, reward and recognition – are entrenched in the business through recognition and performance improvement programmes. Employee percentage salary increases are linked to day-to-day key outputs and competencies, as defined in job profiles and behaviour demonstrated against the PPC values. Salary increases are performance-based and ensure alignment with the market. Increases also address internal and external equity.

PPC is implementing a robust talent strategy with initiatives to recruit the right talent to achieve its succession planning goals. In FY23, two EXCO, management committee and business unit-level talent reviews for direct reports were implemented to strengthen succession planning. Talent review sessions at an operational level and for remote operations and critical roles are a priority in FY24.

Employee engagement surveys

The annual employee engagement survey identifies any successes and shortcomings, and through these surveys, PPC can assess the effectiveness of actions implemented by management to support the company's objective to become an employer of choice. PPC conducted the Best Company by Deloitte survey in February 2023.

PPC is pleased to have achieved a Platinum Seal of Achievement – improved from the Gold Seal of Achievement the group achieved in 2020. The below outlines the key findings from the results:

- The group recorded exceptional engagement and response rates
- There was an increase in the engagement score at 81,2 %, an increase of 12,6 % from 2020
- The response rate was 94.6 % with 2 477 respondents, an increase of 21.6 % from 2020
- Areas of strength
  - Respondents indicated a strong culture at PPC driven by purpose and high performance. The majority of respondents participate in the Jabali series and support PPC's efforts to continually drive a purpose-led, performance-driven culture across the organisation
  - Respondents understand what is expected of them and are willing to go above and beyond. Results indicated that the culture at PPC enables employees to produce high-quality outputs for clients and allows them to be authentic, find a sense of purpose and meaning in the work that they do, and perform at their best every day
- Areas of development
  - Focus areas relate to providing equal opportunity for all employees, having sufficient downtime and addressing negative perceptions related to performance management
  - A key focus area includes communication across divisions and the promotion of transparent two-way communication
- Employee Net Promoter Score (eNPS)
  - PPC's eNPS Score was 5, an increase of 22 points from 2020
  - 36,8 % of respondents are considered "promoters" of the brand (very willing to recommend PPC as a good place to work to a friend), and 31,6 % are considered "detractors" (unlikely to recommend the organisation)

PPC'S PEOPLE continued

LEARNING AND DEVELOPMENT

PPC needs a highly motivated, skilled and productive workforce to execute its strategy and create value for stakeholders. The limited global and local pool of resources puts companies under pressure financially. PPC's deliberate strategy to focus on skills development increases its pool of talented and motivated individuals and helps position PPC globally.

In FY23, PPC launched the Sure Academy, the umbrella brand under which all skills development initiatives in the group are housed. The Sure Academy's key focus areas for FY23 included:

- Leadership development across all levels
- Leadership coaching
- Bursary scheme
- Graduate development programme
- Technical Skills Centre optimisation
- Competency matrices development

PPC also launched an external bursar programme for children of non-management employees. In FY23, the programme enrolled three successful bursars who will be studying towards degrees in BCom Finance, BEng (electrical engineering) and medical sciences.

PPC significantly invests in developing people to create a highly motivated and performing workforce that will enable future growth. In South Africa, PPC invested 4,3 % of its wage bill in learning and development, an increase from 2,1 % in FY22. The increase was mainly due to the "Year of Talent" drive and implementation of Sure Academy initiatives.

Total expenditure as a percentage of the wage bill

	Annual wage bill	Training spend	FY23 %	FY22 %	FY21 %
South Africa (R)	935 192 843	40 165 668	4,3	2,1	1,9
Zimbabwe (US$)	8 551 245	221 939	2,6	1,3	0,12
Botswana (P)	17 404 536	455 831	2,6	2,6	2,6
Rwanda (RwF)	5 857 014 377	235 807 845	4,1	1,3	0,5

PPC South Africa 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 76 hours of learning and development in FY23, a decrease from 83 hours in FY22. This is well within PPC's benchmark of 72 to 90 hours (eight to 10 days). This slight decrease is mainly due to there being fewer artisan learners, who account for the bulk of training hours. The average training hours reported for South Africa exclude the average training hours of 42,7 per youth learner, as this is not recognised as a formal learnership programme under the Skills Development element of the Black economic empowerment (BEE) scorecard.

Training hours per country: (average hours per employee)

	FY23	FY22	FY21
Zimbabwe	189	140	25
Rwanda	12	14	7
Botswana	59	27	17
South Africa*	76	83	75

Training hours per employment category: South Africa

	FY23			FY22		
	Total training hours*	Total employees*	Average hours/ employee*	Total training hours	Total employees	Average hours/ employee
Top management	41,5	4	2	11	4	3
Senior management	489,5	20	19,7	216	18	12
Professionals	4 370,00	204	17,8	2 952	206	14
Skilled workers	22 828,00	514	43,7	28 428	519	55
Semi-skilled	27 068,00	930	29,1	19 193	894	22
Unskilled	1 059,00	65	16,3	14 948	70	214
Learners	84 162,03	108	779,3	87 012	129	675
Total	140 018,03	1 845,00	75,89	152 760	1 840	83

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

LEARNING AND DEVELOPMENT continued

Developing young talent ensures that PPC meets its long-term business objectives. PPC devoted 49,07 % of its learning and development investment in FY23 to developing young talent (FY22: 51,5 %). 36,9 % of new hires were appointed to entry-level positions within PPC; 59 youths were given the opportunity to improve their marketable skills, making them more employable by both PPC and other players in the industry. The company onboarded 11 graduates in the Sure Academy 24-month development programme, which aims to build young talent and fill scarce skills gaps in the industry. These graduates join the previous three graduates in South Africa.

Young talent development initiatives (South Africa)

	FY23	FY22	FY21
Learnerships	**29**	46	45
Chartered accountant trainees	**0**	1	2
Graduate development programme	**14**	2	5
Internships	**9**	11	4
Bursaries	**3**	3	6
Study assistance	**36**	34	53
Trainees – Youth Development Programme	**55**	69	25

LOOKING AHEAD

over the next 12 to 18 months, PPC's priorities include:

- Launching the government certificate of competence programme for engineers
- Driving a skills gap analysis using competency matrices and by developing detailed individual development plans to close development gaps
- Launching production and quality learnership programmes through the Technical Skills Centre
- Exploring and implementing online learning platforms
- Exploring and implementing human capital systems to optimise processes and ensure standardisation
- Driving and entrenching diversity, equity and inclusion
- Optimising organisational design
- Optimising performance management processes and systems

RELATED SDGS

- SDG 5 Gender equality
- SDG 8 Decent work and economic growth
- SDG 10 Reduce inequalities

HUMAN AND INTELLECTUAL CAPITAL continued

OCCUPATIONAL HEALTH AND SAFETY

PPC protects its people and builds a proactive health and safety culture across all levels of the organisation.

Managing occupational health and safety (OHS) is critical to the sustainability of the business. PPC's operations are designed to ensure everyone on-site works in a safe and secure environment that does not threaten their health or safety.

PPC's OHS management is rigorously monitored through risk assessments, incident investigations, site inspections and observations, internal and external audits, legal compliance audits and regulatory requirements. The company's controls meet both international best practice and legislative requirements. Responsible maintenance creates a safe working environment, and the physical environment, including infrastructure, equipment and tools, is safeguarded.

Management and leadership are committed to health and safety principles and empower employees with the knowledge and resources to keep themselves and others safe. Regular health and safety training ensures that PPC maintains a healthy and safe working environment. The monthly management committee, EXCO and regular town hall sessions drive communication. PPC's Health and Safety Roundtable is responsible for the awareness of best safety practice across the group.

The group health and safety policy is guided by international best practice and in-country requirements, and is regularly evaluated by the SETCO. The policy was reviewed and approved in FY23 and will be reviewed again in FY24. The policy is displayed strategically at PPC's operations and is communicated to employees, contractors and visitors through engagements such as inductions, training, workshops and toolbox talks.

HIGHLIGHTS

HIGHLIGHTS
Zero fatalities recorded
LTIFR reduced from 0,19 to 0,09
No cases of silicosis were reported in FY23, maintaining a 13-year trend
CIMERWA attained ISO 45001 certification
South African and PPC Zimbabwe cement operations maintained ISO 45001 certification
Safety and health liability training was conducted for leaders across all South African sites
PPC Zimbabwe annual safety performance awards obtained by all sites from the National Social Security Association (NSSA)
In South Africa, annual safety improvement plans and rail reserve regulation implementation plans submitted to the Rail Safety Regulator

HUMAN AND INTELLECTUAL CAPITAL continued

OCCUPATIONAL HEALTH AND SAFETY continued

PROGRESS AGAINST KPIs

KPI		PROGRESS
Fatality frequency rate (FFR)	↑	Zero fatalities recorded in FY23 (FY22: 0)
LTIFR	↑	58% decrease in FY23 compared to FY22

↓ Below target – Flat ↑ Target reached

CHALLENGES	RESPONSES
Section 54 notices and other directives issued	• PPC implemented preventative and corrective measures as instructed by the authorities, resolving all findings
5 LTIs recorded across the group	• PPC investigated the LTIs and shared learning points throughout the group through Isometrix and other reviews • Shortcomings were identified and addressed through investigations conducted by in-country authorities

OHS ASSESSMENTS

ISO 14001:2015 surveillance and certification audits were successfully conducted at all certified sites across the group. The ISO 9001:2015 certifications are still valid at all certified operations, and system requirements in terms of the standards are continually maintained. These standards assist the business in monitoring compliance and other obligations.

The Department of Mineral Resources and Energy (DMRE) and the Department of Labour (DoL) inspections and audits were conducted at all the sites in South Africa, focusing on health and safety and occupational hygiene regulatory enforcement. Corrective actions for all findings and recommendations recorded were implemented and closed.

PPC's operations recorded 32 visits by authorities during FY23 (South Africa: 28 I Zimbabwe: 2 I CIMERWA 2). Six section 54 instructions were issued at Laezonia, Slurry, Dwaalboom and Mooiplaas by the DMRE. One notice, falling under the auspices of the Occupational Health and Safety Act, was issued by the DoL at South Africa operations. The DoL inspected Meyerton on 20 October 2022 and issued one directive. All findings were resolved.

In Zimbabwe, the NSSA conducted a safety compliance inspection at the Harare Factory, and the Radiation Protection Authority of Zimbabwe conducted a radiation inspection at the Bulawayo factory.

HUMAN AND INTELLECTUAL CAPITAL continued

OCCUPATIONAL HEALTH

PPC maintains robust and mature health procedures and processes across all its operations, equipping employees with the resources and systems to manage their health effectively.

Risk assessments are regularly updated and shared with employees to ensure continuous identification of potential risks and hazards. The group ensures that employees receive entrance, exit and annual medical examinations at its clinics, and provide specialised medical services if necessary.

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

When employees or contractors travel internationally, they are required to complete extensive pre-deployment health assessments to review their fitness to travel, including full medical evaluations and vaccinations. No significant outcomes were recorded in this regard in FY23.

Health concerns relating to noise, dust, heat, ventilation, ergonomics, lighting and vibration are monitored through occupational hygiene surveys – employees facing health issues relating to these factors receive the proper medical attention.

The group health and safety policy is available and accessible to employees and contractors on the PPC intranet. It is communicated during annual induction sessions and at all health and safety committee meetings.

PPC complies with all legal health and medical reporting requirements from the DMRE and DoL, including relevant occupational health legislation and codes of practice. The group continues to enhance its medical surveillance programmes against non-occupational diseases, including tuberculosis (TB), HIV/Aids, diabetes, heart disease, hypertension and cholesterol. Voluntary HIV/Aids testing was conducted across all sites in FY23, with 1 023 employees and contractors voluntarily testing for HIV/Aids and receiving counselling if necessary.

In FY23, the group implemented a monthly occupational awareness programme to create a healthier and more aware workforce, and to improve chronic disease management. Site clinics assist employees with managing chronic diseases; all sites collaborate with their respective health departments for TB testing, and some clinics administer antiretroviral medications. TB and HIV/Aids remain low within PPC's operations and local communities.

There were 21 malaria cases reported at CIMERWA, a 33% decrease from FY22. CIMERWA continues to implement the malaria vector control campaign in surrounding villages to manage the spread of the disease. No new cases of silicosis* were recorded throughout the group in FY23, while four noise-induced hearing loss* cases were recorded in Zimbabwe.

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129. The assurance scope includes all South African PPC sites, Pronto, Botswana, CIMERWA and Zimbabwe.*

HUMAN AND INTELLECTUAL CAPITAL continued

SAFETY

Safety is prioritised at PPC, where safety programmes are continuously strengthened to mitigate risks for employees and surrounding communities.

Employees work in a dynamic operating environment, so the group must have an in-depth understanding of potential health risks posed by the cement industry. Identifying, understanding and mitigating risks is about being proactive and introducing effective programmes and policies that are regularly communicated to all employees, contractors and visitors.

QUALITY IN SAFETY

the quality in safety initiative was implemented to embed a resilient safety culture within PPC and has yielded results regarding safety performance improvement. The initiative ensures the PPC workforce is aware of potential failures and the mitigating strategies and actions, and applies the experience gained from learning moments to create better safety processes. Safety champions are embedded throughout the group to participate in and lead innovative processes. Success is measured through implementation reviews of each element.

PPC quality in safety elements

Mindful leadership
From the front, with a clear vision, integrity and care

Culture and behaviour change
Embedding a culture of respect, care and good governance

Safety competency and development
Developing sound safety competencies and skills transfer to ensure a safe working environment

Risk assessment and hazard identification
PPC understands its risks and applies risk-based thinking

Contractor management
PPC cares for the safety of its contractors with a system guided by policies, procedures and specifications

Consequence management
PPC encourages safe behaviour and manages risk behaviour

Nine PPC quality in safety non-negotiables

Isolation and lockout	Moving machinery	Lifting equipment	Safety devices	Working at heights
Employees, contractors and visitors must ensure that they comply with the PPC permit to work and lockout/isolation procedure	Employees and contractors must not clean or maintain moving machinery while guards are removed and machinery is not locked out	No load will be lifted without using the correct lifting equipment, procedure, competency and risk assessments	Users may not tamper, remove or bypass any safety devices. Defective safety devices must be reported	No working at heights is permitted without the required fall protection equipment, plans and competencies

Confined spaces	Mobile equipment	Incident reporting	Traffic management
No one may enter confined spaces without authorisation. Employees and contractors must ensure they understand and can assess the risks and emergency procedures	Only competent and authorised operators may operate trackless mobile machinery	All accidents, incidents and near misses must be promptly reported and recorded	Authorised operators must comply with the pre-start inspections and adhere to all road traffic laws and safety measures

SAFETY continued

SAFETY PERFORMANCE IN FY23

pPC's objective is to improve its safety performance year-on-year. In FY23, PPC analysed past safety performance and developed key focus areas for improvement. The company reviewed its in-house governance audit protocol and provided training on incident investigation and root cause analysis for all safety, health and environment (SHE) personnel as well as employees in supervisory positions. The PPC safety maturity survey was launched to develop site-specific safety improvement plans; progress is monitored quarterly and reported to applicable forums. The surveys will be conducted annually to evaluate progress.

The group reported zero fatalities in FY23 (FY22: 0) and recorded five LTIs. Overall, 58 % of LTIs occurred at South African operations. The LTIFR for the group was 0,09 in FY23 (FY22: 0,19). The group recorded 72 medical treatment cases and 35 first aid cases.

Progress on FY23 focus areas:

- Improved total recordable injury frequency rate (TRIFR) at each operation: the safety team initiated programmes, including visible felt leadership and incident sharing, and enhanced its near-miss reporting processes. Results show an improvement in the TRIFR from 3,03 % in FY22 to 2,02 % in FY23
- Retained all current ISO 45001:2018 certifications: certifications successfully retained at all certified sites. Additionally, CIMERWA achieved certification. PPC's materials and blending operations are not ISO 45001 certified
- Reviewed health and safety guidance documents and implement revisions: all relevant documents were reviewed, distributed and implemented
- Implement site-specific safety improvement plans: ongoing; currently safety improvement plans have been implemented at all sites
- Conducted training on:
  - Safety tools and management: completed
  - Revitalisation of Safety Behaviour Programme (Meerkat): completed
  - SHE legal liability for line management: completed
  - Risk assessment methodology: completed

PPC includes the safety statistics of entities in which it has a majority share, using management control as a guide. Statistics are reported separately when the company does not have effective management control.

Safety performance

	Target March 2023	Actual March 2023	Trend (against Target)	Actual March 2022	Actual March 2021	Actual March 2020	Actual March 2019
Fatalities*	0	0	Flat	0	1	–	–
FFR per 200 000 hours worked*	0	0	Flat	0	0,02	–	–
LTIs*		5	–	12	15	15	21
LTIFR per 200 000 hours worked (12-month window)*	0,16	0,09	Down	0,19	0,26	0,22	0,29
Operational LTIs		4	–	12	16	15	19
Project LTIs		1	–	0	–	–	2
PPC employees injured		1	–	7	7	7	16
PPC contractors injured		4	–	5	7	8	5
Significant administrative notices(1)		9	–	6	4	2	10

(1) *Section 54 – seven notices and DoL notices – two directives*

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129. The assurance scope includes all South African PPC sites, Pronto, Botswana, CIMERWA and Zimbabwe.*

SAFETY continued

PPC uses the Isometrix system to capture safety data. The system is integrated with the serious incident analysis tool, allowing the company to determine the root cause of incidents. Factors such as people, the environment, equipment, tools, materials, procedures and standards, and other organisational influences are analysed through these systems. Results are shared across the group to create awareness and contribute towards mitigating similar incidents, cultivating a culture of learning within the workforce.

LOOKING AHEAD

- enhance the Visible Felt Leadership (VFL) programme
- Revitalise the Snakes and Hazard programme
- Contractor management compliance
- Health and Safety Recognition Award System
- Standardised risk assessment templates for all business processes
- Update the health and safety improvement plans
- Investigate a health management system
- Implement a digital compliance management tool to assist in monitoring the group's adherence to its compliance obligations

RELATED SDGS

- SDG 3 Good health and well-being

ENVIRONMENT AND ENERGY REVIEW

PPC focuses on effective environmental and energy management – building a sustainable business while remaining a responsible corporate citizen.

HIGHLIGHTS

No environmental fines were issued at any of PPC's operations
South African and Zimbabwean cement operations maintained ISO 14001:2015 Environmental Management System (EMS) and ISO 9001:2015 Quality Management System certifications
PPC was awarded the highest environmental, social, and governance transparency score in the construction materials and equipment sector by Integrated Reporting and Assurance Services
CIMERWA installed three new ambient air monitors and a weather station to enhance ambient air quality monitoring to ensure all receptors are covered
The DMRE approved De Hoek's amended environmental management programme
Hercules received a recognition award from the Gauteng Department of Agriculture and Rural Development for significant air pollution reduction from 2016 to 2018
The group water use intensity target was met as a result of several water-saving initiatives implemented at various operations
CIMERWA planted more than 2 500 trees around its premises, and De Hoek planted 100 trees as part of its greening and climate change mitigation campaigns
Dwaalboom and Slurry conducted terrestrial biodiversity assessments and updated their alien invasive plant management plans to optimise biodiversity conservation at their operations
CIMERWA was awarded ISO 14001, ISO 45001 and ISO 9001 certifications
PPC Colleen Bawn converted the kiln Electrostatic Precipitator to a Bag filter, enabling compliance to world class benchmark standards

ENVIRONMENT AND ENERGY REVIEW continued

CHALLENGES	REASONS AND RESPONSE
Dust complaints	• Dust complaints were issued by various complainants at PPC Riebeeck, Hercules and ICE Isando • PPC engaged with each complainant to ensure that the proper mitigation efforts were followed to prevent reoccurrences
PPC De Hoek exceeded SO_x and NO_x limits	• SO_x and NO_x exceedances occurred at De Hoek due to high SO_3 in limestone material and plant optimisation trials • De Hoek tabled an SO_x and NO_x reduction plan, including various projects that have been completed and are in progress
The Environmental Management Authority (EMA) issued a compliance order to Colleen Bawn for excessive emissions	• Colleen Bawn responded by conducting emissions measurements following the implementation of the new dust-abatement system (bag house) project to determine the new baseline and evaluate the effectiveness of the system • Results were within limits for safe discharge (blue band) as specified in SI 72/2009 of the Environmental Management Act • PPC shared the results with the EMA

PROGRESS AGAINST KPIs

KPI		PROGRESS
Water intensity (m^3/tonne cement)	↑	• 10% below budget
Heat consumption (MJ/t clinker)	↑	• 3% below budget
Electricity consumed (KWh/t)	↓	• 8% above budget
kg CO_2 per tonne cement	↓	• 5% above target

↓ Below target – Flat ↑ Target reached

ENVIRONMENTAL MANAGEMENT APPROACH

PPC finds environmental solutions to improve its overall environmental performance and continues to maximise its positive impacts while minimising or eliminating the adverse effects of the business.

PPC minimises its environmental impact by integrating environmental management across the business and implementing environmental operational standards to reduce the negative impact of operations. Significant environmental matters relevant to the business are identified and measured through appropriate objectives and targets, and each site reviews its environmental performance – including the status of the surrounding environment.

PPC complies with applicable environmental legislation, internal minimum standards, global best practices and other obligations. Efficient energy strategies help the company responsibly manage its natural resources, and responsible waste management practices are implemented. The company maintains biodiversity in its surrounding areas through concurrent rehabilitation.

PPC engages with its employees and stakeholders through, among other platforms, internal communication and stakeholder forums. The company prioritises training and educating employees on their environmental responsibilities and building capacity among its stakeholders to identify, report and act on opportunities to minimise environmental impacts.

PPC's workforce takes ownership of their role in environmental responsibility, integrating environmental objectives into their daily activities. Employees and contractors are involved in environmental programmes and initiatives that contribute to achieving environmental and sustainability objectives.

PPC's EMS assists in identifying and evaluating operational and environmental risks and opportunities. These are managed to ensure compliance and continuous improvement. PPC's Energy Management System (EnMs) evaluates and monitors energy-related activities, and:

- Ensures the credibility, reliability and usefulness of energy data to support the prioritisation of interventions and improved decision-making
- Ensures 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 FOCUS AREAS

Recognising the global threat posed by climate change, PPC analyses and reports on internal and external factors contributing to environmental issues that the company must manage. PPC reports against five focus areas annually:

Compliance	Energy management and climate change	Efficient and responsible use of water resources	Air quality management	Resource conservation and alternative fuels
Compliance with environmental regulations and legislation	Efficient consumption of energy in operations, while optimising thermal and electrical energy usage	Efficient water consumption through responsible conservation efforts	Identifying, monitoring and reporting on emissions generated by operations, with efficient mitigation	Proactively managing environmental footprint and land and resource stewardship efforts throughout the life cycle of operations

ENVIRONMENTAL MANAGEMENT APPROACH continued

COMPLIANCE

PPC ensures compliance through its environmental registers, identifying environmental-related issues, risks and obligations relevant to the business, and mapping these issues to compliance requirements. The registers are linked to the company's EMS and are updated when legislation is amended or promulgated.

Adherence to regulatory and legislative requirements is monitored through internal and external assessments and audits. Process-related operational plans and authorisations, such as environmental management plan reviews, water use licences, atmospheric emission licences (AELs) and waste management licences are available at each plant.

Regulatory improvement project

In FY22, PPC embarked on a regulatory improvement project to enhance its regulatory framework and processes. In FY23, the group conducted electronic awareness training on environmental, mine health and safety, and Mineral and Petroleum Resources Development Act compliance. Workshops were also conducted with managers and employees who perform specific compliance functions to ensure alignment and understanding of such requirements.

South African statutes and regulations were risk-rated to identify high-risk laws that would have a material impact on PPC's business or operations in the event of non-compliance. The following compliance risks were prioritised in FY23:
- Mine health and safety and OHS Act compliance
- Mineral and Petroleum Resources Development Act compliance
- National Environmental Management Act and associated legislation compliance

A compliance workshop was held with the heads of the legal and compliance functions of PPC's international subsidiaries to prepare regulatory universe documents for their respective jurisdictions. Risk and materiality assessments will commence in FY24.

ENVIRONMENTAL MANAGEMENT APPROACH continued

Assessments and compliance inspections

OPERATION	INSPECTION/AUDIT	RESULT
PPC group	• ISO 14001:2015 surveillance and certifications	• Audits were successfully conducted at all certified sites across the group • Certifications valid at all certified operations • System requirements in terms of standards are continuously maintained • Standards assist the group in monitoring compliance and other obligations
Slurry	• AEL compliance audit • Site verification inspection for Aletromb SPL import licence renewal	• The North West Department of Economic Development, Environment, Conservation and Tourism undertook an AEL compliance audit at Slurry. No findings were raised • The Department of Forestry, Fisheries and the Environment (DFFE) conducted a site verification inspection for Aletromb SPL's import licence renewal. The licence renewal was granted
De Hoek	• Audits and inspections	• The Department of Water and Sanitation (DWS) undertook a compliance inspection and audit. The department issued recommendations for site implementation • The West Coast District Municipality conducted an air emission compliance audit. No findings were raised
Riebeeck	• Audit	• The DWS conducted an annual compliance audit. PPC awaits the final report
Hercules	• Air quality inspection	• The City of Tshwane Municipality conducted an air quality inspection • Favourable inspection certificates were issued for all mining claims
PPC Botswana	• Fire inspection	• The Gaborone City Council conducted a fire inspection • No significant findings were raised
PPC Zimbabwe	• EMA and NSSA audits	• Regular EMA and NSSA audits conducted • No significant findings raised • The EMA commended Colleen Bawn for improved air emission performance
Water use licences		
Dwaalboom	• Site visit	• The DWS conducted a visit to verify the water uses that the site has applied for • The department was satisfied with the identified water uses • The application was advanced to the last phase
Beestekraal	• Water use licence application	• Beestekraal's water use licence application was reinitiated to include additional water use related to iron and coal handling
Riebeeck	• Amended application	• Riebeeck amended its application with the DWS for an integrated water use licence • The operation received feedback from the department and is implementing the requirements

After an engagement session on 18 November 2022 to consider the City of Johannesburg Air Pollution Control By-laws which were gazetted on 13 October 2022, readymix concrete has commenced conducting fallout dust monitoring, as per requirements.

