

An EMPOWERDEX Generic Forestry Sector Scorecard

SAPPI SOUTHERN AFRICA LIMITED


Registration Number: 1951/003180/06

AAA+

LEVEL ONE CONTRIBUTOR					
ELEMENT	EMPOWERDEX SCORE		TARGET SCORE	B-BBEE ANALYSIS	RESULTS
Ownership	A	22.82	25.00	Black Ownership Percentage	65.32%*
Management & Control	B	11.87	19.00	Black Women Ownership Percentage	32.66%*
Skills Development	B	15.82	20.00	51% Black Owned Designated Group Supplier	No
Enterprise & Supplier Development	A	43.20	43.00	Black Disabled Percentage	0.00%
Socio-Economic development	A	8.00	5.00	Black Youth Percentage	0.00%
Overall Score	AA	101.71	112.00	Black Unemployed Percentage	0.00%
Empowering Supplier	Yes			Black People Living in Rural Areas	0.00%
Recognised Procurement Recognition Level	135.00%			Black Military Veterans	0.00%
Discounting Principle Applicable	No			Modified Flow-Through Principle Applied	No
Recorded Procurement Recognition Level	135.00%			Exclusion Principal Applied	Yes**
Participated in Y.E.S Initiative	No			Financial Year	30/09/2022
Achieved Y.E.S Target & 2.5% Absorption	N/A			VAT Number	4750105456
Achieved 1.5 x Y.E.S Target & 5% Absorption	N/A			Effective Date	08 December 2022
Achieved 2 x Y.E.S Target & 5% Absorption	N/A			Expiry Date	07 December 2023
				Re-Issue Date	N/A

*Includes Mandated Investments **Exclusion of Foreign Operations.

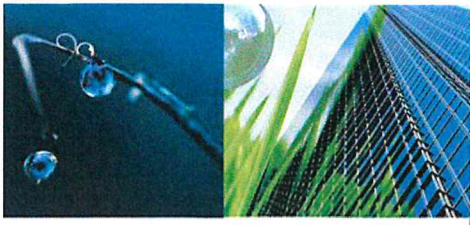
This verification report is an independent opinion in terms of the Forestry Sector Codes (gazetted 21 April 2017). The information herein is based on an analysis performed by Empowerdex using the information presented by the management of the measured entity.



 Technical Signatory – R Gijben

2022-12-08

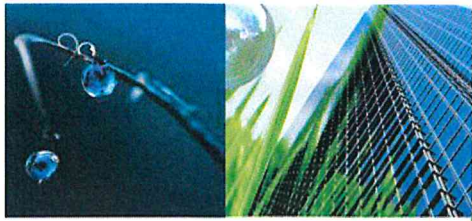
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EXECUTIVE SUMMARY PER ELEMENT:

DETAILED INDICATORS	TARGET LEVEL	TARGET SCORE	VERIFIED LEVEL	VERIFIED SCORE
OWNERSHIP				
Verification Date	22 November 2022			
Voting rights of black people:	25.10%	4.00	100.0%	4.00
Voting rights of black women:	10.00%	2.00	63.47%	2.00
Economic interest of black people:	25.00%	4.00	65.32%	4.00
Economic interest of black women:	10.00%	2.00	32.66%	2.00
Economic interest of designated groups:				
Black participants in employee ownership schemes:	7.50%	3.00	0.00%	0.00
Black beneficiaries of broad-based ownership schemes:				
Black participants in co-operatives:				
Black new entrant:	2.00%	2.00	0.82%	0.82
Net Value:	25.10%	8.00	65.32%	8.00
Bonus: Economic Interest held by Communities in area	2.5% over 7.5% above	5.00	0.00%	0.00
Bonus: Economic Interest held by black employees of ME	2.5% over 7.5% above	5.00	0.00%	0.00
Bonus: Economic Interest in the hands of black people >25%	5% over 25% above	1.00	40.32%	1.00
Bonus: Economic Interest in the hands of black woman >25%	5% over 10% above	1.00	22.66%	1.00
TOTAL SCORE: OWNERSHIP	25.00 + 12.00		22.82	
Sub minimum achieved	3.20		YES	
MANAGEMENT AND CONTROL				
Verification Date	22 November 2022			
Black representation at board:	50.00%	2.00	25.00%	1.00
Black Female representation at board:	25.00%	1.00	25.00%	1.00
Black representation of the executive directors:	50.00%	2.00	50.00%	2.00
Black female representation of the executive directors:	25.00%	1.00	50.00%	1.00
Black Executive Management:	60.00%	2.00	62.50%	2.00
Black Female Executive Management:	30.00%	1.00	25.00%	0.83
Black Senior Management as % of all Senior Management	60.00%	2.00	19.74%	0.66
Black Female Senior Management as % of all Senior	30.00%	1.00	4.34%	0.14
Black Middle Management as % of all Middle Management	75.00%	2.00	32.23%	0.86
Black Female Middle Management as % of all Middle	38.00%	1.00	10.40%	0.27
Black Junior Management as % of all Junior Management	88.00%	1.00	64.71%	0.74
Black Female Junior Management as % of all Junior	44.00%	1.00	17.34%	0.39
Black Employees with Disabilities as % of all Employees	2.00%	2.00	0.98%	0.98
TOTAL SCORE: MANAGEMENT & CONTROL	19.00		11.87	
SKILLS DEVELOPMENT				
Latest Skills Development Plan submitted to:			FP&M SETA	
Skills development review period:			1 OCTOBER 2021 – 30 SEPTEMBER 2022	
Skills spend on black people as a percentage of leviab amount:	5.00%	8.00	4.21%	6.54
Skills spend on black disabled staff as a percentage of leviab amount:	0.30%	4.00	0.03%	0.20
Learnerships and category B, C and D programmes for black employees as a percentage of total employees:	2.50%	4.00	2.50%	4.00
Learnerships and category B, C and D programmes for black unemployed people as a percentage of total employees:	2.50%	4.00	2.50%	4.00
Bonus Points: Number of black people absorbed by entity or industry at the end of the learnership:	100.00%	5.00	21.64%	1.08
TOTAL SCORE: SKILLS DEVELOPMENT	20.00 + 5.00		15.82	
Sub minimum achieved	8.00		YES	
ENTERPRISE AND SUPPLIER DEVELOPMENT				



