

BROAD-BASED BEE RATING

Final Report

Submitted to

Fleishman-Hillard South Africa

Registration Number	2000/021873/07
VAT Number	4620107526
BBBEE Status	Level One (1) Contributor
BBBEE Recognition Level	135%
Empowering Supplier	Yes
Validity Period	25 October 2018 – 24 October 2019



Verification Manager
Honeycomb BEE Ratings



BVA 046

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1. INTRODUCTION

In August 2018, Fleishman-Hillard South Africa commissioned Honeycomb to conduct a BBBEE verification of the organization. Honeycomb's mandate was to assess, verify and validate both disclosed and undisclosed BBBEE-related information of Fleishman-Hillard South Africa. The BBBEE rating has been based on the Marketing, Advertising & Communications Sector Code.

Fleishman-Hillard South Africa is a broad-based entity and is therefore measured on all of the five elements of BBBEE – Ownership, Management Control, Skills Development, Enterprise & Supplier Development, Socio-Economic Development and Responsible Marketing & Advertising.

In conducting the verification, a comprehensive methodology was followed. Honeycomb followed a rigorous verification process that is aligned to best practice verification standards, the Dti Amended Codes of Good Practice and the South African National Accreditation System (SANAS). Data and information relating to the elements of the Scorecard was obtained, interviews with senior management, and personnel of Fleishman-Hillard South Africa were conducted as well as the verification of supporting documentation provided to Honeycomb.

All the information utilized for the verification was obtained from Fleishman-Hillard South Africa and the conclusions reached are based on this information. Based on the information provided and subject to the terms of the verification engagement Honeycomb is of the opinion that the rating reflected herein is accurate and reflects the true BBBEE status of Fleishman-Hillard South Africa.

The on-site verification was conducted on the 10 October 2018 by Jani Terblanche.

2. FLEISHMAN-HILLARD SOUTH AFRICA DETAILED SCORECARD

Component Indicator	Notes	Indicator Weightings	Indicator Target	Verified Level	Score
Ownership	3.1				20.72
Exercisable Black Voting Rights		4.00	45.00%	35.21%	3.13
Exercisable Black Women Voting Rights		2.00	30.00%	24.04%	1.60
Economic interest - black people		4.00	45.00%	35.21%	3.13
Economic interest - black women		2.00	30.00%	24.04%	1.60
Economic interest - Black Designated Groups & ESOPs, Broad-based Schemes / Co-ops		3.00	5.00%	34.46%	3.00
Ownership by Black New Entrants		2.00	4.00%	35.21%	2.00
Net Equity Value		8.00	formula	78.25%	6.26
Management and Control	3.2				19.64
Exercisable Voting Rights of Black Board Members		2.00	50.00%	40.00%	1.60
Exercisable Voting Rights of Black Women Board Members		1.00	25.00%	20.00%	0.80
Black Exec. Directors as a % of all Exec. Directors		2.00	50.00%	40.00%	1.60
Black Women Exec. Directors as a % of all Exec. Directors		1.00	25.00%	20.00%	0.80
Black Exec. Management as a % of Other Executive Management		3.00	60.00%	30.00%	1.50
Black Women Exec. Management as a % of Other Executive Management		2.00	30.00%	10.00%	0.67
Black employees in Senior Management		3.00	60.00%	72.22%	1.42
Black Women employees in Senior Management		2.00	30.00%	66.67%	2.00
Black employees in Middle Management		3.00	75.00%	91.67%	2.59
Black Women employees in Middle Management		2.00	38.00%	50.00%	1.73
Black employees in Junior Management		2.00	88.00%	72.73%	1.20
Black Women employees in Junior Management		2.00	44.00%	54.55%	1.73
Black disabled employees		2.00	2.00%	8.20%	2.00

Skills Development	3.3				26.27
Expenditure on Learning Programmes for black people*		8.00	6.00%	4.44%	5.36
Expenditure on Learning Programmes for disabled black employees		4.00	0.30%	0.39%	4.00
Number of black people participating in learnerships		4.00	2.50%	6.56%	3.45
Number of black previously unemployed learnerships - 18(2)		4.00	2.50%	6.56%	3.45
Number of black people absorbed at the end of Learnerships		10.00	100.00%	100.00%	10.00
Enterprise and Supplier Development	3.4				43.18
BEE Procurement Spend with Empowering Suppliers		5.00	80.00%	124.07%	5.00
Procurement Spend with Empowering Suppliers qualifying as QSEs		4.00	20.00%	23.20%	4.00
Procurement Spend with suppliers qualifying as EMEs		5.00	20.00%	75.68%	5.00
BEE Procurement Spend with Empowering Suppliers Min 51% black owned		9.00	40.00%	51.32%	9.00

Procurement Spend with Empowering Suppliers Min 30% black women owned		4.00	12.00%	9.55%	3.18
B-BBEE Procurement with Designated Group suppliers Min 51% black owned		2.00	2.00%	37.15%	2.00
Supplier Development contributions		10.00	2.00%	3.65%	10.00
Enterprise Development contributions and Sector Specific Programmes		5.00	1.00%	1.10%	5.00
Graduation from Enterprise Development to Supplier Development beneficiary		1.00	Yes	No	0.00
Created one or more jobs as a result of SD&ED initiatives		1.00	Yes	No	0.00
Socio Economic Development	3.5				3.03
Annual value of SED contributions		5.00	2.50%	1.51%	3.03
Responsible Marketing & Communications	3.6				4.89
Annual value of Sector Specific Contributions		5.00	2.50%	2.44%	4.89
Total					117.73

3. CONCLUSION

- 3.1. Fleishman-Hillard South Africa achieved a BEE score of 117.73 Points.
- 3.2. Based on this score Fleishman-Hillard South Africa is a Level One (1) Contributor to BEE.
- 3.3. Accordingly, Fleishman-Hillard South Africa received a BEE Recognition Level of 135%.

B-BBEE Status	Qualification	B-BBEE Recognition Level
Level One Contributor	≥ 100 points on the Generic Scorecard	135%
Level Two Contributor	≥ 95 but < 100 points on the Generic Scorecard	125%
Level Three Contributor	≥ 90 but < 95 points on the Generic Scorecard	110%
Level Four Contributor	≥ 80 but < 90 points on the Generic Scorecard	100%
Level Five Contributor	≥ 75 but < 80 points on the Generic Scorecard	80%
Level Six Contributor	≥ 70 but < 75 points on the Generic Scorecard	60%
Level Seven Contributor	≥ 55 but < 70 points on the Generic Scorecard	50%
Level Eight Contributor	≥ 40 but < 55 points on the Generic Scorecard	10%
Non-Compliant Contributor	< 40 points on the Generic Scorecard	0%