



A TRANSFORMATION STUDY OF THE DEEP SEA TRAWLING INDUSTRY PRESENTED TO THE SOUTH AFRICAN DEEP SEA TRAWLING INDUSTRY ASSOCIATION (SADSTIA) 2018- EMPOWERDEX CAPE TOWN

**BASED ON
THE AMENDED GENERIC CODES OF GOOD PRACTICE GAZETTED ON 11 OCTOBER 2013**



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CONTENTS

Acknowledgements: 3

Abbreviations 3

Executive Summary: 4

Introduction 5

Objectives 5

Approach and Methodology..... 6

Industry Background 7

Score Summary..... 9

Scorecard Detail..... 10

Scorecard details per element..... 12

 B-BBEE Ownership – DSTI..... 12

 Management Control – DSTI 13

 Skills Development – DSTI 16

 Enterprise and Supplier Development – DSTI..... 17

 Preferential Procurement – DSTI 18

 Supplier Development – DSTI 18

 Enterprise Development – DSTI 19

 Socio-Economic Development –DSTI 20

Empowering Supplier 20

Industry analysis..... 21

Conclusion & Recommendations..... 23

Confidentiality..... 23

Limitation of Liability 23

Empowerdex Company Profile 24

Appendix 1: Hake Deep Sea Trawling Clusters-2019 25

Acknowledgements:

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Abbreviations

BBBEE Act- Broad Based Black Economic Empowerment of 2003

BBBEE- Broad Based Black Economic Empowerment

DSTI-Deep Sea Trawling Industry

HDSTI-Hake Deep Sea Trawling Industry

EME –Exempted Micro Enterprises

JSE-Johannesburg Stock Exchange

QSE – Qualifying Small Enterprises

Codes- BBBEE Codes of Good Practise (2007)

TAC –Total Allowable Catch

SADSTIA-South African Deep Sea Trawling Industry Association

RT – Rights Holders

JSE-Johannesburg Stock Exchange

Executive Summary:

The Department of Agriculture, Forestry and Fisheries has the sole responsibility of allocating trawling rights within the Deep Sea Trawl Industry, in South Africa. This report sought to highlight the status of Transformation within the industry by consolidating the statuses of individual entities, and weighting them against their total allocated rights.

It is worth noting that there is not much literature to date detailing the status of transformation in the whole industry, in line with the B-BBEE Codes of Good Practice Indicators. This report can be used as a baseline study for all future research as well as monitoring of progress towards transformation by the industry.

A description of the industry make-up i.e. the different clusters, industry background as well as a consolidation of the individual entities B-BBEE scorecards was done. It was further compared with the average scores for some JSE sub-sector industries scorecards.

The research was undertaken independently by Empowerdex Cape Town and since this is the baseline study not all entities were able to provide their transformation data. On a positive note, entities that hold 99.33% of rights provided their latest transformation data (which is statistically reliable). It also shows that the majority of companies in the industry are committed in acquiring their transformation credentials.

The industry has an estimated 66.59% black ownership and meets the 25.00% compliancy target as set out in the Codes of Good Practice. As an overall score, the industry achieved 96.93 points and ranks a level 2.

Introduction

South Africa has been harvesting hake, sole and other marine resources through trawl fishing for over one hundred years. The trawling industry contributes greatly in alleviating poverty and in job creation and is a significant contributor to the country's 3rd largest province (Western Cape) in terms of GDP. All the above mentioned contributions made by the trawling industry are part of government's transformation strategy through the Broad-Based Black Economic Empowerment ("B-BBEE") Act. As part of this overall transformation process, the process of implementing B-BBEE is commonplace in the business arena and has become mandatory in government's licencing and public procurement policies. The process has been driven by a strong impetus of the various departments in Government.

Despite the long history of trawling in South Africa, there has been only one transformation study conducted on its level of transformation to date. It is against such a background that the South African Deep Sea Trawling Industry Association (SADSTIA) has requested an independent review of the overall status of the industry that will serve as a tool to determine the contribution of the industry towards transformation levels and B-BBEE processes at large. Empowerdex hereby presents SADSTIA with the results of the study within the sector and highlights the current level of transformation as measured by the B-BBEE Codes.

Objectives

The objectives in conducting a transformation study of the Deep-Sea Trawling Fishing sector are to ascertain:

- The level of transformation as measured by the B-BBEE Codes of Good Practice and other appropriate transformation statistics of the Deep-Sea Trawling Industry, compared with other sectors in the fishing industry.

Approach and Methodology

Approach

The project was segmented into the following five phases:

- **Pre-Assessment Phase**
 - In this phase, the overall process for evaluating the performance / transformation levels of the industry was agreed upon by stakeholders. Intended audiences and stakeholders were identified as well as the limitations of the study identified.
- **Information Solicitation Phase**
 - In this phase, all underlying information was requested from stakeholders i.e. gathering B-BBEE statuses for individual entities within the industry.
- **Information Consolidation Phase**
 - All underlying data and information was consolidated in order to provide SADSTIA with a detailed scorecard.
- **Data and Information Analysis Phase**
 - In this phase, the data and all findings were analysed.
- **Reporting and Presentation Phase**
 - Here all findings and associated reporting were presented to SADSTIA.

