Integrated report 2021

DRIVING PERFORMANCE TO SUSTAIN OUR PURPOSE

PPC STRENGTH GUARANTEED

PPC

2021 CONTENTS

ABOUT THIS REPORT

www.ppc.africa

While PPC's integrated report (IR) is primarily targeted at shareholders and lenders, it includes meaningful information that will be of interest to all stakeholders. This report provides a concise yet holistic view of PPC's operations in six countries across sub-Saharan Africa. It also explains how PPC creates, preserves or erodes value for stakeholders over the short, medium and long term. PPC's environmental and social supplementary report (ESSR), available on the group's website, provides additional information relating to human capital, environmental and social performance.

REPORTING SCOPE AND BOUNDARY

This report covers PPC's financial and non-financial information for the year ended 31 March 2021 (FY21), as well as any significant events after year end and up to the board's approval of this report on 8 July 2021. This report includes material information on the performance of PPC's operations (pages 31 to 46) against the strategic focus areas of the Value Creation Framework (VCF) (page 15), stakeholder relationships (pages 20 to 23), governance practices (pages 55 to 61), and material risks and opportunities (pages 24 to 27).

PPC's disclosures include the financial and non-financial performance of the group's:

- Cement business segments, comprising cement manufacturing plants, milling facilities and sales depots in South Africa and Botswana, as well as Zimbabwe, Rwanda, the Democratic Republic of the Congo (DRC) and Ethiopia (the international business). PPC Barnett in the DRC is classified as a discontinued operation pending the restructuring thereof, which will result in a loss of control
- Materials business segment, comprising aggregate quarries (Botswana and South Africa), a lime manufacturing plant, readymix concrete plants, and fly ash plants across South Africa. In December 2020, PPC initiated the sale of its lime manufacturing plant, PPC Lime, which is expected to be concluded during FY22. In addition, PPC commenced a process to sell PPC Aggregate Quarries Botswana in January 2021, and also expects this transaction to conclude during FY22. Both PPC Lime and PPC Aggregate Quarries Botswana are classified as discontinued operations

Integrated reporting boundary
IR*
A, B, C and D

Financial reporting boundary
Annual financial statements (AFS)
B, C, D and E

ESSR*
B, C, D and F

Notice of the FY21 annual general meeting (AGM)
B, C and D

FY20 King IV application register
A

Legend

- A International Integrated Reporting Council (IIRC) International <IR> Framework
- B King IV Report on Corporate Governance™ for South Africa, 2016 (King IV**)
- C JSE Listings Requirements
- D 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 our operational performance, refer to pages 31 to 46.

Our human capital, environmental and social performance is highlighted in our environmental and social supplementary report (ESSR), available on our website at https://www.ppc.africa/investors-relations/reports/?t=year-end

** Limited assurance (refer to pages 72 to 74).*

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

PPC's audit, risk and compliance committee (ARCC) report on pages 62 and 63 provides internal assurance annually upon the assurance plan's execution.

ABOUT THIS REPORT continued

BOARD APPROVAL

PPC's board, supported by the audit, risk and compliance committee (ARCC), acknowledges its responsibility to ensure the integrity of this report, and that it fairly and transparently portrays PPC's performance during FY21. The board believes that this IR complies in all material aspects with the International <IR> Framework, as revised in January 2021. The board is of the opinion that this report accurately presents all material issues and core strategic commitments, risks and opportunities in a balanced and fair manner.

The board unanimously approved the FY21 IR on 8 July 2021 and will recommend it to shareholders at the annual general meeting (AGM) on 27 August 2021.

Director Title	Signature
Phillip Jabulani Moleketi Independent chair	
Roland van Wijnen Chief executive officer	
Brenda Berlin Chief financial officer	
Kunyalala Maphisa Independent non-executive director	
Noluvuyo Mkhondo Independent non-executive director	
Nonkululeko Gobodo Independent non-executive director	
Anthony Charles Ball Non-executive director	
Charles Naude Independent non-executive director	
Mark Richard Thompson Independent non-executive director	
Todd Moyo Independent non-executive director	

REPORT NAVIGATION

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

- Refers to related information in this IR or the ESSR.
- Refers to additional information available on PPC's website at www.ppc.africa.

STAKEHOLDER FEEDBACK

PPC appreciates your feedback on this FY21 reporting suite. Please contact the group company secretary with any comments or to obtain copies of this IR:

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

The IIRC's six capitals represent how the company creates value for its stakeholders. PPC, therefore, aligned its Value Creation Framework (VCF) with the six capitals and, in doing so, truly embraced integrated thinking internally. Furthermore, this provides alignment for every person in the business in terms of the focus areas of the VCF.

INTEGRATED THINKING

Given the external environment's prevailing conditions, PPC's purpose to empower people to experience a better quality of life has never been more relevant. Importantly, this purpose drives integrated thinking across the group's operations. PPC considers the interdependence of the six capitals – as defined by the IIRC – in its decisions as it strives to create sustainable value for the business and stakeholders.

PPC's Value Creation Framework (VCF), as detailed below, demonstrates the importance it places on delivering value for stakeholders. Investors provide the company with financial capital and it is PPC's responsibility to provide them with satisfactory financial returns. This cannot be done without delighted customers, safe and engaged employees, excellent processes and satisfied communities and regulators.

SIX CAPITALS

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's strength is in its people who are empowered by a safe, healthy, engaging, rewarding and meaningful working environment that enables the company to realise its purpose.

3 Intellectual capital

Understanding that innovation is critical to delivering quality products and services at the lowest possible cost, PPC consistently improves its products and processes.

4 Manufactured capital

Efficient operation and maintenance of PPC's assets (plants, factories and quarries) enable the company to grow.

5 Financial capital

PPC manages its shareholders' investments in the business with diligent capital allocation that supports its operations in creating value for all stakeholders.

6 Natural capital

PPC's commitment to operating a sustainable business includes environmental impact management. As a responsible steward, the company reduces its carbon footprint by managing air quality as well as water and land use.

For more information on how the VCF aligns with the six capitals, please refer to PPC's business model on pages 15 to 18.

MATERIAL RISKS

PPC understands that managing those matters most material to its business is key to protecting the value created for stakeholders. Therefore, the company based the content of this IR on those issues that could substantively impact value creation over time. The company follows a structured process to identify its material risks, which is detailed on page 24.

The company identified the following material risks for FY21:

- Group capital structure
- Substandard cement quality of competitors, namely blenders and imports, in South Africa
- Climate change and the need to reduce environmental impact
- Internal process control framework
- Regulatory environment (predictability, supportive of industry etc)
- Consistent application of the basics in performance management and employee engagement
- Capability to utilise access to process and product innovation
- Credibility to external stakeholders

For more information on PPC's material risks, refer to pages 25 to 27.

CHAIRMAN'S REPORT

On behalf of the board, welcome to our integrated report for FY21. This past year presented great challenges but also many opportunities. I am proud of how PPC stood strong against the obstacles we faced and the way our leadership, employees and stakeholders worked together to ensure our business survived.

REFLECTING ON FY21

I am truly humbled by our leadership team and employees' ability to remain resolute in dealing with the many challenges we faced over the past year. We focused on supporting governments' efforts to save lives while also protecting the health and safety of our employees and the communities surrounding our operations. We are proud to have played a part in the fight against COVID-19.

Tragically, three of our employees passed away due to COVID-19, one in FY21 and two in June 2021. We extend our deepest condolences to their families and colleagues for their loss. As the effects of the pandemic remain, we will continue ensuring the safety of our people and communities. Furthermore, we are dedicated to upholding our purpose of empowering people to experience a better quality of life.

We are pleased to report that we made significant progress in implementing a sustainable capital structure and improving PPC's investment prospects, including de-risking our balance sheet by removing our contingent obligations relating to PPC Barnet in the DRC. Furthermore, we sold our PPC Lime operations on 2 May 2021. We are committed to a sustainable PPC and managing the capital entrusted to us prudently and responsibly. I would like to thank the capital restructure team, led by Anthony, for its dedication in securing the best possible outcome for our stakeholders.

While we continue facing headwinds where we operate, we are confident that we have the right resources, structure and leadership to remain sustainable. We remain committed to delivering quality products and improving the lives of our communities and employees, while fostering a high-performing business that remains attractive to investors.

For details on our capital restructuring project, refer to page 50.

For more information on our CSR, refer to our ESSR.

OUR INTERNATIONAL OPERATIONS

The economic environment in our international operations was significantly affected by the COVID-19 pandemic, with the resulting lockdowns increasing unemployment and impacting the continuity of our operations. Despite these challenges, the majority of our international operations showed decent recovery during the year.

I believe we are well positioned to benefit from industry and retail growth in line with an upswing in demand in most regions. In Zimbabwe, we are excited to play a meaningful role in national projects. In Rwanda, infrastructure projects and the retail market are driving demand, which continues to exceed supply. This, together with Vision 2050 and the Made in Rwanda campaign, will provide the opportunity for further growth in the country.

Details of trading conditions and actions taken during FY21 are outlined on pages 39 to 46.

OUR SOUTH AFRICA AND BOTSWANA OPERATIONS

As a proudly South African organisation, we differentiate ourselves by offering our customers cost-effective, high-quality cement and related products. Unfortunately, our business – and the wider South African cement industry – continues to struggle with low-quality imports being dumped and sold at unsustainable prices. The cement industry is critical to the country's growth and the impact of imports on the domestic cement sector cannot be ignored.

To remain sustainable, the cement industry must be protected from unfair competition and the import of substandard materials. To help protect the industry, we implemented the following initiatives:

- We launched a campaign to increase consumer awareness of poor-quality products
- We supported the Department of Trade, Industry and Competition's (dtic) campaign to encourage consumers to buy local
- We partnered with The Concrete Institute (TCI) and other industry producers to lodge an appeal with the International Trade Administration Commission (ITAC) to impose measures on cement imports and deter construction companies from using substandard cement

We will continue defending the cement industry's strategic position in South Africa's broader economic context.

For details on our performance in South Africa and Botswana, refer to pages 31 to 38.

CHAIRMAN'S REPORT continued

ENSURING GOOD CORPORATE GOVERNANCE

Good corporate governance is an essential part of how we do business and we pride ourselves on our strong ethical culture. The board provides effective stewardship and oversight to ensure we adhere to robust governance practices. Above all, we aim to be an example of what it means to lead with integrity, fairness and transparency.

One of the board's key responsibilities is to ensure the business has a line of succession. While this has presented some challenges historically, we invested significant energy this year in ensuring succession matters are addressed promptly and efficiently. Furthermore, we ensured there is enough bench strength in PPC, especially for key roles.

We aim to continuously maintain and enhance the skills of our leadership at board level. As previously reported, Advocate Mojankunyane Gumbi stepped down from the board at our FY20 AGM. After an extensive search, I am pleased to welcome Kunyalala to the board on 1 February 2021. I also extend a welcome to Brenda, who took over as CFO on 1 April 2021 after Ronel's resignation. Todd, who provided excellent guidance during his board tenure, will step down from the board at the FY21 AGM. On behalf of the board, I thank Todd, Ronel and Advocate Gumbi for their dedication and commitment to the business, and wish them well in their future endeavours.

It is imperative that we remain a trusted service provider to our stakeholders. We continued to improve our operational processes and are pleased with the enhancements we made during the year. Importantly, our financial reporting processes and systems improved significantly. Looking ahead, we will continue focusing on strengthening our governance processes across the business. I am confident that we can continue addressing the needs of our stakeholders and fostering a high-performance business that remains trusted and respected.

OUTLOOK

While this past year presented unique challenges, I am pleased with our progress. Going forward, we expect global markets to recover slowly and demand in infrastructure and retail markets to grow. In South Africa, demand for resources will drive investment in the mining sector and support infrastructure. Internationally, we expect trading conditions to remain highly competitive. However, we are well positioned to capture growth opportunities as the effects of COVID-19 ease.

We will continue maintaining our pricing momentum and reducing the cost of production to remain competitive. In addition, we intend to review and enhance our processes, policies and procedures, and standardise compliance monitoring.

We recognise that COVID-19 will not disappear anytime soon, but we are cautiously optimistic as we look ahead. I have the utmost confidence in our ability to remain resilient and agile in this new world. Through our brand promise – Strength Beyond – we can continue partnering with employees and communities to help build a future we all need. We remain committed to Africa's growth and by leveraging the strengths of our leadership and dedicated workforce, we will create value for stakeholders while improving lives.

NOTE OF APPRECIATION

On behalf of the board, I extend my sincerest appreciation to the entire PPC community, who ensured our company survived one of its toughest years to date. This would not have been possible without the strength and fortitude of my fellow board members, the executive team led by Roland, our CEO, and our employees. I also extend my gratitude to our clients, who held steady during times of conflict. To our suppliers, shareholders, business partners and other stakeholders, thank you for your continued and unwavering support.

We look forward to navigating the next part of our journey with you.

Jabu Moleketi
Chairman

8 July 2021

CEO'S REPORT

From PPC's humble beginnings in South Africa to our current footprint across sub-Saharan Africa, we constantly remind ourselves that the successes of the past do not guarantee our longevity. While the unique circumstances of this past year tested us like never before, I believe it also brought out the best in our people. By working together we can ensure our legacy and, despite the volatile environment of FY21, I am proud of the progress we made towards a brighter future.

REFLECTING ON FY21

After a difficult start to the year – driven by the severe impacts of COVID-19 and the resultant lockdowns – PPC turned a corner once restrictions eased. As operations resumed across the countries where we operate, we truly witnessed the strength of our asset base and our ability to swiftly serve and supply our customers as demand peaked. This, along with various mitigation actions implemented by management, delivered better-than-expected results for the group.

Without a doubt, PPC's success is due to the dedication and resilience of its employees. Particularly, the support shown by our employees during the difficulties of the past year was truly remarkable. By sacrificing annual leave and salary increases and accepting a temporary pension fund contribution holiday, we all played a part in protecting the group's future. While PPC operates across Africa, we remain rooted in our local communities, and our country line managers were instrumental in keeping the group operational. I am incredibly grateful for the hard work and tenacity shown by our people.

As we head into FY22, PPC is focused on future growth and harnessing the passion of our employees to meet the company's strategic objectives. Our foundational values and purpose – empowering people to experience a better quality of life – continue to guide everything we do. With this in mind, we remain committed to enhancing internal policies and processes and implementing a sustainable capital structure in the spirit of improvement and growth, as well as demonstrating our commitment to providing quality products to our customers.

KEY DEVELOPMENTS AND TRENDS

We have always focused on building a business that is resilient and sustainable. Pleasingly, this past year we started seeing results from several projects we initiated over the past few years to ensure we remain a leading producer of quality cement and related materials. Importantly, the capital restructuring project we embarked on during FY21 advanced our objectives of implementing a sustainable structure within PPC and improving our investment opportunities. Our efforts also included de-risking the group's balance sheet by removing its contingent obligations in relation to PPC Barnet in the DRC. Furthermore, in December 2020, we initiated the sale of PPC Lime and the Botswana aggregates business – both non-core operations – to align with our revised strategy. This, along with the measures taken to mitigate the impacts of COVID-19, have placed PPC in a favourable position to capture future growth opportunities.

The cement industry remains strategically relevant to the growth of the countries in which we operate. In South Africa, substandard cement imports continue to threaten the sector's sustainability while also posing a risk to the consumers who purchase these products. As part of our responsibility to defend and protect the industry, PPC collaborated with The Concrete Institute (TCI) and other industry players to lobby government for relief against unfair competition and stricter import regulations. The group is also increasing consumer awareness around the risks of buying substandard cement products.

We remain committed to being a leader in environmental performance in the cement industry in the regions where we operate. While cement production unavoidably impacts the environment, we are dedicated to finding long-term solutions that leverage technology and alternative fuels to ensure we reduce our reliance on coal and lower our carbon footprint. During the year, PPC also initiated its reporting journey in terms of the Task Force on Climate-related Financial Disclosures. As part of this process, we will develop a climate change strategy that will focus on reducing our greenhouse gas emissions.

GROUP PERFORMANCE

Following the unpredictability of the pandemic, PPC benefited from a strong recovery in cement sales across all markets once lockdown restrictions eased. This led to an improved financial performance for the group. Pleasingly, our efforts to enhance cost competitiveness and reposition PPC on a sound financial footing are yielding encouraging results.

Group revenue increased from R8 671 million in FY20 to R8 938 million in FY21, mostly due to robust cement sales after lockdown restrictions eased across jurisdictions. The contribution from our South Africa and Botswana segment (including materials) increased by 5 % to R6 187 million (FY20: R5 874 million), while revenue from our international segment contributed R2 751 million, a 1,6 % decrease from the previous year (FY20: R2 797 million). Group EBITDA increased by 16 % to R1 598 million (FY20: R1 381 million) at a margin of 17,9 % (FY20: 15,9 %). Cash available from operations amounted to R1 022 million (FY20: R273 million). Cash generation from continuing operations benefited from improvements in EBITDA and a reduction in working capital absorption. Cash generation and preservation remain a key priority for the group.

In South Africa, PPC experienced muted cement sales during the first half of the year as a result of COVID-19-related trading restrictions. However, cement sales rebounded significantly with double-digit year-on-year growth since June 2020. The increase in volumes is primarily retail led, and the business is experiencing the positive impact of increased infrastructure spending.

Trading conditions in Zimbabwe were characterised by a challenging economic environment and the impact of COVID-19-related lockdown restrictions. However, domestic cement volumes increased to 10 %, supported by ongoing infrastructure projects. PPC Zimbabwe's cement sales similarly increased, supported by an increase in volumes of 10 % during the year. The positive sales momentum continued throughout the second half of FY21, albeit at a normalised rate. In Rwanda, CIMERWA continues to benefit from robust cement demand, driven by large infrastructure projects, growth in the retail market and export demand from the eastern DRC. While cement sales were also affected by COVID-19-related restrictions imposed by the authorities, CIMERWA saw good sales throughout FY21. PPC Barnet in the DRC achieved revenue growth driven by volume growth of 16 %, higher pricing in US$ and translation gains. EBITDA improved by 46 %, benefiting from stringent cost control and entrenchment of our route-to-market strategies, as well as the positive EBITDA impact of clinker and cement inventory movements in the period.

For more information on our performance, refer to operational reviews on pages 31 to 46.

COMMITTING TO DOING THE RIGHT THING

PPC has been dedicated to empowering people across Africa for 129 years. I truly believe reaching this milestone was possible because of a focus that extends beyond purely generating profit. PPC exists to ensure people experience a better quality of life across our markets. To effectively achieve this, we continue to strengthen our relationships with stakeholders to secure their support of our business.

We operate in highly regulated environments. While we take our commitment to compliance with relevant legislation seriously, we do not approach this as a mere tick-box exercise. As we pursue sustainable value creation, we ensure that making the right decision is inherently part of our DNA. For example, this past year we placed particular emphasis on embedding our code of conduct and values across the business to ensure we operate in harmony with our communities. We remain committed to operating a holistic business that significantly contributes to the development of Africa.

OUTLOOK

PPC will continue its drive to improve processes and efficiencies, entrench an ethical and responsible culture, and embed a high-performance approach to doing business. It is imperative that each employee understands their role within PPC and how their contributions support the performance and broader business objectives. Talent and skills development remain critical to our success and we will continue to create a healthy pipeline of motivated individuals to position PPC on a global scale.

We intend to finalise the capital restructuring project in FY22 to ensure the group can more assertively work towards what PPC could grow into over the next decade. Our focus, though, remains on successfully implementing our current enhancement projects. PPC has a strong customer base and a recognisable brand which, together with our local roots, presents a unique opportunity for investors. This is further supported by our commitment to job creation and selling quality products instrumental to infrastructure development in the regions where we operate. As the only South African cement player with a nationwide footprint and an extensive international presence, I believe PPC is well positioned to continue on a growth trajectory.

APPRECIATION

Firstly, I want to share my sincere appreciation for our employees' commitment to PPC, as well as the sacrifices they made during a difficult year to ensure the continuity of our business.

I would also like to thank our external lenders for their support during the various negotiations during the year. Notably, I want to acknowledge Anthony Ball's part in the capital restructuring process, who put aside his family commitments to step into an executive role and help PPC navigate a uniquely challenging situation. We are truly grateful. Furthermore, thank you to our investors for their patience – we appreciate your loyalty over the past few years. To our customers, your continued support is instrumental to our business.

Finally, my thanks to the board of directors, whose vast experience and expertise helped PPC through difficult days. Your commitment to PPC is unwavering and, with your support, PPC will continue to remain a high-performing and ethical organisation.

Roland van Wijnen
CEO

8 July 2021

Botswana

EMPOWERING LOCAL BUSINESSES

PPC is committed to being a trusted partner in our local communities.

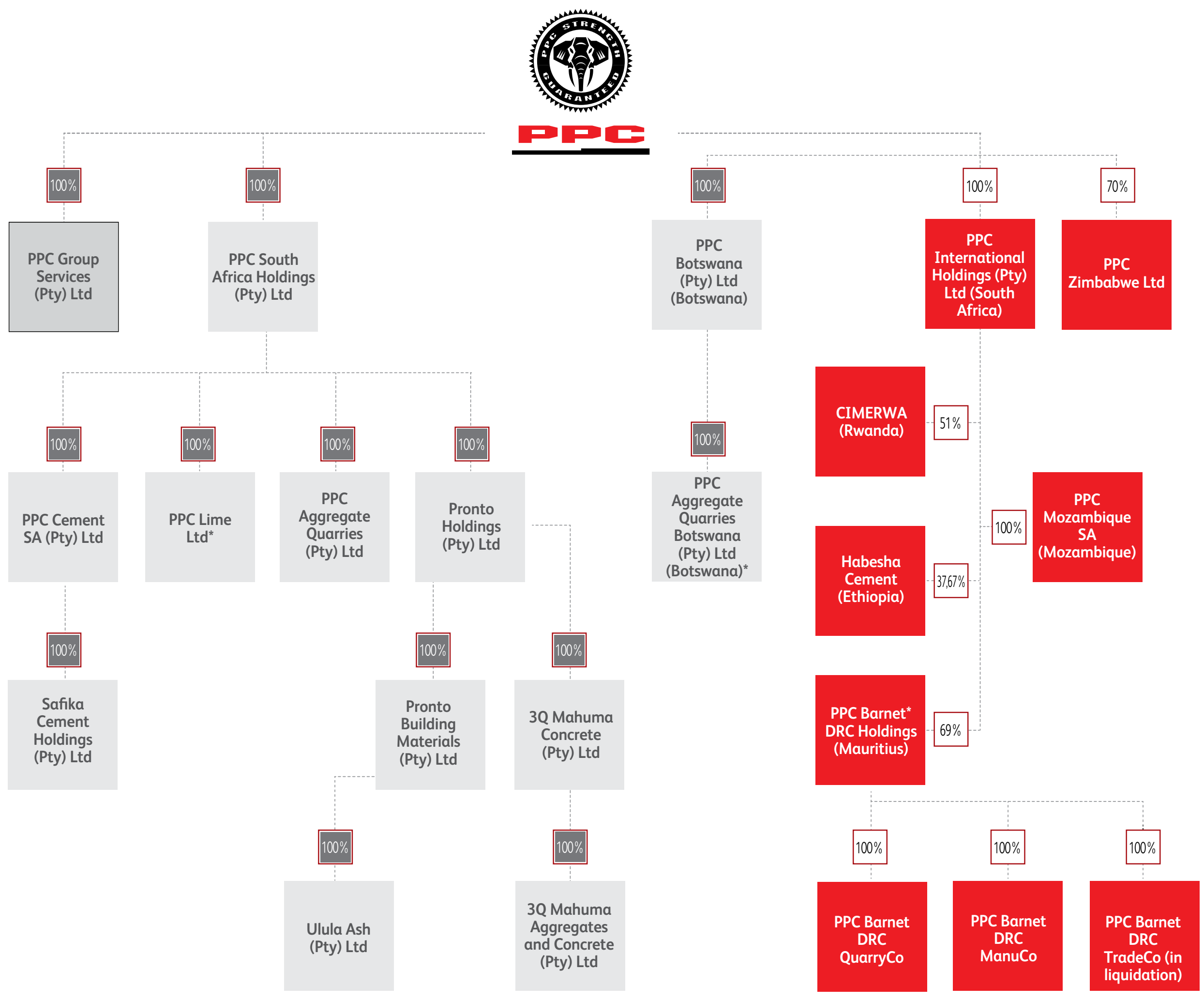
As part of this commitment, PPC supported a local business to provide high-quality building materials to the Kopong community in Botswana. Since 2015, PPC has supported Tebogo Chifani, the owner of Rapha Shammah Hardware, by providing technical support and marketing services, giving the business a competitive advantage within the community. PPC also donated a branded shed to the value of BWP50 000.

Despite the many obstacles she faced, Tebogo has managed to independently run a business as a Motswana woman entrepreneur. The support provided by PPC enabled the small business owner to increase her storage capacity from one to three loads of Botcem a month. Tebogo was also able to expand her business and now employs seven people – truly setting an example for other women in Kopong and neighbouring villages.

PPC AT A GLANCE

PPC was established almost 130 years ago outside Tshwane in South Africa. From its beginning as the country's first cement manufacturer, PPC expanded its footprint and now operates across six countries – proving to be a resilient organisation that responds to challenges and captures opportunities in various operating environments. PPC provides quality cement, aggregates, metallurgical-grade lime, burnt dolomite, limestone, readymix and fly ash across sub-Saharan Africa.

COMPANY LEGAL STRUCTURE



** Discontinued operation*
South Africa and Botswana
International

PPC'S PURPOSE

To empower people to experience a better quality of life.

