



Safety, Health and Environmental Management System

1. Introduction

In modern society it is important for organisations to not only look after the interests of its shareholders but also after the interests of other stakeholders such as staff and the community at large. Two very specific aspects of good corporate citizenship are:

- Protecting the safety & health of employees and others
- Protecting our natural heritage (the environment)

The Afrimat Safety, Health and Environmental System defines the approach and methodologies that will be followed by Afrimat to ensure that good corporate citizenship is practiced, that all legislative requirements with regard to Safety, Health and Environmental management are adhered to and that business is practiced in a safe and sustainable manner. The Afrimat SHE System is depicted graphically in Figure 1.

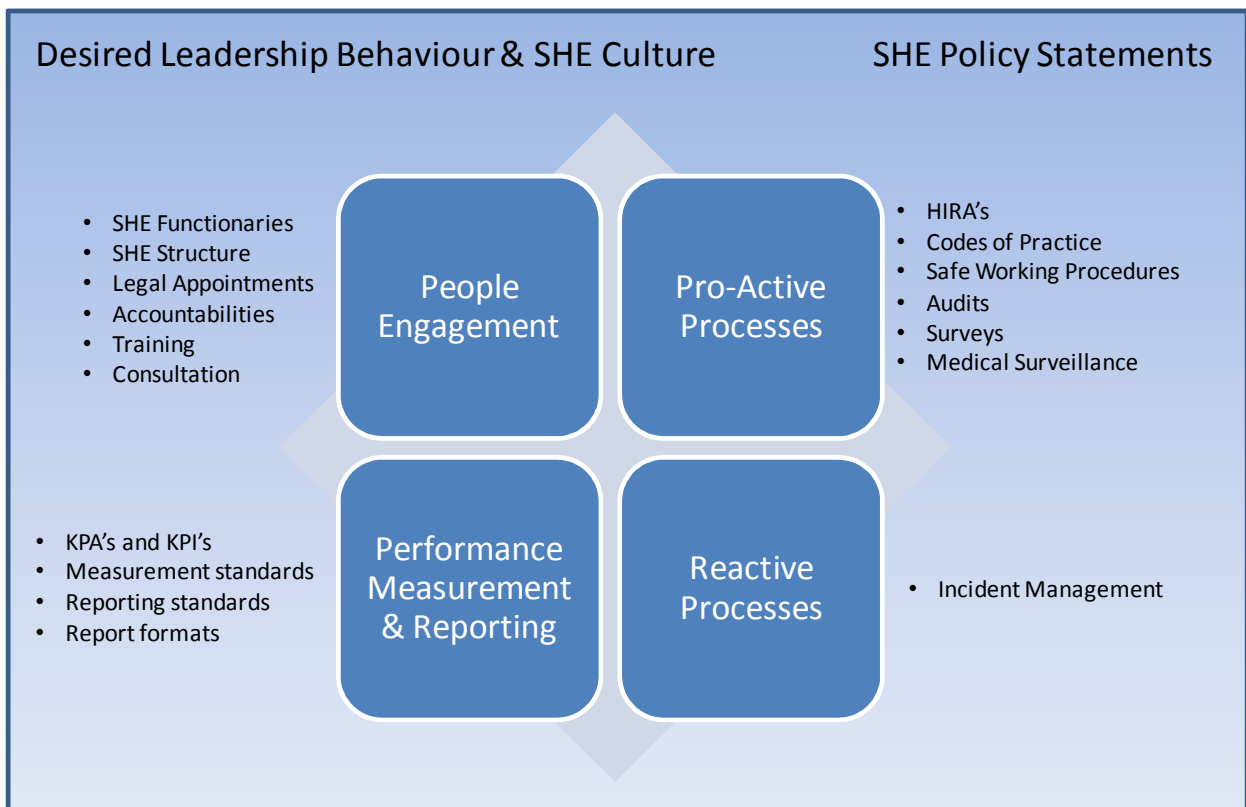


Figure 1 – The Afrimat Safety, Health and Environmental System

Discussion of Afrimat’s approach to Safety, Health and Environmental management and the different elements of the Afrimat Safety, Health and Environmental System will follow the structure as outlined in Figure 1 above.

