ESG material matters and risks

In developing the Group's ESG strategy, a materiality assessment was conducted to understand the Group's ESG landscape and to identify which aspects were material to creating value and driving growth. Raubex also engaged with both internal and external stakeholders to identify and prioritise sustainability issues across the value chain.

The Group's top 10 risks can be found on page 27 of the Integrated Report.

Below are the material ESG issues that impact Raubex in terms of growth, risk, or opportunity and are deemed important to key stakeholders. These are included in the ESG strategy to ensure they are appropriately assessed and managed.

Our ESG-related material risks

Environment

1. Climate action
2. Energy use
3. Water management
4. Waste management
5. Biodiversity management

Social

6. Human capital
7. Human rights
8. Occupational health, safety and well-being
9. Community health and safety
10. Industrial action
11. Local community unrest

Governance

12. Anti-bribery and corruption
13. Data and IT security

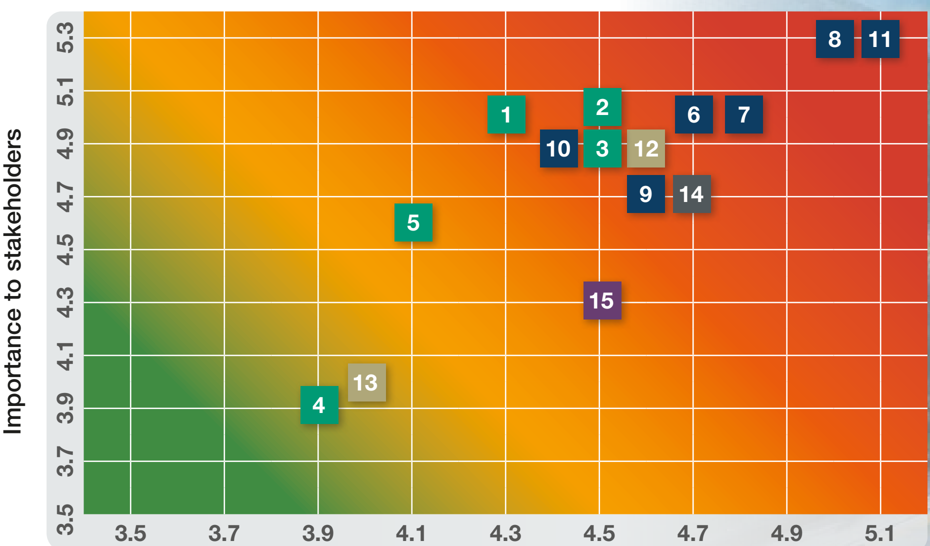
Quality Management

14. Quality management

Supply Chain Management

15. Sustainable and responsible sourcing

The impact on Raubex



The ESG strategy has enabled a comprehensive approach to addressing ESG responsibilities as follows:

Occupational Health and Safety	We have a Zero Harm culture; prioritising the health and safety of our people is essential as our people are our greatest asset.
Our employees	We recognise that our people are our greatest asset. We strive to invest in our employees, to equip them with the right knowledge and skills to uplift them, all whilst providing a safe and productive environment, free from discrimination and bias.
Assurance	We subscribe to upholding the highest internal and international standards of quality, safety, and compliance, ensuring trust and reliability in everything we do.
Diversity	We support fostering diversity by creating an inclusive workplace that values different perspectives, promotes equal opportunities, and empowers everyone to thrive.
Climate change and carbon management	We are committed to tackling climate change through effective carbon management, reducing our GHG emissions and GHG carbon intensity, improving energy efficiency, and adopting sustainable practices to drive a low-carbon future and achieve the National Carbon targets set.
Water stewardship	We are committed to optimising water use, maximising the re-use and recycling of this precious resource, minimising waste, and protecting this natural resource.
Stakeholder engagement	We actively engage with internal and external stakeholders on all relevant sustainability matters to maintain open and transparent communication and participation.

Keeping track of and reporting on the impact of the Group's business on the environment and society, both positive and negative, beyond financial metrics, is crucial to creating stronger relationships with stakeholders through transparency and engagement.

Raubex is proud of the work done thus far and will continue improving its processes and reporting, focusing on reducing its carbon footprint and carbon intensity, mitigating negative climate change events, and being a responsible corporate citizen. Raubex strives to run its business with integrity and in a manner that is aligned with its values and long-term strategy.

In the face of global disruption caused by climate change, natural resource scarcity, social volatility, and fast-changing technology, what were once considered non-financial risks are becoming material and systematic.

ESG material risks contained in the Group's risk register

The Group's material risks and opportunities are set out on pages 27 to 31 of the Integrated Report. Below are extracts of the material risks that pertain to ESG-related matters. For ease of reference, the risk number correlates with the risk number in the Group's Risk Register.