Methodology

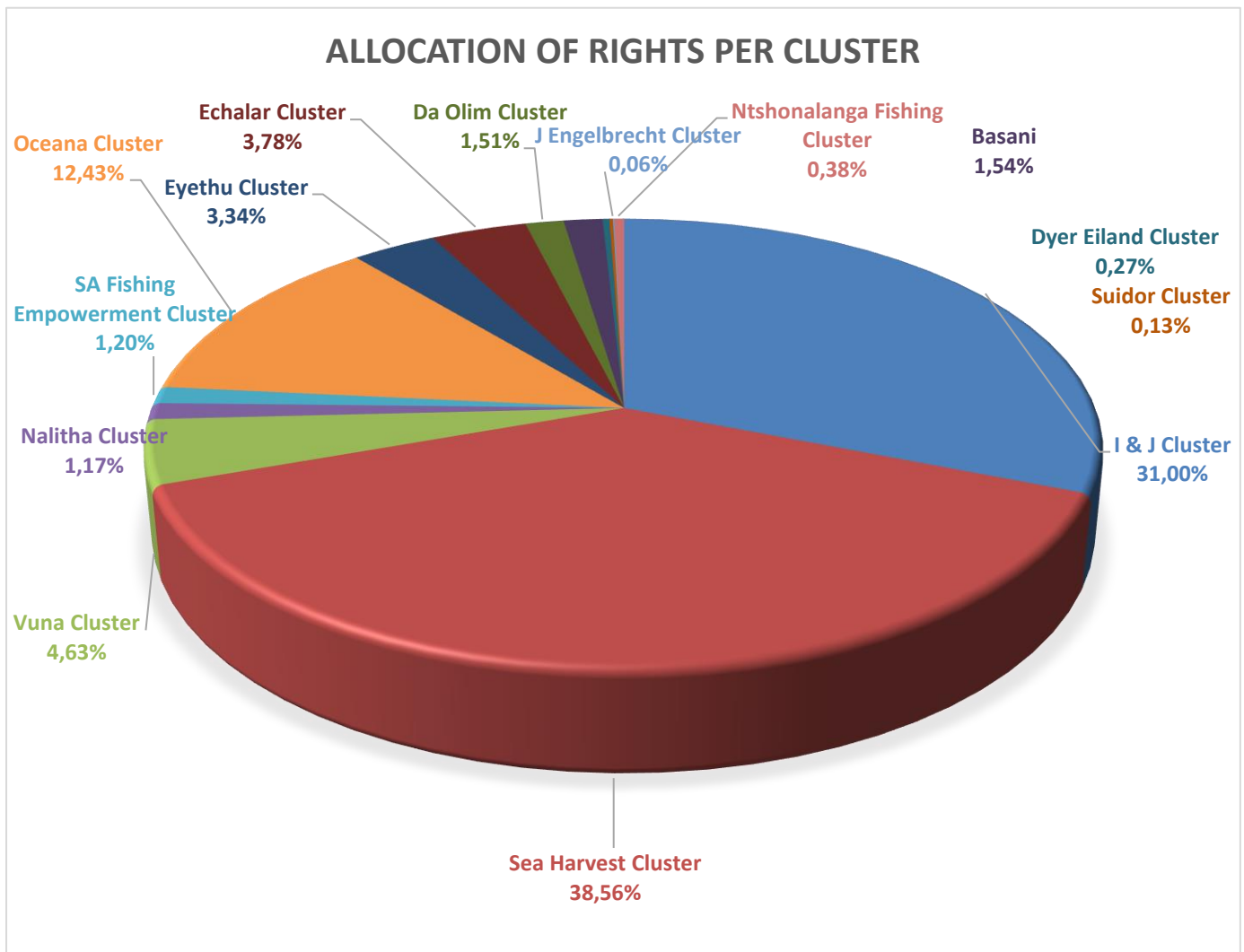
Empowerdex divided the stakeholders into their respective clusters and analysed them independently and compared the results with the transformation status of other Industries.

This was achieved by utilising commonly agreed criteria to classify and standardise the information required to perform the study. These details were confirmed during the data analysis phase. The entities were measured using the 2013 Revised Codes of Good Practice. The detailed scorecard for the industry represents consolidated scores per indicator as per the 2013 Codes of Good Practice. The report contains analysis of all information as presented by the Rights Holders. Data is presented in a variety of graph formats, including: pie charts and bar charts. Where possible, data is outlined as percentages as well as raw numbers.

Industry Background

The allocation and management of commercial fishing rights in the (hake) deep sea trawl fishing industry is issued by the Minister of Agriculture, Forestry and Fisheries. Currently the industry comprises of 33 entities which are predominantly located in the Western Cape. Below is a reflection of the hake allocations as at 2019, per cluster representation.

Graph 1.1 Allocation of Rights per cluster



The clusters above represent a group of companies within the hake trawling industry forming strategic alliances in utilising their hake allocations.

