

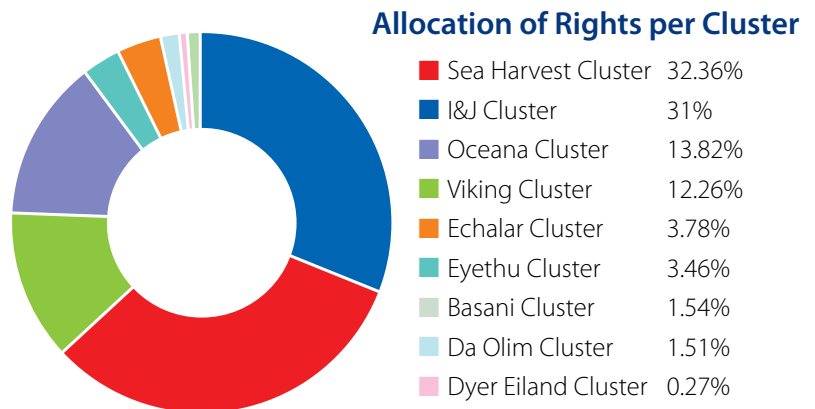
Broad-based black economic empowerment and the South African deep-sea trawling industry

The deep-sea trawling industry is at least 62,36% black owned and a level three contributor to broad-based black economic empowerment (B-BBEE). This is according to the independent economic empowerment verification and research agency, Empowerdex, which released a report entitled "A transformation study of the deep-sea trawling industry" in July 2016.

The Empowerdex report Methodology

For the purposes of the Empowerdex study, right-holders were divided into their respective clusters – the strategic alliances that enable the optimal utilisation of vessels. The allocation of rights per cluster is presented in the graph.

Transformation scores were extracted from the B-BBEE certificates submitted by each right-holder and consolidated to produce scores per indicator, per cluster. These scores were weighted against the rights allocations held by each cluster.¹



Scorecard

The scorecard below is a reflection of the industry's transformation status using the 2007 Codes of Good Practice. The scorecard takes into account the following elements: ownership; management control; employment equity; skills development; preferential procurement; enterprise development; and social development. When scores for all these elements are combined, the industry's overall score is 79.17 points out of a possible 100 points. This score ranks the industry as a Level 3 contributor to B-BBEE.


Ownership

Actual performance:
 **22.35/20**²

The Empowerdex analysis shows that consolidated industry black shareholding is 62.36% for both voting rights and economic interest. Black female shareholding for both voting rights and economic interest is 12.79%, above the required compliance target of 10%.

The industry scored 22.35 points as a whole and, on average, right-holders scored 21.48 points each for the ownership element of the scorecard.

Management control

Actual performance:
 **6.8/10**

Board representation – 37.33% representation by black people

Executive Board representation – 35.75% representation by black people

Senior top management – 19.42% representation by black people

Top management – 31.02% representation by black people

Independent non-executive directors – 4.95% representation by black people

¹ Two percent of right-holders did not respond to calls to submit their B-BBEE certificates, therefore the analysis represents 98% of allocated trawl rights.

² Under the 2007 codes it was possible to score bonus points, hence the score of more than 20.

Employment equity

Actual performance:
 **6.3/15**

- Black disabled employees** – 0.47%
- Black representation in senior management** – 15.24%
- Black representation in middle management** – 39.56%
- Black representation in junior management** – 52.20%

Skills development

Actual performance:
 **9.03/15**

Preferential procurement

Actual performance:
 **15.28/20**

- B-BBEE procurement as a percentage of total measured procurement spend** = 54.86%
- B-BBEE procurement from Qualifying Small Enterprises and Exempted Micro Enterprises as a percentage of total measured procurement spend** = 11.81%
- B-BBEE procurement spend from suppliers that are 50% black owned** = 8.95%
- B-BBEE procurement spend from suppliers that are 30% black woman owned** = 5.59%

Enterprise development

Actual performance:
 **15/15**

Socio-economic development

Actual performance:
 **4.41/5**

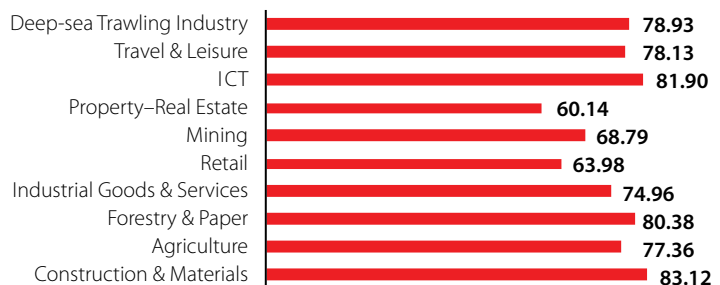
The Empowerdex report has identified scorecard elements for which there is room for improvement.

Comparison with other industries

The table below compares the performance of the deep-sea trawling industry with the scores for a range of South African industries. The scores reflect the top empowered listed companies in these sectors. With a score of 79.17%, the deep-sea trawling industry came in after the construction and materials industry (83.12), the ICT industry (81.90%) and the forestry and paper industry (80.38%).



Industry analysis



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