

FINAL TRANSFORMATION PLAN

SCIP ENGINEERING GROUP



CONTACT PERSON: Cobus Booyens
Tel: (011)-888 1425
Email: cobus@scip.co.za

Date: September 2021

FIRST ISSUE

ISO COMPLIANCE

REVISION NUMBER	REVISION DATE	CHANGE MANAGEMENT	AUTHOR	CHECKED BY
00	September 2021	Report created	00	September 2021
			Signed:	
			Date:	

APPROVAL

DIVISION	APPROVED BY	COMMENTS
<p>Board of Directors</p>	<p>Directors:</p> <ul style="list-style-type: none"> - Cobus Booyens - Nomvula Mjodi - Ndumiso Ndaba - Phillip Booyens - Tshweu Mokoena - Abram Khithika - Michael Barbosa - Francois Deysel 	<p>The report is approved during a Directors Meeting held on 13 September 2021.</p>

Executive Summary

As a responsible corporate citizen, SCIP ENGINEERING GROUP actively demonstrates its commitment to transformation and sustainability. SCIP maintains a holistic approach to its participation in transformation activities through strategies that address all the elements of the B-BBEE scorecard. As a consulting engineering firm, the company subscribes to the Construction Sector Charter. Currently SCIP is rated a level 2 B-BBEE contributor which is testament to the commitment of the company to transformation. This report outlines the company's strategic plan to transformation.

TABLE OF CONTENTS

EXECUTIVE SUMMARY 4

TABLE OF CONTENTS 5

1. INTRODUCTION 6

2. APPROACH TO TRANSFORMATION 7

3. COMPANY STRUCTURE 8

4. BASELINE REVIEW 10

 4.1 Ownership 10

 4.2 Management Control 10

 4.3 Skills Development 11

 4.4 Preferential Procurement 11

 4.5 Socio-Economic Development 11

5. TRANSFORMATION GOALS 11

6. STRATEGIC PLAN 12

 6.1 Ownership 12

 6.2 Management Control 12

 6.3 Skills Development 13

 6.4 Preferential Procurement 14

 6.5 Socio-economic Development 15

7. WAY FORWARD 15

ANNEXURES

Annexure A - Current SCIP Structure

Annexure B - Proposed Future SCIP Structure

1. INTRODUCTION

A Transformation Plan is a process of developing a strategic plan for modifying an enterprise's business processes through the modification of policies, procedures and processes to move the organisation from an "as is" state to a "to be" state. The transformation plan is therefore necessary for the organisation to remain relevant in a changing economy. In the South African context, the legislative framework and guide for transformation is found in the Broad-Based Black Economic Empowerment ("B-BBEE") Act and supporting Codes of Good Practice. The objectives of the B-BBEE Act are to facilitate broad-based black economic empowerment by:

- promoting economic transformation in order to enable meaningful participation of black people in the economy
- achieving a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new enterprises
- increasing the extent to which communities, workers, cooperatives and other collective enterprises own and manage existing and new enterprises and increasing their access to economic activities, infrastructure and skills training
- increasing the extent to which black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure and skills training
- promoting investment programmes that lead to broad-based and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity
- empowering rural and local communities by enabling access to economic activities. land, infrastructure, ownership and skills
- promoting access to finance for black economic empowerment

SCIP Engineering Group is a Civil Engineering company founded in 1997. Since then, SCIP participated unreservedly in transformation activities through strategies that address all the elements of the B-BBEE Act. Currently SCIP is rated a level 2 B-BBEE contributor which is testimony to the progress the company has made since 1997.

SCIP is an engineering company that offers integrated consulting services in engineering design, supervision, management, and technical assistance. A recognized specialist in 'Township-development establishment' and municipal infrastructure. SCIP continues to provide an increasingly competitive and reliable service and continues to invest in cutting-edge technology. As a result, a large proportion of business is repeat orders from customers impressed by SCIP's ability to deliver on time and on budget.

Personalized service is a hallmark of SCIP and we believe there is great value in establishing and encouraging friendships with our clients outside of the professional relationship. As a corporate South African citizen, SCIP's aim is to give effect to the objectives of the B-BBEE Act and comply with the constitution, while we commit to delivering effective engineering infrastructure that will play a major role in realising a better life for all South Africans and at

the same time contribute to a prosperous society. Everything we do is guided by our belief that the goal of civil engineering is to serve the community and act as a catalyst for social development. We derive great satisfaction from the fact that we are actively working to help make the world a better place. This is how we see our role in society:

- To provide engineering infrastructure that successfully transforms the built environment into one that supports human development
- To initiate empowerment opportunities that change the face of the built environment
- To play an effective role in stimulating the economy and increasing the country's GDP
- To practice integrity, fair dealing, tolerance and respect and to uphold devotion to the standards and the dignity of our profession

This Transformation Strategy forms the guiding framework through which all stakeholders can be guided by the principles and practices of SCIP's empowerment framework.