ENVIRONMENTAL MANAGEMENT APPROACH continued

Energy management and climate change

PPC is an energy-intensive business requiring effective energy management to mitigate its carbon footprint, linked to its energy consumption. The company has initiated strategic projects that contribute to thermal and electrical energy savings and strives to ensure that its sites operate optimally. PPC's approach to effective and optimal energy management is guided by its energy management framework, and is based on the following pillars:

- PPC monitors and evaluates all energy-related activities
- PPC identifies energy-saving initiatives and implements value-adding opportunities
- PPC improves its thermal and electrical energy footprint
- PPC investigates and implements solutions to produce its own source of electricity using renewable and non-renewable resources, where viable

HIGHLIGHTS

- Thermal energy consumption in PPC Cement SA improved by 6,2%
- Thermal energy consumption in PPC Zimbabwe improved by 5,6%
- Jupiter's solar panel installation project was completed with a total generation capacity of 500 kWh

ENERGY MANAGEMENT

Energy management in PPC Cement SA

During FY23, thermal energy consumption improved by 6,2% (FY22: 1% improvement), while electrical-specific energy consumption increased by 2,6% (FY22: 1% increase). Thermal energy consumption decreased due to improved performance, output and availability of the main kiln lines during the year. Electrical energy consumption is impacted negatively by increased production of premium products and inefficient milling performance. However, specific interventions implemented in Q4 of FY23 showed positive improvements leading into Q1 of FY24.

Energy performance in PPC Cement SA

Energy intensity	FY23	FY22	FY21	FY20
Thermal-specific heat consumption (MJ/t clinker)	**3,61**	3,85	3,90	3,66
Electrical-specific energy consumption (kWh/t cement produced)*	**112**	109	108	102

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

Energy management at PPC Zimbabwe and CIMERWA

The baghouse and bucket elevator installation at Colleen Bawn was completed and has contributed significantly to improved thermal and electric energy consumption. The Bulawayo and Harare milling facilities showed a regression in electrical energy performance, due to c50% reduction in clinker imports and grinding efficiency challenges at the milling sites. Interventions in Q4 of FY23 have shown improved performance levels which will be sustained in FY24.

PPC Zimbabwe team members attended solar installation training and energy metering workshops to equip them with knowledge for energy management throughout the group. CIMERWA thermal energy performance remained largely flat year-on-year, while electrical energy performance regressed. CIMERWA's poor electrical energy performance was due to lower-than-planned outputs on the cement milling circuits.

Energy performance (Zimbabwe)

Energy intensity	Year-on-year progress	FY23	FY22	FY21
Thermal-specific heat consumption (MJ/t clinker)	↓	**3,81**	4,04	4,22
Electrical-specific energy consumption (kWh/t cement produced)*	↑	**112**	97	116

Energy performance (CIMERWA)

Energy intensity	Year-on-year progress	FY23	FY22	FY21
Thermal-specific heat consumption (MJ/t clinker)	↑	**4,01**	4,00	3,93
Electrical-specific energy consumption (kWh/t cement produced)*	↑	**121**	117	126

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

ENVIRONMENTAL MANAGEMENT APPROACH continued

ENERGY MANAGEMENT continued

Solar Photovoltaic (PV) power initiatives

Renewable energy provides net present savings relative to grid electricity. No capital expenditure is required for PPC if energy is obtained through a power purchase agreement (PPA), whereby an independent power producer builds and operates the generation capacity. The current constraints for renewable energy are technical (where network infrastructure cannot accommodate wheeling power through the grid) or institutional (where wheeling is not allowed). PPC expects these constraints to be eased over time.

Jupiter's solar panel installation project was completed with a total generation capacity of 500 kWh. PPC Hercules' solar panel installation was also completed with a total generation capacity of 2 100 kWh.

On-site solar PV projects at Slurry and Dwaalboom are still in the PPA finalisation stage; once approved, the financial close stage will commence. The expected commercial operating date for this project is December 2024, after which PPC expects approximately 27 MW to be generated from solar power.

PPC South Africa has entered into a power purchase agreement for an additional load of 20 MW solar and 8,4 MW wind power wheeled through the Eskom grid. This would provide just under 100 GWh per year and meet approximately 30% of the annual electrical requirements at Slurry, Dwaalboom, De Hoek and Riebeeck. Investigations into rooftop solar installations for the Mooiplaas and Laezonia quarries are also underway.

At Colleen Bawn and the Bulawayo factory in Zimbabwe, the tender process to install a 30 MW solar PV plant was finalised and approved by the board. Generation licences have been approved and issued, and site clearance is completed and ready for construction.

Climate change

Climate change remains a global and imminent threat, with a significant number of climate-related drivers (including regulatory requirements and stakeholder pressure and demands) impacting companies. Climate change is a threat to PPC in multiple ways:
- Increased costs relating to carbon tax
- Additional reporting burdens
- Reduced access to capital

PPC's climate change position

PPC recognises the global threat of climate change
- PPC supports the UN's Framework Convention on Climate Change and the Paris Agreement
- PPC will strive to attain net-zero GHG emissions by 2050

PPC is committed to reducing its carbon footprint
- PPC is committed to decarbonising its operations and embedding its climate change policies
- PPC invests in climate-related training and human capital resourcing
- PPC identifies, prioritises, implements and reports on GHG-reduction measures
- PPC maximises its investments in energy efficiency and renewable energy
- PPC supports global efforts to drive emission reduction and attain zero-carbon or carbon-negative concrete by 2050

PPC commits to participating in the collective actions needed to address key barriers to decarbonisation
- PPC will work with industry partners and across its value chain to support the development of policies driving the creation of low-carbon or zero-carbon concrete
- PPC will drive the development of innovative technologies for decarbonisation
- PPC will support the integration of climate and regional policies

PPC commits to enhancing its resilience to physical risk
- PPC will evaluate its direct and value chain risks and work to ensure the resilience of its business, stakeholders, and especially its communities

To read about PPC's climate change strategy, refer to page 19.

ENVIRONMENTAL MANAGEMENT APPROACH continued

ENERGY MANAGEMENT continued

Carbon footprint

In FY21 and FY22, PPC developed a GHG-reduction strategy with short and medium targets and a long-term ambition of achieving net-zero Scopes 1 and 2 emissions by 2050. The targets are based on modelled GHG mitigation potential and considered the degree of deployment of different technology options at each PPC site. The capex associated with achieving FY25 targets is allocated to projects that represent a sound financial business case, deliver production benefits and result in reduced GHG emissions.

PPC monitors its carbon footprint, including Scope 1 and Scope 2 emissions and energy consumption, through comprehensive data collection and computation, predominantly following the Intergovernmental Panel on Climate Change (IPCC) emission factors. Collecting, monitoring and assessing the data are critical to effectively identifying efficiency processes and managing emissions and energy usage. The group regularly conducts internal verification audits to assess and improve the accuracy and assurance of its data collection and analysis processes. The data is subjected to an external assurance process.

Absolute CO_2 emissions in FY23*

Tonnes	Total	Scope 1	Scope 2
South Africa cement	2 974 774	2 544 998	429 776
PPC Zimbabwe	442 875	391 314	51 561
CIMERWA	335 507	293 043	42 464

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

Carbon capture pilot

In FY23, PPC, in collaboration with the Department of Science and Innovation, CoalCO2-X™ Programme and other industry partners, developed a pilot project to assess whether capturing flue gas (including CO_2, NO_x, SO_x) from a cement kiln and using ammonia to produce commercially sustainable products would be viable.

Members from various government departments and local industries were invited to attend the pilot plant demonstration at PPC Dwaalboom on 25 January 2023. The technology demonstration revealed that carbon dioxide from the coal-fired flue gas was captured and successfully converted into ammonium bicarbonate fertiliser salt.

The next step of the pilot project is to conduct a feasibility study that will evaluate upscale opportunities for the technology and the project's economic viability in the cement industry.

Pollution prevention

In South Africa, PPC's pollution prevention plan, approved by the DFFE, must be monitored and reported on over the next five years; as such, the FY23 progress report was submitted and approved. PPC Zimbabwe initiated pollution reduction by commissioning the kiln bag and upgrading abatement equipment for its dust-generating equipment.

Greenhouse gas

PPC's cement is registered and approved on the South African GHG Emissions Reporting System, which informs PPC's carbon tax liability. PPC's FY23 GHG report was submitted through the South African GHG Emissions Reporting System as per reporting regulations and was approved. The GHG regulations were amended to cater to the five-year transition period, changing the accounting process methodology – PPC's FY23 submission reflects the changes.

CO_2 emission performance for PPC did not meet the budget for FY23. The performance was negatively impacted by the product mix; additionally, several operational inefficiencies were observed at some sites, leading to energy inefficiency.

The carbon emission intensity for operations is detailed below.

CO_2 intensity

CO_2/t cement	FY23	FY22	FY21
South Africa cement	**791**	784	756
PPC Zimbabwe	**703****	552*	Not reported separately
CIMERWA	**630**	618	Not reported separately

* *CO_2 intensity reported does not account for the procured ~160 kt of clinker.*

** *CO_2 intensity reported does not account for the procured ~81 kt of clinker.*

Carbon tax

South Africa's Carbon Tax Act 15 of 2019 came into effect on 23 May 2019, to drive sustainable growth and enable South Africa to contribute to the global effort to reduce concentrations of GHG emissions. The submission for the calendar year 2022 carbon tax emissions and payment will be made at the end of July 2023. The current impact of PPC's Carbon Tax bill on variable cost ranges between 1,5% to 2%.

Alternative fuels and resources

Alternative energy solutions are core to PPC's decarbonisation strategy and are fundamental to improving the group's operational performance – both environmentally and financially. In FY23, PPC sourced an external service provider to conduct an alternative fuel and raw material availability study to inform a holistic alternate fuel and resource strategy. The strategy will be refined in FY24.

The alternative fuels programme continues, with the following key interventions:
- At De Hoek, 2 428 tonnes of tyres were co-processed in FY23 compared to 1 321 tonnes in FY22
- Slurry and Dwaalboom continue to co-process refractory spent pot liners and spent pot liners respectively
- CIMERWA focused on primarily using peat, rice husks and palm kernel as coal substitutes, achieving a thermal substitution rate of 6,72% against a target of 15%

NATURAL CAPITAL continued

ENVIRONMENTAL MANAGEMENT APPROACH continued

EFFICIENT AND RESPONSIBLE USE OF WATER RESOURCES

The availability and supply of water varies in each region PPC operates in. PPC uses water as responsibly and efficiently as possible. To ensure water security in the long term, PPC finds new and innovative ways to save water and reviews and updates its water management strategy frequently to improve its approach to water conservation.

PPC manages water-related impacts beyond its boundaries by identifying and monitoring water sources, usage and quality, managing water usage according to monitoring results, reusing and augmenting alternative sources and conducting risk assessments that consider emerging legal requirements. Water targets are developed in line with integrated water use licences and environmental and social impact assessment commitments.

PPC consistently implements demand-side management and conservation efforts across all sites, including awareness campaigns and operational controls, such as leak detection and water rationing at villages where water scarcity is a concern. PPC's initiatives in FY23 included:

- The continued installation of water-saving taps and shower heads at Jupiter to save and conserve water, resulting in a 97% reduction in average daily consumption
- Replacing the electrostatic precipitators with baghouse filters at Colleen Bawn, resulting in water consumption savings of an estimated 18 m^3 per hour
- Initiating a group-wide monitoring assessment project to assess the adequacy of water meters and improve the overall understanding of water balances on-site for efficient monitoring, measuring and management
- Conducting a water balance gap analysis
- Developing a water monitoring web application. The first phase has been completed and the project is expected to conclude in FY24

PPC's performance during FY23

Group water consumption decreased by 13,5% against target, however, the performance remained flat compared to FY22.

Water intensity

m^3/t cement	FY23	Target FY23	FY22	FY21
Group	0,35*	0,39	0,35*	0,33

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

AIR QUALITY MANAGEMENT

during manufacturing, PPC releases air emissions including dust particulate matter, SO_x and NO_x. Emissions from kiln stacks are monitored and the relevant requirement inventory is frequently updated. PPC monitors all point sources at its operations, except CIMERWA's SO_2 emissions. In FY23, continuous emission monitors were purchased and installed at Colleen Bawn alongside bag filters, resulting in emission reductions to within regulatory limits. Internationally, PPC focused on regular maintenance and in-house calibration of its continuous emission monitoring systems. The sites annually conduct stack emission verification through independent stack emission testers. CIMERWA continues to effectively use the purchased isokinetic equipment to ensure the site timeously complies with the statutory requirements.

PPC sites operate under approved AELs and authorisations issued in terms of relevant in-country legislation. All operations are equipped with air abatement technologies which are continuously monitored, and their availability is reported to relevant authorities as per the licence requirements or standards.

Air quality measurements

	Dust		NO_x		SO_x	
Tonnes*	FY23	FY22	FY23	FY22	FY23	FY22
South Africa	73	84	7 617	7 277	736	807

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

PPC recorded several non-compliances regarding licences during the reporting period. All non-compliances are investigated to identify root causes and avoid repeat occurrences. Corrective actions, including engineering interventions and process controls, were implemented promptly. To ensure compliance obligations are met, monitoring equipment is maintained and calibrated at the required intervals through the PPC maintenance system. Additionally, external verification and calibration are conducted annually by an independent accredited service provider.

In South Africa, emission reduction plans have been compiled and are frequently updated for operations that have been granted postponement for compliance to the 2020 minimum emission standards. Progress towards these plans is reported to the DFFE quarterly.

RESOURCE CONSERVATION

Rehabilitation

Despite most of PPC's operations residing in low-sensitivity environments, the company carefully considers the impact of its operations throughout its business cycle, including exploration, operations, decommissioning and closure.

PPC monitors its environmental footprint in South Africa with annual fly-over surveys and measures this data against its environmental management plan review commitments. Progress is also measured against mine-specific rehabilitation plans. To date, PPC has restored 95,3% of disturbed land, in line with established targets with neighbouring farmers leasing this rehabilitated land.

Funding for mine closure costs in South Africa is provided through a combination of rehabilitation trust investments and bank guarantees to ensure alignment with existing financial provisioning regulations. PPC's risk-based approach assesses 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.

ENVIRONMENTAL MANAGEMENT APPROACH continued

RESOURCE CONSERVATION continued

Rehabilitation continued

In South Africa, the date of compliance with the National Environmental Management Act 107 of 1998, as amended, and related financial provisioning regulations (government notice 42 956, gazetted on 17 January 2020) has been postponed to September 2023. The further extension date was published in GN 2087 of 19 May 2022. In FY23, comments were provided on the proposed regulation.

Zimbabwe undertook concurrent rehabilitation efforts at its clay mining operations; limestone operations will be reclaimed at their end of life.

Biodiversity management

PPC recognises the importance of biodiversity and its critical role in supporting the planet's life sustainability systems. As such, alien invasive species eradication programmes continue in operations. In FY23, CIMERWA planted more than 2 500 trees around its premises and PPC De Hoek planted 100 trees as part of its greening campaign, enabling carbon sequestration while mitigating the impact of climate change.

PPC Dwaalboom conducted a 12 000 Ha biodiversity assessment and developed an invasive alien plant management plan. Additionally, Slurry conducted a terrestrial biodiversity assessment to optimise biodiversity conservation at its site.

WASTE MANAGEMENT

PPC's waste management programme focuses on reducing waste sent to landfills while complying with relevant regulatory and legislative requirements. PPC identifies waste streams and monitors the general and hazardous waste produced from its business activities. PPC aims to use alternative raw materials and fuel in its processes and to replace non-renewable resources where possible, focusing on slag and fly ash, and extensions for cement and concrete production.

Waste legislation sets out a waste hierarchy that can be enhanced through co-processing activities, including substituting coal with alternative materials. This preserves natural resources and reduces PPC's carbon footprint, providing sustainable solutions to long-term waste management.

In FY23, PPC focused on the accurate monitoring of waste quantities, and increased reduction, reuse and recycling. The company generated 7 288 tonnes of general waste, of which 78% was recycled by operations (FY22: 7 987 tonnes/61%), and 473 tonnes of hazardous waste (predominantly oil-contaminated waste), of which 58% was recycled (FY22: 707 tonnes/50%). The reduction in waste generated and the increase in recycled waste was due to the implementation of various activities, including adopting waste co-processing, maintaining critical equipment and machinery resulting in decreases in oil leaks (reduced oil-contaminated waste), and promoting reuse and recycling programmes at all PPC operations and villages.

In Rwanda, CIMERWA maintains a zero-waste strategy to reduce the impact of its operations on the environment. It also helps PPC to empower host community members by creating employment opportunities as waste handlers. PPC Zimbabwe and CIMERWA offer waste management solutions in their respective countries through co-processing.

LOOKING AHEAD

- develop a digital compliance management tool to assist in monitoring the group's adherence to compliance obligations
- Conduct a water footprint assessment and begin phase 2 of the water monitoring web application
- Implement the Environmental Management Recognition Award System
- Continue with stakeholder engagement and collaboration to enable improvement in the overall environmental performance
- Investigate reinstating Carbon Disclosure Project reporting
- Develop the alternative fuel resources strategy
- Continue to implement the group decarbonisation strategy
- Effectively maintain continuous emission monitors

RELATED SDGS

- SDG 12 Responsible consumption and production
- SDG 13 Climate action

ENVIRONMENTAL MANAGEMENT APPROACH continued

SUMMARY ON TCFD

PPC is a contributor to global GHG emissions due to the high carbon intensity of the cement production process. However, the company is committed to contributing to climate change solutions. The TCFD reporting standard offers a universal and practical structure for understanding climate change-related impacts on existing operations and for guiding companies in setting their emissions targets while encouraging the transition to a low-carbon economy.

PPC's first TCFD report was published in November 2021, and addressed the TCFD requirements of governance, strategy, risk management and metrics and targets. The process of using the TCFD framework as a guide for reporting helped the company structure its climate change strategy and targets.

PPC stated its intentions to achieve net-zero emissions by 2050, and is participating in collective actions to address key barriers to decarbonisation.

PPC's TCFD journey prepares the company to respond to climate change eventualities and enables transparent disclosure of its efforts to decrease its carbon footprint and mitigate its environmental impact.

PPC'S TCFD APPROACH

1	2	3	4
Evaluate PPC's resilience to different market and physical climate change scenarios	Report on detailed climate change information, framed according to the TCFD	Develop an informed GHG-reduction plan and appropriate strategy	Develop a detailed climate change strategy

PPC's progress

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

- In FY21, PPC conducted a scenario analysis to assess the business implications of climate change and to help in making strategic and risk management decisions using data from the IPCC, work done on Just Transitions by the NBI in South Africa, various research outputs, and publicly available tools. Using explanatory analysis, the group assessed its resilience in the context of three hypothetical climate scenarios
- The climate scenario analysis is reviewed annually and will be updated when necessary

See page 8 of our 2021 TCFD report for a detailed analysis.

2 Report on detailed climate change information, framed according to the TCFD

- PPC's inaugural TCFD report was published in 2021, disclosing detailed information according to the TCFD recommendations
- PPC provides a summary of its progress in its IR

3 Develop an informed GHG-reduction plan and appropriate strategy

- PPC began the implementation of its decarbonisation strategy in FY22, setting its short, medium and long-term targets and identifying key decarbonisation enablers
- In FY22, the group established a decarbonisation committee, whose responsibilities include oversight and monitoring of current projects, and the assessment of potential technologies
- EXCO and the decarbonisation committee receive quarterly decarbonisation updates

ENVIRONMENTAL MANAGEMENT APPROACH continued

SUMMARY ON TCFD continued

PPC'S TCFD APPROACH continued

Decarbonisation enablers

Clinker-factor reduction

- Increase the use of supplementary cementitious materials, like fly ash, pozzolana, slags and calcined clay
- Identify opportunities for new product development or reclassification
- Optimal use of strength enhancers and grinding aids

Electrical efficiency and renewables

- Optimise plant assets by making use of energy-efficient equipment as part of the plant asset care strategy
- Use of renewables, wind and solar in the energy mix
- PPA and power wheeling
- Backup storage systems, for example, batteries

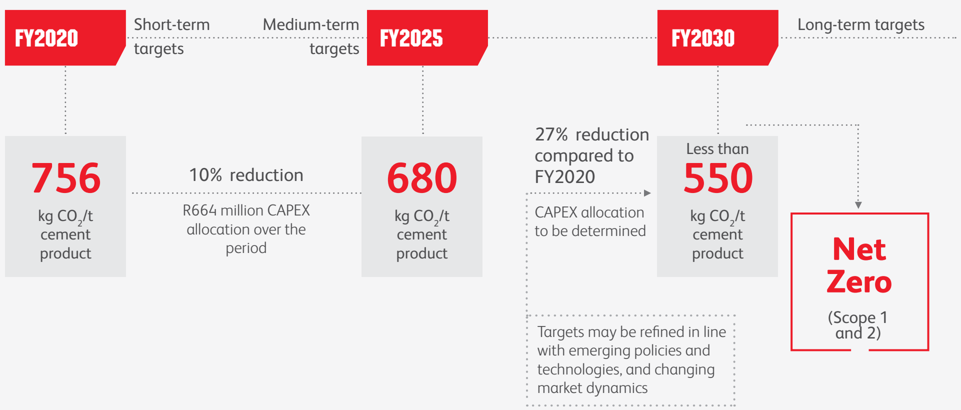
Thermal efficiency and alternative fuels

- Operating kiln lines at best demonstrated practice or better
- Use of alternative fuels, for example, waste tyres, refuse-derived fuels, etc.
- Enhanced automation – use of high-level control systems, artificial intelligence solutions
- Training and development

OEE

- Optimal outputs of operating units, achieving best demonstrated practice, guided by industry benchmarks
- Improved availability and reliability; less frequent stops/starts, resulting in a reduction of fuel requirements
- Stable power supply

Defined net-zero ambition and progress



4 Develop a detailed climate change strategy

- Using the climate scenario analysis developed in FY20, PPC's climate change strategy addresses its material climate risks and opportunities
- The base year for the climate change strategy is FY20, which is in line with the Paris Agreement
- The strategy details the company's short-term targets (up to FY25), medium-term targets (up to FY30) and a long-term commitment towards net-zero carbon
- The strategy includes five main activities:
  - Manage PPC's carbon footprint
  - Respond to transition risks and opportunities
  - Increase PPC's resilience to physical risks
  - Address key barriers to decarbonisation
  - Build a foundation of data and human capital to support all activities
- The strategy includes appropriate targets given the sub-Saharan African context within which PPC operates
- The group is fully committed to its short-term targets in their current form: medium and long-term targets depend on external conditions and may be refined in line with emerging regional and global policies, technologies and market dynamics

NATURAL CAPITAL continued

ENVIRONMENTAL MANAGEMENT APPROACH continued

LOOKING AHEAD

in FY23, 5% of committed capital for the period was allocated to the group's decarbonisation programme. This will increase in FY24 to FY26 as key projects are commissioned. The majority of these projects are value accretive and are embedded with PPC's planned capex programme. PPC intends to review its net-zero targets in the next two years, in response to, and in alignment with, evolving market dynamics and advancement in technological solutions.

PPC will support its objectives by building a foundation of data and human capital through the improvement of data systems and investment in climate-related training and human capital resourcing. As a leading producer in the cement industry, the group aims to drive the creation of markets for low-carbon or zero-carbon cement and support policies enabling decarbonisation.

RELATED SDGS

- SDG 12 Responsible consumption and production
- SDG 13 Climate action

SOCIAL AND RELATIONSHIP CAPITAL

SOCIAL PERFORMANCE

PPC strives to deliver on its purpose of empowering people to experience a better quality of life.

SOCIAL PILLARS

PPC plays an active social role in uplifting the communities in which it operates to create and maximise shared value for all. The group delivers sustainable initiatives in the following areas:

Education and skills development	Enterprise development	Infrastructure development	Environmental protection	Primary healthcare

SOCIO-ECONOMIC DEVELOPMENT IN FY23

Building and nurturing partnerships remains valuable to deliver shared value for all stakeholders.

PPC's corporate social-economic development strategy, which is underpinned by the relevant, empowering, actualising and lasting philosophy, is aligned with the UN SDGs and national government development plans in respective regions to ensure that PPC collaboratively plays its part in addressing social challenges.

HIGHLIGHTS
Invested R8,01 million in the SLPs
Assisted with disaster relief in flood-affected communities in KZN in South Africa
PPC implemented vegetable gardens at Randfontein Secondary School and Enkundleni Primary School, feeding more than 1 500 and 250 children respectively, contributing to a sustainable food solution for the communities
PPC SA provided Construction Education and Training Authority (CETA)-accredited bricklaying, plastering and construction management training to more than 200 unemployed youth
PPC SA launched a business incubation programme with enterprise development specialists, Lean Enterprise Acceleration Programme (LEAP), to incubate 10 SMMEs. The programme ran from November 2021 until October 2022
PPC Zimbabwe constructed two science and computer laboratories in Bengo and Mudzamiri secondary schools in Matabeleland and Masvingo provinces to promote Science, Technology, Engineering and Mathematics (STEM) subjects
PPC Zimbabwe donated 280 bags of cement to Fairview and Mawabeni Primary Schools to assist in infrastructure development
CIMERWA continued to pay for vulnerable communities' health insurance to ensure access to free medical services
CIMERWA provided agricultural land to communities to establish cooperatives where community members farm and reap the financial rewards, ensuring the livelihoods of their families

SOCIAL PERFORMANCE continued

PROJECTS

In FY23, South Africa and Botswana spent R5,3 million* on their CSI projects. PPC collaborates with stakeholders, including government and NGOs, on initiatives that address the needs of communities; for example, assisting with disaster relief in flood-affected communities in KZN, South Africa.

