CIMERWA

A PARTNER OF

PPC

'21

ANNUAL FINANCIAL REPORT

S.H.E FINAL REPORT

OCCUPATIONAL HEALTH AND SAFETY

Highlights

- CIMERWA implemented COVID-19 rapid testing across the business as a precautionary measure against the spread of the virus
- COVID-19 vaccine administered 99.7% of people at CIMERWA
- No LTIs were recorded in FY21 at CIMERWA operations, resulting in a lost time injury frequency rate (LTIFR) of 0,00

Lowlights and Response

A group policy on COVID-19 management was adopted and implemented at all CIMERWA, coupled with a reporting system to facilitate contact tracing and minimise further spread. This ensured business continuity Implemented measures to align to Rwanda's COVID-19 legal requirements
CIMERWA is committed to building a proactive health and safety culture at individual, organisational and leadership levels. Managing occupational health and safety is critical to the sustainability of the business, and the company understands its responsibility towards protecting its people. For this reason, CIMERWA designs its operations to ensure everyone works in an environment that does not threaten their health and safety in any way.

The company rigorously monitors its occupational health and safety management through risk assessments, incident investigations, site inspections and observations, internal and external audits, legal compliance audits and regulatory requirements. The company also creates a safe working environment through responsible maintenance and safeguarding its physical environment, such as infrastructure, equipment and tools. The company's management and leadership teams are wholly committed to its health and safety principles.

CIMERWA is committed to its health and safety policy, The policy is guided by international best practice, as well as country-specific requirements, taking into account the varying health and safety risk profiles across operations. The policy is communicated to employees and contractors regularly and effectively through various engagements such as inductions, training and workshops, and toolbox talks. Any visitors to operations must attend health and safety inductions, where the policy is clearly explained to them.

Safety Performance

	Target	Actual Sep 2021	Actual Sep 2020	Trend
Fatalities	Actual Sep 2021	0	1	Down
Fatality frequency rate (FFR) per 200 000 hours worked	Actual Sep 2020	0	0.11	Down
LTIs	Trend	0	2	Down
LTIFR per 200 000 hours worked(12-month window)		0.0	0.23	Down
Total First Aid Cases (FAC) and Medical treatment cases (MTC)	0.20	14	28	Down

- The company performance improved drastically whereby no LTIs were recorded in FY21. The LTIFR for CIMERWA was 0,00 in FY21. A total of 5 medical treatment cases and 9 first aid cases were reported at the operation. A noticeable 50% reduction in FAC and MTC was recorded

- CIMERWA aims to subscribes to International Organization for Standardization (ISO) 45001 Safety Management Systems and 14001 Environmental Management Systems. The CIMERWA plant notified the Rwanda Certification Body (RCB) of its intention to obtain an integrated management system certification for ISO 45001 and 14001 which will position CIMERWA as a responsible cement producer. This will further support the goal to be a leader in the industry in Rwanda. Certification is aimed for FY22.

- CIMERWA has implemented an additional safety awareness training programme for logistic contractors at their operations. The goal is to improve road safety and minimise potential property damage.

Occupational Health

- The company intends to minimise risks in the workplace and surrounding communities by
- consistently identifying potential hazards. Employees must conduct entrance, exit and annual medical examinations, which are completed at the clinic. Extended medical check-up is conducted upon entry and exit, this include organ check-up, diabetes, HIV/ AIDS and hepatitis B & C.

- With regards to occupational hygiene surveys, CIMERWA monitors health concerns relating to noise, dust, and vibration. CIMERWA has well-established, onsite medical clinic with medical professionals responsible for managing diseases. All medical records and information are kept confidential between the medical practitioner and the patient. CIMERWA aims to expand the occupational health monitoring programme during FY22.

- CIMERWA has an active malaria control programmes to ensure that the disease is managed proactively. In addition, a malaria vectors control campaign in surrounding villages has been launched to control the spread of malaria the effectiveness of the programme is noticeable with a 59% reduction in malaria cases compared to the previous financial year.