The hake allocations are done on a company basis, and the 2005 fisheries policy sought to transform the industry by allocating rights to small and medium entities and also emphasized improving transformation in the following aspects:

- *The percentage black and women ownership and black and women representation at top salary, board of directors and senior official and management levels;*
- *Whether employees (other than top salary earners) benefit from an employee share scheme;*
- *Affirmative procurement;*
- *Compliance with the Employment Equity Act 55 of 1998 and the representation of black people and women at the various levels of employment. The delegated authority may also have regard to the wage differentials between the highest and lowest paid employees;*
- *Compliance with legislation on skills development and the amounts spent on the training of black people and participation in learnership programmes; and corporate social investment.*

Most of the above transformation aspects are addressed in the B-BBEE codes of good practice as gazetted by the Department of Trade and Industry. As alluded to before, it has become common practice for most entities to be measured using the B-BBEE codes of good practice in fulfilment of their tender requirements as well as general good business practice for entities operating within the South African economy. This includes entities in the fishing industry.

2. Score Summary

LEVEL 2 CONTRIBUTOR			
ELEMENT	EMPOWERDEX SCORE		TARGET SCORE
Ownership	A	25.00	25.00
Management & Control	C	9.82	19.00
Skills Development	A	17.20	20.00
Enterprise & Supplier Development	A	39.92	40.00
Socio-Economic development	A	5.00	5.00
Overall Score	AAA	96.93	109.00
Empowering Supplier	Yes		
Recognised Procurement Recognition Level	125.00%		
Discounting Principle Applicable	No		
Recorded Procurement Recognition Level	125.00%		

***Black Shareholding re-allocated per rights allocated to each entity in the industry**

SADSTIA scored 96.93 points out of a possible 109 points. This is equivalent to a Level 2 BEE recognition level, which yields 125.00% procurement recognition. If we compared this score to the top empowered companies of 2018 this would place SADTIA's score in the top 10 most empowered companies of 2018 based on the score. One of the important principles contained in the amended codes, is the discounting provision. SADSTIA met all the subminimum points on priority elements and therefore the discounting principle was not applied.

SADSTIA was not assessed on the Empowering Supplier provision as this provision has been put on hold until further notice as per the Notice 708 of 2016 gazetted on 01 September 2016.

3. Scorecard Detail

DETAILED INDICATORS	TARGET LEVEL	TARGET SCORE	VERIFIED LEVEL	VERIFIED
OWNERSHIP				
Voting rights of black people:	25.00% + 1 vote	4.00	66.77%	4.00
Voting rights of black women:	10.00%	2.00	15.60%	2.00
Economic interest of black people:	25.00%	4.00	66.59%	4.00
Economic interest of black women:	10.00%	2.00	16.37%	2.00
Economic interest of designated groups:	3.00%	3.00	6.79%	3.00
Black participants in employee ownership schemes:				
Black beneficiaries of broad based ownership schemes:				
Black participants in co-operatives:				
Black new entrant:	2.00%	2.00	20.57%	2.00
Net Value:	25.00%	8.00	32.42%	8.00
TOTAL SCORE: OWNERSHIP	25.00		25.00	
Sub minimum achieved	3.20		YES	
MANAGEMENT AND CONTROL				
Black representation at board:	50.00%	2.00	47.29%	1.89
Black Female representation at board:	25.00%	1.00	4.09%	0.16
Black representation of the executive directors:	50.00%	2.00	37.16%	1.49
Black female representation of the executive directors:	25.00%	1.00	3.47%	0.14
Black Executive Management:	60.00%	2.00	38.04%	1.27
Black Female Executive Management:	30.00%	1.00	18.60%	0.62
Black Senior Management as % of all Senior Management	60.00%	2.00	15.06%	0.50
Black Female Senior Management as % of all Senior	30.00%	1.00	5.77%	0.19
Black Middle Management as % of all Middle Management	75.00%	2.00	33.05%	0.88
Black Female Middle Management as % of all Middle	38.00%	1.00	13.40%	0.35
Black Junior Management as % of all Junior Management	88.00%	1.00	49.90%	0.57
Black Female Junior Management as % of all Junior	44.00%	1.00	22.20%	0.50
Black Employees with Disabilities as % of all Employees	2.00%	2.00	1.25%	1.25
TOTAL SCORE: MANAGEMENT & CONTROL	19.00		9.82	
SKILLS DEVELOPMENT				
Skills spend on black people as a percentage of leviabale amount:	6.00%	8.00	3.13%	4.18
Skills spend on black disabled staff as a percentage of leviabale amount:	0.30%	4.00	0.26%	3.50
Learnerships and category B,C and D programmes for black employees as a percentage of total employees:	2.50%	4.00	1.96%	3.13
Learnerships and category B,C and D programmes for black unemployed people as a percentage of total employees:	2.50%	4.00	1.98%	3.17
Bonus Points: Number of black people absorbed by entity or industry at the end of the learnership:	100.00%	5.00	64.30%	3.22
TOTAL SCORE: SKILLS DEVELOPMENT	20.00+5.00		17.20	
Sub minimum achieved	8.00		YES	