In South Africa and Botswana, PPC concentrated on the following projects:

- CETA-accredited bricklaying, plastering and construction management training for more than 200 unemployed youth
- 70 youths participated in the YES programme in FY23
- PPC's **SURE ACADEMY** technical school trains artisans and fitters and turners for industry employment
- Launched a **business incubation programme** with enterprise development specialists, LEAP, to incubate 10 SMMEs. The programme ran from November 2021 to October 2022
- Provided immediate relief efforts of R1,2 million for the KZN flood victims, assisting 2 000 people with food parcels, blankets and water
- In partnership with a valued customer, PPC provided building materials to the value of R750 000 to Redeemed Kidz early childhood development centre in Daveyton. The project extended the centre to accommodate an additional 150 children and provided jobs for at least 30 people in the community
- Donated crusher dust to the value of R95 000 to the Wittlewater community, to repair roads after a severe storm impacted the entry and exit roads of the community
- PPC Botswana was the **anchor sponsor of the SOS Children's Village Career Fair**, donating P15 000 to support its goals of giving youth exposure to various career opportunities and institutions. Over 200 young people attended the fair to establish professional relationships and learn about the opportunities available to them in multiple industries
- PPC Botswana provided **support to several schools** in surrounding communities, including the donation of furniture, computers and study materials for 136 students with dyslexia in Matsetsa village, and handed over a fully equipped computer laboratory to Tihale Primary School in Gumare to help close the digital gap
- PPC Botswana has an ongoing partnership with Local Enterprise Authority, a government institution that trains entrepreneurs to run and maintain proper business records. The company **sponsored a training session** for selected suppliers in FY23
- PPC Botswana partnered with the Mabutsane Council and provided building materials for use in the construction of housing for the less privileged in the region's villages

PPC Zimbabwe concentrated on the following projects:

- **Constructed two science and computer laboratories** (in Matabeleland and Masvingo provinces) to support PPC's drive to promote STEM subjects
- **Donated 280 bags of cement** to Fairview and Mawabeni primary schools to aid in infrastructural development
- Continued support of market gardens, sewing, brick and pavers projects in Colleen Bawn and Bulawayo by **providing operating premises, training and markets for products**
- Supported government initiatives by donating stationery and fuel to the Zimbabwean police; participating in the Business Against Crime forum; participating in monthly national clean-up campaigns; and donating three truckloads of cement to assist with post-cyclone reconstruction in Malawi

CIMERWA in Rwanda concentrated on the following projects:

- CIMERWA supports local schools, such as L'Educateur Primary School, which houses over 700 pupils. In FY23, CIMERWA provided funds for school fees, stationery, uniforms and the general running of the school, including teacher salaries and utilities
- CIMERWA continues to support a tailor's cooperative, which it has done since FY19. The cooperative's members are mainly women from the community, and the initiative provides employment and skills development to young girls unable to attend high school

* *Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*

SOCIAL AND RELATIONSHIP CAPITAL continued

SOCIAL PERFORMANCE continued

CASE STUDIES

YES

PPC participated in a YES initiative, where companies employ young people for a 12-month period to give them workplace exposure and skills. In return, PPC absorbs a certain percentage of the learners, and gets the benefit of a BBBEE level enhancement. The programme started in July 2022, and to date, 59 leaners have been recruited across PPC's operations.

The programme cost R6,2 million, including registration, learner salaries, accommodation and meals.

Sure Academy: addressing critical skills shortages in the industry

PPC established the Sure Academy to address critical skills shortages in the company and the cement industry. PPC needs a highly motivated, skilled and productive workforce to execute its strategy and create stakeholder value. There is a limited pool of required resources in South Africa and globally, and the group's deliberate strategy to focus on skills development increases the pool of talented and motivated individuals and helps position PPC globally.

PPC is a proudly South African company committed to help building the country. Unemployment, especially youth unemployment, is a significant challenge, and corporates must do what they can to bridge the skills mismatch undermining South Africa's development and help reduce unemployment.

Two of PPC's CSI pillars include skills development and education, which is a driver for the Sure Academy. A critical element of the academy is the graduate development programme, which aims to develop newly qualified young talent – particularly women. The FY23 intake has 17 graduates across our RSA and Botswana business units in STEM disciplines.

The Sure Academy is also proudly associated with the Technical Skills Centre, which focuses on running learnerships and creating artisans, such as fitters and turners, millwrights and boilermakers. The Technical Skills Centre is also open to external learners and is accredited by the Quality Council for Trades and Occupations under the Department of Higher Education and Training.

Brickmaking for a living

In 2020, PPC, in partnership with the Gauteng Department of Economic Development, South African Bureau of Standards, Lepharo and the Industrial Development Corporation facilitated the establishment of a three-year certification and incubation programme for township brick manufacturers. The programme aimed to be a catalyst for the growth of local brick manufacturers and provided skills development, product certification, and links to market and financial assistance for SMMEs. The incubation programme ended on 31 March 2023 with 21 brickyards, three of which are female-led and ready for SABS certification.

LEAP Incubation programme

As part of its transformation strategy, PPC entered into a strategic agreement with LEAP transformation specialists to offer a supplier development programme to support the growth and sustainability of Levels 1 and 2 BEE black-owned businesses.

The incubation programme focuses on five pillars to assist the nine beneficiaries with compliance, business strategy, marketing, finance and any other problems the supplier may be experiencing. The main challenges affecting the suppliers range from load shedding and access to markets to the right financial and operational processes. The programme provides unique recommendations and support to ensure beneficiaries' business longevity.

SOCIAL AND RELATIONSHIP CAPITAL continued

SOCIAL PERFORMANCE continued

SOCIAL AND LABOUR PLANS

Mining rights holders are required to develop and implement a comprehensive social and labour plan, including a human resources development programmes, a mine community development plan, a housing and living conditions plan, an employment equity plan and a process that promotes saving jobs and managing downscaling and/or closure of the company.

The programmes are aimed at promoting employment and advancing the social and economic welfare of all South Africans while ensuring growth and socio-economic development specifically in the communities where the group operates. During FY23, 87,5 %* of PPC's mines had an active SLP in place with R3,95 million* being spent towards planned commitments.

Projects in operation

Operation	FY23 local economic development (LED) projects	Total budget	Total spent against budget	Performance against plan		FY24 focus areas
De Hoek	• Piketberg Youth Centre	R3,35 million	R3,68 million	The third-generation SLP LED project, Piketberg Youth Centre, was handed over to the Bergrivier municipality on 31 October 2022. Total SLP spend R9,56 million.	✓	Consultation for the fourth-generation SLP has commenced.
Riebeeck	• SMME development • Small business hubs • ECD compliance • Youth development in Riebeek West and Riebeek Kasteel	R2 million	R1,3 million	Three of four LED projects in the Riebeeck third-generation SLP have been completed.	✗	The fourth and final project is in progress. The project was completed in June 2023.
Port Elizabeth	• Refencing and electrification of Molefi Primary School in New Brighten, Port Elizabeth	R750 000	R750 000	The second generation SLP LED project included refencing the school, connecting electricity to the classrooms and ablution facilities at Molefi Primary School. There are currently two LED projects in the Mooiplaas third-generation SLP. Project 1 is completed.	✓	A formal handover is to follow, and consultation on the third-generation SLP LED project will commence in September 2023.
Mooiplaas	• Laboratory renovation at Hofmeyer High School	R400 000	R400 000			The handover planned for 15 June 2023 was delayed for two months due to a DMRE inspection. Handover is expected in August 2023.
	• Adding two classrooms to Bokgoni Technical High School	R2 million	R0		✗	PPC is in discussion with the Department of Education to partner with them to provide two additional classrooms for Bokgoni Technical High. The memorandum of understanding is in progress, and PPC has submitted a proposal to the DMRE to review the budget and potentially reduce it due to Mooiplaas's financial constraints. PPC is awaiting feedback from DMRE.
Laezonia	• School hall construction for Reshomile Primary School	R1, 6 million	R0			The SLP LED project for the third-generation Laezonia project has not been completed due to financial constraints. A proposal was submitted to the DMRE to amend the budget to R200 000. The amendment of the new LED project has been submitted for approval (to supply the school with classroom furniture).
Beestekraal	• Water boreholes and storage tanks	R3 million	R480 000		⋯	The project construction has begun. Phase 1 is to be completed by end of June 2023. The next phase will start depending on budget approval for FY24.
Dwaalboom	• Automated water control/measurement • Sanitation solutions (toilets) • Paving the Doornhoek/Medivet roads	R4,5 million	R1,4 million		✓	PPC is awaiting a handover date from the mayor's office. Handover completed in November 2022. Phase 1 of the road is in progress. Phase 2 is to begin in October 2023.
Total SLP spend		****R17,60 million**	****R8,01 million**			

** Limited assurance – refer to the independent limited assurance report on pages 128 to 129.*
*** Total spend of R8.01million comprises of a YTD spent against the R17,60 million five-year SLP commitment.*

✗ **Not started** ⋯ **In progress** ✓ **Completed**

RELATED SDGS

- SDG 3 Good health and well-being
- SDG 8 Decent work and economic growth
- SDG 9 Industry, innovation and infrastructure
- SDG 10 Reduce inequalities
- SDG 12 Responsible consumption and production

CHAPTER 5

FOSTERING AN ETHICAL CULTURE

PPC embraces an ethical culture, beginning at the top and transferring down. The board of directors is responsible for setting PPC's ethical tone and strives to uphold impeccable standards of integrity in its professional and personal relationships.

The tone at the top is embedded in the organisation through zero tolerance for unethical behaviour and an approach to ethical conduct aligned with the United Nations Global Compact (UNGC) principles and the African Union Convention on Preventing and Combating Corruption.

The board is committed to performing its duties in good faith and in a way that promotes the company's commitment to conducting its affairs and business operations responsibly and ethically in all jurisdictions and social environments. Executive directors ensure that all internal and external stakeholders understand the group's ethos regarding the code of conduct and business ethics policy.

CODE OF CONDUCT AND BUSINESS ETHICS

The fundamental principles of ethical behaviour are set out in PPC's code of conduct and business ethics policy. This policy promotes and encourages ethical behaviour, gives effect to PPC's core values, guides PPC's relationships with its stakeholders and outlines ethical principles applicable to the group.

PPC's values include:

RE-PPC

- Always do the RIGHT thing
- Strive for EXCELLENCE in all we do
- Our PEOPLE, our strength
- PASSION
- CUSTOMER-focused

The head group legal and compliance is responsible for investigating and providing feedback to the EXCO and the SETCO on non-compliance with this policy. The code of conduct and business ethics policy is a keystone policy, supported by the group's whistleblowing, procurement and fraud prevention and management policies.

WHISTLEBLOWING

Management is responsible for identifying and preventing fraud, corruption, misappropriations and other inappropriate conduct. The whistleblowing policy and the fraud prevention and management policy encourage employees to alert supervisors, managers, the company secretary and members of the SETCO, or to confidentially report ethics issues to the PPC ethics tip-off hotline.

Deloitte independently manages PPC's anonymous ethics tip-off hotline (Tip-off Hotline). All tip-offs are reviewed and addressed by a whistleblowing committee (WBC) comprising members of the EXCO, the CEO, CFO and head group legal and compliance.

The primary function of the WBC is to assess and investigate all whistleblower complaints and tip-offs received via the Tip-off Hotline and other sources, and to implement and enforce the PPC group whistleblowing policy and group fraud prevention and management policy.

Mechanisms are incorporated in the WBC's ToR to preserve the anonymity of whistleblowers, ensure prompt action and reporting, and safeguard against bias, prejudice and/or conflicts of interest if any complaint or report involves a particular member of the committee.

The WBC reports to the SETCO quarterly. Instances of fraud identified from the Tip-off Hotline, communicated directly to management or discovered in the course of business are reported to the ARCC.

A culture of accountability and a firm belief in the efficacy of the whistleblowing process – along with management's commitment to an ethical culture by investigating tip-offs – is essential for employees and other stakeholders to feel comfortable about raising concerns without fear of victimisation. It is also crucial to ensure employees accused of wrongdoing are treated fairly when incorrect or malicious claims are made.

FOSTERING AN ETHICAL CULTURE continued

FRAUD PREVENTION AND MANAGEMENT

PPC's reputation, credibility and integrity are based on its commitment to conduct business as a responsible and ethical corporate citizen. The group supports and fosters a culture of zero tolerance to fraud, corruption and theft in its activities. The fraud prevention and management policy ensures effective reporting, disclosure and investigation of fraud and corruption occurrences within the group.

The custodian and accountable person for this policy is the head group legal and compliance. Responsibility for fraud prevention and management falls under the control of the ARCC.

PROCUREMENT

PPC's procurement function provides an overall service whereby procurement of all fixed assets, goods, commodities and services is carried out timeously, efficiently and at the lowest total cost of ownership while meeting predefined criteria of fit, form, function, quality and service, as specified by the PPC end user.

PPC's procurement policy defines control measures and the governance framework within the procurement environment. The policy prescribes the processes to be followed for purchases above various thresholds. Above a minimum monetary threshold, a tender process is conducted to find the most competitive price, with two officers of the company signing off on all contracts. Acquisitions are guided by the group's board-approved delegation of authority, which prescribes financial limits to authority.

INCLUSIVE PROCUREMENT

The South African inclusive procurement policy aims to support PPC's transformation efforts by migrating procurement from non-transformed suppliers and introducing new participants into mainstream procurement opportunities, without relinquishing PPC's established value-for-money principles.

DISCLOSURES OF INTEREST

In FY23, PPC enhanced its disclosures of business interest and gift procedures by standardising the disclosures and conflicts of interest reporting tools and automating the declaration process. Additionally, ethics training was conducted across the group.

BEST COMPANY BY DELOITTE SURVEY

Management's tone at the top is an essential element of effective internal control and corporate governance. Overall satisfaction with leadership indicates the perceptions of leadership behaviours which ultimately influence employees' connection to the company. The leadership driver of the engagement addressed themes of ethical behaviour, the company's vision and mission, communication, role modelling and recognition.

The survey assessed the opinions of PPC employees on whether, in their belief, the group EXCO, country and business unit management, and direct supervisors:

- Communicate regularly and consistently about the importance of ethics and compliance
- Create an ethical atmosphere, lead by example, implement an ethical atmosphere and drive ethical processes
- Act upon reports of misconduct in a consistent and transparent manner

The survey was conducted under the oversight of the SETCO, and the results proved that upwards of 79 % of employees consistently agreed with statements indicating that an ethical culture is embedded in the organisation at all three levels.

ETHICS AND GOVERNANCE continued

TRANSPARENT ACCOUNTABILITY

BOARD OF DIRECTORS[1]

Phillip Jabulani (Jabu) Moleketi

Age: 66

Status: *Independent chairman*

Qualifications:
MSc (financial economics), Advanced Management
Program: Harvard Business School

Date of appointment: March 2018

Areas of expertise and contribution:
Stakeholder relationships, finance and economics – previously held the position of Deputy Minister of Finance from 2004 to 2008

Other directorships:
Lebashe Investment Group, Remgro, EOH Holdings

Roland van Wijnen

Age: 52

Status: *CEO*

Qualifications:
MSc (industrial engineering), venture capital and private equity, senior management and leadership (IMD), General Manager Program: Harvard Business School

Date of appointment: October 2019

Areas of expertise and contribution:
Strategy, project and financial management, acquisitions and restructuring, customer value management, supply chain, manufacturing, international trading and shipping, back-office optimisation and employee engagement

Brenda Berlin

Age: 58

Status: *CFO*

Qualifications:
BCom, BAcc, CA(SA), Program for Management
Development: Harvard Business School

Date of appointment: February 2021

Areas of expertise and contribution:
Strategy formulation, mergers and acquisitions, legal and compliance, strategic finance, mining, fund raising, finance control including treasury and tax

Nonkululeko Gobodo

Age: 62

Status: *Independent NED*

Qualifications:
CA(SA), BCompt (Hons)

Date of appointment: February 2017

Areas of expertise and contribution:
Accounting, auditing, advisory, mergers and acquisitions, entrepreneurship, leadership consulting, strategy, finance, governance and compliance, risk and opportunity management

Other directorships:
Shoprite Holdings, Lesaka Technologies Inc

Bjarne Moltke Hansen

Age: 61

Status: *Independent NED*

Qualifications:
BSc (engineering), Young Managers Program, INSEAD

Date of appointment: November 2021

Areas of expertise and contribution:
Growing businesses, cement, concrete, mining, strategy, acquisitions and divestments, right-sizing businesses, people and team development, cultures, communication

Other directorships:
Aalborg Portland Holding A/S, Bladt Holding A/S, Randers Tegl A/S, Pindstrup Mosebrug A/S, RM Richard Müller A/S

TRANSPARENT ACCOUNTABILITY continued

Kunyalala Maphisa

Age: 48

Status: *Independent NED*

Qualifications:
BA (industrial relations and public administration), LLB, LLM (international trade law), Leadership Programme, African Leadership Institute, Oxford University UK

Date of appointment: February 2021

Areas of expertise and contribution:
Legal, mergers and acquisitions, African continent experience and network, BBBEE, cross-border transacting and investment management

Noluvuyo (Nono) Mkhondo

Age: 39

Status: *Independent NED*

Qualifications:
CA(SA), BAcc, MBA, London Business School as a Mo Ibrahim Scholar

Date of appointment: March 2018

Areas of expertise and contribution:
Investment banking, corporate finance, mergers and acquisitions, investment evaluation, strategic long-term financial planning, cross-border transactions

Other directorships:
Novus Holdings, Value Capital Partners, Metair Investments

Charles Naude

Age: 68

Status: *Independent NED*

Qualifications:
BSc (Hons) (geology, chemistry), MBL

Date of appointment: January 2015

Areas of expertise and contribution:
Cement and materials manufacturing, logistics, sales and marketing, strategy, leadership, people management, risk management, project management

Daniel Luke Smith[(2)]

Age: 51

Status: *Independent NED*

Qualifications:
BAcc (Hons), H.Dip.Tax (Wits), Dip. Strategic Client Management (UCT GSB), CA(SA)

Date of appointment: October 2022

Areas of expertise and contribution:
Investment banking and advisory, corporate finance, investment and capital allocation, mergers and acquisitions, equity capital markets, listings, delistings, restructuring, BEE private equity

Other directorships:
Value Capital Partners, ADvTECH Limited

Mark Richard Thompson

Age: 71

Status: *Independent NED*

Qualifications:
CA(SA), BCom, LLB, BAcc

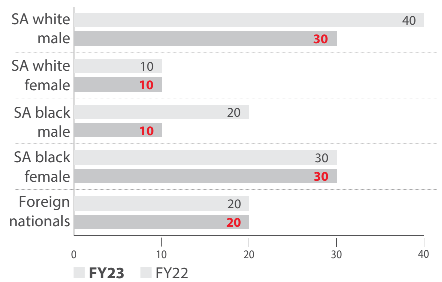
Date of appointment: May 2019

Areas of expertise and contribution:
Private equity, industry and construction, international finance, general business and accounting

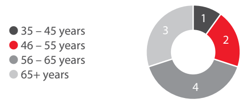
Other directorships:
Hudaco Industries, Sasfin Bank, Bravo Group, Thelo Rolling Stock Leasing

[(1)] *As at 1 April 2022, only significant directorships are disclosed.*
Antony Ball retired as a NED at the AGM held on 9 September 2022.
Director ages are stated as at AGM (6 September 2023).
[(2)] *Daniel Smith was appointed an independent NED effective 1 October 2022.*

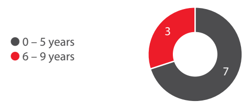
Board diversity (%)



Age of directors 2022

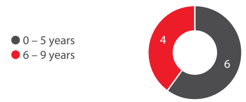


Tenure of NEDs 2022



Age of directors 2023

Tenure of NEDs 2023



TRANSPARENT ACCOUNTABILITY continued

GROUP EXECUTIVE COMMITTEE

Roland van Wijnen

Age: 52

Status: *CEO*

Refer to page 88 for Roland's qualifications, date of appointment, areas of expertise and directorships.

Brenda Berlin

Age: 58

Status: *CFO*

Refer to page 88 for Brenda's qualifications, date of appointment, areas of expertise and directorships.

Njombo Lekula

Age: 55

Status: *MD: South Africa and Botswana*

Qualifications:
MBA, National Diploma (chemical engineering), Advanced Management Program: Harvard Business School

Date of appointment: November 2015

Areas of expertise and contribution:
Engineering, technical expertise, operations management, strategic leadership

Mokate Ramafoko

Age: 50

Status: *MD: Industrial and Innovation*

Qualifications:
BSc, BSc (Hons) (metallurgy), MBA

Date of appointment: February 2018

Areas of expertise and contribution:
Cement manufacturing, quality assurance, cement process optimisation industries

CORPORATE GOVERNANCE REVIEW

PPC continues to enhance its governance practices with an increasing focus on proactivity and inclusiveness to ensure its governance practices embody accountability, responsibility and transparency.

As the company strives to improve the quality of its management and decision-making, it develops governance standards that enable it to confidently manage and mitigate risks as they arise. PPC complies with the principles of King IV and ensures the company meets the requirements of all statutory and regulatory requirements, including the Companies Act and its regulations. PPC also complies with the JSE and Zimbabwe Stock Exchange (ZSE) Listings Requirements.

ESTABLISHING EFFECTIVE CONTROL

PPC's unitary board is the custodian of the company's corporate governance, responsible for ensuring the group's success by implementing the highest governance standards. This allows PPC to enhance its ability to create and protect stakeholder value over time.

The board exercises independent judgement and objectivity when making decisions and, in doing so, considers the company's best interests, along with those of its stakeholders. Directors implement the business judgement rule, acting honestly, reasonably and in good faith to provide constructive and robust challenges to proposals and decisions.

The board charter, which is reviewed and approved by the board biennially, affirms the board's role, powers and responsibilities and those of its committees. It is based on sound corporate governance principles, international best practice and applicable laws and regulations.

PPC's delegation of authority policy governs decision-making authority and defines those matters either reserved for board determination, delegated to management for consideration or reserved for specific roles within PPC, and financial decision-making and approval limits. The delegation of authority framework is an ancillary document to the board charter but does not limit the matters reserved for the board. The board is satisfied that the delegation of authority contributes to role clarity and the effective exercise of responsibilities.

PPC's independent board chairman, CEO and company secretary are responsible for the group's corporate governance. Their roles and responsibilities are clearly defined in the board charter. The roles of PPC's independent board chairman and CEO are kept separate to ensure no single person has unrestricted decision-making powers. The board determines the CEO's role, which is formalised in the board charter and managed through an annual scorecard.

PPC's board chairman, Jabu Moleketi, leads the board and guides its proper and effective functioning while protecting the group's corporate governance integrity. He ensures adequate time is allocated to discuss board matters through a culture of openness and fair debate and acts as the link between the board, shareholders and the broader public. The board evaluates the chairman's performance annually.

Roland van Wijnen is PPC's CEO and leads PPC's day-to-day operations by ensuring the company's strategy is executed effectively. As the primary liaison between management and the board, he establishes an organisational culture conducive to effective governance and controls. Roland's objective is for PPC to meet its financial and operational targets, and he may delegate the powers vested in him as he deems fit in alignment with the delegation of authority policy.

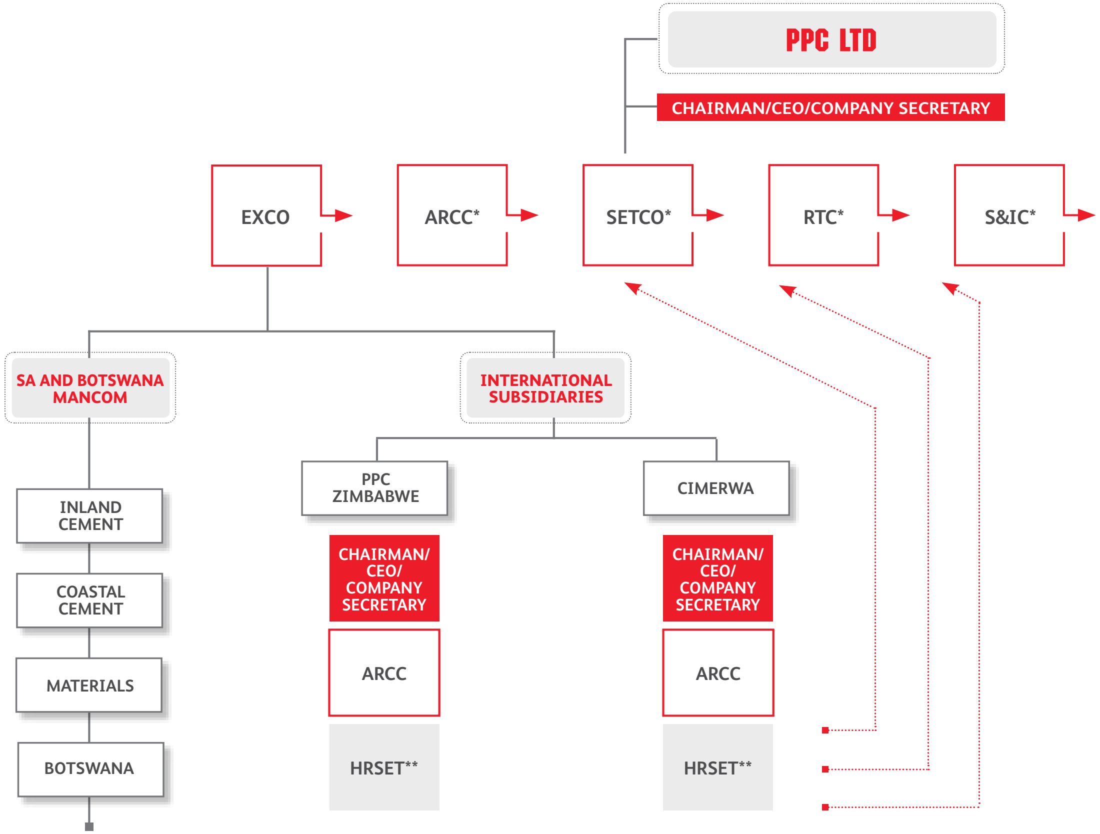
PPC's head of group legal and compliance and group company secretary, Kevin Ross, guides PPC's directors in their duties, responsibilities and powers. Kevin administers the company's statutory requirements and its South African subsidiaries, and oversees international subsidiaries. This ensures PPC's governance practices are based on King IV and align with its annual work calendar. One of his main focus areas is to ensure compliance with the JSE and ZSE Listings Requirements. Kevin acts as a central source of information and advice on ethics and good governance-related matters for the board and PPC. He is not a board member; however, he retains unfettered access to the board while maintaining an arm's length relationship with them. The board annually evaluates Kevin's performance and independence and after considering his competence, qualifications and experience, is satisfied he can effectively perform the role of gatekeeper of good governance in PPC and execute his role and responsibilities.