2. Desired Leadership behaviour

Desired leadership behaviour with regard to Safety, Health and Environmental management is the following:

- Leaders should set the standard for Safety, Health and Environmental management through their own example and behaviour.
- Leaders should only expect staff to do what they are willing to do themselves.
- Leaders should invest in their own and their staff's development and training.
- Leaders should empower staff to give effect to the objectives of the Afrimat Safety, Health and Environmental System and Afrimat's Safety, Health and Environmental Policy Statements.

3. Desired Safety, Health and Environmental Culture

A pro-active Safety, Health and Environmental management culture is desirable which means that Safety, Health and Environmental hazards and risks should ideally be detected and eliminated (or as a last resort, managed) before these hazards/risks manifest as incidents and/or accidents. All staff should be allowed and encouraged to participate in the relevant processes of risk identification and elimination insofar as it is practically possible.

A behaviour based approach to Safety, Health and Environmental management will be followed. The objective of a behaviour based approach is to eventually turn acknowledged best practice into habits. This is mainly achieved by demonstrating the benefits of doing the right thing to staff and by reinforcing correct behaviour through management recognition, peer recognition, encouragement and further involvement.

A successful behaviour based Safety, Health and Environmental management program creates an environment where Safety, Health and Environmental management best practice are replicated by the habits of staff at all levels in the organisation.

4. Safety, Health and Environmental Policy statements

Afrimat's policy statements are contained in the following documents:

- ***Afrimat Health & Safety Policy*** – attached hereto as Annexure "A"
- ***Afrimat Environmental Policy*** – attached hereto as Annexure "B"

The above policy statements shall guide all efforts within the group and its subsidiaries relating to Safety, Health and Environmental management.

Policy statements shall be visibly displayed in all workplaces. Staff shall be informed on the contents of policy statements and how these policies affect their day to day activities, mindset and behaviour within the workplace.

PART A:

5. People Engagement

The engagement of staff at all levels in the organisation is essential to the success of any Safety, Health and Environmental management program. The following points deal with the issue of staff engagement through formal processes and approaches.

5.1. Safety, Health and Environmental Functionaries

The dedicated Safety, Health and Environmental Functionaries as per the table below have the primary responsibility to ensure effective implementation and administration of the Afrimat Safety, Health and Environmental System.

These functionaries will be complimented by the legal appointees throughout the group to ensure acceptable Safety, Health and Environmental performance and effective implementation and maintenance of the Afrimat Safety, Health and Environmental System.

Functionary	Role	Utilisation
Group SHE Manager	<ul style="list-style-type: none"> • Safety, Health and Environmental Process Owner • Safety, Health and Environmental Process development and process improvement • Deployment & maintenance of Afrimat Safety, Health and Environmental System in the group. • Supporting and coaching Regional SHE Officers • Supporting regional Line Managers and legal appointees with Safety, Health and Environmental related matters • Interfacing with related industry bodies at Group level • Administering group SHE initiatives • Managing group service providers/consultants • Group Safety, Health and Environmental Performance measurement and reporting • Group Safety, Health and Environmental Training initiatives 	Full time
Regional SHE Officers	<ul style="list-style-type: none"> • Deployment of Afrimat Safety, Health and Environmental System in own Region • Supporting regional Line Managers and legal appointees with Safety, Health and Environmental related matters • Interfacing with industry bodies at Regional level • Interfacing with Group SHE Manager as appointed functional leader • Administering regional audits • Managing regional service providers /consultants • Regional Safety, Health and Environmental Performance measurement and reporting • Regional Safety, Health and Environmental Training initiatives 	Full time

5.2. Safety, Health and Environmental Organisational Structure

The organisational structure displayed in Figure 2 will apply to Safety, Health and Environmental management within the Afrimat Group.