ENTERPRISE AND SUPPLIER DEVELOPMENT				
Preferential Procurement				
Total BEE procurement with Empowering Suppliers as a percentage of total measured procurement spend:	80.00%	5.00	69.18%	4.32
Total BEE procurement from QSE's as a percentage of total measured procurement spend:	15.00%	3.00	8.61%	1.72
Total BEE procurement from EME's as a percentage of total measured procurement spend:	15.00%	4.00	9.64%	2.57
Total BEE procurement from 51% black owned suppliers as a percentage of total measured procurement spend:	40.00%	9.00	37.48%	8.43
Total BEE procurement from 30% black women owned suppliers as a percentage of total measured procurement spend:	12.00%	4.00	14.87%	4.00
Bonus Points: Procurement spend with designated groups whom are at least 51% Black Owned	2.00%	2.00	1.87%	1.87
TOTAL SCORE: Preferential Procurement	25.00+2.00		22.92	
Sub minimum achieved	10.00		YES	
Supplier Development:				
Supplier development contributions as a percentage of NPAT:	2.00%	10.00	5.01%	10.00
TOTAL SCORE: Supplier Development	10.00		10.00	
Sub minimum achieved	4.00		YES	
Enterprise Development:				
Enterprise development contributions as a percentage of NPAT:	1.00%	5.00	1.09%	5.00
Bonus Points - Graduation of one or more Enterprise Development beneficiaries to Supplier Development status:	Yes	1.00	YES	1.00
Bonus Points – For one or more jobs created as a direct result of Enterprise or Supplier Development	Yes	1.00	YES	1.00
TOTAL SCORE: Enterprise Development	5.00		7.00	
Sub minimum achieved	2.00		YES	
TOTAL SCORE: ENTERPRISE & SUPPLIER DEVELOPMENT	40.00 + 4.00		39.92	
SOCIO-ECONOMIC DEVELOPMENT				
Socio-economic development contributions as a percentage of NPAT:	1.00%	5.00	1.11%	5.00
TOTAL SCORE: SOCIO ECONOMIC DEVELOPMENT	5.00		5.00	
TOTAL SCORE:	109.00		96.93	

EMPOWERDEX	CONTRIBUTION LEVEL	QUALIFICATION	PROCUREMENT RECOGNITION LEVEL
AAA+	Level One Contributor	≥ 100 points on the Scorecard	135.00%
AAA	Level Two Contributor	≥ 95 But < 100 points on the Scorecard	125.00%
AA	Level Three Contributor	≥ 90 But < 95 points on the Scorecard	110.00%
A	Level Four Contributor	≥ 80 But < 90 points on the Scorecard	100.00%
BBB	Level Five Contributor	≥ 75 But < 80 points on the Scorecard	80.00%
BB	Level Six Contributor	≥ 70 But < 75 points on the Scorecard	60.00%
B	Level Seven Contributor	≥ 55 But < 70 points on the Scorecard	50.00%
C	Level Eight Contributor	≥ 40 But < 55 points on the Scorecard	10.00%
D	Non-Compliant Contributor	< 40 points on the Scorecard	0.00%

4. Scorecard details per element

4.1 B-BBEE Ownership – DSTI Actual performance (25.00/25.00)

SADSTIA ownership scorecard is listed as follows:

Table 4.1 : Ownership Scorecard

Scorecard Indicator	Target	Target Score	Achieved	Achieved Score
Voting rights of black people:	25.00%	4	66.77%	4.00
Voting rights of black women:	10.00%	2	15.60%	2.00
Economic interest of black people:	25.00%	4	66.59%	4.00
Economic interest of black women:	10.00%	2	16.37%	2.00
Economic interest of designated groups:	3.00%	3	6.79%	3.00
Black participants in employee ownership schemes:				
Black beneficiaries of broad based ownership schemes:				
Black participants in co-operatives:				
Black new entrant:	2.00%	2	20.57%	2.00
Net Value:	25.10%	8	32.42%	8.00
TOTAL				25.00

The Codes of Good of Practice aims to ensure that black people have more direct ownership in the entities in South Africa. The targets set out are that 25.00% of shareholding should be in the hands of black people and at least 10.00% should comprise of black females. In addition to this the 2005 hake deep sea policy, sought to “improve the transformation profile of the hake deep-sea trawl fishery by increasing black ownership of the TAC and to redistribute the TAC so as to affirm right holders with smaller allocations in this fishery that are transformed and have performed well”.

Our analysis into the ownership scorecards of the top 10 most empowered companies of 2018 listed on the JSE the respondents reflects that the industry scored an average of 24.91 points. The consolidated industry black shareholding was 66.77% for voting rights and 66.59% for economic interest. On the other hand the black female shareholding for voting rights was 15.60% and 16.37% for economic interest, which is above the required compliance target of 10.00%.

4.2 Management Control – DSTI

Actual performance (9.82/19.00)

This section details the management and control scorecard. It is split into two part, with the first part addressing the Board of Directors as well as top management at the company; and the second part addressing the employment equity portion.