Refer to page 88 for the chairman's and CEO's qualifications and experience.

CORPORATE GOVERNANCE REVIEW continued

GOVERNANCE STRUCTURE

PPC's board committees manage good corporate governance while improving internal controls, resulting in PPC's sustainable performance. Each committee comprises at least three directors, of whom the majority must be NEDs, with the required skills and experience to fulfil their duties pertaining to the committee's matters and PPC's business and sector. The committees' ToR are reviewed and approved biennially. ToR set out the committees' roles and responsibilities, requirements for composition, meeting procedures and general functioning. These committees regularly report to the board on any material issues that may arise.



* PPC Ltd committee – only oversight responsibilities where PPC has management control.
** HRSET – human resources, social, ethics and transformation committee.

CORPORATE GOVERNANCE REVIEW continued

Audit, risk and compliance committee (ARCC)

Mark Thompson is the ARCC chairman. The ARCC performs its functions as outlined in section 94 of the Companies Act, 71 of 2008, and King IV, PPC's memorandum of incorporation (MoI), the JSE Listings Requirements and other applicable laws or regulatory provisions.

Along with its statutory responsibilities, the ARCC provides independent oversight of the effectiveness of PPC's internal audit, finance and assurance functions and services, risk management, systems of governance, and technology and information governance. It also monitors PPC's compliance with all relevant laws and regulations.

The ARCC recommends the external auditor's appointment and oversees the external audit process and integrity of the group's AFS, interim and preliminary announcements, and any other results announcements. The ARCC also assists the board in monitoring PPC's reporting activities, such as the integrated report.

Social, ethics and transformation committee (SETCO)

Nonkululeko Gobodo is the SETCO chairperson. The SETCO performs its functions as outlined in section 72(4) of the Companies Act and Regulation 43, King IV, PPC's MoI, the JSE Listings Requirements, and other applicable laws or regulatory provisions.

The SETCO oversees PPC's ethical, environmental and social performance, monitoring PPC's activities against relevant legislation, legal requirements or prevailing codes of best practice on social and economic development, transformation, the environment, health and public safety, stakeholder relationships, and labour and employment. The committee also assists the board in ensuring the group is and remains committed to being a socially responsible corporate citizen by creating a sustainable business and considering PPC's economic, social and environmental impact on its communities in light of the UNGC principles, the Organisation for Economic Co-operation and Development policies and the African Union Convention on Preventing and Combating Corruption.

The SETCO reviews PPC's IR alongside the ARCC.

Reward and talent committee (RTC)

Nono Mkhondo is the chairperson of the RTC. The RTC provides an independent oversight role, recommending potential senior and executive candidates to the board for consideration while overseeing and managing PPC's remuneration philosophy and policies.

Together with the company secretary, the RTC oversees the formal evaluation of the directors and committee members, collectively and individually, at least every two years. The committee ensures directors' ongoing development by considering their performance and experience. The RTC ensures formal succession plans for board members and the CEO, identifies and recommends replacements for executive directors and provides input on management appointments to EXCO, as proposed by the CEO and when necessary.

The committee reviews the outcomes of implementing the remuneration policy against set objectives and ensures all benefits are justified and correctly valued. It advises on NEDs' remuneration, considering performance evaluation results, and reviews short-term incentive (STI) schemes and long-term incentive plans (LTIPs) to ensure continued contribution to shareholder value while ensuring the scheme's rules are abided by.

Strategy and investment committee (S&IC)

Charles Naude is the chairman of the S&IC, which assists the board in ensuring that PPC's investment and divestment decisions and operational improvement projects maximise stakeholder value. The committee operates within the strategic guidelines established by the board.

Refer to pages 98 to 126 for details about the board committees' FY23 key and future focus areas.

CORPORATE GOVERNANCE REVIEW continued

BOARD OF DIRECTORS

The board guides PPC according to a specific framework of controls. This framework assesses and manages risks to create long-term value for stakeholders. The board of directors oversees PPC's governance and is responsible for its strategic direction and control. It exercises its authority in terms of the company's governance framework.

PPC's board is responsible for managing the company; the directors individually and collectively conduct themselves with independence, integrity, competence, responsibility, accountability, fairness and transparency when executing their duties. The board's key roles and responsibilities are to:

- Safeguard the interests of stakeholders
- Perpetuate a successful and sustainable business
- Act with independence of mind
- Establish the ethical tone and corporate culture
- Ensure PPC is and is seen to be a responsible corporate citizen
- Set the strategic direction
- Ensure adequate governance, risk and compliance systems and frameworks
- Oversee the effective implementation of a remuneration and incentive model

The board is satisfied that it fulfilled its responsibilities per its charter in FY23.

BOARD COMPOSITION

PPC's board commits to objectively and effectively leading the company. The board comprises an appropriate mix of knowledge, skills, experience, diversity, gender and independence, corresponding with the business's nature, scale and complexity and risks. The RTC annually evaluates whether the board is effective based on its size, diversity and demographics.

As at 31 March 2023, the board comprised eight independent NEDs and two executive directors.

Refer to pages 88 to 89 for more information on directors.

Diversity at board level provides a competitive advantage and is key to effective and inclusive decision-making. The board considers gender and racial diversity to determine its optimum composition and balance, and board appointments are based on merit and requirements for it to be effective. The SETCO assists the board in approving targets for racial transformation as part of the group's transformation roadmap.

	Gender and racial diversity as at 31 March 2023*
Directors who are women	4
Directors classified as black	4

Limited assurance – refer to the independent limited assurance report on pages 128 to 129.

DIRECTORS' APPOINTMENT

Directors are appointed through a formal process guided by the board appointment policy. The policy is a transparent framework for selecting and appointing high-calibre directors to PPC's board to ensure sustainable value creation and growth.

The RTC, assisted by NEDs and representatives from management, submits qualifying candidates to be considered for the positions of executive directors and NEDs. The directors' appointments to the board are subject to approval by PPC's shareholders during AGMs, while the chairman's appointment is subject to only board approval. The directors' appointments are also subject to retirement by rotation as provided in the company's MoI. In terms of the MoI, during the AGM to be held on 6 September 2023, Nonkululeko Gobodo, Charles Naude and Mark Thompson will retire and avail themselves for re-election to the board. Mr Antony Ball retired from the board at the 9 September 2022 AGM. The board charter (charter) and committee terms of reference (ToR) previously provided that no director may serve on the PPC board for longer than nine consecutive years (or three consecutive terms of three years each) (maximum tenure provision). In March 2023, the board resolved to amend the charter and the ToRs by removing the maximum tenure provision. The amendment was approved subject to the condition that after nine years, directors who avail themselves for re-election to the board must submit themselves to an independence assessment. In addition, shareholders will be apprised at AGMs, of the outcome of such assessments and the rationale for the proposed re-election of the long-standing director(s).

When making recommendations to the board, the RTC considers the implications of the Mining Charter, the codes of good practice issued by the dtic, the Broad-Based Black Economic Empowerment Act 46 of 2013 (BBBEE Act) and the JSE Listings Requirements. Further, only individuals with a sound ethical reputation, appropriate business acumen and professional experience, and sufficient time to effectively fulfil their role as board members are considered for appointment.

Directors must prepare for, attend and actively participate in all scheduled board and committee meetings, and are required to maintain a broad knowledge of the economic environment, industry and business. New directors are thoroughly inducted to assist them in their roles and they undergo ongoing training.

Directors may take on other non-executive directorships as long as these do not negatively affect their immediate responsibilities as directors serving on PPC's board. The policy regulating directors and executive members who join other boards, states that the maximum number of other directorships should not exceed five board positions, excluding committee memberships on other boards.

CORPORATE GOVERNANCE REVIEW continued

CONFLICTS OF INTEREST

the board closely monitors potential conflicts of interest, and its members must make annual general declarations. Additionally, specific declarations can be made at the start of each board and committee meeting. The board adopted and is bound by the code of conduct and business ethics policy which clarifies the procedures board members must follow when a conflict arises.

BOARD CHANGES

antony Ball retired as an NED at PPC's AGM on 9 September 2022; he was also a member of the S&IC. The group appointed Daniel Smith as an NED and member of the S&IC, effective 1 October 2022.

Refer to page 88 for details on PPC's board of directors.

BOARD AND COMMITTEE MEETINGS

the board has four standing committees that assume some of its functions to evaluate key areas of its mandate in detail. The delegation to its committees promotes independent judgement and assists with the balance of power, but it does not relieve the board of its duties.

The board of directors meets when necessary, but at least four times annually. The board met nine times during FY23, one of which was a special meeting. The table below summarises scheduled meeting attendance by board members for the period of 1 April 2022 to 31 March 2023.

Board member	Board meetings	ARCC	SETCO	RTC	S&IC	AGM
Jabu Moleketi	9/9	–	3/3	6/6	–	1/1
Roland van Wijnen	9/9	7/7	3/3	6/6	6/6	1/1
Antony Ball[(1)]	2/3	–	–	–	3/3	–
Brenda Berlin	9/9	7/7	2/3	–	6/6	1/1
Nonkululeko Gobodo	9/9	7/7	3/3	–	–	1/1
Nono Mkhondo	9/9	7/7	–	6/6	–	1/1
Bjarne Moltke Hansen	8/9	–	3/3	–	6/6	1/1
Charles Naude	9/9	–	–	6/6	6/6	1/1
Mark Thompson	7/9^	7/7	–	–	6/6	1/1
Kunyalala Maphisa	7/9	–	3/3	–	6/6	1/1
Daniel Smith[(2)(3)]	7/9*			–	3/3	1/1**

(1) *Antony Ball retired as a NED at the AGM held on 9 September 2022.*
(2) *Daniel Smith was appointed as an independent NED effective 1 October 2022.*
(3) *Daniel Smith replaced Antony Ball on the S&IC, joining on 1 October 2022.*
* *Daniel Smith attended two board meetings by invitation before his appointment as an NED in October 2022.*
** *Daniel Smith attended the AGM on 9 September 2022 by invitation before his appointment as an NED in October 2022.*
^ *Non-attendance of one meeting due to late rescheduling of board meeting and excused from a second board meeting due to a prior commitment.*

CORPORATE GOVERNANCE REVIEW continued

DELIVERING GOOD PERFORMANCE

The board is mindful of the connection between PPC's strategic environment, material risks and opportunities, and performance when considering the group's compliance environment. It safeguards the group's financial integrity by reviewing and monitoring the performance of the various business segments.

KEY BOARD DELIBERATIONS DURING FY23

FOCUS ON CORE

In FY23, the board focused on its core southern African market to improve cash generation and OEE.

At the same time, attention was given to medium-term goals of prudent capital allocation, accelerating decarbonisation and exploring new low-carbon revenue streams.

More information is detailed on page 18.

CONTINUED FOCUS ON IMPROVING THE GROUP'S CONTROL FRAMEWORK

In FY22, PPC focused on guiding the implementation of combined assurance throughout the group and embedding and enhancing risk management activities.

FY23 saw progress in this regard, with the formation of combined assurance committees for each business unit with a mandate to ensure the combined assurance model is applied to provide a coordinated approach to assurance.

The group risk management framework was enhanced and risk appetite statements were implemented for each operation, and risk workshops were held and will continue into FY24.

The group increased the maturity level of risk management and made significant strides regarding the implementation and management of the risk frameworks.

A number of initiatives continued during FY23 to further improve internal financial controls and reporting. Refer to page 15 of the AFS.

The group legal and policy compliance management, monitoring and reporting framework continues to be enhanced and implementing an automated compliance monitoring system will be a focus area in FY24.

More information is detailed on page 37.

JABALI JOURNEY LEADING TO TALENT DEVELOPMENT

PPC launched its quality in leadership journey at the end of March 2021 to drive cultural change throughout the group.

In FY23, the group focused on entrenching the Jabali culture framework throughout the organisation, including it in the employee induction programme and developing and implementing journey maps. Online compliance-related training initiatives were established, including webinars on various topics.

More information is detailed on page 61.

INDUCTION OF NEW DIRECTORS

New directors attend a formal and holistic induction and orientation programme facilitated by the company secretary. The programme helps new directors understand PPC, its operations, business environment and markets, and relevant sustainability matters. This approach enables them to make a meaningful contribution as quickly as possible.

ONGOING DIRECTOR TRAINING

PPC conducts ongoing director training as and when appropriate and encourages directors to attend professional development programmes. In FY23, the board attended refresher training on JSE Listing Requirements, directors' duties and responsibilities, and training on fraud awareness and anti-corruption matters. The board also received training on environmental matters, with an emphasis on decarbonisation in the cement industry.

BOARD AND COMMITTEE EVALUATION

PPC evaluates board committees' effectiveness at least every two years and as required by legislation or best governance practices. In FY23, the group appointed Woodburn Mann Equity Partners Proprietary Limited (Woodburn Mann) as an independent service provider to oversee self-appraisals for the board, its committees and individual directors' performance, as well as the performance of the CEO, CFO and group company secretary.

Once feedback from the appraisals has been provided to the various committees and the board, the board reflects on the results and, in FY23, decided another evaluation session should be factored into FY25's annual work plan.

KEY TAKEAWAYS FROM THE FY23 EVALUATION

- The FY23 evaluation found no significant matters of concern; based on this appraisal, the chairman will hold one-on-one feedback sessions with each board member
- Substantial progress has been made in improving PPC's financial management systems and enhancing the level of financial reporting
- Areas of ongoing attention include:
  - Executive succession
  - Increased focus on business performance monitoring
  - Operational risk management
  - Future industry developments

CORPORATE GOVERNANCE REVIEW continued

ACCESS TO MANAGEMENT AND INDEPENDENT ADVICE

The board has unrestricted direct access to management and all company information required to monitor progress and evaluate PPC's performance. Directors may obtain independent advice on matters in the board's mandate at the company's expense and with prior notification to the chairman. The independent advisor and PPC enter into a formal mandate facilitated by the company secretary.

Refer to page 23 for more information about stakeholder management.

The board is responsible for ensuring PPC is, and is seen as, a responsible corporate citizen. The board delegated the responsibility of monitoring activities to ensure PPC is a good corporate citizen to the SETCO, which monitors matters relating to PPC's ethical, environmental and social performance. This is based on a group-wide approach, where applicable, and includes, among others:

- Promoting equality and preventing discrimination and corruption
- Contributing to developing the communities where PPC operates and where its products and services are marketed
- Recording sponsorships, donations and charitable giving
- Ensuring PPC is not complicit in any human rights abuses
- Respecting democratic principles and institutions, popular participation, the rule of law and good governance

At least every second year, EXCO and each board committee review PPC's policies under their approved mandate, designed to achieve responsible corporate citizenship and the company's shared value and business objectives.

Refer to page 93 for more information about how PPC ensures responsible corporate citizenship.

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

The ARCC is pleased to present its report to the shareholders on its activities for the year ended 31 March 2023.

The ARCC provides independent oversight of the group's internal audit, finance, assurance, risk management, and IT governance. The committee also oversees PPC's compliance with relevant laws and regulations. The ARCC is a statutory committee with at least three independent NEDs elected by shareholders at PPC's AGM. The RTC annually reviews membership of the committee.

ROLES AND RESPONSIBILITIES

Internal controls and financial reporting procedures

- The ARCC oversees the effectiveness of internal financial controls and the nature and extent of material weaknesses in the design, implementation or execution of internal financial controls that can result in material financial loss, fraud, corruption or material error.

Audit-related matters

- The ARCC oversees audit independence, effectiveness, tenure and rotation, and significant audit matters. The committee also oversees the internal audit process and structure of the internal audit function and internal audit matters.

External reporting and assurance model

- The ARCC oversees the annual preparation process and publication of the IR and AFS and the annual disclosure of all information required by the JSE Listings Requirements and additional items recommended by King IV.
- The committee is responsible for supervising a combined assurance model and monitoring its effectiveness within the group.

Risk

- The ARCC oversees risk governance and compliance in PPC, which aims to ensure that risks are identified and managed within the levels of tolerance and appetite approved by the board.

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT continued

ACTIVITIES OF THE COMMITTEE DURING FY23

Appointment of an independent external auditor

- Addressed the audit firm transition for FY23 and was satisfied that PriceWaterhouseCoopers Inc (PwC) met the requirements of section 90(2) of the Companies Act and section 22 of the JSE Listings Requirements
- Was satisfied with the credentials of Mr Nqaba Ndiweni as the designated audit partner
- Was satisfied that PwC and the designated audit partner are independent of the group, as set out in section 94(8) of the Companies Act
- Approved the appointment of PwC as independent auditor of the company for the year ended 31 March 2023 and recommended such appointment to the board. PwC's appointment as external auditor, with Mr Ndiweni as designated auditor, was approved by shareholders at the AGM of the company, which was held in September 2022
- Approved PwC's terms of engagement, audit plan and fees for the year
- Was satisfied that non-audit related services were carried out in accordance with the group's non-audit services policy

Financial statements

- Reviewed the audited AFS, short-form announcements and accompanying reports to shareholders, including other announcements for the group's FY23 results
- Oversaw the preparation of the AFS in compliance with IFRS and other standards as required by the JSE, and recommended same to the board for approval
- Reviewed the results from group internal audit's testing of operational effectiveness of the controls over routine transactions across the group, and where these were not, or only partially, effective, and was satisfied that other components in the financial reporting framework compensated for these controls
- Reviewed the monthly control self-assessments (CSA) of control owners on the effectiveness of established controls and were satisfied with the rating levels achieved
- With the CFO, assessed the operating effectiveness of the various components of the group's financial reporting framework and was satisfied with the progress made on entrenching these across the group

Internal audit

- Reviewed and approved the group's internal audit plan and amendments, the internal audit charter and budget
- Monitored the progress internal audit made compared to the plan
- Reviewed internal audit's compliance with its charter and considered whether the internal audit function has the necessary resources, budget and standing in PPC to discharge its functions
- Ensured that the internal audit function is independent, adequately qualified and resourced, and that its scope of work and access to required information was not restricted
- Reviewed the extent to which the internal audit function has coordinated with other internal and external assurance providers in providing assurance coverage
- Reviewed the internal audit results and significant audit findings together with the relevant management comments and remediation plans as well as the results of internal audit's annual assessment of the effectiveness of internal controls
- Procured an independent assessment of the internal audit function, including an assessment of the effectiveness of governance, risk management and control processes, in accordance with King IV principle 15 paragraph 59

Compliance with laws, regulations and group policies

- Considered various reports on the effectiveness of the systems, procedures and controls employed by PPC to ensure compliance with statutes, regulations and group policies
- Was satisfied that all relevant regulatory compliance matters were considered during the preparation of the FY23 AFS

Other responsibilities

- Was satisfied with the qualifications and experience of the CFO to discharge her duty to supervise the preparation of the FY23 AFS and to manage the financial affairs of the group
- Oversaw the progress of the combined assurance function and the implementation of the combined assurance model across the group and was satisfied with the work to date
- Oversaw the phasing out of external tax specialists in FY23 for the tax function and the progress on the function's key project of automation to reduce the risk of errors
- Was satisfied that the treasury function's performance was satisfactory and that the function is stable and effectively uses automation to reduce risks of human error
- Oversaw the group's risk governance framework and policies, risk disclosures and reporting procedures and was satisfied that the management of the group's business risks is improving in line with the risk maturity management within the group

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT continued

FOCUS AREAS FOR FY24

- Oversee the expansion of the internal audit plan to other risk areas in the business
- Oversee the embedding of a culture of control assessments across the group to achieve a mature combined assurance organisation
- Oversee further enhancing risk, compliance, financial reporting and combined assurance processes across the group and the reporting of relevant risks to other sub-committees
- Oversee the automation, standardisation and documentation of business processes throughout the group
- Collaborate with the appointed external IT specialist who will assist the committee in its oversight of IT in FY24

The ARCC is satisfied that it has fulfilled its responsibilities per its ToR for FY23 and its statutory duties.

For PPC's detailed ARCC report, please refer to the AFS, which can be accessed on the PPC website.

The committee comprised the following members throughout the period:

Membership as at 31 March 2023	Meeting attendance	Appointed to committee
Mark Thompson (chairman)	7/7	1 May 2019
Nonkululeko Gobodo	7/7	8 February 2017
Nono Mkhondo	7/7	17 May 2018

Attendees by invitation
CEO
CFO
Head group internal audit
Head group legal and compliance and group company secretary
Head of risk management
Senior financial executives
Representatives from the external auditor

For detailed qualifications and experience of the ARCC members, refer to page 88.

Meeting dates
10 June 2022
22 June 2022
20 July 2022*
12 September 2022
15 November 2022
27 February 2023*
13 March 2023

* *Special meeting.*

The ARCC is mandated to hold four meetings annually, with additional meetings scheduled as necessary. During FY23 the ARCC met **seven** times, of which **two** were special meetings.

RELATED MATERIAL RISKS

- Regulatory environment
- Internal process control framework

RELATED STAKEHOLDERS

- Providers of capital and insurers (including investors, shareholders and banks)
- Government and regulators
- Suppliers and local business
- Employees and labour unions
- Customers

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

The SETCO is pleased to present its report to the shareholders on its activities for the year ended 31 March 2023.

The SETCO assists the board by providing independent oversight and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships while facilitating and supporting the development of transformation objectives. During the reporting period, the committee worked closely with management to enhance the effectiveness of compliance monitoring and reporting, particularly relating to matters within the SETCO's scope of responsibilities and entrenching a purpose-led and performance-driven culture across the group. The committee oversaw the status of PPC's transformation efforts, and in this regard, focused on the development of a new BBBEE employee share ownership plan, the details of which will be announced during FY24. The committee's efforts to ensure the company establishes a safe environment and engaged workforce are evidenced by the positive results of its participation in the 2023 Best Company survey, which saw the company's achievement rate increase from a Gold Seal of Achievement in 2020 to a Platinum Seal of Achievement. Entrenching diversity, equity and inclusion across the group remains a priority.

ROLES AND RESPONSIBILITIES

The SETCO's activities include fulfilling its statutory duties as set out in section 72(4)(a) of the Companies Act read with Regulation 43 to the Act. The committee comprises at least three directors, with the majority being independent NEDs. They have the required skills and experience to fulfil their duties regarding the company's matters, business and sectors. The RTC annually reviews membership of the SETCO.

Along with its oversight duties on ethics, corporate citizenship, sustainable development and stakeholder relationships, SETCO oversees the development of transformation objectives, ensuring the corporate culture supports the approach to, and monitors compliance with, the approved transformation objectives. The committee monitors and reports actual performance against these objectives.