→ Unchanged	↑ Risk increase	↓ Risk reduction	Emerging	Low	Moderate	High	Major

Risk description	Previous risk rating	Mitigation of risk	Risk movement	Current risk rating
1 Local community unrest causing work stoppages				
Raubex operates in locations throughout South Africa where projects are subject to the risk of social unrest, which leads to unsafe working conditions for employees, project delays, lower production, and damage to equipment. The risk is associated with criminal elements, illegal occupation of construction sites, and soliciting protection money from businesses. There are ongoing instances of work stoppages and standing time as a result of disruptions caused by criminal elements within communities illegally occupying construction sites in a bid to solicit protection money from businesses.		➤ A Group policy on responding to labour and community unrest was developed. ➤ The Group continually engages with local labour and communities through project consultants and community liaison officers. ➤ Communities are engaged before site establishment to manage expectations relating to the work and contract participation goals. ➤ Ongoing engagement with professional bodies, Government and SAPS in addressing the unrest. ➤ A Police Task Team headed by the SAPS has been established by the Government. ➤ Risk assessments are performed before the start of contracts to ascertain the safety of our personnel. ➤ The Group is committed to the highest standards of ethical behaviour in its business conduct and has adopted an Anti-Fraud and Corruption Policy.	→	

G Hostel in Welkom

Risk description	Previous risk rating	Mitigation of risk	Risk movement	Current risk rating
2 Loss of critical skills				
Loss of critically skilled personnel due to competitors in the industry as their order books increase, as well as the emigration of experienced and skilled personnel.		➤ Continuous engagement with key personnel and the implementation of retention policies to retain critical skills. ➤ Long-term retention scheme implemented for personnel with critical skills. ➤ Talent management processes implemented for recruiting, training and retention of skilled individuals.	→	
4 Impact of unscheduled power outages/loadshedding on operations				
Unscheduled power outages/ loadshedding has a serious impact on the Group's business operations that rely on continuous electricity supply. The use of back-up electricity systems has resulted in a significant increase in the running cost of operations due to the increase in fuel/diesel usage.		➤ Contingency plans are in place to make up for lost production or lost activity. ➤ Back-up systems are in place to secure business information and business continuity. ➤ Back-up electricity supply such as generators, solar power, UPS systems, etc. are in place.	→	

Emerging risks

The Group's risk management processes address potential challenges created by the existence and development of emerging risks, which assist the Group in achieving its goal and protecting against risks while generating opportunities for the Group. In this context, management considers emerging risks – including ESG risks – in doing business. The emerging risks are discussed at Exco, the Risk Committee, and at Board level.

Please consult the Integrated Report on pages 32 and 33 for the full emerging risks register.

1. Growth and expansion into new markets
2. Foreign currency exposure risk
3. Cyber-attacks including data fraud or theft
4. Supply chain delays affecting logistics and the procuring of machinery
5. Climate action and the reduction of our carbon footprint in alignment with global standards
6. Quality of aggregates of third parties
7. Cash flow risk due to increased business operations

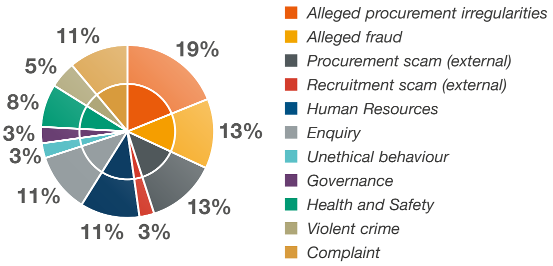
Insurance

The Group has a comprehensive insurance programme to protect against a wide variety of insurable risks. External advisors are consulted to advise on the appropriate type and level of cover. The terms and levels of each facility are reviewed annually to ensure that satisfactory coverage is in place.

Fraud hotline

The Group is committed to conducting ethical business practices with honesty and integrity, which will not only ensure a stable employment environment for employees but also ensure the continued future success of the Group. We are committed to the highest standards of ethical behaviour in our business conduct.

An Anti-Fraud and Corruption Policy is in place, as is our Ethical Supplier Agreement, to ensure consistent and effective investigation, reporting, and disclosure of fraud and corruption within the Group. Raubex subscribes to a service that enables all stakeholders, but more specifically employees, to anonymously report any fraud or unethical behaviour. Raubex uses Deloitte's professional services to ensure independence. Cases reported are investigated, and the outcome of the investigations is reported to the Audit Committee as well as the Social and Ethics Committee.



Number of reporting cases for FY2025: **37** (2024: 33)

Number of cases investigated and closed out: **37** (2024: 33)

The contact details of the Raubex Group fraud line are set out below:

South Africa Toll-free:	0800 205 314
Namibia Toll-free:	0800 015 005
Australia Toll-free:	1 800 633 293
Zimbabwe:	+263 24 2799916
Botswana:	71119 602 (Mascom) | 0800 600 644 (BTC) | 1144 (Orange)
Email:	raubex@tip-offs.com
Website:	www.tip-offs.com
FreeFax:	0800 00 77 88 (free for South Africa only)
FreePost:	KZN 138 (free for South Africa only) Umhlanga Rocks, 4320

Why governance matters

A quick message from Rabi Mamogwe, Head of Governance, Risk and Compliance (GRC), on the values guiding this year's sustainability focus.

Listen here

Opportunities

The Group's risk management approach balances the traditional negative view of risk with one that recognises the potential business opportunities inherent in some of the risks. Raubex also understands that opportunities do not always originate from the current risks identified by the Group. The Board, together with Exco, considers various other opportunities when setting the strategic direction for the Group.

Despite tough trading conditions, the Group has maintained a strong balance sheet and healthy cash position throughout the period and is well positioned to participate in current and future opportunities in the South African market.

The Group continuously reviews its strategic objectives to identify opportunities to further enhance performance. Please refer to pages 16 to 21 of the Integrated Report for more information.

Commitment to transformation

The Group is committed to transformation and the development of its employees. Our transformation agenda supports the Government's initiatives, which seek to address the inequalities of the past and to make the South African economy more inclusive of HDSAs. To ensure sustainability, we strive to continue making progress in improving our B-BBEE credentials as measured by the B-BBEE scorecard set out on page 58 of this Sustainability Report. Raubex has been considered a constant performer in educating and training employees.