

FY2025/26 ANNUAL STATUS OF TRANSFORMATION REPORT IN THE FOREST SECTOR



FOREST SECTOR
CHARTER COUNCIL

EXECUTIVE SUMMARY

Broad-Based Black Economic Empowerment (B-BBEE) remains a critical instrument for advancing economic transformation, promoting meaningful participation, and addressing historical inequalities within South Africa's forest sector. Through the implementation of the Amended Forest Sector Code (FSC) and associated transformation initiatives, the sector continues to pursue greater inclusion of black people, particularly women, youth, people living in rural communities, and persons with disabilities, across the forestry value chain. The 2025/26 Annual Status of Transformation Report reflects on the achievement areas, with one reflecting a generally positive outlook, characterised by an improved number of reporting entities across the various thresholds.

A notable development during the reporting period was the increase in the number of Medium and Large Enterprises (MLEs), whose reports increased from 38 to 47, while Qualifying Small Enterprises (QSEs) maintained 56 reports. Furthermore, the number of Exempted Micro Enterprises (EMEs) that reported increased significantly from 67 entities in the previous reporting period to 103 in 2025/26, reversing the decline observed in the previous period, thus reflecting improved compliance and awareness of reporting obligations amongst some of the reporting entities. The current reporting period also recorded representation from the sawmilling and pole producers' sub-sectors within the EME category, which were absent in the previous reporting cycle. This development enhances the representativeness of the transformation assessment and provides a more comprehensive reflection of the active businesses across the forestry value chain.

MLEs improved their B-BBEE Level from Level 3 to Level 2 during this reporting period. MLEs' performance on Ownership remained stable at 76% of the target while Skills Development (SD) showed a modest recovery by achieving 70%, following the decline observed in the 2024/2025 reporting period. This indicates that entities have largely sustained established ownership structures and continue to implement skills development initiatives accordingly. While there is a slight decline in MLEs' performance on Enterprise and Supplier Development (ESD) and Socio-Economic Development (SED), MLEs continued to demonstrate excellent contributions towards transformation and inclusive growth across the sector.

Despite these positive developments on the other elements, Management Control (MC) remains the most challenging element to implement in the sector. Performance on this element declined further during the reporting period, continuing a three-year downward trend. The observation reveals persistent under-representation of black people, particularly black women, at board,

executive, senior, middle and junior management levels. This suggests that structural barriers continue to constrain meaningful inclusion and advancement, particularly for black women, and highlights the need for robust targeted interventions, succession planning, leadership development, and organisational accountability. The report further reveals that the reporting outcomes across the sub-sectors differ. While Charcoal producers and certain segments of both Pole producers and Sawmilling continued to show limited progress, all other sub-sectors recorded good performances across several scorecard indicators. This might be qualified by the fact that these companies from these sub-sectors are amongst those that report consistently.

Qualifying Small Enterprises (QSEs) maintained an overall B-BBEE Level 2 recognition status driven by the Enhanced QSEs, which are a majority, while Exempted Micro Enterprises (EMEs) improved and achieved a Level 1 status. This reflects strong empowerment credentials among smaller and medium enterprises and the contribution of these businesses towards sector transformation objectives

The sector has progressed, but the level of inconsistency remains pronounced amongst small enterprises, and advocacy should be improved, particularly targeting them. The discounting of companies within the sector continues to be observed. Overall, the performance shows positive trends with some improvements and declines, and the conclusion is that advocacy programmes should continue to enhance understanding of the B-BBEE concept, its implications, compliance, and reporting requirements.

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ACRONYMS

B-BBEE	Broad-Based Black Economic Empowerment
BDGs	Black Designated Groups
BNEs	Black New Entrants
BNGs	Black Natural Groupings
BO	Black Ownership
BW	Black Women
BWO	Black Women Owned
DEoL	Department Of Employment And Labour
DFFE	Department of Forestry, Fisheries and the Environment
dtic	Department of Trade, Industry and Competition
ED	Enterprise Development
EE	Employment Equity
EEA	Employment Equity Act
EI	Economic Interest
EMEs	Exempted Micro-Enterprises
EP	Exclusion Principle
ESD	Enterprise and Supplier Development
F-GEP	Forestry Graduate Employment Programme
FSA	Forestry South Africa
FSC	Forest Sector Code
FSCC	Forest Sector Charter Council
FTP	Flow-Through Principle
JSE	Johannesburg Stock Exchange

LAI	Learnerships, Apprenticeships, and Internships
MC	Management Control
MFTP	Modified Flow-Through Principle
MLEs	Medium and Large Enterprises
NPAT	Net Profit After Tax
PP	Preferential Procurement
QSEs	Qualifying Small Enterprises
SAFCOL	South African Forestry Company Limited
SANAS	South African National Accreditation System
SD	Skills Development
SD	Supplier Development
SED	Socio-Economic Development
SMMEs	Small, Medium and Micro Enterprises
SOEs	State-Owned Entities
VA	Verification Agency
VR	Voting Rights

1. INTRODUCTION

Sustained economic growth remains essential to addressing socio-economic challenges, including unemployment, inequality, and limited participation in South Africa's economy. Within this context, the B-BBEE framework continues to serve as a key instrument for advancing inclusive growth by facilitating the meaningful participation of black individuals across economic value chains. Its effective implementation is critical not only for compliance purposes but also for driving meaningful and measurable transformation outcomes across sectors.

The Annual Status of Transformation Report provides an evidence-based assessment of transformation within the forestry sector, drawing on data submitted through the Forest Sector Charter Council (FSCC) reporting channels. The report evaluates sector performance across the B-BBEE scorecard, covering MLEs, QSEs, and EMEs. It further analyses performance trends, compliance levels, ownership profiles, initiatives and the contribution of entities across different sub-sectors, offering a comprehensive view of the sector's transformation trajectory.

In addition to assessing current performance, the report highlights emerging patterns and identifies areas of both progress and constraint within the sector. Beyond the assessment of performance across the B-BBEE scorecard, the report further examines key transformation drivers, including the application of the priority elements, discounting principle, and ownership determination principles. In addition, the report provides insights into the performance of Johannesburg Stock Exchange (JSE)-listed forestry companies, as well as a summary of the performance of South African Forestry Company SOC Limited (SAFCOL), the sole State-Owned Entity (SOE) operating within the forestry sector, in line with Statement 004 requirements.

Overall, this report seeks to support informed decision-making among stakeholders by presenting a clear and balanced view of transformation within the forestry sector, while reinforcing the importance of sustained, impact-driven implementation of B-BBEE objectives.

2. SECTOR OVERVIEW

This section reviews the relevant literature relating to transformation, B-BBEE, and other sector-specific transformation initiatives. It provides the context for understanding the regulatory environment, transformation objectives, and key issues influencing transformation outcomes within the sector.

2.1 The anticipated implication of the implementation of the Revised Sectoral Targets by the DoEL)

The Department of Employment and Labour (DEoL) has published two sets of Employment Equity (EE) Regulations as of Tuesday, April 15, 2025, following the commencement of the Employment Equity Amendment Act, No. 4 of 2022, on January 1, 2025. The EEA2, EEA4, and EEA13 forms have undergone significant changes as part of the amendments to the new Employment Equity Regulations. These changes are designed to streamline and enforce reporting and to ensure compliance with the DEoL's revised sectoral targets.

There are significant implications for B-BBEE beyond the EE intentions. Historically, EE targets have been more generic, but now they include sectoral numerical targets for 18 sectors, including Forestry. This shift is particularly relevant to the forestry sector's ongoing challenges in MC, and it is anticipated that the introduction of sector-specific EE targets may improve MC performance and transformation outcomes over time. This means that B-BBEE consultants and rating agencies must pay closer attention to sectoral EE alignment. Additionally, companies will need to ensure their B-BBEE strategies, especially those related to MC and ESD, reflect and support their EE plans in relation to those sectoral goals.

With revised and approved EE sector target standardized EE reporting, increased enforcement, and a certificate that must be renewed annually, there is greater pressure on companies to achieve real representation, not just set aspirational EE plans. This could reduce superficial compliance and encourage companies to pursue genuine transformation: hiring, promoting, and retaining qualified members of the designated groups to meet sectoral targets.

[Employment Equity: New Forms Gazetted on 15 April 2025 - TESDⁱ](#)

2.2 Strengthening Accountability and Impact in B-BBEE Through Sector Code Mechanisms

The Minister of the Department of Trade, Industry and Competition (dtic) convened a strategic engagement with Sector Charter Councils on Monday, 23 February 2026, to reposition Sector Charter Councils and B-BBEE Sector Codes to drive sustainable and impactful B-BBEE implementation and measurement. This engagement represents a proactive and necessary step in strengthening collaboration between government and sector institutions. The engagement reaffirmed the government's commitment to B-BBEE and recognised the critical role of Sector Charter Councils, through their respective sector codes, in advancing inclusive economic transformation. It further underscored the importance of repositioning sector codes as key oversight mechanisms for economic transformation in South Africa.

The session highlighted the need to strengthen accountability and address persistent structural challenges, particularly in relation to reporting, data integrity, and impact measurement. Emphasis was placed on driving a transformation approach that delivers measurable outcomes,

including real ownership, meaningful industrial participation, sustainable enterprise development, and improved livelihoods for the majority of South Africans. The engagement sought to ensure that B-BBEE moves beyond a compliance-driven exercise towards a sustainable, impact-oriented transformation framework, with implementation at its core.

[Parks Tau summons sector councils to 'reposition' B-BBEE | News24](#)ⁱⁱ

[Trade & Industry Minister to meet with stakeholders over loosening BBBEE rules](#)ⁱⁱⁱ

2.3 Realities of B-BBEE successes and effectiveness

All too often, B-BBEE is dismissed as a programme that benefits only the elite and the politically connected. As a result, calls for it to be scrapped entirely have grown increasingly loud. This narrative has overshadowed the genuine progress made, largely because limited effort has been invested in gathering and sharing insights on the real impact and measurable gains achieved. With so little visibility of these outcomes, the perception that B-BBEE is ineffective has become more dominant than the evidence suggests.

However, the analysis presented at the B-BBEE Commission Strategy Session in November 2025, held under the theme *“Environmental Scan and Future Prospects of Economic Empowerment,”* provided a very different and often overlooked picture. The findings highlighted not only the economic and social progress driven by this legislative imperative but also demonstrated, with evidence, the effectiveness of the B-BBEE policy and framework when implemented with intention and integrity.

The progress reflected in the analysis is encouraging, and progressively, the focus must now be on increasing these gains and ensuring that B-BBEE is not viewed as a tool to serve the enrichment of the minority political elite. The analysis further confirmed that B-BBEE still holds significant potential for continued growth and inclusive empowerment for black people across all economic sectors, including the Forest Sector. This aligns with the reporting repositioning and supports the dtic's call to shift the current reporting narrative toward documenting and scaling measurable impact. Such a shift is essential.

3. RESEARCH OVERVIEW AND METHODOLOGY

In accordance with Section 10 of the Amended B-BBEE Act, all companies operating within a sector governed by a sector Code must submit their B-BBEE reports, certificates, and affidavits to the relevant sector Council, in this case, the FSCC. At present, forest companies submit these reports directly. However, once the latest amendments to the Code are gazetted, Verification

Agencies (VAs) will be required to upload the information to the FSCC's B-BBEE Online Reporting System within 30 days of issuance.

For the 2025/26 reporting period, reports and affidavits used to compile the Annual Status of Transformation Report were sourced directly from measured forest companies and, on a voluntary basis, from VAs. To ensure accuracy, consistency, reliability, and comparability, the following validation criteria were applied:

- MLEs and Unenhanced QSEs: Submission of valid B-BBEE certificates accompanied by detailed scorecard reports, verified in line with the Amended FSC (40803).
- Turnover thresholds: Scorecards had to be valid and aligned with the applicable turnover thresholds for MLEs and Unenhanced QSEs.
- Measurement period compliance: All certificates, reports, and affidavits had to fall within the FSCC's financial year (1 April 2025 – 31 March 2026).
- Enhanced QSEs and EMEs: Submission of fully completed B-BBEE affidavits or Companies and Intellectual Property Commission certificates.
- Affidavit compliance: Affidavits had to reflect accurate ownership profiles, annual turnover, B-BBEE levels achieved, and consistent signature dates between the Commissioner of Oaths and the deponent.

All submitted data was captured and processed through the FSCC's B-BBEE Online Reporting System, which facilitates data validation, auditing, and management to strengthen overall integrity. Data was further standardised in Microsoft Excel for analysis and visualization. Quantitative analysis employed bar charts, line graphs, and pie charts to illustrate and compare performance trends across sub-sectors and the forestry industry. These insights support annual compliance benchmarking.

Additionally, the performance of JSE-listed forestry companies was assessed and contrasted with findings from the B-BBEE Commission report to enhance transparency, consistency, and reporting improvements. The performance of the sole state-owned entity, the SAFCOL, was also analysed separately using a tailored scorecard outlined in Statement 004.

4. RISKS

Through stakeholder engagements and the assessment of submissions received during the 2025/26 reporting cycle, several risks and challenges affecting B-BBEE implementation and compliance were identified. The issues outlined below may undermine the quality of reporting,

weaken transformation outcomes, and limit the sector's progress towards achieving sustainable and meaningful transformation in the forest industry.

The associated risks are:

- The recording of the impact as an outcome for sustainable B-BBEE implementation is a positive step. However, the absence of a legal framework may discourage compliance. Formalizing this directive is therefore critical to strengthening reporting, compliance, and transformation outcomes.
- Scorecard compliance sets minimum targets for forest companies, expecting full alignment with B-BBEE strategies. Selective compliance remains a concern, as it risks undermining comprehensive B-BBEE implementation.
- Lack of enforcement of Section 13G by government departments in awarding concessions, including to small entities. Strict and continuous enforcement is critical in ensuring accurate reporting and verification of annual compliance trends.
- Fronting threatens the integrity of the B-BBEE framework by masking non-compliance with false information. Such practices threaten empowerment goals and delay the true implementation of B-BBEE.
- The lack of response from entities continues to be an enormous challenge, either when requesting a B-BBEE submission or intending to convene a community outreach programme, generally aimed to create awareness about B-BBEE and enhance B-BBEE implementation and reporting.
- Some companies remain reluctant to submit their in-depth reports, often citing concerns that such information is confidential and should not be made publicly accessible. However, this position is inconsistent with the obligations outlined in Section 10 of the B-BBEE Act. While reluctance to share such reports may stem from a misunderstanding of reporting obligations, it may also be perceived as a lack of transparency and accountability.
- The misunderstanding in terms of B-BBEE reporting obligation, with the expectation that reporting must be aligned with direct or financial benefits.

5. SECTOR ANALYSIS

Section 10(4) of the Amended B-BBEE Act requires entities operating within a sector governed by a sector code to verify and report annually to the relevant sector council on their B-BBEE implementation, using the applicable sector code as the measurement standard. In the forestry sector, the Amended FSC applies across the value chain to entities of varying sizes, including

MLEs, QSEs, and EMEs. Reporting requirements differ based on turnover thresholds and black ownership status. Therefore, entities are required to submit B-BBEE certificates, in-depth reports and affidavits, depending on the prescribed reporting method and compliance criteria.

Despite these regulatory requirements, the sector continues to experience inconsistent and volatile reporting patterns, indicating a broader compliance gap. These fluctuations suggest varying levels of understanding and engagement with B-BBEE across entities. While some organisations have embedded structured and strategic approaches to B-BBEE, resulting in sustained improvement in both compliance and reporting, others continue to demonstrate limited progress, with instances of regression in performance and reporting. However, MC remains an area of weaker performance, with the sector continuing to experience persistent challenges and signs of selective compliance by some entities.

These disparities are largely influenced by persistent misconceptions regarding the value of B-BBEE, as well as a limited appreciation of its role as a strategic business enabler rather than a compliance exercise. In some cases, some entities struggle to align B-BBEE with their core business objectives, resulting in fragmented implementation and inconsistent reporting behaviour.

Figure 1 below illustrates valid B-BBEE submissions across company sizes, MLEs, QSEs, and EMEs over three reporting periods (2023/24 to 2025/26). These submissions provide crucial insights into the forest sector's B-BBEE compliance levels in terms of business sizes.

