

STRATEGIC GOAL 4: VISION AND VALUES DRIVEN (V4)

Vision and values driven objective 1: Drive the AGSA's transformation programme

PERFORMANCE MEASURE

B-BBEE level

2020-21 TARGETS

2020-21 ACTUAL

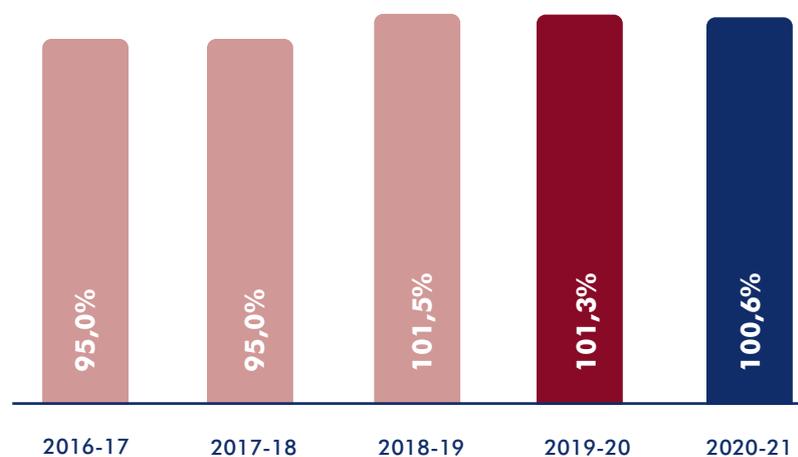
Level 1

Level 2

We remain firmly committed to transformation in South Africa and take pride in achieving a broad-based black economic empowerment (B-BBEE) level 1 contributor status for three consecutive years. However, the pandemic has also had an impact on our organisation, which made it necessary to reduce our spending to ensure our financial sustainability.

All our business units have maintained their B-BBEE performance (level 1 or 2) for the second consecutive year. The focus for the future is to go beyond numbers and define key behaviour that drives and embeds the spirit of transformation in the organisation.

B-BBEE PERFORMANCE OVER THE PAST FIVE YEARS

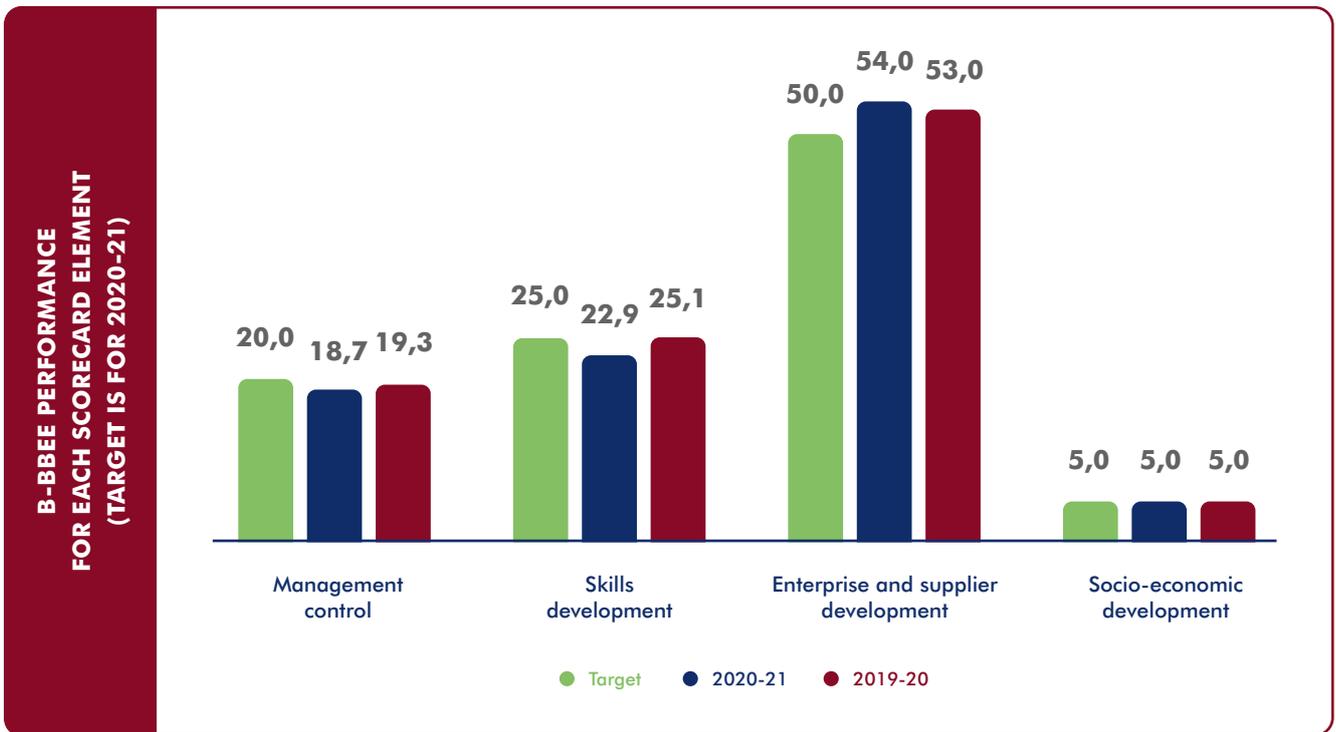


Creating awareness on transformation

Our employment equity forums guided and encouraged those responsible for transformation processes to collaborate and drive transformation advocacy. A large part of this was exploring new or alternative ways to buffer the impact of the pandemic on our transformation goals. Our supply