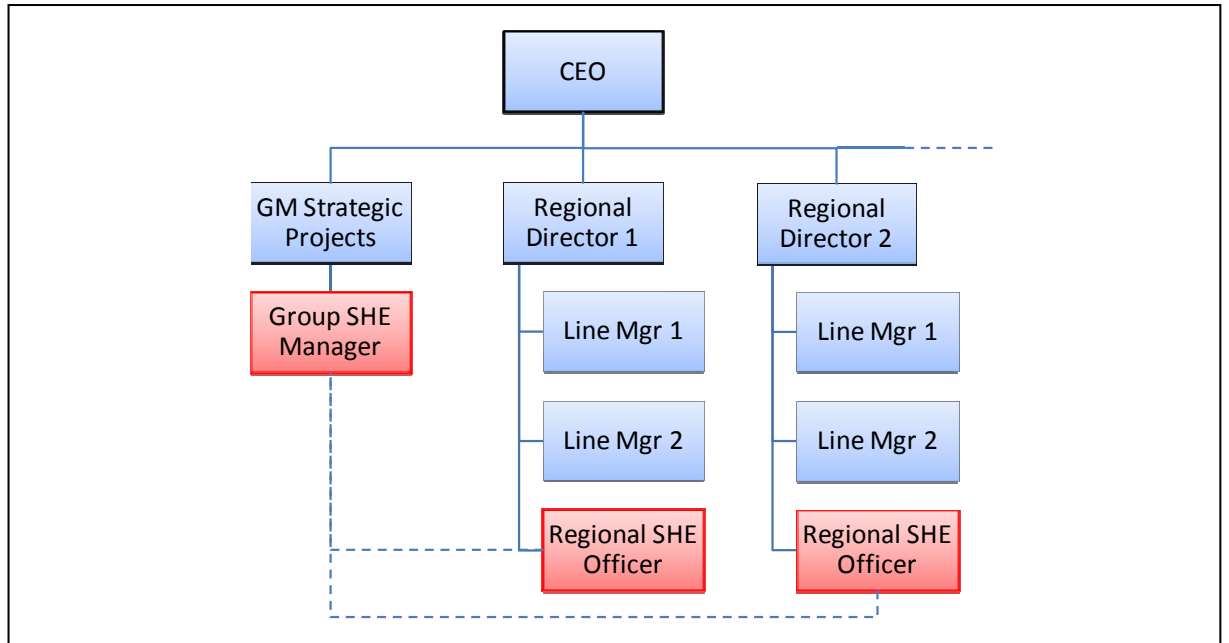


Figure 2: Afrimat Safety, Health and Environmental Organisational Structure

It is important to note that dedicated resources are, as an absolute minimum, required at group and regional levels to ensure effective implementation and maintenance of the Afrimat Safety, Health and Environmental System. All other resources can be semi-dedicated internal and/or external resources. Responsibilities of the dedicated functionaries will be as outlined above.

It should be noted that the Regional Leaders assume full accountability for Safety, Health and Environmental management throughout their respective regions as well as for all reporting business units. It is therefore important that regional line managers have full control of regional Safety, Health and Environmental resources. Hence Regional SHE Officers have a direct and solid reporting line to the Regional Leaders. This ensures that Safety, Health and Environmental management receives the right profile within the group with regards to relative importance and that direct control of assigned SHE resources vest with the Regional Leaders.

Regional SHE officers furthermore stand under the day to day management of Regional Leaders who will accept full responsibility and accountability for proper resource utilisation and day to day management. It is thus also the responsibility of Regional Leaders to do performance management of Regional SHE Officers. It is however advisable that the Group SHE Manager participates in performance management of regional SHE Officers by making agreed functional assessments and inputs.