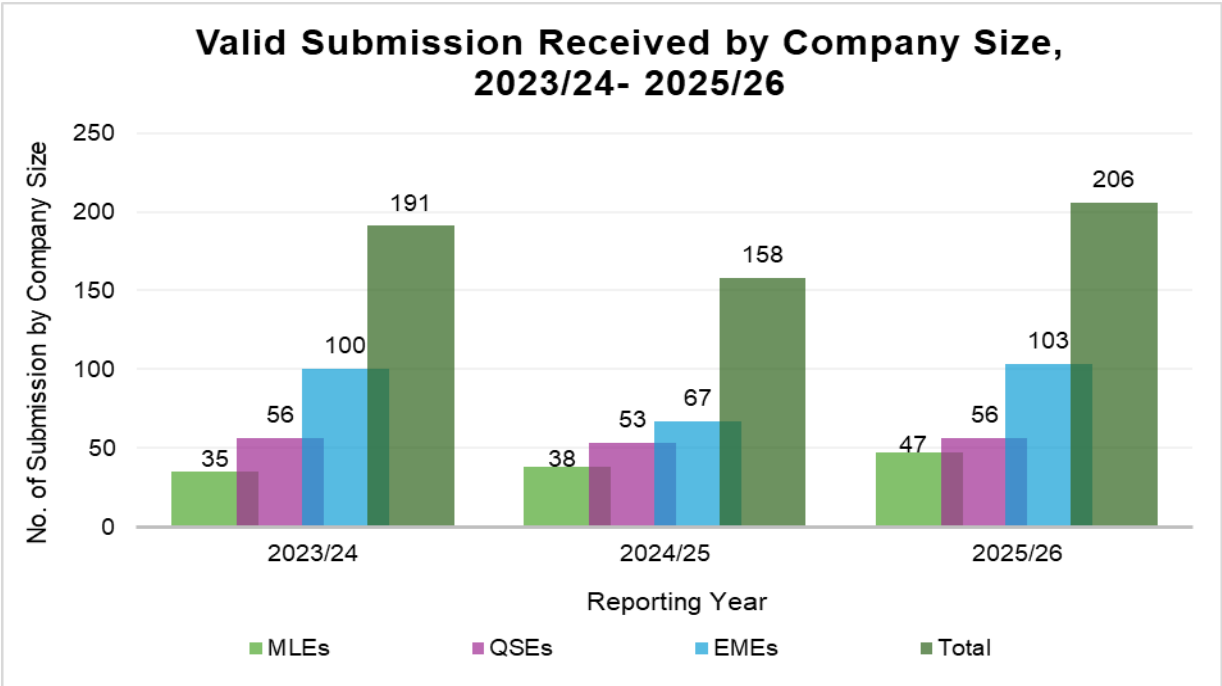


Figure 1: Certificates and affidavits by company size over three reporting years

The analysis of valid B-BBEE submissions across company sizes over the three reporting periods indicates a fluctuating but ultimately improving reporting trend within the forestry sector, as shown in Figure 1 above. Submissions declined from 191 in 2023/24 to 158 in 2024/25, then recovered to 206 in 2025/26, reflecting a temporary decline in submissions followed by upward compliance. This recovery suggests that FSCC's interventions and increased awareness efforts had a positive impact on overall reporting behaviour. Additionally, direct requests from VAs through the South African National Accreditation System (SANAS) have also contributed to the improvement in reporting levels.

A closer examination by enterprise category reveals varying levels of consistency. MLEs demonstrate a steady upward trend, increasing from 35 to 47 submissions over the period, indicating robust and improving compliance. In contrast, QSEs exhibit relatively stable but stagnant reporting levels, with only marginal declining fluctuations, suggesting limited growth in participation. The most notable variability is observed among EMEs, which declined significantly from 100 submissions in 2023/24 to 67 in 2024/25, before recovering to 103 in 2025/26. This volatility highlights underlying challenges in sustained compliance among smaller entities, likely linked to capacity constraints, limited awareness, and the perception that compliance is administratively burdensome.

The observed trends suggest that while larger entities maintain consistent compliance, QSEs and EMEs are insinuating instability and a broader compliance gap at the lower end of the value chain, which may undermine the accuracy and completeness of sector-wide transformation measurement. To address these challenges, simplified reporting processes and enhanced compliance guidance are encouraged, taking into account the realities on the ground. At the same time, strengthening accountability remains crucial to reinforcing the reporting obligations within these business categories. Additionally, while reporting falls within the ambit of an individual entity, larger entities can support smaller enterprises through non-financial contributions under ESD initiatives, thereby facilitating and enhancing reporting and compliance.

The Amended FSC requires all companies operating within the forestry value chain across the six key sub-sectors, Sawmillers, Pole Producers, Growers, Charcoal Producers, Fibre, and Contractors, to comply and report accordingly. Figure 2 below illustrates the total number of B-BBEE report submissions received from each industry sub-sector.

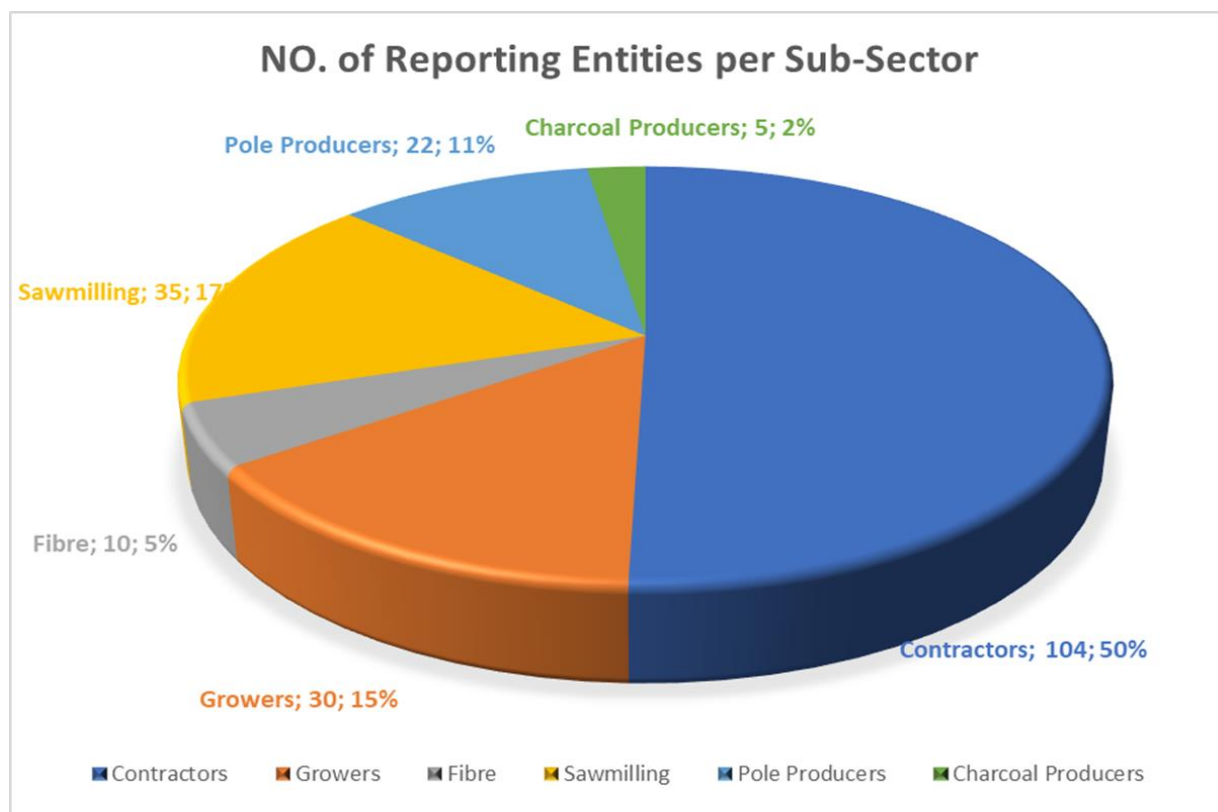


Figure 2: Submission by Sub-sector, 2025/26

As shown in Figure 2 above, the distribution of reporting entities across sub-sectors reflects a highly uneven participation pattern within the forestry value chain. Contractors constitute the majority of reporting entities, accounting for 104 submissions (50%), followed by Sawmilling with 35 entities (17%) and Growers with 30 entities (15%). Pole Producers contribute 22 submissions (11%), while Fibre and Charcoal Producers represent the smallest proportions, with 10 (5%) and 5 (2%) entities, respectively.

A strong concentration of reporting within Contractors suggests higher levels of participation and compliance in this sub-sector, which is expected given their abundance and high use, and influenced by the outsourcing of some operations by larger role players in the primary production. In contrast, the relatively lower representation of Growers, Pole Producers, Sawmilling, Fibre, and Charcoal Producers points to potential gaps in compliance, awareness, or a lack of abundance of these sub-sectors, due to some entities being linear integrated. Addressing underrepresentation disparities will require all forestry entities across the value chain to become B-BBEE compliant and meet the reporting obligation as per the requirements of the B-BBEE Act, as amended.

6. MEDIUM AND LARGE ENTERPRISE (MLEs) ANALYSIS

Businesses with an annual turnover above R50 million are classified as MLEs, also commonly referred to as “Generic Entities”. These companies carry a significant responsibility in driving transformation under the Amended B-BBEE Act, due to significant investment and the scope of contributions. To measure their contribution, MLEs are assessed against the B-BBEE scorecard, which focuses on the five main elements: Ownership, MC, SD, ESD, and SED.

MLEs must report their compliance status yearly to the FSCC in line with Section 9 of the Amended B-BBEE Act. This requires undergoing an annual verification audit, ideally carried out by SANAS-accredited VAs, using the Amended FSC (Gazette No. 40803). The information gathered from these reports helps the FSCC to track transformation progress within the sector, shape policy and regulations linked to the Amended FSC and/or B-BBEE, and support economic programmes aimed at inclusive growth. MLEs are important levers for transformation, as they have the capacity and resources to make a measurable and sustainable impact through the compliance and implementation of the scorecard elements.

Figure 3 below illustrates a three-year trend in submissions by MLEs, including SAFCOL, showing both valid B-BBEE certificates and accompanying reports submitted over the period.

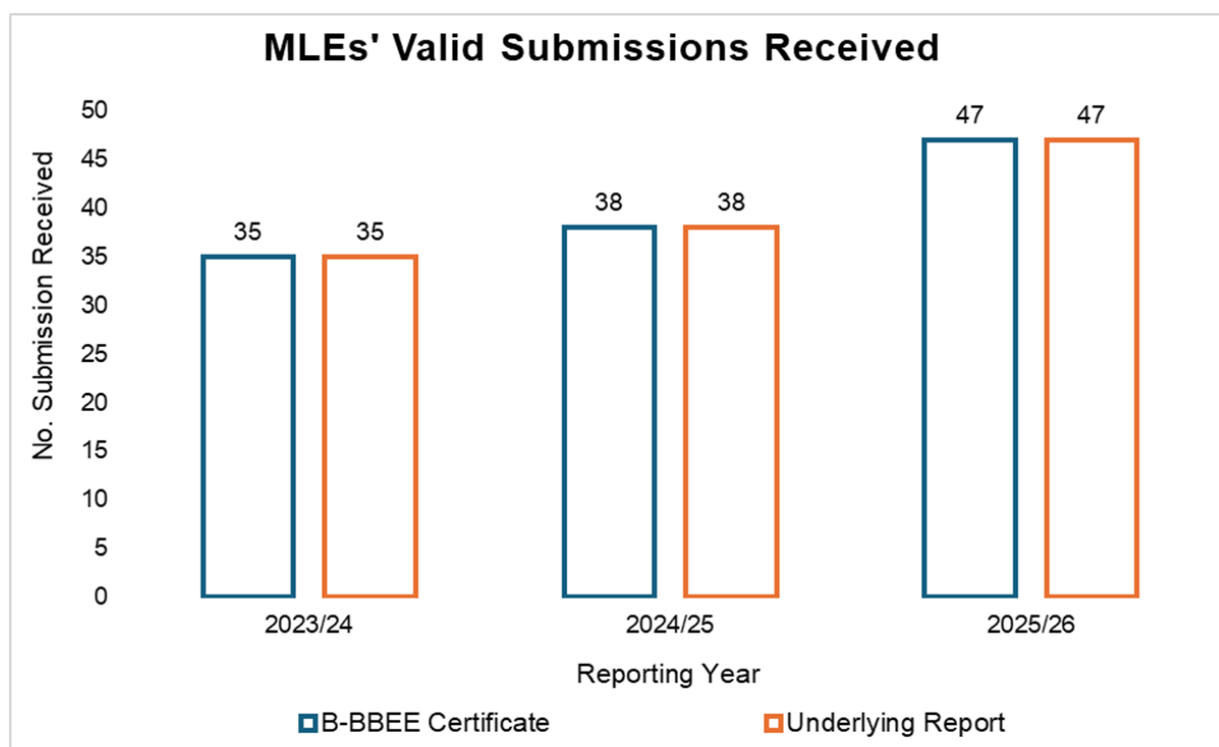


Figure 3: MLEs' Valid Submissions, 2025/26

As shown in Figure 3 above, the number of entities submitting both valid B-BBEE certificates and underlying reports increased from 35 in 2023/24 to 38 in 2024/25, and further to 47 in 2025/26. This upward trajectory indicates enhanced compliance levels within the sector, as well as a growing commitment by MLEs to meet reporting requirements in a more consistent and transparent manner. Additionally, the increasing submissions also highlight increasing transparency from measured entities to integrate their respective compliance and the overall sector compliance state. Approximately five entities did not report, with two entities having a good reporting history, but their non-reporting came as a result of a delayed verification process, while the other three with fluctuating reporting history had non-reporting as a result of non-response to the reporting request. Therefore, their verification status could not be determined.

MLEs operate across various sub-sectors of the forestry value chain, with some entities vertically integrated and others operating in a single sub-sector. For verification and reporting purposes, entities must verify and report under the company segment that generates the highest turnover. This determines the sub-sector under which the company will be classified and report for the relevant reporting period. Within the forest sector, six key sub-sectors are recognised under the Amended FSC: Sawmillers, Pole Producers, Growers, Charcoal Producers, Fibre, and Contractors. Figure 4 below illustrates the distribution of submissions across these sub-sectors.

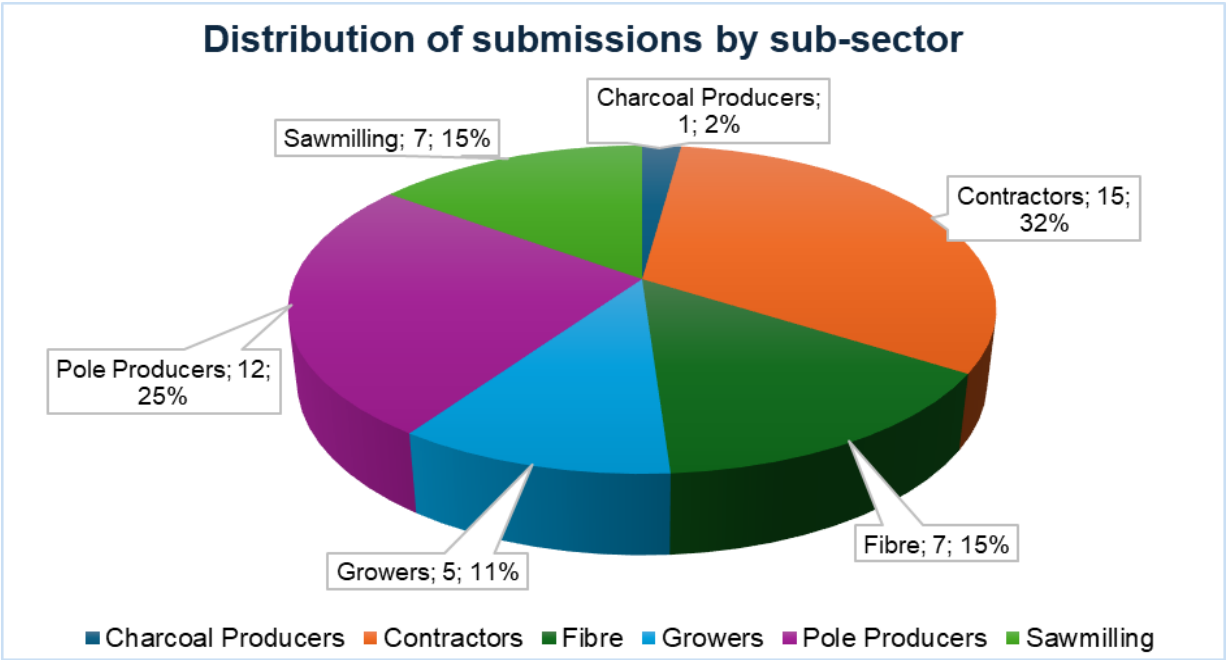


Figure 4: Submission by Sub-sector, 2025/26

The illustration in Figure 4 above indicates that Contractors outperformed all other sub-sectors, recording an increase in representation compared to previous reporting periods. Pole Producers recorded the second-highest representation, also showing growth from the prior reporting

period. Sawmilling and Fibre recorded a similar number of submissions, although both experienced a decline in representation compared to the previous year. Growers and Charcoal Producers maintained representation levels consistent with those recorded in the previous reporting period. Despite this stability, Charcoal Producers remain significantly underrepresented, limiting the ability to effectively measure and assess broader transformation efforts within the sub-sector due to the singular representation received.