PPC'S VALUES

R — **PPC always does the RIGHT thing**
Holding each other accountable and always acting with integrity

E — **PPC strives for EXCELLENCE**
Striving for excellence in everything

P — **PPC's PEOPLE are its strength**
PPC values its people and recognises that every person is essential to the company's success

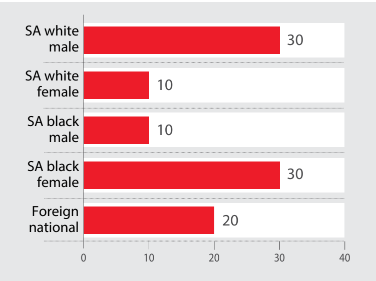
P — **PPC has a PASSION for winning**
Inspiring each other with a positive attitude and energy in striving to be the best

C — **PPC is CUSTOMER-focused**
Customers are at the heart of everything as PPC strives to exceed expectations every time

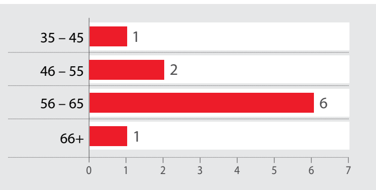
PPC's LEADERSHIP

Board of directors(1)

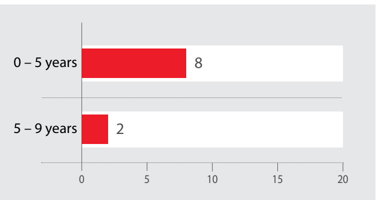
Board diversity (%)



Age of directors (years)



Tenure of NEDs



Phillip Jabulani (Jabu) Moleketi

Age: 64

Status: *Independent chairman*

Qualifications
MSc in financial economics, Postgraduate diploma (economic principles), Advanced Management Program (Harvard)

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, and Harith General Partners

Roland van Wijnen

Age: 50

Status: *Chief executive officer (CEO)*

Qualifications
MSc industrial engineering, venture capital and private equity, senior management and leadership (IMD), General Manager Programme

Date of appointment: October 2019

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

Brenda Berlin(2)

Age: 56

Status: *Chief financial officer (CFO)*

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

Date of appointment: April 2021

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

Kunyalala Maphisa

Age: 46

Status: *Independent non-executive director (NED)*

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

Date of appointment: February 2021

Areas of expertise and contribution
Entrepreneurship, non-profit organisations, commercial law, mergers and acquisitions, competition law, and project and acquisition finance

Other directorships
University of Cape Town

Noluvuyo (Nono) Mkhondo

Age: 37

Status: *Independent NED*

Qualifications
CA(SA), BAcc, MBA from London Business School where she was a Mo Ibrahim Scholar

Date of appointment: March 2018

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

Other directorships
Novus Holdings, Value Capital Partners and Metair Investments

Nonkululeko Gobodo

Age: 60

Status: *Independent NED*

Qualifications
CA(SA), BCompt

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, Independent Regulatory Board for Auditors and Nkululeko Leadership Consulting

Anthony Charles Ball(3)

Age: 62

Status: *NED*

Qualifications
CA(SA), BCom (Hons), MPhil (management studies)

Date of appointment: March 2018

Areas of expertise and contribution
Business building, investment skills, strategy and leadership, financial management, governance and compliance, economics and stakeholder relationships

Other directorships
Value Capital Partners, Allied Electronics Corporation, and NET1 UEPS Technologies Inc

Charles Naude

Age: 65

Status: *Independent NED*

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

Date of appointment: January 2015

Areas of expertise and contribution
Cement and materials, strategy, leadership, health and safety, risk and opportunity management, sales and marketing, and project management

Mark Richard Thompson

Age: 68

Status: *Independent NED*

Qualifications
CA(SA), BCom, LLB, BAcc

Date of appointment: May 2019

Areas of expertise and contribution
Private equity, industry and construction, as well as international finance and general business capabilities from his previous work experience

Other directorships
Sasfin Bank, Sasfin Holdings and Hudaco Industries

Todd Moyo

Age: 63

Status: *Independent NED*

Qualifications
BAcc (Hons), CA(Z), CA(SA), RPA(Z), PMCSZ

Date of appointment: November 2013

Areas of expertise and contribution
Several economic sectors and disciplines, including production, sales and marketing, information technology, strategic development and management

Other directorships
PPC Zimbabwe, Dat Labs, Delta Corporation and National Foods

(1) As at 1 April 2021. Only significant directorships are disclosed.
(2) Brenda was appointed as CFO on 1 April 2021 following the resignation of Ronel Van Dijk on 31 March 2021.
(3) Anthony, who previously served as an independent NED, was appointed as an executive director on 25 June 2020. On 1 July 2021, he stepped down as an executive director and resumed his duties as a NED.

PPC LEADERSHIP continued

Group executive committee

Roland van Wijnen

Age: 50

Status: ***CEO***

Refer to page 9 for Roland's qualifications, date of appointment, areas of expertise and directorships.

Brenda Berlin

Age: 56

Status: ***CFO***

Refer to page 9 for Brenda's qualifications, date of appointment, areas of expertise and directorships.

Mokate Ramafoko

Age: 47

Status: ***Managing director (MD): International***

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

Date of appointment: February 2018

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

Other directorships
PPC Barnet DRC Holdings, PPC International Holdings, PPC Zimbabwe and CIMERWA

Njombo Lekula

Age: 54

Status: ***MD: South Africa and Botswana (excluding PPC Lime)***

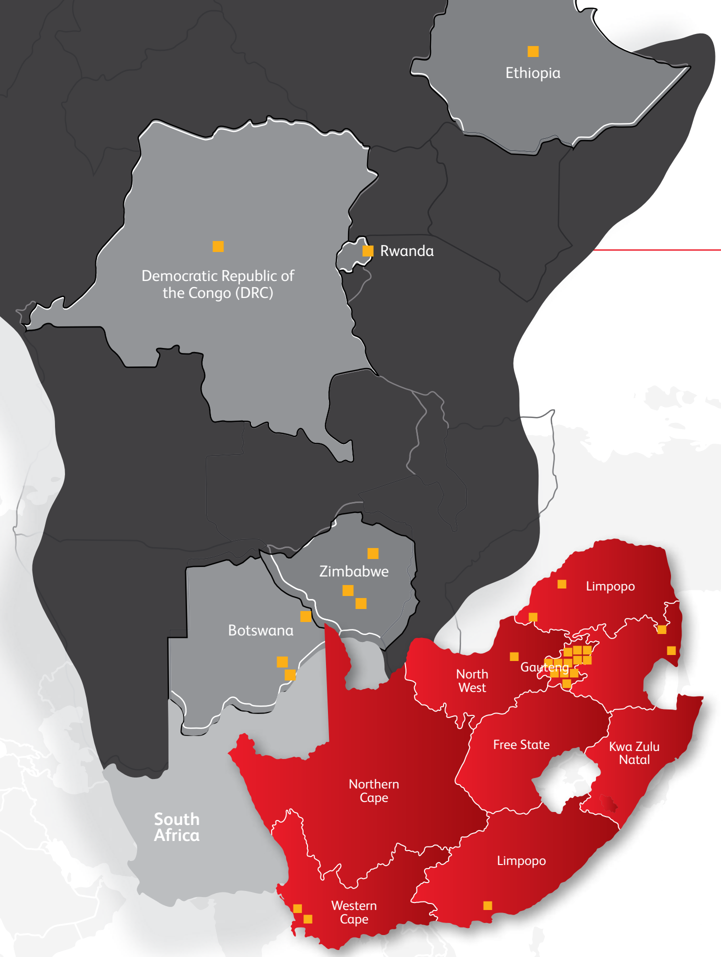
Qualifications
MBA, National diploma (chemical engineering)

Date of appointment: November 2015

Areas of expertise and contribution
Engineering and technical expertise, operations management and strategic leadership in international segments

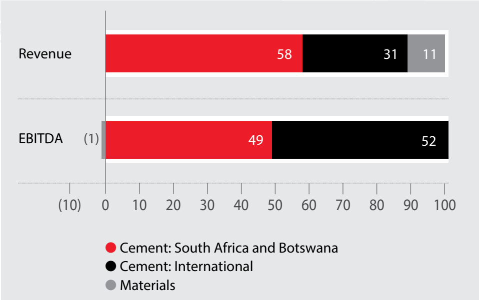
Other directorships
PPC Cement SA and PPC South Africa Holdings

FOOTPRINT ACROSS SUB-SAHARAN AFRICA

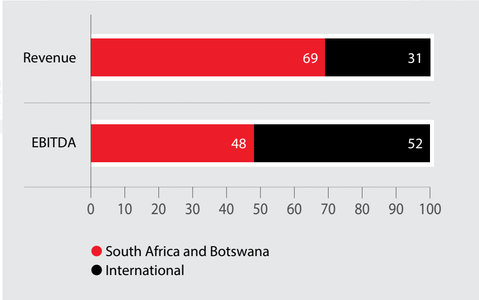


PPC's well-developed portfolio across sub-Saharan Africa enables the company to respond to changes in its economic, operational and political environments.

Contribution to group by segment – continuing operations (%)



Contribution to group by region – continuing operations (%)

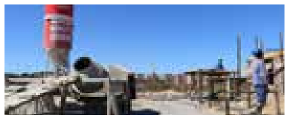


For our detailed operational review, refer to pages 31 to 46.

SOUTH AFRICA

> **MD:** Njombo Lekula
> **Head (inland):** Bheki Mthembu
> **Head (materials):** Dave Miles
> **Head (coastal):** Johan Vorster
> **Executive (PPC Lime):** Con Schoombie

Ownership	100%
Employees	2 064*(1)
Estimated population (2020)(2)	59,3 million
Urban population growth (annual %) (2019)(2)	2,1%
Forecast gross domestic product (GDP) growth (2021)(3)	4,0%
Cement consumption per capita	229



BOTSWANA

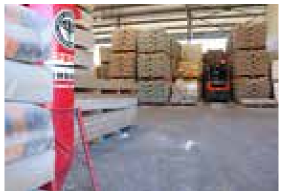
> **General manager:** Tuelo Botlhole

Employees	116*
Estimated population (2020)(2)	2,4 million
Urban population growth (annual %) (2019)(2)	3,2%
Forecast GDP growth (2021)(3)	6,8%
Cement consumption per capita	261

ZIMBABWE

> **MD:** Kelibone Masiyane

Employees	377*
Estimated population (2020)(2)	14,9 million
Urban population growth (annual %) (2019)(2)	1,4%
Forecast GDP growth (2021)(3)	2,5%
Cement consumption per capita	72



RWANDA

> **CEO:** Albert Sigei

Employees	295
Estimated population (2020)(2)	13,0 million
Urban population growth (annual %) (2019)(2)	3,2%
Forecast GDP growth (2021)(3)	6,7%
Cement consumption per capita	43

DRC

> **MD:** Iqbal Omar

Employees	178
Estimated population (2020)(2)	89,6 million
Urban population growth (annual %) (2019)(2)	4,5%
Forecast GDP growth (2021)(3)	3,5%
Cement consumption per capita	30

ETHIOPIA

> **CEO:** Ghassan Broummana

Employees	596
Estimated population (2020)(2)	115,0 million
Urban population growth (annual %) (2019)(2)	4,8%
Forecast GDP growth (2021)(3)	4,3%
Cement consumption per capita	84

(1) *Includes employees employed by Pronto, 3Q, and Ulula Ash.*
(2) *Source: The World Bank.*
(3) *Source: IMF World Economic Outlook Database, April 2020.*
* *Limited assurance – refer to pages 72 to 74.*

A FOUNDATION FOR A SOLID INVESTMENT CASE

PPC has established a sustainable competitive advantage in its regions by focusing on its Value Creation Framework (VCF) (page 15) and leveraging its sub-Saharan Africa footprint. With its well-developed portfolio, the company creates value for stakeholders.

SNAPSHOT OF PERFORMANCE FROM CONTINUING OPERATIONS

R8,9 billion	Group revenue FY20: R8,7 billion
R1,6 billion	Group EBITDA FY20: R1,4 billion
R1,3 billion reversal	Impairments FY20: R1,9 billion
65 cents	Earnings per share FY20: (43) cents
R1,4 billion	Cash generated from operations FY20: R0,7 billion
R1,9 billion	South African gross debt FY20: R2,0 billion
R0,7 billion	International gross debt FY20: R1,1 billion
R0 billion	International debt with recourse to South Africa FY20: R2,7 billion

- Achieved significant milestones in the capital restructuring project
- While COVID-19 impacted sales in all markets, we maintained production in all markets post-lockdown and sales recovered strongly once hard lockdown restrictions eased
- Experienced unstable electricity supply in various markets
- Cement imports remain an issue across the portfolio
- Pressure on logistics cost due to unreliable rail services in South Africa
- Delivered improved results and cash generation despite the challenging conditions

For detailed information on PPC's operational performance, refer to page 31 to 46.

PPC's human capital, environmental and social performance is highlighted in the ESSR, available on the group's website at https://www.ppc.africa/investors-relations/reports/?t=year-end

FOOTPRINT ACROSS SUB-SAHARAN AFRICA

As PPC grows across sub-Saharan Africa, its integrated plants and depots serve key markets and allow it to concentrate on the optimal sourcing of materials. This ensures that PPC delivers quality products at a lower cost to customers.

A truly African success story, PPC has expanded from South Africa and Botswana to Zimbabwe, Rwanda, the DRC and Ethiopia. The company is proud to be a trusted partner contributing towards the growth of Africa.

Because of its vast footprint, PPC is able to invest in the communities around its operations, empowering residents economically and creating a better quality of life for all.

WORLD-CLASS ASSET BASE

PPC started as a cement company and has grown its portfolio to include lime, readymix concrete, fly ash, burnt dolomite, limestone and aggregates.

With its extensive logistics network and strong cement delivery footprint, PPC focuses on strengthening its world-class asset base. PPC's mega-plants are located in prime locations, allowing the company to reduce costs and extend its product range. PPC now supplies from 7 cement factories, 5 milling plants, 2 blending facilities and 27 readymix batching plants, allowing it to competitively meet high demand in markets across sub-Saharan Africa.

GROUP OVERVIEW

11,6mtpa	FIVE	SEVEN	27	ONE	TWO
capacity (cement)	aggregate quarries (3,1mtpa)	integrated cement plants and five grinding stations	readymix plants (100 000m^3 capacity per month)	lime factory (1,0mtpa)	fly ash plants (750ktpa)

SOUTH AFRICA AND BOTSWANA



Plant	Slurry	Dwaalboom	De Hoek
Capacity (cement)	2,0mtpa	2,0mtpa	1,2mtpa
Technology	Six-stage pre-heater in-line calciner (ILC) and grate cooler	Six-stage pre-heater ILC and grate cooler	Four-stage pre-heater ILC and grate cooler
Operating efficiency	*****	*****	***

INTERNATIONAL

Country	Zimbabwe	Rwanda	DRC	Ethiopia
Plant	Colleen Bawn, Bulawayo, Harare	CIMERWA	Barnet	Habesha
Capacity (cement)	1,4mtpa	0,7mtpa	1,2mtpa	1,4mtpa
Technology	Four-stage pre-heater ILC and grate cooler	Five-stage pre-heater ILC and grate cooler	Five-stage pre-heater ILC and grate cooler	Five-stage pre-heater ILC and grate cooler
Operating efficiency	****	*****	*****	*****

For more information on PPC's operational performance, refer to pages 31 to 46.

A FOUNDATION FOR A SOLID INVESTMENT CASE continued

MARKET LEADERS

As a leader in 80 % of its markets, PPC continues to increase its cement capacity to ensure its competitive advantage. In FY21, PPC invested over R387million in optimising its operations to meet market demands for its cement.

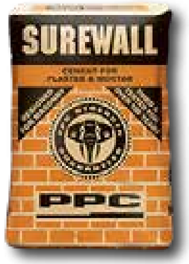
PPC's investment in technology to enhance its energy efficiencies will ensure that its environmental footprint diminishes as it concentrates on reducing air emissions, minimising waste, recovering and recycling raw materials and conserving natural resources.

PPC'S PEOPLE

As the essence of the company, PPC's workforce needs to be motivated, engaged and skilled to help the company drive its strategy and deliver on its objectives. Every employee is critical to the success of the business, and the company strives to ensure that its inspiring, diverse and ambitious culture is embedded throughout the organisation. The employee experience is integral to the organisation and PPC strives to create an energetic, responsive, purpose-led and performance-driven culture.

WORLD-CLASS PRODUCTS

PPC is committed to enhancing its value proposition through consistent product quality and excellent service delivery. While each operation is at a different stage in its economic cycle – particularly in light of the COVID-19 pandemic – PPC remains resilient and focused on optimising the efficiency of its existing assets to produce fit-for-purpose quality products, entrench and enhance its route-to-market strategy to ensure the sustainability of operations while generating value for stakeholders and keeping customers satisfied.



SUREWALL
Masonry cement designed for plaster and mortar

SURECEM
Early strength cement designed for concrete, mortar, plaster and bricks

SUREBUILD
Premium multi-purpose cement for general building and civil construction

SURECAST
High early strength cement designed for precast products

SURETECH
Superior high-strength specialist cement

SUREROAD
Cement for road stabilisation

For more information on PPC's financial performance, refer to the CFO's review on pages 48 to 51.

BRAND PROMISE

By focusing on quality in everything, PPC is growing into a business dedicated to perfecting the science behind producing cement, aggregates, lime, readymix, fly ash, burnt dolomite and limestone. PPC continues to invest in the now to create a better world for future generations. The company encapsulates this drive in its Strength Beyond brand promise, guided by the group's values embedded in its operations.

PORTFOLIO EFFECT

PPC's strategic priority has been to diversify the business through international expansion and strengthen its position as the foremost provider of construction materials in Botswana, South Africa and internationally.

PPC's international segment delivers good results in complex and challenging environments.

STRENGTH BEYOND

It is the strength of PPC's name and promise to customers, shareholders, investors, employees and communities.

It is the strength of PPC's guarantee – the integrity placed behind every purchase and every interaction, and the knowledge that when customers buy a PPC product, they place their trust and name on PPC's word.

It is the strength of PPC's purposeful and sustainable partnerships with like-minded organisations that will foster growth in its environment and help improve societies.

It is the strength of PPC's people to go beyond – to provide support beyond the ordinary and take an active role in helping stakeholders reach their full potential and transform their societies.

In Zimbabwe, PPC launched the SURERANGE products in mid-FY21 and introduced SUREROAD to the market

In Rwanda, CIMERWA successfully listed on the Rwanda Stock Exchange (RSE) on 3 August 2020

PPC Barnet in the DRC secured exclusive contracts for major construction projects at Lemba Imbu water treatment plant and cultural centre sites in Kinshasa

Habesha in Ethiopia embarked on a route-to-market strategy to improve value addition to customers and pioneered 100% local coal use

DRC

BOLSTERING WATER SECURITY IN THE DRC

PPC supplies cement products and technical expertise to the almost US$70 million Lemba Imbu water-treatment plant project in the DRC.

Supervised by Regideso, the DRC's state-owned water company, contractor Hyundai Engineering ordered about 30 000 tonnes of cement from PPC.

In addition, PPC will support the installation and connection of silos on the batching plant, as well as the optimisation of pressure in the concrete pumping truck and other mix design optimisation, to improve cement superplasticiser compatibility.

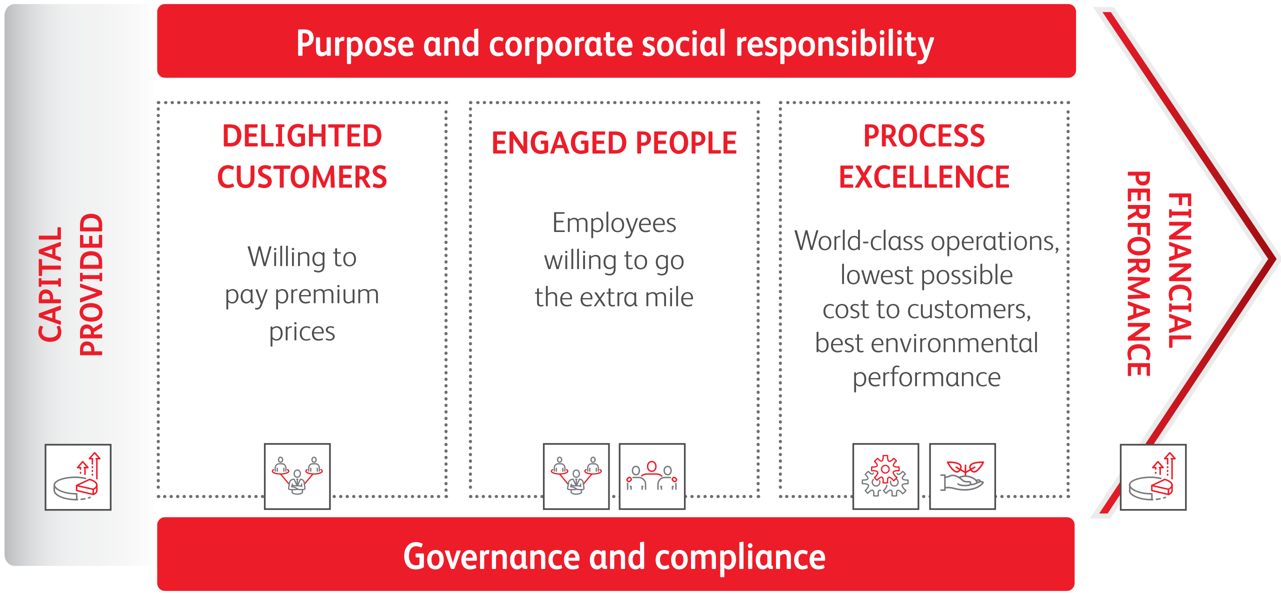
That plant is expected to supply 220 000m^3 of potable water every day by 2024 – constituting half of the total installed production capacity of Kinshasa. This will increase supply within the capital city to 746 000m^3 per day.

HOW PPC CREATES VALUE FOR STAKEHOLDERS

Everything PPC does is driven by its purpose of empowering people to experience a better quality of life. By embedding integrated thinking through its internal Value Creation Framework (VCF), PPC ensures that it creates sustainable value for stakeholders. Its business model is shaped by the strategic focus areas in the VCF, stakeholder expectations, material risks and opportunities to the business and the external environment in which PPC operates.

PPC'S VALUE CREATION FRAMEWORK

PPC's Value Creation Framework represents the integrated thinking between the inputs, business activities, outputs and outcomes. Without delighted customers, engaged people, excellent processes, PPC cannot return the capital provided into financial performance. This value is created within the bounds of PPC's purpose, corporate social responsibility and governance and compliance objectives.



HOW PPC CREATES VALUE FOR STAKEHOLDERS continued

INPUTS

The six capitals are aligned with PPC's value creation framework, and represent the key inputs that create value for the company in the short, medium and long term.

SOCIAL AND RELATIONSHIP CAPITAL

- PPC's reputation and brand
- Customer and supplier experience
- Meaningful and beneficial relationships with the communities surrounding operations
- Dynamic and responsive engagements with key stakeholders, including investors

HUMAN CAPITAL

- Experienced and diverse leadership across the organisation
- A fit-for-purpose workforce of 3 030 permanent employees and contractors
- A safe, healthy and rewarding working environment for employees
- Invested 1,9% of the wage bill in learning and development (FY20: 2,9%)
- Meaningful transformation across all levels of the organisation

INTELLECTUAL CAPITAL

- Effective and robust corporate governance systems, including policies that guide the business in transformation, fair labour practices, health and safety, remuneration, procurement and stakeholder engagement
- Cement and materials production process technology
- Innovation that drives operational efficiencies, logistic optimisation and reduced costs

FINANCIAL CAPITAL

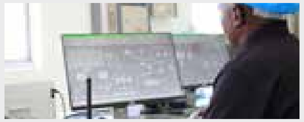
- Total assets of R15,8 billion (FY20: R17,1 billion)
- Gross group debt R2,6 billion (FY20: R5,8 billion)
- Market capitalisation of R3,8 billion (FY20: R2,7 billion)
- SA funding facilities of R2,5 billion (FY20: R2,9 billion)

NATURAL CAPITAL

- Water usage: m^3 per tonne of cement 0,33 (FY20: 0,48)
- Energy consumption: 17 449 TJ*
- Tyres used: 97 tonnes (FY20: 2 605 tonnes)

MANUFACTURED CAPITAL

- Capacity of 11,6 million tonnes of cement
- Quality products and services
- World-class asset base
  - 7 cement plants across sub-Saharan Africa
  - 27 readymix plants
  - 2 fly ash plants
- R9,6 billion in property, plant and equipment (FY20: R12,3 billion)
- More than 230 000 hours of quality control per year



CHALLENGES TO SECURING INPUTS IN FY21

Adopting new ways of working disrupted many of PPC's corporate social investment (CSI) initiatives and planned in-person stakeholder engagements. However, PPC adapted its approach to ensure it continued to deliver on its promises to stakeholders.

PPC's employees are particularly vulnerable to the physical and psychological impacts of COVID-19. The company enhanced its health and safety protocols to ensure employees felt secure as they returned to offices and plants, and PPC leveraged its technological capabilities to ensure it remained connected throughout the year.

The outbreak of COVID-19 necessitated a rapid change in the way PPC works. The company continued to focus on providing excellent service to customers and, once lockdown restrictions eased, again supply them with quality products.

Restrictions imposed by governments in response to COVID-19 impacted PPC's sales and revenue. In response, the company ensured it optimised operations while operating under strict protocols. PPC also implemented detailed liquidity and cash forecast tools to ensure its sustainability.

Unreliable power generation and disruptions to energy supply, such as load shedding, had an unavoidable impact on the business. PPC continues to optimise operations to reduce its reliance on natural capital and to continue investing in research and development to reduce its environmental impact.

Lockdowns imposed by host governments in response to the pandemic meant that, at times, PPC had to stop cement and materials production. The company ensured that its plants were well-maintained during this time and implemented a smooth ramp-up as restrictions eased.

For more information on PPC's environment and social activities, please refer to the ESSR.

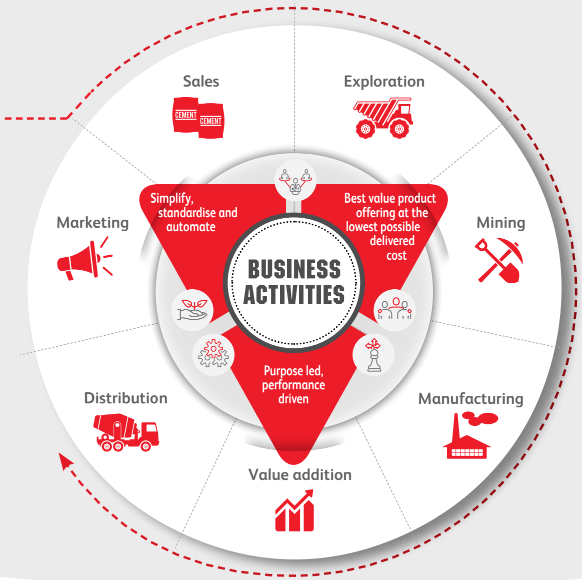
* *Limited insurance – refer to pages 72 to 74.*

HOW PPC CREATES VALUE FOR STAKEHOLDERS continued

BUSINESS ACTIVITIES

PPC's value chain described here, details the range of business activities needed to create its outputs. These business activities and the associated processes within these activities are governed by the following guiding principles:

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



OUTPUTS

HOW PPC CREATES VALUE FOR STAKEHOLDERS continued

OUTCOMES

PPC's outcomes are the result of its business activities. PPC's outcomes are linked to its KPIs in line with its value creation framework.