Table 4.2 : Management Control Scorecard

Detailed Indicators	Target Level	Target Score	Verified Level	Verified Score
Voting Rights Black Board members	50%	2	47.29%	1.89
Voting Rights Black female Board members	25%	1	4.09%	0.16
Black Executive Directors	50%	2	37.16%	1.49
Black Female Executive Directors	25%	1	3.47%	0.14
Black Executive Management	60%	2	38.04%	1.27
Black Female Executive Management	30%	1	18.60%	0.62
Black disabled representation :	2.00%	2	1.25%	1.25
Black representation at senior management :	60.00%	2	15.06%	0.50
Black female representation at senior management :	30.00%	1	5.77%	0.19
Black representation at middle management:	75.00%	2	33.05%	0.88
Black female representation at middle management:	38.00%	1	13.40%	0.35
Black representation at junior management :	88.00%	1	49.90%	0.57
Black female representation at junior management :	44.00%	1	22.20%	0.50
TOTAL				9.82

The score for Management Control element on the scorecard is based on the participation of black people and black women on the Board of Directors, as Directors, Executive Directors and Non-Executive Directors, as well as on the participation of black people and black women in the Executive management, Senior management, Middle management and Junior management of the Company. The terms Director, Executive Director and Non-Executive Director are used in line with the Definitions in the King III Report on Corporate Governance.

- **Board** means those persons appointed by the shareholders to undertake the management control.
- **Executive Members of the Board** means those members of the Board who fall within the definition of “executive director” specified in the King Report.
- **Executive directors** include positions such as Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and other Executive Managers that serve on the Board of Directors.
- **Other Executive Management** comprises positions of executive management that do not serve on the board, such as human resource executive, transformation executive and other people holding similar positions.

4.2.3 Employment Equity –DSTI

The Employment Equity element of the Generic Scorecard aims to address key aspects surrounding the representation of black employees as well as black employees with disabilities in the workplace. The key aspects include:

- **Representation of black employees with disabilities:** the Employment Equity Scorecard contains a specific indicator which measure the extent to which black people with disabilities are employed by the Measured Entity
- **Representation of black employees at junior, middle and senior management levels:** the Generic Scorecard also awards points to Measured Entities which have black representation at management levels as transformation still lacks in those occupational levels of organizations while there tends to be sufficient/over representation of black employees in the lower occupational levels of organizations.
- **The inclusion of black women managerial positions:** this has been included to ensure proper representation of black women in positions of influence.

Table 4.2.2 : Employment Equity Scorecard

Detailed Indicators	Target Level	Target Score	Verified Level	Verified Score
Black disabled representation :	2.00%	2	1.25%	1.25
Black representation at senior management :	60.00%	2	15.06%	0.50
Black female representation at senior management :	30.00%	1	5.77%	0.19
Black representation at middle management:	75.00%	2	33.05%	0.88
Black female representation at middle management:	38.00%	1	13.40%	0.35
Black representation at junior management :	88.00%	1	49.90%	0.57
Black female representation at junior management :	44.00%	1	22.20%	0.50
TOTAL				4.24

The Economically Active Population is the target against which the black employees of all entities are measured against. The EAP targets are applied in the calculation of senior management, middle management and junior management points. The employees are measured per race category and the individual targets and scores allocated based on the EAP targets.

4.3 Skills Development – DSTI

4.4 Actual performance (17.20/20.00 + 3.22 bonus points)

The skills development element of the Generic Scorecard aims to address skills development of black employees, black employees with disabilities in the workplace and unemployed black people. It must contribute to the achievement of the country's economic growth and social development goals that will enrich the creation of decent work and sustainable livelihoods.

The following criteria must be fulfilled in order for the Measured Entity to receive points on the Skills Development Element

- Workplace Skills Plan, and Annual Training Report and Pivotal Report which are SETA approved
- Implementation of Priority Skills Programme generally and Pivotal Report which are SETA approved

The Codes of Good Practice encourage the use of the Learning programme matrix which provides a guide to the types of training programmes that will qualify for recognition on the scorecard. This learning programme matrix provides learning programmes that result in tangible outcomes such as degrees, diplomas, certificates or professional registration etc.

Skills Development expenditure arising from informal and workplace learning programmes or from Category F and G learning programmes under the learning programmes Matrix cannot represent more than 15% of the total value of skills Development Expenditure. Costs such as accommodation, catering and travelling cannot exceed more than 15% of the total value of skills Development Expenditure

Table 4.3: Skills Development Scorecard

Detailed Indicators	Target Level	Target Score	Verified Level	Verified Score
Skills spend for black people as a percentage of leviabile amount:	6.00%	8	3.13%	4.18
Skills spend on black disabled staff as a percentage of leviabile amount:	0.30%	4	0.26%	3.50
Learnerships and category B,C and D programmes for black employees as a percentage of total employees:	2.50%	4	1.96%	3.13
Number of Black unemployed Learners as a percentage of total number of employees	2.50%	4	1.98%	3.17
Number of black people absorbed by the Measured Entity and Industry at the end of the learnership programme:	100.00%	5	64.30%	3.22
TOTAL SCORE		20.00+5.00		17.20

This is a priority element and the sub-minimum requirement for Skills Development is 40% of the total weighting points for Skills Development excluding bonus points. SADSTIA scored above the sub-minimum points.

4.5 Enterprise and Supplier Development – DSTI

4.6 Actual performance (39.92/40.00 + 3.87 bonus points)

This is a priority element and the sub-minimum requirement is 40% for each of the points, excluding bonus points, in the three categories i.e. Procurement, Supplier Development and Enterprise Development.

