

Sustainability Report

2024

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Sustainability Report 2024: Schauenburg Systems

At Schauenburg Systems, Environmental, Social, and Governance (ESG) criteria form the foundation of our sustainability and ethical business practices. These principles guide us in minimising environmental impact, enhancing social well-being, and upholding governance standards.

Our Mission: "We enhance safety and productivity in mining through innovation—for the benefit of all our stakeholders. Through superior value creation and by applying Environmental, Social, and Governance criteria, we sustainably create jobs."

By embedding ESG into our operations, we create long-term value for all stakeholders, contribute positively to our communities, and responsibly manage resources. This commitment reflects our alignment with the United Nations Sustainable Development Goals (UN SDGs), emphasising our role in advancing global sustainability and ethical conduct.



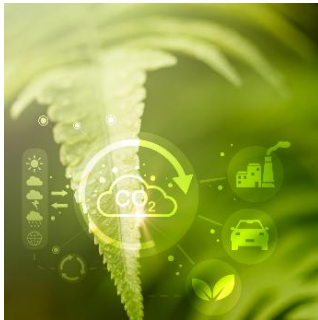
Environmental

Schaenburg Systems is committed to improving environmental management and business systems to reduce the environmental impact of its operations. Our environmental efforts align with UN SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action).



Environmental Responsibility

We prioritize innovative solutions to minimise our environmental impact while promoting sustainable practices. Our environmental strategy is directly tied to UN SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action). Our key initiatives include:



- **Carbon Footprint Assessment:** To effectively combat climate change, we began by understanding our carbon footprint. By measuring the emissions from our operations for the years 2021, 2022 and 2023, we established a critical baseline. This data enables us to set realistic reduction targets and monitor progress, ensuring that every step forward is measurable and impactful.



- **Recycling/Sorting Programs:** Recognizing the importance of reducing waste, we implemented recycling programs across all facilities. We established a recycling/sorting depot at our head office, where various types of waste including plastic, paper, cardboard boxes, electronic waste, and batteries are sorted. Batteries collected from all areas are sent to a specialized battery recycling company, ensuring their safe and sustainable disposal. Additionally, general waste is collected and sent to a recycling facility managed by Mpact, which ensures that up to 85% of the waste is recycled and diverted from landfills.

- **Circular Economy Concept:** we are committed to integrating sustainable practices into every aspect of our operations. As part of this commitment, we have established a comprehensive circular economy concept designed to optimise resource use, minimise waste, and contribute to a more sustainable future.



We have identified and categorised various waste streams within our operations. These include:

- Cardboard
- Mixed Electronic Waste
- Plastics
- Steel
- Batteries
- General Waste



Each waste stream is measured and monitored throughout the year. We track the origins of waste, measure the amount collected, and assess opportunities for reuse within the company. Any residual waste is responsibly managed by partnering with third-party recyclers.

In addition to managing waste, we have set targets and objectives for reducing our environmental footprint. These targets focus on areas such as paper usage, water conservation, electricity consumption, and overall recycling efforts.

Another initiative in our circular economy is the introduction of more advanced battery technologies with double the lifespan of previous models. This innovation significantly reduces waste and resource consumption, aligning with our sustainability goals.

- **Carbon Neutrality Goal:** Our goal of achieving carbon neutrality by 2035 is already underway. By offsetting scope 1, 2, 4, and 6 emissions through renewable energy investments and other environmental programs, we've demonstrated our commitment to a sustainable future. However, our scope 3 emissions will only reach carbon neutrality when the government facilitates more affordable electric vehicles and expands the footprint of charging stations. This effort also requires reliable and sustainable electricity to power these facilities.



- **Energy Generation:** To reduce reliance on non-renewable energy, we've significantly increased on-site renewable energy production by investing in solar systems at our Head office as well as 4 other satellite branch offices. The solar system at our Head office reduces our power consumption by 40%, at our Rustenburg office by 60% and at three other satellite offices by up to 85%.