CUSTOMERS

CUSTOMERS		FY21	FY20
Number of customer complaints	n/a	540	n/a

GOVERNANCE AND COMPLIANCE

GOVERNANCE AND COMPLIANCE	Performance	FY21	FY20
Rates and taxes paid to governments (Rm) – continuing operations	Down	19	20
Procurement from preferential suppliers (Rbn)	Flat	3,3	3,3

PEOPLE

PEOPLE	Performance	FY21	FY20
Salaries, wages and other benefits paid to employees (Rbn) (continuing operations)	Up/down	1,5	1,4
Employee engagement (%)	n/a	68,6	n/a
Women representation (%)	Down	23,0	24,2
Employee turnover (%)	Up	16,8	16,5

PURPOSE AND CORPORATE SOCIAL RESPONSIBILITY

PURPOSE AND CORPORATE SOCIAL RESPONSIBILITY	Performance	FY21	FY20
Number of fatalities**	Up	1	0*
Number of lost-time injuries (LTIs)**	Flat	15	15*
Lost-time injury frequency rate (LTIFR)**	n/a	0,26	0,22*
Water intensity (m^3/tonne of cement)	Down	0,33	0,48
Energy consumption# (TJ)**	n/a	17 449	10 776*
Quantity of waste to landfill (tonnes)	Down	1 303	1 662
Land rehabilitated per site to targeted plan %	Flat	95	95

** Group. # South Africa only. ** Limited assurance refer to pages 72 to 74.*

PROCESS EXCELLENCE

PROCESS EXCELLENCE	Performance	FY21	FY20
Cement (kt)	Up	5 320	4 968
Lime (kt)	Down	309	494
Aggregates (kt)	Down	2 274	2 276
Readymix (kt)	Down	544	569
Fly ash (kt)	Up	736	612

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE	Performance	FY21	FY20
EBITDA (Rbn)	Up	1,6	1,4
Cash generated from operations (Rbn)	Up	1,4	0,7
Net working capital as a % of revenue	Up	(2%)	(8%)
Group debt (Rbn)	Down	2,6	5,8
Gross debt/EBITDA ratio	Down	1,64	4,20
Cash interest paid (Rm)	Down	219	316
Basic earnings per share (EPS) (cents)	Up	65	(43)
Headline earnings per share (HEPS) (cents)	Down	3	54

EXTERNAL ENVIRONMENT

As PPC executes its strategy, the company constantly monitors the changing factors that impact the business over the short, medium and long term. PPC grouped these factors into three broad themes and explains the trends shaping them, as well as its responses, below.

	TRENDS SHAPING PPC'S EXTERNAL ENVIRONMENT THEMES	HOW PPC IS RESPONDING
Complex regulatory environment	■ PPC is a multinational organisation and, as such, is faced with complex legislation that differs across the countries where it operates ■ The cement industry is associated with high carbon dioxide (CO_2) and greenhouse gas (GHG) emissions; therefore, the global regulatory and legislative landscape is constantly changing to ensure emissions are reduced. This has a direct impact on the business ■ PPC is subject to carbon tax introduced by the South African government in an effort to mitigate the effects of climate change	Without question, PPC ensures compliance with all regulatory requirements applicable within each country in which it operates. The company also keeps abreast of changes to the regulations and legislations relevant to the business. By doing this, PPC can identify changes that will materially impact the way it operates and, accordingly, engage with regulatory bodies – either directly or through relevant industry bodies – and play a part in shaping its regulatory landscape. PPC also continues to enhance its compliance training processes, standardise compliance monitoring and review the robustness of its policies and procedures.
Economic conditions in the countries where PPC operates	■ In many countries, the cement industry was considered an essential industry and continued to operate during various stages of lockdown over the past year ■ However, the outbreak of COVID-19 slowed down construction activities and infrastructure spend in many countries where PPC operates during the first half of FY21, leading to a decrease in demand for its products. Conversely, Rwanda particularly benefited from robust demand, driven by, among others, large infrastructure projects ■ Consumer demand for cement and materials continue to be driven by GDP growth, which differs across countries ■ Trading conditions and investment sentiment have been subdued, exacerbated by the COVID-19 pandemic, policy uncertainty and rising construction costs ■ Hyperinflation and the unavailability of foreign currency in some markets slowed down economic growth ■ While the full impact of the pandemic is still unclear, global cement demand decreased during FY21. Furthermore, the pandemic's impact will be unevenly distributed with some countries proving to be more resilient than others ■ Cement imports and non-conforming products in the South African market remain an issue across the portfolio[3]	PPC proactively responded to COVID-19 to ensure it played its part in keeping the economy going. As PPC navigated the challenges of the past year, it maintained production as much as possible while investing significant effort in optimising operations under strict health and safety protocols. Furthermore, it focused on protecting cash flow, decreasing capital expenditure and reducing fixed and variable costs across its operations. Once lockdown restrictions eased, PPC successfully ramped up operations and saw a robust recovery in cement volumes across all markets. PPC also made some significant progress on its capital restructuring project. In Zimbabwe, PPC actively managed its sales mix to ensure approximately 60 % of its sales revenue is US dollar denominated. This gives protection against the effects of hyperinflation and secures hard currency to pay foreign suppliers.
Social landscape	■ While the cement industry supports job creation and economic growth, it also contributes significantly to the achievement of the United Nations (UN) Sustainable Development Goals (SDGs) – cement is critical for building housing, schools, roads and other infrastructure essential to economic development ■ While significant improvements have been made over the past few years, the cement industry is still a significant contributor of GHG emissions, and pressure to achieve carbon neutrality is increasing ■ Economic, political and social instability in the regions where PPC operates can disrupt operations and increase the cost of compliance[1]	PPC partners with governments and communities to implement projects focusing on education, health and well-being, job creation and youth development. In South Africa, PPC continues to comply with the Mining Charter to maintain its social licence to operate. The company follows a similar approach in other regions where it operates, thereby enabling economic development in host communities and helping them experience a better quality of life. PPC continues to adhere to all regulations pertaining to carbon reduction, including measuring and monitoring our GHG emissions, complying with the carbon tax legislation in South Africa, and offsetting our carbon emissions (material to the regions we operate in).

1 https://www.ifc.org/wps/wcm/connect/c015acbf-8465-4f8e-95e8-857511f10bb/202008-COVID-19-impact-on-cement-industry.pdf?MOD=AJPERES&CVID=ngxQLJ

STAKEHOLDER MANAGEMENT

PPC's aim is to create and deliver value for stakeholders who ultimately enable the company to sustain its purpose.

As an integral part of decision-making and accountability, stakeholder management fulfils two roles within PPC. Firstly, it enables the company to understand and respond to stakeholders' concerns and, secondly, to ensure effective governance across the group. Through regular consultation with stakeholders, robust internal conversations about stakeholders' needs, and the company's embedded commitment to its Strength Beyond promise, PPC ensures that no voice goes unheard.

In FY21, PPC developed a standardised stakeholder management framework to create consistency in its approach to stakeholder management and, as a result, defined stakeholder maps and appropriate stakeholder plans at a country and executive committee (EXCO) level. To effectively monitor and track stakeholder engagement, PPC identified Isometrix as an appropriate tool for the group. This multifaceted system enables the group to coordinate engagements across different areas of the business through dashboards and analytics and also capture specific outcomes to enable outcome-based relationships.

Stakeholders were mapped and categorised according to their interests, influence and support, allowing PPC to define key messaging, engagement frequency and engagement methods. Notably, PPC had to ensure that its procedures and methods allowed for virtual engagements, particularly since the onset of the COVID-19 pandemic. The focus for FY22 will be to roll out the stakeholder management framework to business units and operational teams.

INVESTORS AND PROVIDERS OF CAPITAL

Capitals impacted

Why these stakeholders are important to PPC

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

How PPC creates value for these stakeholders

Delivering on the targets PPC sets and its financial KPIs, including:
- EBITDA
- Cash generated from operations
- Net working capital as a percentage of revenue
- Group debt
- Gross debt/EBITDA ratio
- Cash interest paid
- Basic EPS
- HEPS

Examples of specific actions in FY21

- Consolidated and restructured the business to align with anticipated market conditions
- Focused on the capital restructuring project (more information on page 50)
- 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 in FY22
- Submitted a proposal to secure the national Batoka project in Zimbabwe
- CIMERWA successfully listed on the RSE on 3 August 2020, and successfully saved more than US$1 million through cost-savings programmes
- Regularly communicated with stakeholders to keep them informed of business performance and COVID-19 measures

For more information on PPC's financial performance, refer to the CFO's review on pages 48 to 51.

GOVERNMENT AND REGULATORS

Capitals impacted

Why these stakeholders are important to PPC

PPC's positive relationships with government and regulatory bodies are critical to ensure its sustainability. All policy and regulatory developments in each region where PPC operates are monitored closely, and the company submits comments and opinions directly or through relevant industry bodies.

How PPC creates value for these stakeholders

By delivering PPC's corporate social responsibility, governance and compliance KPIs, including:

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

Examples of specific actions in FY21

- Lobbied government on introducing cement import tariffs to support local industry
- Regularly updated government departments on any strategic business of national interest
- Monitored all energy-related activities through energy management systems (EnMS)
- Renewed all PPC South Africa's atmospheric emission licences (AELs) to align with the 2020 Minimum Emission Standards
- Successfully registered and subsequently approved on the GHG emissions reporting platform in South Africa where GHG data is captured for carbon tax purposes
- PPC Zimbabwe awarded the CSR Network Provincial Awards for environmental stewardship, responsible investment and top COVID-19 Fight supporting organisation
- Continued to enhance compliance training processes and standardise compliance monitoring

SUPPLIERS

Capitals impacted

Why these stakeholders are important to PPC

PPC nurtures 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, among others, ensure compliance with the transformation agenda

Examples of specific actions in FY21

- Ensured timely payment of suppliers, particularly during COVID-19-related lockdowns
- Ensured the continued safety of contractors through additional onsite training
- 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
- Each region developed its own vetted and preferred supplier list, taking into account regulatory requirements (such as broad-based black economic)

More information on how PPC's operations performed during the year is detailed on pages 31 to 46.

EMPLOYEES AND LABOUR UNIONS

Capitals impacted

Why these stakeholders are important to PPC

As the lifeblood of the business, PPC's employees drive its strategy and achieve its objectives; therefore, it is fundamental that PPC's workforce is safe and healthy, diverse, competitive, skilled and motivated to create and deliver value for stakeholders.

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

Examples of specific actions in FY21

- Protected the health and safety of all staff, and implemented COVID-19 mitigation measures to keep the workforce safe
- Frequently engaged with unions in the various regions in which PPC operates
- Monthly staff engagements through town hall sessions
- Virtual annual culture celebration week held across all sites
- Introduced an 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 %

For more information on PPC's people, refer to the ESSR..

CUSTOMERS

Capitals impacted

Why these stakeholders are important to PPC

Without customers, PPC would be unable to operate. PPC's Strength Beyond promise is its commitment to customers to ensure that the company always provide excellent service while producing quality products. In this way, PPC creates a mutually beneficial relationship with customers.

How PPC creates value for these stakeholders

- Offering premium products, which are regularly tested to ensure quality
- Engaging with consumers on an ongoing basis
- Conducting customer satisfaction surveys every two years
- Implementing branding interventions and strategic marketing initiatives
- Exploring new market segments
- Providing value-added technical support

Examples of specific actions in FY21

- We have partnered with several customers during FY21 who are now fully operational and commercially structured, enhancing value creation throughout the value chain. Launched the fit-for-purpose SURERANGE products across Zimbabwe and Rwanda in 2020

COMMUNITIES, INDUSTRY ASSOCIATIONS, MEDIA 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 and, as such, the company strives to preserve and strengthen its excellent relationships. PPC's goal is to empower communities through varied and extensive CSI projects in consultation and cooperation with residents.

Through engagements with various associations and industry bodies, PPC has input into proposed legislation and regulatory changes 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, national and provincial government departments to implement CSI initiatives

Examples of specific actions in FY21

- Conducted meetings with communities and local leadership
- Sponsored and participated in Mandela Day in South Africa, and other significant days (such as Chinese New Year) across the regions in which PPC operates
- Provided various sponsorships of continuing professional development events
- Provided regular business and COVID-19-related updates to the media and stakeholders
- Sponsored the activities of local non-governmental organisations (NGOs)
- CIMERWA continuously collaborated with professional associations to drive the skills agenda in the cement industry in Rwanda

OUTLOOK

PPC will continue to engage openly, inclusively and transparently with stakeholders to enhance working relationships and deliver on objectives and the Strength Beyond promise. Engagements, prioritised in terms of stakeholder maps, aim 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 in FY22 with stakeholder maps integrated into strategic planning and implementation processes.

MATERIAL RISKS

To deliver on PPC's promises to stakeholders, the company must protect the value it creates. PPC does this by identifying, managing and responding to material risks to ensure it is positioned for optimal growth.

PPC operates in a volatile economic environment, and understands the importance of being agile and responsive to protect the sustainability of the business. Proactively identifying business risks and opportunities, as well as appropriate actions, accountabilities and timelines will not only assist in mitigating risks but also allow PPC to leverage opportunities as they arise.

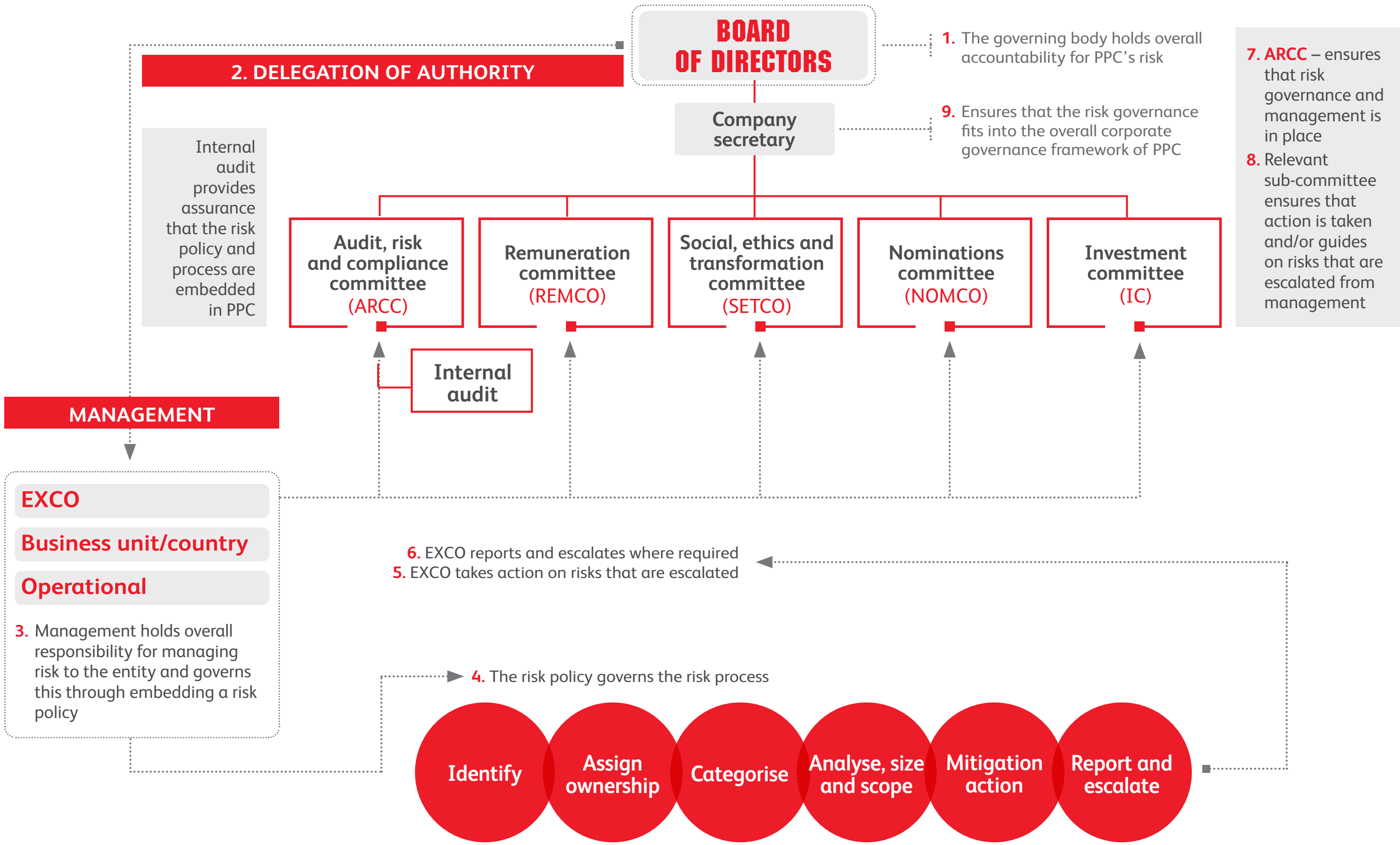
While the board is ultimately accountable for risks to the business, the delegation of authority policy mandates management to govern and manage risk. PPC's risk policy and risk governance and management framework formalises line management's responsibilities regarding risk management. This includes the following:

- How to identify and assign ownership of risks
- How to categorise, analyse and scope risks
- How to mitigate and control risks
- How to report and escalate risks

PPC's risk governance and management framework (see diagram below) details the processes followed in identifying and escalating key risks from operational level to EXCO, and is supported by specialised second line functions.

At an operational level, risks are identified during day-to-day activities, and mitigating actions are instituted if possible. Otherwise, the risk is escalated to the next level of management. From there, if necessary, risks are escalated to the business unit or country management teams, and finally to EXCO and the group board. These escalated risks are then considered in the context of PPC's external environment and its strategic planning process. The top-down and bottom-up approach ensures that all relevant risks are considered. Progress against mitigating actions is reported to EXCO on a quarterly basis by the relevant country or business unit.

RISK GOVERNANCE AND MANAGEMENT FRAMEWORK



PPC is currently reviewing its risk tolerance matrix to provide consistent definitions to impact labels – such as major, critical, serious, moderate and minor – across risk categories and sub-categories. This, along with an enterprise risk management (ERM) system (Isometrix), will support the maturity of PPC's risk management process.

For more information on our material risks, refer to our CFO's review on pages 48 to 51.

The following key material risks have been identified for FY21, based on the top-down, bottom-up approach:

1

Group capital structure

Why this is material

In recent years, various factors have caused a capital structure PPC considers to be inadequate. These factors include stronger than anticipated headwinds, investments in South African operations and the expansion into international markets.

PPC intends to ensure that each operation has a fit-for-purpose capital structure that, while aligning with the group, does not depend financially on the group.

How this played out in FY21

In FY21, PPC concluded agreements with its South African lenders to extend the tenure of its short and long-term facilities and to defer the requirement for a capital raise to 30 September 2021. A milestone was also reached when PPC entered into a binding sale and purchase agreement for PPC Lime and entered into a settlement agreement with DRC lenders to extinguish PPC's obligation to provide deficiency funding to PPC Barnet.

Outlook and opportunities

PPC continues to de-gear its balance sheet through the performance of the SA operations. Moreover, management has commenced discussions with its SA lenders to review the need for a capital raise should the business de-gear to a sustainable debt capacity which will be assisted by the sale proceeds from the PPC Lime and Botswana Aggregates businesses.

2

Substandard cement quality of competitors, namely blenders and imports, in the South African market

Why this is material

Cement is the main ingredient to produce concrete that in turn is used to produce buildings, bridges and other forms of infrastructure. Substandard cement quality can lead to serious risks for the health and well-being of the users of the infrastructure. It also might undermine confidence of the public in the use of cement as building material.

While PPC adheres to all required quality protocols, it has observed that certain blended cement producers and traders of imported cement do not always apply the same level of quality control.

To remain sustainable, the cement industry must be protected from unfair competition of substandard products whether blended locally or imported

How this played out in FY21

- The Concrete Institute (TCI), in partnership with other industry players and producers, lodged an appeal with the International Trade Administration Commission (ITAC) to impose measures on cement imports in the South African market
- As a vital industry in South Africa, cement manufacturing contributes to tax revenue and job creation and is currently operating far below its supply potential. Imposing measures on imports from countries such as China and Vietnam will not only protect the industry and local cement producers but also consumers as the use of cheap imports that do not hold SABS standards of approval can be a safety hazard
- PPC believes that the Department of Trade, Industry and Competition (dtic) campaign encouraging consumers to 'buy local', along with mitigating measures to deter construction companies from using substandard cement, will assist the industry in curbing the use of such products

Outlook and opportunities

Going forward, PPC will persevere in its efforts to defend the cement industry and its strategic position within the broader economic context of South Africa to stop the destruction of value in the cement industry.

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

The company appreciates the opportunities that the dtic has afforded the cement industry by approving the designation of locally produced cement and prohibiting imported cement for those contractors working on government projects.

However, while the designation has been approved, the chief procurement officer still needs to gazette it formally.

3

Climate change and the need to reduce environmental impact

Why this is material

The industry is associated with significant outputs of carbon dioxide (CO_2) emissions during its manufacturing process. Therefore, it is imperative that PPC develops strategies to reduce its emissions and, in turn, reduce its impact on the environment.

How this played out in FY21

- PPC participated in government's consultative processes on climate change-related policies and measures
- PPC actively find ways to improve its energy and process efficiencies to reduce its carbon footprint
- Stakeholder and investor groups are placing pressure on the industry to implement drastic action and to disclose their financial and environmental impacts comprehensively
- PPC has initiated a project to understand the implications of disclosing information according to the Task Force on Climate-related Financial Disclosures (TCFD)

For more information on PPC's environmental initiatives, refer to pages 15 to 24 in the ESSR.

Outlook and opportunities

As a leader in the cement industry, PPC is committed to preparing the way for future projects and supporting research and development efforts to reduce clinker factors, CO_2 emissions and energy consumption.

PPC welcomes engagement with interested and affected stakeholders on matters relating to climate change.

4

Internal process control framework

Why this is material

PPC's internal process control framework is imperative to create confidence in its ability to create value and, as a responsible corporate citizen, the company embeds these frameworks across the business.

Shareholders entrust PPC with their capital, and it is the company's responsibility to provide them with combined assurance on how it makes decisions and manages risks.

How this played out in FY21

- PPC is currently embedding its risk governance and management framework throughout its operations
- PPC has identified certain weaknesses in its financial control environment but has managed to strengthen the controls over group consolidations and annual financial statement preparation processes. A more robust control environment is necessary to improve financial reporting and PPC has embarked on a process to redesign and implement the financial reporting controls.
- PPC's legal and compliance function is maturing through segmentation of the group's compliance framework into distinct "centralised" and "decentralised" compliance risks. Centralised compliance risks will be managed by the group legal and policy compliance function, while decentralised compliance risks will be managed by specialists in each discipline

Outlook and opportunities

We are in the process of developing a combined assurance policy and framework – requiring the implementation of various supplementary frameworks:

- **Risk governance and management**
- **Compliance monitoring**
- **Financial reporting control**

PPC's combined assurance committees will be improved upon during FY22 to provide aligned assurance on the control environment. It is estimated that strengthening and rebuilding PPC's internal control environment will take about 12 to 18 months, and will require significant investments in IT systems, processes and skills.

5

Regulatory environment

Why this is material

As a multinational organisation, it is PPC's responsibility to comply with the different regulatory and legislative requirements of the regions in which it operates.

How this played out in FY21

- PPC conducted a comprehensive review of its regulatory universes
- PPC keeps abreast of any legislative changes, and continually engages with regulatory authorities to remain compliant
- A risk compliance matrix was developed for all regions, as well as mitigating action plans
- PPC initiated compliance training on areas of the law where non-compliance would result in administrative action against the company and/or its directors

Outlook and opportunities

Going forward, PPC will continue to enhance its compliance training processes, review the efficacy of its policies and procedures, standardise compliance monitoring, and initiate action plans to guide the company during ongoing stakeholder engagements. These actions will ensure PPC's compliance with country-specific regulations and legislations.

6

Consistent application of the basics in performance management and employee engagement

Why this is material

PPC strives to be a high-performance organisation, and its people drive and deliver on its strategy. By developing a committed, engaged and focused workforce, PPC believes it can reinforce and strengthen its place as a leader in the industry.

How this played out in FY21

- PPC initiated its quality in leadership programme, which aims to create an energetic, responsive, purpose-led and performance-driven culture within the organisation
- PPC standardised and captured short-term incentive (STI) objectives on its group-wide Oracle Fusion performance management system

Outlook and opportunities

Going forward, PPC will continue to roll out its Oracle Fusion performance management system and capture all performance objectives and job models.

The company will continue on its Quality in Leadership journey through keeping employees engaged in co-creating elements of the journey. The end result will be an employee experience where:

- **Everyone has clear purpose and direction**
- **Everyone knows what to focus their energy on daily**
- **Everyone has the resources and competences to do their job safely**
- **Execution takes place through effective stakeholder engagement**
- **Teams regularly review their performance**
- **Performance, health and safety standards**

7

Capability to utilise access to process and product innovation

Why this is material

The global cement industry is characterised by a number of large companies that have a significantly greater ability to focus on research and development compared to companies like PPC. Through partnerships and the membership at the World Cement Association, PPC aims to access the latest available trends and technologies to apply its “fast follower” innovation strategy.

How this played out in FY21

- PPC actively participates in several initiatives to expand its knowledge base and contribute towards the mitigation of climate change, including the Just Transition initiative and the King IV sub-committee on climate change
- PPC’s participation in the World Cement Association helps it to benchmark against international cement producers. This helps PPC to learn from others in order to improve important parameters such as electricity consumption

Outlook and opportunities

PPC is cognisant that it may have to be a ‘fast follower’ in the innovation space, as larger companies in the industry have more resources for research and development. To this end, the company keeps abreast of the latest technological solutions as it relates to the net zero race.

In addition, PPC is always on the lookout for wider process, product and technological innovations that can assist in its cost reduction objectives and its principle of simplify, standardise and automate.

8

Credibility to external stakeholders

Why this is material

It is important that PPC remains trustworthy in the eyes of stakeholders who are becoming increasingly impatient with inaction instead of follow-through on promises.

For PPC to create value and deliver on its strategy, it is integral that the company meets stakeholders’ expectations timeously.

How this played out in FY21

- PPC’s continued enhancement of its strategy process, and its Value Creation Framework reflects its commitment to delivering on promises to stakeholders
- PPC recognises that it has a responsibility to provide financial returns on the capital that is provided to the company, and to do so, it must strive to delight customers, keep employees safe and engaged, and satisfy communities and regulators
- PPC holds regular engagements with stakeholder groups during the year to ensure that customers, employees, investors, community members and other stakeholders have the opportunity to give their opinions and ideas freely, and allow the company to take further action

Outlook and opportunities

The only way to maintain PPC’s credibility with stakeholders is to consistently deliver on promises and achieve results in line with commitments and targets.