2. APPROACH TO TRANSFORMATION

SCIP takes a holistic approach on transformation with the main aim to develop a sustainable, business aligned, transformation plan in order to ensure appropriate changes are made to give better effect to the aims of the B-BBEE Act. The company is committed to principles of transformation and would undertake processes that are sustainable and have true grass roots impact, rather than engage in behaviour that is driven by compliance considerations. Our vision is to contribute to a prosperous society through the implementation of the transformation plan.

As part of our holistic approach to transformation we include external and internal transformation efforts. Where external transformation efforts include the engagement with small businesses or BEE ownership suppliers and third parties as well as the communities we impact through the implementation of our projects. Our internal transformation efforts are focused on our people and creating a more inclusive and diverse workforce who are trained and developed to meet our strategic business objectives.

In the South African context, the legislative framework and guide for transformation is found in the B-BBEE Act and supporting Codes of Good Practice. One of the five pillars for scoring an organisation against the B-BBEE scorecards includes the compliance with the provisions of the Employment Equity Act and Skills Development Act. All employers who employ more than 50 employees or who have a turnover in excess of the amounts specified in the Employment Equity Act are seen as designated employers and are legally obligated to comply with Chapter III of the Employment Equity Act. This means that you need to ensure that you have suitably qualified employees from designated groups in your company.

According to South Africa's skills development legislation, every employer who is registered with SARS for PAYE and who has an annual payroll in excess of R500 000 or 50 plus employees must comply with certain legal and procedural requirements. They need to establish a Skills Development Committee and consult with the Committee prior to the submission of the skills

report. All companies need to appoint a suitably qualified Skills Development Facilitator (SDF) to facilitate the training needs within the organisation and liaise with the SETA. The company must:

- Assess the skills of employees to determine areas in which skills development are needed.
- Encourage employees to participate in learnerships and other training programmes.
- Provide all employees with the opportunity to improve their skills.

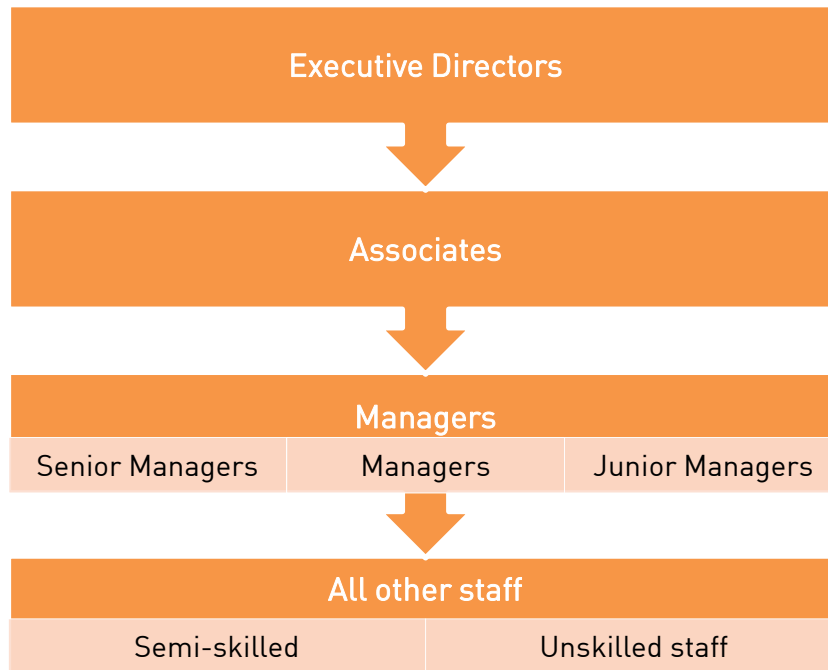
SCIP uses the B-BBEE Act and the other associated legislation as described above, as guide to compile the transformation plan for the company, but also ensures that it is business aligned, sustainable and fair to all employees within the company.