Table 1 below illustrates reporting patterns among MLEs over three years, highlighting levels of consistency, inconsistency, and the entry of new entities.

Reporting Years	Number of Reported Entities	Consistent Entities	Inconsistent Entities	New Entities	Evolved Entities
Year 2023/24	35	27	N/A	5	N/A
Year 2024/25	38	29	6	3	N/A
Year 2025/26	47	36	N/A	5	6

As shown in Table 1, the number of reporting MLEs increased steadily from 35 in 2023/24 to 38 in 2024/25 and 47 in 2025/26. Consistently reporting entities also rose from 27 to 36 over the same period, suggesting improved awareness and stronger alignment with reporting requirements. No inconsistencies were recorded in the current reporting year, indicating improved reporting behaviour among participating MLEs. However, the five new entities and six evolved entities show continued movement within the reporting base.

The evolved entities reflect improved sustainability within the sector, indicating that businesses are developing rather than remaining stagnant. This trend reinforces the effectiveness of existing business support mechanisms in promoting growth and continuity. Furthermore, the emergence of new entities signals a positive intent among businesses to participate in the sector's transformation agenda, demonstrating a willingness to contribute to and align with broader B-BBEE objectives.

6.1 Ownership In-Depth Analysis

Ownership remains a fundamental pillar of economic transformation, as it promotes equitable participation, wealth creation, and long-term value for black individuals within the forestry sector and the broader economy. It measures the extent to which black individuals hold direct

shareholding or an equivalent economic interest in an entity. This element carries 25 weighting points, and it is one of the three priority elements. This means that measured entities are required to achieve at least 40% of the Net Value (Realisation) points to avoid the discounting penalty. The element is assessed across three key sub-elements, including voting rights, economic interest, and Net Value, which collectively evaluate both the structure and the nature of black ownership within an organisation.

Figure 5 below illustrates the performance of measured entities in relation to ownership over the 2023/24 to 2025/26 reporting periods, reflecting both the percentage of compliance targets achieved and the average ownership score.

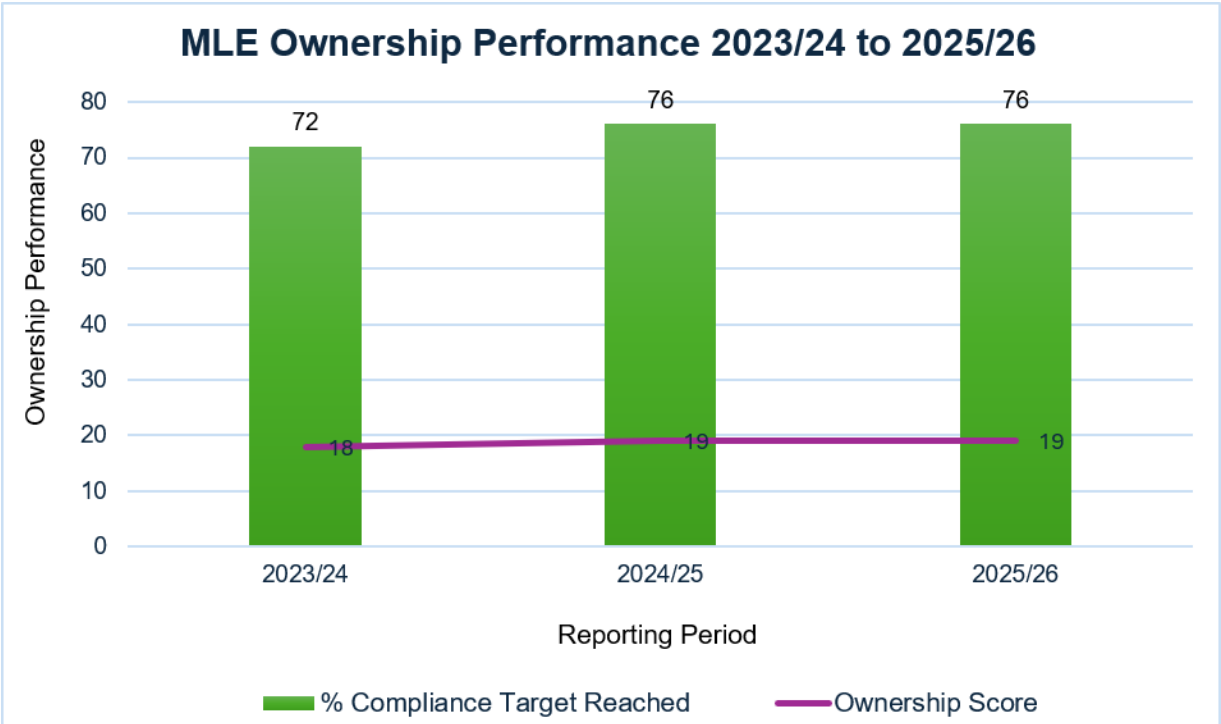


Figure 5: MLEs’ Ownership Performance, 2023/24-2025/26

The illustration in Figure 5 above shows that Ownership compliance improved from 72% in 2023/24 to 76% in 2024/25 and remained unchanged at 76% in 2025/26. Similarly, the average ownership score increased marginally from 18 points to 19 points between 2023/24 and 2024/25, with no further change observed in the subsequent period. This indicates a consistent level of compliance with the Ownership element, showing that MLEs are continuing their transformation efforts and effectively maintaining the established ownership structures.

Figure 6 below presents a comparative analysis of ownership performance across the various reporting sub-sectors.

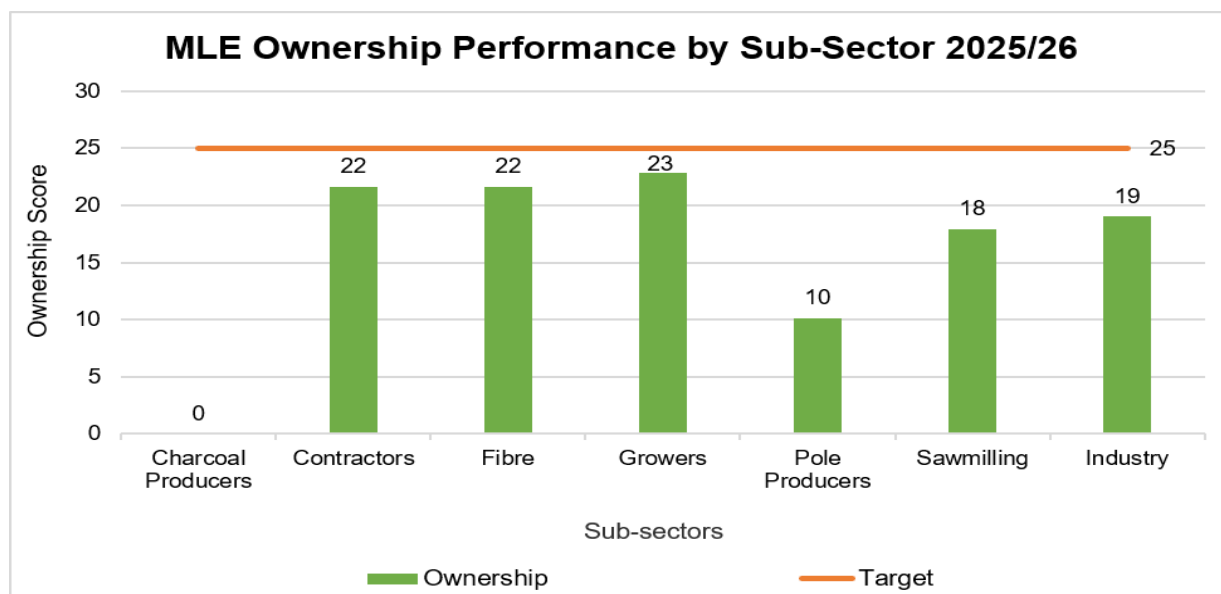


Figure 6: MLEs' Ownership Performance by Sub-sector

The analysis of MLE Ownership performance across sub-sectors for the 2025/26 reporting period reveals notable disparities in the achievement of ownership targets, as illustrated in Figure 6 above. Against a target benchmark of 25 points, the Growers sub-sector recorded the highest performance at 23 points, followed by Contractors and Fibre at 22 points each. Sawmilling achieved 18 points, while Pole Producers recorded 10 points. Notably, Charcoal Producers recorded 0 points, showing a similar trend to the last reporting year, indicating a complete absence of measurable ownership compliance.

These results reflect relatively strong performance in a limited number of sub-sectors, while others continue to lag, highlighting uneven progress in ownership transformation across the forestry value chain. The concentration of higher scores within specific sub-sectors suggests that ownership initiatives are not being implemented consistently across the sector.

The observed gaps point to underlying structural and compliance-related constraints, and this would require a sub-sectoral will to achieve meaningful black ownership patterns.

Table 2 below provides a statistical overview of direct black ownership and black women's ownership across reporting MLEs, highlighting the extent of participation within ownership structures.

	<i>Black People</i>	<i>Black Women</i>	<i>Black Designated Groups</i>
<i>Minimum</i>	0	0	0
<i>Q1</i>	25	1	0
<i>Median</i>	41	10	6
<i>Mean</i>	41	17	15
<i>Mode</i>	0	0	0
<i>Q3</i>	51,4	24,9	19,5
<i>Maximum</i>	100	100	100
<i>Standard Deviation</i>	29	20	21
<i>No. of entities scoring 0% ownership</i>	8	11	14
<i>No. of entities scoring above 0% but below 51% ownership</i>	17	32	29
<i>No. of 51% BO entities</i>	8	1	1
<i>No. of entities scoring above 51% but below 100% ownership</i>	9	1	1
<i>No. of 100% BO entities</i>	4	1	1
<i>Total No. of Measured Entities</i>	46	46	46

Table 2 above illustrates the sector's performance against the established target of 30% Black Ownership (BO) within the forestry sector. The sector recorded an average BO level of 41, as reflected by the mean value, remaining consistent with the previous reporting period. This performance exceeds the 30% target, indicating continued progress in advancing ownership

transformation. The results suggest a gradual shift towards more inclusive ownership structures, reflecting ongoing efforts to enhance diversity and broaden participation within the sector.

The mean values for Black Women (BW) and Black Designated Groups (BDGs) continue to lag, remaining substantially low and exhibiting notable fluctuations. BW recorded an average of 17 in the current year, declining from 18 in the previous year, representing a 5.6% decrease. In contrast, BDGs recorded an average of 15, reflecting an improvement of approximately 15.4% compared to the previous period. While this increase indicates some progress, the level achieved remains significantly below the desired target. Overall, these two indicators suggest that ownership patterns remain unfavourable and continue to reflect unequal economic participation, with structural barriers still restricting meaningful economic inclusion and sustained participation of these two groupings.

The ownership profile of a measured entity is determined using two key principles: the Flow-Through Principle (FTP) and the Modified Flow-Through Principle (MFTP). The FTP calculates black ownership by tracing the actual percentage of black ownership through each level of shareholding within the ownership structure. In contrast, the MFTP assumes 100% black ownership at the first level of black ownership, where shareholders hold 51% or more, resulting in a potentially more favourable calculation of overall ownership. Additionally, the Exclusion Principle (EP) is applied in multinational companies in cases where certain categories of shareholding, such as mandated investments, government ownership, or specified foreign-held interests, are excluded from the total equity before calculating black ownership. In the Amended FSC, entities currently retain the prerogative to select their preferred ownership calculation principle. However, under the proposed amendments to the FSC, entities will be required to use only the FTP. This change is intended to ensure that actual black ownership patterns within the sector and individual companies are accurately traced, without inflating ownership levels through alternative calculation methodology, MFTP.

Table 3 below presents the number of MLEs that have selected each of the two applicable ownership calculation principles, as well as those required to apply the Exclusion Principle.

Type of Principle Applied	Flow-Through Principle (FTP)	Modified Flow-Through Principle (MFTP)	Exclusion Principle (EP)
Number of Entities	41	5	2

As shown in Table 3 above, approximately 41 entities preferred to use the FTP, accounting for about 80% of the sample, while only five entities (15%) preferred the MFTP. This indicates a

convincing preference for FTP among entities, which may reflect increasing alignment with anticipated regulatory shifts and a growing emphasis on transparency in reporting ownership structures. Within the forest sector, only two entities are classified as multinationals and are required to apply the EP when determining their ownership scores. After applying any applicable exclusions, these entities still calculate black ownership using one of the recognised principles, MFTP and FTP, depending on the provisions of the applicable Code or sector framework.

Voting Rights (VR) refer to the proportion of exercisable voting rights held by Black People (BP) and BW within a company. These rights enable shareholders to influence key decisions and shape the company’s strategic direction. In terms of B-BBEE compliance, companies are expected to meet a minimum threshold of at least 25% +1 vote held by BP and 10% by BW. Achieving these targets is critical to ensuring that black shareholders possess meaningful decision-making power, thereby advancing transformation and promoting inclusive growth within the sector.

Figure 7 below illustrates the average VR achieved by each sub-sector for the BP indicator.



Figure 7: Voting Rights in the Hands of Black People

Figure 7 above presents the performance of the VR in the hands of the BP indicator across the key sub-sectors. The results show varying levels of compliance against the 25% target. The Fibre sub-sector recorded the highest performance at 81.77%, significantly exceeding the target, followed by Contracting at 42.85%. Overall, the forestry industry achieved 41%, indicating that the sector is performing above the required threshold. Sawmilling also performed relatively well at 37.46%, remaining above the target. In contrast, the Growers sub-sector achieved 27.72%, slightly exceeding the 25% target, while the Pole Producers sub-sector recorded 17.67%, falling below the required threshold.

Figure 8 below illustrates the performance of the sub-sectors on the VR indicator in the hands of BW.

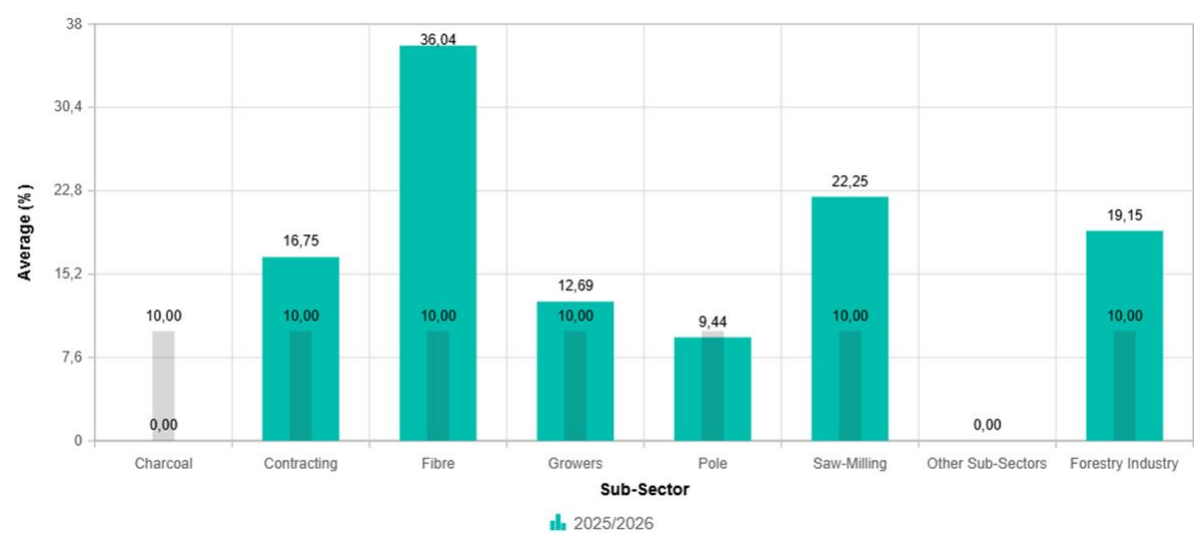


Figure 8: Voting Rights in the Hands of Black Women

As shown in Figure 8 above, the performance of the VR in the hands of the BW indicator varies significantly across sub-sectors. The Fibre achieved the outstanding performance of 36.04%, above the 10% target. This is followed by Sawmilling (22.25%), Forestry Industry (19.15%), and Contracting (16.75%), all exceeding the minimum requirement. In contrast, Growers (12.69%) marginally exceeded the target, while the Pole Producer sub-sector (9.44%) fell slightly below the required 10%. Overall, while most sub-sectors meet or surpass the target, gaps remain in certain areas, highlighting uneven transformation performance.

