



Summary Notes for the FY2021/22 Annual Status of Transformation in the Forest Sector

- An improved number of reporting entities from 38 previously to an outstanding 113, 24 from MLEs, 46 from QSEs and 43 from EMEs,
- Most MLEs are consistent reporters, meaning they report every year. As we speak, we are already receiving certificates for the 22/23 Financial year,
- All MLEs also submitted their underlying report for the first time. Usually some would refuse to send the report and would just submit the certificate only,
- The Industry maintained a level 4 though regressed from 88,4 points to 80.4 points. This is when we exclude the bonus points.
- MLEs' overall performance in 4 elements declined with the exception of Management Control. Good scores were still achieved in Ownership, Enterprise & Supplier Development (ESD) and Socio- Economic Development. Skills Development showed the biggest decline and expectedly so as some of the skills programmes are still not recognised as per the learning matrix. Additionally, Skills Development just like ESD has a financial cost attached,
- 5 MLEs were discounted, with 4 discounted as a result of one of the priority elements and the other as a combination of 2 or more. This shows that the Discounting Principle is effective,
- Black ownership in MLEs declined but still achieved a good score when compared to Black Women ownership,
- Improvements were observed in Junior, Middle and Senior women managers and declines were observed in the board participation and executive management,
- The Completeness Ratio is still at 100% allowing for MLEs to half the targets on 5 indicators of the preferential procurement segment in ESD. Most MLEs preferred to be scored on half targets on the ESD element with only two only choosing to be scored on full points,
- Only one Grower managed to sell logs to QSEs/ EMEs and 51%BO and 30%BWO entities
- A section of JSE listed Forest Companies shows that most of these performed well on B-BBEE,
- SAFCOL performing well but disadvantaged by low representation of women in the board,
- QSEs achieved a level 2, with improved numbers from the Enhanced (majority Black Owned) and Unenhanced (minority Black Owned). As such there was an analysis of the QSE scorecard performance by the 8 Unenhanced QSEs,



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- Only 1 Unenhanced QSE was discounted,
- Unenhanced QSEs performed well in all the 5 scorecard elements,
- EMEs achieved a level 2 and most of these are operating in the contracting subsector,
- Enhanced EMEs and QSEs are still not using the FSCC affidavit and will encourage them to use this one instead of the generic affidavit from the dtic, and
- Reporting entities need to be oriented about the Measurement Period with reference to the financial years.