3. COMPANY STRUCTURE

SCIP is managed by a board of 8 directors consisting out of the following:

Shareholder Name	Designation	Shareholding Percentage
Cobus Booyens	Managing Director	21.6%
Nomvula Mjodi	Financial Director	30.6%
Ndumiso Ndaba	Director of Strategic Planning and Business Development	14.6%
Philip Booyens	Director Private Clients	21.6%
Tshweu Mokoena	Director Municipal Services	2.9%
Michael Barbosa	Director Abattoirs, Food Processing and Private Clients	2.9%
Francois Deysel	Director Structures and Buildings	2.9%
Abram Khithika	Director Public Clients	2.9%

The company structure below provides the foundation on which SCIP’s standard operating procedures and different responsibilities rest. It determines which individuals get to participate in which decision-making processes, and thus to what extent their views shape the organization's actions. SCIP’s company structure consists of the following designations:



Currently SCIP consists of a workforce of 43 employees consisting of:

- 8 Executive Directors
- 4 Senior Management Employees
- 7 Management Employees
- 15 Junior Management Employees
- 6 Skilled Staff
- 3 Unskilled Staff

Refer to **Annexure A** for the current company structure. As part of transformation, SCIP aims to grow the current workforce by appointing and promoting employees in line with SCIP’s transformation plan objectives. SCIP do acknowledge that the growth of the workforce is dependent on several factors i.e., company turn over growth, the country’s economic situation, political influences, etc. However, SCIP has a short-term vision to grow the company as illustrated in the proposed future company structure attached as **Annexure B**. This company structure allows for:

- 8 Executive Directors
- 8 Associates
- 10 Senior Management Employees
- 10 Management Employees
- 20 Junior Management Employees
- Unlimited Skilled Staff
- Unlimited Unskilled Staff

4. BASELINE REVIEW

Currently we have achieved a level 2 rating on the B-BBEE scorecard. SCIP’s noteworthy transformation achievements are indicated in the table below.

The table below indicates the performance of SCIP in line with the Construction Sector Charter.

Element	Construction Sector Score Card	SCIP Score	Notes
Ownership	30.00	25.61	>51% black owned
Management Control	22.00	13.13	Black ownership percentage is 51%
Skills Development	34.00	24.39	>30% black women percentage
Preferential Procurement and Supplier Development	30.00	27.24	36.44% black women percentage
Socio-economic Development	6.00	6.00	

4.1 OWNERSHIP

SCIP does not score full points for the following indicators under ownership:

- Exercisable voting rights in the Enterprise in the hands of black people
- Economic Interest of black people in the Enterprise

SCIP does not receive any bonus points under ownership, this includes:

- Exercisable Voting Rights in the Equity in the hands of Black people above 50%
- Exercisable Voting Rights in the Equity in the hands of Black people above 75%
- Exercisable Voting Rights in the Equity in the hands of Black Women above 50%

4.2 MANAGEMENT CONTROL

Currently SCIP does not score full points for the following:

- Exercisable voting rights of black female Board members as a percentage of all Board Members
- Black Female Executive Director as a percentage of all executive directors
- Black other Executive Management as a percentage of all other executive management
- Black other Female Executive Management as a percentage of all other executive management

- Black employees in Middle Management as a percentage of all middle management
- Black female employees in Middle Management as a percentage of all middle management
- Black professionally registered employees as a percentage of all professionally registered employees

And we do not receive any bonus points for exceeding the target for Black Executive Directors and Black Female Executive Directors.

4.3 SKILLS DEVELOPMENT

SCIP do not score full points under Skills Development for:

- Skills development expenditure on black junior management applying ARG
- Bursaries or Scholarships for Black People applying ARG
- Number of Black employees registered as candidates with industry

SCIP also do not receive any bonus points under skills development.

4.4 PREFERENTIAL PROCUREMENT

We currently score full points on most items except for the B-BBEE procurement spend from all empowered suppliers that are at least 35% black woman owned and the annual value of all qualifying supplier development contributions made. We also do not receive bonus points for B-BBEE Procurement Spend from suppliers that are at least 51% owned by Black Designated Groups based on the applicable B-BBEE Procurement Recognition level as a percentage of Total Measured Procurement Spend.

4.5 SOCIO-ECONOMIC DEVELOPMENT

SCIP's socio-economic development credentials have always been positive. We score full points on all items under socio-economic development.