chain management business unit, which carries the bulk of the responsibility for transformation in procurement, formulated a framework and B-BBEE procurement principles. These guided business units on how to access B-BBEE-compliant suppliers and provided rotation guidelines and subcontracting rules that opened opportunities for small black suppliers.

B-BBEE SCORECARD PERFORMANCE PER ELEMENT



Management control

The ongoing moratorium on hiring meant that we were unable to meet the EAP targets for the coloured population. Business units that could make appointments made a deliberate effort to appoint according to the EAP and B-BBEE targets.

We continued to ring-fence positions supported by the employee wellness programme, and leadership support remains the key enabler for achieving targets and promoting an inclusive culture that accommodates persons with disabilities.

Skills development

The necessary budget cuts to our training and development programmes affected our skills development. We achieved on our intake of learnership, but need to improve our training for persons with disabilities.



Preferential procurement

In contributing to the country's economic growth, we continued to support 51% black- and 30% black women-owned exempted micro enterprises (EMEs) and qualifying small enterprises (QSEs). We improved our procurement processes and developed a B-BBEE procurement framework to safeguard our support of small black businesses to ensure their sustainability and survival in the future.

Our spending on designated groups,² particularly small businesses owned by the youth, was R154 million or 13,8% of our procurement spend. We commend our staff for their willingness to actively identify small businesses to support.

Enterprise and supplier development programme

Our graduated ESD beneficiaries now supply us with audit professional services and contribute to transforming the sector.

In 2020-21, we introduced five new beneficiaries to the programme, which now has a total of 20 beneficiaries.

Although it was a challenging year, our ESD beneficiaries, mostly in supplier development, created 98 jobs and one beneficiary graduated from enterprise to supplier development. ESD beneficiaries shared 16% of our total outsourced allocations against a target of 23%.

ALLOCATION TO CONTRACTED ESD FIRMS

	2017-18	2018-19	2019-20	2020-21
Outsourcing baseline (including audit-related ad hoc work)	R17 763 315	R66 710 918	R149 535 622	R139 972 921
Total amount allocated to outsourced audit-related work	R448 355 798	R443 783 922	R648 898 784	R870 158 481
Percentage of the outsourced audit work allocation to ESD firms	4%	15%	23%	16%

² Designated groups include small businesses owned by black youth, persons with disabilities, military veterans and peri-urban or rural enterprises.

In addition to financial support, we helped our ESD firms by prioritising payments, complemented by support in delivering quality audit work through training and implementing remedial action.

Nationally, 11 ESD beneficiaries applied for Saica office accreditation and five applied to increase their trainee quota. Four firms received their office accreditation and three firms

were allocated an additional four trainees. The remainder of the firms are still within the application process.

Contracted audit work

B-BBEE levels 1 and 2 audit firms were paid R558 million for the 2020-21 performance year.