Regional SHE Officers shall have a functional (dotted line) reporting relationship to the Group SHE Manager meaning that they will receive functional/expert guidance and support from the Group SHE Manager on an as-and-when-required basis.

5.3. Legal Appointments

The following legal appointments shall be done for all operational sites:

- **Responsible Person:** For quarrying operations the Responsible Person (Mine Manager) shall be appointed in terms of Section 3(1) (a) of the Mine Health and Safety Act (MHSA). For all other operations the Responsible Person shall be appointed in terms of Section 16(2) of the Occupational Health and Safety Act (OHSA).
- **Safety Representative:** For quarrying operations the Safety Representative shall be appointed in terms of Regulation 6.9 of the Mine Health and Safety Act (MHSA). For other operations the Safety Representative shall be appointed in terms of Section 17(1) of the Occupational Health and Safety Act (OHSA).
- **First Aid Attendant:** For quarrying operations the First Aid Attendant shall be appointed in terms of Regulation 24(7) of the Mine Health and Safety Act (MHSA). For other operations the First Aid Attendant shall be appointed in terms of General Safety Regulation 3(4) of the Occupational Health and Safety Act (OHSA).
- **Fire fighter and precaution controller:** Appointed in terms of Regulation 5.1(1) (b); 5.1(2) & 5.1(3) of the Mine Health and Safety Act.
- **Competent Persons:**

Unless specific exceptions rule otherwise, the following shall apply:

- For quarrying sites with a power usage above 2500 kW, an Engineer must be appointed in terms of Regulations 2.13.10 of the Mine Health and Safety Act.
- For quarrying sites with a power usage equal to or less than 2500 kW, a competent person for both electrical and mechanical machinery must be appointed in terms of Regulation 2.13.2 of the Mine Health and Safety Act
- **Mine surveyor:** Appointment in terms of Regulations 17.2 of the Mine Health and Safety Act.
- **Blaster:** Appointment in terms of Regulations 4.4(1) of the Mine Health and Safety Act, and to comply with the Explosives Act and Regulations.
- **Occupational Medical Practitioner (Doctor):** Appointment in terms of Section 13(3) (i) of the Mine Health and Safety Act.
- **Occupational Health Practitioner (Sister):** Appointment in terms of Section 13(3) (ii) of the Mine Health and Safety Act.
- **Occupational Hygienist:** Appointment in terms of Section 12.1 of the Mine Health and Safety Act.

5.4. Accountabilities

Legal appointments should follow a standardised format and should clearly state the accountabilities (duties and responsibilities) of appointees and should be countersigned by both the appointing Manager and the appointee.

It is desirable that Safety, Health and Environmental responsibilities are also integrated into legal appointees' performance contracts.

5.5. Training

Afrimat has a legal and moral obligation to train all staff on matters that relate to their health and safety and that promote a safe and healthy work environment.

To give effect to the above it is required that all members of staff undergo Basic Safety Induction training. The Group SHE Manager will develop the Basic Safety Induction training course module and will act as custodian for Basic Safety Induction training throughout the group. Basic Safety Induction training will be presented on an as-and-when-required basis by the respective Regional SHE Officers.

Further to the above, appointed Responsible Persons are to ensure that both they and all subordinate legal appointees get trained on the specific aspects of their respective legal appointments. External training institutions may be utilised to achieve this goal.

5.6. Staff consultation

It is a requirement that management consult staff regularly on Safety, Health and Environmental matters. During these consultations staff needs to be made aware of specific risks and challenges relating to the business. Staff should also be afforded the opportunity to raise SHE concerns and suggestions with management.

As a minimum requirement, staff consultation sessions should take place at all operational sites on at least a monthly basis in the form of a Safety Meeting. Safety Meetings can be chaired by either the appointed Responsible Person or the site Safety Representative.

Safety Meetings should be properly minuted and accurate attendance records should be kept at all times. Safety Meeting minutes should be available on site for reference purposes.