Statutory duties

- Monitoring the group's activities regarding legislation and other legal requirements or codes of best practice, concerning:
  - Socio-economic development
  - BBBEE
  - Mining Charter (including SLPs)
  - Good corporate citizenship
  - Environment, health and public safety
  - Consumer relationships
  - Labour and employment
  - Stakeholder management

Governance duties
in respect of:

- Transformation
- Organisational ethics
- Integrated reporting

General duties

- Annually reviewing relevant group policies
- Considering other topics and fulfilling other duties as defined by the PPC board

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT continued

ACTIVITIES OF THE COMMITTEE DURING FY23

Responsible corporate citizenship

- Reviewed and noted PPC's compliance review relating to the fair and responsible remuneration framework as at 31 March 2023 across all PPC jurisdictions. The committee noted that three core concepts of fairness underpinned the framework (just desert, equal opportunity and sufficiency) and that PPC focuses on fair and responsible remuneration practices and strives to achieve a fair living wage for all employees in line with the core concepts. Going forward, the committee will continue to monitor implementation measures to address unjustified wage gaps, in line with PPC's remuneration framework.
- Reviewed the new SHE management structures, noting that despite the changes implemented, accountability for SHE continues to reside with the CEO. The committee was satisfied that the new structure was progressing well, and intends to achieve the following:
  - Closer interaction with line management on-site, direct line intervention and an effective matrix structure
  - Automation and digitalisation to enhance the effectiveness of compliance monitoring and reporting
  - Splitting SHE positions into SHE disciplines due to the increased complexity of each specialised field
- The committee was pleased to note various safety, health and environment achievements during FY23, including:
  - Zero fatalities recorded
  - LTIFR reduced from 0,19 to 0,09
  - No environmental fines were issued at any of PPC's operations
  - PPC was awarded the highest environmental, social, and governance transparency score in the construction materials and equipment sector by Integrated Reporting and Assurance Services
  - Hercules received a recognition award from the Gauteng Department of Agriculture and Rural Development for significant air pollution reduction from 2016 to 2018
  - The group water use intensity target was met as a result of several water-saving initiatives implemented at various operations
- Considered and noted updates for the skills development projects introduced across the group, including planned skills development initiatives and updates on the Jabali culture framework. The employee engagements survey showed a positive outcome on how Jabali was entrenched throughout the business
- Reviewed the results of the 2023 Best Company by Deloitte survey, which surveyed employees' views on various categories of the business. The survey achieved the highest participation by PPC employees to date, at a rate of 91 %. The committee noted that corrective actions are required to improve the lowest scores in certain survey categories, which improvements the committee will continue monitoring in FY24
- A key outcome of the survey was that PPC achieved a Platinum Seal of Achievement, an improvement from the Gold Seal of Achievement achieved in 2020. The committee also noted the following key findings:
  - An Engagement Score of 81.2 %, showing an increase of 12.6 % from 2020 – an exceptional achievement
  - A Response Rate of 94.6 % (2 477 respondents), an increase of 21.6 % in 2020
  - Areas of strength:
    - "Respondents indicated a strong culture at PPC driven by purpose and high performance. The majority of the respondents have participated in the Jabali series and support PPC's efforts to continually drive a purpose-led, performance-driven culture across the organisation"
    - "Respondents understand what is expected of them and are willing to go above and beyond. It is evident that the culture at PPC enables employees to produce high-quality outputs for their clients, allows them to be authentic, find a sense of purpose and meaning in the work that they do and perform at their best every day"
  - Areas of development:
    - There are varying degrees of distrust across the divisions, making this one of PPC's key focus areas. Certain divisions also noted lower favourability scores toward open and honest communication. Trust and communication are intrinsically linked and through promoting open and honest two-way communication, levels of trust among employees may increase
    - Further focus areas relate to the provision of equal opportunity for all employees, having sufficient downtime and perceptions related to performance management

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT continued

ACTIVITIES OF THE COMMITTEE DURING FY23 continued

Responsible corporate citizenship continued

- Reviewed and approved the group stakeholder management policy and framework. The committee noted the improvements and planned updates to the Isometrix system (stakeholder management tool), which would improve management oversight of compliance with the policy
- Noted the matrix outlining PPC's compliance with the Mining Charter and DMRE's guidelines. It was noted that PPC complies with the terms and conditions of its mining rights, and there is no apparent risk to PPC's mining rights. The committee noted that PPC strives to comply with all DMRE regulations through delivering on social labour plans and meeting housing living conditions.
- Noted the status of the budget related to CSI across the group. The CSI performance for FY23 was characterised by a strong focus on education and skills development, infrastructure development and supporting communities affected by the KZN floods. CSI continues with the delivery of social labour plan requirements, which range from community infrastructure development and creation of employment, to providing support to local small developments
- Noted the status of the diversity and inclusion plan, which outlined steps taken to operationalise the diversity, equity and inclusion policy across the group. The committee expressed positive sentiments on the progress made
- At every meeting, the committee considered and discussed management reports on group corporate social responsibility performance covering various sub-categories, including:
  - Occupational health and safety
  - Environmental impact and energy management
  - Employees and contractors Community engagement
  - Consumers and product
  - Shareholders and lenders
  - Other stakeholders
  - Whistleblowers
  - Reputation management

The committee is satisfied with how these sub-categories are managed and reported on

Committee governance

- Reviewed the committee's compliance with its ToR relating to the UN Global Compact principles, the Organisation for Economic Co-operation and Development recommendations regarding corruption and the International Labour Organization protocols. The committee noted compliance with the aforementioned and in relation to its ToR as required by the Companies Act, JSE Listings Requirements and King IV and is satisfied that appropriate compliance processes are in place
- Reviewed the committee's updated ToR and refreshed the annual work plan. The committee further requested that its ToR be supplemented to include the principles set out in the African Union Convention on Preventing and Combating Corruption, and the committee's duties regarding these principles
- Reviewed the committee's membership and recommended no changes to the current composition of the SETCO to the RTC

Policies as per delegation of authority

- Noted an update in the implementation of a reviewed procurement policy, specifically regarding the vetting of suppliers and a summary of measures in place to ensure compliance and drive sound procurement practices within PPC
- Approved amendments to the code of conduct policy and recommended the policy to the board for final approval
- Reviewed and noted updates to ethics training rolled out across the group and steps taken to further assure compliance with the group code of conduct and business ethics policy, including implementation of an electronic tool for declaration of conflicts of interest, business interests and gifts
- Reviewed and approved the updated group stakeholder management policy
- Considered and approved the updated group protection of personal information policy following an annual review. The committee requested a report on the procedures in place to ensure the protection of personal information when disclosing information in the ordinary course of business

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT continued

ACTIVITIES OF THE COMMITTEE DURING FY23 continued

Policies as per delegation of authority continued

- Considered and approved amendments to the following policies:
  - Group health and safety policy
  - Group environmental policy
  - Group whistleblowing policy
  - Group termination policy
  - South Africa's transformation policy
  - Group competition law policy and competition law procedure manual
- Considered and approved changes to the group sexual harassment and bullying policy
- Reviewed and approved the proposal to leave the access to public information policy and manual without any changes

IR and AGM

- Reviewed the committee chairperson's report for inclusion in the FY22 IR
- Considered and noted Deloitte's sustainability assurance management report and GRI limited assurance report, which outline measures taken to improve the assurance process in FY23. The committee welcomed management's actions in this regard
- Considered feedback on Deloitte's independent limited assurance report of selected sustainability-related non-financial information, in accordance with International Standard on Assurance Engagements (ISAE) 3000. Revised, and further noted the following highlights and key improvements in the report compared to the prior reporting period:
  - Notable focus on reporting and assuring non-financial indicators with additional emphasis placed on improving controls, procedures and quality of reporting
  - Improvements in reporting processes for certain KPIs supported by the implementation of an electronic system to achieve complete reporting of KPIs
  - Improvements in the boundary of reporting – based on the readiness assessment conducted in the preceding year for water consumption reporting, it was demonstrated again through full assurance that the reporting controls and procedures in place had been improved upon and applied, as no material errors were found. The testing was concluded as satisfactory

Transformation

- Noted the status of transformation within the group considering the BBBEE scorecard, particularly the improvement of the company's rating from BEE level 6 to level 2. The projected contributor level for FY23 is moving from level 2 to level 1 due to initiatives such as the Youth Employment Services, the absorption of learners, the strong focus on employment equity through the consolidation of reporting, forum and ownership transaction. The measured entity will be PPC SA Holdings instead of PPC Limited
- The committee noted concerns regarding challenges (skills gaps, efficient delivery of quality goods and services and general business management) in procurement from female and youth-owned businesses and local suppliers around operations. It was noted that the DMRE was aware of these challenges and has formulated a supplier database to help address them. Apart from the Slurry social and labour plan, which awaits DMRE approval, the committee noted that PPC was on track regarding its social labour plans
- Implementation of improvement in employment equity plans remained a focus area for the committee to curb the loss of equity candidates

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT continued

FOCUS AREAS FOR FY24

- Monitor the progress of skills development projects across the group and continued embedding of the Jabali culture framework
- Improve the diversity of the race, culture, gender and generational mix within PPC by embedding the diversity, equity and inclusion policy and framework
- Continue to monitor the implementation of PPC's leadership development framework and technical skills training
- Monitor the implementation of the new BBBEE employee share ownership scheme
- Continue the implementation of the group decarbonisation strategy
- Enhance the VFL programme
- Health and safety will continue being an area of focus

SETCO is satisfied that it has fulfilled its responsibilities in accordance with its ToR for FY23.

The committee comprised the following members at year end:

Membership as at 31 March 2023	Meeting attendance	Appointed to committee
Nonkululeko Gobodo (chairperson)	3/3	10 November 2017
Bjarne Moltke Hansen	3/3	1 November 2021
Jabu Moleketi	3/3	13 April 2018
Kunyalala Maphisa	3/3	1 February 2021
Roland van Wijnen	3/3	6 November 2019

Attendees by invitation
CFO
MD South Africa and Botswana
MD industrial and innovation
Head group legal and compliance and group company secretary
Head human resources South Africa and Botswana

For detailed qualifications and experience of the SETCO members, refer to page 88.

Meeting dates
7 June 2022
10 November 2022
8 February 2023

The SETCO is mandated to hold a minimum of three meetings annually with additional meetings scheduled as necessary to discharge its duties. The SETCO met **three** times during FY23.

RELATED MATERIAL RISKS

- Substandard cement quality in the South African market
- Climate change and the need to sustainably reduce environmental impact
- Credibility to external stakeholders

RELATED STAKEHOLDERS

- Providers of capital, including investors, shareholders and banks
- Government and regulators
- Suppliers and local business
- Employees and labour unions
- Customers
- Industry associations; media; communities, NGOs and others

STRATEGY AND INVESTMENT COMMITTEE REPORT

The S&IC is pleased to present its report to the shareholders on its activities for the year ended 31 March 2023.

The S&IC supports the board with recommendations relating to PPC's investment and divestment decisions, including ensuring operational improvement projects to maximise stakeholder value. The committee operates within the strategic guidelines established by the board. The committee comprises at least three NEDs, the majority of whom are independent and have the appropriate expertise and experience to fulfil their duties.

ROLES AND RESPONSIBILITIES

The S&IC ensures PPC adheres to sound investment principles and practices. The committee monitors the allocation of capital and the performance of investments and acquisitions post implementation until original objectives are met. It also ensures that these transactions align with PPC's strategy.

- Oversee the process of capital allocation within the group's capital allocation policy
- Consider and approve the weighted average cost of capital (WACC) calculation methodology biannually to benchmark capital allocation and investment decisions
- Consider and approve the capital allocation policy and all investments, disposals or acquisitions in accordance with the investment framework and the company's overall strategy
- Ensure due diligence procedures are followed when acquiring or disposing of assets
- Monitor performance of investments and acquisitions
- Oversee the capital and operational restructuring of all entities in the PPC group as applicable
- Review operational reports and projects
- Provide guidance and support to management on matters related to its mandate
- Perform investment-related functions as may be determined by the board
- Consider the potential impact of matters regarding approved strategy and business plans

STRATEGY AND INVESTMENT COMMITTEE REPORT continued

ACTIVITIES OF THE COMMITTEE DURING FY23

Investments and divestments

- Considered and recommended to the board the sale of all shares in Habesha Ethiopia
- Continued to oversee the investment into the Highveld Blending plant to improve the company's footprint in the market

Operational improvement projects

- Considered and recommended to the board various renewable energy (solar and wind) projects to reduce dependency on unreliable electricity supply in the areas of operation
- Monitored the operational performance of the company's operating assets and oversaw improvement projects to improve efficiencies
- Considered the strategy around the company's ash business
- Oversaw various decarbonisation projects to reduce the company's carbon footprint while improving performance

Policies as per delegation of authority

- Considered and approved the South Africa product pricing and discount policy
- Interrogated and approved the proposal for a South Africa distribution policy (dealing with distributions to shareholders), with a request for revisions
- Reviewed and approved the updated investment and capital allocation framework and policy
- Reviewed membership of the S&IC and recommended no changes to the RTC

Governance

- Reviewed and approved the WACC rates and calculations for each business unit in preparation of the financial statements. The committee noted the group WACC
- Reviewed and approved the committee's updated ToR and updated annual work plan
- Contributed to an external evaluation of the committee's effectiveness and reviewed and noted the feedback from the committee evaluation process
- Considered and endorsed the proposed capex budget
- Reviewed and discussed the proposed strategy structure and budget review to focus the strategy process on a roadmap to quantify objectives over three to five years. After discussing PPC's strategic aspirations, the committee approved the proposed structure

FOCUS AREAS FOR FY24

- Consider potential investments, acquisitions, divestments and joint ventures
- Consider and monitor operational improvement projects
- Monitor and oversee the implementation of the strategy approved by the board

The S&IC is satisfied that it has fulfilled its responsibilities per its ToR for FY23.

The committee comprised the following members throughout the period:

Membership as at 31 March 2023	Meeting attendance	Appointed to committee
Charles Naude (chairman)	6/6	13 April 2015
Antony Ball*	3/6	13 April 2018
Bjarne Moltke Hansen	6/6	1 November 2021
Kunyalala Maphisa	6/6	1 February 2021
Mark Thompson	6/6	1 August 2019
Roland van Wijnen	6/6	23 March 2022
Daniel Smith**	3/6	1 October 2022

Attendees by invitation

CFO
MD South Africa and Botswana
MD industrial and innovation
Head group legal and compliance and group company secretary

* *Antony Ball resigned from the committee; his last meeting was on 5 July 2022.*
** *Daniel Smith replaced Antony Ball on the committee; he joined on 1 October 2022.*

For detailed qualifications and experience of the S&IC members, refer to page 88.

Meeting dates
26 April 2022*
9 June 2022
5 July 2022*
15 November 2022
20 December 2022
8 February 2023

* *Special meeting.*

The S&IC meets at least three times annually, with additional meetings scheduled as necessary. During FY23, the S&IC met **six** times, of which **three** were special meetings.

RELATED MATERIAL RISKS

- Substandard cement quality in the South African market
- Credibility to external stakeholders

RELATED STAKEHOLDERS

- Providers of capital, including investors, shareholders and banks
- Government and regulators
- Customers

REWARD AND TALENT COMMITTEE REPORT

The RTC is pleased to present its report to the shareholders on its activities for the year ended 31 March 2023.

In its nominations role, the RTC oversees the appointment of executive and non-executive directors to the board, ensures succession planning at board level, reviews the structure, size and composition of the board and its committees, and evaluates the performance of the board, its committees, its chairman and individual members. In its remuneration role, the RTC ensures PPC remunerates fairly, responsibly and transparently while promoting the achievement of strategic objectives and positive outcomes in the short, medium and long term. The committee comprises at least three NEDs, the majority of whom are independent, with the required skills and experience to fulfil their duties. The RTC meets at least three times per year, with additional meetings scheduled as necessary.

ROLES AND RESPONSIBILITIES

In its independent role, the RTC enables the effective functioning of the board and its committees by establishing appropriate processes for appointment, induction, ongoing development, succession and performance evaluation.

Remuneration

- Remuneration and performance governance
- Executive and senior management remuneration and performance
- NED remuneration
- Talent management

Nomination

- PPC board and board committee composition
- Nomination and appointment or election of directors, executives and the company secretary
- Induction and ongoing development of directors
- Board succession planning for non-executive and executive directors
- Board performance evaluation

REWARD AND TALENT COMMITTEE REPORT continued

ACTIVITIES OF THE COMMITTEE DURING FY23

Governance matters

- Considered the requirements of the Companies Act and King IV pertaining to membership of an audit committee and recommended that the current composition of the ARCC remains unchanged
- Discussed the succession plan and supplementation that may be required as it pertains to the ARCC, and agreed that the committee would conduct a comprehensive search for a proposed new member in 2024
- Considered the possibility of splitting the current ARCC into two separate committees (risk and audit). After reflecting on the legal and regulatory considerations, the board's capacity and available skills, agreed that the current ARCC should remain as is
- Reviewed the composition of the board and committees to determine if any adjustments should be made to the committees. The RTC recommended that no adjustments be made and was satisfied with the composition and performance of all committees
- Initiated a formal evaluation of the board and committees in FY23 by inviting service providers to submit proposals and evaluating the credentials of said service providers and scope of proposals against the board's requirements
- Participated in the induction of a newly appointed director
- Reviewed and noted a report on the composition of subsidiary boards within the PPC group reflecting the changes that have occurred since 15 November 2022

Remuneration including an STI and LTIP

- Considered the evaluation of the FY22 STI and LTIP based on the audited AFS as approved by the board on 24 June 2022. The committee supported and approved the STI and LTIP evaluation proposals as presented
- Received feedback on the voting outcome of PPC's remuneration policy and implementation report at the 2022 AGM, noting that both resolutions were positively endorsed by > 80 % of shareholders
- Requested that PwC conduct a review of the LTIP scheme against current LTIP market practices of JSE-listed companies. Reflected on PwC's analysis and concluded that no material adjustments were required to the group's LTIP performance and vesting conditions at this stage of the group's strategic journey
- Reviewed and approved the STI objectives for the EXCO and the LTIP objectives for the group for FY23
- Reviewed an analysis of the remuneration of the CEO, CFO and prescribed officers. The committee was satisfied that the remuneration was in line with the market benchmarks and any outliers were justifiable and/or within the committee's tolerance range
- Considered and noted the results of a benchmarking analysis on market practices by PwC. The committee agreed that there was no need to request changes to the following elements:
  - On-target and stretch allocation levels as a percentage of total guaranteed pay
  - Vesting profile threshold, target and stretch levels as a percentage of allocation
  - Applicable caps
- Reviewed a report on the funding of the minimum shareholder requirement for the EXCO by PwC
- Noted and commented on a report on the status of compliance with the group remuneration policy which identified zero areas of non-compliance in FY21/22
- Noted documents detailing the results of a compliance review performed by CIMERWA and PPC Zimbabwe against the group remuneration policy, which indicated that the two subsidiaries applied the principles of the group policy. The committee was satisfied with the reviews and noted that both entities were on track to address identified gaps
- Reviewed and approved the implementation of the PPC Zimbabwe LTIP proposal
- Noted the pay scales resulting from the RemChannel benchmarking project. The committee observed the disparity around pay according to current grades and requested that management analyse the job scales between different plants; the committee will receive feedback as the process evolves

Succession planning and development

- Initiated a comprehensive search process to find a CEO successor, following our current CEO's announcement that he would not be renewing his current contract. This included talent mapping, and appropriate salary benchmarking and pay structuring to ensure we can effectively use the remuneration strategy to attract the right individual into this role.
- Confirmed the annual board training day and agenda for 6 October 2022

Policies

- Considered and approved amendments to the following policies:
  - Directors board appointment policy
  - Directors and executive members joining other boards
  - Director security dealing policy
  - Directors diversity policy
  - Group remuneration policy
  - Group performance management policy
  - Group succession policy
  - Group international mobility policy

IR matters

- Reviewed and recommended the following reports to the board for inclusion in the IR:
  - Chairman's report
  - Remuneration philosophy
  - Remuneration implementation plan
  - Directors' and officers' remuneration report

REWARD AND TALENT COMMITTEE REPORT continued

FOCUS AREAS FOR FY24

- Finalise the appointment of a suitable CEO successor and ensure a smooth transition and orderly handover
- Conduct a comprehensive search to identify a suitable member to supplement the ARCC
- Oversee the formal evaluation of the board and committees, company secretary and individual directors
- Oversee the review of the remuneration policy
- Oversee the process of analysing job scales between different plants and pay disparity according to grades
- Consider and approve the group succession policy

The RTC is satisfied that it has fulfilled its responsibilities per its ToR for FY23

The committee comprised the following members at year-end:

Membership as at 31 March 2023	Meeting attendance*	Appointed to committee
Nono Mkhondo (chairperson)	6/6	1 October 2021
Jabu Moleketi	6/6	1 October 2021
Charles Naude	6/6	1 October 2021

Attendees by invitation
CEO
Head group human resources RSA
Head group remuneration and benefits
Head group legal and compliance and group company secretary
Representatives from the external auditor and external advisor

* *Attendees by invitation are present for specific reasons. They do not stay for the entire meeting and do not vote on decisions.*

For detailed qualifications and experience of the RTC members, refer to page 88.

Meeting dates
8 June 2022
6 July 2022*
14 November 2022
20 January 2023*
7 February 2023
15 March 2023*

* *Special meeting.*

The RTC meets at least **three** times per year, with additional meetings scheduled as necessary. During FY23, the RTC met **six** times, of which **three** were special meetings.

RELATED MATERIAL RISKS

- Regulatory environment
- Credibility to external stakeholders
- Talent management and development

RELATED STAKEHOLDERS

- Providers of capital, including investors, shareholders and banks
- Government and regulators
- Employees and labour unions

REMUNERATION REPORT

PART 1: BACKGROUND STATEMENT

Dear shareholders

On behalf of the RTC (or the committee), I am pleased to provide an overview of both director and wider workforce remuneration for the year ended 31 March 2023.

The committee determines, on behalf of the board, the company's policy on the remuneration of executive directors and prescribed officers and the total remuneration packages and contractual terms and conditions for these individuals. The committee also provides oversight of all employee rewards to ensure the alignment of rewards throughout the group and approves the mandate for annual pay increases, as well as the parameters and overall cost of the STIs and LTIP for the South African operations and provides guidance through group policies to the international subsidiaries.

In line with King IV and the JSE Listings Requirements, the report is presented in three parts: this background statement (part 1), followed by the company-wide remuneration philosophy and policy with a specific focus on the policy as it applies to executive management for the current financial year (part 2) and lastly, implementation of the policy for the 12 months from 1 April 2022 to 31 March 2023 (part 3). As usual, parts 2 and 3 will be put forward for separate non-binding votes at the upcoming AGM.

We take pride in our balanced approach to creating long-term, sustainable value for investors while delivering a high-quality service for our customers, a great place to work for our people and having a meaningful, positive impact on the communities we operate in.

As a committee, we are focused on ensuring that the reward our senior executives receive reflects the results of the company and remains proportionate to the overall employee base and the returns received by shareholders. We are mindful of the external focus on executive pay and the need to ensure outcomes that are fair and responsible and reported transparently.

We are currently focused on ensuring that our remuneration approach and supporting policies drive the performance culture which we have worked hard to instil.

We operate in a competitive market, and as a remuneration committee, we have had to spend significant time considering our remuneration policy in light of our increased difficulties in retaining and attracting the type of talent we need to achieve the performance that we require to take our business forward. The global mobility of talent, the challenges associated with attracting, retaining, and incentivising critical skills, particularly in our remote areas, and the challenging macro-environment in which we are operating all contribute to this challenge. We have spent time and effort to ensure that we have access to meaningful datasets to drive our decision-making and policy-setting.

During the reporting year, and to date, we have also, as a joint committee and a board, spent considerable time and energy on the task of finding a CEO successor, following our current CEO's announcement that he would not be renewing his current contract. This included talent mapping, and appropriate salary benchmarking and pay structuring to ensure we can effectively use the remuneration strategy to attract the right individual into this role. We have also focused on ensuring that a smooth handover happens when appropriate, and have provided for the current CEO's personal KPIs to take this into consideration. We have also spent time considering succession on a wider basis.

OUR PERFORMANCE AND SUMMARY OF REMUNERATION OUTCOMES

PPC continued to operate in tough conditions in the various markets in which it operates, due to a global rise in energy costs, and a negative trend in market demand caused by a decline in disposable income, and the absence of any material increase in demand from infrastructure spending in certain markets (South Africa and Botswana). The South African market presents a specific challenge to the business with load shedding and other economic issues.

For this LTIP performance period, there was a zero outcome due to the share price depreciation over the period combined with the decline in economic value (negative PPC economic value creation (PEVC)), largely attributable to the subdued performance of the South African business. This means that no forfeitable shares were awarded to executive directors and prescribed officers this year.

Annual bonuses for executive directors and prescribed officers were also paid at low levels this year, due to the outcomes of the balanced scorecards , largely driven by the non-performance against EBITDA margin and free cash flow for 2 out of 3 contributing regions, caused by margin pressure arising from rising input costs, the muted cement demand across South Africa and Botswana and the loss of market share in Zimbabwe as a result of the longer than usual kiln stop for maintenance at the Colleen Bawn plant. However, we remain confident that the subsidiaries outside South Africa and Botswana are well-positioned to continue to deliver a strong performance with regular and increasing dividend declarations to South Africa and the management team is focused on implementing initiatives to ensure the South African business can sustainably navigate the subdued demand environment.

REMUNERATION REPORT continued

Further comments on our overall performance during the 2023 financial year are set out in the CEO's review on page 5.

Full details of the STI and LTIP measures used, together with the outcomes are disclosed in part 3 of this report.

Notwithstanding these factors the group managed to sustain its deleveraging efforts, resulting in a R200 million distribution which will be executed through a share repurchase programme.

For FY24, management successfully finalised union negotiations at acceptable levels, with unions settling at or below the mandated average across the SA operations of 6 %. Overall, non-management employees received a 5,92 % salary increase while management employees received 4,18 %.

The committee believes that the outcomes of the annual bonus and LTIP accurately reflect the performance of the company over this period.

WIDER WORKFORCE PAY

The committee is regularly informed of pay and employment conditions throughout the company and we focus on pay fairness across the organisation. During this year the committee continued to work on the topic of fair, equitable and responsible remuneration and performed internal analysis in this regard.

We have a minimum living wage for all our employees in South Africa and continue to offer several additional benefits at no cost to employees, for example, study assistance, health clinic services, transport services and subsidised housing at some sites, training and development programmes.

As part of the process to ensure pay fairness, management utilises a pay-for-performance salary increase model across all the operations, which considers employees' performance against their job profiles with defined key outcomes, required competencies and expected behaviours, and at the same time aligns, employees to their positions in the market. This principle ensures that employees earning above and below the market median are aligned. This methodology contributes to management and the committee's commitment to closing the wage gap.

On the performance management side, standard scorecard templates indicating key strategic deliverables for all employees have been uploaded on the performance management system, to track and ensure continuous focus on day-to-day and key deliverables throughout the year.

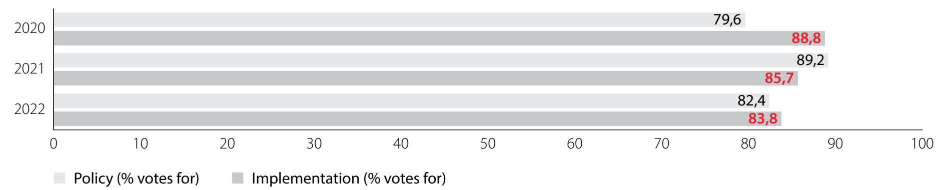
REMUNERATION FOR THE YEAR AHEAD

In determining the performance conditions for the LTIP structure, it was decided that ROIC will replace the Delta PEVC due to concerns about its complexity by management and shareholders. This change aligns with our strategy of simplifying the business and increasing our ability to focus in a meaningful way on the different business regions, enabling us to isolate and tailor our efforts where meaningful opportunities exist for value creation. We also believe that this approach will enable our shareholders to understand in a more transparent fashion what is happening in the different business areas, and further that it will allow the board to hold management accountable for specific strategic actions agreed with the board.

