

# TRANSFORMATION REVIEW

WBHO takes pride in its reputation as one of the most transformed construction companies in South Africa. We take our commitment to transformation seriously and review our transformation targets and performance on a regular basis. Our current strategic objective is to maintain our Broad-Based Black Economic Empowerment (B-BBEE) Charter scorecard at Level 2 when we are audited in October 2016. This review describes the specific transformation-related challenges we faced during FY16 and our progress in this regard. For further information regarding our overall philosophy and approach to transformation, please see the sustainability section of our website.

## CONSTRUCTION SECTOR CODES

Managing our performance in regard to transformation was challenging during the period under review due to the legislative uncertainty surrounding the negotiations and gazetting of the new Construction Sector Codes.

As the construction industry was unable to achieve a consensus on the new Construction Sector Codes by the October 2015 deadline set by the Department of Trade and Industry (dti), the previous Construction Codes were repealed in February 2016 and the new revised generic Codes of Good Practice became applicable. These generic Codes, being radically different to the targets and measurement principles of the Construction Codes, would have a major impact on the rating level of WBHO, along with the entire industry.

Since then, the industry has managed to agree on revised draft Construction Codes, which were unveiled publicly on 28 July 2016, prior to submission to the dti for gazetting. The new Codes will become applicable after the 60-day commentary period and the current consensus is that the February repeal will be rescinded to allow a seamless transition from the old Codes to the new ones.

As the South African Forum of Civil Engineering Contractors (SAFCEC) representative on the Construction Council and EXCO and the Convener of the Established Sector membership organisations (representing over 4 500 companies), WBHO was at the forefront of negotiating the new Construction Sector Codes and has been publicly recognised and thanked for its commitment to leading this process and ensuring its satisfactory resolution.

## BBBEE SCORECARD

The WBHO Executive Committee (EXCO) meets quarterly to review all elements of the B-BBEE Charter scorecard and to set and revise targets, which are then communicated to the divisional boards. During the year, every division is measured against the targets set in the scorecard and performance is reported at divisional and EXCO meetings.

Further information regarding specific initiatives, like the enterprise development programme, and our social economic development investments, which are measured for the scorecard rating, can be found in the sustainability section of our website at [www.wbho.co.za/sustainability](http://www.wbho.co.za/sustainability).

## EMPLOYMENT EQUITY

WBHO is proud to have effected several significant internal promotions of key black staff to senior management during the course of the year. The fact that we could promote our own key talent, instead of relying on external recruitment, is testament to our philosophy that training and mentoring during the course of employment ensures internal growth and a clear career incentive. We remain mindful of our responsibility to integrate the demographics of our working population into all employment levels throughout the group and continue to seek ways to accelerate this process.

WBHO has also embarked on a rigorous mentoring programme to ensure that all of our professionally qualified black staff members are registered with the relevant industry professional bodies as candidates and mentored until they achieve professional accreditation. We believe that this focused "pipeline to excellence" for black members of staff will have a significant impact on our employment equity statistics in the near future, as well as assisting with staff retention.

## TRANSFORMATION THROUGH SKILLS DEVELOPMENT

In South Africa, skills development is an ongoing priority for the group, both as a means of tackling the severe skills shortage facing the construction industry and because better skilled employees work at a higher level of productivity and quality. The following tables provide a breakdown of our South African training and skills development spend by category.

### SOUTH AFRICAN TRAINING AND SKILLS DEVELOPMENT SPEND BY CATEGORY

	FY16	FY15	FY14
Black employees	<b>R26 711 999</b>	R19 842 389	R26 035 254
Black management	<b>R10 708 877</b>	R6 950 694	R10 268 340
Black female employees	<b>R6 513 121</b>	R4 824 714	R5 274 390
Black female management	<b>R2 675 192</b>	R1 201 711	R1 158 904