



*We*  
**SHAPE**

T H E F U T U R E

INNOVATION THAT BUILDS NATIONS

BBB – EE INITIATIVES 2018 - 2020

**Lafarge South Africa**

# LAFARGE SOUTH AFRICA: BBB-EE AS A SUSTAINABILITY IMPERATIVE

Broad Based Black Economic Empowerment has become a key imperative in ensuring business sustainability and as Lafarge South Africa we fully understand this as the sustainability of our business is inherently tied to the stability of our social context. We realise that the socio-economic challenges facing our country are immense, and we are committed to contributing to meaningful change.

We therefore seek to create long-lasting, robust and broad-based benefit for the broader South African society, especially in communities where we operate. We believe that by empowering our employees and communities where we operate, we can go a long way in facilitating transformation and, at the same time, creating various opportunities in the following:

- Skills Development - training programmes for unemployed youth, providing bursaries, offering accredited training for employees
- Enterprise and Supplier Development – providing opportunities to local entrepreneurs, mentoring and support to up and coming suppliers
- Socio – Economic Development – focusing on health and education

Some of the initiatives supporting these pillars will be shared in the subsequent slides.

## **1. Skills Development**

A philosophy that skills development and training is integral to transformation has informed the initiatives that have been implemented by Lafarge SA. These initiatives stem from the realisation that where employees and community members are given training opportunities, their level of skill is increased and they are able to access opportunities when they arise. This also becomes a skills pipeline creation for our operation to create employment locally.

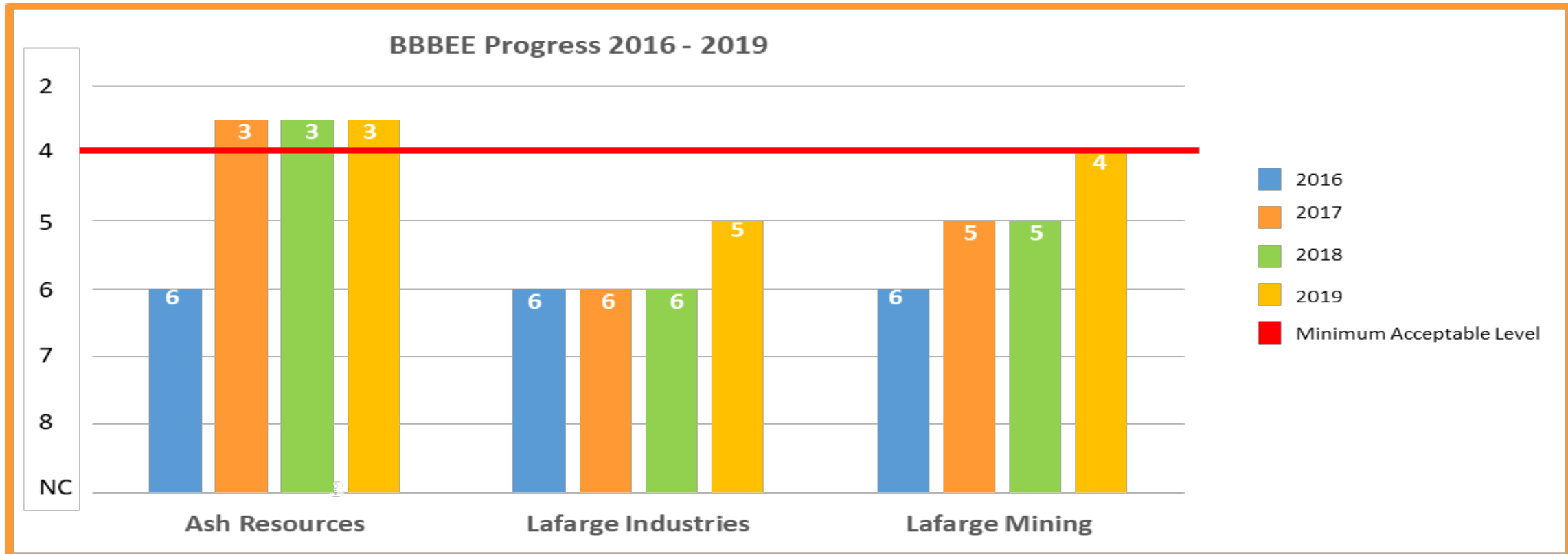
## **2. Enterprise and Supplier Development**

ESD requires not only the financial investment in small and micro businesses, but also the necessary on-going support and mentorship required to accelerate the financial enterprise and economic growth of such businesses. In Lafarge SA, this has been achieved through various initiatives such as the brick making project, trucks used in our operations that are owner operated and the mentoring support for enterprises not yet in our supply chain.

## **3. Socio – Economic Development**

Through supporting community based projects that focus on health and education, Lafarge SA is able to contribute towards the sustainability of our communities. Focusing on health initiatives is a way of ensuring that community members can remain productive, thereby securing their livelihoods. The focus on education (especially early childhood development) contributes towards the future of the country.

# LAFARGE SOUTH AFRICA: BBBEE PROGRESS



Lafarge South Africa has been on a transformation journey to improve the BBBEE rating of all three entities; namely Ash Resources, Lafarge Industries and Lafarge Mining. We are pleased to announce that both Industries and Mining have improved their levels, with Ash Resources maintaining the same level and with an improvement on points. Our current certificates put Ash Resources at a Level 3, Lafarge Industries is now a Level 5 from a Level 6 and Lafarge Mining is a Level 4 from a Level 5. This is a great milestone in our journey that signals we are on a good path towards achieving our transformation imperatives. Certificates available at this [LINK](#)

All three entities have been busy driving key BBBEE transformation initiatives through their businesses – ultimately to benefit our very valued customers. We trust this marked improvement confirms Lafarge South Africa’s dedication to supporting the transformation of the South African economy and the transformation agenda continues to be at the helm of our business priorities.