Occupational Health Performance

Health Indices	Actual Sep 2021	Actual Sep 2020	Trend
Hypertension	3	6	Down
Malaria	35	96	Down

Responding to COVID-19

Health and safety are the most critical factors when CIMERWA considers employees. The advent of the COVID-19 pandemic meant that the company had to introduce additional protocols to existing systems and procedures.
CIMERWA recognises the commitment of employees to ensure their safety and that of their peers during this crisis. CIMERWA recorded a total of 67COVID-19 infections in FY21. 300 staffs vaccinated

Environment and Energy Management

CIMERWA understands that its operations have an inexorable impact on the environment. To ensure the company builds a thriving business while remaining a responsible corporate citizen, CIMERWA focuses on effective environmental and energy management. By doing this, the company can ensure the business continues to create sustainable value for stakeholders.

Highlights

CIMERWA achieved an average coal substitution with an alternative fuels and resource (AFR) rate of 12,7% against a target of 10% Clinker factor at CIMERWA improved by 11% during the year Planted 540 trees at Mashyuza Quarry as part of the Greening of CIMERWA project Ambient Air quality monitor installed at CIMERWA this will ensure compliance to Environmental and Social Impact Assessment commitments as well fulfilling REMA directives

Lowlights and Response

Communities surrounding CIMERWA lodged a complaint with Rwandan authorities relating to potential negative impacts of dust, noise and vibrations emanating from operations

- Engaged with the community and the Ministry of Environment
- Submitted an action plan, including a commitment to install ambient air monitoring and conduct an environmental audit, to the Rwanda Environment Management Authority (REMA)
- Completed an environmental audit with the results submitted to REMA Commissioned the ambient air monitoring.

Climate Change and Energy

Cement making is an energy-intensive business and the company recognises that its energy consumption is inextricably linked to its carbon footprint. Therefore, CIMERWA is committed to efficient energy usage and effective management of the natural resources the business depends on. CIMERWA's approach to effective and optimal energy management is guided the following pillars:

- Monitoring and evaluating all energy-related activities
- Continuously identifying energy-saving initiatives and implementing value-adding opportunities
- Improving thermal and electrical energy footprint
- Investigating and possibly implementing and producing PPC's own source of electricity using renewable and non-renewable resources

This was further impacted by higher-than-average limestone moisture content at CIMERWA negatively impacting raw mill throughput and, consequently, kiln capacity utilisation. PPC is implementing a limestone dryer project to mitigate this issue.

CIMERWA continued focusing on electrical energy cost reductions by aligning production plans with optimal time-of-day power usage. The site installed a 50kW solar photovoltaic (PV) plant based on a power purchase agreement (PPA) and is exploring the possibility to increase the capacity of the plant to 1MW under a second PPA. The company employs local community members to conduct regular maintenance and upkeep of the plant. CIMERWA also installed 51 solar power units to power the geysers of houses in the local village during the year.

Climate change remains a very real and imminent threat. Globally, PPC has seen a significant and growing number of climate-related drivers materially impacting companies. This includes new regulatory requirements, pressure from investors and civil societies, industry membership requirements, and changing customer preferences and demands for goods and services. The company recognises the effect of its thermal and process activities on the environment and is committed to responsibly and efficiently managing the natural resources on which it relies. Fit-for-purpose cement products, which have a low carbon footprint, are a significant part of its current mitigation efforts. The company is also implementing measures to improve thermal efficiency, reduce clinker and improve cement quality.

An alternative energy management programme enables the companies to identify and understand any risks and opportunities relevant to operations, and implement short and long-term solutions
to climate change. CIMERWA, particularly, had success with alternative materials (peat, rice husks and plastic bottles), achieving a substitution rate of approximately 12.07% against a targeted 10%, emanating from improved process stability. Furthermore, CIMERWA increased its levels of peat usage, which peaked at11.2% and improved total coal substitution to 12.07% The plant's clinker factor reduced by 5.7% global mainly due to various product mix initiatives.

PPC is constantly finding innovative ways to improve the way it operates. In FY21, the group which include CIMERWA operation has appointed a consultant, Change Pathways, to help it develop a roadmap to guide its response to the growing stakeholder expectations related to climate change. The company will particularly focus on how it can incorporate the recommendations of the TCFD into the business and develop a climate change strategy to improve performance. This will also help investors, regulators and other stakeholders better understand PPC's approach to mitigating the effects of climate change.

CIMERWA Plc plans continue to increase its efforts towards tree planting effectively employing them as carbona sink machines. Tree planting was adopted at CIMERWA because it is an effective way of reducing carbon emissions as well as restoring the ecosystem.