Economic Interest (EI) refers to the share of profits, dividends, or other economic benefits accruing to Black shareholders within a company, representing their financial stake in the business. This element promotes equitable economic participation, thereby enhancing meaningful ownership and supporting sustainable transformation in the sector. For compliance, a company is required to ensure that at least 25% of EI is held by BP, of which a minimum of 10% should be held by BW.

Figure 9 below presents the performance of the reporting sub-sectors on the EI indicator, reflecting the extent of economic interest held by BP.

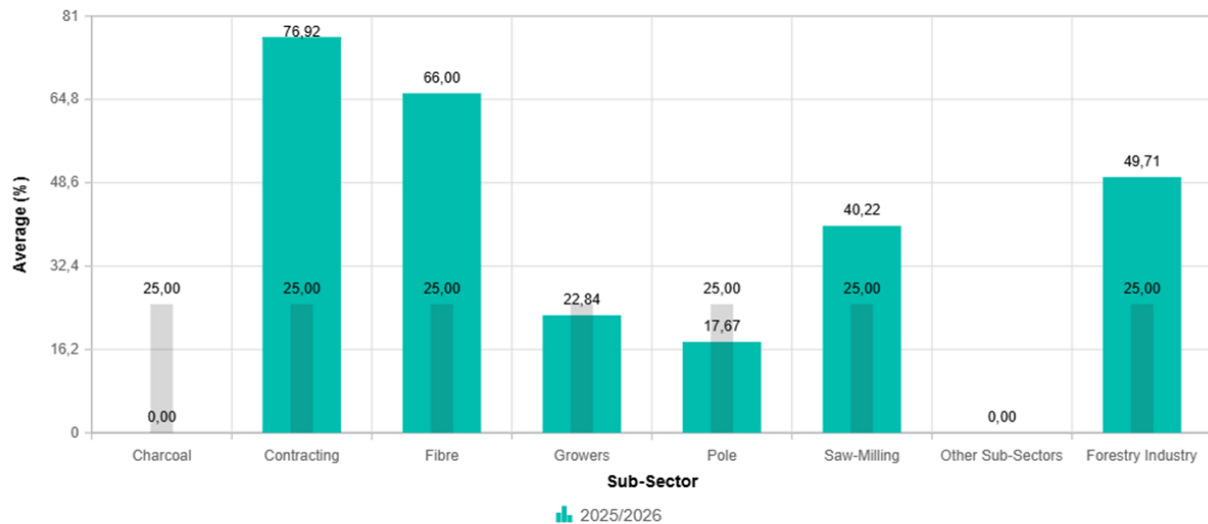


Figure 9: Economic Interests in the Hands of Black People

The analysis of the EI performance for the BP indicator reveals significant disparities in performance across various sub-sectors, as shown in Figure 9 above. The Contracting demonstrated the highest economic interest for Black people, achieving an average of 76.92%, with Fibre peaking the second highest with an average of 66.%. Sawmilling recorded an average of 40.22%, which suggests some level of economic participation but with room for enhancement. Growers and Pole Producers exhibited lower averages of 22.84% and 17.67%, respectively, signalling limited EI for Black people and highlighting areas requiring strategic focus. Overall, the Contracting and Fibre sub-sectors lead in economic empowerment performance, while Growers and Pole Producers demonstrate progressive efforts in these sectors.

Figure 10 below presents the performance of the sub-sectors on the EI indicator, reflecting the extent of EI held by BW.

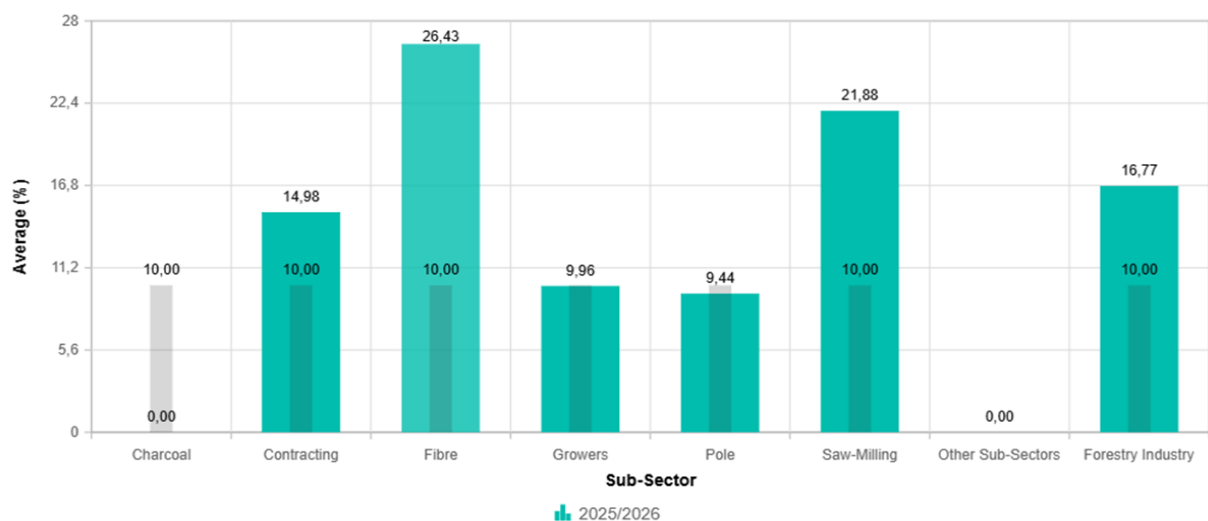


Figure 10: Economic Interests in the Hands of Black Women

As shown in Figure 10 above, the performance on the EI indicator shows varied results across the industry. The Fibre leads with the highest average EI held by BW at 26.43%, demonstrating significant progress in economic empowerment for BW. This is followed by the Sawmilling with an average of 21.88%. The Contracting recorded an average of 14.98%, indicating some advancement in BW participation. Meanwhile, the Growers and Pole Producers exhibited averages of 9.96% and 9.44%, respectively. Overall, while certain sub-sectors such as Fibre and Sawmilling show promising inclusivity for BW, there remains a need for continued efforts to enhance EI across all sub-sectors to ensure broader compliance and empowerment.

Economic Interest may also be held by Black Natural Groupings (BNGs), which include BDGs, Broad-Based Ownership Schemes, Co-operatives, and Employee Share Ownership Programmes. This broader allocation promotes wider participation among Black shareholders and aligns with the “broad-based” principle of the Amended B-BBEE Act. To achieve the maximum score of three points, a measured entity is required to allocate at least 7.5% of EI to these groupings.

Figure 11 below illustrates the performance of the sub-sectors on EI held by BNGs.

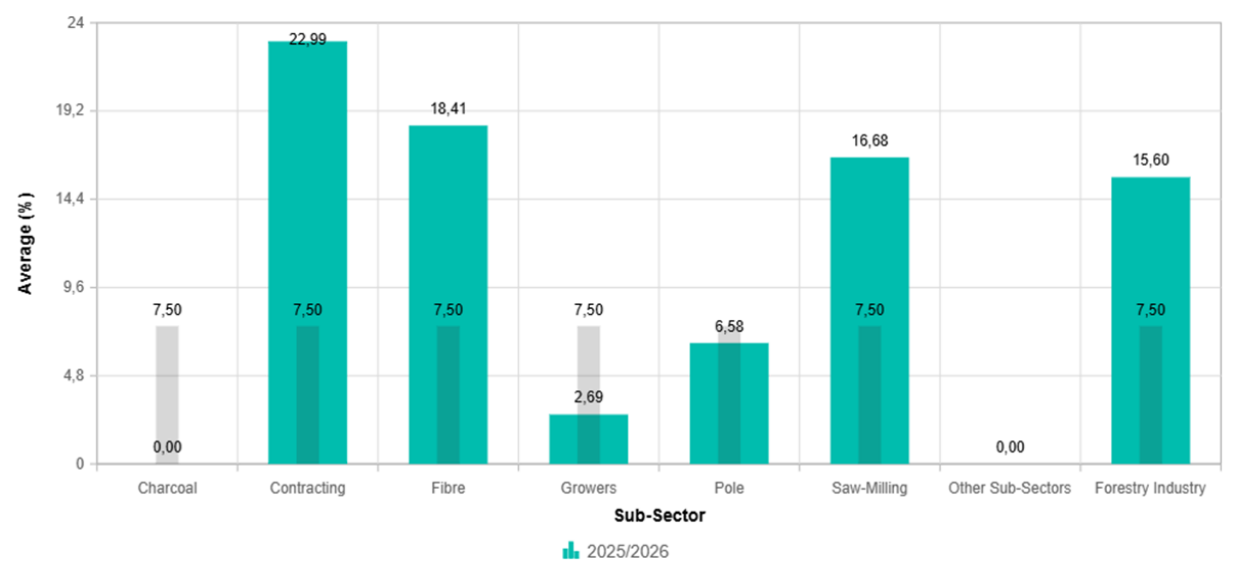


Figure 11: Economic Interest for Black Ownership Schemes or BDGs

The EI held by BNGs across various sub-sectors displays a mixed performance outlook as shown in Figure 11 above. The Contracting recorded the highest average at 22.99%, followed by the Fibre with 18.41%, indicating substantial economic participation by BNGs. The Sawmilling shows a moderate average of 16.68%, which is slightly higher than the Forestry Industry’s average at 15.60%, reflecting reasonable levels of inclusion. The Pole Producers reported an average of 6.58%, and Growers achieved a lower average of 2.69%, suggesting limited engagement for BNGs. Charcoal Producers achieved 0%, revealing no participation by

BNGs. The lack of participation suggests that increased focus is necessary to enhance BNGs' economic empowerment.

Under the provisions of the Amended FSC, a Black New Entrant (BNE) is a black participant who acquires ownership in a measured entity for the first time, without previously holding equity exceeding R50 million in any other entity measured using a standard valuation method. This threshold was increased from R20 million under the 2007 Codes to broaden the pool of eligible new entrants. The concept of black new entrants is designed to encourage the participation of new black equity partners in businesses, thereby promoting economic transformation and broad-based ownership. Additionally, this is meant to incentivize businesses that create opportunities for first-time black investors and support the broader objectives of B-BBEE.

Figure 12 below illustrates the performance of various sub-sectors concerning the participation of BNEs.

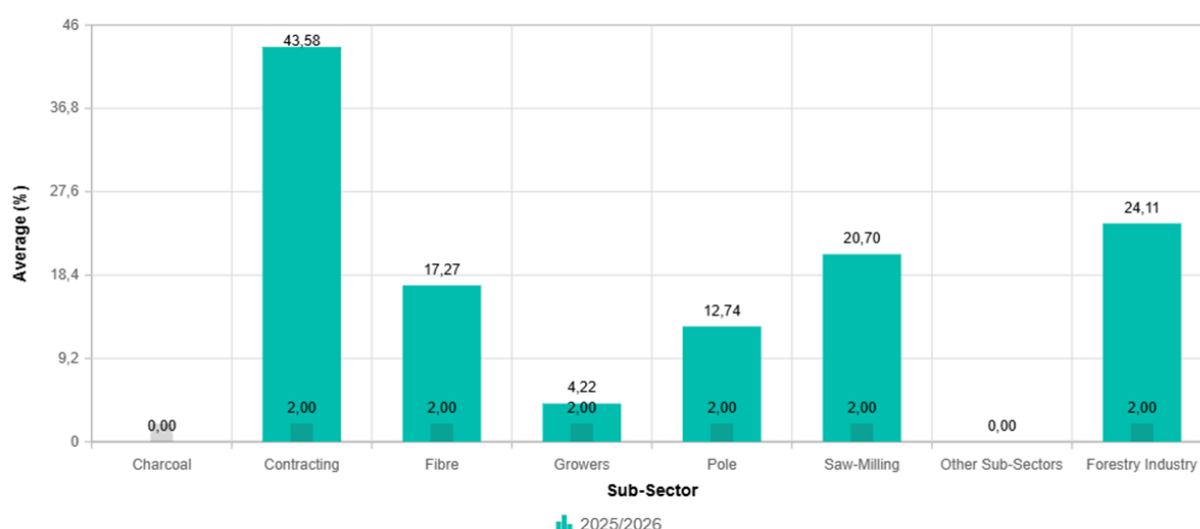


Figure 12: Economic Interest for Black New Entrants

The analysis of the BNEs' participation, as shown in Figure 12 above, reveals mixed performance levels across the sub-sectors. The Contracting leads extensively with an average participation of 43.58%, indicating heightened inclusion of BNEs' participants in the ownership structure. Other sub-sectors, though, surpassed the target, performed below the Forestry Industry average performance of 24.11%, though the Sawmilling fell insignificantly below, landing at an average of 20.70%. Fibre has a moderate participation level at 17.27%, while the Pole Producers had 12.74%. The Growers trails with a lower average of 4.22%.

Net Value represents the real economic interest that a B-BBEE partner holds in a company after accounting for any acquisition debt. It is a key determinant of ownership points on the B-BBEE scorecard. Net Value measures the unencumbered value of shares held by black shareholders.

It is calculated by deducting any acquisition debt associated with those shares from their total value. This ensures that ownership is not merely nominal but reflects genuine economic participation. The concept is critical in preventing “fronting,” where shares are held in name only without delivering actual financial benefit. By focusing on debt-free value, Net Value ensures that B-BBEE partners derive real and sustainable economic gains from their shareholding.

<https://www.tusker.co.za/bee-ownership-guide/financing-a-bee-deal/net-value/>^{iv}

Figure 13 below illustrates the average Net Value performance across the sub-sectors.

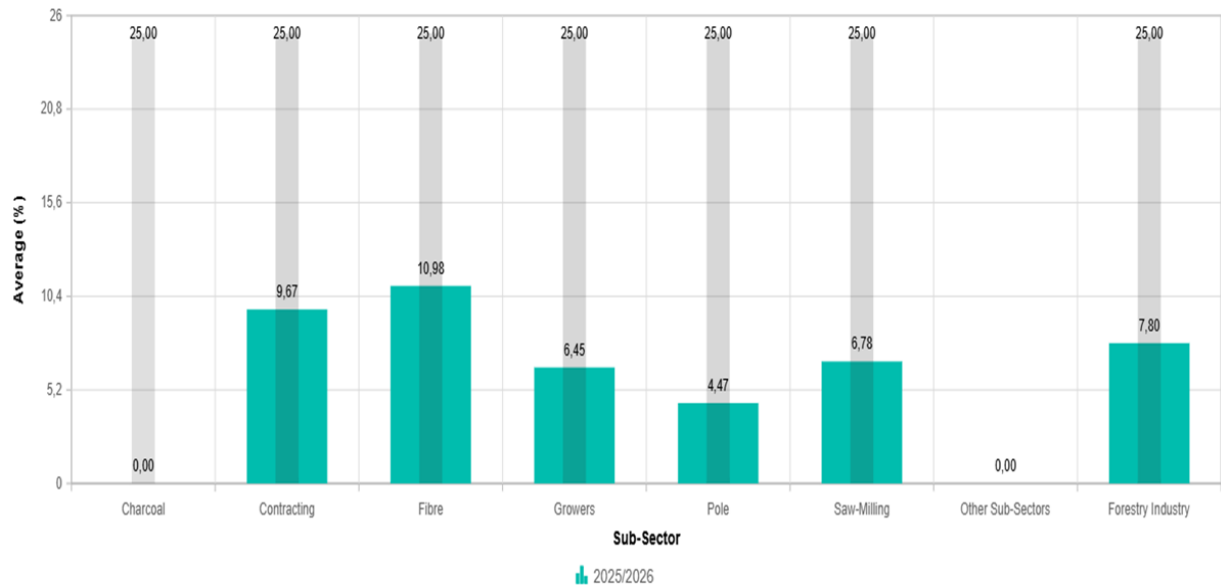


Figure 13: Realisation Points (Net Value Points)

As shown in Figure 13 above, only two sub-sectors exceeded the Net Value target, with Fibre leading at 10.98 points and Contractors following at 9.67 points. Sawmilling and Growers recorded comparable performance, with marginal differences at 6.78 and 6.45 points, respectively. Pole Producers demonstrated average performance, remaining within a similar range to the previous reporting period.

Table 4: A comparison of Industry Ownership indicator scores between 2023/24 to 2025/26

Indicator	Points Allocated	Average Score FY 2023/24	Average Score FY 2024/25	Average score FY 2025/26	Compliance Target (%)	Indicator Achieved (%) FY 2023/24	Indicator Achieved (%) FY 2024/25	Indicator Achieved (%) FY 2025/26
VR Black People	4	3.2	3.2	3.3	25+1 Vote	80	80	83
VR Black Women	2	1.47	1.5	1.4	10	74	75	70
EI Black People	4	3.2	3.3	3.3	25	80	83	83
EI Black Women	2	1.46	1.4	1.4	10	73	70	70
EI BDG	3	1.67	1.9	1.8	7	56	63	60
Black New Entrants	2	1.26	1.4	1.4	2	63	70	70
Net Value	8	6.35	6.4	6.4	25%	79	80	80

6.2 Management Control In-Depth Analysis

Management Control focuses on the representation of black individuals in management and strategic decision-making positions. It assesses the extent to which organisations embed diversity within leadership structures, thereby influencing governance and overall business direction. This element evaluates the participation of black people in board, executive, senior, middle, and junior management, and differently-abled individuals in office-based positions. It is a critical measure of how effectively companies are transforming leadership profiles to reflect South Africa's demographics.