5. TRANSFORMATION GOALS

- The Transformation strategy is driven at an operational level and is accountable to an appointed director. The strategy must be approved by the board of directors and the employment equity committee must be allowed to comment and make recommendations on the strategy. The director responsible for the transformation strategy must ensure that actions are taken and deliverables are completed.
- The transformation plan will be reviewed on a yearly basis.
- To obtain a B-BBEE level of 1, to ensure we comply to transformation and to enhance our competitive advantage as customers can claim over 135% of their procurement spend.
- To always stay up to date to the Construction Sector Charter codes and be flexible to incorporate any amendments/changes required as per the gazetted codes.

- We continuously seek to promote skills development and to empower youth by providing learnerships and bursaries to previously disadvantaged groups.
- We actively participate in the Small, Micro, Medium Enterprise economy by fostering business growth through enterprise and supplier development programmes
- Our business is conducted with the imperative to support black-owned businesses and those that meet at least a level 2 of compliance according to the B-BBEE scorecard
- Our socio-economic development approach continues to focus not only on SCIP’s workforce but also on community development for building independence and a sustainable future

6. STRATEGIC PLAN

6.1 OWNERSHIP

Transformation Statement: SCIP’s B-BBEE ownership credentials have always been positive. It is important for us to create growth of a sustainable company by promoting black ownership. SCIP shareholding agreement states that SCIP will always have at least 51% black ownership.

Objectives	Indicator	Target	Strategy	Status	Responsibility
Black Ownership, voting rights and economic interest	Percentage of black ownership	51% and higher	Succession planning and development for future board appointees	Achieved	Board of Directors
Black Women Ownership	Percentage of black women ownership	20% and higher	Succession planning and development for future board appointees	Achieved	Board of Directors

6.2 MANAGEMENT CONTROL

Transformation Statement: SCIP’s Management comprises of the composition of the board of directors, associates, senior management, management and junior management. SCIP aims to promote executive and non-executive control of the business through the consideration of black and black female empowerment. The company will always consider equal opportunity procedures in all appointments.

Objectives	Indicator	Target	Strategy	Status	Responsibility
Black board members: - Exercisable voting rights - Executive Directors	Percentage of voting rights of black board members and executive directors	50% and higher	Succession planning and development for future board appointees	Achieved	Board of Director
Black Female board members: - Exercisable voting rights - Executive Directors	Percentage of voting rights of black female board members and executive directors	20% and higher	Succession planning and development for future board appointees	5-year goal	Board of Director

Objectives	Indicator	Target	Strategy	Status	Responsibility
Diversify at management level (Executive, Senior and middle management)	Percentage of disadvantaged group at management level according to EAP	Comply with Employment Equity Requirements	Put mentorship programme in place in line with succession plan for the company	5-year goal	Appointed Director
Black disabled employees	Percentage of black disabled employees	2% and higher	Accommodate black disabled employees in succession plan	Achieved	Appointed Director
Black professional registered employees	Percentage of black registered employees	At least 50% of all professionally registered employees	Put mentorship programme in place in line with succession plan for the company	5-year goal	Appointed Director

6.3 SKILLS DEVELOPMENT

Transformation Statement: The development of all our staff remains a key imperative for the business. SCIP holds a view that in order to remain competitive, a skilled workforce is a precursor to our intended vision. We continuously enable our employees and support them to develop career-enhancing skills in order to meet the changing demands and priorities of the business. Learning and Development programmes will be aligned with national strategies and priorities for economic growth and social development to enrich the creation of decent work and sustainable livelihoods for employees and the society in general. Our aim is to focus on skills development within learnerships/internships and encourage current employees to register as candidates.

Objectives	Indicator	Target	Strategy	Status	Responsibility
Diversify Skills Development Expenditure	<ul style="list-style-type: none"> - Percentage of skills development expenditure for black people of Leivable Amount - Expenditure on African people applying ARG - Expenditure on Black management people applying ARG 	<ul style="list-style-type: none"> - 2% - 78.8% - 15% on Executive, Senior and middle management, 10% on Junior management 	Implement a Skills Matrix in line with a Training Policy	Skills development Matrix – Done Develop a Training Policy – 1 year goal	Skills Development Appointee
Make bursaries available for Black People	Percentage of bursaries available for black people applying ARG	15%	Put mentorship programme in place in line with succession plan for the company	1-year goal	Appointed Director

Objectives	Indicator	Target	Strategy	Status	Responsibility
Participation of Black people and disabled people in Cat A, B, C and D learning programmes	<ul style="list-style-type: none"> - Percentage black people of total employees - Percentage disabled people of black learners 	<ul style="list-style-type: none"> - 2.5% black people of total employees - 5% of disabled black employees of black learners 	Implement a skills matrix	Achieved	Skills Development Appointee
Black Employees registered as candidates at professional bodies	Percentage of candidate registered black employees	60% or higher	Put mentorship programme in place in line with succession plan for the company	3-year goal	Appointed Director
Implement an approved and verified mentorship programme	Mentorship Programme in place	Approved Plan	Put mentorship programme in place	Achieved	Skills Development Appointee