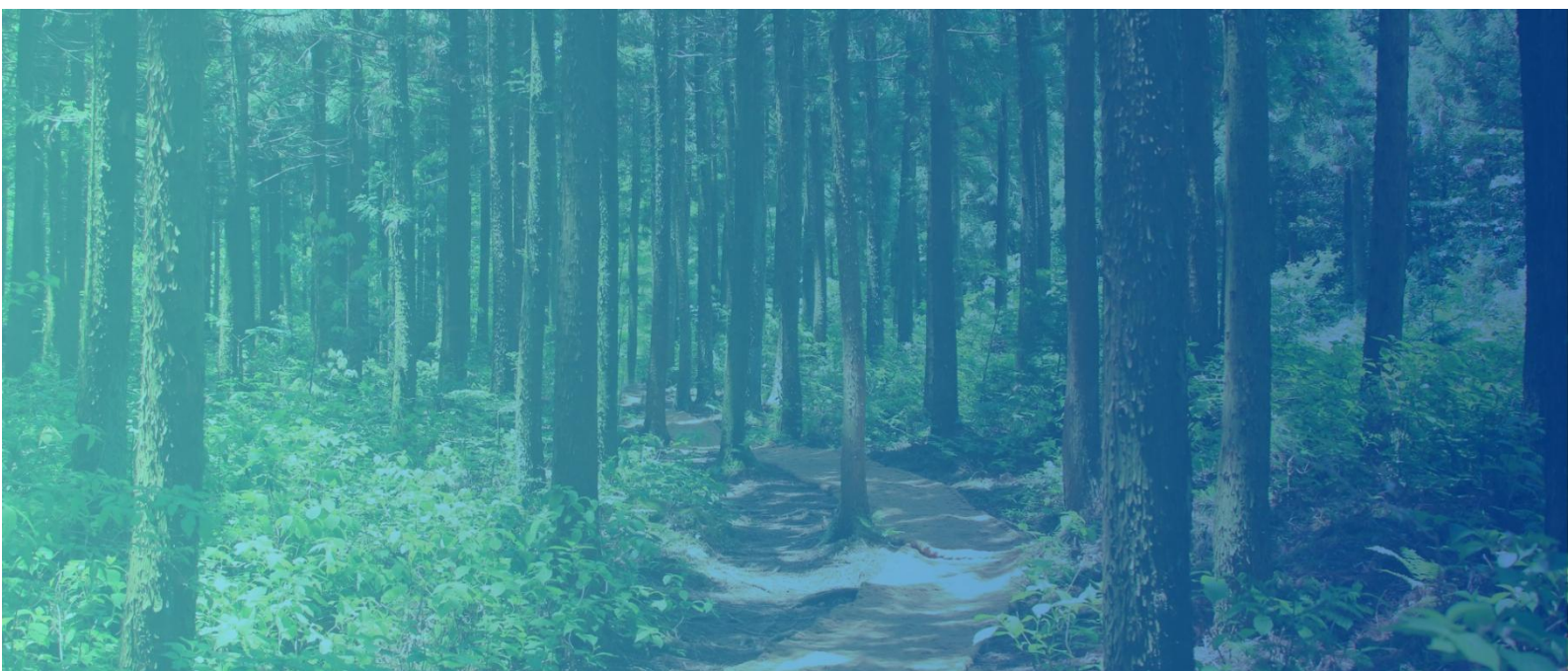


- **Carbon Offset Projects:** By offsetting 1,038 tons of our Scope 1, 2, 4, and 6 emissions for 2023, we are actively investing in South African carbon offset projects, aligning with national sustainability efforts. These initiatives include carbon offsetting through the Sun Exchange Project via Credible Carbon, which supports impactful projects that reduce greenhouse gas emissions, fight poverty, and tackle climate change. Sun Exchange develops small-scale solar energy systems providing clean, affordable energy to schools, retirement homes, and communities, addressing the region's energy crisis while advancing sustainability.

- **ESG Audit 2024:** Schauenburg Systems achieved a "Very Good" rating in its 2024 Compliance Verification Report conducted by Pro Optima Audit Services. This evaluation, aligned with ICMM mining principles, reflects the company's commitment to sustainability, social responsibility, and ethical practices across areas such as environmental resource management, health and safety, and stakeholder integrity. Further demonstrating its dedication, Schauenburg achieved ISO 14001 and ISO 45001 certifications in 2024.



- **Environmental Award:** Schauenburg Systems succeeded in the 2024 Mining Technology Excellence Awards, earning an award in the Environmental category. The Environmental Award recognised Schauenburg's commitment to sustainability through carbon footprint reduction, renewable energy adoption, and reforestation initiatives.