Figure 14 below presents the Management Control performance trends over the three-year reporting period from 2023/24 to 2025/26.

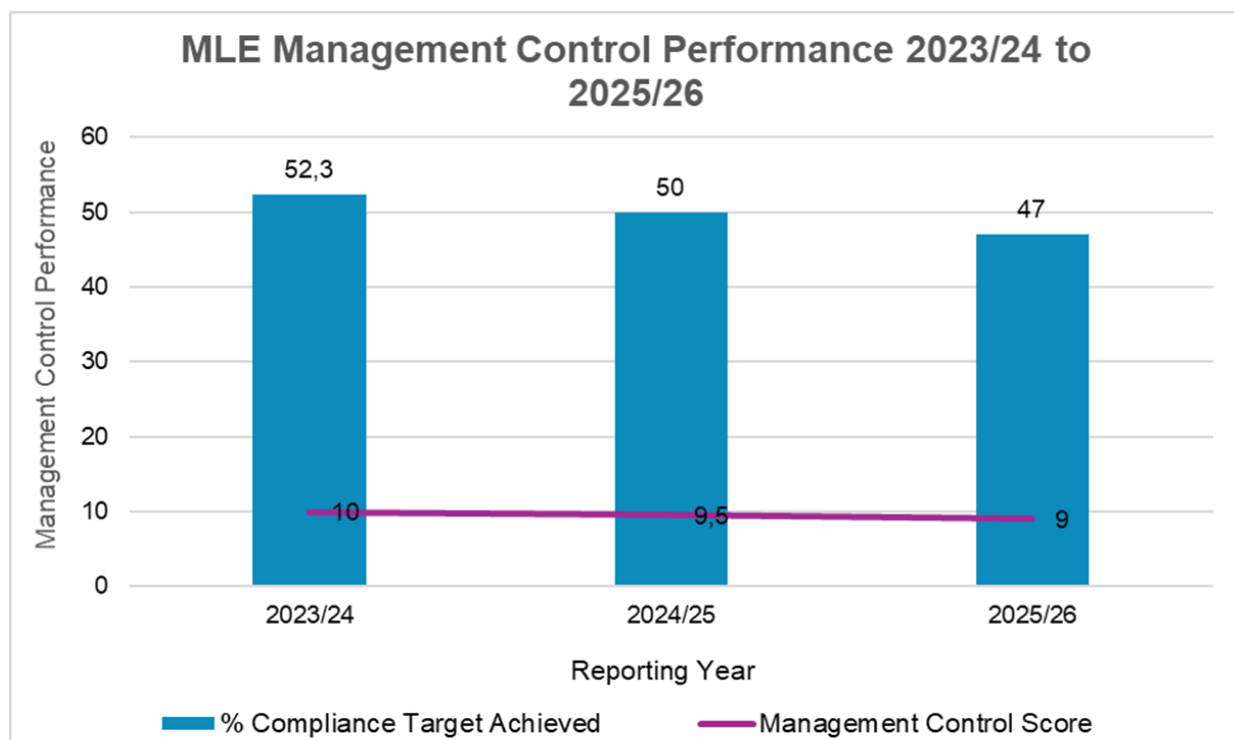


Figure 14: MLE Management Control Performance, 2023/24 – 2025/26

Figure 14 above indicates a gradual decline in MC performance among MLEs over three years. The percentage of compliance targets achieved decreased from 52.3% in 2023/24 to 50% in 2024/25 and further to 47% in 2025/26. A similar downward trend was observed in the MC score. This consistent decrease suggests a weakening in performance against MC targets, highlighting potential challenges in sustaining transformation gains in this element. The trend may point to issues such as limited progression in representation at management and board levels, indicating a need for strengthened interventions to improve performance in this area.

These results lend support to the amendments to the EEA targets by the DoEL, particularly the introduction of sectoral targets, as they point to broader, systemic challenges across economic sectors. Furthermore, the findings reinforce the FSCC’s ongoing desktop research aimed at identifying barriers to women’s inclusion in the workforce, given that women-related indicators within the MC scorecard remain areas where many entities experience difficulty.

The sector continues to demonstrate weak performance on this element. While individual company-level strategies remain unknown, there is a continued effort at the sector level to understand the underlying constraints through research initiatives. However, limited participation by some entities in these sector-wide interventions undermines collective efforts to address underperformance and achieve meaningful progress in this element.

Figure 15 below provides a comparative analysis of Management Control performance across sub-sectors relative to the overall industry average.

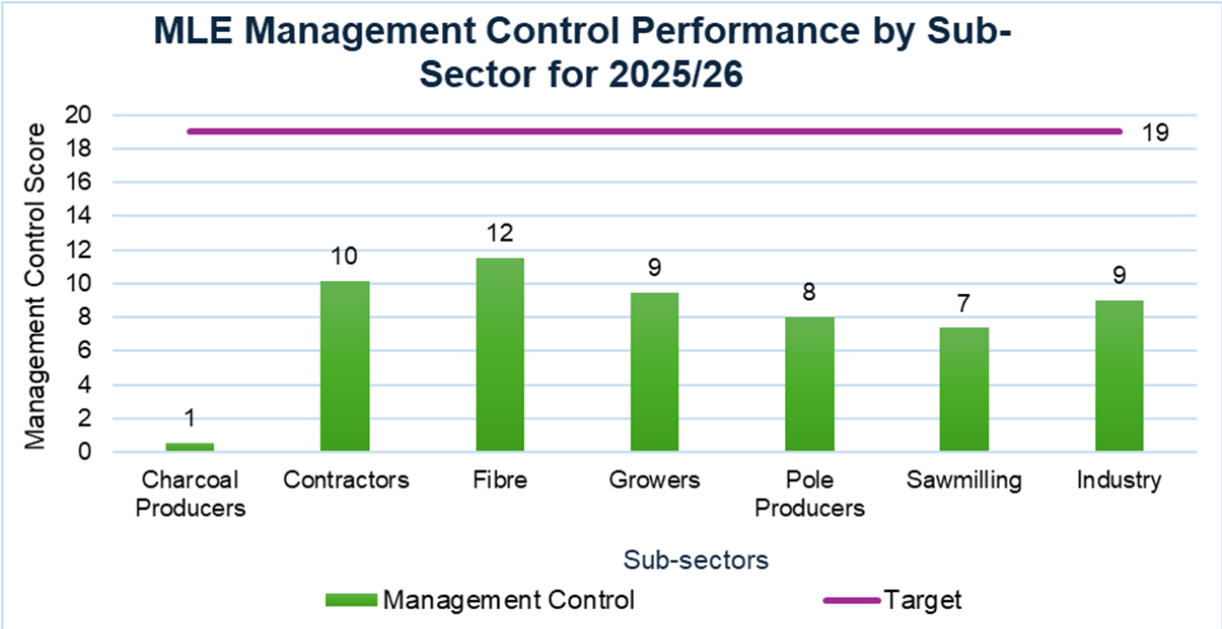


Figure 15: MLE Management Control Performance by Sub-sector, 2025/26

Figure 15 above shows notable disparities in MC performance across the sub-sectors when compared to the industry average. The results indicate that most sub-sectors are performing below average when comparing the scores against the target, reflecting generally poor performance across the sector. Only two sub-sectors, Fibre, performing at approximately 63%, and Contractors at 53%, demonstrate relatively convincing performance, consistent with trends observed in the previous reporting period. This underscores a sector-wide underperformance in MC, with particularly severe challenges in sub-sectors such as Charcoal Producers. This suggests limited or no measurable progress in advancing transformation within this element.

Measured entities are encouraged to ensure at least 50% representation of black individuals, with a minimum of 25% being black women at the board level. These individuals must hold exercisable voting rights and the capacity to influence key strategic decisions within the organisation. This indicator seeks to address the historical under-representation of black individuals in executive and board positions, thereby promoting more inclusive, diverse, and representative leadership structures.

The Charcoal Producers sub-sector recorded 0% black representation across the board, executive, and all management levels, while representation in other indicators remained notably low. These results reflect an absence and inadequate participation of black people in leadership and management positions, highlighting persistent structural and systemic barriers to transformation and inclusion.

Figure 16 below presents the performance of sub-sectors in relation to the representation of Black board members.

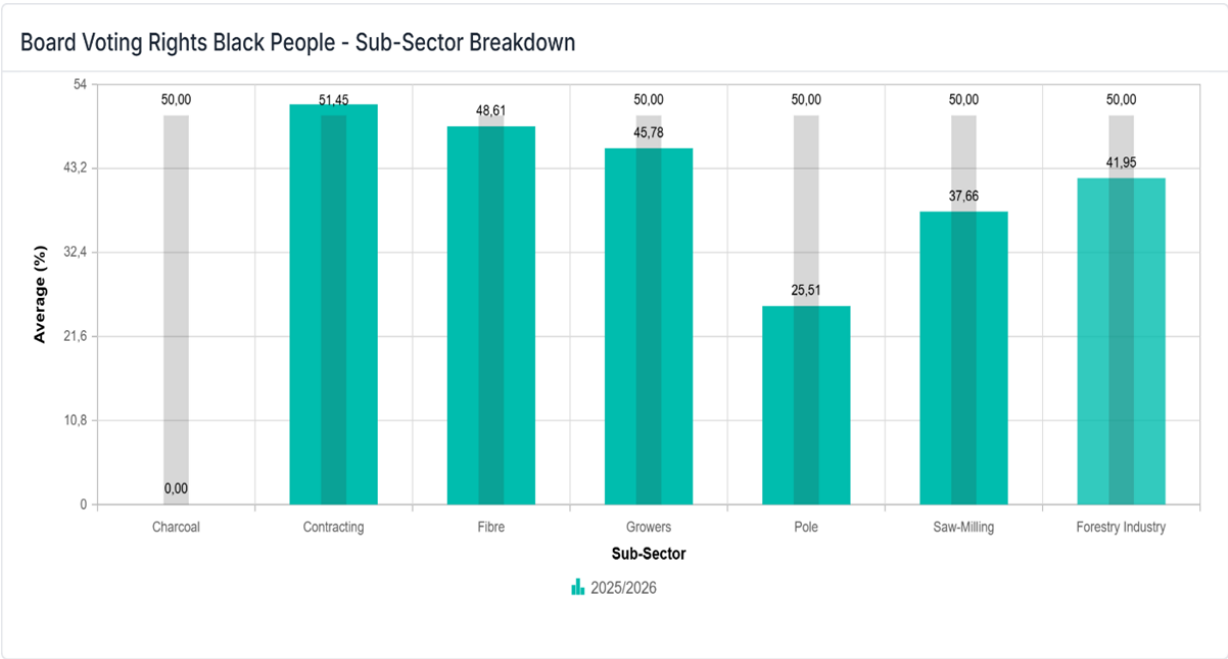


Figure 16: MLE Management Control Black Board Members

The illustration in Figure 16 above indicates that the Contracting and Fibre sub-sectors remained the sturdiest performers, although both experienced slight declines compared to the previous reporting period. In contrast, Growers and Sawmilling demonstrated gradual improvement, reflecting positive momentum in transformation efforts within these sub-sectors. Pole Producers recorded a weaker performance, showing a decline year-on-year

This pattern reflects uneven transformation across the forestry value chain, with improvements in compliance and representation concentrated in some sub-sectors while others remain

stagnant. In particular, board-level transformation remains a critical weakness, especially in lower-performing sub-sectors such as Charcoal Producers and Pole Producers, because this is a level where strategic discussions are made and, therefore, inclusivity is crucial.

Figure 17 below depicts the involvement of Black women on boards across each sub-sector.

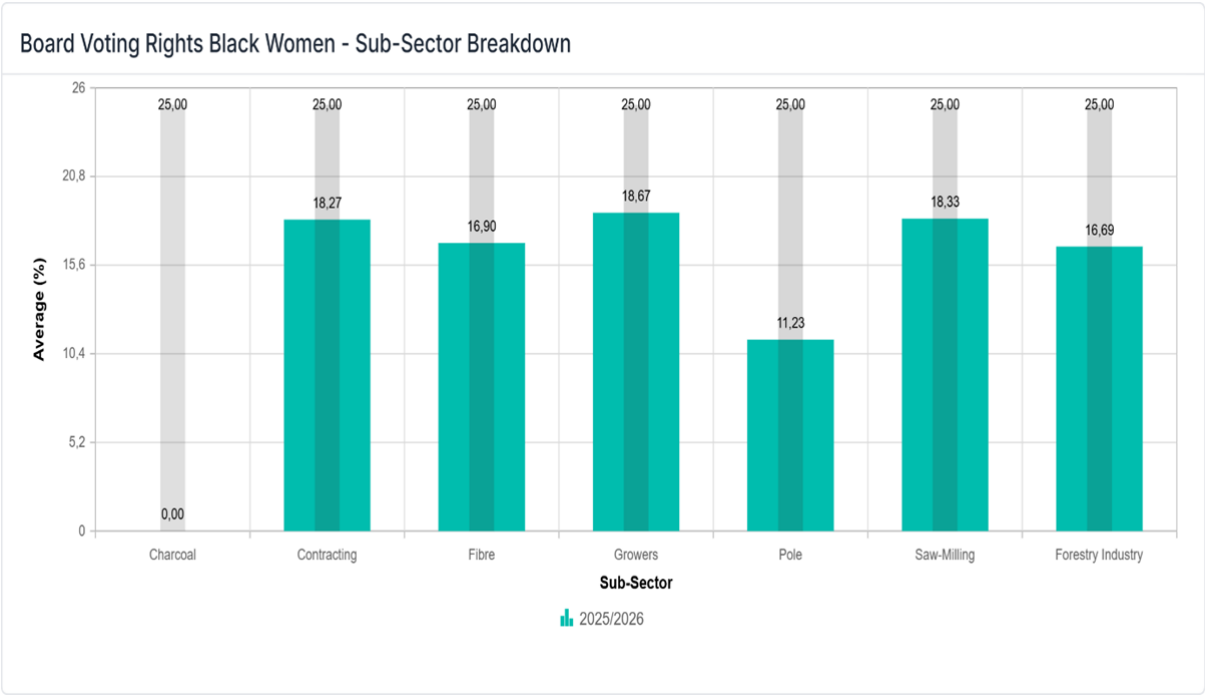


Figure 17: MLE Management Control Black Women on Boards

The illustration in Figure 17 above reveals a mixed performance trend across the sub-sectors, with none attaining or coming close to the set target for BW representation at the board level. Approximately three sub-sectors, Growers, Sawmilling, and Contracting, performed at comparable levels. While some of these sub-sectors demonstrated slight improvements, others experienced marginal declines, indicating inconsistent progress. Fibre performed slightly above the industry average, reflecting an improvement over the year benchmark. In contrast, Pole Producers declined significantly when compared to the previous year’s performance. Despite these movements, the overall improvement in this indicator remains negligible. This is evident in the industry average, which recorded a marginal increase from the preceding year’s performance.

A comparative analysis of Figures 16 and 17 further reveals a pronounced imbalance in board-level representation when disaggregated by gender. While Figure 16 indicates that most sub-sectors (with the exception of Charcoal Producers) are performing relatively close to the target for overall Black representation, Figure 17 demonstrates that the inclusion of black women lags significantly behind. This disparity suggests that transformation efforts may be addressing racial

representation at a broad level but are insufficiently responsive to intersectional dynamics, particularly the inclusion of black women.

These findings point to clear implementation gaps within the sector. This observation aligns with insights from the Black Management Forum (2026), which found that while there is general acceptance of transformation principles and recognition of their role in expanding opportunities and diversifying leadership, scepticism remains regarding the effectiveness of current implementation and its impact on business performance. However, despite this realisation, gender imbalance remains lagging. This corroborates the findings by ABI BEE that suggest that broader South African corporate governance and B-BBEE research shows that while transformation has improved overall, black representation at executive and board level remains uneven and, in some sectors, still limited to compliance rather than meaningful participation.

<https://bmfonline.co.za/media-release/subjecttime-for-a-reset-bmf-and-henley-business-school-africa-research-calls-for-overhaul-of-b-bbee-implementation/>^v

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Figure 18 below demonstrates the average participation rates of Black Executives on boards across several sub-sectors.