# KEY INITIATIVES IN SUPPORT OF BBBEE – SKILLS DEVELOPMENT

## OUTLINE

Lafarge SA launched “Project Dipeo” as an initiative aimed at contributing towards skills development in areas where Lafarge operates, Lichtenburg is the first Lafarge site to implement the project. At the time of its conception, the aim of the project was to have a positive impact on socio-economic development in the area while increasing the employability and participation of young people in the local economy in the long-term.

To deliver this project, Lafarge partnered with the South African Council for Graduates (SACGRA). SACGRA is a graduate’s council established to provide skills development innovation, support, monitoring and evaluation in accordance with the mandate of the post school education and training policies in South Africa. Project Dipeo has 2 initiatives (.e. Learner recruitment & placement as well as Career Fair)

If students are given proper guidance, advice, information and monitoring from an earlier stage then by the time they complete matric, they will have an idea of their future plan concerning their further education.

## INITIATIVES

### Recruitment of learners in areas in and around Lichtenburg

- Learners have been offered bursaries to further their Mechanical and Electrical Engineering qualifications through a Technical & Vocational Education Training College. Another group of learners are doing their Work Integrated Learning at our Lichtenburg Plant.
- As Lichtenburg was the pilot site for the project, roll out will be effected to other areas where Lafarge SA operates and will be considered Phase 2 of the Dipeo Project (anticipated roll out for phase 2: 2020/2021)

### Ditsobotla Career Fair (Lichtenburg)

- In partnership with businesses from Lichtenburg & Education Institutions, over **1 700** learners attended the one day Career Fair, hosted by Lafarge Lichtenburg Plant. This interactive Expo is a platform for local businesses, higher learning institutions including Sector Education & Training Authorities and other interested organisations, to exhibit their talent, support programs and the skills development and training information. This Career Expo targeted learners from local High Schools in the greater Ditsobotla district, and it is supported by the Department of Basic Education (Sub district- Lichtenburg).

# KEY INITIATIVES IN SUPPORT OF BBBEE – ENTERPRISE DEVELOPMENT

## OUTLINE

A local community development project implemented in partnership with the local municipality, local community and local company, Glencore. The project is aimed at the establishment of a Brick Making Plant in order to supply much needed brick and paving materials for the booming infrastructure development projects in the Emakhazeni Municipality and neighboring municipalities. Initiatives targeted by the project include road works (pavers) and housing development (bricks and pavers). The project will create jobs for the community. Lafarge SA will provide a brick making machine and train project members and ensure successful handover to Emakhazeni Development Agency, an entity led by local business people serving as a development implementation arm of the Municipality.

## OUTLINE

### Delivery of brick making machine

To ensure the project runs seamlessly, Lafarge SA has purchased the brick making machine and will arrange a day of handover in the near future. We will endeavour to also keep updated on the jobs created for the community on an annual basis for reporting purposes.

The bricks made using the machine will be used for projects identified by the community and all proceeds will be of benefit to the Community and Municipality.

We strongly believe that this project will assist in alleviating poverty and assist with the reduction of the high unemployment rate in the surrounding areas of the project placement.

# KEY INITIATIVES IN SUPPORT OF BBBEE – SOCIO ECONOMIC DEVELOPMENT

## OUTLINE

Lethabo power station is Lafarge South Africa's Ash Resources' flagship plant insofar as all the products in our current range are produced there.

**18 July** is a very special day for South Africans in particular and, in fact, for the whole world. In 2018 it marked **100 years** since the birth of Nelson Mandela.

The Nelson Mandela spirit is about opting into humanity by rolling up our sleeves and playing an active role in building our communities – not just over one day, but every day. Because Nelson Mandela believed that each of us can make a small difference and that if we all make a difference together; our collective effort can truly change the world.

## INITIATIVES

### Mandela Day Handover

We welcomed the opportunity to join hands with Eskom, the Province and with Fezile Dabi District Municipality, to make the impact of the Thusanang Centre even more positive by donating a Mobile Health Unit (Van) which will be housed at the Centre. The Mobile Health Unit, we believe, is truly sustainable in that it will create positive change every day, in the community's primary healthcare .

Lafarge SA through Ash Resources and Eskom, are working together to reduce greenhouse gas emissions and promote sustainable development. In doing so we are helping to promote Nelson Mandela's vision of a better future for all and highlighting his conviction that actions speak louder than words.

# BBBEE FOCUS AREAS

## **Management Control & Employment Equity**

- Lafarge SA has a strong base on which to build on. As at 31 March 2020, HDSA representation different management levels for all three entities combined:
  - 67% HDSA at Top Management
  - 75% HDSA at Senior Management
  - 63.7% HDSA at Middle Management
  - 80.35 HDSA at Junior Management
- The focus and target is to retain these numbers, considering that there is no anticipated headcount growth.

## **Skills Development**

- The development of all our staff remains a key imperative for the business. Our aim is to focus on skills development through the provision of bursaries to employees and community members, focusing on learnerships and internships to provide opportunities for unemployed youth. In addition, management, supervisory and technical skills development for our employees and continuous professional development.

## **Enterprise and Supplier Development**

- For preferential procurement, we continue to focus on procurement from B-BBEE rated suppliers with a particular focus on procurement from black women owned suppliers. To address supplier development, our initiatives aim to deliver impact and the promotion of black businesses into our supply chain

## **Socio Economic Development**

- Our CSR initiatives continue to focus on making a positive impact within the broader community through supporting health and education focused initiatives.