

Cashbuild continues to give preference to local suppliers drawn from the areas in which stores are located, and is constantly increasing its support for targeted BEE initiatives. The Group also continues to develop and implement the HR strategies necessary to drive internal cultural change, transformation and wealth creation amongst employees.

Cashbuild's BEE rating was negatively impacted in 2016 by the amendments to the onerous BEE scorecard and scoring system. The BEE rating moved from non-compliant to Level 8 during the October 2016 assessment. The Group has put a supplier and enterprise development strategy in place and contains increased learnerships as well as a BEE-targeted recruitment plan at management level. Cashbuild remains committed to economic empowerment, and plans to significantly increase its transformation efforts in upcoming financial years.

## Industrial relations

The overall level of union membership within the Group is less than 10% (South Africa 4%; Namibia 33%) and collective bargaining regarding remuneration, working conditions and other relevant issues takes place primarily through the Group's Employee Forum. For more information regarding the role, function and composition of this Forum, refer to page 53 under the Corporate Governance section of this report.

Cashbuild outsources much of its industrial relations support requirements to specialist third party organisations with the mandate to keep Cashbuild abreast of any changes to labour legislation that may impact the Group and advise on required changes which may require implementation.

Cashbuild follows the principles of the ILO protocol on decent work and working conditions. It involves opportunities for work that are productive and deliver a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

Cashbuild subscribes to the UN Global Compact Principles and is a member of EDRA, an international organisation representing home improvement retailers across the globe.

Communication with employees takes place through a number of channels, including the Employee Forum in a monthly meeting, CB mail and through the intranet, aimed at informing employees of developments taking place within the Group.

## Child labour, forced and compulsory labour

In line with its commitment to the UN Global Compact Principles, Cashbuild has a zero tolerance policy with regard to child labour and forced or compulsory labour amongst the contractors and delivery drivers that the Group supports.

## Gender equality

Cashbuild's policy and goal towards achieving gender equality are guided by a vision of fairness and acknowledges the principle that gender plays no part in merit and will actively manage its human resource development to ensure women and men have equal opportunity to participate in management at all levels. Cashbuild increased its female:male ratio from 26%:74% in 2016 to 30%:70% in 2017. Neither women nor men can be considered as a homogenous group and individual capabilities will drive advancement. Women and men have different skill sets whereby either or both can be developed for the advancement of the Group. However, our policy acknowledges that the means of developing various gender skills may require different emphasis and practises. Cashbuild rejects any form of unfair discrimination based on gender in the Group. Refer to the Group's website for the detailed policy.