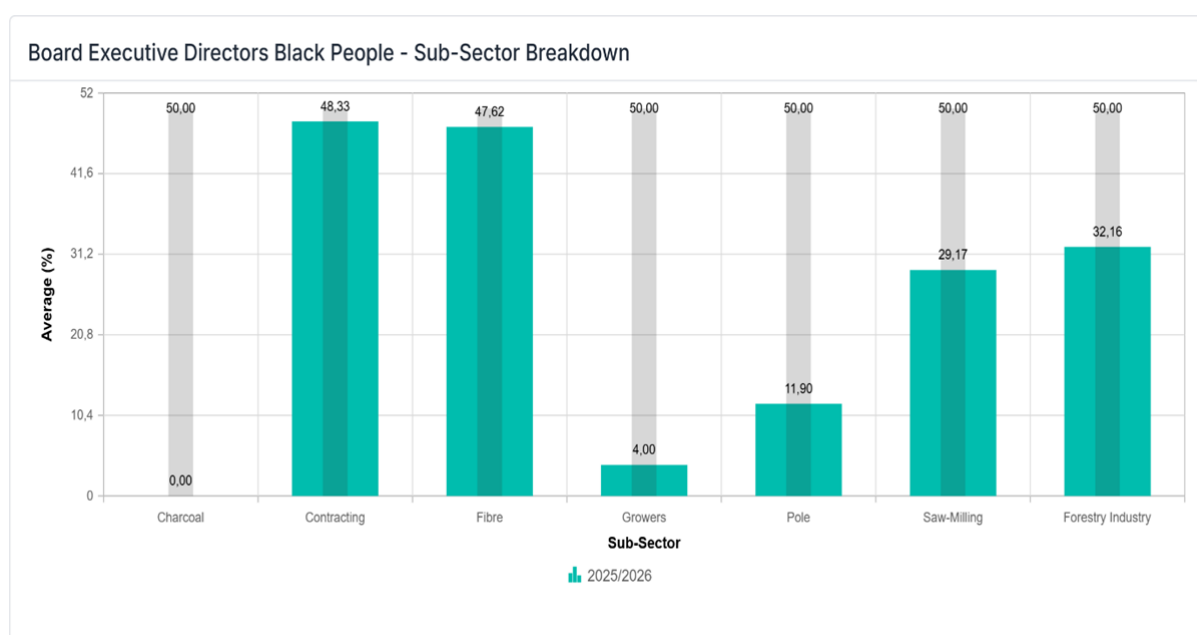


Figure 18: MLE Black Executive Directors participating on boards

The data in Figure 18 above shows that the Contracting and Fibre sub-sectors demonstrate the highest levels of black executive director participation. Sawmilling reflects a moderate level of representation. Pole Producers and Growers demonstrated an obviously poor performance at varying levels. Overall, the industry registered a fairly above-average participation rate for black

executive directors, signalling gradual progress toward greater inclusivity. While this reflects positive movement, the uneven distribution across sub-sectors suggests that transformation at the executive level remains inconsistent. Strengthening representation in leadership is essential, as diverse executive teams contribute to more inclusive decision-making and improved organisational outcomes.

Figure 19 below presents a comparative overview of the average participation rates of BW Executives on boards across the industry sub-sectors.

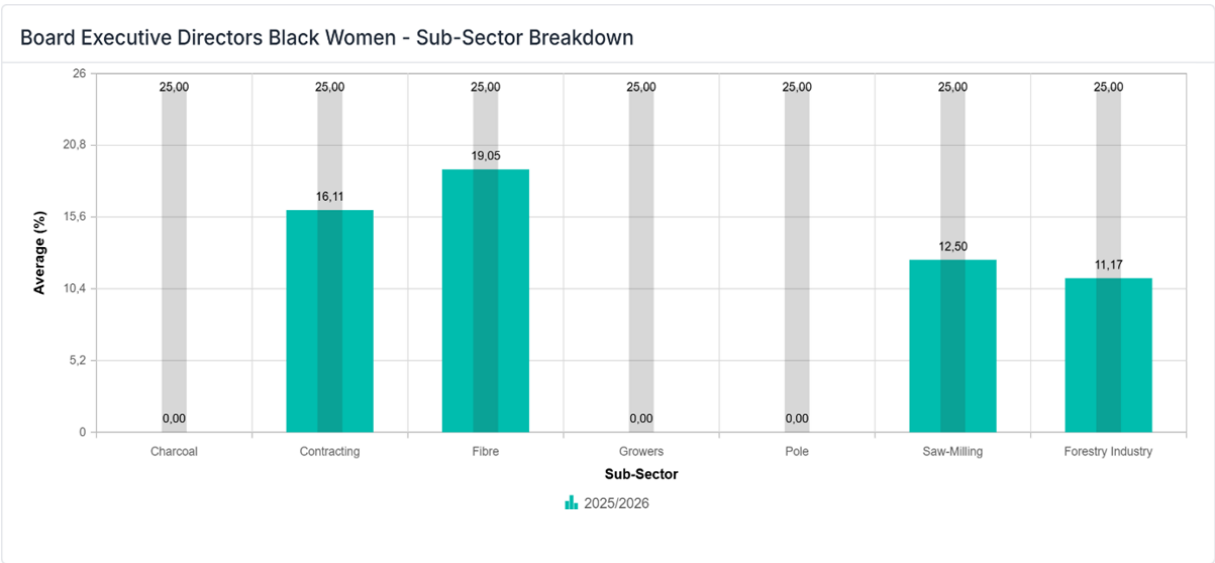


Figure 19: MLE Black Women Executive Directors participating on boards

The participation of BW executive directors across sub-sectors reflects uneven and generally low levels of representation, as illustrated in Figure 19 above. A pattern similar to that observed in Figure 18 emerges, with Fibre and Contracting recording the highest participation rates, both still below the target. Sawmilling followed with below-average performance, indicating less moderate inclusion of black women at the executive level.

Of particular concern is the complete absence of BW executive directors in the three remaining sub-sectors. This lack of representation remains unchanged from the previous reporting period, suggesting limited or no targeted interventions to advance gender diversity within these segments. Consequently, these three sub-sectors continue to perform significantly below the industry average.

The comparatively lower participation of BW relative to overall black executive director representation highlights persistent intersectional barriers affecting both race and gender inclusion in leadership. This trend aligns with findings by Catalyst, which identify systemic constraints such as limited access to professional networks, mentorship, and leadership

development opportunities as key factors hindering the advancement of black women into executive roles.

<https://www.catalyst.org/research/women-of-color-in-leadership/>^{vii}

Figure 20 below presents a comparative analysis of sub-sector performance in advancing Black representation under the Other Black Executive Director indicator.

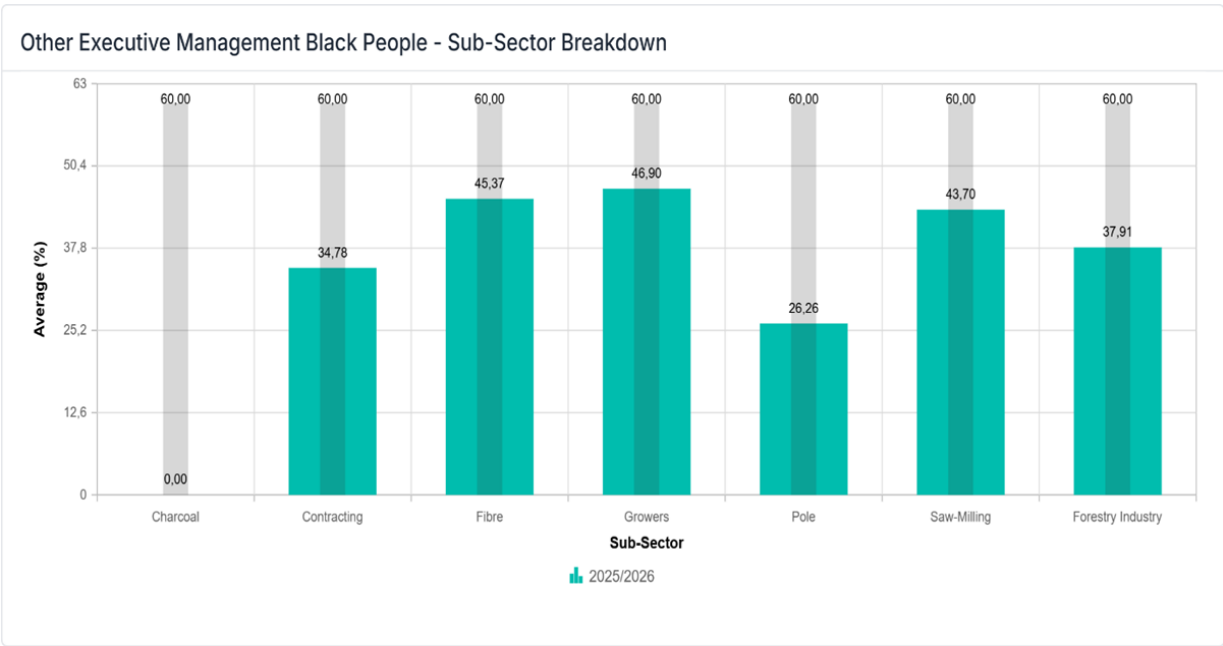


Figure 20: MLE Other Black Executive Management

The illustration in Figure 20 above shows varying levels of compliance across sub-sectors in relation to the Other Black Executive Director indicator. Growers, Fibre, and Sawmilling performed within a similar range. While the differences are marginal, all three remain below the 60% target. Contracting recorded moderate performance, while Pole Producers lagged further behind, indicating comparatively lower levels of inclusion in these sub-sectors.

Overall, the trend suggests that while there is some level of representation, particularly in better-performed sub-sectors, insufficiencies remain. This may indicate a developing pipeline of leadership talent within operational management levels in these sub-sectors. However, weaker performance in others suggests challenges in succession planning, which translates to limited progression into executive management roles beyond board-level positions.

Figure 21 below illustrates the representation of Black Women in Other Executive Management roles across the industry sub-sectors.

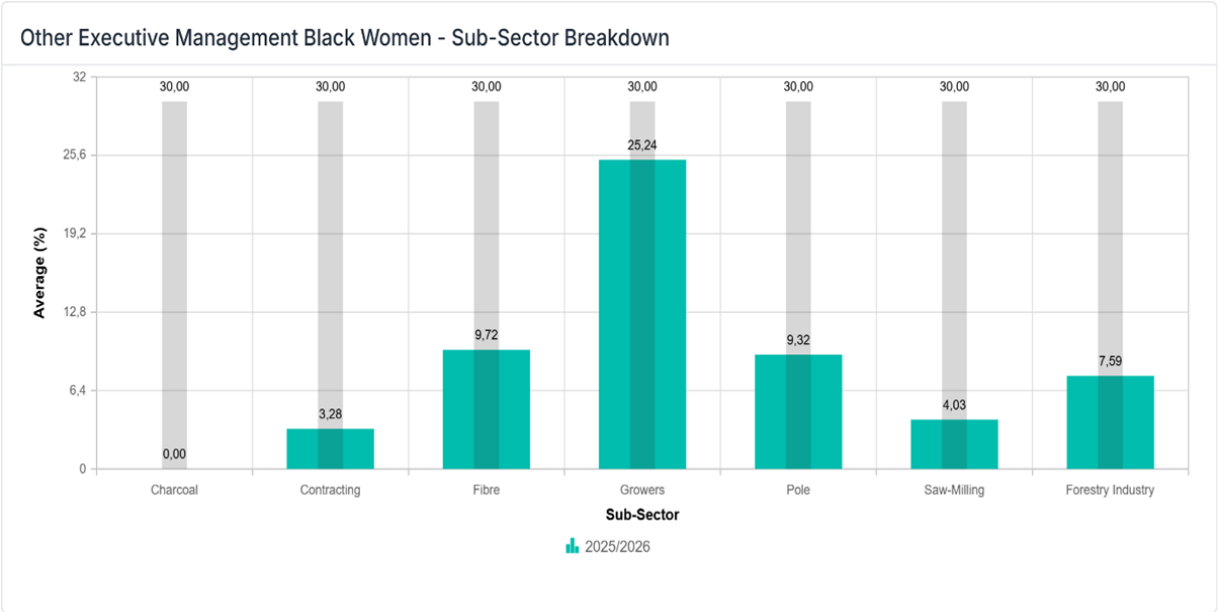


Figure 21: MLE Black Women Other Executive Management

Figure 21 above highlights a persistent pattern of under-representation of black women in strategic executive positions across the sub-sectors. Growers maintained the highest performance, although this reflects a decline from the previous year's performance. All other sub-sectors recorded notably low and poor levels of participation. Overall, the data points to a pronounced under-representation of black women relative to broader black participation in leadership. The downward trends across several sub-sectors suggest that progress is not only limited but, in some cases, reversing.

Measured entities are required to ensure the inclusion of BP, including BW, across senior, middle, and junior management levels. Representation at these tiers is essential for strengthening leadership diversity, building a sustainable talent pipeline, and fostering an inclusive management structure.

Figure 22 below illustrates the performance of sub-sectors in relation to the representation of Black individuals in senior management roles.

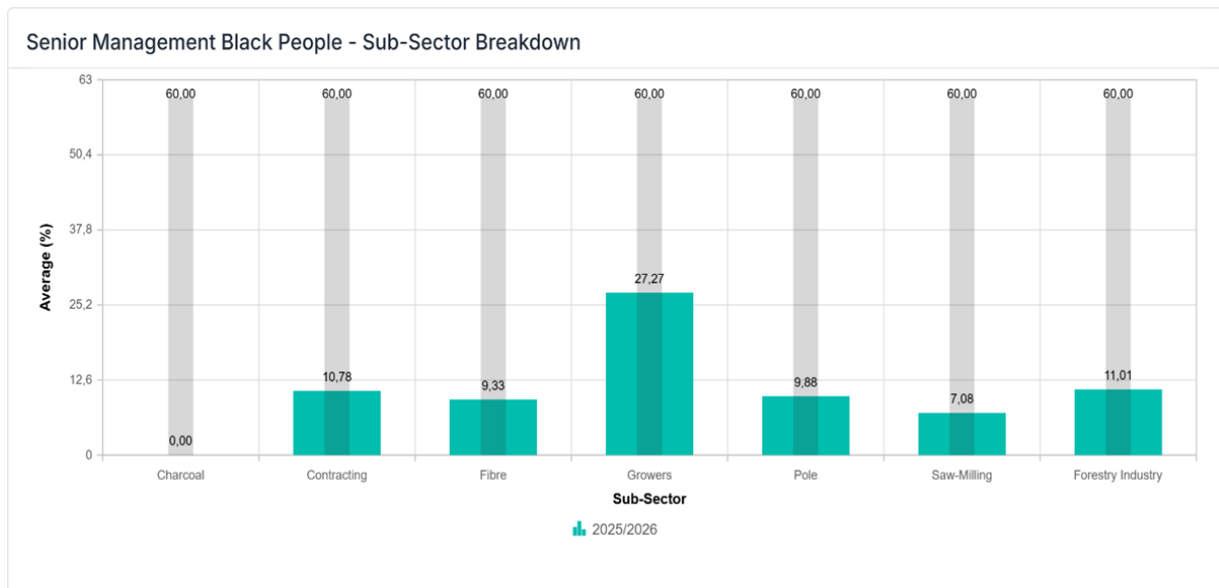


Figure 22: MLE Black Participation at Senior Management Level

Figure 22 above illustrates overall underperformance at the senior management level, with uneven and generally low representation of black individuals across sub-sectors. Growers recorded the highest performance, although representation remains poor despite a slight improvement from the previous reporting period. The remaining sub-sectors performed at similarly low levels. Overall, the results indicate limited black representation in senior management across most sub-sectors, highlighting persistent challenges in achieving the target in this indicator.

Figure 23 below presents the representation of BW at the Senior Management level across the sub-sectors.