PART B:

6. Pro-active Safety, Health and Environmental Management processes

The key priority of the SHE system is to prevent incidents or accidents from ever occurring. This is achieved by employing a number of pro-active processes and techniques as discussed below.

6.1. Hazard Identification and Risk Assessments (HIRA's)

A Hazard is anything that has the potential to cause harm to people, property or the environment whilst a Risk is the probability of any hazard realising its harmful potential by means of an incident or accident.

Hazard Identification and Risk Assessments are important tools in the pro-active risk management effort. Hazard Identification is the process of identifying any activities or situations that exist in the workplace having the potential to cause harm to people, property or the environment.

Risk Assessment aims to determine the probability of hazards actually converting into incidents or accidents.

The HIRA method utilised by Afrimat aims to arrive at a list of hazards for any given workplace by facilitating a group of employees working in such workplace through a process of identifying and listing any potential hazards. Risk assessments are then done on each potential hazard by the same staff group by assessing two additional factors: The **likelihood** of the hazard actually occurring and the **consequence** of the associated incident/accident should a hazard actually convert into an incident/accident.

The combined effect of *likelihood* and *consequence* will determine the risk rating of a hazard and the assigned priority to mitigate the risk or – if mitigation is not feasible - manage the risk to acceptable levels.

HIRA baseline exercises need to be done for all operational sites and thereafter reviewed on an annual basis. It is expected that a high degree of commonality will exist between sites performing similar operations.

It shall be the responsibility of appointed Responsible Persons to – with the support of internal and external functional experts – perform HIRA's on their sites.

To mitigate or manage risks, *Codes of Practice* and/or *Safe Working Procedures* are utilised by Afrimat. These are explained in some detail below.

6.2. Codes of Practice

Codes of practice bears no direct relevance to HIRA's but essentially also aim to achieve the mitigation of certain generic industry-related risks.

Codes of practice are mandatory documents that - upon the request of the Chief Inspector of Mines – need to be prepared and implemented by any employer on a variety of matters affecting the health and safety of employees and/or other parties who may be directly affected by the employer's activities.

COP's are legislated by Section 9(2) of the MHSA and need to comply with the relevant guidelines of the Chief Inspector of Mines as issued from time to time (refer Section 9(3) of the MHSA).

The following COP's bear relevance on Afrimat's operations and hence these COP's need to be implemented on all Afrimat's operational quarrying sites:

- Ref: **DME 16/3/2/2-A2**: Mandatory Code of Practice on Trackless Mobile Machinery.
- Ref: **DME: 16/3/2/3-A1**: Mandatory COP for an Occupational Health Program on Minimum Standards of Fitness to perform a work at the mine.
- Ref: **DME 16/3/2/4-A1**: Mandatory COP for an Occupational Health Program on Personal Exposure to Airborne Pollutants.
- Ref: **DME 16/3/2/4-A2**: Mandatory COP for an Occupational Health Program on Thermal Stress.
- Ref: **DME 16/3/2/4-A3**: Mandatory COP for an Occupational Health Program on Noise.
- Ref: **DME 7/4/118 AB4**: Mandatory Code of Practice to combat rock fall and slope instability related accidents in Surface Mines.

The above list may be revised from time to time.

It shall be the responsibility of Group SHE Manager to – with the support of appointed Responsible Persons and regional SHE Officers – develop and periodically review all required COP's.

It shall be the responsibility of appointed Responsible Persons to implement COP's within their respective responsibility areas.

6.3. Safe Working Procedures

Safe Working Procedures (SWP's) bears direct relevance to HIRA's as these documents are the formal and written procedures being developed and implemented by Afrimat at its various operational sites to mitigate and/or manage all major risks as identified during the HIRA process.

The expectation is that any given site will first complete a proper HIRA exercise where after SWP's will be developed to – as a minimum requirement – mitigate/manage the major risks as identified during such HIRA exercise.