SADSTIA scored above the sub-minimum points on all the 3 categories, and therefore avoided discounting. Below is the breakdown of the three sub-elements.

4.4.1 Preferential Procurement – DSTI
Actual performance (21.04/25.00 + 1.87 bonus points)

The Preferential Procurement element of the Generic Scorecard aims to address aspects surrounding supplier opportunities for B-BBEE compliant enterprises, Qualifying Small Enterprises and Exempted Micro Enterprises as well as black-owned enterprises.

Table 4.4.1: Preferential Procurement Scorecard

Detailed Indicators	Target Level	Target Score	Verified Level	Verified Score
All Suppliers	80.00%	5	69.18%	4.32
QSE's	15.00%	3	8.61%	1.72
EME's	15.00%	4	9.64%	2.57
51% Black Owned	40.00%	9	37.48%	8.43
30% Black Women Owned	12.00%	4	14.87%	4.00
Bonus: Designated Groups 51% BO	2.00%	2	1.87%	1.87
Total				22.92

4.4.2 Supplier Development – DSTI
Actual performance (10.00/10.00)

The Supplier Development element of the scorecard aims to address challenges facing the Measured Entity's suppliers which are 51% Black owned QSEs and EMEs. EMEs and QSEs specifically black owned entities struggle to take their businesses to a level of sustainability and profitability. This element encourages Measured Entities to provide business support to 51% black owned QSE and EME suppliers in order to increase the participation of these businesses in the main stream economy. This increases local procurement from black owned QSEs and EMEs through capacity building achieved by incentivizing appropriate local supplier development programmes by entities.

Table 4.4.2: Supplier Development Scorecard

	Detailed Indicator	Weighting	Target	Percentage	Points
Supplier development	Annual Supplier development contributions and sector specific programmes as % of NPAT	10	2%	5.01%	10.00

**4.4.3 Enterprise Development – DSTI
Actual performance (5.00/5.00 + 2.00 bonus points)**

Enterprise Development aims to assist Enterprises that are 51% black owned EMEs or QSEs. The following initiatives to beneficiaries qualify as Enterprise development;

- Grants, incurring costs to support the Enterprise Development beneficiary
- Discounts, Overhead costs incurred on behalf of the beneficiary
- Interest free loans, standard loans
- Professional services rendered at a discount or at no cost
- Time spent on assisting, training and mentoring of black entrepreneurs/start-ups

Table 4.4.3: Enterprise Development Scorecard

	Detailed Indicator	Weighting	Target	Percentage	Points
Enterprise development	Annual Enterprise development contributions and sector specific programmes as % of NPAT	5	1%	1.09%	5.00

SADSTIA qualified for two bonus points for 'Graduation of one or more Enterprise Development beneficiaries to Supplier Development status' and for 'one or more jobs created as a direct result of Enterprise and Supplier Development' and this resulted in 7 points being achieved.

4.7 Socio-Economic Development –DSTI

Actual performance (5.00/5.00)

Socio-economic Development consists of monetary and non-monetary contributions actually implemented in favour of beneficiaries by a Measured Entity with the specific objective of facilitating income generating activities for targeted beneficiaries.

The Codes of Good Practice seek to encourage initiatives that enhance the ability of black people who remain non-participants in the economic mainstream to be included in participating in the economy in a sustainable manner.

Table 4.5: Socio-economic Development Scorecard

	Detailed Indicator	Weighting	Target	Percentage	Points
Socio-economic development	Socio-economic development contributions as % of NPAT	5	1%	1.11%	5.00

5 Empowering Supplier

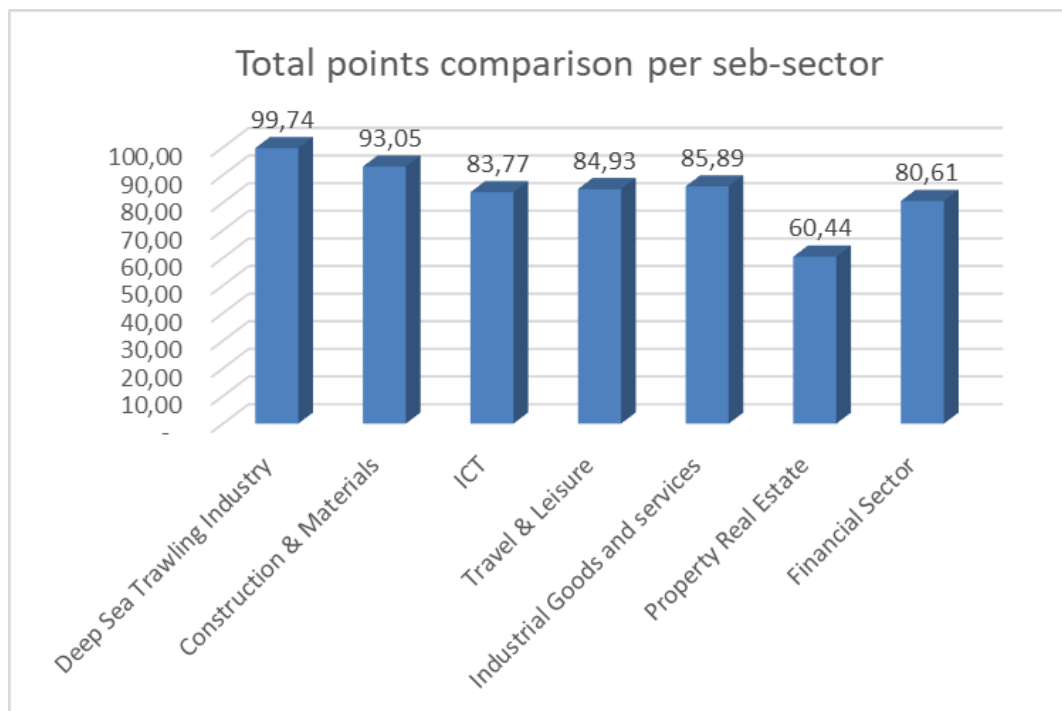
According to the Notice 708 of 2016 of the empowering supplier provision, all entities are empowering suppliers until further notice as this provision has been suspended. Hence this portion is not applicable until further notice.