6.4 PREFERENTIAL PROCUREMENT

Transformation Statement: It has always been important for us to focus on procurement from small business and B-BBEE rated suppliers/third parties. The integration of B-BBEE compliant businesses is key to driving transformation. SCIP endeavours to create jobs through the support of small businesses. Our aim is to expand our approved supplier/third party list and make sure we make use of reliable companies which delivers quality work.

Objectives	Indicator	Target	Strategy	Status	Responsibility
Segmentation of procurement spend	Percentage spend on suppliers/3 rd parties	100% of all suppliers/3 rd parties must be level 2 B-BBEE	Draft a procurement policy Update 3 rd party/supplier list	1-year goal	Appointed Director
Supplier and Contractor Development Programmes	Programme in place	Approved Programme in line with B-BBEE requirements	Develop Programme	Achieved	-
Supplier Development Contributions	Percentage spend on qualifying black beneficiaries	Percentage of Nett Profit after Tax as determined by B-BBEE act	Monetary contribution	Achieved	-

6.5 SOCIO-ECONOMIC DEVELOPMENT

Transformation Statement: SCIP will continue to support the plight of disadvantaged communities in South Africa with a specific focus on beneficiaries that are classified as black under the B-BBEE Act. We will also not only focus on our workforce but also on making a positive impact within the broader community through the projects we implement and charity initiatives.

Objectives	Indicator	Target	Strategy	Status	Responsibility
Annual value of all qualifying SED contributions made by the Measured Entity as a percentage of the target	Value of contributions	Percentage of Nett Profit after Tax as determined by B-BBEE act	Contribution	Achieved	-
Annual value of contributions towards Structured SED Projects as a percentage of the target	Value of contributions	Percentage of Nett Profit after Tax as determined by B-BBEE act	Contribution	Achieved	-

7. WAY FORWARD

SCIP endeavours to actively stay committed to transformation and continues to build and grow a sustainable business that will contribute to a prosperous society. The aim is to implement this strategic plan over a period of time, addressing each objective at an appropriate time. Some of the strategic objectives are already implemented within the company the rest of the objectives of the strategic plan will be systematically implemented over the periods as indicated below:

Current achieved goals to be maintained:

- 51% and higher black ownership and economic interest
- 50% black voting rights
- 30.6% black female ownership and economic interest
- 12.5% black female voting rights and economic interest
- Employment of black disabled employees
- Diversify skills development with emphasis on black-people and disabled
- Segmentation of procurement

1 Year Goals:

- Develop skills development/training plan
- Make bursaries available to black students
- Draft procurement policy and update 3rd party/supplier list

3 Year Goals:

- Increase number of black employees registered both professionally and as candidates with professional bodies

5 Year Goals:

- Diversify at management level
- Increase number of black professionally registered employees
- Implement the proposed company structure

The following important plans/policies have to be developed in order to achieve the goals above:

- Succession Plan
- Skills Development/Training Plan
- Mentorship Plan
- Procurement policy

SCIP endeavours to actively stay committed to transformation and sustainability by implementing this transformation plan. SCIP's main aim, by implementing the transformation plan, is to ensure appropriate changes are made to give better effect to transformation, which will enhance our competitive advantage and will contribute to a prosperous society.

ANNEXURE A:
Current SCIP Structure

SCIP CURRENT STRUCTURE (2021)