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Preferential Procurement			1 OCTOBER 2021 – 30 SEPTEMBER 2022	
Financial period verified:			1 OCTOBER 2021 – 30 SEPTEMBER 2022	
Total BEE procurement with Empowering Suppliers as a percentage of total measured procurement spend:	80.00%	5.00	83.89%	5.00
Total BEE procurement from QSE's as a percentage of total measured procurement spend:	15.00%	2.00	14.25%	1.90
Total BEE procurement from EME's as a percentage of total measured procurement spend:	15.00%	3.00	8.21%	1.64
Total BEE procurement from 51% black owned suppliers as a percentage of total measured procurement spend:	40.00%	9.00	41.19%	9.00
Total BEE procurement from 30% black women owned suppliers as a percentage of total measured procurement spend:	10.00%	2.00	22.33%	2.00
Procurement spend with designated groups whom are at least 51% Black Owned	2.00%	2.00	3.96%	2.00
Bonus: Compliance with industry codes of good standing	Yes	2.00	YES	2.00
TOTAL SCORE: Preferential Procurement	23.00 + 2.00		23.54	
Sub minimum achieved	9.20			
Supplier Development:			1 OCTOBER 2021 – 30 SEPTEMBER 2022	
Financial period verified:			1 OCTOBER 2021 – 30 SEPTEMBER 2022	
Supplier development contributions as a percentage of NPAT:	2.00%	10.00	1.60%	7.66
TOTAL SCORE: Supplier Development	10.00		7.66	
Sub minimum achieved	4.00		YES	
Enterprise Development:			1 OCTOBER 2021 – 30 SEPTEMBER 2022	
Financial period verified:			1 OCTOBER 2021 – 30 SEPTEMBER 2022	
Enterprise development contributions as a percentage of NPAT:	1.00%	10.00	2.82%	10.00
Bonus: Graduation of one or more Enterprise Development beneficiaries to Supplier Development status:	Yes	1.00	yes	1.00
Bonus: For one or more jobs created as a direct result of Enterprise or Supplier Development	Yes	1.00	yes	1.00
Bonus: Annual value of ED/SD in partnership with government	0.5% in excess of 3% ED/SD targets above	1.00	0.00%	0.00
Bonus: Annual value of contributions to 30% black woman owned QSE's or EME's	0.5% in excess of 3% ED/SD targets above	1.00	0.00%	0.00
TOTAL SCORE: Enterprise Development	10.00 + 4.00		12.00	
Sub minimum achieved	4.00		YES	
TOTAL SCORE: ENTERPRISE & SUPPLIER DEVELOPMENT	43.00 + 4.00		43.20	
SOCIO-ECONOMIC DEVELOPMENT				
Financial period verified:			1 OCTOBER 2021 – 30 SEPTEMBER 2022	
Socio-economic development contributions as a percentage of NPAT:	1.00%	5.00	2.14%	5.00
Bonus: Socio-economic development contributions in excess of 1% target:	0.75%	3.00	1.14%	3.00
TOTAL SCORE: SOCIO ECONOMIC DEVELOPMENT	5.00 + 3.00		8.00	
TOTAL SCORE:	112.00 + 23.00		101.71	



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ANALYST:

E de Jongh

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%

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