SWP's need to be developed with adequate staff inputs. SWP's need to be implemented by formally communicating the SWP content to affected staff and also training staff on the contents of the SWP should this be required. Formal records need to be kept on each site on the relevant SWP's applicable to such site as well as SWP training status.

It shall be the responsibility of appointed Responsible Persons to – with the support of internal and external functional experts – develop all SWP's applicable to their respective area of responsibility. SWP's need to be reviewed on at least an annual basis.

6.4. Audits

Audits are employed by the state, industry bodies, functional experts/consultants and employers to assess the level of compliance of workplaces to legislated-, industry- and/or internal standards.

It is the responsibility of appointed Responsible Persons to – with the support of internal and external functional experts – ensure that their respective areas of responsibility comply with the law and internal standards as may be applicable from time to time.

State audits are performed by the Chief Inspector of Mines (or his duly appointed representatives) using laws and associated regulations as guideline. The most common laws that are applicable to our industry and workplaces are listed below. This is however not an exhaustive list.

6.4.1. Legislation affecting all workplaces:

- Basic Conditions of Employment Act, 1997. View document: [Live Link](#)
- Compensation for Occupational Injuries and Diseases Act, 1993. View document: [Live Link](#)
- Tobacco Products Control Act, 1993. View document: [Live Link](#)
- National Environmental Management Act, 1998. View document: [Live Link](#)
- Environment Conservation Act, 1989. View document: [Live Link](#)
- Mineral and Petroleum Resources Development Act (Act 28 of 2002). View document: [Live Link](#)
- Hazardous Substances Act, 1973. View document: [Live Link](#)
- National Water Act, 1998. View document: [Live Link](#)

6.4.2. Legislation specific to Quarrying Operations

- Mine Health & Safety Act, 1996. View document: [Live Link](#)
- Explosives Act, 2003. View document: [Live Link](#)

6.4.3. Legislation specific to other workplaces (e.g. standalone Office buildings, Workshops, Precast & Readymix plants)

- Occupational Health & Safety Act, 1993. View document: [Live Link](#)

6.4.4. Minimum audit requirements for operational sites:

The following routine audits will be performed by Afrimat at all permanent & long term operational sites and workshop facilities:

- Annual legal compliance audits by recognised industry bodies such as ASPASA (Quarries) and SARMA (Readymix Plants) or in the absence of any industry body an acknowledged external SHE auditing body.
- Six monthly compliance audits by appointed internal SHE experts such as the Group SHE Manager and/or regional SHE Officers.
- Monthly site Self-Audits by the Responsible Manager and the Site Safety Representative using a prescribed and simplified audit format.

The audit focus of internal audits (six monthly audits & monthly site Self-Audits) will be to gauge people behaviour and actual operational realities & practices (as opposed to the more admin focused approach of DME audits).

The scope and format of internal audits will be determined by the Group SHE Manager in collaboration with Line Management, regional SHE Officers and external experts.

6.5. Surveys

Surveys are more specific in nature than general legal compliance audits. Surveys will mostly be performed by external experts duly accredited & equipped for the task.

The following surveys will be performed by Afrimat at all workplaces:

- Illumination Surveys – annually.

The following surveys will be performed by Afrimat at all quarrying operations and readymix plants (where applicable):

- Dust Surveys – annually (or as determined by specific site conditions).
- Noise Surveys - annually (or as determined by specific site conditions).
- Thermal Stresses Surveys (Wet bulb & Dry bulb temperatures) – annually (or as determined by specific site conditions).
- Environmental Performance Assessments – Every second year (Except if otherwise approved/directed by the DME).

All surveys will be coordinated by appointed regional SHE Officers.

It shall be the responsibility of appointed Responsible Persons to – with the support of internal and external functional experts – ensure that their respective areas of responsibility comply with the law and internal standards as determined by Afrimat from time to time.

