OUR CONTRIBUTION TO DIVERSITY AND SOCIAL COHESION IN SOUTH AFRICA
AN ANALYSIS OF THE COMPANY’S CURRENT BBBEE CONTRIBUTIONS

Broad-Based Black Economic Empowerment (BBBEE) was introduced to redress the inequality of the past so that Black, Coloured and Indian South Africans receive those opportunities for economic growth and participation previously not available to them.

ADvTECH well understands the business case for providing opportunities and for giving to society. A healthy business depends on a healthy society, and given that the focus of our business is human capital, our company values are aligned to BBBEE objectives.

However, with the introduction of the amended BBBEE Codes of Good Practice that came into effect in 2015, we are no longer fully compliant, leading to a drop in our ratings. This is mainly due to our ownership rating. We remain committed to addressing social injustices for the benefit of our nation and subscribe to the same moral and ethical goals to address the imbalances of the past. As outlined below, the group continues in many ways to make a substantial and meaningful contribution to our society.

WHAT IS ADvTECH DOING?

We have a transformation, social and ethics committee (Tsec) that monitors the group’s progress on the pillars of transformation: employment equity, black share ownership and management control, skills training and development, Black Economic Empowerment (BEE) procurement, enterprise development and corporate social (socio-economic) investment.

The group has been making consistent progress in terms of its BBBEE scores, with improvement being made from year to year as initiatives targeting the new codes begin to take effect.

Significant strides were made on skills development and preferential procurement in 2017. The management control score has improved slightly due to the recent changes in Exco. A detailed employment equity plan was submitted, listing defined targets.

We monitor our score using external accredited empowerment rating agencies, where applicable. Such agencies perform a verification of the information presented, including the validation of supporting documentation, interviews with company representatives, employees, enterprise development and/or socio-economic development beneficiaries during the verification visits.

An employment equity committee was established to give effect to the provisions of the Employment Equity and Skills Development Acts. Its mandate in respect of group staff is to monitor and assist in the implementation of relevant programmes and policies. These include internal promotion and appointment practices and policies, career development programmes and affirmative action goals. It is an enabler for staff to contribute and raise issues or suggest further improvements.

At ADvTECH, there is a strong emphasis on volunteerism and on developing good citizenship among staff and students alike. We take the view that effective CSI programmes ensure that both benefactor and recipient gain from the experience.

Hence, we encourage activities that will make a difference in underprivileged communities. Promoting social responsibility is an integral part of our programmes for students, from pre-primary to tertiary level and we see this as an essential part of the teaching and learning environment. Voluntary projects include ‘Adopt-a-School’ and ‘Peer-to-Peer’ teaching, in addition to numerous outreach activities in support of commemorative days such as Mandela Day and Environmental Awareness Day.

The group’s extensive contribution to socio-economic development is an area in which we score the maximum number of 5 BBBEE points.

We can confidently say that our business and contribution to diversity in South Africa encompasses more than the BBBEE and gender numbers, important as these are. A relevant overview follows to illustrate our position.
OWNERSHIP
As a publicly listed organisation, we are aware of the implications our low BBBEE company ownership rating could have, and we are working with relevant parties to explore opportunities to conclude an appropriate BEE deal.

ADvTECH Resourcing (Pty) Ltd has established a Broad-Based Ownership Scheme (BBOS) that fully complies with the requirements of the BEE Act, BBBEE Codes of Good Practice, the Companies Act and the PPPFA Act. With this intervention, ADvTECH Resourcing (Pty) Ltd will achieve an ownership recognition Level of 51% Black Owned and is targeting a BBBEE compliance Level 4.

Through the Scheme, the Ulwasi Educational Trust was created to facilitate the flow of beneficiary dividends from ADvTECH Resourcing to sponsor disadvantaged pupils and students via bursaries at ADvTECH schools.

We are satisfied that the Scheme fully complies with the requirements of the relevant acts. The division is in the process of being rated by Empowerdex and a rating is expected before the end of the financial year.

OUR STUDENT COMPLEMENT
Our student demographics reflect the changes in our communities and country. 68% of group enrolments are black students; of these, 52% of our school enrolments are black students and half are female. 81% of our full-time tertiary students are black and 55% are female.

OUR STAFF COMPLEMENT
We regard equal employment opportunity as a strategic and a business imperative. We recognise that diversity enables us to use the different skills, experiences and cultures of our staff to create an even richer working and learning environment.

Over the past five years, we prioritised improving our staff complement with a focus on previously disadvantaged groups consisting of 48% black staff and 72% female staff at December 2017. Positive change is also reflected in the 5% increase in black staff at our management level over the last three years.

The BBBEE Act defines “black people” as African, Coloured or Indian persons.
ADvTECH’s growth is dependent on the right combination of people and skills. We offer staff development programmes through our ADvTALENT programme and have several initiatives in place to develop key employees and identify rising stars within ADvTECH. Identified employees are given the opportunity to participate in specialist training, leadership and management development programmes (LDP and MDP) and the mentorship programme.

**SOME FEEDBACK FROM PARTICIPANTS**

“MDP added much value in terms of providing insight into the ADvTECH group… it was an eye opener to the value concept that determines what matters (in our business). It cannot go without mention that the programme inculcates the right attitude and approach to personal and business development through, among others, modules such as Emotional Intelligence, which perhaps accounts for the ADvTECH paradox of our harmony, unison and successes despite our diversity.”

Sipatisiwe Mhlanga, internal auditor

“Being selected for the MDP was an honour. Selection for the MDP felt like a recognition of my contribution to the group. The opportunity to interact with people from different areas of the group was a valuable experience. Being a head office employee, it was interesting to learn from those working at the brands that contribute to the work we do. The opportunity to select a follow-up course was also valuable and allowed me to become better equipped for future development within the group.”