VOTING OUTCOMES AND ENGAGEMENT

The table below illustrates the voting history for the last three years.

Voting outcomes and engagement (Voting %)



During the year the committee chairperson met with shareholders. The shareholders' concerns together with the committee's responses are summarised below:

Shareholder concern	Committee's response
The use of a one-year performance period in terms of the LTIP	The one-year performance period is followed by a vesting period of three years. This ensures that the interests of shareholders and participants to increase value are fully aligned.
Complexity around delta PEVC metric	It was decided that the delta PEVC metric will be replaced with the ROIC metric from FY24 onwards. In addition, the TSR performance conditions will be measured relative to return on equity from FY24 onwards.

Shareholder engagement remains a focus area for the committee. If our remuneration policy (in part 2) or implementation report (in part 3) are voted against by 25,0 % or more of voting rights exercised by our shareholders, the committee will take the following steps as a minimum:

1
ENGAGE WITH SHAREHOLDERS

2
CONSIDER IF CHANGES TO THE POLICY OR THE IMPLEMENTATION FRAMEWORK ARE REQUIRED

3
FEEDBACK ON THE POINTS RAISED

REMUNERATION REPORT continued

REMUNERATION GOVERNANCE AND THE COMMITTEE

ROLE OF THE COMMITTEE

As a committee of the board, the committee assists in setting the company's remuneration philosophy and policy and remuneration for directors and prescribed officers.

MEMBERS

All members are NEDs, the majority of which are independent as defined by King IV. The committee held six meetings in the period, with attendance shown on page 110.

The CEO and other representatives attend meetings by invitation to assist the committee in executing its mandate. Other members of the executive management can be invited when appropriate. No executives participate in the voting process or are present at committee meetings when their remuneration is considered.

AUTHORITY LEVELS

The committee acts under the delegated authority of the board to determine and set remuneration levels, except for the fees payable to NEDs, which are subject to the approval of shareholders at the AGM. The authority levels are set out below:

	CEO	Committee	Board	Shareholders
Remuneration policy including incentive plans and provisions applicable to group-wide employees	Proposal	Approval	–	–
Prescribed officer and direct reports remuneration	Proposal	Approval	–	–
Executive director remuneration (excluding CEO)	Proposal	Approval	–	–
Performance target setting and assessment	Proposal	Approval	–	–
Remuneration report	Proposal	Recommend	Approval	Non-binding endorsement
NED remuneration	Proposal	Recommend	Approval	Approval

COMMITTEE ACTIVITIES DURING THE YEAR

During the year the committee delivered the following:

EXCO remuneration

- Approved the FY24 executive salary increases
- Consideration and approval of the STI and LTIP targets and annual awards
- Reviewed and considered executive director remuneration best practices and benchmarks to ensure PPC's current practices remain progressive and relevant
- Reviewed STI and LTIP on-target percentages for the EXCO
- Updated the STI on-target percentages for E-band employees
- Reduced the maximum STI percentages in line with the decision to cap the EBITDA multiplier in the STI calculation to 1
- Considered the appropriateness of certain aspects of the LTIP structure
- Approved the LTIP for PPC Zimbabwe

NED remuneration

Reviewed and benchmarked the fees for onward approval by the board and shareholders, using the same peer group approved for the executive directors and prescribed officers.

Group-wide remuneration

- Approved the FY24 overall workforce salary increases
- Assessed compliance with the fair and responsible pay charter
- Reviewed and approved the group-wide remuneration policy
- Further entrenched the performance-based salary increase model, across the operations

Performance – relating to past performance cycle

- Assessed STI variable remuneration against targets set at the beginning of the year
- Assessed performance conditions for the LTIP awards against targets set at the beginning of the year

Performance – relating to forthcoming performance cycle

- Setting of STI targets
- Setting of LTIP targets

Compliance and governance

- Reviewed and approved the committee's annual work plan
- Reviewed and approved the remuneration report
- Undertook an effectiveness review of the committee

FUTURE AREAS OF FOCUS

Management and the committee will continue to explore opportunities to reduce the wage gap across the group and have committed to continue an annual review of the Gini coefficient to monitor progress. These focus areas will be assessed by the committee at the end of each financial year.

SUPPORT TO THE COMMITTEE

The committee is in the process of transitioning from PwC to Remchannel as remuneration advisors and is satisfied that both advisors acted independently.

Nono Mkhondo
Chairperson of the committee
25 July 2023

REMUNERATION REPORT continued

PART 2: REMUNERATION POLICY

HOW OUR REMUNERATION ALIGNS WITH OUR PURPOSE

The group remuneration policy aims to support the delivery of business strategies and related objectives by contributing to a performance culture across the business. The policy complies with King IV.

This policy sets the standards for all permanent employees. The remuneration for all employees is broadly aligned with the policy with specific reference to local requirements, regulations, statutory guidelines and labour legislation as amended from time to time. The non-South African subsidiary boards remain responsible for local regulatory compliance, alignment to group remuneration principles and initiatives to their specific policies, where applicable. To meet our business objectives, remuneration and reward policies and practices must support the following principles:

- Encourage organisational, team and individual performance
- Designed to drive a performance-driven culture based on the premise that employees should share in the success of the company
- Be designed to attract and retain high-calibre individuals with the optimum mixture of competencies
- Promote an ethical culture and responsible corporate citizenship
- Remuneration must be aligned to the market and shareholder interests

The policy conforms to King IV and is based on the following principles:

- Remuneration practices are aligned with corporate strategy
- Total rewards are set at competitive levels in the relevant market
- Incentive-based rewards are earned by achieving demanding performance conditions consistent with shareholder interests over the short, medium and long term
- Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle
- Remuneration is fair and responsible in the context of overall employee remuneration in the company
- Performance conditions used in variable pay structures support positive outcomes across the economic, social and environmental context in which the company operates
- The design of the LTIP is prudent and does not expose shareholders to unreasonable financial risk

FOCUSING ON PAY FAIRNESS ACROSS THE WORKFORCE

The committee is focused on responsible remuneration practices and, in particular, strives for a fair, living wage for all employees by reviewing salaries and ensuring these remain competitive in the industry as documented in an internal fair pay charter. Our industry faces many challenges, and we recognise the need to retain our talent to ensure a focused and driven effort to meet shareholder expectations

The group has embarked on an internal equity initiative in order to address internal equity as well as external competitiveness through a phased approach.

We have continued to maintain our pay progression model which measures the remuneration patterns in the organisation. The following factors are incorporated into this model:

- Internal or external parity
- Individual performance
- Individual potential

We encourage strong principles, which will encourage a performance-driven culture.

PPC has also continued to participate in the annual Remchannel job audit benchmark, to measure and compare remuneration levels to the market to ensure internal equity and external competitiveness. International companies conduct their in-country benchmarking based on in-country local benchmarks. The benchmarking highlights the position to market for all employees and the data outcomes are used for appointments, promotions, and annual salary increase purposes.

PPC conducts an annual Gini coefficient analysis to measure the income distribution in the organisation and a Palma ratio analysis to measure inequalities within the organisation.

TRANSLATING CONCEPTS OF FAIRNESS INTO FAIR AND RESPONSIBLE REMUNERATION PRACTICES

PPC's stance is that "fair" remuneration is impartial and free from discrimination. It is also free from self-interest, prejudice, or favouritism. It is also rational, and not based on an irrational or emotional basis. "Fair" does not mean "the same" and remuneration levels will differ according to several factors, such as productivity, performance, skill, experience, risk and complexity, degree of challenge, level of responsibility of decision-making and consequence and impact on the organisation. Equal contributions to performance should however be rewarded equally and fairness has equivalent and relative measures. Our fair and responsible remuneration framework provides that we measure fairness horizontally (to analyse and correct differences in remuneration of employees who perform work of equal value) and vertically (by assessing the pay ratio between our CEO and executive management on one hand and the pay levels of employees below the executive level on the other).

Responsible remuneration means that our remuneration levels and practices must be approved by appropriate lines of authority within the company, and overseen by the board, before being implemented. Responsible remuneration also means that an individual's remuneration levels are linked to value creation for our stakeholders, which should be transparently reported for executive employees and easy to understand.

REMUNERATION REPORT continued

Just desert

01

- Remuneration benchmarking
- Pay progression model
- Salary increases per level

Equal opportunity

02

- Equal pay for work of equal value
- Promotion ratios

Sufficiency

03

- Living wage analysis and investigation

Hygiene factors

04

- Gini coefficient
- Palma ratio
- Wage gap (including Companies Act disclosure)

Analysis performed for all operations throughout Africa.

Limited benchmarks are available for countries outside SA and in those instances only the PPC metric is calculated and no market benchmark is available for comparative purposes.

REMUNERATION AT A GLANCE

Type	Element	Definition	Time period	Applicable grades	Changes for FY23
Fixed	Total guaranteed pay (TGP)	The fixed element of remuneration (TGP) includes salary, car allowance, retirement, life insurance and medical aid contributions.	Delivered in year	Paterson grades F4 – C5	None
	Base pay plus benefits	Employees who are not on TGP receive a basic cash salary and benefits. Benefits include the company contribution to medical aid, retirement fund and any other employer-funded group benefit.	Delivered in year	Paterson grades C4 – A1	None
Variable	STI	An annual STI is paid in cash and gives employees an incentive to achieve the company's short- and medium-term goals, with payment levels based on both company and individual performance.	One year	All employees Paterson grades F4 – A1	The maximum STI opportunity was capped at 120 % of on-target for all employees by capping the EBITDA multiplier used in the calculation to 1.
	LTIP	The LTIP is a performance-based plan that measures performance over a one-year period. Once the performance conditions have been achieved, participants will receive full value shares. Settled shares remain subject to vesting conditions of continued employment and disposal restrictions for a further three-year period, totalling an overall LTIP vesting period of four years.	Four years	Paterson grades F4 – D3	It was decided that delta PEVC will be replaced by ROIC as a performance condition.
Wealth at risk	Minimum shareholding requirement (MSR)	Group EXCO members shall have an MSR at the 50th percentile of the comparator group benchmark to be achieved by 31 March 2027. New EXCO members or changes of positions will be afforded five years starting from the beginning of the new financial year to comply with their minimum shareholding. The MSR is intended to be mostly achieved through the LTIP scheme.	Within five years of application of the policy or appointment	EXCO members	Extended participation to F4 – E5.

REMUNERATION REPORT continued

Executive policy illustration

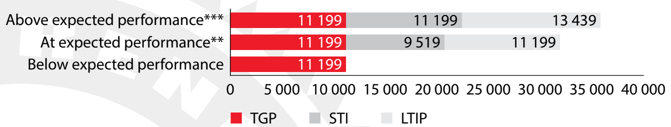
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Fixed pay	Fixed pay comprises a base salary, benefits and allowances where applicable	PY						
STIP awards	The STIP awards are paid in cash after year-end	PP	PY					
LTIP awards	The LTIP is settled in PPC shares which are subject to a three-year holding and vesting period. The shares are released after the conclusion of this vesting period.	PP	VP	VP	VP	PY		
MSR	Executive directors are subject to PPC's MSR policy under which they are required to build their target shareholding within a five-year period which expires on 31 March 2027.	VP	VP	VP	VP			
STIP Malus and clawback	The malus period spans from the commencement of the performance period up until the date on which STIP awards are paid. The clawback period commences on the date which STIs are paid and expires on the third anniversary of the payment date.	MP	MP	CP	CP	CP		
LTIP Malus and clawback	The malus period spans from the commencement of the performance period up until the date on which LTIP awards vest. The clawback period commences on the date on which LTIP awards are settled and expires on the third anniversary of the settlement date.	MP	MP	MP	MP	CP		

PY – payment year | VP – vesting period | PP – performance period | MP – malus period | CP – clawback period

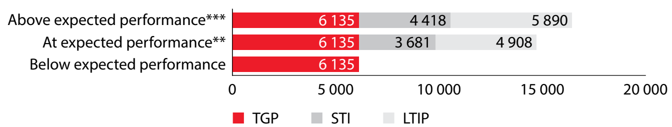
OUR PAY-FOR-PERFORMANCE PHILOSOPHY

Our policy for executive directors and prescribed officers prescribes that a portion of remuneration depends on company performance.

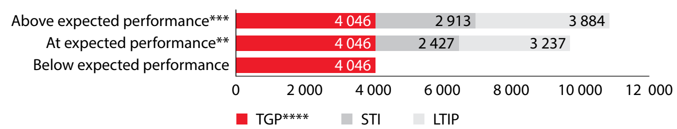
CEO (R'000)



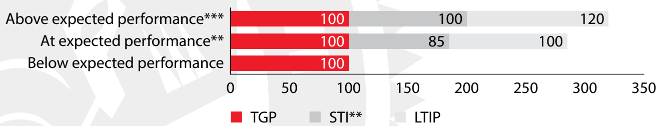
CFO (R'000)



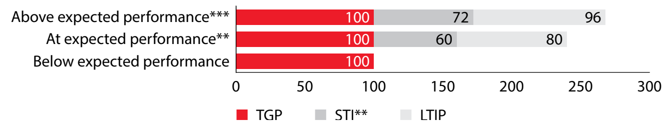
Prescribed officers (MDs and group HR Director) (R'000)



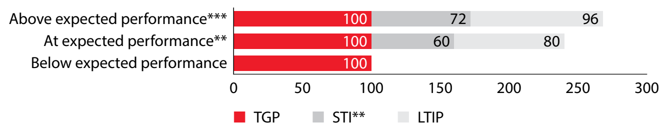
CEO (% of TGP)



CFO (% of TGP)



Prescribed officers (MDs and group HR Director) (% of TGP)



** *LTIP includes indicative expected value on grant date assuming 100% vesting at target performance.*
*** *LTIP includes indicative expected value on grant date assuming 120% vesting at exceptional, high-potential performance.*
**** *Average TGP.*

REMUNERATION REPORT continued

ELEMENTS OF REMUNERATION

TGP

The company generally pays fixed remuneration at, or around, the relevant market median. Increases are effective 1 April each year. Monthly pay and benefits are targeted to be competitive for comparable roles in companies of similar complexity and size, taking cognisance of the performance and experience of the employee concerned. Market data is used to benchmark salary and benefits and to inform decisions on salary adjustments. Salary increases are not guaranteed and are adjusted annually based on market benchmarks, market inflation, company affordability, company performance and to address market anomalies. Professional advisors appointed by the committee provide annual benchmark information.

For executive directors and prescribed officers, a comparator group comprising JSE-listed companies is used to benchmark TGP. The committee reviews the comparator group to ensure that the grouping remains relevant and appropriate for benchmarking purposes. The current comparator group is as follows:

JSE listed entities	
AECI Limited	Afrimat Limited
ArcelorMittal SA Limited	Calgro M3 Holdings Limited
Cashbuild Limited	Hulamin Limited
Kaap Agri Limited	Mpact Limited
Murray & Roberts Holdings Limited	Nampak Limited
Omnia Holdings Limited	Raubex Group Limited

The remainder of the employees are benchmarked against survey data. The comparator grouping in the survey data is reviewed to ensure that it is relevant and appropriate for benchmarking purposes for the wider workforce.

EMPLOYEE BENEFITS

The following benefits are provided as part of TGP:

- Participation in the PPC retirement fund is compulsory for all permanent employees. This is an in-house defined contribution fund and provides risk cover for death and disability
- Employees are required to belong to a choice of company-sponsored external medical aids or to be a member of their spouse/life partner's medical aid
- Employees are covered for death, medical and disability expenses as a result of an accident through a company-sponsored group accident policy
- Employees who need to use their motor vehicle in their duties can elect to allocate an appropriate portion of their TGP as a car allowance
- Employees who are not on TGP, receive a fixed monthly basic cash salary component – and benefits in addition to base pay. Benefits include the company contribution to medical aid, retirement find and any other employer-funded group benefit

REMUNERATION REPORT continued

STI

Changes for FY24

The maximum STI opportunity was capped at 120 % of on-target for all employees. The on-target percentages for E-band employees were changed to align with the market.

Purpose

The STI is designed to reward employees for the group's results, the results of their business and their individual performance over a time horizon of one year.

Participation

All permanent employees and the EXCO approved fixed-term contractors are eligible to participate in the STI.

Operation

Annual cash awards based on performance assessment over the given year. The following bonus formula is used:

Annual TGP/basic pay x STI target % x [(business performance % x weighting %)] + [(personal performance % x weighting %)] x group EBITDA modifier (actual/budget)

Vesting levels for business and personal performance range between 80 % to 120 %. The EBITDA modifier is capped at 1 in case actual is above budget.

The committee retains the right to vary the terms of the STI in special circumstances to take company affordability into consideration. For example, in 2021 the group EBITDA modifier was capped at one and the year before all STI payments were cancelled due to the impact of COVID-19 lockdowns post financial year-end.

Opportunity levels

The STI opportunity levels as a percentage of TGP are:

Position	Target STI	Maximum STI
CEO	85%	100%
CFO	60%	72%
Prescribed officer	60%	72%

Performance targets and weightings

The following performance measures and weightings will be used in FY24. Due to the commercially sensitive nature of disclosing the prospective targets, the committee has elected to disclose the actual targets and outcomes on a retrospective basis in part 3 of this report.

Performance indicator	Weight	Comments
Financial measures:		
EBITDA margin	20%	This will be defined at business unit/country, or group level. Managing directors are also measured on the EBITDA margin from their respective areas of responsibility.
Free (operating) cash flow	20%	Free (operating) cash flow at business unit/country level, or group level which is defined as EBITDA adjusted for non-cash items (included in EBITDA) minus net working capital movement minus capex. Managing directors are also measured on the cash flow from their respective areas of responsibility.
Non-financial	10% – 20%	Non-financial goals include ESG objectives for EXCO (emissions, clinker factor, and water usage) and health and safety objectives for all employees.
Personal	40% – 50%	Personal performance is measured through personal scorecards with objective and subjective measures. Vesting levels for personal performance range between 80 % to 120 %.
Total	**100%**	

Group EBITDA modifier capped at one

As an additional safeguard, a group EBITDA modifier will be applied to the bonus, measured as actual group EBITDA relative to budgeted group EBITDA. The group EBITDA modifier is capped at one.

REMUNERATION REPORT continued

LTIP

Changes for FY24	ROIC has replaced delta PEVC as a performance condition in the LTIP.
Purpose	The LTIP is aimed at driving long-term shareholder value creation sustainably. It rewards the achievement of predefined performance goals over a one-year period whereafter shares are settled. The shares are subject to a further three-year vesting period during which shares cannot be disposed of and can be forfeited.
Participation	Management employees in Paterson grades D3 and above.
Operation and instruments	The LTIP operates in accordance with the following formula: *TGP x LTIP award allocation % = initial incentive value* At the end of a one-year performance period, the initial incentive value is adjusted upwards or downwards based on the outcomes of the performance conditions which could be up to a maximum of 120 % of the LTIP award allocation percentage. The final incentive value is then divided by the share price at the time (around July or each year as soon as the company is outside of the year-end closed period) to determine the number of forfeitable shares that will be settled to each participant. *Initial incentive value x performance vesting outcome (0 % – 120 %) = Final incentive value.* *Final incentive value/market value at the time of purchase for purposes of settlement = Number of forfeitable shares.* Post-settlement, participants will be shareholders, but the shares will be subject to a three-year vesting period during which the shares can be forfeited if employment is terminated under certain conditions. The shares will therefore vest and be released after the vesting period.
LTIP award allocation percentages	The LTIP award allocation percentages as a percentage of TGP for on-target achievement are:
Performance measures and weighting	The following performance measures and weightings will be used in FY24. Each performance target will have a threshold, target and maximum target attached to it, resulting in vesting outcomes of 80 % (threshold), 100 % (target) and 120 % (stretch). Performance outcomes below the threshold will result in a score of zero. Due to the commercially sensitive nature of disclosing the prospective targets, the committee has elected to disclose the actual targets and outcomes on a retrospective basis in part 3 of this report.

LTIP award allocation percentages:

Paterson grade	LTIP award allocation (%)
F4	100 %
E5 – F3	80 %
E1 – E3	30 %
D3 – D5	20 %

Performance measures and weighting:

Performance indicator	Weight	Comments
Absolute TSR	50 %	To mitigate market volatility in determining the applicable values at the onset and at vesting, a smoothing period will be applied and the values will be calculated as the average TSR daily index for the 20 trading days up to and including the start date of the performance period and the average TSR daily index for the 20 trading days up to and including the end date of the performance period.
ROIC*	50 %	Net operating profit after tax (NOPAT)**/average invested capital***

* *ROIC will not be calculated for PPC Zimbabwe, due to the application of hyperinflation accounting. Impairments are added back to ensure management does not benefit from a reduced cost base in the ROIC calculation.*
** *NOPAT = Earnings before interest tax and amortisation (EBITA) less cash taxes.*
*** *Average invested capital is calculated based on the operating approach.*

REMUNERATION REPORT continued

LTIP continued

VESTING PERIOD AND TERMINATION OF EMPLOYMENT PROVISIONS	At the end of the one-year performance period the initial incentive value is adjusted up or downwards based on the performance vesting outcome and the forfeitable shares are settled to participants. Post-settlement, participants will be shareholders, but the shares will be subject to a three-year vesting period (ie total vesting period of 48 months) during which, the shares are subject to: (i) Disposal restrictions (ii) Continued employment until the vesting date, whereafter the shares can be freely disposed of, depending on the reason of termination of employment, different rules may apply Fault terminations (resignation not based on mutual consent, dismissal based on misconduct): No participation – unsettled and unvested LTIP awards are forfeited in full. No-fault terminations (Voluntary retirement, redundancy, sale of an employer company, voluntary separation (subject to discretion as explained below)): • Terminations occurring before the end of the performance period will be prorated for the time in employment and performance over the total vesting period • Terminations after the settlement date but before the release date – awards will be adjusted for the actual time in employment, over the total vesting period of 48 months and the vested shares will be released on the original release date. The remainder of the shares will be forfeited Retirement, disability, death and expiry of a fixed-term contract: • Terminations occurring before the end of the performance period will be prorated for the time in employment, over the performance period of 12 months. The vested shares will be settled and released on the normal settlement and release date. The remainder of the award will be forfeited • Terminations occurring after the settlement date: None of the unvested awards will be forfeited or adjusted but will only be released on the normal release date

MSR

Group EXCO members are expected to acquire and hold a percentage of their TGP in shares and the following percentages will apply:

- CEO: 200% of TGP
- CFO and other group EXCO members: 100% of TGP

These percentages are benchmarked annually and should be achieved by 31 March 2027. In the event of a new appointment or role change, the new EXCO member or changes of positions will be required to achieve the MSR within five years from the beginning of the new financial year following the new appointment date or role change. The MSR shall be achieved through shares acquired under the LTIP scheme.

MALUS AND CLAWBACK

As a result of increased corporate governance requirements pertaining to executive remuneration, STIs and LTIPs are offered subject to malus and clawback should a trigger event occur. The purpose is to give the board the discretion to recoup vested, settled and/or paid incentives (also referred to as "clawback") and to reduce and cancel any unvested and/or unpaid incentive remuneration (also referred to as "malus") when trigger event(s) occur. This policy applies to all employees on levels D3 and above and will be applied as follows:

- Malus applies during the 12-month vesting period of the STI and the 48-month vesting period of the LTIP
- Clawback applies for a 36-month period from payment of the STI awards and release of the LTIP respectively

The trigger events would typically be evoked in the case of:

- Discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the company or the audited accounts of any group member for a full or part of the period over which the performance condition applicable to an award was assessed
- Discovery that the assessment of any performance condition in respect of an award was based on error, or inaccurate or misleading information
- Discovery that any information used to determine the number of shares subject to an award was based on error, or inaccurate or misleading information
- Action or conduct of an employee which, in the reasonable opinion of the committee amounts to fraud, material error, a failure to adhere to company policies or gross misconduct
- Events or behaviour of an employee have led to the censure of a group member by a regulatory authority or have had a significant detrimental impact on the reputation of any group member provided that the committee is satisfied that the relevant employee was directly or indirectly responsible for the censure or reputational damage and that the censure or reputational damage is or should be attributable to such employee

EMPLOYMENT CONTRACTS – EXECUTIVE DIRECTORS

The committee, subject to circumstances, will maintain the following policy for executive directors' employment contracts:

- All executive director and prescribed officer agreements contain a minimum six-month restraint of trade clause which is paid if the company chooses to enforce the restraint clause
- Contracts should not commit the company to pay on termination arising from the director's failure to perform agreed duties
- Employment contracts contain no balloon payments on termination of employment
- If a director is dismissed because of a disciplinary procedure, a shorter notice period should apply without entitlement for compensation for this period
- Contracts should not compensate directors for severance because of a change of control
- Shares awarded through the LTIP remain under restriction for as long as the MSR is not achieved

NEDS

NEDs appointed during the year are subject to election by shareholders at the first shareholders' meeting following their appointment. These directors are also required to retire, according to the board rotation plan.

The CEO recommends board fees to the committee for approval by the board. This recommendation follows input from independent advisors on benchmark studies based on the same comparator group used for executive directors' remuneration. PPC pays its NEDs a retainer fee (including attendance at all scheduled meetings) plus an attendance fee for special meetings beyond the scheduled number of meetings. Fees are exclusive of value added tax (VAT).

NON-BINDING ADVISORY VOTE ON PART 2

The implementation report will be subject to a non-binding advisory vote at the AGM in September 2023.