Industry analysis

It is worth noting that due to limitations of this study (specifically time & costs), it was not possible to individually gather all data sets for all the available industries for comparison purposes with the Deep Sea Trawling Industry's figures. Our analysis of the Deep Sea Trawling Industry is limited to the individual entities included in the report.

Research comparisons were done using secondary data presented by Intellidex research on the *Most Empowered Companies* for 2018 which has been done on an annual basis. Intellidex research focuses on how the top 100 JSE listed companies are faring in terms of transformation and thus only a reflection of big listed entities in various industries.

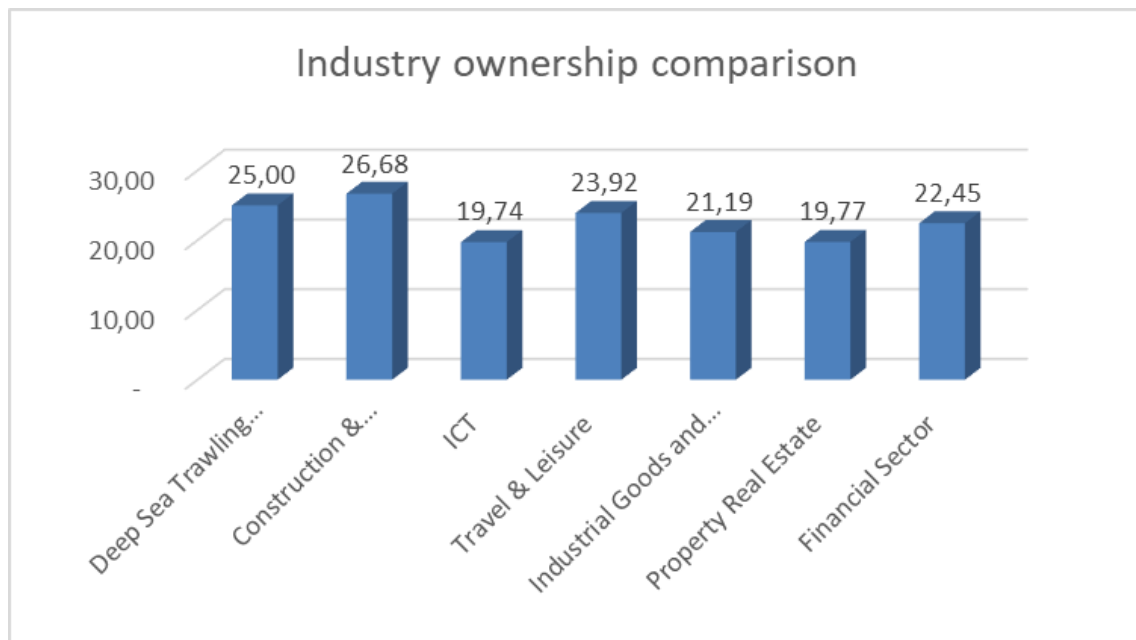
The table below compares the performance of the Deep Sea Trawling Industry with the average scores for the various industries. These scores reflect the 5 top empowered listed companies in each of these sectors, which brings a level of positive bias to the numbers. It should be noted that there were industries with less than 5 companies in the top 100.



The Deep Sea trawling Industry was analyzed against the other industries. Having scored an average of 99.74 points the industry is classified as a Level 2 contributor under the Amended Codes, placing it in first position in comparison to the other industries under evaluation.

Ownership Element Industry to Industry Analysis

Zooming into the ownership scorecard, our scoring of the Deep Sea Trawling Industry, is once again limited to the individual entities that was included in the report.



Our analysis of the Deep Sea Trawling Industry compared to other JSE sub industries selected for analysis (in this study), indicates that the Deep Sea Trawling Industry scored on average 25.00 points for ownership, which is only second to the average of 26.68 points scored in the Construction & Materials sub-sector.