Energy intensity	FY21	FY20
Thermal-specific heat consumption (MJ/t clinker)	3.91	4.03
Electrical-specific energy consumption (kWh/t cement produced)	128.7	132.17

Carbon footprint

CIMERWA monitors its carbon footprint, including direct and indirect emissions and energy consumption, by collecting, monitoring, and assessing data. This is a critical step to effectively identify ways to improve its processes and manage its emissions and energy usage effectively. Regular internal verification audits are done to assess and improve the accuracy and assurance of data collection and analysis processes.

Net CO2 intensity: Cementitious (kgCO2e/t)	FY21	FY20
	3.91	695

Water Management

PPC has a holistic, integrated approach to water management to ensure it considers the needs of its entire business across countries. In this way, the company can manage water-related impacts beyond its operational boundaries by:

- Identifying water sources and uses
- Monitoring water quantity and quality
- Managing water usage according to monitoring results
- Reusing and augmenting alternative sources
- Complying with legislative requirements
- Conducting risk assessments, including agility on emerging legal requirements for issues of national and sustainability interest

The Mashyuza hot spring located close to the CIMERWA quarry suddenly dried up during the year. This was a significant cause for concern with speculation that the incident was caused by blasting activities from PPC's quarry. However, after an investigation conducted by the Rwanda Mines, Petroleum and Gas Board, it was discovered that the disappearance of the hot spring was caused by a natural chemical weather process, ruling out PPC's blasting activities.

CIMERWA's water permit application is on hold pending finalisation of the newly established Institution of Water Resource Management. Rwanda also announced a new water tariff regulation. CIMERWA has instituted a water management programme to prepare for forthcoming legislative requirements.

Water intensity (m3/t cement)	FY21	FY20
	0.35	0.47

Air Quality Management

CIMERWA's manufacturing processes release air emissions such as dust particulate matter (PM), SO2 and NOx. The company ensures it monitors all emissions from its operations as effectively as possible, and its inventory of relevant requirements is updated regularly. Emissions from kiln stacks and other legislated points are monitored. CIMERWA's conducts continuously monitoring of NOx and PM, SO2 emissions are monitored periodically.

PPC focused on regular maintenance and in-house calibration of its continuous emission monitoring systems. The company annually conducts stack emission verification through independent stack emission testers. Logistical delays have historically prevented CIMERWA from effectively conducting stack emission verifications, however, the company has purchased isokinetic equipment to ensure the site complies with the statutory requirement timeously.

Air Emissions (mg/Nm3)	FY21			FY20		
	PM	NOx	SOx	PM	NOx	SOx
	21.61	1122.57	5.42	35.03	1243.1	4.13

Waste Management

CIMERWA's waste management programme identifies waste streams and monitors the general and hazardous waste produced from its business activities. The goal is to recycle and reduce waste. The waste management programme complies with the waste hierarchy, which is informed by the general principles of waste management and focuses on reducing waste sent to landfills. As a cement manufacturer, the company is uniquely positioned to enhance this hierarchy through co-processing activities by substituting coal with alternative materials – such as tyres and biomass.

This will preserve natural resources and reduce its carbon footprint while providing sustainable solutions to waste management in the long term. In Rwanda, CIMERWA has seen promising results from this process and achieved an average coal substitution with AFR rate of 12.07% against a target of 10%

CIMERWA also implemented a zero-waste strategy to reduce the impact of its operations on the environment. The strategy helps PPC empower its host community members by creating employment opportunities as waste handlers. By achieving zero waste, CIMERWA fulfils the waste management hierarchy and has shifted towards a circular economy. The plant supports the Ministry of Environment's waste reduction strategy to replace 500ml single-use plastic water bottles with 20l refillable bottles. This has created an 80% cost saving for the operation.

Onsite containment of waste in line with 3R enabled Cimerwa to reuse generated wastes destroyed into the kiln and electronic waste recycled through E-waste recycling plant based in Bugesera – Easten province and CIMERWA received a certificate for of the same. This approach has permitted Cimerwa to maintain a steady and sustainable performance towards cleaner production processes.

CIMERWA A PARTNER OF PPC STRENGTHENING RWANDA