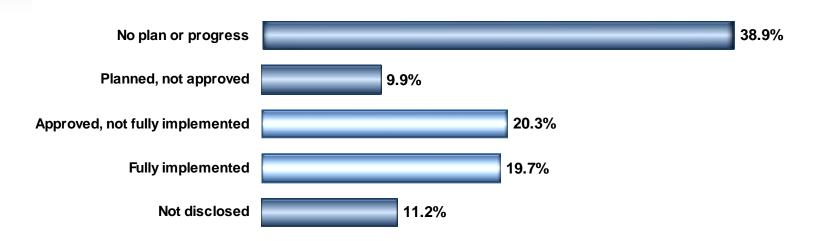
BBBEE BASELINE STUDY BACKGROUND FINDINGS

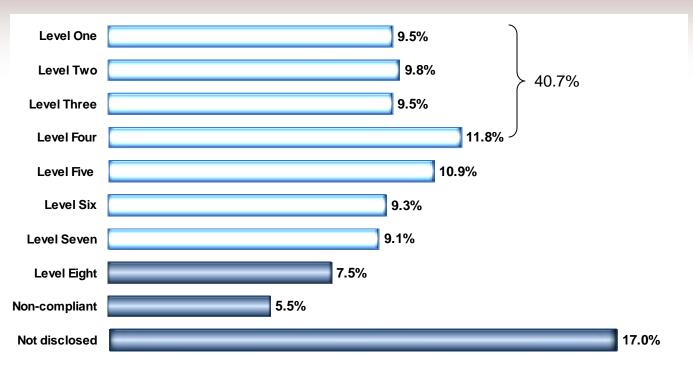
Current BBBEE Progress



- Question: Which one of the following best describe your company's current status with regard to Broad Based Black Economic Empowerment - BBBEE (Please select the most appropriate description of your status)
- This finding represents a self reported progress into four categories (plus not willing to disclose), which shows 38.9% of companies having no plan or progress, partial progress reported by 30.2% (9.9% planned & 20.3% approved) and 19.7% companies reported "fully implemented".



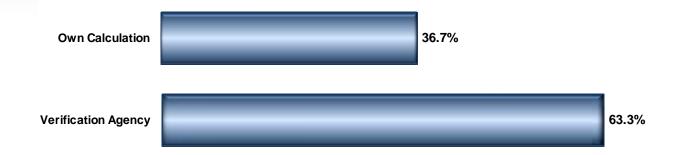
Self Reported BBBEE Level



- Only 24.7% of respondents reported to have a formal scorecard from which they reported their BBBEE compliance level as shown above.
- The fact that less than 25% of South African companies have formal BBBEE Scorecards points to the "wait-and-see" attitude experienced during this research. It furthermore also shows albeit a <u>self reported level</u>, that 40.7% of companies that claim to have a scorecard to be on 100% or higher compliance level (according to BBBEE Generic scorecard).



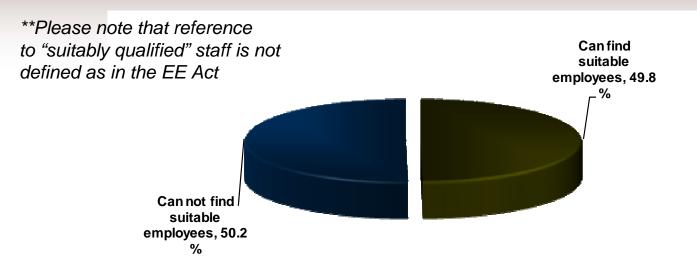
Source of Score Card



- Of the 24.7% respondents reporting to have a formal scorecard almost two thirds (63.3%) are reported to be formulated by Verification Agencies.
- This finding is encouraging for the Verification industry and may represent the view that the Codes are difficult to calculate (especially since no formal accreditation of verification agencies have been granted)
- It is significant to note that only 16.6% of small business claims to have a formal scorecard, whilst the comparative figure for large business is 35%



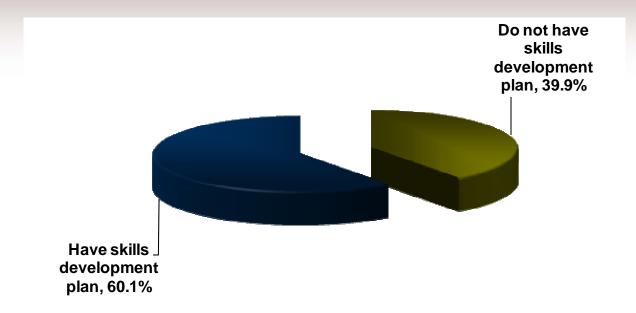
Challenge to Find Suitable Employees



- The reason for conflicting views on the skills shortage as a constraint in BBBEE progress is clearly shown in the reported finding above (50% agree and 50% disagree)
- This finding will have a significant impact on the Employment Equity Element of the Scorecard (reported later)
- The comparative finding for different sizes of companies are:
 - Large Business = 74% report difficulty to find "suitably qualified and experienced black people" to appoint
 - o Medium Business = 51.6% report difficulty to find "suitably qualified and experienced black people" to appoint
 - o Small Business = 41.9% reported difficulty to find "suitably qualified and experienced black people" to appoint 29



Skills Development Plan



- Despite the requirement for companies to have a Workplace Skills Plan (WSP),
 39.9% companies still report not having any skills development plan
- The comparative finding for different sizes of companies are:
 - o Large Business = 85% report to have a skills development plan
 - o Medium Business = 65.8% reported having a skills development plan (34.2% not)
 - o Small Business = only 45.7% reported having a skills development plan (54.3% not)