Social

Our social initiatives are designed to enhance the socio-economic status of local communities, aligning with UN SDG 1 (No Poverty), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities).



Social Responsibility

Our social initiatives focus on improving the socio-economic conditions of local communities and fostering equity, inclusivity, and growth. These efforts align with UN SDG 1 (No Poverty), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities). Highlights include:

- Job Creation:** Over the past six years, we have proudly expanded our workforce from approximately 400 employees to over 1,000. This growth reflects our commitment to both scaling our business and investing in our people. By creating meaningful job opportunities and fostering a supportive, dynamic workplace, we empower our employees to thrive and contribute to our shared success. This milestone underlines our dedication to sustainable development, not only for our organization but also for the communities we serve.
- Skills Development:** At Schauenburg, we are passionate about bridging the gap between skills and employment opportunities, recognising the critical role of education and training in driving sustainable economic growth. In 2024, we have made significant investments in these initiatives, underscoring our commitment to empowering individuals and fostering long-term development.
- Internal and External Training Opportunities:** Our dedication to learning extends both within and beyond our organization:
 - Internal Training Programs:** Investing in our workforce's growth is a top priority. Regular workshops, online learning platforms, and leadership development programs empower employees to advance in their careers while contributing to the company's success. Our initiatives are tailored to provide employees with practical skills, ranging from technical certifications to essential soft skills. These programs not only empower participants but also contribute to building a skilled workforce for the future.





- External Training Programs:** Through partnerships with organisations such as the YES Youth Program, Regenesys, SDC, and Kukhula, we support initiatives that provide education, training, and bursaries to empower young individuals in our communities. The YES Youth Program engages 50 young participants in dual education and on-the-job training, with 18 placed internally and 32 externally. At SDC, we support 40 external students with disabilities, aged 18-24, who are gaining valuable business skills to enhance their career prospects. Through Regenesys, we provide 24 external bursaries for students pursuing a BCom in Computer Science, helping to build the next generation of skilled professionals. Additionally, Schauenburg Systems has partnered with Kukhula by funding learnerships, supporting the development of students and providing them with vital skills and workplace competencies. As part of our commitment to "growing business by growing people," we are also proud to offer NQF3 and NQF4 certifications, providing employees with valuable opportunities for professional development and skill enhancement. These programs reflect our commitment to fostering education, inclusion, and youth development.

- Schauenburg Education Trust:** As part of our commitment to social responsibility, the Schauenburg Education Trust provides bursaries to previously disadvantaged individuals, enabling them to complete graduate-level studies.

Since its establishment in 2013, the Trust has supported 80 students, including 64 graduates, with degrees in various fields such as BEng Electronics, BEng Electric, finance, and Data Science. In 2024, the Trust supported 20 students, including 2 master's students in Data Science.



The Trust also partnered with Afrika Tikkun for various projects. This initiative is a key pillar of our efforts to promote equal access to education and create long-term opportunities for underrepresented communities.

- Schauenburg Scholarship Fund:** The Schauenburg Scholarship Fund was established to provide financial support for the children of our employees in their pursuit of further education and professional development. This initiative reflects our commitment to investing in the next generation, ensuring their growth and success as an integral part of our broader vision.



Through these diverse training and education initiatives, Schauenburg is driving meaningful change, fostering personal and professional growth, and building a stronger, more equitable future for all.



- **Health, Safety, and Wellness:** Our commitment to employee well-being goes beyond compliance. From ergonomically designed workplaces to mental health support programs, we've cultivated a culture that prioritizes health and safety, ensuring that every team member feels valued and supported.



- **Employee Satisfaction Surveys:** Our company is committed to fostering a supportive and thriving workplace, demonstrated by our annual Employee Engagement & Enablement surveys. These surveys provide valuable insights into the employee experience and help us identify areas for improvement. This year, we saw a further increase in employee satisfaction across key categories, including Enablement Drivers, Engagement Drivers, Respect & Recognition, and Clear & Promising Direction.

- **Socio-Economic Development:** We acknowledge social responsibility as an important component of our corporate citizenship and believe in the sustainable development of previously disadvantaged individuals and communities. We, therefore, focus on projects and initiatives in the areas of education and training, including our support for local organisations such as Ukajede and the LEAP Science and Maths Schools, specifically in the field of Robotics - through the Rhiza Organization.