PPC’s strategy process includes three-year targets and key performance indicators (KPIs), which are focused on meeting stakeholder commitments.

A STRATEGY THAT DRIVES PERFORMANCE TO SUSTAIN PPC'S PURPOSE

PPC aims to create value for stakeholders by fulfilling its purpose and delivering on its promises. PPC's Value Creation Framework comprises six elements, defined according to its strategic focus areas and their related key performance indicators (KPIs). It is important that, as an organisation, PPC concentrates on material issues that will create value.

During FY20 and FY21, PPC's focus was on 'getting back to basics' and creating a stable financial environment, allowing PPC to consider future growth options.

Purpose and corporate social responsibility

Why is this important

PPC's commitment to being a responsible corporate citizen is a crucial part of how it operates. In driving its purpose – to empower people to experience a better quality of life – the company continues to build a leading African company focused on meaningful engagements with communities, implementing socio-economic development projects and reducing its impact on the environment.

What this means

- Executing community development plans
- Protecting the safety of PPC's people
- Reducing emissions, waste and water consumption
- Carrying out mine rehabilitation plans

How PPC will achieve its targets

- Cultivating safe operating conditions to eliminate fatalities
- Optimising operations
- Driving innovation to deliver quality products and reduce environmental impact
- Meeting rehabilitation commitments
- Contributing to the construction of homes, schools and roads in communities

Related material risks

3 Climate change and the need to reduce environmental impact

7 Capability to utilise access to process and product innovation

8 Credibility to external stakeholders

Governance and compliance

Why is this important

As a multinational, PPC must remain aware of any changes in its regulatory landscape. This is especially relevant given the current economic environment. PPC continues to enhance its policies and procedures to respond to any changes, thereby ensuring it achieves its strategic objectives.

What this means

- Eliminating repeat internal and external audit findings
- Achieving zero regulatory penalties
- Enhancing the execution rate of identified improvement actions

How PPC will achieve its targets

- Strengthening PPC's internal governance structures by adopting a formal, five-pillar corporate governance framework
- Embedding the combined assurance framework to integrate and align assurance activities across departments
- Implementing an ERM system to ensure effective risk governance
- Enhancing the compliance monitoring framework and processes
- Focusing on financial reporting internal controls

Related material risks

5 Regulatory environment

8 Credibility to external stakeholders

Delighted customers

Why is this important

To be successful, PPC needs to consider the requirements of customers in all business decisions. PPC exists because of its customers, and engaging with them is PPC's highest priority. The company aims to delight customers who see value in PPC's quality products and services, and are proud to be associated with the brand.

What this means

- Ensuring customer satisfaction
- Driving volume retention rate by customer
- Measuring product quality indicators

How PPC will achieve its targets

- Maintaining a consistent supply of diverse, high-quality products
- Leveraging technology to enhance customer experience
- Resolving queries and complaints swiftly
- Providing accurate and relevant technical advice
- Driving improvements in environmental performance

Related material risks

2 Substandard cement quality of competitors, namely blenders and imports, in the South African market

8 Credibility to external stakeholders

A STRATEGY THAT DRIVES PERFORMANCE TO SUSTAIN PPC'S PURPOSE continued

Engaged people

Why is this important

As a purpose-led and performance-driven organisation, it is imperative that PPC creates a culture of internal engagement aligned with, and focused on, delivering on its purpose. PPC believes this will naturally motivate its people to create value for stakeholders, enabling them to come to work with a sense of purpose and leave with a sense of achievement.

What this means

- Augmenting engaged and motivated people
- Driving productivity per employee
- Focusing on employee development
- Focusing on the succession cover rate for key positions

How PPC will achieve its targets

- Cultivating a culture of zero harm
- Developing talent
- Offering fair, performance-based rewards and benefits
- Implementing culture change initiatives to drive an energetic, responsive, purpose-led and performance-driven culture

Related material risks

6 **Consistent application of the basics in performance management and employee engagement**

Process excellence

Why is this important

PPC aims to simplify, standardise and automate by implementing effective and efficient processes across its value chain, in operations and logistics spaces, and with key support processes. Doing so will allow the company to deliver quality products to customers at the lowest possible cost. This, along with PPC's world-class technical capabilities, supports its efforts to actively minimise the adverse impact of its operations on the environment.

What this means

- Improving overall equipment efficiency (OEE)
- Containing fixed costs, variable costs per tonne and administration costs
- Reducing clinker factor in products

How PPC will achieve its targets

- Reducing fixed and variable costs across operations
- Driving cost savings to improve competitiveness
- Improving cost efficiency throughout the value chain
- Focusing on innovation to enhance production efficiencies and environmental performance

Related material risks

4 **Internal process control framework**

7 **Capability to utilise access to process and product innovation**

Financial performance

Why is this important

To be sustainable, PPC has to actively manage the funds entrusted to it by shareholders and lenders to ensure it creates sustainable returns in excess of our cost of capital for stakeholders.

What this means

- Improving EBITDA margin
- Increasing free cash flow
- Improving net working capital (NWC) as percentage of revenue and cash conversion ratio
- Focusing on economic value creation

How PPC will achieve its targets

- Focusing on cash generation
- Managing capital expenditure
- Addressing capital structure and positioning the business for growth
- Capturing the benefits from an upswing in cement demand
- Improving cost competitiveness
- Strengthening internal processes and controls

Related material risks

1 **Group capital structure**

8 **Credibility to external stakeholders**

6 **Consistent application of the basics in performance management and employee engagement**

2 **Substandard cement quality of competitors, namely blenders and imports, in the South African market**

South Africa

MITIGATING THE IMPACT OF COVID-19

PPC assists with COVID-19 mitigation measures in employees' communities.

Addressing the impact of COVID-19, Malekanyane Social Development Organisation has delivered 100 food parcels, personal protective equipment and home-based healthcare for elderly people, valued at R57 000, in Atteridgeville, Pretoria, with PPC's assistance.

Run by Claudia Malekanyane Munyai, a devoted social worker, and more than 210 volunteers, the organisation reaches 15 communities in Pretoria West and surrounding informal settlements near PPC's Mooiplaas aggregates quarry.

SOUTH AFRICA AND BOTSWANA CEMENT

PPC has cement plants in five of the nine South African provinces – the Western Cape, Eastern Cape, North West, Limpopo and Gauteng – which are split into two business units: inland and coastal. These plants have a combined installed capacity of 7mtpa. In Botswana, PPC has a milling operation in Gaborone and warehousing and distribution facilities in Palapye and Francistown that enable it to supply cement and aggregates across the country.

KEY ACTIONS TAKEN DURING FY21

SOUTH AFRICA

Inland

- Continued with efforts to improve operational efficiencies through cost containment and optimal sourcing
- Reduced fixed costs by R29 million (annualised)
- Focused supply and distribution into sustainable-margin regions
- Pursued opportunistic sales as a result of being able to respond to increase demand better than competitors
- Improved clinker reactivity at mega-plants to further enhance the SURERANGE product line and launched SURECAST at Hercules and Dwaalboom
- Supplied cement to significant projects, including the Montrose City mega-development, Sasol Secunda, Exxaro Matla and the Balwin Munyaka housing development

Coastal

- Optimised logistics with direct deliveries from the factory, eliminating double handling at the Montague Gardens depot
- Rationalised overhead structures through mothballing of the Montague Gardens depot and Port Elizabeth bagging operations
- Implemented a strategy focused on higher-margin products
- Implemented overburden outsourcing at Riebeeck to reduce the capital expenditure demands of mine
- Disposed of non-core properties
- Supplied cement to significant projects, including Capitec head office, Saldanha Oil and Roggeveld wind farms

BOTSWANA

- Increased revenue contribution through enhanced customer diversification, direct supply to key infrastructure projects

SOUTH AFRICA AND BOTSWANA CEMENT continued

FY21 FOCUS AREAS

SOUTH AFRICA

Inland

- Further restructuring operations to align with market demand and reduce fixed costs
- Enhancing the total value proposition by offering consistent product quality and industry-leading service from a highly respected technical support team
- Improving clinker reactivity across operations to reduce clinker factor, thus allowing for a lower carbon footprint per tonne of cement
- Optimising the efficiency of existing assets to improve profitability
- Continuing with innovative energy management at mega-plants
- Further entrenching and enhancing the route-to-market strategy to improve cost efficiencies through logistics optimisation
- Initiating maintenance spares reduction project

Coastal

- Determining the feasibility of cement with a reduced environmental footprint for future development
- Optimising existing assets and footprint to improve profitability
- Enhancing the total value proposition by offering consistent product quality and industry-leading service from a highly respected technical support team
- Further entrenching and enhancing the route-to-market strategy to improve cost efficiencies through logistics optimisation
- Focusing on cost containment to ensure local competitiveness with imported alternatives
- Optimising SURETECH to offer a high-performance product in the concrete product manufacturers' (CPM) space

BOTSWANA

- Increasing customer diversification
- Maximising the value of the cement operations in Botswana through diversifying away from the aggregates operating segment
- Optimising operational efficiencies and revenue margins by sourcing fly ash locally from Morupule

OUTLOOK

SOUTH AFRICA

Inland

Demand for South African resources will continue to drive investment into the mining sector and supporting infrastructure. The committed investment towards strategic infrastructure projects (SIPs) will ultimately create more cement demand in the construction and industrial segments. Government is implementing a low-cost social housing programme to improve the quality of the country's housing stock and improve living conditions, which will also help stimulate cement demand.

Trading conditions will remain highly competitive. The current high-retail demand is expected to flatten, which will limit price growth. PPC will continue to build on progress made in FY21 by maintaining its pricing momentum and entrenching a focused route-to-market strategy while integrating the cement and materials business, which is expected to yield positive results. The company will focus on pricing and reducing its cost of production to remain competitive.

PPC will also continue to engage with relevant stakeholders, such as the International Trade Administration Commission (ITAC) on cement imports and the National Regulator for Compulsory Specification (NRCS) on substandard blender products.

Coastal

Coastal cement demand will remain under pressure given the renewed availability of imports in the market. Pricing pressures are also expected to continue. Imported slag will be brought to the market in the second quarter of FY22 if market demand is anticipated. A lack of infrastructure projects in the Western Cape will result in declining volumes in the segment.

SOUTH AFRICA AND BOTSWANA CEMENT continued

TRADING CONDITIONS DURING FY21

SOUTH AFRICA

Inland

Strong recovery in cement demand post the easing of the initial lockdown restrictions. Sales to the retail sector were the primary drivers of cement demand with particularly robust demand in the rural and informal market. PPC also took advantage of opportunistic cement sales due to its ability to respond to the increased demand in more innovative ways than competitors.

DEMAND	PRICING
There was a marked increase in demand in the retail segment, accompanied by strong demand in the latter half of the year in the industrial and construction segments	Prices were increased to recover input cost inflation

Coastal

Subdued demand, with increased pressure from imports in the Eastern Cape and Western Cape markets, following the easing of the lockdown restrictions.

DEMAND	PRICING
■ Subdued cement demand was partially offset by the lack of imports during the initial COVID-19 lockdown ■ The return of imports put pressure on cement sales	Prices adjusted to reflect input cost inflation following the easing of the COVID-19 lockdowns

BOTSWANA

Fiercely competitive market with pressure on volumes.

DEMAND	PRICING
PPC experienced high and persistent demand supported by Botswana's Economic Recovery and Transformation Plan (ERTP) within low supply conditions following business disruptions as a result of COVID-19	Prices were increased to recover cost inflation

OUTLOOK

BOTSWANA

PPC remains cautiously optimistic as local and global markets recover, presenting growth opportunities in the market. PPC has seen encouraging sales recovery in the last three quarters of FY21 with satisfactory indications that this level of demand will continue. Further prospects of growth are backed up by a solid pipeline of projects that PPC will support into FY22.

SOUTH AFRICA AND BOTSWANA CEMENT continued

FINANCIAL IMPACT

SOUTH AFRICA & BOTSWANA CEMENT

South Africa and Botswana cement volumes increased by approximately 6%, driven by sales to the retail sector with robust demand experienced in the rural and informal markets. Growth in the inland areas offset declines in the coastal regions and Botswana. A muted recovery in commercial construction activity and the unavailability of slag following the closure of Saldanha steel accounted for the decrease in sales in the coastal regions. In the last quarter of the financial period, sales trends suggest stabilisation in demand in the coastal areas.

South Africa and Botswana cement revenues increased by 7% to R5 196 million (March 2020: R4 843 million). The inland region and Botswana accounted for 73% of cement sales relative to 66% in the prior year. EBITDA improved by 41% to R866 million (March 2020: R613 million) with a margin of 16,7% (March 2020: 12,7%). EBITDA margin benefited from increased cement sales, higher realised prices and stringent cost control.

SOUTH AFRICA AND BOTSWANA MATERIALS

PPC materials consists of three divisions: aggregates, fly ash and ready mixed concrete. Aggregates operates in both South Africa and Botswana while ready mixed concrete operates in South Africa. Ash operates in South Africa and exports product into southern Africa.

With a total of five quarries, aggregates is situated in Gauteng (two quarries), Gaborone (one quarry), Francistown (one quarry) and in Mokolodi in Botswana (one quarry). Ash operates at Kriel power station and Sappi Ngodwana in Mpumalanga, South Africa. Readymix concrete has 27 operations throughout South Africa, in Gauteng, North West, Limpopo and Mpumalanga.

KEY ACTIONS TAKEN DURING FY21

Restructured all operations in response to the COVID-19 pandemic

Successfully supplied readymix to the new DSV warehouse in Kempton Park. This project saw the largest jointless floor constructed in South Africa with panels exceeding 2 500m² cast daily

The aggregates business launched a route-to-market strategy that specifically targeted the micro-CPM market. The strategy has proved to be successful as the business is experiencing significant growth in this sector

Increased revenue contribution in Botswana through enhanced customer diversification and direct supply to key infrastructure projects

Entrenched product basket offering as a competitive advantage in Botswana

OUTLOOK

FY21 was a year of consolidation and restructuring to align the business with anticipated market conditions. PPC invested a significant number of resources in optimising operations to handle the expected increase in demand for products in FY22. PPC's fixed costs reduced due to the restructuring process and a concerted effort was made to reduce variable costs. The company is very confident that these initiatives will bear fruit in the next financial year and will return the business to full profitability.

SOUTH AFRICA AND BOTSWANA MATERIALS continued

FY21 FOCUS AREAS

- Reducing operating costs and focusing on higher margin markets
- Expansion into the informal sector
- Ensuring that customers received their products on time while maintaining our usual levels of quality
- Expansion of group synergies

TRADING CONDITIONS DURING FY21

- Lost six weeks of sales due to the hard lockdown
- Recovery in readymix demand in Gauteng but the rural market remained under pressure
- Fly ash business benefited from the lack of slag in the market
- Aggregates sales increased in Gauteng, while sales to the steel sector was lower

DEMAND

- Volumes declined across all segments of the business

PRICING

- Prices were under extreme pressure, especially in the readymix and aggregate divisions, while fly ash enjoyed a price increase due to increased demand
- In Botswana, PPC managed to increase prices marginally to recover operational costs

FINANCIAL IMPACT

Revenues for the materials division decreased by 4% to R991 million (March 2020: R1 031 million) due to a decline in volumes across all segments of the business. EBITDA reduced to a loss of R8 million (March 2020: R4 million profit). Management is implementing several initiatives to improve the profitability of this business.

SOUTH AFRICA LIME

PPC Lime is located on an extensive reserve of metallurgical quality limestone and dolomite stone in the Northern Cape. PPC produces reactive lime, hard burnt lime, hydrated lime and burnt dolomitic lime in three modern pre-heater rotary kilns. PPC Lime is the leading supplier of these products to key industries, including steel and alloys, gold, uranium and copper mining, non-ferrous metals, sugar refining, water treatment and flue gas desulphurisation.

KEY ACTIONS TAKEN DURING FY21

- Ensured the safety and health of PPC Lime employees during the COVID-19 pandemic
- Managed cash flows to ensure the long-term sustainability of the business
- Made good progress in enhancing the product offering from PPC Lime's Mpumalanga depot by commissioning two mills for the production of fine lime products

OUTLOOK

South African iron and steel production is finally ramping up from FY20 levels and, considering the almost total shutdown of steel production in the first quarter of FY21, PPC expects much-improved sales volumes in FY22. Capitalising on several other opportunities in the market will further support volume growth.

FY22 should see the full impact of right sizing Lime Acres equipment and staffing to current production volumes and other initiatives to reduce variable and fixed costs.

SOUTH AFRICA LIME continued

FY21 FOCUS AREAS

- Keeping customers satisfied and exploring possibilities to serve new customers
- Aligning fixed costs to reduced sales volumes after the closure of Saldanha Steel and focusing on further improving operational efficiencies and variable cost per tonne
- Ensuring the safety and health of team members and families during the COVID-19 pandemic

TRADING CONDITIONS DURING FY21

The year was dramatically impacted by the COVID-19 pandemic. Trading conditions were extremely harsh with low South African steel production and COVID-19 lockdowns impacting most customers. During the hard lockdown period, only customers classified as essential services remained operational. After the hard lockdown, other customers were slow to recover due to a combination of operational challenges and generally tough economic conditions.

DEMAND

- While demand was initially suppressed as a result of COVID-19, it began to recover during the fourth quarter of FY21 with indications for a further recovery during FY22

PRICING

- Average burnt product price per tonne increased by approximately 12 % as a result of both customer mix and annual product price increases

FINANCIAL IMPACT

Revenue declined by 26% to R604 million. Burnt product sales volumes declined with 37% due to the closure of Saldanha Steel, as well the impact of COVID-19 related lockdowns on customer operations and sales. Initiatives are underway to optimise costs and diversify the customer base to mitigate these challenges, and a strong recovery is expected. Strict cost management and focus on net working capital reduction have resulted in a more robust cash generation than the prior year. EBITDA contracted by 97% to R3 million due to the decline in volumes.

Variable cost of sales remained constant from the prior year driven by tight cost controls

Total fixed cost of sales increased with 10% year on year

ZIMBABWE

PPC Zimbabwe is the largest cement manufacturer in Zimbabwe. Its three factories include a clinker plant in Colleen Bawn and milling plants in Bulawayo and Harare with a total installed capacity of 1,4mtpa.

KEY ACTIONS TAKEN DURING FY21

- Continued to supply the Hwange thermal power station and Beitbridge Border Post Renovation
- Launched an electrostatic precipitator (ESP) to baghouse conversion at Colleen Bawn to reduce process dust emissions, which is aligned to world benchmark performance standards, with commissioning targeted for March to April 2022
- Ordered a bucket elevator retrofit at Colleen Bawn aimed at reducing electrical energy consumption and improving process efficiency with commissioning targeted for November 2021
- Completed roofing and cladding of coal storage facility at Colleen Bawn to improve material handling and decrease stormwater pollution and fugitive dust emissions
- Installed a 15MVA voltage regulator at Colleen Bawn to reduce downtime related to overvoltage and undervoltage
- Upgraded Bulawayo Packers to improve reliability and align with models supported by original equipment manufacturers (OEMs)
- Implemented a new transport management system to increase efficiencies and reduce costs
- Realised logistics savings by maximising backhaul synergies and renegotiating rates
- Launched the SURERANGE products in July 2021 and introduced SUREROAD to the market, bringing the total product offering to six
- Maintained dominance of PPC products in most major cities

OUTLOOK

PPC remains well-positioned to benefit from industry and retail growth as the effects of COVID-19 are reduced. Individual home building and other infrastructure projects are on the rise as government continues to avail funds for construction. PPC aims to continue playing a significant role in national projects and hopes to secure the Batoka project.

The company will focus on the following operational goals:

Colleen Bawn

- Improving environmental compliance following the installation of a bag filter for the main kiln stack in March to April 2022
- Reducing carbon footprint, focusing on thermal and electrical energy efficiencies, consumption and costs

Bulawayo

- Increasing the level of automation to improve customer service, particularly in packaging units
- Continuing to decrease carbon footprint by further reducing clinker factor

Harare

- Continuing to decrease carbon footprint by further reducing clinker factor

ZIMBABWE continued

FY21 FOCUS AREAS

Maintaining EBITDA margins	Optimising industrial performance	Implementing foreign exchange (forex) cash-preservation measures
Implementing the baghouse project	Lobby for import ban	Concluding the solar power purchase agreement

TRADING CONDITIONS DURING FY21

The economic environment in Zimbabwe was greatly affected by the COVID-19 pandemic. The resulting lockdowns increased unemployment and impacted operations, negatively influencing volumes in FY21. Nevertheless, PPC Zimbabwe recovered from the slow start to trade slightly above planned volumes for most of the year. The 75% depreciation of the Zimbabwean dollar against the South African rand, reduced PPC Zimbabwe's contribution to group profitability.

DEMAND

- Industry cement sales increased by 10% to 15% from FY20 for the full year ended 31 March 2021
- Despite COVID-19, imports remained at 9% of total industry sales (FY20: 9%)
- The informal sector contributed more to foreign currency sales, however, the sector was heavily impacted by the COVID-19 lockdown

PRICING

- Cement pricing was adjusted several times over the year to hedge against increased costs. A 3% price increase was realised in November 2020, followed by a further 3% increase in January 2021

FINANCIAL IMPACT

Remained in good standing with lenders by settling all debt obligations on time and complying with all financial and non-financial covenants

Cement sales in foreign currency allowed the company to remain self-sufficient

Declared and paid a gross cash dividend of US$4,4million

Sales volumes up by approximately 10% from the prior year

Revenue decreased by 13% while EBITDA decreased by 32% in rand terms

RWANDA

CIMERWA is PPC's only plant in Rwanda, located in Muganza, Rusizi district, in the south-western part of the country. As Rwanda's only integrated cement producer, CIMERWA mines raw materials, produces clinker concentrate, and packs and sells cement for general and civil construction. The plant has an installed cement production capacity of 0,7mtpa.

KEY ACTIONS TAKEN DURING FY21

- Successfully listed on the RSE on 3 August 2020, thereby becoming the 10th company to list on the bourse. The benefits of listing include a preferential corporate tax rate and access to additional sources of financing
- Supplied over 80 000 tonnes towards the construction of more than 20 000 classrooms across the country
- Improved kiln heat consumption by more than 10%
- Achieved greater than 10% coal substitution with alternative fuels such as peat and rice husks
- Reduced clinker factor
- Achieved record monthly dispatch of 55 000 tonnes in July 2020
- Launched the SURERANGE products, giving customers increased choice
- Significantly strengthened organisational capacity with a new blueprint and injection of new talent
- Implemented new systems – such as SAP ECC and various HR and collaboration tools – to enhance efficiency
- Reduced costs significantly
- Successfully managed the COVID-19 crisis

OUTLOOK

Based on the NKC African Economics report for April 2021, real GDP for Rwanda is forecast to grow at a rate of 7,5 % in calendar year 2021 (CY21). The construction sector is expected to strongly contribute to this growth.

The cement sector in Rwanda has a demand of about 0,8mtpa. Demand is projected to keep increasing with a growing population and an urbanisation population target of around 35 % by 2024. Major projects such as Bugesera International Airport, green cities, model villages and transport infrastructure development will also provide support for cement demand.

Rwanda's Vision 2050 and 'Made in Rwanda' initiatives will provide the impetus for CIMERWA as a market leader to diversify its production range and growth volumes. The future for PPC Rwanda is, therefore, positive.

RWANDA continued

FY21 FOCUS AREAS

- Debottlenecking plant capacity
- Implementing cost-savings programme
- Simplifying, standardising and automating enterprise resource planning (ERP), performance management and payroll systems
- Strengthening route-to-market strategy
- Optimising EBITDA and cash flow
- Targeting zero LTIs through a health and safety improvement programme
- Implementing environmental sustainability programmes
- Providing new building solutions and optimising product portfolio

TRADING CONDITIONS DURING FY21

The operating environment in Rwanda was challenging due to the COVID-19 pandemic with consequent impacts including an operations stoppage at the plant and disruption to the input materials supply chain. A new local market entrant during the year altered the market landscape.

DEMAND

- Demand was driven by large infrastructure projects and exports
- Retail demand declined due to the effects of COVID-19

PRICING

- Pricing was adjusted upwards by approximately 11 % in local currency with effect from July 2020 to mitigate the impact of increasing costs of production
- Average selling prices increased by about 7 % in local currency for the 12 months

FINANCIAL IMPACT

Volumes increased by approximately 8% due to the effective execution of the route-to-market strategy

Revenue increased by 21% while EBITDA increased by 51% despite the lockdown imposed by authorities

Savings of more than US$1,5 million as the result of the cost-savings programme

Variable production costs decreased by 4%

DRC

PPC Barnet is a fully integrated plant near Kimpese in the Kongo Central province, 230km south-west of the capital Kinshasa, where the administrative and sales office is located. The plant has an installed capacity of 1,2mtpa. During FY21, PPC DRC expanded its operations across the interior market with representative offices in Kisangani and Mweneditu.

KEY ACTIONS TAKEN DURING FY21

- Achieved all-time-high daily cement dispatch of more than 3 000kt
- Achieved the highest monthly clinker production since the factory was commissioned
- Achieved maximum clinker factor for both products, which contributed to lower production costs
- Restructured staff for optimal performance under a strong safety culture
- Participated in the 100 days of the president's projects across the city
- Secured exclusive contracts for major construction projects at Lemba Imbu water treatment plant and cultural centre sites in Kinshasa
- Ensured excellent customer services through logistics optimisation and innovation
- Enhanced penetrations and volume growth in the interior markets
- Developed leadership capabilities and young talent empowerment
- Improved engagement with staff through multiple town hall meetings, a newsletter and 360-degree feedback for EXCO

OUTLOOK

- GDP growth is expected to rebound and grow at an average of 4,3 %. PPC expects domestic demand in the relevant markets to increase by approximately 7 % to 1 384ktpa. While striving for a high-performing organisation, the following areas will remain PPC's focus:
  - Customer excellence
  - Financial sustainability and delivering results
  - Operational excellence and performance management
  - People engagement and development
  - Compliance and governance control
  - Corporate social responsibility

DRC continued

FY21 FOCUS AREAS

- Supplying customers with high-quality products at reduced costs
- Reorganising several functions to deploy the new strategy
- Establishing a robust route-to-market strategy to capture demand in all relevant markets
- Containing the effects of the COVID-19 pandemic
- Strategically positioning the company within its stakeholder ecosystem

TRADING CONDITIONS DURING FY21

Trading conditions were affected by an uncertain political climate and the COVID-19 pandemic, which negatively affected the macro-economic environment. The economy went through a recession, with GDP contracting by 2 %.