Executive Directors	Managing Director Cobus Booyens White Male							Executive Assistant Gina Kent White Female	Professionally Registered if applicable 10 years experience 10 years at SCIP Full time	43
	Director - Strategic Planning and Business Development Ndumiso Ndaba African Male	Director - Financial and Administration Nomvula Mjodi African Female	Director - Private Clients Philip Booyens White Male	Director - Municipal Services Tshweu Mokoena African Male	Director - Public Clients Abram Khithika African Male	Director - Abattoirs, Food Processing and Private Clients Michael Barbosa White Male	Director - Structures and Buildings Francois Deysel White Male			
Associates									Professionally Registered if applicable 10 years experience 3 years at SCIP	0
Senior Management	Senior Financial Manager Sonje De Jager White Female	Design Engineer Marietjie Griffioen White Female	Senior Site Manager - Civil Ockie Botha White Male	Design Engineer Thabo Utloa African Male				Qualification 5 years experience	4	
Management	Administration Manager Asanele Nkosi African Female	Design Engineer Simon Elsworth White Male	Manager Drawing Office - Civil Hendrik Olivier White Male	Design Engineer Dirk Uys White Male	Design Engineer Marco Fourie White Male	Design Engineer Leon Barnard White Male	Design Engineer Natanya Erasmus White Female	Qualification 3 years experience	7	
Junior Management	Engineer Dylan Vereb White Male	Engineer Krynauw Nienaber White Male	Engineer Louissette Bitandi African Female	Engineer Anna Muller White Female	Engineer Sthembiso Skosana African Female	Resident Engineer Thokozani Mtsabe African Male	Resident Engineer Thabiso Mahlatji African Male	Qualification	15	
	Draughtsman Philip Botha White Male	Draughtsman Hannes Hattingh White Male	Draughtsman Tom de Wet White Male	Draughtsman Martinas de Klerk White Male	Draughtsman Frans Pieterse White Male	Draughtsman Gabriel Moime African Male	Technical Staff Jannie Louw White Male			
Skilled Staff	Receptionist Donely Silands African Female	Office Administrator Lindiwe Nkoana African Female	Office Administrator Dipolelo Radebe African Female	Office Administrator Refilwe Kube African Female	Driver Joseph Mofokeng African Male				None	6
	Office Assistant Martha Mahlangu African Female	Office Cleaner Iris Paulsen African Female	Gardener Hendrik Moepeng African Male							None

ANNEXURE B:

Proposed Future SCIP Structure

SCIP PROPOSED STRUCTURE

Executive Directors	Managing Director Cobus Booyens White Male							Professionally Registered if applicable 10 years experience 10 years at SCIP Full time	56
	Director - Strategic Planning and Business Development Ndumiso Ndaba African Male	Director - Financial and Administration Nomvula Mjodi African Female	Director - Private Clients Philip Booyens White Male	Director - Municipal Services Tshweu Mokoena African Male	Director - Public Clients Abram Khithika African Male	Director - Abattoirs, Food Processing and Private Clients Michael Barbosa White Male	Director - Structures and Buildings Francois Deysel White Male		
Associates	Associate Enoch Mashoala African Male	Associate Marietjie Griffioen White Female	Associate Marco Fourie White Male	Associate	Associate	Associate	Associate	Professionally Registered if applicable 10 years experience 10 years at SCIP 3 years at SCIP	8
	Associate								
Senior Management	Senior Financial Manager Sonje De Jager White Female	Executive Assistant Gina Kent White Female	Design Engineer Simon Elsworth White Male	Senior Site Manager Ockie Botha White Male	Design Engineer Dirk Uys White Male	Design Engineer Thabo Utloa African Male	Design Engineer Leon Barnard White Male	Qualification 5 years experience	10
	Senior Manager			Senior Manager	Senior Manager				
Management	Financial Manager Thendo Nemukula African Female	Administration Manager Asanele Nkosi African Female	Manager Drawing Office - Civil Hendrik Olivier White Male	Design Engineer Natanya Erasmus White Female	Manager	Manager	Manager	Qualification 3 years experience	10
	Manager			Manager	Manager				
Junior Management	Engineer Thokozani Mstsabe African Male	Engineer Dylan Vereb White Male	Engineer Thabiso Mahlatji African Male	Engineer Louissette Bitandi African Female	Engineer Anna Muller White Female	Engineer Sthembiso Skosana African Female	Engineer Krynauw Nienaber White Male	Qualification	20
	Draughtsman Gabriel Moime African Male	Draughtsman Philip Botha White Male	Draughtsman Tom de Wet White Male	Technical Staff Jannie Louw White Male	Draughtsman Hannes Hattingh White Male	Draughtsman Frans Pieterse White Male	Draughtsman Paul Fisher White Male		
	Draughtsman Martinas de Klerk White Male	Technical Staff Hlukani Modjaidjai African Male	Finance Assistant Donely Silands African Female						
Skilled Staff	Office Administrator Lindiwe Nkoana African Female	Office Administrator Dipolelo Radebe African Female	Office Administrator Refilwe Kube African Female	Driver Joseph Mofokeng African Male				None	no limit
Unskilled Staff	Office Assistant Martha Mahlangu African Female	Office Cleaner Iris Paulsen African Female	Gardener Hendrik Moepeng African Male					None	no limit