REMUNERATION REPORT continued

PART 3: IMPLEMENTATION OF POLICIES FOR THE REVIEW PERIOD

TGP ADJUSTMENTS

Annual salary increases are affected in April each year, taking account of market benchmark movements, individual performance and company affordability. Management employees, including prescribed officers, received an average increase of 4,18 % for the period commencing 1 April 2023, this includes a 3,5 % increase for EXCO, 4,2 % for middle and senior management (grade D3- E5) and 4,9 % for first-line management (grade C5- D2) while non-management employees received average increases of 5,92 %.

EXCO STIP PERFORMANCE OUTCOMES FY23

The final STIs were computed in accordance with the STI formula:

Annual TGP x STI allocation % x ([business performance x (50% - 60%)] + [personal performance x (40% - 50%]) x group EBITDA modifier.

The achievement of each of the elements of the STI against the targets set for FY23 is explained below. The committee defines targets based on the approved budgets. The application of hyperinflation accounting at PPC Zimbabwe makes a comparison with the budget less meaningful. As in the prior year, the financial performance of PPC Zimbabwe was evaluated by comparing the US$-based management accounts versus the budget and the calculation of Free Cash Flow for PPC Zimbabwe remains based on EBITDA minus capex for the same reason. Due to the impact of hyper-inflation accounting at PPC Zimbabwe, the evaluation of group performance is based on a weighted average of the three underlying contributors: SA obligor group (encompassing all South African and Botswana entities), PPC Zimbabwe and CIMERWA. The relative weight in the calculation of the weighted average is 60 % for SA obligor group, 25 % for PPC Zimbabwe and 15 % for CIMERWA. These relative weights were derived from the last three years' contribution to revenues and EBITDA for these entities.

BUSINESS PERFORMANCE

EXCO

Target	Weighting	Threshold target (80% vesting)	Target (100% vesting)	Stretch target (120% vesting)	Actual outcome	% Achieved
Financial measures						
Group EBITDA margin	50,00%					
• SA obligor group	30,00%	13,05%	14,50%	17,40%	8,44%	0%
• PPC Zimbabwe	12,50%	26,91%	29,90%	35,88%	20,82%	0%
• CIMERWA	7,50%	26,55%	29,50%	35,40%	28,60%	97%
Group free cash flow	50,00%					
• SA obligor group	30,00%	R527m	R658m	R790m	R309m	0%
• PPC Zimbabwe	12,50%	R437m	R546m	R655m	R290m	0%
• CIMERWA	7,50%	R245m	R306m	R367m	R302m	99%
Non-financial measures						
• Improve OH&S Indicators	50,00%	Group LTIFR at or below 0,2	Group LTIFR at or below 0,16	Group LTIFR at or below 0	0,09	108%
• Improve Environmental factors	50,00%					
	10,00%	Group CO_2 (Scopes 1 and 2) per tonne of cement produced: 715	Group CO_2 (Scopes 1 and 2) per tonne of cement produced: 708	Group CO_2 (Scopes 1 and 2) per tonne of cement produced: 673	745	0%
	10,00%	Group clinker factor: 69,33%	Group clinker factor: 68.64%	Group clinker factor: 65,21%	71,70%	0%
	10,00%	Group coal substitution rate: 1,29%	Group coal substitution rate: 1,90%	Group coal substitution rate: 2,28%	1,22%	0%
	10,00%	Group water consumption (m^3) per tonne of cement produced: 0,38	Group water consumption (m^3) per tonne of cement produced: 0,37	Group water consumption (m^3) per tonne of cement produced: 0,35	0,35	120%
	10,00%	Environmental roadmaps in place across all BUs/countries	Environmental roadmaps in place across all BUs/countries	Environmental roadmaps in place across all BUs/countries	Achieved	120%

REMUNERATION REPORT continued

The CEO and CFO are measured on group EBITDA margin and group free cash flow only. The managing directors for RSA and Botswana and international are evaluated against both group EBITDA margin and group free cash flow as well as EBITDA margin and free cash flow from their respective geographies only.

PERSONAL PERFORMANCE

Executive	% Achieved (0% – 120%)
Roland van Wijnen	62,03%
Brenda Berlin	76,20%
Mokate Ramafoko	78,75%
Njombo Lekula	78,39%

GROUP EBITDA modifier

The group EBITDA modifier was determined as budgeted EBITDA versus actual EBITDA which resulted in a factor of 0,64.

Overall outcomes

Final payment to executive directors and prescribed officers is therefore as follows:

Executive	Annual TGP (Rm) (A)	STI allocation % (B)	Business performance including ESG % (weighted) (C)	Personal performance % (weighted) (D)	EBITDA Multiplier (E)	Final STI (Rm) (F) (A)X(B)X(C+D) x(E)	Final STI as % of STI allocation (F)/(A x B)
Roland van Wijnen	10,9	85,00	21,49%	24,81%	0,64	2,7	30,00
Brenda Berlin	5,9	60,00	13,68%	38,10%	0,64	1,2	33,00
Mokate Ramafoko	4,1	60,00	21,49%	31,50%	0,64	0,8	34,00
Njombo Lekula	4,5	60,00	18,03%	31,36%	0,64	0,9	32,00

REMUNERATION REPORT continued

LTIP OUTCOMES FY23

LTIP AWARDS TO BE MADE BASED ON FY23 PERFORMANCE OUTCOMES

The committee approved the use of the following performance conditions measured over the period 1 April 2022 to 31 March 2023 and resulted in the following performance vesting outcomes:

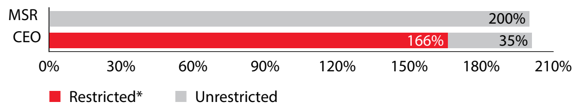
Targets	Weighting	Threshold (80% vesting)	Target (100% vesting)	Stretch Target (120% vesting)	Actual achievement	Actual achievement	% Contribution to LTIP
Delta PEVC	50%	R0	R10m	R75m	(R311m)	–	–
Share price appreciation (TSR)*	50%	R5,27	R5,36	R5,49	R2,87	–	–
Performance Vesting achievement %							–

* As PPC has not declared a dividend, the TSR target was based on share price target as opposed to return/appreciation.

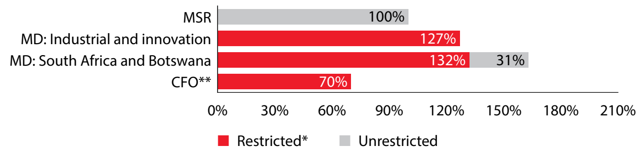
Due to the LTIP's 0 % performance vesting achievement in FY23, LTIP awards will not be awarded post year-end.

PROGRESS TOWARDS MSR TARGET

CEO



CFO and other prescribed officers (excluding CEO)



* Trading restriction.
** Brenda Berlin was appointed as group CFO on 1 April 2021. She has only received one allocation of LTIP awards to date.

LTIP AWARDS VESTING DURING FY23

The retention shares awarded on 13 February 2020 vested during the reporting period on 1 October 2022. No other LTIP awards vested in the current financial period.

Full details are disclosed in the schedule of unvested awards and cash flow on settlement table below.

REMUNERATION REPORT continued

TOTAL SINGLE FIGURE OF REMUNERATION

All figures stated in R'000	Financial year	Salary R	Retirement and medical contributions R	Car allowance R	Cash incentive R[1]	LTIP reflected R[2]	Other R[3]	Total R
Executive directors								
Current directors								
R van Wijnen	**2023**	**10 213**	**–**	**300**	**2 739**	**–**	**360**	**13 612**
R van Wijnen	2022	9 981	–	114	6 104	11 509	358	**28 065**
B Berlin	**2023**	**5 928**	**–**	**–**	**1 179**	**–**	**–**	**7 107**
B Berlin	2022	5 700		–	2 468	4 971		**13 139**
Prescribed officers								
NL Lekula[4]	**2023**	**3 481**	**510**	**540**	**860**	**–**	**5**	**5 396**
NL Lekula[4]	2022	3 534	552	270	2 749	3 837	5	**10 947**
M Ramafoko[5]	**2023**	**3 099**	**569**	**367**	**829**	**–**	**41**	**4 905**
M Ramafoko[5]	2022	2 926	509	367	2 809	3 411	41	**10 063**

(1) *Included under "Cash incentive" is the STI accrued to incumbents in FY22 and FY23 relating to performance for the 2022 and 2023 financial years respectively.*
(2) *The LTIP reflected includes the incentive value which has been adjusted with the performance vesting outcome relating to FY22 and FY23 performance respectively. Due to the LTIP's 0% performance vesting achievement in FY23, no long-term incentive will be awarded post year-end.*
(3) *Other includes accommodation expenses and cellphone allowances.*
(4) *Also included under "Cash incentive" is the payment of a cash retention bonus in FY22 of R1,28 million.*
(5) *Also included under "Cash incentive" is the payment of a cash retention bonus in FY22 of R1,083 million.*

REMUNERATION REPORT continued

SCHEDULE OF UNVESTED AWARDS AND CASH FLOW ON SETTLEMENT

EXECUTIVE DIRECTORS

Names	End of vesting period	Opening number on 1 April 2021	Granted during 2022	Forfeited/ lapsed during 2022	Settled during 2022	Closing number on 31 March 2022	Cash value of receipts during 2022 R[6]	Closing estimated fair value at 31 March 2022 R[7]	Granted during 2023	Forfeited/ lapsed during 2023	Settled during 2023	Closing number on 31 March 2023	Cash value of receipts during 2023 R	Closing estimated fair value at 31 March 2023 R[7]
R van Wijnen[8]														
Forfeitable shares – without performance conditions														
13/02/2020	01/10/2022	1 311 715	–	–	–	1 311 715	–	5 233 743			(1 311 715)	–	2 990 710	–
LTIP														
07/07/2021			2 921 494			2 921 494		11 656 761				2 921 494		8 530 762
15/07/2022									3 281 082			3 281 082		9 580 759
Total							–	16 890 504					2 990 710	18 111 522
B Berlin[9]														
LTIP														
15/07/2022									1 417 310			1 417 310		4 138 545
Total													–	4 138 545
NL Lekula														
Forfeitable shares – with performance conditions														
25/03/2019	25/08/2021	476 800	–	(476 800)	–		–	–	–		–	–	–	–
Forfeitable shares – without performance conditions														
17/05/2018	17/05/2021	320 833			(320 833)		1 254 457							
25/03/2019	25/08/2021	95 400	–		(95 400)	–	334 282	–				–		
LTIP														
07/07/2021			964 584			964 584		3 848 690				964 584		2 816 585
15/07/2022									1 093 826			1 093 826		3 193 972
Total							1 588 739	3 848 690					–	6 010 557
M Ramafoko														
Forfeitable shares – with performance conditions														
25/03/2019	25/08/2021	402 500	–	(402 500)	–		–	–	–		–	–	–	–
Forfeitable shares – without performance conditions														
17/05/2018	17/05/2021	270 833	–	–	(270 833)		911 756		–	–		–		–
25/03/2019	28/05/2021	80 500	–	–	(80 500)		282 072		–	–		–		–
LTIP												–		
07/07/2021			818 115			818 115		3 264 279						
15/07/2022									972 334			972 334		2 839 215
Total							1 193 828	3 264 279						5 228 111

[6] *The total cash value of receipts in FY22 for M Ramafoko was updated from the prior year report to reflect the total cash value of vested shares rather than shares sold.*
[7] *The forfeitable shares without performance conditions and LTIPs are included at the 20-day year-end VWAP of R2,92 (2022: R3,99).*
[8] *A sign-on award of forfeitable shares without performance conditions was made to R van Wijnen in terms of his negotiated employment contract.*
[9] *B Berlin was appointed as group CFO on 1 April 2021.*

REMUNERATION REPORT continued

NED FEES FOR FY24

Increases are proposed for NEDs' fees. Please refer to the notice of AGM, which details proposed board fees for FY24.

NED FEES PAID DURING FY23

Remuneration paid to NEDs for the 12 months ended 31 March 2023.

	Committee							
	Board fees R000	Chairman fees R000	Special meetings R000	ARCC R000	Remuneration and talent[a] R000	Social, ethics and transformation R000	Strategy and investment R000	Total R000
PJ Moleketi	–	1 279	107	–	27	–	–	1 413
AC Ball[b]	154	–	43	–	–	–	52	249
N Gobodo	311	–	64	155	–	215	–	745
BM Hansen	311	–	85	–	–	106	106	608
K Maphisa	311	–	85	–	–	106	106	608
NL Mkhondo	311	–	192	155	216	–	–	874
CH Naude	311	–	213	–	106	–	215	845
DL Smith[c]	157		43	–	–	–	54	254
MR Thompson	311	–	170	325	–	–	106	912
Total	2 177	1 279	1 002	635	349	427	639	6 508

NED FEES PAID DURING FY22

Remuneration paid to NEDs for the 12 months ended 31 March 2022.

	Committee								
	Board fees R000	Chairman fees R000	Special meetings R000	ARCC R000	Remuneration R000	Social and ethics R000	Nomination R000	Strategy and investment R000	Total R000
PJ Moleketi	–	1 222	43	–	–	–	–	–	1 265
AC Ball	296	–	21	–	–	–	–	103	420
N Gobodo	296	–	64	140	–	209	–	–	709
BM Hansen	151	–	–	–	–	52	–	52	255
K Maphisa	296	–	21	–	–	103	–	103	523
NL Mkhondo	296	–	64	140	209	–	36	–	745
T Moyo	145	–	21	–	51	–	36	–	253
CH Naude	296	–	21	–	103	–	–	209	629
MR Thompson	296	–	107	277	–	–	–	103	783
Total	2 072	1 222	362	557	363	364	72	570	5 582

Notes

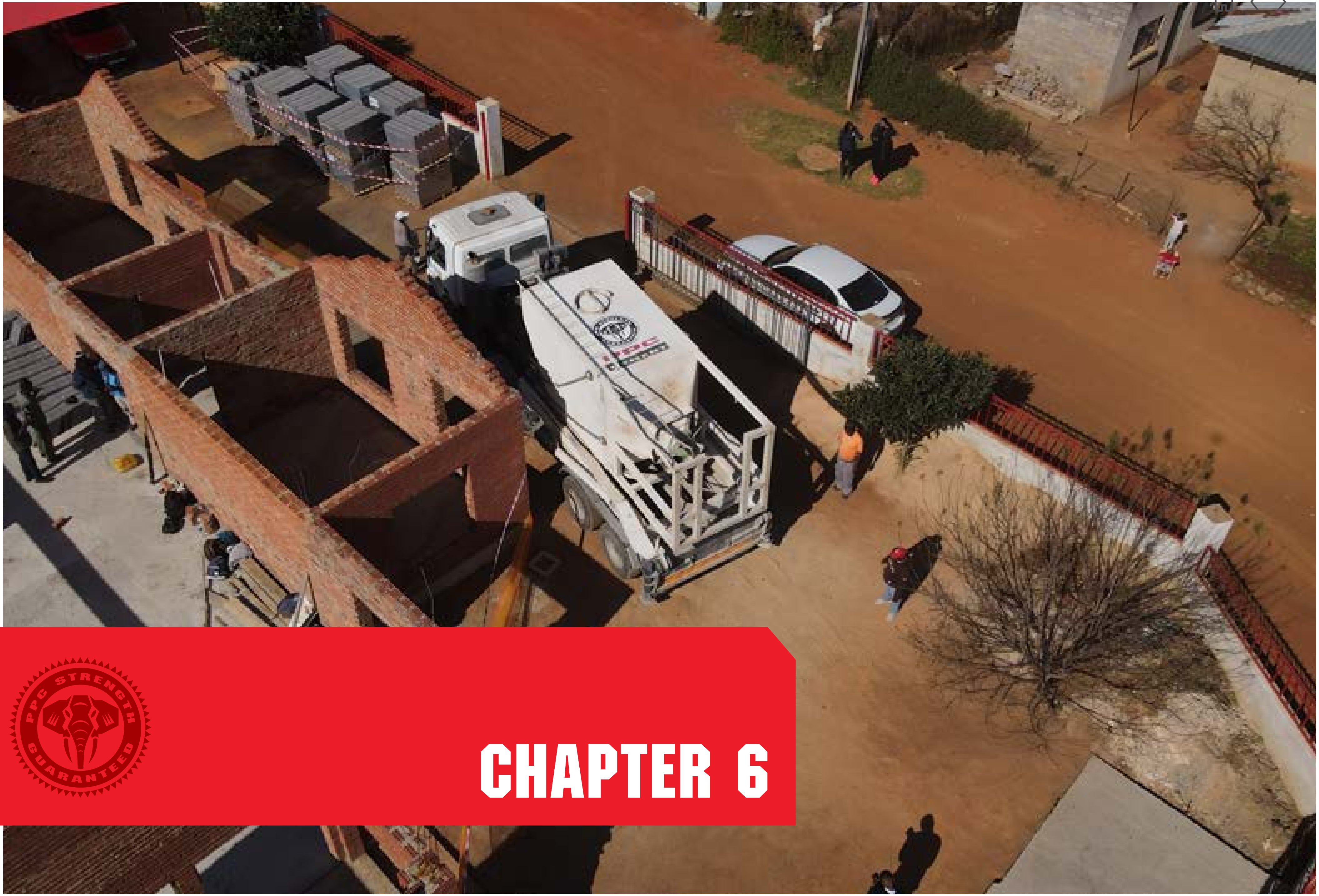
[a] *The remuneration committee and nominations committee were combined into the remuneration and talent committee with effect from 1 October 2021.*

[b] *Resigned 30 September 2022.*

[c] *Appointed 1 October 2022.*

NON-BINDING ADVISORY VOTE ON PART 3

The implementation report will be subject to a non-binding advisory vote at the AGM in September 2023.



CHAPTER 6

INDEPENDENT ASSURANCE PRACTITIONER'S LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS

TO THE DIRECTORS OF PPC LIMITED

REPORT ON SELECTED KEY PERFORMANCE INDICATORS

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the IR 2023 of PPC Limited (PPC) for the year ended 31 March 2023 (the Report). This engagement was conducted by a multidisciplinary team including environmental and assurance specialists with relevant experience in sustainability reporting.

Subject matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected KPIs, marked on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with managements basis of preparation ("reporting criteria"). The reporting criteria is disclosed on page 130 of the Report.

KEY PERFORMANCE INDICATORS	BOUNDARY
Total workforce	South Africa Botswana Zimbabwe
New employee hires	South Africa Botswana Zimbabwe
Employee turnover (voluntary and involuntary)	South Africa Botswana Zimbabwe
Labour union members	South Africa Botswana Zimbabwe
Absenteeism percentage	South Africa Botswana Zimbabwe
Fatalities (Company) (FFR)	South Africa Botswana Zimbabwe CIMERWA (Rwanda)
Lost-Injury Frequency Rate (Lost-Time Injuries and Working Hours)	South Africa Botswana Zimbabwe CIMERWA (Rwanda)
Occupational diseases	South Africa Botswana Zimbabwe CIMERWA (Rwanda)

KEY PERFORMANCE INDICATORS	BOUNDARY
Training hours	South Africa
Governance body diversity	Group
Environmental, Social and Economic Non-compliance	Group
Social investment	South Africa
Electrical-specific energy consumption (kwh/t cement produced)	South Africa Zimbabwe CIMERWA (Rwanda)
Scope 1 emissions	South Africa Zimbabwe CIMERWA (Rwanda)
Scope 2 emissions	South Africa Zimbabwe CIMERWA (Rwanda)
Air emissions	South Africa
Water intensity	South Africa Botswana Zimbabwe CIMERWA (Rwanda)

INDEPENDENT ASSURANCE PRACTITIONER'S LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS continued

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the selection, preparation, and presentation of the selected KPIs in accordance with managements basis of preparation. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

INHERENT LIMITATIONS

The Greenhouse Gas (GHG) emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Deloitte applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

ASSURANCE PRACTITIONER'S RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information and, in respect of greenhouse gas emissions, in accordance with the International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These Standards requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of PPC's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at PPC.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether PPC's selected KPIs have been prepared, in all material respects, in accordance with the accompanying PPC's reporting criteria.

LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 31 March 2023 are not prepared, in all material respects, in accordance with the reporting criteria.

OTHER MATTERS

The maintenance and integrity of PPC's website is the responsibility of PPC's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on PPC's website.

RESTRICTION OF LIABILITY

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of PPC in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than PPC, for our work, for this report, or for the conclusion we have reached.

Deloitte & Touche

Deloitte & Touche
Registered Auditors

Per Jayne Mammatt
Chartered Accountant (SA)
Registered Auditor
Partner

27 July 2023

5 Magwa Crescent
Waterfall City, Waterfall
Private Bag x6, Gallo Manor, 2052
South Africa

GRI INDEX – GRI STANDARDS 2023

We have used the guidelines of the Global Reporting Initiative (GRI) Standards in compiling our 2023 integrated report https://www.ppc.africa/investors-relations/reports/?t=year-end, as outlined in this index.

GRI INDEX 2023		DISCLOSURE
GRI 102 – General disclosures		
GRI 102-1	Name of the organisation	PPC Limited
GRI 102-2	Activities, brands, products, and services	Pages 8, 9
GRI 102-3	Location of headquarters	148 Katherine Street, Sandton, South Africa. From 1 September 2023: First Floor, 5 Parks Boulevard, Oxford Parks, Dunkeld, Johannesburg, 2196
GRI 102-4	Location of operations	Page 9
GRI 102-5	Ownership and legal form	Page 8
GRI 102-6	Markets served	Page 9
GRI 102-7	Scale of the organisation	Pages 8, 9, 16, 17, 39 to 43, 56. PPC continues to work to strengthen its disclosures.
GRI 102-8	Information on employees and other workers	Pages 17, 56 to 58. PPC continues to work to strengthen its disclosures.
GRI 102-9	Supply chain	Refer to PPC's Value Creation Framework, pages 15 to 17
GRI 102-10	Significant changes to the organisation and its supply chain	None in the FY23 reporting period.
GRI 102-11	Precautionary Principle or approach	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 102-12	External initiatives	Reporting and standards: PPC reports according to the following reporting frameworks; GRI, JSE, Integrated Reporting Framework and TCFD; and the following standards: UNGC, King IV and UN SDGs.
GRI 102-13	Membership of associations	PPC is represented on various industry bodies, including Cement & Concrete SA, the National Business Initiative (NBI), the Environmental Policy Committee of the Minerals Council South Africa, Business Unity South Africa, the Cement and Concrete Institute of Zimbabwe, the Chamber of Mines of Zimbabwe, the Professional Committee of Cement Manufacturers, the Rwanda Mining Association and the World Cement Association.
GRI 102-14	Statement from key decision maker	Pages 3 to 4
GRI 102-15	Key impacts, risks, and opportunities	Refer to stakeholder management, pages 23 to 26, and material risks and opportunities, pages 31 to 37. PPC continues to work to strengthen its disclosures going forward.
GRI 102-16	Values, principles, standards, and norms of behaviour	Pages 3, 4, 10 to 13, 15, 58, 65, 86
GRI 102-17	Mechanisms for advice and concerns about ethics	Pages 86, 87
GRI 102-18	Governance structure	Pages 92 to 94
GRI 102-19	Delegating authority	Pages 92, 93
GRI 102-20	Executive-level responsibility for economic, environmental and social topics	Refer to PPC's risk management framework on pages 31 and 32 for details on the responsibilities of the board, executive management and various committees.
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	Refer to Stakeholder management and Customer review on pages 23 to 30.
GRI 102-22	Composition of the highest governance body and its committees	Pages 88 to 90

GRI INDEX – GRI STANDARDS 2023

GRI INDEX 2023		DISCLOSURE
GRI 102-23	Chairman of the highest governance body	Page 88
GRI 102-24	Nominating and selecting the highest governance body	Page 93 to 94
GRI 102-25	Conflicts of interest	Page 95. PPC continues to work to strengthen its disclosures going forward.
GRI 102-26	Role of highest governance body in setting purpose, values and strategy	The board of directors oversees PPC's governance and is responsible for its strategic direction and control.
GRI 102-27	Collective knowledge of highest governance body	Pages 93, 94 and 96
GRI 102-28	Evaluating the highest governance body's performance	Page 96. PPC continues to work to strengthen its disclosures going forward.
GRI 102-29	Identifying and managing economic, environmental, and social impacts	Pages 21, 31, 32, 93
GRI 102-30	Effectiveness of risk management processes	Pages 31 to 37 , 92, 98 to 105
GRI 102-31	Review of economic, environmental, and social topics	Pages 21, 31, 32, 93
GRI 102-32	Highest governance body's role in sustainability reporting	SETCO and S&IC's roles in sustainability reporting initiatives can be found on pages 101 to 107. The board is ultimately responsible for the reporting of sustainability information; refer to page 1 for board approval of the IR.
GRI 102-33	Communicating critical concerns	Page 23. Stakeholder concerns are reported to EXCO and SETCO quarterly.
GRI 102-34	Nature and total number of critical concerns	Refer to pages 91 to 110 for a description on the governance and leadership critical concerns and measures to address.
GRI 102-35	Remuneration policies	Pages 111 to 126
GRI 102-36	Process for determining remuneration	Pages 111 to 126
GRI 102-37	Stakeholders' involvement in remuneration	Pages 111 to 126. Shareholders vote annually at the AGM on remuneration related topics, in line with King IV.
GRI 102-38	Annual total compensation ratio	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 102-39	Percentage change in annual total compensation ratio	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 102-40	List of stakeholder groups	Pages 1, 23 to 26
GRI 102-41	Collective bargaining agreements	Page 58
GRI 102-42	Identifying and selecting stakeholders	Pages 23 to 26
GRI 102-43	Approach to stakeholder engagement	Pages 23 to 26. PPC continues to work to strengthen its disclosures going forward.
GRI 102-44	Key topics and concerns raised	Pages 23 to 26. PPC continues to work to strengthen its disclosures going forward.
GRI 102-45	Entities included in the consolidated financial statements	Refer to the annual financial statements.
GRI 102-46	Defining report content and topic boundaries	Inside front cover
GRI 102-47	List of material topics	Refer to page 2 for a materiality discussion. PPC continues to work to strengthen its disclosures going forward.
GRI 102-48	Restatements of information	Refer to page 29 of the AFS.
GRI 102-49	Changes in reporting	Inside front cover.
GRI 102-50	Reporting period	1 April 2022 to 31 March 2023