DEMAND

- Domestic market grew by 2 – 3 %

PRICING

- Prices were stable throughout the financial year, with average selling prices improving by 3 %

FINANCIAL IMPACT

Volumes increased by 16%

Revenue increased by 26%

EBITDA increased by 46%

ETHIOPIA

Habesha Cement Share Company (Habesha), which is 37,9 % PPC-owned, is based 35km north-west of Addis Ababa, the Ethiopian capital, and is optimally positioned to serve the surrounding area. The plant has a designed cement capacity of 1,2mtpa. A new sales depot was commissioned in Addis Ababa in January 2021 to serve end-users at affordable prices.

KEY ACTIONS TAKEN DURING FY21

- Implemented a new organisational structure
- Pioneered 100% local coal use
- Designed new policies and procedure manuals as part of the risk management framework
- Completed the mapping of stakeholders around key areas of operation
- Began the execution of key community projects
- Embarked on a route-to-market strategy to improve value addition to customers

OUTLOOK

Ethiopia's medium-term economic outlook is contingent on resolving the COVID-19 crisis, the pace of economic recovery and the resolution or otherwise of civil strife. Against this backdrop, we will focus on improving cost efficiencies, entrenching the enhanced route to market strategy and overall customer experience.

ETHIOPIA continued

FY21 FOCUS AREAS

- Maximising production capacity
- Improving liquidity
- Implementing new organisational structure and recruiting key personnel
- Reducing costs and improving efficiencies
- Securing key spares through letters of credit (LCs), bearing in mind forex challenges in the country
- Improving relationships with lenders and restructuring debt
- Designing risk management policies and procedure manuals
- Redesigning and strengthening route-to-market strategy
- Using raw materials efficiently

TRADING CONDITIONS DURING FY21

COVID-19 lockdowns adversely impacted demand

- Additional pressure on demand from ongoing conflict in the Tigray region
- Improvements in industry pricing power as industry players increased prices to offset cost inflation

DEMAND	PRICING
Market demand continued to be strong despite lower capacity utilisation of approximately 54 %	Market prices improved significantly over FY21 with most cement companies increasing prices to offset cost inflation

FINANCIAL IMPACT

EBITDA amounted to US$2,5 million

Volumes increased by 12,3%

Revenue increased by 11,3% in US dollar terms

South Africa

IMPROVING EDUCATION IN SOUTH AFRICA

PPC helps advance science education in Gauteng to unlock career opportunities for local youth.

In partnership with the Department of Basic Education, PPC provided two fully equipped science laboratories and 10 smart tablets to the Eletsa and Phelindaba secondary schools near Pretoria. The laboratories enable interactive demonstrations and exam revision, along with the technology and equipment needed to conduct experiments covered in the syllabus.

The mobile science laboratory improves science teaching, learning and, consequently, the pass rate of high school students. Over the past five years, PPC has delivered 33 mobile science laboratories, worth R180 000 each, to schools across South Africa.

CHIEF FINANCIAL OFFICER'S REVIEW

PPC's financial performance in the period under review was resilient despite the challenges faced due to various lockdown restrictions imposed in response to the COVID-19 pandemic.

Overall, PPC achieved improved financial performance and increased demand in certain markets, with de-gearing initiatives progressing well and cost discipline maintained.

In South Africa, cement sales benefited from solid retail demand in the inland region while coastal regions experienced lagged recovery in demand. CIMERWA in Rwanda experienced strong cement sales due to the rollout of government projects, retail demand and exports to the DRC). Although trading conditions in Zimbabwe were characterised by high inflation and a shortage of foreign currency, PPC Zimbabwe grew revenues and EBITDA in functional currency, but the 75% devaluation of the Zimbabwean dollar against the South African rand reduced PPC Zimbabwe's contribution to group profitability. In the materials business, recovery was hampered by the impact of lockdowns although demand increased in some market segments.

SALIENT FEATURES

Improved financial performance (continuing operations)
Group revenue: R8,9 billion (FY20: R8,7 billion)
Group EBITDA: R1,6 billion (FY20: R1,4 billion)
Earnings per share (EPS): 65 cents (FY20: 43 cents loss)
Headline earnings per share (HEPS): 3 cents (FY20: 54 cents)
Cash dividend of US$4,4 million from Zimbabwe in December 2020 and additional US$2,6 million post-year end
Group free cash flow: R0,7 billion (FY20: negative R0,3 billion)
South African gross debt: R1,9 billion (FY20: R2,0 billion)
International gross debt: R0,7 billion (FY20: R1,1 billion)
Significant progress made on capital restructuring

CHIEF FINANCIAL OFFICER'S REVIEW continued

GROUP PERFORMANCE

The group experienced volatile and challenging trading conditions in most of its markets due to the COVID-19 pandemic and its impact on economic activity.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Group revenue

Group revenue for the year for continuing operations increased by 3 % to R8 938 million (FY20: R8 671 million). This was due to the recovery in cement sales following the easing of lockdown restrictions imposed at the beginning of the 2021 financial year. Opportunistic cement sales resulting from PPC's ability to respond to an increase in demand in some markets also contributed positively to revenue growth. Excluding Zimbabwe, group revenue increased by 7 %.

Revenue	Achieved stable revenues despite lockdowns		
Continuing operations	**FY21**	**FY20**	**% change**
Revenue (Rm)			
South Africa and Botswana cement	5 196	4 843	7%
Materials	991	1 031	(4%)
South Africa operations	**6 187**	**5 874**	**5%**
Rwanda	1 128	936	21%
Group sub-total (excluding Zimbabwe)	**7 315**	**6 810**	**7%**
Zimbabwe	1 623	1 861	(13%)
Group continuing operations	**8 938**	**8 671**	**3%**

Expenses

Cost of sales increased by 1 % to R6 877 million (FY20: R6 792 million) compared with the previous year. Lower depreciation expense and efficiency gains offset increases in input cost inflation. Administration and other operating expenditure, including once-off capital restructuring and refinancing costs of R81 million, decreased by 14 % to R1 007 million (FY20: R1 170 million). Administration and other operating expenditure benefited from efforts to improve the group's cost competitiveness.

EBITDA

Group EBITDA increased by 16 % to R1 598 million (FY20: R1 381 million) with an EBITDA margin of 17,9 % (FY20: 15,9 %), due to increased cement sales and lower costs. Excluding PPC Zimbabwe, the group's EBITDA from continuing operations increased by 66 %.

EBITDA	Strong performance on the basis of lower costs		
Continuing operations	**FY21**	**FY20**	**% change**
EBITDA (Rm)			
South Africa and Botswana cement	866	613	41%
Materials	(8)	4	(300%)
Group shared services and other	(83)	(169)	51%
South Africa operations	**775**	**448**	**73%**
Rwanda	342	226	51%
Group sub-total (excluding Zimbabwe)	**1 117**	**674**	**66%**
Zimbabwe	481	707	(32%)
Group continuing operations	**1 598**	**1 381**	**16%**

CHIEF FINANCIAL OFFICER'S REVIEW continued

Headline earnings

Headline earnings from continuing operations decreased from R787 million to R77 million due to the impact of the following non-cash pre-tax items:

- Fair value adjustments and foreign exchange movements resulted in a loss of R376 million (FY20: R151 million gain), mainly due to the strengthening of the United States (US) dollar against the Zimbabwean dollar (ZWL) during the year
- A profit of R251 million in the previous year relating to the DRC put option
- A net fair value gain on the Zimbabwe financial asset of R256 million (FY20: R7 million)
- A net fair value loss on the Zimbabwe blocked funds of R17 million (FY20: R258 million)
- Accounting for Zimbabwe in terms of International Accounting Standards (IAS) 29 Financial reporting in hyperinflationary economies resulted in a net monetary loss of R200 million (FY20: R651 million gain)

Excluding the above non-cash items in the current and the prior year, headline earnings would have changed from a loss of R15 million in the prior year to a profit of R414 million in the current year.

While EPS for the period for continuing operations increased to 65 cents (FY20: 43 cents loss), HEPS reduced to 3 cents (FY20: 54 cents) as a result of the factors mentioned above.

Finance costs

Finance costs decreased by 19% to R283 million (FY20: R349 million) due to lower average borrowings. Finance costs in South Africa decreased by 19% to R161 million (FY20: R199 million) while finance costs in the international operations decreased by 19% to R122 million (FY20: R150 million). The decrease in finance costs was due to a reduction in debt levels in South Africa and Zimbabwe. Excluding unfavourable currency movements, finance costs in the international operations decreased by 26%.

Taxation

The group taxation charge for the year amounts to R742 million relative to a credit of R181 million in March 2020. The effective cash tax rate is 26%, however, the impact of non-cash deferred tax adjustments due to Zimbabwe hyperinflation and deferred tax not raised on certain assessed losses resulted in a disclosed effective tax rate of 42%.

Discontinued operations

Discontinued operations, which include PPC Barnet, PPC Lime and Botswana Aggregates, generated a loss of R1 141 million (FY20: R1 710 million) for the year. Impairments of R761 million for PPC Barnet, at consolidated level to reflect the economic position post the restructuring agreements entered into on 31 March 2021, negatively impacted the results of the discontinued operations and the entire group.

Please read more about our discontinued operations on page 51.

Performance for the year

The total loss for the year, including discontinued operations, reduced to R118 million compared with a loss of R2 388 million in the previous year. Total headline earnings, including discontinued operations, reduced to a loss of R303 million compared with a gain of R205 million in the prior year.

STATEMENT OF FINANCIAL POSITION

On a consolidated basis, the fair value of assets exceeds the fair value of liabilities for the group with total carrying value of assets at R15,8 billion (excluding discontinued operations), compared to total (lender) debt of R2,6 billion (excluding discontinued operations) and total balance sheet liabilities of R5,8 billion (excluding discontinued operations). There is now no longer an obligation on PPC to fund international obligations.

Debt and capital restructuring

Gross debt amounted to R2 628 million on 31 March 2021 (FY20: R5 800 million). The R3 172 million decline in gross debt includes R2 482 million relating to the DRC transferred to liabilities associated with discontinued operations.

Significant progress has been made on the capital restructuring project. The company entered into a binding agreement with PPC Barnet's lenders and R2,5 billion debt liability with recourse to South Africa was removed. A binding agreement was entered into on the sale of the PPC Lime and Botswana aggregates business, with the sale of the businesses expected to generate over R0,5 billion to reduce debt. Furthermore, an agreement was reached to postpone the equity capital raise mandated by South African lenders.

2.10 Gross debt – Elimination of debt with recourse to South Africa (Rm)

CHIEF FINANCIAL OFFICER'S REVIEW continued

CASH FLOW STATEMENT

Cash position

Cash available from operations amounted to R1 022 million (FY20: R273 million outflow). Cash generation benefited from improvements in EBITDA, reduction in working capital absorption and lower finance cost paid. Cash generation and preservation is a key performance measure for PPC.

Net cash outflow from investing activities reduced to R392 million (FY20: R662 million) mainly due to a 36% reduction in investment in property, plant and equipment. Net cash inflow before financing activities improved to R972 million (FY20: R199 million outflow).

DISCONTINUED OPERATIONS

The group classified PPC Barnet, PPC Lime and PPC Aggregates Quarries as non-current assets held for sale, due to pending sales of PPC Lime and PPC Aggregates Quarries and pending restructuring of PPC Barnet, which will result in a loss of control. Therefore, the results, assets and liabilities have been extracted from the consolidated statement of profit and loss and the consolidated statement of financial position to be separately disclosed as discontinued operations.

The group assessed the International Financial Reporting Standards (IFRS) 5 criteria and concluded that the agreement to restructure the DRC met the requirements to present the DRC as deemed held for sale.

For more information on our operational performance, please refer to pages 31 to 46.

OUTLOOK

Despite the recovery in cement demand in most of its markets, PPC is mindful of prevailing uncertainties related to the COVID-19 pandemic and the consequent impact on economic activity. As a result, the group's focus remains on improving cost competitiveness and cash generation. PPC will take the necessary strategic and operational measures to ensure that businesses can continue to serve customers, protect employees and implement strategic initiatives to ensure financial sustainability through all demand cycles. As part of this, PPC will also continue improving the controls with the group's finance function.

On a personal note, I would like to thank my colleagues for the warm welcome I received on joining the group in February 2021. I am especially grateful to my predecessor, Ronel, for the smooth transition as well as her pivotal role in guiding PPC through one of its most difficult periods.

I look forward to working with PPC's dedicated executive team in strengthening the balance sheet and improving cost competitiveness. Looking ahead, I believe the group is well positioned to implement strategic initiatives to ensure financial sustainability through all demand cycles.

Brenda Berlin
Chief financial officer

8 July 2021

SEVEN-YEAR REVIEW

for the period ended 31 March 2021

	Twelve months ended March 2021 Rm	Twelve months ended March 2020[d] Rm	Twelve months ended March 2019 Rm	Twelve months ended March 2018 Rm	Twelve months ended March 2017 Rm	Twelve months ended March 2016 Rm	Six months ended March 2016 Rm	Twelve months ended Sep 2015 Rm
Total assets	**15 807**	17 093	17 651	16 076	18 035	16 389	16 389	15 257
Net working capital[a]	**949**	1 444	907	1 165	1 449	1 119	1 119	978
Total equity	**6 730**	7 553	9 192	7 823	8 385	3 563	3 563	3 164
Gross borrowings	**2 628**	5 800	5 002	4 682	5 736	9 171	9 171	8 221
EBITDA interest cover (times)	**5,65**	3,96	2,88	2,79	2,79	4,17	3,46	4,56
Gross debt to EBITDA (times)[b]	**1,64**	4,20	2,57	2,49	2,78	3,85	3,85	3,48
Number of years to repay interest-bearing borrowings[b]	**1,93**	12,53	3,98	3,27	6,72	5,98	5,98	4,45
Revenue	**8 938**	8 671	10 409	10 271	9 641	9 187	4 501	9 227
Recurring EBITDA[c]	**1 624**	1 504	2 196	2 196	2 074	2 385	1 157	2 424
Recurring EBITDA[c] margin (%)	**18,17**	17,35	21,1	21,38	21,4	26,00	25,7	26,27
Effective rate of taxation (%)	**42,0**	21,0	15,0	67,9	85,0	34,4	30,8	36,61
Recurring EPS (cents per share)	**66,9**	(35,1)	21,6	29	47	111	56	148
Recurring HEPS (cents per share)	**4,2**	62,1	25,9	27	47	110	56	149
Dividends per share (cents per share)	**–**	–	–	–	–	33	–	57
Dividend cover (times)	**–**	–	–	–	–	3,5	–	2,33
Cash generated from operations	**1 375**	728	1 980	2 300	1 871	2 389	813	2 716
Cash conversion ratio	**0,86**	0,53	1,02	1,22	0,91	1,00	0,70	1,1
Dividends paid (Rm)	**5**	–	4	–	8	321	185	559
Investment in property, plant and equipment and intangible assets (adjusted for capital expenditure accruals)	**383**	570	797	927	2 077	3 072	1 188	2 892
Investment in subsidiaries and equity accounted investments	**–**	–	–	42	18	75	75	108
Total shares in issue (net of treasury shares)	**1 508**	1 508	1 505	1 513	1 592	607	667	605
Weighted average number of ordinary shares in issue during the year (000)	**1 508 212**	1 506 788	1 512 292	1 510 163	1 137 338	680 086	526 076	526 022

[a] Net working capital is calculated as follows, inventory plus trade and other receivables (net trade receivables, other financial receivables and prepayments) less trade and other payables (trade payables and accruals and other financial payables).
[b] March 2016 calculated on a rolling 12-month period for EBITDA and cash from operations.
[c] Recurring EBITDA calculated by adjusting EBITDA for non-recurring items.
[d] The 2020 statement of profit or loss and statement of cash flows have been represented to separately disclose discontinued operations. Refer to note 9 of the annual financial statement.

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 2021 Rm	Year ended 31 March 2020[a] Rm
Revenue		8 938	8 671
Paid to suppliers for materials and services	1	(5 948)	(5 762)
Value added		2 990	2 909
Empowerment transactions IFRS 2 charges		–	(16)
Impairments		1 317	(1 946)
Income from investments[b]		15	9
Total wealth created		4 322	956
Wealth distribution:			
Salaries, wages and other benefits	2	1 395	1 515
Providers of capital			
Finance costs (including fair value adjustments on financial instruments)		420	158
Governments	3	147	274
Reinvested in the group to maintain and develop operations		2 360	(991)
Depreciation and amortisation		513	748
Retained profit/(loss) for the year from continued operations		1 023	(678)
Net monetary loss/(gain)		200	(651)
Deferred taxation		624	(410)
		4 322	956
Value added ratios			
Number of employees		2 535	2 779
Revenue per employee (R000)		3 526	3 120
Wealth created per employee (R000)		1 705	344

(a) *The 2020 comparative figures have been represented to separately disclose discontinued operations.*
(b) *Includes interest received and dividend income.*
(c) *Includes restructuring costs of R24 million (2020: R108 Million).*

NOTES

1. Paid to suppliers for materials and services

Barloworld Logistics is the only supplier of services exceeding 10% of total amounts paid. They provide outbound logistics of cement to customers.

	2021 Rm	2020 Rm
2. Salaries, wages and other benefits		
Salaries, wages, overtime payments, commissions, bonuses and allowances[c]	1 236	1 336
Employer contributions (retirement funding, medical and insurance)	159	179
	1 395	1 515
3. Governments		
Normal taxation – Local	8	33
Normal taxation – Foreign	99	189
Withholding taxation	11	7
Municipality rates and levies paid to local authorities	19	20
Customs duties, import surcharges and excise taxes	5	19
Skills development levy	5	7
Cash grants and subsidies received from the government	–	(1)
	147	274

Zimbabwe

ROAD REHABILITATION IN ZIMBABWE

To date, PPC has supplied 45 000 tonnes of cement for the rehabilitation of a major highway in Zimbabwe.

PPC Zimbabwe is ensuring uninterrupted cement supply for the rehabilitation of the Beitbridge-Harare-Chirundu highway – a major southern African trunk road connecting Zimbabwe, Zambia, Malawi, the DRC and South Africa. PPC is also training contractors on site to operate bulk spreader units, helping the workforce manage bag handling and adhere to project timelines.

The highway upgrade also created employment opportunities for the local communities by, and enables trade worth over US$6 billion between Zimbabwe and South Africa every year. It also facilitates movement of commodities to and from Zambia, Malawi and the DRC.

PPC will supply another 180 000 tonnes of cement in the coming year.

CORPORATE GOVERNANCE REVIEW

The board believes that accountability, responsibility and transparency are inextricably linked to good corporate governance. PPC is committed to enhancing its governance practices and, over the years, its approach to governance has become increasingly proactive and inclusive. PPC continuously strives to improve the quality of its management, and decision-making and develops governance standards that enable the company 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. The company also complies with the JSE and Zimbabwe Stock Exchange (ZSE) Listings Requirements.

ESTABLISHING EFFECTIVE CONTROL

PPC has a unitary board, which is ultimately responsible for ensuring the group's overall success. The board is committed to ensuring PPC implements the highest standards of corporate governance to enhance its ability to create and protect stakeholder value over time. As the custodian of corporate governance, the board exercises independent judgement and objectivity in decision-making, considering the company's best interests and those of its stakeholders. Directors exercise the business judgement rule and act honestly, reasonably and in good faith to provide constructive and robust challenges to proposals and decisions.

The board charter 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 all applicable laws and regulations. The board annually reviews and approves its charter.

The board approved an updated delegation of authority framework in FY21. The framework governs the decision-making authority and defines matters reserved for board determination, delegated to management, reserved for specific roles in 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. PPC's independent board chairman and CEO's roles are separate to ensure no single person has unrestricted powers. The board determines the CEO's role, which is formalised in the board charter and managed through an annual scorecard.

Jabu Moleketi, PPC's board chairman, leads the board and guides its proper and effective functioning. He protects the integrity of the group's corporate governance and ensures adequate time is allocated to discuss board matters through a culture of openness and fair debate. Jabu links the board to shareholders and the public. The board annually evaluates the chairman's performance. If his performance is satisfactory, he is re-elected at the AGM.

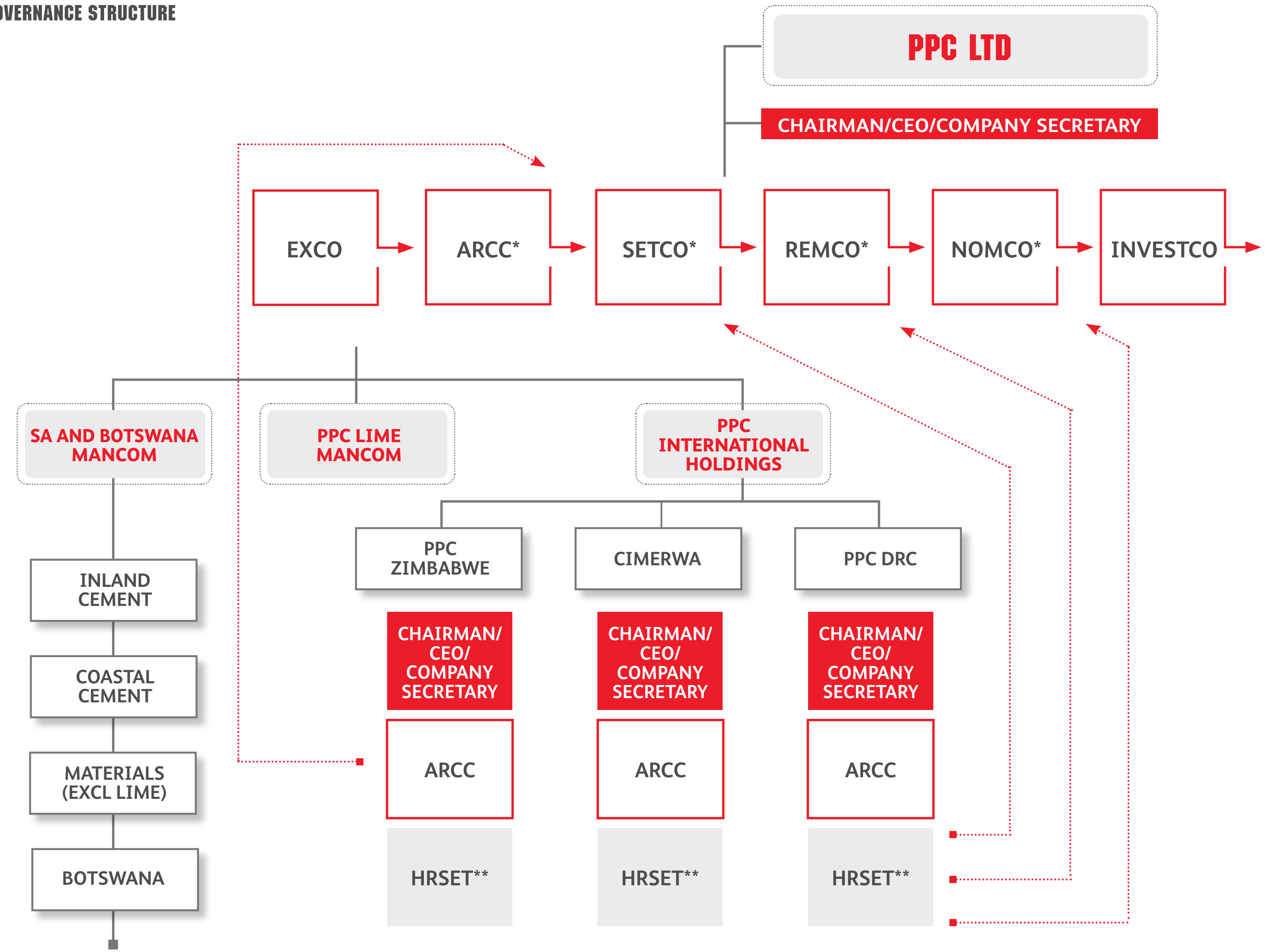
Roland van Wijnen, PPC's CEO, leads PPC's day-to-day operations by executing its strategy (page 28). As the main link between management and the board, he establishes an organisational culture conducive to effective governance and controls. Roland also ensures that PPC meets its financial and operational targets. The CEO may delegate the powers vested in him as he deems fit, provided this aligns with the delegation of authority policy.

Kevin Ross, PPC's head of group legal and compliance and company secretary, guides PPC's directors in their duties, responsibilities and powers. Kevin administers the company's statutory requirements and those of its South African subsidiaries and also 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 rules of the ZSE and JSE Listings Requirements. Kevin acts as a central source of information and advice on ethics and good governance matters for the board and PPC. He has unfettered access to the board, is not a board member and maintains an arm's length relationship with the board. The board annually evaluates the company secretary's performance and independence. After considering the company secretary's competence, qualifications and experience, the board is satisfied that he can effectively perform the role of gatekeeper of good governance in PPC and execute his role and responsibilities.

Refer to page 9 for the chairman's and CEO's qualifications and experience.

CORPORATE GOVERNANCE REVIEW continued

GOVERNANCE STRUCTURE



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

During FY20, PPC's group company secretary hosted a workshop for the company secretaries of PPC's international subsidiary companies. The discussions, which were mainly forward looking, focused on integrating the secretariat function across the group. Building on this workshop, in FY21, PPC executed an approved restructuring plan and combined the roles of group company secretary and group legal and compliance to improve group-wide governance practices. This took effect on 1 January 2021.

PPC's board committees are responsible for managing good corporate governance and improving internal controls and, consequently, PPC's sustainable performance. Each committee's terms of reference are approved and reviewed every year. Terms of reference are based on the skills required by each committee to ensure it has the necessary knowledge, skills, experience and capacity to execute its duties effectively. These committees regularly report to the board on any material issues that may arise.

Audit, risk and compliance committee (ARCC)

Mark Thompson is the ARCC chairman. Along with its statutory responsibilities, 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.

ARCC recommends the external auditor's appointment and oversees the external audit process and the 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, including the IR.

Social, ethics and transformation committee (SETCO)

Nonkululeko Gobodo is the SETCO chairman. SETCO performs its functions as outlined in section 72(4) of the Companies Act and regulation 43, King IV, PPC's memorandum of incorporation (MoI), the JSE Listings Requirements and any other applicable laws or regulatory provisions. 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 matters related to social and economic development, transformation, the environment, health and public safety, stakeholder relationships, and labour and employment.

SETCO assists the board in ensuring that 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 while considering the United Nations Global Compact (UNGC) principles and the Organisation for Economic Co-operation and Development (OECD) policies.

SETCO also reviews PPC's integrated and sustainable development reports with ARCC.

Nominations committee (NOMCO)

Jabu Moleketi is the NOMCO chairman. NOMCO has an independent oversight role, ensuring a formal process for appointing directors is in place. It recommends potential senior and executive candidates to the board for consideration and final approval. NOMCO considers the diversity of the position in terms of gender, race, skills, experience and the expertise required. The committee annually reviews directors' independence, as confirmed in the integrated report.