Conclusion & Recommendations

All entities and their respective clusters within the industry, (big and small) have excellent black shareholding ranging from 31.00% to 100.00% which is higher than the 25.00% compliance targets as set out in 2013 BBBEE Codes of Good Practice. In short, the industry is well transformed in terms of black shareholding. Much improvement is still required by some individual industries in terms of black female shareholding however the 15.60% black Female shareholding held by the entire industry, shows that women have a great representation as required by the Codes of Good Practise.

The average level 2 for the entire industry is also a great transformation stride, though improvements are required in the Management Control element. Great improvement is required in individual companies' Management Control initiatives considering that the entire industry score was below 60.00% of the total available points.

Confidentiality

All confidential information given by SADSTIA and its constituent members to Empowerdex will be retained by Empowerdex as confidential, and will not be disclosed to anyone without the prior approval of SADSTIA, save where shareholders or employees of Empowerdex are required to do so by operation of any law, professional rule or order of court.

Limitation of Liability

We undertake to adhere strictly to the rules of our professions; and to give SADSTIA and its related parties a professional service that is timely, accurate and of the highest quality possible in the circumstances. Subject to any specific arrangement to the contrary with a client or for a particular matter, Empowerdex's liability for any loss to a client arising from fault on the part of Empowerdex will be limited to the total value of fees and disbursements charged in respect of the services rendered to SADSTIA and its related parties, in respect of the instruction in respect of which that liability arises.

Empowerdex Company Profile

Introduction

Empowerdex is an independent economic empowerment rating and research agency, founded in 2001 by Vuyo Jack and Chia-Chao Wu. Since then, Empowerdex has been redefining empowerment in Africa and taking it to newer heights by achieving milestones that stand testament to Africa's continuous development and involvement in the Broad-Based Economic Black Economic Empowerment landscape. The company's mission is to provide support to both the public and private sectors in accelerating broad-based black economic empowerment in South Africa, thereby helping to bridge the gap between the country's first and second economies. Through our services, Empowerdex assists economic entities in the management of both systematic and company-specific economic empowerment opportunities and risks.

B-BBEE Verification (B-BBEE Ratings)

Empowerdex is a pioneer in the field of empowerment auditing and the development of rating methodology for these purposes. As government has developed a legislative and regulatory framework in recent years, Empowerdex has adapted and aligned its rating methodology to be in line with the recommendations of the BEE Commissions Report, the Department of Trade and Industry's BEE Strategy and the Codes of Good Practice.

Research & Advisory

Empowerdex is one of the market leaders in the field of B-BBEE research and advisory services. In terms of research, Empowerdex focuses on the delivery of quantitative research on issues surrounding black economic empowerment in general, B-BBEE and its economic impact, as well as on qualitative issues surrounding B-BBEE and its implementation. Through research, Empowerdex aims to measure the impact of B-BBEE policies, regulations and legislation.

Empowerdex B-BBEE research provides a basis for the development and implementation of effective policies, strategies and frameworks, as well as identifying and quantifying empowerment risks and opportunities.

In an advisory capacity, Empowerdex conducts best practice analysis which is designed to support and guide companies and organisations in the implementation of empowerment initiatives. Empowerdex evaluates proposed initiatives against global and industry best practices and identifies any potential gaps and mitigating solutions that are applicable. The findings from the analysis highlight any risks and opportunities associated with the structure and strategy relating to the B-BBEE efforts of the organisation in question and will assist in the effective and efficient implementation of such empowerment initiatives.

Appendix 1: Hake Deep Sea Trawling Clusters-2019

Clusters and subsidiaries
I & J Cluster
Irvin & Johnson Ltd
Sea Harvest Cluster
Sea Harvest Corp
Combined Fishing
Pellsrus Historical Fishing
Vuna Cluster
Vuna Fishing Company
Sea Vuna Fishing Company
Nalitha Investments Cluster
Nalitha Investments (Pty) Ltd

SA Fishing Empowerment Corporation Cluster
Ziyabuya Fishing Eastern
Oceana Cluster
Amawandle Hake (Pty) Ltd
Blue Continent Products
Bhana Coastal Fishing CC
Azanian Fishing (Pty) Ltd
BP Marine Fish Products
Hoxies Holdings (Pty) Ltd
Community Workers
Ntuitif (Pty) Ltd
Snoek Wholesalers (Pty) Ltd
Premier Fishing (Pty) Ltd
Nomzamo Cluster (Formerly Eyethu)
Eyethu Fishing (Pty) Ltd
Ziyabuya Fishing (EC) (Pty) Ltd
Echalar Cluster
Mayibuye Fishing (Pty) Ltd
Offshore Fishing Company (Pty) Ltd
Tradeforth 13 (Pty) Ltd
Khoi Qwa Fishing Development Company
Da Olim Cluster
Impala Fishing (Pty) Ltd
Usuthu Fishing CC
Rainbow Nation Fishing
Basani Cluster
Visko Seeprodukte (Pty) Ltd
ZWM Fishing (Pty) Ltd
Dyer Eiland Cluster
Dyer Eiland
EFH Walters
Suidor (ex Eigelaars Bote) Cluster
Suidor Fishing (Pty) Ltd
J Engelbrecht Cluster
J Engelbrecht Visserye CC
Ntshonalanga Fishing SA (Pty) Ltd Cluster
Ntshonalang Fishing SA (Pty) Ltd