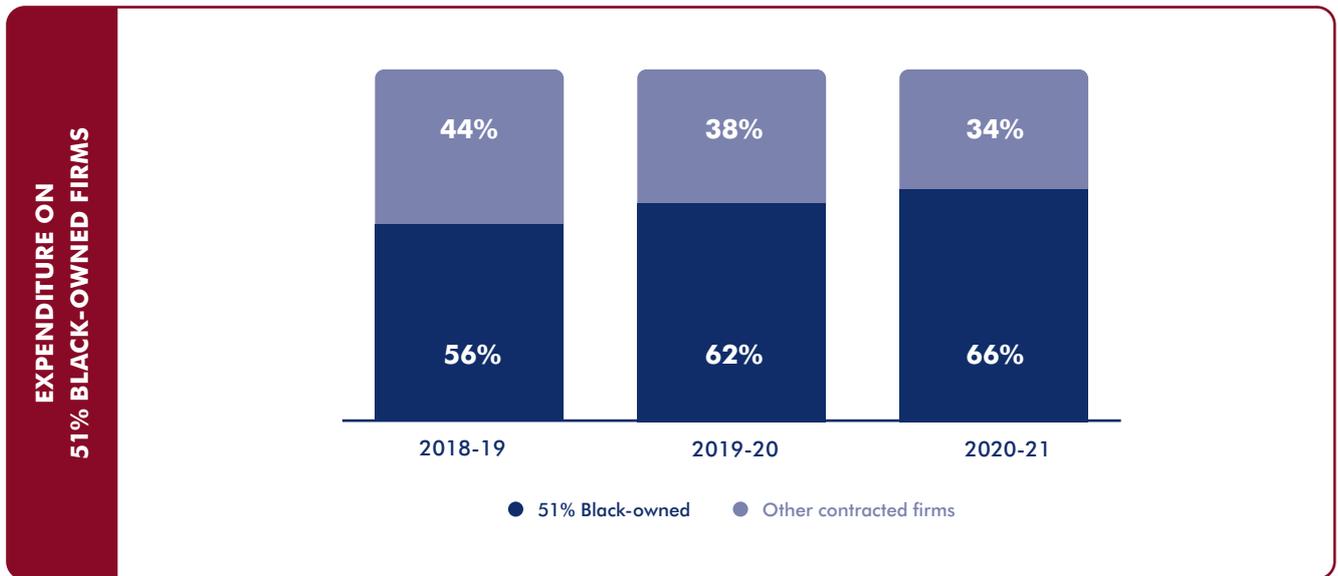
PAYMENTS TO FIRMS AT THE VARIOUS B-BBEE LEVELS

FIRM B-BBEE LEVEL	No. of firms	Actual paid	% paid
Level 1	62	R485 839 654	76
Level 2	15	R72 228 896	11
Level 3	1	R4 249 401	1
Level 4	15	R57 149 614	9
Level 5	1	R1 099 716	0
Level 6	1	R728 200	0
Level 7	1	R2 638 229	0
Level 8	4	R13 789 747	2
Total	100	R637 723 457	100

Expenditure on 51% black-owned firms

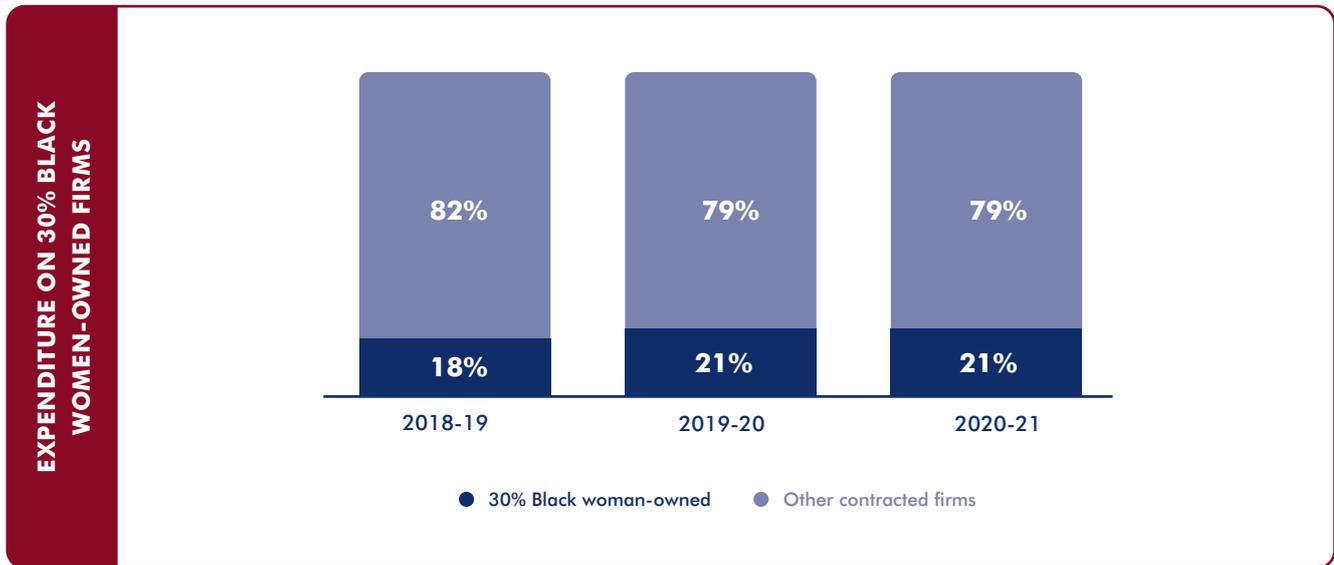
During our tender processes we continue to be open to subcontracting, and partnering with, EMEs and QSEs that

are 51% black- and 30% black women-owned. We also prioritise 51% black- and 30% black women-owned firms for any ad-hoc audit work.



The audit work that we provided to 51% black-owned firms increased over the past three years from 56% in 2018-19 to

66% in 2020-21. We spent R421 million on these firms for 2020-21.



The audit work that we provided to 30% black women-owned firms was unchanged at 21% from 2019-20 to 2020-21.

Socio-economic development

The need for socio-economic relief for vulnerable communities has never been greater. Informed by our sustainability model and transformation agenda, and through our socio-economic development programme, we spent R778 938 on relief efforts.