Together with the company secretary, NOMCO 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 and regularly briefs directors on changes in risks, laws and the operating environment. NOMCO ensures that formal succession plans for board members, the CEO and senior management appointments are developed and implemented. The committee identifies and recommends a replacement for executive directors and provides input on senior management appointments as proposed by the CEO and when necessary.

Remuneration committee (REMCO)

Nono Mkhondo is the REMCO chairman. REMCO assists the board in overseeing and managing PPC's remuneration philosophy and policy to ensure it remunerates fairly, responsibly and transparently, to encourage individual performance and promote the achievement of strategic objectives and positive outcomes over time.

REMCO reviews the outcomes of implementing the remuneration policy against set objectives and ensures all benefits are justified and correctly valued. The committee advises on NEDs' remuneration, considering the results of performance evaluations. The committee also reviews STI schemes and long-term incentive plans (LTIPs) to ensure continued contribution to shareholder value and that these are administered in terms of the scheme rules.

Investment committee (INVESTCO)

Charles Naude is the INVESTCO chairman. INVESTCO assists the board in ensuring that PPC's investment and divestment decisions and operational improvement projects are determined to maximise stakeholder value.

INVESTCO operates within the strategic guidelines established by the board.

Refer to pages 62 to 71 for details about the board committees' FY21 key and future focus areas.

CORPORATE GOVERNANCE REVIEW continued

BOARD OF DIRECTORS

The board leads PPC according to specific framework of controls. The framework aims to assess and manage risks in a way that creates long-term value for stakeholders. The board of directors oversees PPC's governance and is responsible for its strategic direction and control. The board exercises its control in terms of the company's governance framework, which was implemented in FY21 and rolled out to all subsidiaries.

PPC's board is ultimately responsible for managing the company. The directors individually and collectively conduct themselves with integrity, competence, responsibility, accountability, fairness and transparency when executing their duties.

The board's key roles and responsibilities are:

Safeguarding the interests of stakeholders	**Perpetuating a successful and sustainable business**	**Acting with independence of mind**	**Establishing the ethical tone and corporate culture**
Ensuring PPC is and is seen to be a responsible corporate citizen	**Setting the strategic direction**	**Ensuring adequate governance, risk and compliance systems and frameworks**	**Overseeing the effective implementation of a remuneration and incentive model**

The board is satisfied that it fulfilled its responsibilities in accordance with its charter during the year under review.

BOARD COMPOSITION

PPC's board is committed to objectively and effectively leading the company. To this end, the board comprises an appropriate mix of knowledge, skills, experience, diversity, gender and independence. This corresponds with the nature, scale and complexity of the business and its risks. NOMCO evaluates whether the board is effective based on its size, diversity and demographics every two years.

As at 31 March 2021, the board comprised seven independent NEDs and three executive directors.

Refer to page 9 for more information on directors.

The board recognises that diversity at board level is a competitive advantage and key to effective and inclusive decision-making. It considers gender and racial diversity when determining its optimum composition and balance. All board appointments are on merit and based on what the board requires to be effective. SETCO assists the board and approves targets for racial transformation as part of the group's transformation roadmap.

	Gender and racial diversity as at 31 March 2021	Voluntary gender and racial diversity targets for 31 March 2022
Directors who are women	40%	50%
Directors classified as black	50%	60%

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 who will lead PPC to sustainable value creation and growth.

NOMCO, assisted by NEDs and representatives from management, submits qualifying candidates to the board for consideration for the positions of executive directors and NEDs. The directors' appointments to the board are subject to approval by PPC's shareholders during AGMs, and the chairman's appointment is subject to board approval only. 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 27 August 2021, Charles Naude, Nonkululeko Gobodo and Todd Moyo will retire. Charles and Nonkululeko will avail themselves for re-election to the board. No director has served on the board for longer than nine years.

When making recommendations to the board, NOMCO considers the implications of the Mining Charter, the codes of good practice issued by the Department of Trade Industry and Competition (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, as well as sufficient time to effectively fulfil their role as a board member, will be considered for appointment.

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

Refer to page 61 for more information.

Directors may take on other non-executive directorships as long as these do not negatively affect their immediate responsibilities as a director 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.

CONFLICTS OF INTERESTS

The board closely monitors potential conflicts of interest, and its members are required to make annual general declarations. In addition, specific declarations can be made at the start of each board and committee meeting. The board also adopted a conflict of interests policy, clarifying the procedures board members must follow when a conflict arises.

BOARD CHANGES

Several changes were made to the board during the year. Anthony Ball, who served on the board as a NED since March 2018, was appointed as an executive director with effect from 25 June 2020. Anthony, who has extensive experience in business building, investment and corporate finance, served alongside the CEO, during the year – specifically to execute the mandate given by the board to improve the capital structure and lead the related negotiations with local and international funders. This appointment also afforded the CEO the necessary capacity to implement strategic changes and, importantly, ensure the impacts of COVID-19 were appropriately addressed. Anthony also stepped down as chairman of REMCO with effect from 25 June 2020 and was succeeded by Nono.

After Mojankunyane Gumbi retired at PPC's FY20 AGM, the board, through the NOMCO, commenced a search to identify a suitable candidate to appoint to the board. After an extensive search, Kunyalala Maphisa was appointed as a NED on 1 February 2021. Kunyalala was also appointed as a member of INVESTCO and SETCO. Kunyalala is an admitted attorney and has extensive experience in commercial law, mergers and acquisitions, competition law, and project and acquisition finance.

Refer to page 9 for details on PPC's board of directors.

During the year, Ronel van Dijk resigned as CFO for personal reasons. After an extensive search, the ARCC interviewed two potential candidates to replace Ronel and, subsequently, recommended that Brenda Berlin be appointed as group CFO. Ronel continued to assist PPC with the FY21 external audit and will assist with the handover to Brenda who assumed the position of CFO on 1 April 2021.

BOARD AND COMMITTEE MEETINGS

The board has five standing committees who 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 and at least four times annually. The board met twelve times during FY21. The table below summarises scheduled meeting attendance by board members for the period 1 April 2020 to 31 March 2021.

Board member	Board meetings	ARCC	SETCO	NOMCO	REMCO	INVESTCO	AGM
Jabu Moleketi	11/12	–	3/4	4/4	–	–	1/1
Roland van Wijnen	12/12	8/8	4/4	4/4	3/3	4/4	1/1
Anthony Ball[(1)]	12/12	–	–	–	1/3	4/4	1/1
Nonkululeko Gobodo	12/12	8/8	4/4	–	–	–	1/1
Mojankunyane Gumbi[(2)]	6/12	–	3/4	–	–	–	1/1
Nono Mkhondo[(3)]	10/12	8/8	–	3/4	2/3	–	1/1
Todd Moyo	12/12	–	–	4/4	3/3	–	1/1
Charles Naude	11/12	–	–	–	3/3	4/4	1/1
Ronel van Dijk[(4)]	11/12	8/8	2/4	–	–	4/4	1/1
Mark Thompson	12/12	8/8	–	–	–	4/4	1/1
Kunyalala Maphisa[(5)]	3/12	–	1/4	–	–	1/4	0/1

(1) *Anthony was appointed as an executive director on 18 June 2020 and stepped down as the chairman and member of the REMCO.*
(2) *Mojankunyane retired from the board at PPC's FY20 AGM.*
(3) *Nono was appointed as a member and chairman of the REMCO on 18 June 2020, replacing Anthony.*
(4) *Ronel resigned as CFO with effect from 31 March 2021.*
(5) *Kunyalala was appointed to the board with effect from 1 February 2021.*

FOSTERING AN ETHICAL CULTURE

The board of directors is responsible for setting PPC's ethical tone. It strives to uphold an impeccable standard of integrity in its professional and personal relationships. The board is committed to performing its duties in good faith and in a way that promotes the company's standing image across the business and social environments. PPC's trustworthiness in dealing with customers, suppliers, government and other stakeholders must be beyond reproach. Therefore, directors and managers are responsible for ensuring all representatives understand the group's ethos in terms of the business ethics policy, founded on PPC's code of conduct and values.

The business ethics policy clarifies, facilitates and promotes the ethical behaviour expected from PPC's directors, employees and contractors. The policy governs corruption, fraud, suspected fraud and general unethical business behaviour.

CORPORATE GOVERNANCE REVIEW continued

Management is responsible for identifying and preventing fraud, misappropriations and other inappropriate conduct. Employees should alert supervisors, managers, the company secretary, members of SETCO or, confidentially, report it to the PPC ethics hotline, under the guidelines of the approved whistleblowing policy. Management resolves reported unethical behaviour in terms of applicable legislation and notes that in FY21, a forensic investigation into a payroll fraud incident was conducted on controls assigned to employees authorised to load and amend beneficiaries and creditors on payroll. Management can confirm that no other serious matters were reported in the period under review.

The code of conduct and business ethics policy was reviewed and approved during FY21. The policy promotes and encourages ethical behaviour and was adopted to action PPC's core values, guide its relationships and outline its commitment to stakeholders. .

The CEO creates an ethical work environment and maintains a positive and ethical work climate conducive to attracting, retaining and motivating a diverse group of quality employees. The board delegated the responsibility of overseeing the implementation of the PPC code of conduct to SETCO. The group head of legal and compliance is responsible for reporting the company's ethics performance in a formal, written ethics report to SETCO.

Refer to pages 3 to 9 and the ESSR for more information about PPC's key ethical focus areas during the year.

DELIVERING GOOD PERFORMANCE

When considering the group's compliance environment, the board remains mindful of the connection between PPC's strategic environment, material matters, risks and opportunities and, ultimately, its performance. It safeguards the group's financial integrity by reviewing and monitoring the performance of the various business segments.

KEY BOARD DELIBERATIONS DURING FY21

IMPLEMENTING A SUSTAINABLE CAPITAL STRUCTURE

In FY21, PPC embarked on a group-wide restructuring and refinancing project to implement a sustainable capital structure and improve the investment prospects of the group. The project was led by Anthony Ball in his capacity as executive director.

While the initial stages of the process took longer than anticipated – due to the COVID-19 lockdown periods, the number of parties involved in negotiations and the longer turnaround period between virtual meetings – the group made significant progress against key milestones. This includes derisking the group's balance sheet by removing its contingent obligations in relation to PPC Barnet in the DRC. With oversight from the board, management also continues with the process of raising capital in PPC's South African and international markets.

More information is detailed on page 50.

RESPONDING TO COVID-19

The outbreak of COVID-19 resulted in trading restrictions across all jurisdictions where PPC operates. With oversight by the board, PPC implemented a proactive response plan to mitigate the pandemic's effects on the business. PPC established a COVID-19 task force responsible for implementing stringent health and safety protocols and policies across the group to ensure it could maintain production as much as possible.

The company continued to supply quality products to customers where lockdown restrictions allowed. It also ensured that all plants were well-maintained during lockdown to allow for a smooth ramp-up as restrictions eased.

The finance team focused extensively on preserving cash. With this in mind, PPC immediately reduced costs by R150 million – of which R120 million was cash. In South Africa, the company reduced capital expenditure by R125 million. It also deployed detailed liquidity and cash forecast tools.

Safeguarding employees during the pandemic was also central to PPC's response to COVID-19. For more information, refer to the ESSR.

REMUNERATION

Together with REMCO, the board oversees the effective implementation of PPC's remuneration policy to ensure it aligns with PPC's risk appetite and does not encourage inappropriate risk taking. Given the context of the past year, PPC's sustainability was top of mind. Accordingly, through REMCO, the board, among others:

- Resolved that no salary increases be implemented during FY21
- Accepted that NEDs' fees will remain unchanged for FY21
- Approved the FY22 STI objectives
- Approved that the STI payments for FY20 be deferred

More information is detailed in the remuneration report on pages 75 to 92.

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, the business environment and markets, and relevant sustainability matters. It 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 the professional development programmes facilitated by the Institute of Directors in South Africa. Before the outbreak of COVID-19, an international site visit was planned as part of the board's training programme. However, this was postponed due to the pandemic. Instead, a board training session was used as an engagement opportunity between the board and several senior management members across the business.

BOARD AND COMMITTEE EVALUATION

PPC evaluates board committees' effectiveness at least every two years and as required by legislation or best governance practices. The group appointed Issuer Solution Services (ISS) as an independent service provider to evaluate the board, its committees and individual directors' performance.

ISS's evaluation took place over two months, after which feedback was provided to the various committees. Further, one-on-one meetings were held between directors and the chairman to discuss individual evaluation outcomes.

Key takeaways from the FY20 evaluation

Overall, the ISS's evaluation concluded that the board and its committees were performing effectively, and that the chairman is held in high regard by his fellow board members. The evaluation highlighted that the board and its committees consist of individuals with a good base of knowledge and experience across various sectors. They are a team of leaders who are able to execute the business strategy in a successful manner.

The results of the evaluation of committees were also satisfactory when considering their composition, skills and expertise when discharging their responsibilities.

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 adviser and PPC enter into a formal mandate, facilitated by the company secretary.

ENSURING PPC'S LEGITIMACY

As part of its oversight role, the board adopted a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders with PPC's best interests over time. The board delegated the responsibility of stakeholder management to SETCO (whose report is on pages 64 and 65). PPC's stakeholder-inclusive approach helps it understand and proactively respond to legitimate stakeholder concerns. It is managed as a strategic intervention based on overarching group principles.

Stakeholder engagement is a vital part of decision-making and accountability. PPC's stakeholder engagement function provides principles of engagement for the company to interact with its stakeholders. PPC acknowledges that a well-designed and executed stakeholder strategy is critical to maintaining its position now and into the future.

Refer to pages 20 to 23 for more information about stakeholder management.

The board is ultimately 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 SETCO, which monitors matters such as those 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/or services are marketed
- Recording sponsorships, donations and charitable giving
- Ensuring PPC is not complicit in 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 28 for more information about how PPC ensured responsible corporate citizenship.

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

Along with its statutory responsibilities, the ARCC provides independent oversight of the effectiveness of the group's internal audit, finance and assurance functions, risk management, and technology and information governance, in addition to overseeing PPC's compliance with relevant laws and regulations. The committee also assists the board in monitoring PPC's reporting activities, including the annual financial statements, integrated report and other external reporting.

The committee comprises at least three NEDs elected by shareholders at the AGM on recommendation from the nominations committee (NOMCO). All members of the ARCC are independent NEDs with the appropriate qualifications. Furthermore, the chairman of the board is not eligible to chairman the ARCC. The ARCC met eight times during the financial year of which four were extraordinary meetings. The committee met two additional times subsequent to year-end to review and finalise the FY21 annual financial statements. The committee comprised the following members throughout the period:

Membership as at 31 March 2021	Meeting attendance	Appointed to committee
Mark Thompson (chairman)	8/8	19 July 2019
Nonkululeko Gobodo	8/8	7 March 2017
Nono Mkhondo	8/8	30 August 2018
Attendees by invitation		
CEO		
CFO		
Head of group internal audit		
Head of 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 ARCC committee members, refer to page 9.

KEY ACTIVITIES AND FOCUS AREAS DURING THE YEAR

EXTERNAL AUDIT

- Reviewed and approved the fee overrun for the FY20 external audit
- Confirmed the independence and suitability of Deloitte as the company's external auditor and recommended their reappointment for the FY21 external audit
- Assessed and confirmed the experience and expertise of Patrick Ndlovu as Deloitte's designated audit partner
- Reviewed and approved the FY21 external audit's scope of work and annual work plan, together with the proposed external audit fees in relation to South Africa, Botswana, Zimbabwe and the DRC
- The terms of engagement and audit fee for the external audit of CIMERWA in Rwanda were reviewed and approved by the CIMERWA audit committee

NON-AUDIT SERVICES

- Determined the nature and extent of non-audit services offered by Deloitte
- Confirmed that all non-audit services by Deloitte complied with PPC's non-audit services policy

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT continued

REPORTING

- Oversaw the preparation of PPC's FY21 AFS in terms of IFRS and other appropriate standards as required by the JSE
- Considered Deloitte's list of significant matters raised during the FY20 audit and ensured these were addressed during the FY21 audit
- Reviewed key accounting matters affecting the interim and annual results
- Reviewed and recommended the FY21 AFS for board approval and publication to shareholders
- Oversaw management's efforts to improve shortcomings in the group's financial reporting processes, internal financial controls, accounting systems and practices, which emerged during the previous year
- Noted that, due to the current liquidity of the group, no dividend would be recommended
- Reviewed the FY21 integrated report jointly with SETCO, REMCO, NOMCO and INVESTCO, after which the report was recommended to the board for approval
- Identified control weaknesses in the financial reporting process and monitored the actions to mitigate these

INTERNAL AUDIT

- Considered the independence of the internal audit function and satisfied itself that the function is appropriately resourced and qualified
- Considered various internal audit reports and significant audit findings and the relevant management comments and remediations
- Reviewed the formal performance assessment of the head of group internal audit, Candice Putzier, which was found to be satisfactory
- Approved the FY21 annual internal audit plan

CFO AND FINANCE FUNCTION

- Ensured that PPC followed due governance processes during the preparation of the FY21 annual financial statements
- Monitored progress on discussions between PPC and its funders relating to the restructuring of the terms of relevant finance agreement terms
- Oversaw PPC's liquidity plan in light of the COVID-19 pandemic
- Considered and satisfied itself of the appropriateness of the expertise and experience of PPC's CFO, Ronel van Dijk
- Subsequent to year end, on 1 April 2021, Brenda assumed the role of group CFO. The FY21 annual financial statements were prepared under the supervision of Brenda and the committee has satisfied itself as to her qualifications and experience in enabling her to discharge her duties

GOVERNANCE

- Monitored the group's financial risk management processes
- Monitored risks and opportunities relating to IT, as well as the governance thereof
- Considered reports on matters related to fraud and theft-related incidents
- Reviewed and approved the group's compliance management framework
- Oversaw the implementation of the group's risk management policy
- Reviewed and approved the delegation of authority-related policies that fell within the ARCC's mandate

FOCUS AREAS FOR FY22

- Overseeing the continued improvements to the group's finance function
- Addressing control weaknesses identified during the FY21 financial reporting process to ensure PPC has appropriate financial reporting procedures in place and that these procedures are operating effectively
- Overseeing the implementation of PPC's approved compliance management framework
- Focusing on categorising and aligning the risk activities for South Africa and the group's international businesses, and embedding the new risk management system throughout the group

The ARCC is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for FY21 and its statutory duties.

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

Related material risks

- Group capital structure
- Internal process control framework
- Regulatory environment

Related stakeholders

- Shareholders and lenders
- Regulators
- Employees
- Customers
- Suppliers

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

The SETCO provides oversight over PPC's ethical, environmental and social performance. Furthermore, the committee assists the board in ensuring that the group is, and remains committed to being, a socially responsible corporate citizen by creating a sustainable business and having regard to PPC's economic, social and environmental impact on the communities in which it operates.

The committee comprises at least three directors or prescribed officers, the majority of whom are independent NEDs, with the required skills and experience to fulfil their duties pertaining to the company's matters, business and sectors. The committee met four times during the year, of which one was an extraordinary meeting. The committee comprised the following members at year end:

Membership as at 31 March 2021	Meeting attendance	Appointed to committee
Nonkululeko Gobodo (chairman)	4/4	10 November 2017
Jabu Moleketi	3/4	13 April 2018
Mojankunyane Gumbi[(1)]	3/4	2 December 2019
Roland van Wijnen	4/4	6 November 2019

[(1)] *Mojankunyane resigned from the board and SETCO with effect from 16 November 2020.*

Attendees by invitation

Managing director South Africa operations and Botswana

CFO

Head group legal and compliance and group company secretary

Group HR executive[(2)]

[(2)] *Resigned with effect from 31 December 2020.*

For detailed qualifications and experience of SETCO committee members, refer to page 9.

KEY ACTIVITIES AND FOCUS AREAS DURING THE YEAR

GOVERNANCE OF ETHICS

- Oversaw the group's continued drive to implement an ethical culture across all regions
- Reviewed and approved the group's protection of personal information (POPI) policy and whistleblowing policy
- Monitored the forensic investigation into a fraudulent payroll incident
- Reviewed and approved the SETCO terms of reference and annual work plan

RESPONSIBLE CORPORATE CITIZENSHIP

- Focused on promoting equality and preventing unfair discrimination, and specifically focused on fair and equal pay
- Oversaw the group's CSI initiatives
- Approved the strategic framework related to corporate social responsibility (CSR)
- Monitored PPC's sustainability practices and performance, including how this related to health and safety, people, customers, communities, environment and energy, water management and air quality
- Monitored the group's response to COVID-19, including the adoption of stringent health and safety protocols
- Ensured that the company complied with all relevant legislation relating to the environment, and health and safety – including COVID-19-related regulations
- Approved various policies related to responsible corporate citizenship
- Reviewed Deloitte's sustainability report

CULTIVATING AND MANAGING TALENT

- Continued to oversee the group's restructuring processes
- Evaluated the impact of the ongoing restructuring processes on employees' well-being
- Noted and evaluated the results of the first annual employee engagement survey and monitored action plans to address gaps identified

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT continued

- Monitored the group's progress against culture change plans developed in FY20
- Oversaw the coaching programme for the EXCO
- Initiated the second phase of the 360-degree leadership competency assessments
- Assessed how COVID-19 impacted the group's ability to roll out training to employees
- Discussed the group's skills development programmes
- Considered the group's turnover rate, particularly those employees from designated employment equity (EE) groups
- Emphasised the implementation of PPC's snakes and hazards programme to instil a culture of safety awareness

MANAGING STAKEHOLDER RELATIONSHIPS

- Approved the strategic framework related to stakeholder management
- Monitored the alignment of the stakeholder engagement framework between South African and international operations
- Oversaw PPC's public relations, communication, media relations and corporate branding
- Oversaw engagement with stakeholders on the impact of COVID-19 and, particularly, supported host governments and communities in their fight against the pandemic
- Continued to monitor engagement with stakeholders on blenders and imports

TRANSFORMATION

- Ensured that SLPs are aligned across all South African regions, and ensured that the implementation thereof complied with the requirements of the Department of Mineral Resources and Energy (DMRE)
- Oversaw the successful transition of PPC's black economic empowerment (BEE) certificate (based on the DTI Generic Code) to the Construction Sector Code
- Oversaw the implementation of PPC's BEE roadmap
- Approved the winding-up of BEE I and BEE II trusts and special purpose vehicles, subject to any residual value distributed to the beneficiaries
- Considered the development of a new BEE III scheme
- Discussed the establishment of a trust for 11 host communities around PPC mining sites as part of the new BEE schemes
- Focused on managing enterprise and supplier development
- Monitored the group's compliance against the EE plan

FOCUS AREAS FOR FY22

- Continue to focus on fair and equitable pay
- Consider the implementation of a consolidated ethics framework and strategy throughout PPC, as well as conducting a group-wide employee ethics survey
- Continue to monitor the implementation of action plans to address the gaps identified from the employee engagement survey
- Oversee the second employee engagement survey
- Consider utilising an externally verifiable method of measuring and reporting on the impact of CSR activities
- Undertake an external committee evaluation
- Oversee the appointment of the HR manager: South Africa and Botswana to act as stakeholder champion for unions
- Oversee the implementation of quality in leadership programme

SETCO is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for FY21.

Related material risks

- Substandard quality of import cement
- Climate change and the need to reduce environmental impact
- Internal process control framework
- Regulatory environment
- Credibility to external stakeholders
- Consistent application of the basics in performance management and employee engagement

Related stakeholders

- Shareholders and lenders
- Regulators
- Employees
- Organised labour
- Customers
- Communities, NGOs and academic institutions
- Suppliers
- General public

NOMINATIONS COMMITTEE REPORT

The NOMCO has an independent oversight role, recommending potential senior and executive candidates to the board for its consideration and final approval while considering the diversity of the position in terms of gender, race, skills, experience and expertise.

The committee comprises at least three NEDs, the majority of whom are independent, with the required skills and experience to fulfil their duties. NOMCO met four times during the year, of which one was an extraordinary meeting. The committee comprised the following members at year end:

Membership as at 31 March 2021	Meeting attendance	Appointed to committee
Jabu Moleketi (chairman)	4/4	13 April 2018
Nono Mkhondo	3/4	13 April 2018
Todd Moyo	4/4	13 October 2016
Attendees by invitation		
CEO		
Group head legal and compliance and group company secretary		

For detailed qualifications and experience of NOMCO committee members, refer to page 9.

KEY ACTIVITIES AND FOCUS AREAS DURING THE YEAR

- Considered and reviewed the composition of subsidiary boards and the degree of representation of PPC EXCO representatives on these boards
- To ensure the board has the appropriate mix of skills, experience and diversity for it to execute its duties effectively, the following changes were noted in FY21:
  - Mojankunyane Gumbi resigned as NED
  - Kunyalala Maphisa was appointed as NED of the board and member of the INVESTCO and SETCO
  - Ronel van Dijk resigned as CFO with effect from 1 April 2021
  - Brenda Berlin joined PPC as CFO-designate on 15 February 2021 and formally assumed the role of CFO on 1 April 2021
- Oversaw a review of the board's composition, including the independence and diversity of NEDs, and resolved that all NEDs be classified as independent
- Considered the rotation of the board at the FY20 AGM and recommended that Jabu Moleketi and Nono Mkhondo be re-elected and appointed to the board
- Recommended Mark Thompson, Nonkululeko Gobodo and Nono Mkhondo to the board and shareholders at the AGM for appointment as members of the ARCC
- Reviewed and approved short-term succession plans for senior management roles within PPC
- Oversaw the senior management assessments and development process
- Oversaw the restructuring and integration of the roles of group company secretary and group legal and compliance with effect from 1 January 2021
- Noted the restructuring of the group EXCO
- Reviewed and noted that all South African subsidiary boards are properly constituted
- Reviewed and approved policies within its mandate – including the director appointment policy, security dealings policy and directors' diversity policy – and recommended the dividend policy and impairment policy to the ARCC for approval
- Approved the appointment of a third party to evaluate the effectiveness of the boards of South African and international holding companies
- Resolved to nominate Roland to join the World Cement Association's board of directors

NOMINATIONS COMMITTEE REPORT continued

FOCUS AREAS FOR FY22

Further strengthening succession planning at board and senior management level

- Oversee the evaluation of the boards of all South African and international holding companies
- Oversee the appointment of a new industrial director to the group EXCO
- Continue with senior management assessments and development

NOMCO is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for FY21.