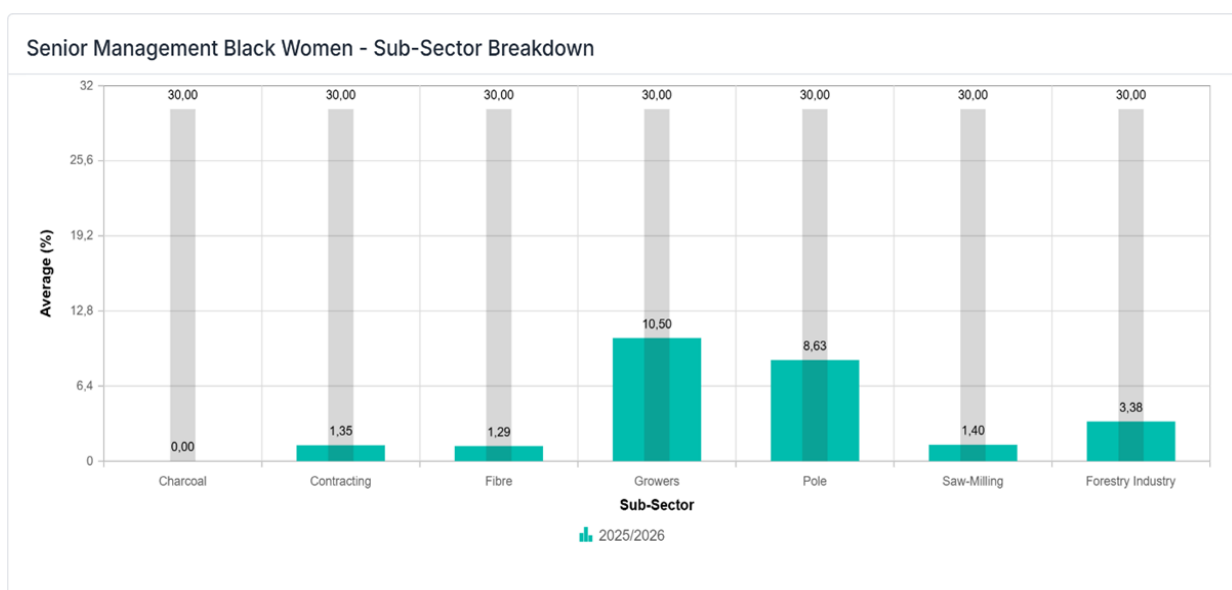


Figure 23: MLE Black Women Participation at Senior Management Level

Figure 23 above illustrates the limited inclusion of BW at the senior management level across the sector, closely reflecting the trends observed in Figure 23. Growers and Pole Producers showed some representation, although performance remained substantially poor, while the other sub-sectors recorded even lower levels of representation. Overall, the results indicate insufficient progress in addressing the under-representation of BP, particularly BW, at this critical management tier. This is especially concerning given that senior management serves as a key pipeline for future executive and board-level leadership. Limited diversity at this level raises concerns about the effectiveness of succession planning and the sector’s ability to build an inclusive and representative leadership pipeline, consistent with findings from the McKinsey & Company 2025 Women in the Workplace report, which found that Black women remain underrepresented at nearly every stage of the corporate leadership pipeline.

Figure 24 below illustrates the performance of sub-sectors against the target for the Black Middle Management indicator.

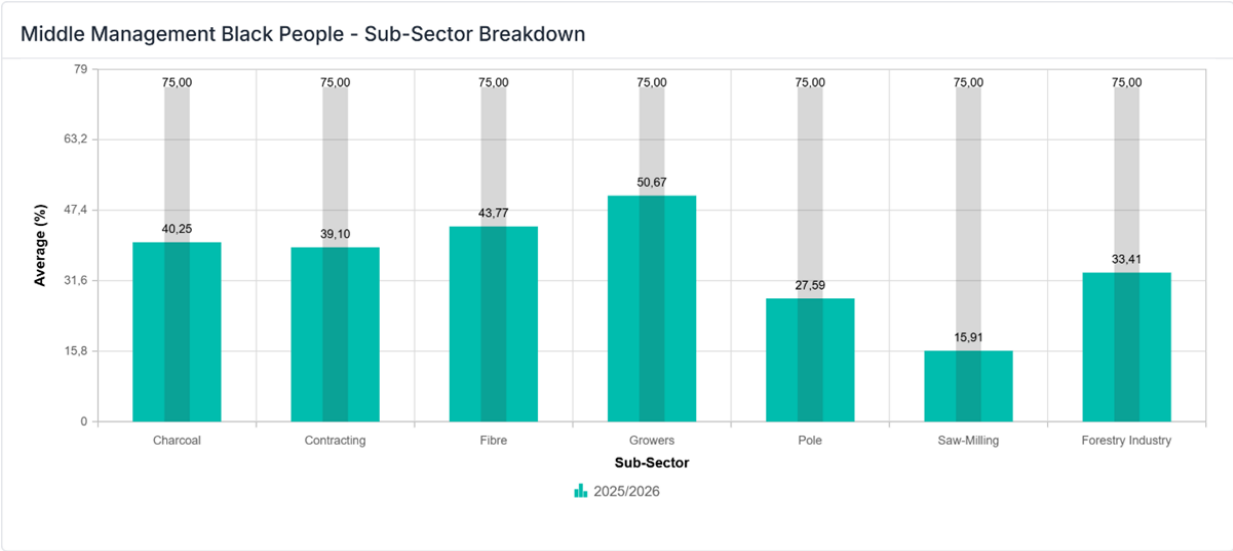


Figure 24: MLE Black Participation at Middle Management Level

The trends observed in Figure 24 above indicate fluctuating but generally improving levels of compliance in the representation of BP at the middle management level across the sub-sectors. Growers recorded the highest representation in this tier. Fibre and Charcoal Producers performed within a similar range. While other sub-sectors performed relatively well, Sawmilling registered the lowest representation. The Overall observations suggest that this tier appears to be more responsive to inclusion initiatives compared to upper management levels, potentially indicating a developing pipeline of black talent.

Figure 25 below portrays the representation of Black Women in middle management roles across the sub-sectors.

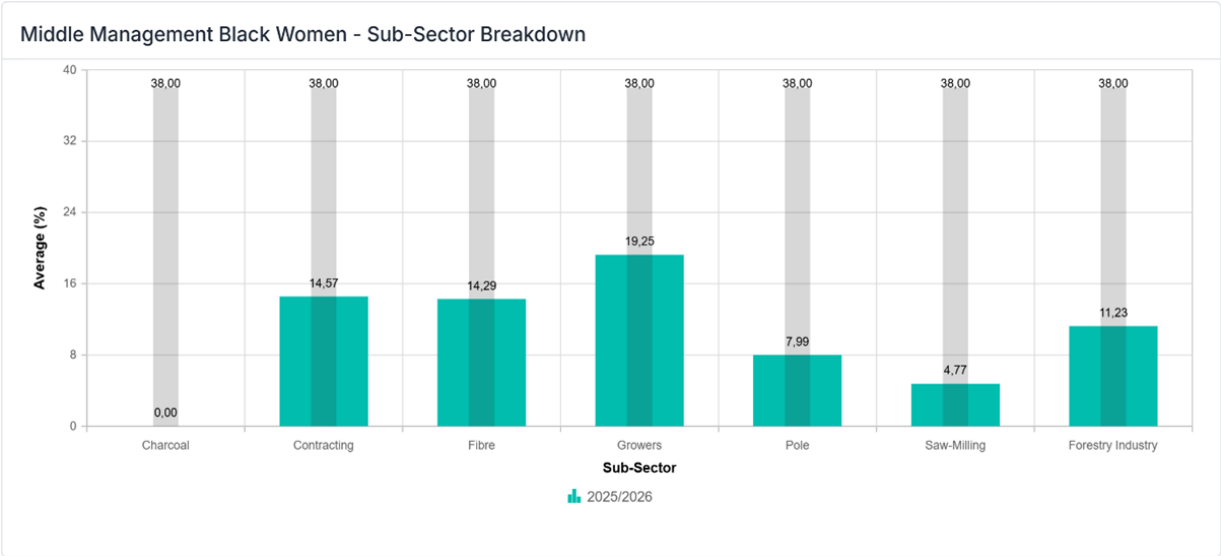


Figure 25: MLE Analysis: Black Women Participation at Middle Management Level

The performance illustrated in Figure 25 above indicates persistently weak outcomes across sub-sectors, broadly consistent with trends observed in the preceding year and characterised by notable fluctuations. Growers maintained the leading position, with improvement from the preceding year’s performance. Other sub-sectors showed a poor performance, though Sawmilling and Pole Producers discouragingly achieved low performances. These outcomes continue to reveal systemic challenges.

This trend is consistent with broader evidence on gender and racial disparities in leadership. Research by McKinsey & Company on “Women in the Workplace” shows that women, particularly black women, face a “broken rung” at the first step up to management, limiting their progression into senior roles. The FSCC’s report also aligns with these findings. Black women are at least better represented in the lower levels of management than in the upper tier, whereas their black male counterparts often reach the upper levels, with a much more pronounced representation.

Within the South African context, initiatives such as “She is Forestry SA” and mentorship programmes like “Mentor Me” are therefore critical. These interventions provide structured support, enhance visibility, and facilitate skills transfer, thereby contributing to the development of a pipeline of future-ready leaders. Strengthening and scaling such initiatives will be essential to improving representation and advancing gender and racial inclusivity across all levels of management within the forestry sector.

<https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>^{viii}

Junior management typically comprises individuals with academic, professional, and technical qualifications who enter the workforce through structured pathways such as graduate development programmes, internships, learnerships, and apprenticeships. These roles serve as important transitional positions where theoretical knowledge and technical competencies are integrated into practical operational environments. As a foundational leadership tier positioned below middle management, junior management plays a critical role in building a sustainable talent pipeline and strengthening succession planning for future leadership positions within organisations.

The purpose of this indicator is therefore to promote the inclusion and development of BP, particularly BW, during the early stages of their managerial careers. In this context, Skills Development becomes a critical enabler of transformation when strategically implemented and aligned with broader organisational transformation objectives. Effective investment in learnerships, mentorship, workplace exposure, and leadership development programmes can serve as a significant incubator for strengthening representation at the junior management level and creating a pipeline of future leaders.

This further suggests that B-BBEE elements should not be implemented in isolation, but rather in an integrated and complementary manner. For instance, SD, MC, and ESD are more impactful when aligned within a broader transformation strategy that supports long-term inclusion and advancement.

This perspective is supported by research findings from the Black Management Forum study titled “The Perceived Impact of Broad-Based Black Economic Empowerment on Business Performance in South Africa,” which found that only a limited proportion of respondents perceived B-BBEE as having a meaningful impact on human resource development and staff morale. The findings suggest that transformation initiatives yield stronger outcomes when implemented with genuine developmental intent rather than being approached primarily as a compliance obligation.

<https://bmfonline.co.za/media-release/subjecttime-for-a-reset-bmf-and-henley-business-school-africa-research-calls-for-overhaul-of-b-bbee-implementation/>^{ix}

Figure 26 below presents an overview of the representation of Black employees in Junior Management positions across the sector.

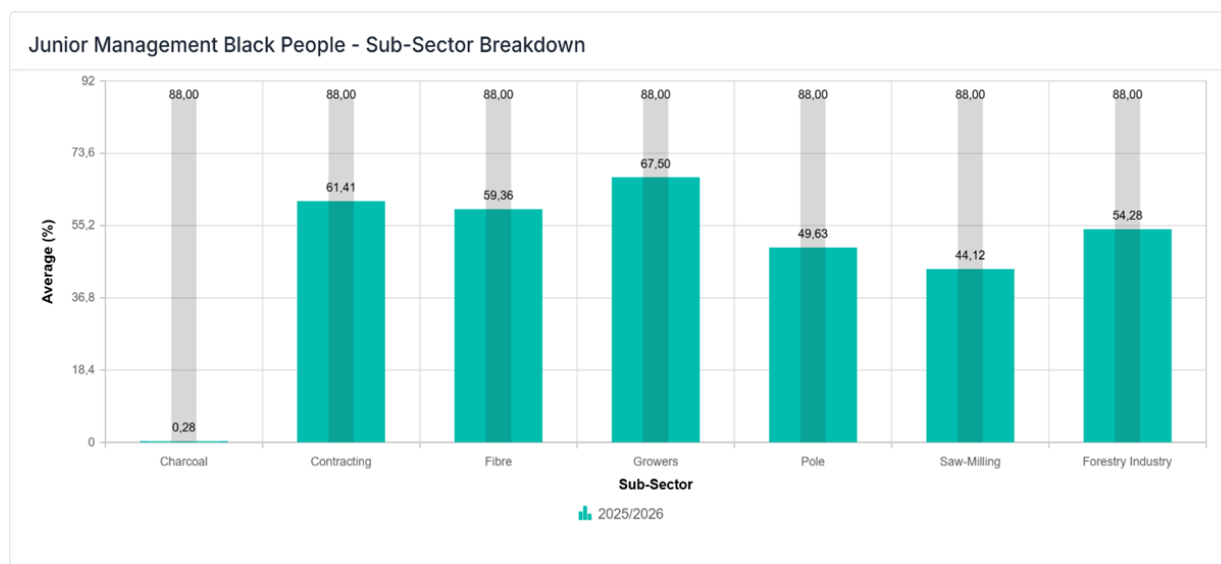


Figure 26: MLE Analysis: Black Participation at Junior Management Level

As shown in Figure 26 above, a relatively moderate level of representation of BP at the junior management level across the sector is prominent, suggesting gradual progress toward improving inclusion within the early stages of the management pipeline. Although all sub-sectors remain below the target of 88%, the results indicate a comparatively acceptable representation at this tier when contrasted with top management levels. All sub-sectors performed well, though variations exist.

Interestingly, the representation efforts gained more traction at the junior management level for black individuals, likely reflecting the impact of graduate development programmes, learnerships, internships, and entry-level leadership initiatives. This trend suggests that workforce diversity initiatives tend to yield stronger representation outcomes at entry and junior management levels before progression weakens at senior leadership stages. Similarly, McKinsey & Company, in its Women in the Workplace and diversity studies that organisations often demonstrate improved diversity at lower management tiers, while barriers to progression continue to limit advancement into senior and executive roles.

While the relatively higher representation at the junior management level is encouraging, the disparities across sub-sectors indicate that sustained efforts are still required to strengthen the leadership pipeline and ensure progression into middle, senior, and executive management positions.

Figure 27 below demonstrates the representation of BW employees in Junior Management positions across the sub-sectors.



Figure 27: MLE Black Women Participation at Junior Management Level

The representation of BW at the junior management level reflects moderate to weak performance across the sub-sectors, as illustrated in Figure 27 above. The results suggest that gender and racial imbalances persist even at the entry stages of the management pipeline. Only Growers and Contracting showed a moderately acceptable representation. The remaining sub-sectors recorded exceptionally poor performances in the indicator.

The overall findings indicate that, although some progress has been made in integrating BW into junior management positions, representation levels remain relatively low across most sub-sectors. However, developments within the sector suggest emerging positive momentum toward improving gender representation. During the 2023 She Is Forestry Webinar, it was highlighted that forestry-related higher education institutions are experiencing increased female enrolment and participation in learning programmes compared to previous years. This reflects encouraging progress toward narrowing the representation gap and indicates growing interest and participation of women within the forestry sector. Such trends are important, as graduates entering through internships, learnerships, and graduate development programmes form the foundation of the future leadership pipeline. Strengthening inclusion at this entry level is therefore critical to ensuring long-term progression of BW into upper management and strategic leadership positions within the sector.

Within the ambit of MC, the Amended FSC requires entities to promote the inclusion of differently abled individuals within the workplace. However, forestry in-field operations are often physically demanding, which may present challenges in accommodating persons with disabilities in certain operational activities. To advance equitable inclusion within the sector, entities are therefore

encouraged to create opportunities for persons with disabilities, particularly in office-based positions where reasonable accommodation can be more effectively implemented.

The performance of sub-sectors in employing differently abled black individuals is illustrated in Figure 28 below.

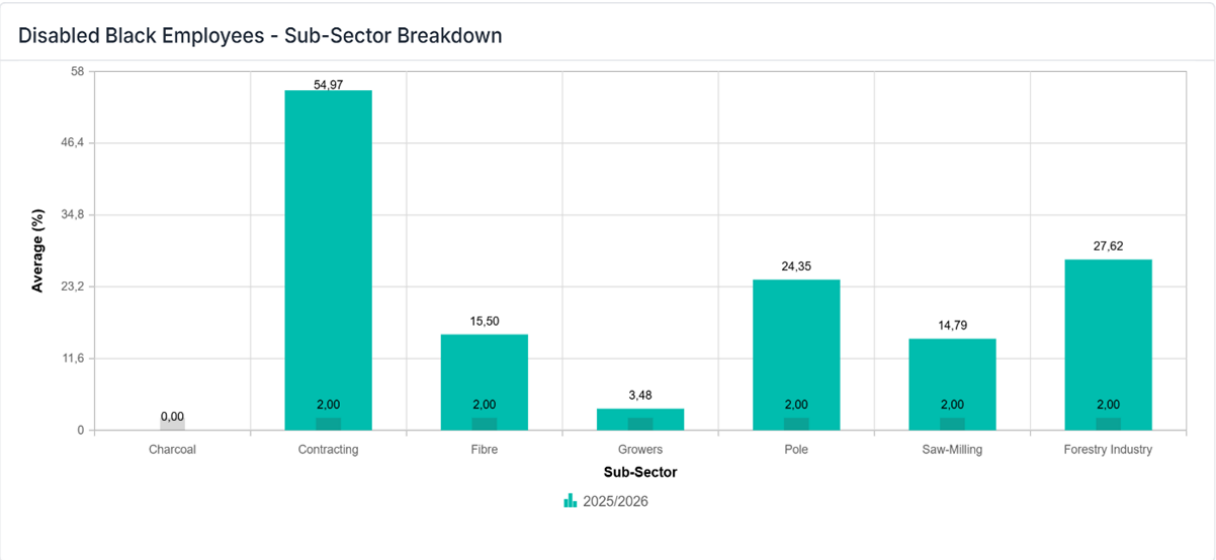


Figure 28: MLE Black Employees with Disabilities

Figure 28 above illustrates the performance of the various sub-sectors in promoting the inclusion of differently abled Black employees within the workplace. The results reveal that the sector is performing commendably in this indicator, with the majority of the sub-sectors’ performance significantly surpassing the target threshold of 2%. Contracting outperformed other sub-sectors and substantially exceeded the target. Other sub-sectors performed well, all exceeded the target, and achieved below the industry, though at varied levels.

