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## SOCIO-ECONOMIC DEVELOPMENT (“SED”) POLICY

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## **1. Introduction**

Concor Construction (formerly Murray & Roberts Construction) is a South African based company, originally established in the Western Cape in the early 1900s. Concor has delivered infrastructure projects across South Africa and selected African countries - enabling job creation, skills development and community upliftment for over a century.

Following the recent acquisition of the business by a consortium led by the black empowered Southern Palace Group, Murray & Roberts Construction was renamed Concor Construction ("Concor"). Concor consists of seven business units and is regarded as one of the leading contractors in the infrastructure, building, mining and property development sectors.

## **2. Background**

Recognising the symbiotic relationship between business sustainability and the sustainable functioning of its social surroundings, Concor has a solid track record of corporate citizenship which has been embedded in the business over several decades. We are cognisant of the critical of infrastructure in terms of promoting development, redressing inequality, unlocking opportunities for future growth and creating shared value for all stakeholders.

Our core purpose remains rooted in infrastructure development that enables socio-economic development and as such, we consistently review policies and programmes to ensure that our response and contribution to socio-economic development remains relevant, responsive and catalyses positive change.

## **3. Purpose**

The Concor Socio-economic Development ("SED") policy serves as the conduit through we aim to facilitate access, create opportunities; develop partnerships, enhance self-efficacy and promote sustainable livelihoods within communities, with due consideration for the natural environment. The SED policy forms the basis for engagement with development stakeholders, operationalisation of approved programmes and support for employee community involvement.

## **4. Scope**

Notwithstanding geographical locations, applicable legislation and financial and operational limitations, all Concor business units are encouraged to invest in and support locally appropriate community development initiatives.

Application of the SED policy and allocation of the annual budget is however limited to South African operations, in alignment with the Broad-Based Black Economic Empowerment ("B-BBEE") Codes of Good Practise (2013) and the Revised Construction Sector Code (2017). Business units beyond South African borders have can however adapt the SED policy for use in local countries.

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## 5. SED Policy Implementation

The Concor SED policy is operationalised through two programmes, namely Corporate Social Investment (“CSI”) and Employee Community Involvement (“ECI”). The CSI programme prioritises education, skills development and support for disadvantaged communities, in line with objectives described in both the National Development Plan and the Revised Construction Sector Code. ECI on the other hand taps recognises the role that employees in play in supporting development and promotes, while promoting loyalty and greater job satisfaction.

- **Corporate Social Investment**

Funding is prioritised for both structured programmes and support for disadvantaged communities.

*Structured programmes* - Focused on fewer, structured programmes that are funded over longer periods. Concor has a bias towards literacy and numeracy development and Science, Technology, Engineering and Mathematics (“STEM”). Investment in STEM sparks interest in construction and the built environment; improves access to and success in this sector, creates a steady pipeline of future talent into our business and addresses critical skills shortages within our industry as a whole.

*Disadvantaged Communities* - Discretionary funding is allocated in support of once-off, smaller projects in communities where we operate. Support for community initiatives assists in building relationships with community stakeholders and goes a long way in safeguarding our employees and assets, and enhancing our visibility and reputation in these communities. Funding from Concor also encourages clients, suppliers and other community stakeholders to make donations.

- **Employee Community Involvement**

*Sikhulisa Fund* - The Sikhulisa Fund (formerly Child Welfare Fund) is our flagship ECI programme through which employees make voluntary contributions from their salaries in support of community development. This Fund also represents Concor’s longest investment in community upliftment, having been established over 50 years ago. Funds raised through the Sikhulisa Fund are donated to charitable organisations that serve the needs and interest of vulnerable children across the country.

Programme objectives and activities are detailed in the SED Implementation Guideline.

## 6. Principles

The Concor SED policy and programmes is underpinned by the following principles which promotes:

- Transformation, diversity and inclusion;
- Development and responsiveness to local contexts and needs;
- Collaboration and partnerships across the public and private sector;

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- Investment of financial and human resources;
  - Transparency and accountability towards stakeholders;
  - Adherence to relevant legislation, codes of good practice and best practice trends within SED; and
  - Delivering on our SED mandate in a responsible, accountable and sustainable manner.

## **7. Budget**

The Concor SED budget is developed annually, taking into account company performance, as indicated by relevant benchmarks (i.e. % of EBIT, NPAT). The SED budget aims to be at least 1.25% of NPAT of South African operations only, as per the minimum requirements set out in Revised Construction Sector Code.

## **8. Governance**

SED implementation is governed by a SED Committee which comprises representatives from South African business units. The SED Committee is mandated to assist the Concor Holdings Board in achieving the Group's stated SED objectives.

The SED Committee is accountable to the Social & Ethics Committee ("SE Committee"), a subcommittee of the Concor Holdings Board. Implementation of the SED programme is managed by Group Corporate Affairs.

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