Related material risks

- Internal process control framework
- Regulatory environment
- Credibility to external stakeholders
- Consistent application of the basics in performance management and employee engagement

Related stakeholders

- Shareholders and lenders
- Regulators
- Employees

REMUNERATION COMMITTEE REPORT

The REMCO assists the board with overseeing and managing PPC's remuneration philosophy and policies to ensure PPC remunerates fairly, responsibly and transparently, promoting the achievement of strategic objectives and positive outcomes in the short, medium and long term.

The REMCO comprises at least three NEDs, the majority of whom are independent, with the required skills and experience in remuneration matters, as well as PPC's business and sector. The committee met three times during the year and comprised the following members at year end:

Membership as at 31 March 2021	Meeting attendance	Appointed to committee
Nono Mkhondo (chairman)[(1)]	2/3	18 June 2020
Anthony Ball[(1)]	1/3	10 December 2019
Charles Naude	3/3	26 January 2015
Todd Moyo	3/3	16 May 2016

[(1)] *Anthony was appointed as chairman of the REMCO on 10 December 2019 and stepped down as chairman on 18 June 2020 on his appointment as executive director. Nono was appointed as a member and chairman of the REMCO, replacing Anthony, on 18 June 2020.*

Attendees by invitation
CEO
CFO
Group head remuneration and benefits
Group head legal and compliance and group company secretary
Group HR executive[(2)]
External advisors

[(2)] *Resigned with effect from 31 December 2020.*

For detailed qualifications and experience of REMCO committee members, refer to page 9.

KEY ACTIVITIES AND FOCUS AREAS DURING THE YEAR

- Reviewed the group's remuneration philosophy and, along with the implementation report, tabled it at the FY20 AGM for a non-binding advisory vote by shareholders
- Reviewed the amended group remuneration policy, which was submitted to the board for approval
- Reviewed and approved the group's performance management policy and processes
- Reviewed the group's incentive schemes and:
  - Resolved that no LTI payments be made for FY18 Performance shares due to the failure to meet the required performance targets set
  - Resolved that no LTI Performance shares would be awarded for the FY19 year due to the poor business performance over the measurement period
  - Resolved that the STI payments for FY20 not be paid out to support business sustainability during COVID-19
  - Resolved that no LTIP be awarded for FY20
  - Reviewed the LTIP in line with the remuneration policy, and replaced LTIP targets for FY21 with specific targets to support the achievement of a sustainable capital structure
  - Reviewed and approved an enhanced STI plan
  - Approved the LTIP and STI targets for FY22
- Resolved that no salary increases be implemented in FY21 to support the liquidity position of the business during COVID-19
- Considered and approved salary increases to be implemented for FY22

REMUNERATION COMMITTEE REPORT continued

- Considered and approved the awarding of the FY21 LTIP & STI awards based on the business targets set and achieved over the measurement period
- Considered and proposed that NEDs' fees for FY21 remain unchanged and align with the group's annual increase month, being April
- Considered and approved NEDs' fee increases for FY22 subsequent to a benchmark exercise
- Ensured that the contract with the incoming CFO aligned with PPC's remuneration philosophy and policy
- Considered and approved the consultancy agreement for outgoing CFO
- Considered the implementation of a formal induction process and annual training programme
- Performed an annual self-evaluation of REMCO's effectiveness

FOCUS AREAS FOR FY22

- Review the comparator group used for benchmarking purposes and, once complete, conduct a remuneration benchmarking exercise in support of retention strategies and succession planning
- Evaluate tools to reinforce optimised learning and development activities in support of PPC's business priorities and in furtherance of succession planning
- Oversee succession planning and career path management
- Monitor improvements to performance appraisal and assessment processes to enhance talent management development

REMCO is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for FY21.

PPC's detailed remuneration report is included on pages 75 to 92, and shareholders will be requested to pass a non-binding advisory vote on this policy at the FY21 AGM to be held on 27 August 2021.

Related material risks

- Credibility to external stakeholders
- Consistent application of the basics in performance management and employee engagement

Related stakeholders

- Shareholders and lenders
- Regulators
- Employees

INVESTMENT COMMITTEE REPORT

INVESTCO assists the board in ensuring that PPC's investment and divestment decisions and operational improvement projects are determined to maximise stakeholder value. INVESTCO operates within the strategic guidelines established by the board.

The committee comprises at least three NEDs, the majority of whom are independent. INVESTCO met four times during the year, of which one was an extraordinary meeting. The committee comprised the following members at year end:

Membership as at 31 March 2021	Meeting attendance	Appointed to committee
Charles Naude (chairman)	4/4	13 April 2015
Anthony Ball	4/4	13 April 2018
Mark Thompson	4/4	1 August 2019
Kunyalala Maphisa	1/4	1 February 2021

Attendees by invitation
CEO
CFO
Head of treasury and corporate finance
Managing directors of various business units
Group head of legal and compliance and group company secretary

For detailed qualifications and experience of INVESTCO committee members, refer to page 9.

KEY ACTIVITIES AND FOCUS AREAS DURING THE YEAR

- Considered six operational improvement projects
- Considered and monitored the standardisation of operational reporting within the group
- Reviewed the strategy and performance of PPC's material business
- Considered possible divestments for PPC
- Considered possible acquisitions of equity interests
- Monitored the challenges faced by PPC's operations, as well as appropriate mitigating actions
- Considered PPC's capital restructuring plan
- Approved the weighted average cost of capital (WACC) methodology used to determine WACC rates
- Approved the investment policy and capital allocation framework for the group
- Approved and recommended the committee's terms of reference and annual work plan to the board

INVESTMENT COMMITTEE REPORT continued

FOCUS AREAS FOR FY22

- Consider potential investments, acquisitions, divestments and joint ventures
- Monitor PPC's capital expenditure budget
- Monitor operational improvement projects

INVESTCO is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for FY21.

Related material risks

- Group capital structure
- Substandard cement quality of competitors
- Internal process control framework
- Creditability to stakeholders

Related stakeholders

- Shareholders and lenders
- Governments and regulators
- Customers

INDEPENDENT LIMITED ASSURANCE REPORT

We have performed our limited assurance engagement in respect of the key performance indicators for the year ended 31 March 2021.

The subject matter comprises the selected key performance indicators conducted in accordance with management's basis of preparation, as supported by the GRI Sustainability Reporting Standards (GRI Standards), as prepared by the responsible party, during the year ended 31 March 2021.

The terms of the GRI Standards and management's basis of preparation comprise the criteria by which the company's compliance is to be evaluated for purposes of our limited assurance engagement. The key performance indicators are as follows:

GRI Standard	Key performance indicator	Boundary
SOCIAL		
102-8	Information on employees and other workers	South Africa including Pronto, Ulula and 3Q Botswana Zimbabwe
401-1	New employee hires and employee turnover	South Africa including Pronto, Ulula and 3Q Botswana Zimbabwe
102-41	Collective bargaining agreements	South Africa excluding Pronto, Ulula and 3Q Botswana Zimbabwe
403-9	Work-related injuries	All KPIs (excluding absenteeism): South Africa including Pronto, Safika, Ulula and 3Q Botswana Zimbabwe PPC Barnet (DRC) CIMERWA (Rwanda) Absenteeism: South Africa including Pronto, Ulula and 3Q Botswana Zimbabwe
403-10	Work-related ill health	South Africa (excluding Pronto, Safika, Ulula and 3Q) Botswana Zimbabwe
404-1	Average hours of training per year per employee	South Africa (excluding Pronto, Ulula and 3Q)
405-1	Diversity of governance bodies and employees	Group
413-1	Operations with local community engagement, impact assessments, and development programmes	South Africa
419-1	Non-compliance with laws and regulations in the social and economic area	Group

INDEPENDENT LIMITED ASSURANCE REPORT continued

GRI Standard	Key performance indicator	Boundary
ENVIRONMENTAL		
302-1	Energy consumption within the organisation	PPC Cement SA and PPC Lime PPC Barnet (DRC) Zimbabwe CIMERWA (Rwanda)
305-1	Direct (Scope 1) GHG emissions	PPC Cement SA and PPC Lime PPC Barnet (DRC) Zimbabwe CIMERWA (Rwanda)
305-2	Energy indirect (Scope 2) GHG emissions	PPC Cement SA and PPC Lime PPC Barnet (DRC) Zimbabwe CIMERWA (Rwanda)
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	South Africa (excluding Pronto and Safika)
307-1	Non-compliance with environmental laws and regulations	Group
ECONOMIC		
201-1	Direct economic value generated and distributed	Group

DIRECTORS' RESPONSIBILITY

The directors being the responsible party, and where appropriate, those charged with governance are responsible for the key performance indicator information, in accordance with the GRI Standards and management's basis of preparation.

The responsible party is responsible for:

- ensuring that the key performance indicator information is properly prepared and presented in accordance with the GRI Standards and management's basis of preparation;
- confirming the measurement or evaluation of the underlying key performance indicators against the applicable criteria, including that all relevant matters are reflected in the key performance indicator information and;
- designing, establishing and maintaining internal controls to ensure that the key performance indicator information is properly prepared and presented in accordance with the GRI Standards and management's basis of preparation.

ASSURANCE PRACTITIONER'S RESPONSIBILITY

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 Historic Financial Information*. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement with the aim of obtaining limited assurance regarding the key performance indicators of the engagement.

We shall not be responsible for reporting on any key performance indicator events and transactions beyond the period covered by our limited assurance engagement.

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered 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 Control 1 and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

SUMMARY OF WORK PERFORMED

We have performed our procedures on the key performance indicator transactions of the company, as prepared by management in accordance with the GRI Standards and management's basis of preparation for the year ended 31 March 2021.

Our evaluation included performing such procedures as we considered necessary which included:

- interviewing 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 for the selected subject matter
- testing the systems and processes to generate, collate, aggregate, validate and monitor the source data used to prepare the selected subject matter for disclosure in the integrated report
- inspected supporting documentation and performed analytical review procedures

INDEPENDENT LIMITED ASSURANCE REPORT continued

- evaluated whether the selected key performance indicator disclosures are consistent with our overall knowledge and experience of sustainability processes at PPC Ltd

Our assurance engagement does not constitute an audit or review of any of the underlying information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

In a limited assurance engagement, the procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, 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 the key performance indicator information has been properly prepared and presented, in all material respects, in accordance with the GRI Standards and management's basis of preparation.

CONCLUSION

Based on our work described in this report, nothing has come to our attention that causes us to believe that the key performance indicators are not prepared, in all material respects, in accordance with the GRI Standards and management's basis of preparation.

Deloitte & Touche

Deloitte & Touche
Registered Auditors

Per Mark Victor
Partner

15 July 2021

5 Magwa Crescent, Waterfall City, Waterfall
Private Bag X6, Gallo Manor, 2052
South Africa

REMUNERATION REPORT

PART 1: BACKGROUND STATEMENT

DEAR SHAREHOLDER

I am pleased to present the remuneration committee's (REMCO) report for the 12 months ended 31 March 2021.

I would firstly like to thank our previous committee chair, Anthony, for his stewardship during his tenure.

It is pleasing to note the improved business performance over the reporting period after a very difficult first half of the year and the resultant remuneration outcomes linked to this performance. REMCO is pleased that employees will share in some of the success for the hard work over the past year, the details of which will be outlined in the remainder of the report. The committee determines, on behalf of the board, the company's policy on the remuneration of executive directors, prescribed officers and other members of the executive committee (EXCO) 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 short-term incentives (STIs) and long- term incentives (LTIs), 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 specific focus on the policy as it applies to executive management (part 2) and lastly, implementation of the policy for the 12 months from 1 April 2020 to 31 March 2021 (part 3). Parts 2 and 3 will be put forward for separate non-binding votes at the upcoming AGM.

OUR PERFORMANCE AND SUMMARY OF REMUNERATION OUTCOMES

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 to 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 in a transparent manner. PPC continued to operate in a difficult trading environment in South Africa due to the lacklustre economic performance and the impact of COVID-19 on the economy, however, the group managed to produce and sustain a good overall performance over the review period.

PPC faced a very difficult start to the year because of the severe impact of the lockdown in South Africa followed by a recovery that was better than expected. This, together with managements various mitigating actions, resulted in the performance for the year that was better than last year. The non-executive directors voluntarily sacrificed a portion of their fees for year. Employees supported managements call to sacrifice annual leave, salary increases, pension fund contribution, holiday as well as sacrifice the prior year STI payment to sustain the liquidity position of the business. These substantial contributions by employees and directors were most gracious and I take this opportunity to thank all employees and directors for this most generous contribution and gesture.

Due to the overall improved business performance, STI payments were made to employees and executives. Furthermore, the performance conditions attached to the new LTI which was implemented at the start of the financial year resulted in LTI awards being made which will be allocated after the year-end closed period. Full details of the STI and LTI measures used, together with the outcomes are disclosed in part 3.

REMCO ACTIVITIES DURING THE YEAR

During the year REMCO delivered the following:

EXCO remuneration

- Approval of the FY22 executive and overall workforce salary increases
- Consideration and approval of the STI and LTI targets and annual awards
- The peer group used for remuneration benchmarking remained unchanged but REMCO is continuously considering the appropriateness of the peer group and a benchmarking exercise using a new peer group is in process to review overall pay scales
- Reviewed and considered executive director remuneration best practices and benchmarks to ensure PPC's current practices remain progressive and relevant
- Considered and agreed on the mutual separation settlement of the former group HR executive and company secretary in the review period

Non-executive director (NED) remuneration

- Reviewed and benchmarked the fees for onward approval by the board and shareholders
- Noted the sacrifice made by the NED's towards keeping their quarterly fees unchanged for the FY21 period

Group-wide remuneration matters

- Reviewed the group-wide remuneration policy
- Assessed compliance to the fair and responsible pay charter
- Reviewed the STI scheme
- Reviewed and approved the new LTIP and the implementation thereof
- Introduced a performance-based salary increase model
- Introduced an independent scorecard objectives model for STI participation

Performance – relating to past performance cycle

- Assessed STI variable remuneration
- Assessed performance conditions for the LTIP awards

Performance – relating to forthcoming performance cycle

- Setting of STI variable targets
- Setting of LTIP targets

Compliance

- Reviewed and approved the committee's annual work plan
- Reviewed the policy on the delegation of authority
- Reviewed and approval of the remuneration report
- Reviewed and approved the committee's terms of reference
- Undertook an effectiveness review of REMCO

Wider workforce considerations and our approach to fairness

During this year the committee actively engaged on the topic of fair, equitable and responsible remuneration and took active steps to close the internal wage gap. As part of this process management introduced a pay for performance salary increase model which takes into account employees' performance against scorecard objectives 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. In addition, the eligibility in the LTI has been widened to Paterson Grade D3 level, thus contributing to strengthening our retention strategy and approach to fairness and greater inclusion. On the STI formula, management proposed and REMCO approved that an EBITDA multiplier factor (1,15) be used for employees in Paterson grades D2 and below and a factor of 1 for employees in Paterson Grades D3 and above. This methodology further contributes to management and the committee's commitment to further close the wage gap.

Future areas focus

Management and REMCO will continue to explore opportunities to close the wage gap across the group, and have committed to review the Gini coefficient on an annual basis to monitor progress made. The salary increase methodology to close the living wage gap has also been refined taking into account employees' position to market and personal performance. The REMCO is also exploring opportunities within the variable pay practices to further narrow the wage gap into the future. These focus areas will be assessed by the REMCO at the end of each financial year.

Shareholder engagement and voting

The company's current remuneration policy and implementation report were approved by 88,79 % and 79,63 % of shareholders respectively at the FY20 AGM. The company provided shareholders with additional information pertaining to the historic matters on payments to the former executive directors reported on in the implementation report. Shareholder engagements are planned before the AGM, to provide shareholders with the opportunity to raise any comments they might have. At the AGM in August 2021, you will be asked to endorse our remuneration policy and the implementation thereof. Your constructive input is valued and appreciated as we continue to improve the remuneration system. On behalf of the remuneration committee I thank you for your continued support and feedback regarding our remuneration framework.

Nono Mkhondo
Chairman of REMCO

16 July 2021

REMUNERATION REPORT continued

PART 2: REMUNERATION POLICY

GOVERNANCE AND REMCO

ROLE OF THE COMMITTEE

As a committee of the board, REMCO assists in setting the company's remuneration philosophy and policy as well as remuneration for directors and prescribed officers. It operates according to its approved terms of reference, published on the company's website.

For more detail on these terms of reference, refer to page 57 of the governance report.

MEMBERS

All members are NEDs, the majority of which are independent as defined by the King IV. The committee held three meetings in the period, with attendance shown on page 68.

The CEO and other representatives attend meetings by invitation to assist the REMCO 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 own remuneration is considered.

REMCO has appointed PwC as independent advisers and is satisfied that they acted independently.

AUTHORITY LEVELS

REMCO act under 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	REMCO	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

SHAREHOLDER ENGAGEMENT

Shareholder engagement remains a focus area for the REMCO. In the event that 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:

This may include amending our remuneration policy or clarifying/ adjusting our remuneration

Engage in face-to-face meetings with shareholders to ascertain reasons for dissenting votes

Address legitimate and reasonable objections received

REMUNERATION REPORT continued

FAIR AND RESPONSIBLE PAY

The committee is focused on responsible remuneration practices and 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 company continuously strives for fair and responsible pay by remaining sensitive to the wage differential between management and lower-income employees in awarding annual salary increases. PPC also adopted a policy to close the internal Gini coefficient for the group. Furthermore, minimum entry-level pay for all roles has been set and executive increases are capped to conform to market benchmarks.

The committee'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 a number of 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. The company's policy on fair and responsible remuneration can be summarised as follows:

FAIR PAY	RESPONSIBLE PAY
All variable pay is subject to the achievement of stretching performance conditions, carefully calibrated and selected by the committee ensuring a close alignment with shareholder value creation over the long term	Proper job profiles are in place for all roles within the organisation, jobs are evaluated in accordance with a robust methodology, and employees are remunerated in accordance with the determined pay scales
The link between pay and performance is publicly disclosed by the company in its remuneration report	Our organisation commits to eliminating any existing unfair discrimination/ unjustified differentiation within our remuneration dispensation and preventing future practices of discrimination/differentiation
The REMCO and, ultimately, the board reviews and approves the remuneration of directors and senior management ensuring independence and transparency	Horizontal fairness is applied and employees performing the same or similar job requirements at the same or similar level of performance in the organisation receive the same or similar remuneration
Although remuneration is benchmarked, affordability is a key consideration in any pay adjustments. Variable pay is subject to reduction (malus) and recoupment (claw-back)	Vertical fairness is applied by assessing the pay ratio between the CEO on one hand, and the pay levels of employees below executive level, on the other hand
	Pay is well administered with employees paid accurately on time and in a way that is convenient

The REMCO is focused on the compliance of the principles of the fair pay charter and has embarked on a review of the analysis of the progress made thus far to ensure compliance.

COMPANY-WIDE REMUNERATION POLICY

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 high-performance 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
- The remuneration of executive management 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
- 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

REMUNERATION REPORT continued

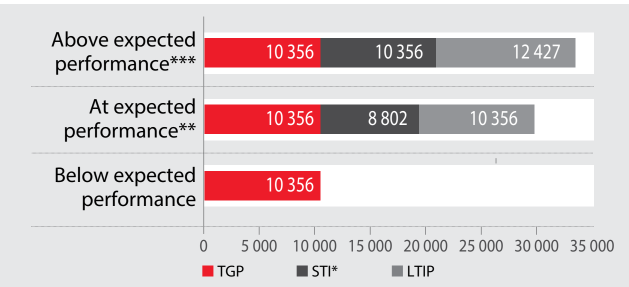
ELEMENTS OF REMUNERATION

	ELEMENT	DEFINITION	TIME PERIOD	APPLICABLE GRADES
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
	Base pay plus benefits	Base pay refers to the cash basic pay and excludes benefits. Benefits are over and above base pay and include the company's contribution to medical aid, retirement fund and any other employer funded benefits	Delivered in year	Paterson grades C4 – A1
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
	LTIP	The LTIP is a performance-based plan that measures performance over a one-year period. Once the performance conditions have been measured, 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. The company previously operated a forfeitable share plan (FSP) and outstanding awards will come to fruition to the extent that they vest	Four years	Paterson grades F4 – D3

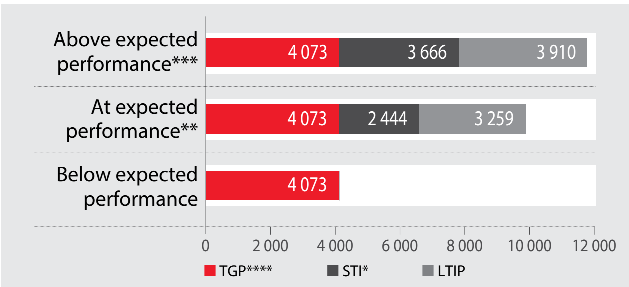
PAY FOR PERFORMANCE

Our policy for executive directors and prescribed officers means a significant portion of remuneration received depends on company performance. In part 3, we show actual total pay outcomes for the 12 months ended 31 March 2021, while total pay opportunities for the CEO, CFO and prescribed officers (managing directors (MDs)) on average under the following three performance scenarios are illustrated below:

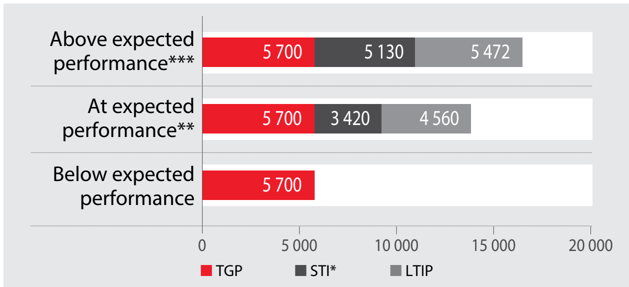
CEO (R000)



Prescribed officers (MD's) (R000)



CFO (R000)



* *For threshold performance, each of the performance indicators have a threshold of 80% therefore eg if the EBITDA margin is a performance indicator with an on-target percentage of 20%, then the threshold performance for the indicator is 16% (threshold of 80%) x (target of 20%).*

** *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.*

OVERVIEW OF REMUNERATION POLICY

Total Guaranteed Pay (TGP)

The company generally pays fixed remuneration at 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 advisers appointed by REMCO provide annual benchmark information. For executive directors and prescribed officers, a comparator group comprising JSE listed companies is used to benchmark TGP. The remainder of the employees are benchmarked against survey data.

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 – base pay and benefits in addition to base pay. Benefits include the company contribution to medical aid, retirement fund and any other employer funded group benefit

STI

Changes for FY22	The weightings assigned to the performance conditions were changed for FY22; and the following weightings will apply for the executive directors and prescribed officers: ■ Financial performance indicators will be 40 %, compared to 50 % in FY21; ■ Non-financial performance indicators (H&S and Environment) will be 20 %, compared to 5 %-10 % in FY21; ■ Personal performance indicators will be 40 %, compared to 50 % in FY21.
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 employees 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 EBITDA modifier (actual/budget) ■ REMCO retains the right to vary the terms of the STI in special circumstances to take company affordability into consideration. For example, in previous years, STIs have been reduced on a pro rata basis across all participants to reduce the cost to company in line with lower than expected profits.
Opportunity levels	The STI opportunity levels as a percentage of TGP are: (see table below)
Performance targets and weightings	The following performance measures and weightings will be used in FY22. Due to the commercial sensitive nature of disclosing the prospective targets, the REMCO has elected to disclose the actual targets and outcomes on a retrospective basis in part 3 of this report: (see table below)
Group EBITDA modifier	As an additional safeguard, a group EBITDA modifier will be applied to the bonus, measured as actual group EBITDA relative to budgeted group EBITDA.

Opportunity levels:

POSITION	TARGET STI	MAXIMUM STI
CEO	85 %	100 %
CFO	60 %	90 %
Prescribed officers	60 %	90 %

Performance targets and weightings:

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 % 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 capital expenditure (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 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 of between 80 % to 120 %.
Total	**100%**	

LTIP

<table>
<tr><td>Changes for FY22</td><td>REMCO reviewed the performance conditions and absolute total shareholder return (TSR) will be used as a performance condition instead of capital restructuring.</td></tr>
<tr><td>Purpose</td><td>The LTIP is aimed at driving long-term shareholder value creation in a sustainable manner. It rewards the achievement of predefined performance goals over a one-year period where after 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.</td></tr>
<tr><td>Participation</td><td>Management employees in Paterson grades D3 and above.</td></tr>
<tr><td>Operation and instruments</td><td>The LTIP operates in accordance with the following formula:

TGP x LTI allocation % = incentive value

At the end of a one-year performance period the incentive value is adjusted upwards or downwards based on the outcomes of the performance conditions.

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.

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.</td></tr>
<tr><td>LTI allocation percentages</td><td>The LTI allocation percentages as a percentage of TGP are:
CEO 100%
CFO and other prescribed officers 80%</td></tr>
<tr><td>Performance measures and weighting</td><td>The following performance measures and weightings will be used in FY22. 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 threshold will result in a score of zero.

Due to the commercial sensitive nature of disclosing the prospective targets, the REMCO has elected to disclose the actual targets and outcomes on a retrospective basis in part 3 of this report.

<table>
<tr><th>PERFORMANCE INDICATOR</th><th>WEIGHT</th><th>COMMENTS</th></tr>
<tr><td>Absolute TSR</td><td>50%</td><td>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 60 trading days up to and including the end date of the performance period.</td></tr>
<tr><td>Delta PPC economic value creation (PEVC)</td><td>50%</td><td>The PEVC objective is created in line with the budget which has been approved by the board whereby eventual windfall (positive or negative) from impairments are removed.</td></tr>
</table></td></tr>
<tr><td>Vesting period and termination of employment provisions</td><td>Settled shares will vest after a three-year period. During the vesting period, participants are the shareholders of those shares, but shares are subject to (i) disposal restrictions and (ii) continued employment until the vesting date, where after the shares can be freely disposed of

Different rules apply, depending on the reason of termination of employment:

Fault terminations (resignation not based on mutual consent, dismissal based on misconduct): No participation – unsettled and unvested LTIP awards are forfeited in full

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, over the total vesting period of 48 months and adjusted based on the performance vesting outcome. The vested shares will be settled and released on the normal settlement and release date. The remainder of the awards will lapse and be forfeited
■ 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 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 and adjusted based on the performance vesting outcome. 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

Death:
■ Terminations occurring before the end of the performance period will be prorated for the time in employment, over the performance period of 12 months and adjusted based on the performance vesting outcome. The vested shares will be settled and released on the date of termination of employment. The remainder of the award will be forfeited
■ Terminations occurring after the settlement date: None of the unvested Forfeitable Shares will be forfeited or adjusted and will be released on the date of termination of employment</td></tr>
</table>

REMUNERATION REPORT continued

MALUS AND CLAW-BACK PROVISIONS

As a result of increased corporate governance requirements pertaining to executive remuneration, STI and LTIs could be offered subject to malus and claw-back. The purpose is to give the board the discretion to recoup vested, settled and/or paid incentives (also referred to a "Claw-back") 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. Claw-back applies for a 36-month period from payment of the STI and release of the LTIP respectively.