GRI INDEX – GRI STANDARDS 2023

GRI INDEX 2023		DISCLOSURE
GRI 102-51	Date of most recent report	22 July 2022
GRI 102-52	Reporting cycle	Annual
GRI 102-53	Contact point for questions regarding the report	Page 1
GRI 102-54	Claims of reporting in accordance with GRI standards	PPC used the GRI Standards as a reference guide for this report for the period 1 April 2022 to 31 March 2023.
GRI 102-55	GRI content index	Pages 131 to 136
GRI 102-56	External assurance	Pages 142 to 144
GRI 103 – Management approach		
GRI 103-1	Explanation of the material topic and its boundary	Refer to pages 31 to 37 for a description of PPC's material risk and opportunities.
GRI 103-2	The management approach and its components	Refer to pages 31 to 37 for a description of PPC's material risk and opportunities.
GRI 103-3	Evaluation of the management approach	Refer to pages 31 to 37 for a description of PPC's material risk and opportunities.
GRI 201 – Economic performance		
GRI 201-1	Direct economic value generated and distributed	Page 43
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Pages 78 to 80 – summary of TCFD. Refer to the 2021 TCFD report. PPC continues to work to strengthen its disclosures going forward.
GRI 201-3	Defined benefit plan obligations and other retirement plans	Refer to Note 13.2 of the annual financial statements.
GRI 201-4	Financial assistance received from government	None received from government in FY23.
GRI 202 – Market presence		
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 202-2	Proportion of senior management hired from the local community	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 203 – Indirect economic impacts		
GRI 203-1	Infrastructure investments and services supported	PPC aligns its ESG strategy with the UN SDGs; refer to pages 10 to 13 for progress on initiatives supported. Refer to pages 81 to 84 for CSI initiatives social performance.
GRI 203-2	Significant indirect economic impacts	Refer to pages 81 to 84 for descriptions of local community engagements and projects and SLPs. PPC continues to work to strengthen its disclosures going forward.
GRI 204 – Procurement practices		
GRI 204-1	Proportion of spend on local suppliers	Page 17. PPC continues to work to strengthen its disclosures going forward.
GRI 205 – Anti-corruption		
GRI 205-1	Operations assessed for risks related to corruption	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 205-2	Communication and training about anti-corruption policies and procedures	Pages 86, 87, 96. PPC continues to work to strengthen its disclosures going forward.
GRI 205-3	Confirmed incidents of corruption and actions taken	No reported incidents.
GRI 206 – Anti-competitive behaviour		

ANNEXURE continued

GRI INDEX – GRI STANDARDS 2023

GRI INDEX 2023		DISCLOSURE
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No reported incidents in the FY23 reporting period.
GRI 207 – Tax		
GRI 207-1	Approach to tax	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 207-2	Tax governance, control, and risk management	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 207-3	Stakeholder engagement and management of concerns related to tax	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 207-4	Country-by-country reporting	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 301 – Materials		
GRI 301-1	Materials used by weight of volume	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 301-2	Recycled input materials used	Refer to waste management on page 77.
GRI 301-3	Reclaimed products and their packaging materials	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 302 – Energy		
GRI 302-1	Energy consumption within the organisation	Page 73
GRI 302-2	Energy consumption outside the organisation	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 302-3	Energy intensity	Page 73
GRI 302-4	Reduction of energy consumption	Page 73
GRI 302-5	Reductions in energy requirements of products and services	Page 73
GRI 303 – Water		
GRI 303-1	Interactions with water as a shared resource	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 303-2	Management of water discharge-related impacts	Refer to efficient and responsible use of water resources on page 76.
GRI 303-3	Water withdrawal	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 303-4	Water discharge	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 303-5	Water consumption	Refer to efficient and responsible use of water resources on page 76.
GRI 304 – Biodiversity		
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Refer to resource conservation on pages 76 to 77. PPC continues to work to strengthen its disclosures going forward.
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	Refer to resource conservation on pages 76 to 77. PPC continues to work to strengthen its disclosures going forward.
GRI 304-3	Habitats protected or restored	Refer to resource conservation on pages 76 to 77.
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Refer to resource conservation on pages 76 to 77.
GRI 305 – Emissions		

GRI INDEX – GRI STANDARDS 2023

GRI INDEX 2023		DISCLOSURE
GRI 305-1	Direct (Scope 1) GHG emissions	Page 75
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Page 75
GRI 305-3	Other indirect (Scope 3) GHG emissions	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 305-4	GHG emissions intensity	Page 75
GRI 305-5	Reduction of GHG emissions	Page 75
GRI 305-6	Emissions of ozone-depleting substances (ODS)	Not applicable to PPC.
GRI 305-7	Nitrogen oxides, sulphur oxides and other significant air emissions	Page 76
GRI 306 – Effluents and waste		
GRI 306-1	Waste generation and significant waste-related impacts	Refer to waste management on page 77.
GRI 306-2	Management of significant waste-related impacts	Refer to waste management on page 77.
GRI 306-3	Waste generated	Refer to waste management on page 77.
GRI 306-4	Waste diverted from disposal	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 306-5	Waste directed to disposal	Not applicable to PPC.
GRI 307 – Environmental compliance		
GRI 307-1	Non-compliance with environmental laws and regulations	None occurred in the FY23 reporting period.
GRI 308 – Supplier environmental assessment		
GRI 308-1	New suppliers that were screened using environmental criteria	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	Refer to natural capital on pages 69 to 80. PPC continues to work to strengthen its disclosures going forward.
GRI 401 – Employment		
GRI 401-1	New employee hires and employee turnover	Page 57
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 55, 112, 115, 117
GRI 401-3	Parental leave	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 402 – Labour/management relations		
GRI 402-1	Minimum notice periods regarding operational changes	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 403 – Occupational health and safety		
GRI 403-1	Occupational health and safety management system	PPC's occupational health and safety management is rigorously monitored through risk assessments, incident investigations, site inspections and observations, internal and external audits, and legal compliance audits and regulatory requirements. Refer to Occupational health and safety on pages 62 to 67.
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Pages 64 to 67
GRI 403-3	Occupational health services	Pages 55 and 64

GRI INDEX – GRI STANDARDS 2023

GRI INDEX 2023		DISCLOSURE
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 64 to 67
GRI 403-5	Worker training on occupational health and safety	Page 66
GRI 403-6	Promotion of worker health	Page 64
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 64 to 67
GRI 403-8	Workers covered by an occupational health and safety management system	Pages 64 to 67. PPC continues to work to strengthen its disclosures going forward.
GRI 403-9	Work-related injuries	Page 66. PPC continues to work to strengthen its disclosures going forward.
GRI 403-10	Work-related ill health	Page 64. PPC continues to work to strengthen its disclosures going forward.
GRI 404 – Training and education		
GRI 404-1	Average hours of training per year per employee	Page 60
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	Page 60 to 61
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Talent review sessions at an operational level and for remote operations and critical roles are a priority in FY24. PPC continues to work to strengthen its disclosures going forward.
GRI 405 – Diversity and equal opportunity		
GR1 405-1	Diversity of governance bodies and employees	Entrenching diversity, equity and inclusion across the group remains a priority. Pages 54, 55, 57, 58, 61, 89, 94, 101, 102, 105.
GRI 405-2	Ratio of basic salary and remuneration of women to men	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 406 – Non-discrimination		
GRI 406-1	Incidents of discrimination and corrective actions taken	No incidents reported.
GRI 407 – Freedom of association and collective bargaining		
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 58
GRI 408 – Child labour		
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 409 – Forced or compulsory labour		
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 410 – Security practices		
GRI 410-1	Security personnel trained in human rights policies or procedures	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 411 – Rights of indigenous people		
GRI 411-1	Incidents of violations involving rights of indigenous peoples	None occurred in the FY23 reporting period.

GRI INDEX – GRI STANDARDS 2023

GRI INDEX 2023		DISCLOSURE
GRI 412 – Human rights assessment		
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 412-2	Employee training on human rights policies or procedures	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 413 – Local communities		
GRI 413-1	Operations with local community engagement, impact assessments, and development programmes	Refer to alignment with the UN SDGs on pages 10 to 13 and social performance on pages 81 to 84.
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Refer to alignment with the UN SDGs on pages 10 to 13 and social performance on pages 81 to 84. PPC continues to work to strengthen its disclosures going forward.
GRI 414 – Supplier social assessment		
GRI 414-1	New suppliers that were screened using social criteria	None occurred in the FY23 reporting period.
GRI 414-2	Negative social impacts in the supply chain and actions taken	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 415 – Public policy		
GRI 415-1	Political contributions	None occurred in the FY23 reporting period.
GRI 416 – Customer health and safety		
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None occurred in the FY23 reporting period.
GRI 417 – Marketing and labelling		
GRI 417-1	Requirements for product and service information and labelling	Not currently reported. PPC continues to work to strengthen its disclosures going forward.
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	None occurred in the FY23 reporting period.
GRI 417-3	Incidents of non-compliance concerning marketing communications	None occurred in the FY23 reporting period.
GRI 418 – Customer privacy		
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None occurred in the FY23 reporting period.
GRI 419 – Socioeconomic compliance		
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	None occurred in the FY23 reporting period.

KING IV COMPLIANCE SUPPLEMENTARY REPORT

CONFIRMATION

During the year ended 31 March 2023, the company was compliant in all material respects with the requirements of the Companies Act 71 of 2008, as amended (Companies Act), its regulations and the Listings Requirements of the Johannesburg Stock Exchange (JSE) Limited and the Zimbabwean Stock Exchange (ZSE).

KING IV REPORT ON CORPORATE GOVERNANCE™ FOR SOUTH AFRICA, 2016 (KING IV*)

The checklist below is a broad summary of how the principles of King IV were applied during the year. The full governance report is contained in our integrated report. The report covers the following corporate governance outcomes:

- Ethical culture
- Good performance
- Effective control
- Legitimacy

PRINCIPLE	APPLICATION OF THE PRINCIPLE
LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP	
Principle 1 The governing body should lead ethically and effectively	***Leadership*** As part of his duties, the chairman of the board is tasked to monitor the actions and performance of the members of the board and hold them to the highest ethical standards. The directors on the board also hold one another accountable for decision-making, and acting in a manner that displays the ethical characteristics of integrity, competence, responsibility, accountability, fairness and transparency. On appointment, individual directors are contractually placed under the obligation to comply with the ethical standards of PPC Limited (the company, or the group). The board's SETCO annually reviews the group's code of conduct and business ethics policy and directors declare their personal interests annually. Additionally, interests that may be apparent at the commencement of meetings are declared at the onset of these meetings. The board and its committees continually demonstrate ethical and effective leadership and promote the group's values, culture and business behaviours.

KING IV COMPLIANCE SUPPLEMENTARY REPORT continued

PRINCIPLE	APPLICATION OF THE PRINCIPLE
Principle 2 The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	***Organisation values, ethics and culture*** The board discharges its roles and responsibilities in terms of the board charter, with due regard to the values that support the central tenets of the group. The board has mandated the SETCO to oversee the establishment and monitoring of the code of conduct and business ethics policy and to promote high-ethical behaviour. The board is supported by the group company secretary, and management acts as the custodian of the group code of conduct and business ethics. The group continued to live and strengthen its values, RE-PPC, which are: • R – We always do the right thing. We hold each other accountable and always act with integrity • E – We strive for excellence in all we do • P – Our people, our strength • P – We have passion • C – We are customer focused *For more information, refer to our integrated report.*
Principle 3 The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen	***Responsible corporate citizenship*** The board has delegated the responsibility for monitoring and reporting social, ethical, transformational and sustainability practices that are consistent with good corporate citizenship to the SETCO. For PPC, it is imperative to deliver on the South African transformation, diversity and gender equality agenda and to fulfil its legal and moral obligations as a good corporate citizen in the jurisdictions in which it operates. Various policies were approved for the South African regulatory environment and, where applicable, were rolled out to subsidiary companies for tailoring to be country-specific. The aim to simplify and standardise remains the company's tenet. *For more information, refer to the SETCO report included in our integrated report.*
STRATEGY, PERFORMANCE AND REPORTING	
Principle 4 The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process	***Strategy, implementation and performance*** The board monitors and approves the group's corporate strategy and business plans, including those of the operating units across the geographic regions in which PPC operates. Once a year, the board sets up and attends the strategic workshop with management to deliberate on the strategic objectives of the business. In determining the three-year strategy, the board considers the six elements which informed our strategic value drivers, being purpose and corporate social responsibility, delighted customers, engaged people, process excellence, governance and compliance, and financial performance. The board is assisted by the ARCC in reviewing the key risks and opportunities impacting the strategic objectives. For more information on our material risks, refer to our IR. The board is also assisted by the S&IC in reviewing the financial parameters and inputs included in the business plans.

KING IV COMPLIANCE SUPPLEMENTARY REPORT continued

PRINCIPLE	APPLICATION OF THE PRINCIPLE
Principle 5 The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects	***Reports and disclosure*** We refer to the group's IR that presents material information in an integrated manner and provides users with a holistic, clear, concise and understandable presentation of the group's performance in terms of sustainable value creation in the economic, social and environmental context within which it operates. The board is assisted by the ARCC in reviewing and approving the IR and the audited AFS. The report is prepared in line with recognised local and international guidelines, including IFRS, the Integrated Reporting Framework, the Companies Act, and the principles contained in King IV and the JSE Listings Requirements.
GOVERNING STRUCTURES AND DELEGATION	
Principle 6 The governing body should serve as the focal point and custodian of corporate governance in the organisation	***Role of the governing body*** The board's roles and responsibilities are articulated in the board charter which is reviewed annually. The board is the focal point and custodian of corporate governance, both in terms of how its roles and responsibilities are documented and the way it executes its duties and responsibilities. The board has also set up various board committees that assist with the discharge of its responsibilities. These committees function under their statutory and management mandates and approved ToRs and annual work plans.
Principle 7 The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	***Composition of the board*** The board, with the assistance of the RTC, annually considers its composition in terms of a balance of skills, experience, race and gender diversity, independence and knowledge and whether this enables it to effectively discharge its role and responsibilities. The capacity of each director is categorised as defined in the Companies Act, the JSE Listings Requirements and in consideration of King IV and other factors as outlined in the board charter. The board comprises a majority of independent NEDs. *For more details regarding the composition of the board, assessment of independence and the gender diversity policy, refer to our corporate governance review included in our integrated report.*
Principle 8 The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with the balance of power and the effective discharge of its duties	***Committees of the board*** The following committees assist the board with the discharge of its duties and responsibilities: • ARCC (audit, risk and compliance committee) • RTC (reward and talent committee) • SETCO (social ethics and transformation committee) • S&IC (strategy and investment committee) The committees operate in accordance with written ToR and annual work plans which are annually reviewed and approved by the board. The committees are appropriately constituted and members are appointed by the board, with the exception of the ARCC, whose members are nominated annually by the board and elected by shareholders at the AGM. *Additional information on the board committees can be found in the corporate governance review, included in our integrated report.*

KING IV COMPLIANCE SUPPLEMENTARY REPORT continued

PRINCIPLE	APPLICATION OF THE PRINCIPLE
Principle 9 The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness	***Evaluations of the performance of the board*** Formal assessments of the effectiveness of the board, board committees, chairman, directors, group CEO, group CFO and group company secretary are conducted biennially by an independent assessor. The chairman of the board, through the RTC and assisted by the group company secretary, leads the evaluation process. The performance of the board, its committees and the directors are disclosed in the integrated report. The next biennial review commenced in FY23 and was concluded in Q1FY24. The roles and responsibilities of the board, its committees, the chairman and directors are outlined in the board charter and committee ToR. A formal assessment of the effectiveness of the boards and board committees (if applicable) of CIMERWA, of which PPC has management control, will be conducted during FY24. The following will be assessed: the boards, board committees (if applicable), chairpersons, directors, managing directors and company secretaries. Assessments for board and committees for Zimbabwe are also planned for FY24, pending confirmation.
Principle 10 The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities	***Appointment and delegation to management*** While the board retains accountability for the company, it has delegated authority to the CEO to run the company on a day-to-day basis. In addition, the approved delegation of authority policy indicates matters reserved for the board and those delegated to management. The delegation of authority policy sets out the authority limits and governs sub-delegation within the group.
Principle 11 The governing body should govern risk and opportunity in a way that supports the organisation in defining core purpose and setting and achieving strategic objectives	***Risk and opportunity governance*** The group believes that effective risk management is supported by effective governance structures, robust policy frameworks and a risk-focused culture. Strong governance structures and policy frameworks foster the embedding of risk considerations in business processes and ensure that consistent standards exist across the group. The board retains ultimate responsibility by providing strategic direction and ensuring that risks are adequately identified, measured, monitored, managed and reported on. In FY23, the amended risk management framework was formalised, and embedding throughout the group commenced. The risk management structure was enhanced and aligned to each operation in the group. The risk tolerance matrix was reviewed to ensure that risk is assessed on a standardised and consistent basis. Risk training and workshops were held with each business unit. The primary board committee overseeing risk matters across the group is the ARCC. The ARCC delegates to management the responsibility to continuously identify, assess, mitigate and manage risks and opportunities within the existing and ever-changing risk profile of the group's operating environment. Mitigating controls are formulated to address the risks, and the board is updated on the progress of the risk management plan and improvements thereto.

KING IV COMPLIANCE SUPPLEMENTARY REPORT continued

PRINCIPLE	APPLICATION OF THE PRINCIPLE
Principle 12 The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives	***Technology and information governance*** The board is aware of the importance of technology and information as it is interrelated to strategy, performance and sustainability. The ARCC is responsible for overseeing IT governance in accordance with King IV, and ensures the effectiveness and efficiency of the group's information systems as required by the group. The ARCC is assisted by the IT steering committee, led by management, which advises on governing technology and information in a way that supports the group in setting and achieving its strategic objectives.
Principle 13 The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen	***Compliance governance*** The board is responsible for the group's compliance with applicable laws. The ARCC, whose mandate is to oversee full compliance with all statutes and regulations, assists the board in monitoring compliance. To achieve this, the ARCC oversees the implementation of an appropriate compliance framework, policies, processes and procedures to identify regulatory and supervisory risks.
Principle 14 The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term	***Remuneration governance*** PPC endeavours to remunerate fairly, responsibly and transparently. The remuneration report and policy are set out in the integrated report. A non-binding advisory vote on the remuneration policy is tabled at the AGM and has been duly approved by shareholders in prior years. A non-binding advisory vote on the remuneration implementation report is included in the notice of AGM for shareholder approval. The board will continue to encourage regular dialogue with shareholders to create and maintain a mutual understanding of what performance and value creation for the group constitutes for the purpose of evaluating the remuneration policy. The RTC is tasked by the board to independently approve and oversee the implementation of the shareholder-supported remuneration policy that encourages the achievement of the company's strategy and sustainable growth of stakeholder value.
Principle 15 The governing body should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and the integrity of the organisation's external reports	***Assurance*** Formal governance structures for enhancing the practice of combined assurance at group and subsidiary levels are overseen by the ARCC. The assurance providers in this model include group internal audit, senior management and external auditors. The combined outcome of independent oversight, validation and audit tasks performed by the assurance providers aims to ensure a high standard across methodological, operational and process components of the group's risk and capital management processes.

KING IV COMPLIANCE SUPPLEMENTARY REPORT continued

PRINCIPLE	APPLICATION OF THE PRINCIPLE
STAKEHOLDER RELATIONSHIPS	
Principle 16 In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time	***Stakeholders*** The board, through the SETCO, considers issues around stakeholder perceptions. The SETCO has oversight of stakeholder engagement and management. Through regular reporting by management to the committee, and through the chairperson of the committee to the board, the board is equipped with the necessary information to enable it to take the legitimate interests and expectations of stakeholders into account in its decision-making. The company identified its stakeholder groups through a broad process of internal evaluation. These include: • Providers of capital and insurers (including investors, shareholders and banks) • Government and regulators • Suppliers and local business • Employees and labour unions • Customers • Industry associations, media, communities, NGOs and others The group endeavours to balance its stakeholders' legitimate and reasonable needs, interests and expectations. *For more information on our engagement with stakeholders, refer to our integrated report.*
Relationships within a group of companies	The board is the custodian of corporate governance across the group and sets the direction for how the relationship and exercise of power for the group will be approached and conducted. Group policies are developed and implemented at group and subsidiary levels. In cases where policies are required to address the specific needs of business units and their stakeholders, these are developed and applied at business unit level with appropriate group oversight through the group executive committee. The delegation of authority resolution is signed by the board and reviewed regularly.

PPC LIMITED

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GLOSSARY

ABBREVIATIONS

ACI	African, Coloured and Indian
AEL	Atmospheric emission licence
AFR	Alternative fuels and resources
AFS	Annual financial statements
AGM	Annual general meeting
ARCC	Audit, risk and compliance committee
BBBEE Act	Broad-Based Black Economic Empowerment Act 46 of 2013
BBBEE	Broad-Based Black Economic Empowerment
BEE	Black economic empowerment
Capex	Capital expenditure
CCSA	Cement and Concrete SA
CEO	Chief executive officer
CETA	Construction Education and Training Authority
CFO	Chief financial officer
CO_2	Carbon dioxide
Companies Act	Companies Act 71 of 2008, as amended
CRA	Customer relationship assessment
CSI	Corporate social investment
CSR	Corporate social responsibility
DFFE	Department of Forestry, Fisheries and the Environment
DMRE	Department of Mineral Resources and Energy
DoL	Department of Labour
DRC	The Democratic Republic of the Congo
dtic	Department of Trade, Industry and Competition
DWS	Department of Water and Sanitation
EAP	Economically active population
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EE	Employment equity
EMA	Environmental Management Authority
EMS	Environmental management system
EnMs	Energy management system
eNPS	Employee net promoter score
EPS	Earnings per share
ESG	Environment, social and governance
EVP	Employee value proposition
EXCO	Executive committee
FFR	Fatality frequency rate
FY22	Financial year ended 31 March 2022
FY23	Financial year ended 31 March 2023
GDP	Gross domestic product
GHG	Greenhouse gas
GRI	Global Reporting Initiative
GWh	Gigawatt hours
HEPS	Headline earnings per share
HR	Human resources
ICAS	Independent counselling and advisory services
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change
IR	Integrated report
IRBA	Independent Regulatory Board for Auditors
ISAE	International Standard on Assurance Engagements
IT	Information technology
JSE	Johannesburg Stock Exchange
Kg	Kilogram

ANNEXURE continued

GLOSSARY continued

King IV	King IV Report on Corporate Governance™ for South Africa, 2016
KPI	Key performance indicator
kt	Kilotonne
kWh	Kilowatt hours
KZN	KwaZulu-Natal
LEAP	Lean Enterprise Acceleration Programme
LTI	Lost-time injury
LTIFR	Lost-time injury frequency rate
LTIP	Long-term incentive plan
MD	Managing director
Mining Charter	Broad-based Socio-economic Empowerment Charter for the Mining and Minerals Industry
m^3	Cubic metre
mJ	megaJoule
MoI	Memorandum of incorporation
MSR	Minimum shareholding requirements
mtpa	Million tonnes per annum
Mw	Megawatts
NBI	National Business Initiative
NED	Non-executive director
NGO	Non-governmental organisation
NOx	Nitrogen oxide
NSSA	National Social Security Authority
OEE	Overall equipment efficiency
OHS	Occupational health and safety
PEVC	PPC economic value creation
PPA	Power purchase agreement
PV	Photovoltaic
PwC	PriceWaterhouseCoopers Inc

ROIC	Return on investment capital
RTC	Reward and talent committee
RwF	Rwandan Franc
S&IC	Strategy and investment committee
SA	South Africa
SABS	South African Bureau of Standards
SDG	Sustainable Development Goal
SETCO	Social, ethics and transformation committee
SHE	Safety, health and environment
SLP	Social and labour plan
SMME	Small, medium and micro enterprise
SOx	Sulphur oxide
STEM	Science, Technology, Engineering and Mathematics
STI	Short-term incentive
TB	Tuberculosis
TCFD	Task Force on Climate-related Financial Disclosures
TGP	Total guaranteed pay
TRIFR	Total recordable injury frequency rate
TSR	Total shareholder return
UN	United Nations
UNGC	United Nations Global Compact
US$	United States Dollar
VFL	Visible felt leadership
WACC	Weighted average cost of capital
WBC	Whistleblowing committee
WCA	World Cement Association
YES	Youth employment service
ZSE	Zimbabwe Stock Exchange
ZWL	Zimbabwean dollar

CORPORATE INFORMATION

PPC LIMITED
Incorporated in the Republic of South Africa
Registration number: 1892/000667/06
JSE/ZSE share code: PPC
JSE ISIN: ZAE 000170049
(PPC or company or group)

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PJ Moleketi (chairman), R van Wijnen* (CEO), B Berlin (CFO), DL Smith, N Gobodo, BM Hansen**, K Maphisa, NL Mkhondo, CH Naude, MR Thompson

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FORWARD-LOOKING STATEMENT

This report, including statements on the demand outlook, PPC's expansion projects and its capital resources and expenditure, contains certain forward-looking views that are not historical facts and relate to other information which is based on forecasts of future results and estimates of amounts not yet determinable. By their nature, forward-looking statements involve uncertainties and the risk that these forward-looking statements will not be achieved. Although PPC believes the expectations reflected in this report are reasonable, no assurance can be given that these expectations will prove correct. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, outcomes could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, the success of a business and operating initiatives, changes in the regulatory environment, other government action and business and operational risks.

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