- **Enterprise Development:** Our Enterprise Development initiatives focus on developing local entrepreneurs and suppliers to foster economic growth and sustainability within our communities. In 2024, we invested R1.4 million into this initiative, supporting organisations and programs such as ASFFSA, our canteen operators, and Aurik, which uses our funds to identify and support promising businesses. This commitment underscores our dedication to strengthening our supply chain, supporting local entrepreneurship, and contributing to the long-term development and resilience of our local economies, ensuring a more inclusive and sustainable future for all.



- **Top Employer:** Schauenburg was also recognized as a Top Employer in South Africa for 2024 by the Top Employers Institute. This certification highlights the company's commitment to creating an exceptional workplace through progressive HR practices, including people strategy, work environment, talent development, well-being, and diversity. The recognition is based on meeting strict criteria and reflects Schauenburg's dedication to fostering a supportive and innovative environment for its employees.

Governance

Schauburg Systems upholds the highest standards of governance, respecting human rights and ensuring ethical business conduct. Our governance efforts are guided by principles of transparency, accountability, and compliance with legal frameworks.

5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



Governance Excellence

At Schauburg Systems, governance is the backbone of our operations. Upholding the highest standards of transparency, accountability, and integrity, we ensure compliance with ethical and legal frameworks. Key governance initiatives include:

- BBBEE Level 1:** This year, we are proud to have achieved a Broad-Based Black Economic Empowerment (BBBEE) Level 1 rating, reflecting our commitment to driving meaningful transformation and inclusivity within our organization and the broader community. This milestone underscores our dedication to empowering previously disadvantaged groups through initiatives focused on equity, skills development, supplier inclusion, and socio-economic contributions. Achieving this top-tier rating is a testament to our efforts in fostering sustainable growth and creating opportunities that promote a more equitable economy.
- Ethical Business Practices:** Our Code of Conduct is a fundamental part of our corporate culture, providing a clear framework for how we expect all employees and partners to conduct themselves. It outlines our commitment to integrity, transparency, and accountability in every aspect of our operations. To ensure that these principles are consistently upheld, we provide training to all staff, ensuring they understand the ethical standards expected of them. By emphasizing ethical conduct in our daily practices, we strive to foster a business environment where trust, respect, and responsibility are the foundation of all relationships, both internally and externally.



- **Human Rights Advocacy:** We are committed to promoting a strong understanding of human rights and their connection to socio-economic rights, gender equality, security practices, and decent working conditions. Through the implementation of our Human Rights Policy and the integration of human rights education into our corporate training programs, we foster a workplace that values dignity and equality. These efforts go beyond compliance, driving meaningful change and promoting respect for human rights at every level of our organization.



- **Compliance and Quality Control:** Stringent quality control measures ensure that our products and services meet industry standards. From meticulous audits to real-time monitoring systems, we're committed to delivering excellence in every aspect of our operations.

We achieved a significant milestone at our head office with the successful receipt of ISO Integrated Management System certifications for ISO 9001, ISO 14001, and ISO 45001. This accomplishment demonstrated our commitment to quality, environmental management, and occupational health and safety. Additionally, this achievement earned us the prestigious Merit Award from SGS, recognizing the effectiveness of our integrated management systems.



- **Risk Management:** At Schauenburg, we focus on proactively identifying and managing risks as a key part of our governance strategy. Using the HIRA - Risk Management System, we work closely across departments to spot potential challenges early on and address them before they escalate. This approach helps protect our operations and stakeholders, ensuring smooth and safe business processes.



- **POPI Act:** Schauenburg is fully committed to protecting personal information and complying with the Protection of Personal Information (POPI) Act. We have implemented strict measures and practices to safeguard personal data, ensuring that it is handled responsibly and securely. Our certification under the POPI Act reflects our dedication to privacy and data protection, assuring our clients and stakeholders that we prioritize the confidentiality and security of their personal information.

Conclusion

Our commitment to Environmental, Social, and Governance (ESG) principles highlights Schauenburg Systems' dedication to sustainable and ethical business practices. Through continuous improvements in environmental initiatives, social empowerment, and governance excellence, we strive to create value for all stakeholders. Our efforts directly align with the UN SDGs, reflecting our responsibility toward a sustainable and ethical global future. Moving forward, we are committed to our mission to make a positive and lasting impact, ensuring a sustainable future for all South Africans.