EMPLOYMENT CONTRACTS – EXECUTIVE DIRECTORS

REMCO, 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
- 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 change of control

NEDS – APPOINTMENT OF 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.

NEDs' fees

The CEO recommends board fees to REMCO for approval by the board. This recommendation follows input from independent advisers 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 remuneration policy will be subject to a non-binding advisory vote at the AGM on 28 August 2021. The policy is reviewed annually, and the opinions of shareholders are an important consideration during these reviews.

PART 3: IMPLEMENTATION OF POLICIES FOR THE REVIEW PERIOD

TGP ADJUSTMENTS (FY21)

Annual salary increases are effected in April each year, taking account of market benchmark movements and company affordability. Management employees, including prescribed officers received an average increase of 5 % for the period 1 April 2020 while non-management employees received average increases of 6 %.

STI PERFORMANCE OUTCOMES FY21

The final STI awarded was computed in accordance with the STI formula:

TGP x STI allocation % x ([business performance x 50 %] + [personal performance x 50 %]) x EBITDA factor.

The achievement of each of the elements of the STI against the targets set for FY21 are explained below.

BUSINESS PERFORMANCE

Targets	Weighting	Threshold target (80% vesting)	Target (100% vesting)	Stretch target (120% vesting)	Actual outcome	% Achieved
EBITDA margin	50%	12,41%	15,52%	18,62%	16,78%	108,13%
Free cash flow	50%	R694	R868	R1 042	R1 191	120,00%
Business performance score overall achievement	114,07%					
Business performance weighted score achievement (114,07 % x 50 %)	57,04%					

The managing directors for the international operations and SA cement operations are also measured on the EBITDA percentage and cash flow from their respective operations.

PERSONAL PERFORMANCE

Executive	Personal performance weighted score achievement
Roland Van Wijnen	45,74%
Ronel Van Dijk	43,60%
Mokate Ramafoko	48,50%
Njombo Lekula	41,40%

REMUNERATION REPORT continued

EBITDA FACTOR

The EBITDA factor was determined as budgeted EBITDA versus actual EBITDA which resulted in a factor of 1,15. REMCO approved the use of a capped EBITDA factor of 1 for management employees in Paterson grades D3 and above and the EBITDA factor 1,15 for other employees in Paterson grades D2 and below. An EBITDA factor of 1 was considered for employees on grades D3 and above to reduce the wage differential and to allow lower level employees to qualify for a greater proportion of the STI. Therefore, for other staff, the actual outcome of 1,15 was used. This consideration was applied due to the fact that these employees do not participate in the LTIP scheme, and are very instrumental in driving results. This further contributes to and is aligned with the objective to reduce the wage differential.

OVERALL OUTCOMES

Final payment to executive directors and prescribed officers are therefore as follows:

Executive	Annual TGP (Rm) [A]	STI allocation % [B]	Overall % achievement [C]	EBITDA factor [D]	Final STI (Rm) [A x B x C x D]
Roland Van Wijnen	R10,0	85	102,80	1	R8,7
Ronel Van Dijk	R4,5	60	100,70	1	R2,7
Mokate Ramafoko	R3,5	60	100,40	1	R2,1
Njombo Lekula	R4,1	60	99,90	1	R2,4

LTI OUTCOMES FY21

In line with the disclosure format recommended by King IV, the following information on LTIs is disclosed:

- LTIP awards to be awarded post-year end and whose performance period ended 31 March 2021
- FSPs awarded in March 2019 whose performance period ended on 31 March 2021
- Outstanding FSPs and share appreciation rights (SARs), awarded under the previously used FSP and SAR plan

Further details appear in the unvested LTI awards and cash value of settled awards table on pages 87 to 90.

LTIP OUTCOMES FOR FY21

PERFORMANCE OUTCOMES

The performance conditions communicated in the FY20 remuneration report were not applied as the REMCO was of the opinion that the capital restructure performance condition is more closely aligned to the strategy of the company. Therefore, the REMCO approved the use of the following performance conditions measured over the period 1 April 2020 to 31 March 2021 and resulted in the following vesting outcomes

Targets	Weighting	Threshold target (80% vesting)	Target (100% vesting)	Stretch target (120% vesting)	Actual Achievement
Capital restructure	50%	Ethiopia and the DRC are no longer a threat to the liquidity of the group.	Debt of the SA obligor group by 31 March 2021 is no more than two times the demonstrated recurring EBITDA post the three-months impacted by lockdown.	Ability to announce to the market that an eventual rights issue is below R500 million due to the successful outcome of the first two points and the sale of PPC Lime.	120%
Delta PPC economic value creation (PEVC)	50%	R910 million	R1 137 million	R1 364 million	R1 237 million (109%)
Vesting achievement %			114,40%		

LTI incentive value to be awarded as shares post-year-end closed period

Name	Annual TGP (Rm) (A)	LTI allocation % (B)	Vesting achievement % (C)	LTI incentive value (A)X(B) X(C) (Rm)
Roland Van Wijnen	R10,0	100	114,40	R11,5
Ronel Van Dijk	R4,5	80	114,40	R4,1
Mokate Ramafoko	R3,5	80	114,40	R3,2
Njombo Lekula	R4,1	80	114,40	R3,7

LTIS VESTING DURING FY21

FSP retention shares that were awarded on 29 March 2018 under the FSP vested during FY21. None of the performance shares awarded on 29 March 2019 with a performance period that ended on 31 March 2021 have vested, due to the non-fulfilment of the performance conditions. Full details are disclosed in the schedule of unvested awards and cash flow on settlement table below.

TOTAL SINGLE FIGURE OF REMUNERATION

Single figure

All figures stated in R000		Salary	Retirement and medical contributions	Car allowance	Cash incentive[1]	LTIP reflected[2]	Other[3]	Total single figure of remuneration
Executive directors								
Current directors								
R van Wijnen[4]	**2021**	**9 398**	**–**	**300**	**8 777**	**11 496**	**350**	**30 321**
R van Wijnen[5]	2020	4 625	–	150	–	5 024	1 029	10 828
R van Dijk[4]	**2021**	**4 450**	**–**	**–**	**2 718**	**4 119**	**100**	**11 386**
R van Dijk[6]	2020	1 813			–	–	342	2 155
AC Ball[7]	**2021**	**292**	**–**	**–**	**–**		**–**	**292**
Former directors								
JT Claasen	**2021**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
JT Claasen[8,9]	2020	4 394	742	225	–	411	8 111	13 883
MMT Ramano	**2021**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
MMT Ramano[9,10]	2020	2 357	514	225	–	315	5 489	8 900
Prescribed officers								
NL Lekula[4,11,12]	**2021**	**3 606**	**498**	**–**	**3 769**	**3 796**	**5**	**11 674**
NL Lekula[12,13]	2020	3 582	529		1 283	–	27	5 421
M Ramafoko[4,11,14]	**2021**	**2 609**	**435**	**367**	**3 203**	**3 219**	**41**	**9 874**
M Ramafoko[13,14]	2020	2 590	460	367	1 083	–	31	4 532
P Mohlala[15]	**2021**	**1 855**	**255**	**88**	**–**	**–**	**2 080**	**4 278**
P Mohlala[16]	2020	2 453	388	118	–	–	38	2 997

(1) Included under "Cash incentive" is the STI accrued to incumbents in FY21 relating to performance for the 2021 financial year.
(2) No annual FSP awards were made during the 2020 financial year
(3) Other includes accommodation expenses and cellphone allowances
(4) The FY21 LTIP reflected includes the incentive value which has been adjusted with the performance vesting outcome relating to FY21 performance, for the LTI award that will be made in FY22. This award is not subject to any prospective performance conditions.
(5) R van Wijnen was appointed as CEO on 1 October 2019. Included under LTIP reflected is his sign-on award consisting of FSPs without performance conditions at the award date share price of R3,83 with an estimated vesting % of 100%. Also included under "Other" is an ad-hoc payment of R0,777 million for board and handover purposes prior to permanent employment.
(6) R van Dijk was appointed as interim CFO on 1 November 2019. Also included under "Other" is an ad-hoc payment of R0,218 million for handover purposes prior to permanent employment.
(7) AC Ball was appointed as an executive director on 25 June 2020. He was previously a non-executive director. His TGP for the year was R292k and he did not participate in any variable incentives.
(8) JT Claassen retired as CEO on 30 September 2019 however received remuneration until 31 December 2019 for handover purposes. Included under "Other" is leave pay of R1,380 million, R1,785 million for his restraint of trade, notice pay of R3,570 million and R1,351 million in lieu of his participation in the 2019 FSP award, adjusted for time and performance. The time adjustment was based on 13 months for which JT Claassen was employed by the company in relation to the vesting period and performance was based on 100% vesting for the FSPs without performance conditions and 30% vesting (based on interim testing performed as at 31 March 2019, in terms of the rules) for the FSP with performance conditions. The amount of R1,351 million consists of 103 314 FSP retention shares and 154 949 FSP performance shares at a share price of R5,23.
(9) The performance period of the 2018 FSPs ended on 31 March 2020, however JT Claassen and MMT Ramano were classified as "no fault terminations" in terms of the rules. The performance awards lapsed as none of the performance conditions were met and accelerated vesting was applied to the retention awards, adjusted for time as included under "LTIP reflected".
(10) MMT Ramano mutually separated from PPC as CFO on 31 October 2019. Included under "Other" is her notice pay of R1,286 million, restraint of trade of R3,858 million and R0,345 million in lieu of her participation in the 2019 FSP retention award, adjusted for time. The time adjustment was based on 14 months for which MMT Ramano was employed by the company in relation to the vesting period. The amount of R0,345 million consists of 65 994 FSP retention shares at a share price of R5,23.
(11) LTIP reflected includes the 2019 FSPs whose performance period ended on 31 March 2021 with 0% of the performance conditions being met.
(12) Also included under "Cash incentive" is the payment of a cash retention bonus of R1,283 million (2020: R1,283 million). The remainder of the cash retention bonus will be paid in the 2022 financial year.
(13) The performance period of the 2018 FSPs ended on 31 March 2020 and none of the performance conditions have been met.
(14) Also included under "Cash incentive" is the payment of a cash retention bonus of R1,083 million (2020: R1,083 million). The remainder of the cash retention bonus will be paid in the 2022 financial year.
(15) P Mohlala resigned as a prescribed officer on 31 December 2020 and received a retrenchment settlement of R2,049 million included under "Other", made up as follows: Severance settlement R1 832 and leave pay and other allowances R248.
(16) P Mohlala became a prescribed officer effective 1 April 2019.

Schedule of unvested awards and cash flow on settlement

Names	End of vesting period	Opening Number on 1 April 2019	Granted during 2020	Forfeited / lapsed during 2020	Settled during 2020	Closing Number on 31 March 2020	Cash value of receipts during 2020[17] R	Closing Estimated Fair Value at 31 March 2020[18,19,20] R	Granted during 2021	Forfeited / lapsed during 2021	Settled during 2021	Closing Number on 31 March 2021	Cash value of receipts during 2021[17] R	Closing Estimated Fair Value at 31 March 2021[19,21] R	Strike price R
Executive directors															
Current directors															
R van Wijnen[22]															
Forfeitable shares – without performance conditions															
2020/02/13	2022/10/01	–	1 311 715	–	–	1 311 715	–	1 613 409				1 311 715		2 417 567	n/a
Total							–	1 613 409					–	2 417 567	
Former directors															
JT Claasen[23]															
Share appreciation rights															
25/09/2009 cash-settled	25/09/2012	26 000	–	(26 000)	–	–	–	–	–	–	–	–	–	–	21,3
29/05/2015 equity-settled	19/02/2018	9 374	–	–	–	9 374	–	–	–	(9 374)	–	–	–	–	9,84
30/08/2016 equity-settled	30/08/2019	314 773	–	(314 773)	–	–	–	–	–	–	–	–	–	–	5,85
									–	–	–	–	–	–	
Forfeitable shares – with performance conditions															
30/08/2016	30/08/2019	55 700	–	(55 700)	–	–	–	–	–	–	–	–	–	–	n/a
29/03/2018	15/05/2020	577 700	–	(577 700)	–	–	–	–	–	–	–	–	–	–	n/a
									–	–	–	–	–	–	
Forfeitable shares – without performance conditions															
30/08/2016	30/08/2019	33 400	–	–	(33 400)	–	133 891	–	–	–	–	–	–	–	n/a
29/03/2018	15/05/2020	115 500	–	(33 971)	(81 529)	–	410 667	–	–	–	–	–	–	–	n/a
									–	–	–	–	–	–	
BBBEE schemes									–	–	–	–	–	–	
BEE II		22 501	–	(22 501)	–	–	–	–	–	–	–	–	–	–	n/a
Total							544 558	–					–	–	

Names	End of vesting period	Opening Number on 1 April 2019	Granted during 2020	Forfeited / lapsed during 2020	Settled during 2020	Closing Number on 31 March 2020	Cash value of receipts during 2020[17] R	Closing Estimated Fair Value at 31 March 2020[18,19,20] R	Granted during 2021	Forfeited / lapsed during 2021	Settled during 2021	Closing Number on 31 March 2021	Cash value of receipts during 2021[17] R	Closing Estimated Fair Value at 31 March 2021[19,21] R	Strike price R
MMT Ramano[24]															
Share appreciation rights															
29/05/2015 equity-settled	19/02/2018	36 622	–	–	–	36 622	–	–	–	(36 622)	–	–	–	–	9,84
30/08/2016 equity-settled	30/08/2019	712 524	–	(712 524)	–	–	–	–	–	–	–	–	–	–	5,85
									–	–	–	–	–	–	
Forfeitable shares – with performance conditions															
30/08/2016	30/08/2019	126 100	–	(126 100)	–	–	–	–	–	–	–	–	–	–	n/a
29/03/2018	15/05/2020	562 200	–	(562 200)	–	–	–	–	–	–	–	–	–	–	n/a
									–	–	–	–	–	–	
Forfeitable shares – without performance conditions															
30/08/2016	30/08/2019	75 700	–	–	(75 700)	–	303 459	–	–	–	–	–	–	–	n/a
29/03/2018	15/05/2020	112 400	–	(28 651)	(83 749)	–	314 778	–	–	–	–	–	–	–	n/a
									–	–	–	–	–	–	
BBBEE schemes									–	–	–	–	–	–	
BEE II	01/10/2019	372 737	–	(372 737)	–	–	–	–	–	–	–	–	–	–	n/a
Total							618 237	–					–	–	

Names	End of vesting period	Opening Number on 1 April 2019	Granted during 2020	Forfeited / lapsed during 2020	Settled during 2020	Closing Number on 31 March 2020	Cash value of receipts during 2020[17] R	Closing Estimated Fair Value at 31 March 2020[18,19,20] R	Granted during 2021	Forfeited / lapsed during 2021	Settled during 2021	Closing Number on 31 March 2021	Cash value of receipts during 2021[17] R	Closing Estimated Fair Value at 31 March 2021[19,21] R	Strike price R
NL Lekula															
Share appreciation rights															
25/09/2009 cash-settled	2012/09/25	24 000	–	(24 000)	–	–	–	–	–	–	–	–		–	21,3
29/05/2015 equity-settled	2018/02/19	7 951	–	–	–	7 951	–	–	–	(7 951)	–	–		–	9,84
30/08/2016 equity-settled	2019/08/30	277 494	–	(277 494)	–	–	–	–	–	–	–	–		–	5,85
Forfeitable shares – with performance conditions															
2016/08/30	2019/08/30	49 100	–	(49 100)	–	–	–	–	–	–	–	–		–	n/a
2018/03/29	2020/05/15	273 000	–	–	–	273 000	–	–	–	(273 000)	–	–	–	–	n/a
2019/03/25	2021/08/25	476 800	–	–	–	476 800	–	234 586	–	–	–	476 800	–	–	n/a
Forfeitable shares – without performance conditions															
2016/08/30	2019/08/30	29 500	–	–	(29 500)	–	118 257	–	–	–	–	–		–	n/a
2018/03/29	2020/05/15	54 600	–	–	–	54 600	–	67 158	–	–	(54 600)	–	176 904	–	n/a
2018/05/17	2021/05/17	320 833	–	–	–	320 833	–	394 625	–	–	–	320 833		591 314	n/a
2019/03/25	2021/08/25	95 400	–	–	–	95 400	–	117 342	–	–	–	95 400		175 828	n/a
BBBEE schemes															
BEE II	2019/10/01	220 634	–	(220 634)	–	–	–	–	–	–	–	–		–	n/a
Total							118 257	813 710					176 904	767 142	

Names	End of vesting period	Opening Number on 1 April 2019	Granted during 2020	Forfeited / lapsed during 2020	Settled during 2020	Closing Number on 31 March 2020	Cash value of receipts during 2020[17] R	Closing Estimated Fair Value at 31 March 2020[18,19,20] R	Granted during 2021	Forfeited / lapsed during 2021	Settled during 2021	Closing Number on 31 March 2021	Cash value of receipts during 2021[17] R	Closing Estimated Fair Value at 31 March 2021[19,21] R	Strike price R
M Ramafoko															
Share appreciation rights															
29/05/2015 equity-settled	2018/02/19	3 408	–	–	–	3 408	–	–	–	(3 408)	–	–		–	9,84
Forfeitable shares – with performance conditions															
2016/08/30	2019/08/30	73 900	–	(73 900)	–	–	–	–	–	–	–	–		–	n/a
2018/03/29	2020/05/15	95 000	–	–	–	95 000	–	–	–	(95 000)	–	–	–	–	n/a
2019/03/25	2021/08/25	402 500	–	–	–	402 500	–	198 030	–	–	–	402 500	–	–	n/a
Forfeitable shares – without performance conditions															
2016/08/30	2019/08/30	44 300	–	–	(44 300)	–	177 585	–	–	–	–	–		–	n/a
2018/03/29	2020/05/15	57 000	–	–	–	57 000	–	70 110	–	–	(57 000)	–	184 680	–	n/a
2018/05/17	2021/05/17	270 833	–	–	–	270 833	–	333 125	–	–	–	270 833		499 161	n/a
2019/03/25	2021/08/25	80 500	–	–	–	80 500	–	99 015	–	–	–	80 500		148 366	n/a
BBBEE schemes															
BEE II	2019/10/01	107 994	–	(107 994)	–	–	–	–	–	–	–	–		–	n/a
Total							177 585	700 280					184 680	647 527	
P Mohlala[25]															
Forfeitable shares – with performance conditions															
2019/03/25	2021/08/25	83 600	–	–	–	83 600	–	41 131	–	(83 600)	–	–		–	n/a
Forfeitable shares – without performance conditions															
2019/03/25	2021/08/25	75 200	–	–	–	75 200	–	92 496	–	(56 400)	–	18 800		–	n/a
Total							–	133 627					–	–	

(17) Includes the proceeds from awards settled during the year
(18) The 2009, 2015 and 2016 SARs are underwater and therefore included at a zero intrinsic fair value.
(19) The FSPs without performance conditions are included at the 20 day year end VWAP of R1,84 (2020: R1,23).
(20) The outstanding tranches of the BBBEE schemes' fair value were estimated as zero as these awards were underwater.
(21) The 2019 FSPs with performance conditions are included as zero at year end as none of the performance conditions were met.
(22) A sign-on award of FSPs without performance conditions was made to R van Wijnen in terms of his negotiated employment contract.
(23) JT Claassen retired on 30 September 2019 and as a result, a portion of his FSPs without performance conditions vested whereas the remainder was forfeited. All of his FSPs with performance conditions and SARs were forfeited/lapsed due to performance conditions not being met.
(24) MMT Ramano resigned on 31 October 2019 and as a result, a portion of her FSPs without performance conditions vested whereas the remainder was forfeited. All of her FSPs with performance conditions and SARs were forfeited/lapsed due to performance conditions not being met.
(25) P Mohlala resigned as prescribed officer on 31 December 2020. She received 18 800 retention shares as part of her settlement and forfeited all her performance awards and the remainder of her retention awards.

REMUNERATION REPORT continued

INCREASE IN NEDS' FEES

Increases are proposed for NEDs' fees. Please refer to the notice of AGM, which details proposed board fees for FY22

NON-EXECUTIVE DIRECTORS REMUNERATION

Remuneration paid to non-executive directors for the 12 months ended 31 March 2021.

			Committee						
R000	Board fees	Chairman fees	Nominations	Audit, risk and compliance	Remuneration	Social and ethics	Strategy and investment	COVID-19 sacrifice	Total
PJ Moleketi	–	1 279	–	–	–	–	–	–	1 279
AC Ball[(1)]	70	–	–	–	38	–	35	–	143
N Gobodo	349	–	–	208	–	214	–	–	771
M Gumbi[(2)]	220	–	–	–	–	91	–	–	311
K Maphisa[(3)]	57	–	–	–	–	25	25	–	107
NL Mkhondo	349	–	68	208	103	–	–	–	728
T Moyo	349	–	68	–	95	–	–	–	512
CH Naude	349	–	–	–	95	–	209	–	653
M Thompson	349	–	–	334	–	–	111	–	794
	2 092	1 279	136	750	331	330	380	–	5 298

Remuneration paid to non-executive directors for the 12 months ended 31 March 2020.

			Committee						
R000	Board fees	Chairman fees	Nominations	Audit risk and compliance	Remuneration	Social and ethics	Strategy and investment	Special meetings	Total
PJ Moleketi	–	1 194	–	–	–	–	–	128	1 322
AC Ball	288	–	–	–	51	–	101	106	546
N Gobodo	288	–	54	203	–	206	–	106	857
M Gumbi	288	–	–	–	76	101	–	64	529
NL Mkhondo	288	–	72	136	76	–	76	127	775
T Moyo	288	–	72	–	179	–	–	64	603
CH Naude	288	–	–	102	101	–	206	170	867
M Thompson	264	–	–	192	–	–	51	106	613
	1 992	1 194	198	633	483	307	434	871	6 112

(1) *AC Ball stepped down as a non-executive director and was appointed as an executive director on 24 June 2020. He was re-appointed as a non-executive director on 1 July 2021.*
(2) *Resigned 16 November 2020.*
(3) *Appointed 1 February 2021.*

REMUNERATION REPORT continued

INTERESTS OF EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS IN SHARE CAPITAL

The aggregate direct beneficial holdings of executive directors and their immediate families (none of whom holds over 1 %) in the issued ordinary shares of the company are detailed below. There are indirect holdings by directors and their immediate families.

Number of shares at 31 March 2021

Name	No of shares
Roland van Wijnen	4 225 718
N Lekula	549 146
M Ramafoko	327 833

NON-BINDING ADVISORY VOTE ON PART 3

The implementation report will be subject to a non-binding advisory vote at the AGM in August 2021.

GLOSSARY

Abbreviations

AEL	Atmospheric emission licence
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
BEE	Black economic empowerment
BWP	Botswana pula
CEO	Chief executive officer
CFO	Chief financial officer
CO_2	Carbon dioxide
Companies Act	Companies Act 71 of 2008, as amended
COSec	Company secretary
CPM	Concrete product manufacturer
CSI	Corporate social investment
CSR	Corporate social responsibility
CY21	Calendar year 2021
DMRE	Department of Mineral Resources and Energy
DNA	Deoxyribonucleic acid – the molecule that contains the genetic code in each cell of an organism
DRC	The Democratic Republic of the Congo
dtic	Department of Trade, Industry and Competition
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EE	Employment equity
EnMS	Energy management system
EPS	Earnings per share
ERM	Enterprise risk management
ERP	Enterprise resource planning
ERTP	Economic Recovery and Transformation Plan (Botswana)
ESP	Electrostatic precipitator, an electrically charged pollution-control device
ESSR	Environmental and social supplementary report
EXCO	Executive committee
Forex	Foreign exchange
FSP	Forfeitable share plan
FY21	Financial year ended 31 March 2021
FY22	Financial year ended 31 March 2022
GDP	Gross domestic product
GHG	Greenhouse gas
GRI	Global Reporting Initiative
HEPS	Headline earnings per share
HR	Human resources
IAS	International Accounting Standards
IC	Investment committee
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
ILC	In-line calciner
INVESTCO	Investment committee
IoDSA	Institute of Directors South Africa
IR	Integrated report
IRBA	Independent Regulatory Board for Auditors
ISAE	International Standard on Assurance Engagements
IT	Information technology
ITAC	International Trade Administration Commission
JSE	Johannesburg Stock Exchange
King IV	King IV Report on Corporate Governance for South Africa, 2016
KPI	Key performance indicator
kt	Kilotonne
LCs	Letters of credit

GLOSSARY continued

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
MoI	Memorandum of incorporation
mtpa	Million tonnes per annum
MVA	Megavolt amperes
NED	Non-executive director
NGO	Non-governmental organisation
NOMCO	Nominations committee
NOx	Nitrogen oxide
NRCS	National Regulator for Compulsory Specifications
NWC	Net working capital
OECD	Organisation for Economic Co-operation and Development
OEE	Overall equipment efficiency
OEM	Original equipment manufacturer
POPI	Protection of personal information
REMCO	Remuneration committee
RSE	Rwanda Stock Exchange
SA	South Africa
SABS	South African Bureau of Standards
SAP ECC	SAP Enterprise Resource Planning Central Component
SAR	Share appreciation right
SDG	Sustainable Development Goal
SETCO	Social, ethics and transformation committee
SIP	Strategic infrastructure project
SLP	Social and labour plan
SOx	Sulphur oxide
STI	Short-term incentive
TCFD	Task Force on Climate-related Financial Disclosures
TCI	The Concrete Institute
TGP	Total guaranteed pay
TJ	Terajoule
TSR	Total shareholder return
UN	United Nations
UNGC	United Nations Global Compact
VCF	Value Creation Framework
WACC	Weighted average cost of capital
ZSE	Zimbabwe Stock Exchange

CORPORATE INFORMATION

PPC LIMITED

(Incorporated in the Republic of South Africa)
Company registration number: 1892/000667/06
JSE/ZSE code: PPC
JSE ISIN: ZAE 000170049
JSE code: PPC003
JSE ISIN: ZAG000117524
(PPC or Company or Group)

DIRECTORS

PJ Moleketi (chairman), R van Wijnen (CEO), Brenda Berlin (CFO), K Maphisa, NL Mkhondo, N Gobodo, AC Ball, CH Naude, MR Thompson, T Moyo

REGISTERED OFFICE

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Corpserve Registrars Private Limited
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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, success of business and operating initiatives, changes in the regulatory environment, other government action and business and operational risks.

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Bastion

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