6.6. Medical Surveillance

Afrimat is obliged to ensure that medical surveillance is performed on all staff that is exposed to risk. As a minimum this includes all operational and workshop staff. Other categories of staff may be included as and when the need arises.

Afrimat does not employ its own health professionals but will utilise the services of external health professionals to perform medical surveillance in accordance with the requirements of the law.

In terms of examination frequency the following minimum standards shall apply:

- **Entry Medicals:** To be performed on all new staff before entering Afrimat's service in order to establish whether the individual is fit to perform the specific work and to establish a medical baseline.
- **Annual Medicals:** To be performed on all operational and workshop staff.
- **Exit Medicals:** To be performed on all staff leaving Afrimat's service in order to establish an exit reference.

It shall be the responsibility of appointed Responsible Persons to ensure that medicals are done in accordance with the above requirements. The Group SHE Manager and appointed regional Safety Officers shall assume responsibility for appointing and managing the service levels of external Health professionals.

6.7. Personal Protective Equipment (PPE)

Afrimat is obliged to issue staff with the required PPE to perform their work safely. PPE can be classified into two main groupings namely PPE required for Routine work and PPE required for specialised tasks.

6.7.1. PPE required for routine work:

Afrimat will issue all staff with the correct PPE in adequate quantities to enable them to perform routine duties safely.

To this end the following minimum standards shall apply:

- A PPE register shall be kept at all operational sites containing the following information for each permanent and temporary employee working on such site:
 - Name, Job Title, Business Unit & Department
 - PPE requirements for the specific job as determined by Management
 - PPE actually issued to the individual staff member with signature of staff member acknowledging receipt
 - PPE re-issues (if any) with staff signatures acknowledging receipt

6.7.2. PPE required for specialised tasks:

Afrimat will issue all staff performing specialised tasks with the correct PPE to perform such tasks.

To this end the following minimum standards shall apply:

- A Safe Working Procedure (SWP) shall be drawn up explaining the correct way to perform the specialised task as well as the PPE requirements for such task
- Before commencing with the task, staff shall be issued with the correct PPE to perform the task
- The PPE required to perform specialised tasks shall be issued on a temporary or permanent basis
- Any staff member is free to request additional PPE should he/she not feel confident that the PPE as determined by the SWP is adequate

PART C:

7. Reactive Safety, Health and Environmental Management Processes

Should an incident or accident occur, it is important that Afrimat responds to such incident or accident in the correct manner. The process of responding to an incident/accident is generally known as incident management. The aim of the incident management process is to understand the true root causes of an incident/accident and to implement corrective actions to ensure that a similar situation is avoided in future.

7.1. Incident Management

Afrimat is committed to investigate the following incidents:

- All fatal and lost-time injuries
- All incidents resulting in property damage
- All incidents having a negative impact on the environment

The Afrimat incident management process shall – as a minimum - involve the following steps:

- Reporting the incident to Line Management as well as the relevant Authorities using the correct documentation and reporting channel
- Incident investigation under the guidance of a qualified investigator
- Incident root cause determination
- Identification of corrective actions to prevent recurrence
- Formal tracking of corrective action implementation
- Incident close-out (i.e. all identified corrective actions implemented)

Incidents need to be reported to the appointed regional Safety Officer by the appointed Responsible Person within 24 hours after such incident occurring.

All fatal accidents shall be investigated by the Group SHE Manager under the direct supervision of the CEO.

All other incident investigations shall be led by the respective regional Safety Officers in accordance with the incident investigation process and guidelines as prescribed by the Group SHE Manager from time to time.

It shall be the responsibility of appointed Responsible Persons to support any incident investigation in their own area of responsibility and to implement any corrective actions assigned to them.

Incidents may not be closed out by the Lead Investigator before all identified corrective actions have not been implemented.