Yusuf Moosa, group financial manager

“I thoroughly enjoyed our LDP with GIBS. It created an environment of openness and of sharing diverse ideas and experiments towards a common goal of unpacking business challenges and finding new possibilities. The interactive dialogues that the teams shared came with valuable lessons that were an eye opener to me personally.”

Lillian Bususu, national graduate development manager, Rosebank College national office

“The LDP programme has challenged me to be a lot more conscious about the desired impact of my role as manager, and has also enhanced my understanding of the business model of the ADvTECH group.”

Chaile Makaleng, national admin and OPS manager
SKILLS TRAINING AND DEVELOPMENT
continued

BURSARIES
A good education is critical for the development of our country’s human capital. In 2017, the group provided bursaries to the value of R130 million through its bursary scheme, positively impacting the lives of 7 751 individuals. It is our goal to grow the number of beneficiaries every year to increase access to quality education for previously disadvantaged groups.

We also try to boost the number of high-quality teachers. To this end, ADvTECH launched the teacher bursary scheme ten years ago to help address the need for such teachers in South Africa. In 2017, 13 new students were enrolled, of which nine students were black. In addition to completing their tertiary studies, bursary recipients are given the opportunity to apply their acquired skills practically within the group’s schools.

A project to offer bursaries for selected courses at Varsity College (or other brands where appropriate) to enterprise and supplier development beneficiaries is planned for 2018. If successful, it will become an ongoing project.

A YOUNG SOUTH AFRICAN GIVEN AN OPPORTUNITY IS MAKING A DIFFERENCE

Raised by his single mother in Umlazi, Mfundo refused to let circumstances block his path. He worked hard at school, became the top student in his class, and then wrote letters to the ADvTECH schools division to let them know that he desperately wanted a place at Crawford College La Lucia.

Impressed by his tenacity and drive, ADvTECH awarded Mfundo a bursary and at the end of 2016, he graduated from Crawford. Ivy League university scouts conducting their yearly visit to ADvTECH schools identified Mfundo as a bright, promising young learner, and accepted him into Harvard on a full scholarship.

Not content to focus solely on his own success and studies, Mfundo set up the Dlulisa Initiative, aimed at partnering with companies and private schools to provide a consistent stream of resources to underprivileged schools. He says that by building an international advocacy campaign, his aim is to fundraise to ensure that every single South African child has the books and resources they need. He comments that Crawford’s emphasis on academic excellence was integral in his success and that when he graduates from Harvard, he plans to enter the political arena. He believes that this will be the most effective way to create an equitable and fair country where all children are given access to the resources they need.

Visit http://www.izzitrust.co.za for more information.
ADvTECH’s CSI strategy is aimed at promoting sustainable development in our society and the communities in which our brands operate.

Because we recognise how important education is in promoting equality, and that it is an enabling factor in transforming our society, our approach is directed towards educational interventions with local disadvantaged communities. The group promotes participation in outreach projects that provide volunteer staff and students with a greater sense of community belonging and social awareness.

Throughout the group, 492 projects were supported in 2017. Varsity College has, for instance, chosen Qhubeka Education as its national CSI partner this year. Money raised by Varsity College students is used to purchase bicycles for children in rural areas to reduce their commuting time and so allow them more time in class and for homework.

Another example is the support that Grade 8 pupils at Trinityhouse Randpark Ridge provide to Thandanani House of Refuge. The pupils fundraise by starting their own entrepreneurial business, run over a four-week period, this year they raised R131 000 which was handed over when pupils visited the Refuge.

A further initiative is the Dignity Drive project undertaken by Tyger Valley College where every month, all the matric girls at Lesedi Secondary School receive a pack of sanitary towels – yet another way of helping those less fortunate than ourselves.

EDUCATIONAL OUTREACH

Numerous initiatives were undertaken to assist schools and childcare institutions in disadvantaged areas. We currently provide support to 14 schools. Junior College staff, for instance, shared their expertise in early childhood development with teachers at the Star Child Care Crèche in Alexandra.

Trinityhouse Little Falls Preparatory, through an ongoing project, assists Matla Combined School in Muldersdrift, whose 800 pupils are mainly drawn from nearby informal settlements. Initiatives such as painting classrooms or guiding teachers toward effective classroom organisation are aimed at helping the school to become a more positive learning environment.

A further example is Varsity College’s initiative to provide career guidance and life skills workshops for students who have little or no access to such support. The workshop teaches students about the world of work, the scope of available careers and what would best suit their own talents and interests, so helping them negotiate the transition from secondary to tertiary education or to the workplace.

The group has an affirmative procurement process, which supports suppliers from historically disadvantaged communities. The policy encourages procurement from BEE suppliers and motivates the group’s suppliers to become BEE compliant. These policies are actively implemented and have resulted in just under half of the group’s weighted BEE procurement expenditure consistently being spent with BEE compliant beneficiaries.

Although we fall short of spending on 51% black-owned and 30% black-owned entities, our procurement scores have begun to increase due to suppliers increasing their underlying scores as they come to grips with the new codes. This is expected to further improve as the biggest IT supplier to the group recently concluded an ownership deal making them 31% black women-owned. We also plan to implement a Shared Services Centre which will deal with centralised procurement and be tasked with ensuring BBBEE compliant suppliers are used where it is feasible and appropriate.

The total discretionary spend for the group was approximately R2.0 billion for 2017. Of this amount, 38% is currently spent with BEE suppliers with a target of 80%.

Please refer to the website www.advtech.co.za for more information, news and case studies.