PART D:

8. Safety, Health and Environmental Performance Measurement and Reporting

SHE performance shall be measured and reported for every workplace on a monthly basis. Appointed regional SHE Officers shall be responsible to report on the SHE performance of all workplaces within their respective regions. Regional SHE Managers shall also be responsible to summarise SHE performance status for their region.

The Group SHE Manager shall be responsible to report on overall SHE performance for the Afrimat Group.

Reporting shall be done in accordance with the reporting standards and guidelines as determined by the Group SHE Manager.

8.1. KPA's and KPI's to be measured

The KPA's and KPI's to be measured and reported on a monthly basis per individual workplace are as listed in the table below:

KPA	KPI
Legal Appointments	Names & effective terms of Internal & External legal appointees
SHE Training	Status of compulsory SHE training for staff
Staff Consultation	Format and level of functionality of staff consultative forums
Proactive SHE Processes	HIRA status
	COP implementation status
	SWP implementation status
	Dates & compliance levels of compulsory audits: <ul style="list-style-type: none"> - External Compliance Audit (ASPASA, SARMA, other) - Internal Compliance Audit - Site Self-Audit
	Dates & compliance levels of compulsory surveys: <ul style="list-style-type: none"> - Illumination - Dust - Noise - Thermal Stresses - Environmental Performance Assessments
	Status of medical surveillance:
	Environmental Management Plan (EMP) status
Reactive SHE Processes	Status of Incident Investigations
	Disabling Injury Frequency Rate (DIFR)

8.2. Measurement Standards

Measurement standards for each of the KPI's listed below shall be determined by the Group SHE Manager and shall be communicated to all SHE functionaries and legal appointees from time to time.

The following minimum measurement standards are adopted by Afrimat:

KPI	Measurement standard
Names & effective terms of Internal & External legal appointees	Names of all site legal appointees. Appointment term (start & expiry date) of all legal appointees.
Status of compulsory SHE training for staff	% Progress with compulsory SHE training for staff (Overall training progress % measure should be supported by a detailed training plan per individual staff member)
Format and functionality of staff consultative forums	Type of consultative forum utilised on the site Frequency of consultation meetings
HIRA status	Date that the last all encompassing HIRA process was completed on the site
COP implementation status	% Progress with implementing compulsory COP's in the site
SWP implementation status	% Progress with implementing SWP's for all high risk tasks identified during HIRA process
Dates & compliance levels of compulsory audits: - ASPASA/SARMA Compliance Audit - Internal Compliance Audit - Site Self-Audit	Per audit type: - Date last audited - Audit compliance level
Dates & compliance levels of compulsory surveys: - Illumination - Dust - Noise - Environmental Performance Assessment	Per audit type: - Date last surveyed - Survey compliance level
Status of medical surveillance	% Progress with implementing compulsory medical surveillance: - Entry medicals - Annual medicals - Exit medicals
Environmental Management Plan (EMP) status	Indicate whether EMP exists and is up to date
Status of Incident Investigations	Indicate the number of incidents logged YTD requiring investigation Indicate the number of investigations still open
Disabling Injury Frequency Rate (DIFR)	DIFR calculated in accordance with the guidelines as per Annexure "C" attached hereto.

8.3. Reporting Standards & Formats

Reporting standards and formats will be determined by the Group SHE Manager in collaboration with regional SHE Officers.

9. Closing remarks

The Afrimat Safety Health and Environmental management System as contained in this document is subject to change through approval by the CEO from time to time.

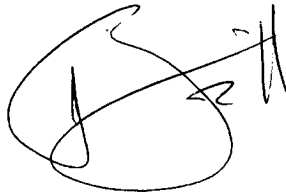
Realising the objectives of our SHE Policy statements will require the committed involvement of each and every staff member.

More importantly, the appointed leaders in Afrimat should lead staff to excellence through their own example and personal commitment.

Approved:

J.J. Bisschoff

GM Strategic Projects



Signature

29 May 2008

Date