Encouragingly, the findings suggest that while certain sub-sectors are making considerable progress in integrating persons with disabilities into the workplace. The comparatively sturdier performance in some sub-sectors may reflect deliberate efforts to create office-based opportunities where reasonable accommodation can be effectively implemented. However, the absence or limited representation in other sub-sectors highlights the continued structural and operational challenges associated with integrating differently abled individuals within forestry-related activities. Additionally, this reflects that Charcoal Producers' workplace policies lack enforcement measures to ensure targeted recruitment and participation of persons with disabilities within the sub-sector.

Table 5 below compares the performance of reporting MLEs on each of the Management Control indicators over three years.

Indicator	Points Allocated	Average Score FY 2023/24	Average Score FY 2024/25	Average Score FY 2025/26	Compliance Target (%)	Indicator Achieved (%) FY 2023/24	Indicator Achieved (%) FY 2024/25	Indicator Achieved (%) FY 2025/26
VR BB Members	2	1.50	1.45	1.33	50	75	72.5	67
VR BWB Members	1	0.79	0.47	0.49	25	79	47	49
BE Board Members	2	1.32	1.10	0.98	50	66	55	49
BWE Board Members	1	0.56	0.27	0.31	25	56	27	31
BOEM	2	1.43	0.66	0.52	60	71.5	33	26
BWOEM	1	0.59	0.28	0.21	30	59	28	21
BOED	4	2.72	3.47	3.72	60	68	86.8	93
BOWED	2	0.35	0.61	0.44	30	17.5	30.5	22
BSM	2	0.63	0.62	0.58	60	31.5	31	29
BWSM	1	0.18	0.23	0.13	30	18	23	13
BMM	2	0.96	0.86	0.94	75	48	43	47
BWMM	1	0.28	0.25	0.33	38	28	25	33
BJM	1	0.64	0.63	0.62	88	64	63	62
BWJM	1	0.4	0.38	0.38	44	40	38	38
Black Employees Living with Disabilities	2	1.26	1.30	1.41	2	63	65	71

6.3 Skills Development In-Depth Analysis

Skills Development (SD) requires organisations to invest in targeted training initiatives that enhance the skills and capacity of both black employees and external beneficiaries. As a priority element, measured entities are required to meet defined expenditure thresholds and training targets. By prioritising skills transfer and development, this element plays a critical role in addressing skills shortages and improving employability across the economy.

The focus of SD is on advancing opportunities for black people, particularly women, youth, and persons with disabilities, in line with national objectives to address historical inequalities and build a more inclusive and capable workforce. In addition to strengthening B-BBEE performance and market competitiveness, SD contributes to long-term economic inclusion. The principle of absorption further enhances its impact by encouraging the integration of trained individuals into sustainable employment, thereby supporting job creation and improving labour market outcomes.

Figure 29 below depicts the performance of MLEs in the Skills Development element over three years, spanning 2023/24 to 2025/26.

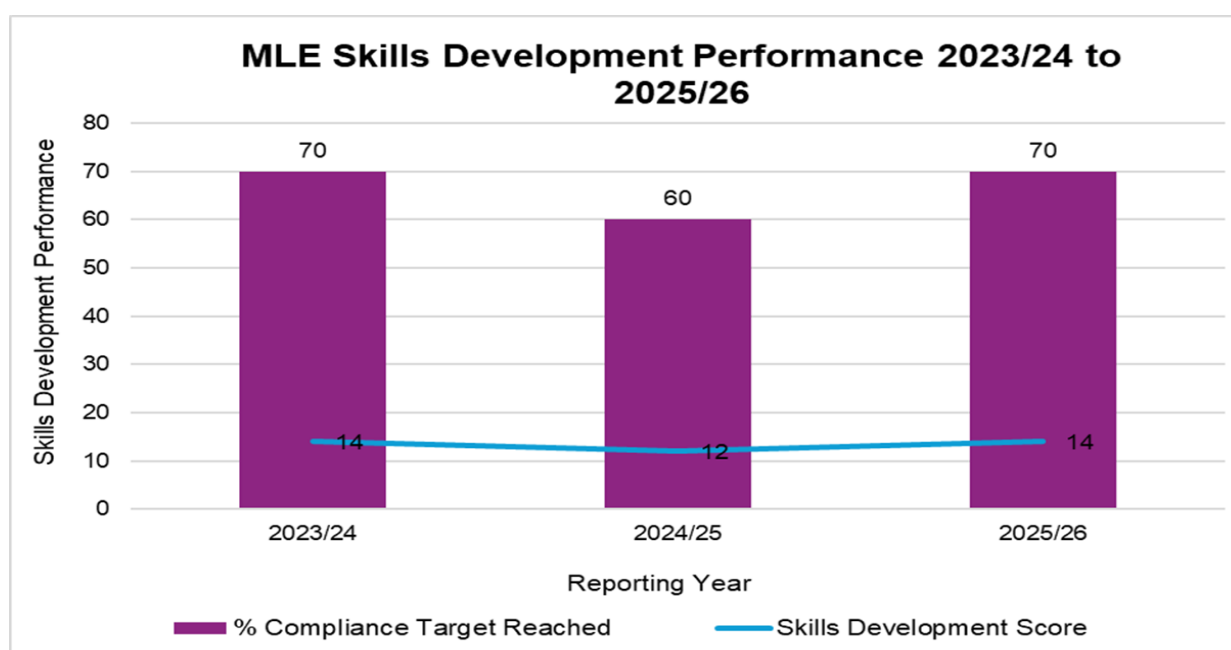


Figure 29: MLE Skills Development Performance, 2023/24 – 2025/26

As presented in Figure 29 above, SD compliance declined from 70% in 2023/24 to 60% in 2024/25, before recovering to 70% in 2025/26, as illustrated in Figure 29. Overall, the data reflect a temporary decline in performance during 2024/25, with a full recovery observed in 2025/26, returning to the level achieved in 2023/24. While the sector's overall performance can be considered relatively stable and acceptable, there remains room for improvement.

This is particularly important within the South African context, which continues to face a complex skills landscape characterised by high unemployment and persistent inequality. As such, the SD element remains a key mechanism for addressing these structural challenges and advancing inclusive economic participation. Addressing these constraints will require a coordinated, multi-stakeholder approach involving government, the private sector, and educational institutions to strengthen alignment, enhance capacity-building initiatives, and improve the absorption of skilled individuals into the economy.

[Skills Development in South Africa: Trends, Challenges & Opportunities – South African Worker and Student Portal^x](#)

Figure 30 below demonstrates the average performance of Skills Development across the six sub-sectors for 2025/26.

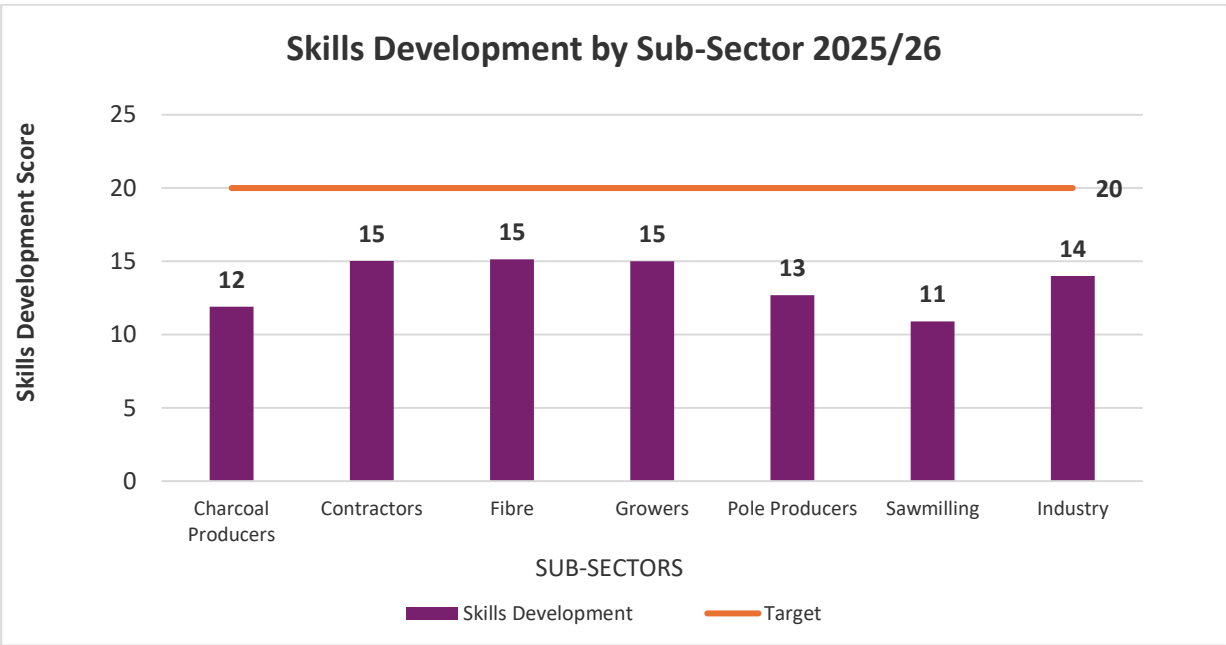


Figure 30: MLE Skills Development Performance per Sub-sector

As illustrated in Figure 30 above, overall SD performance across the sub-sectors reflects a relatively moderate but uneven trajectory. The Contractors, Fibre, and Growers sub-sectors recorded the highest performance, each achieving a score of 15, equivalent to 75% towards the target. This suggests a relatively stronger commitment within these sub-sectors to skills investment, training initiatives, and workforce development. In contrast, Pole Producers and Charcoal Producers achieved scores of 13 and 12, respectively, performing slightly below the industry average of 14. At the same time, the Sawmilling sub-sector recorded the lowest performance at an average score of 11.

Despite these variations, no sub-sector has met the full target of 20, indicating a persistent gap between current performance and desired outcomes. The Charcoal sub-sector has shown better performance on this element, pointing to a potential trend of selective compliance. This suggests that, while progress has been made, the depth and scale of Skills Development interventions may still be insufficient to meet sectoral transformation objectives.

From a broader perspective, these findings align with existing literature on South Africa's skills development landscape. The Department of Higher Education and Training notes that the country continues to face structural challenges such as a mismatch between education outputs and labour market demands, limited workplace-based learning opportunities, and weak absorption of skilled individuals into employment (DHET, 2024). Similarly, the World Bank highlights that inefficiencies in training systems, low completion rates in learnerships, and misalignment between industry needs and training programmes continue to constrain skills development outcomes in South Africa (World Bank, 2022).

Within this context, the forestry sector's performance suggests that while some sub-sectors are making meaningful investments in human capital development, there remains a need to strengthen the quality, relevance, and impact of training initiatives. Greater emphasis should be placed on the shortage of critical, scarce skills, workplace-based learning, technical and vocational education, and stronger partnerships with training institutions to ensure that skills development efforts translate into improved employability and sustainable sector growth.

[Department of Higher Education and Training \(DHET\) - Annual Report 2023-24](#)^{xi}

<https://www.worldbank.org/ext/en/topic/education/skills-and-workforce-development>^{xii}

In line with the provisions of the Amended FSC, measured entities are expected to make targeted investments toward the education, training, and skills advancement of Black people. The Skills Development element requires entities to contribute at least 5% of their leviable payroll, as defined in the Skills Development Levies Act, toward recognised learning interventions aligned with the approved Skills Development learning programme matrix. These interventions may include both internal workplace training and externally accredited development programmes intended to strengthen workforce capabilities and transformation outcomes.

Figure 31 below presents the expenditure performance of the sub-sectors relating to Skills Development initiatives directed toward Black people.

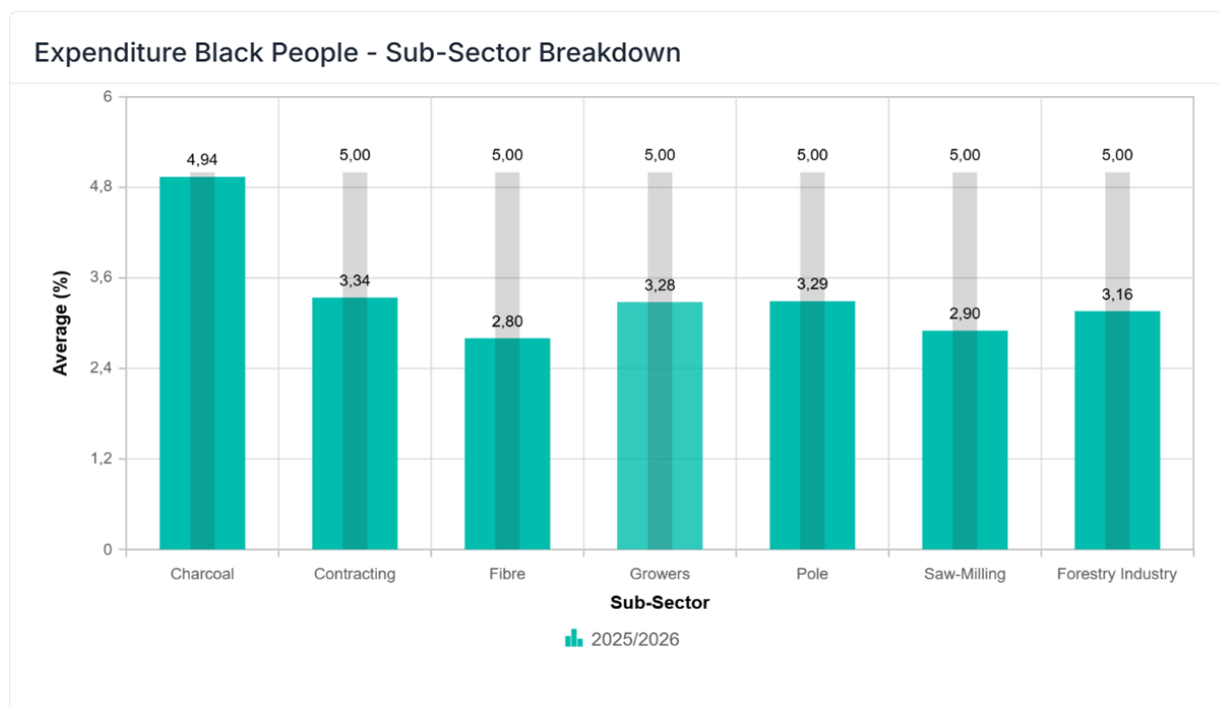


Figure 31: MLE Skills Development Spend on Black People

As shown in Figure 31 above, the expenditure trends reflect relatively moderate investment levels across most sub-sectors, with none achieving the prescribed target. This indicates an overall moderate performance against the minimum SD expenditure requirement. Charcoal Producers recorded the sturdiest performance, performing marginally below the target while significantly exceeding the industry average. Contracting, Pole Producers, and Growers demonstrated relatively comparable performance levels. In contrast, Sawmilling and Fibre recorded the lowest expenditure levels, with both sub-sectors performing below the industry average.

The findings suggest that although sub-sectors continue to allocate resources toward the development of Black people, investment levels remain insufficient to meet the prescribed compliance threshold. The relatively low expenditure patterns may reflect constrained investment in structured learning interventions, accredited training programmes, bursaries, learnerships, and broader workforce development initiatives intended to strengthen transformation outcomes and long-term skills capacity within the forestry sector.

Under the broader skills development requirements, entities must allocate at least 0.3% of their leviable amount to programmes that support black employees living with disabilities. This allocation is designed to strengthen inclusive transformation by improving access to structured training and development opportunities for persons with disabilities, who often continue to experience multiple layers of exclusion in the workplace environment.

Figure 32 below provides a comparative overview of sub-sector performance against this requirement, illustrating the extent to which entities have prioritised and invested in learning and development programmes targeted at black employees with disabilities.

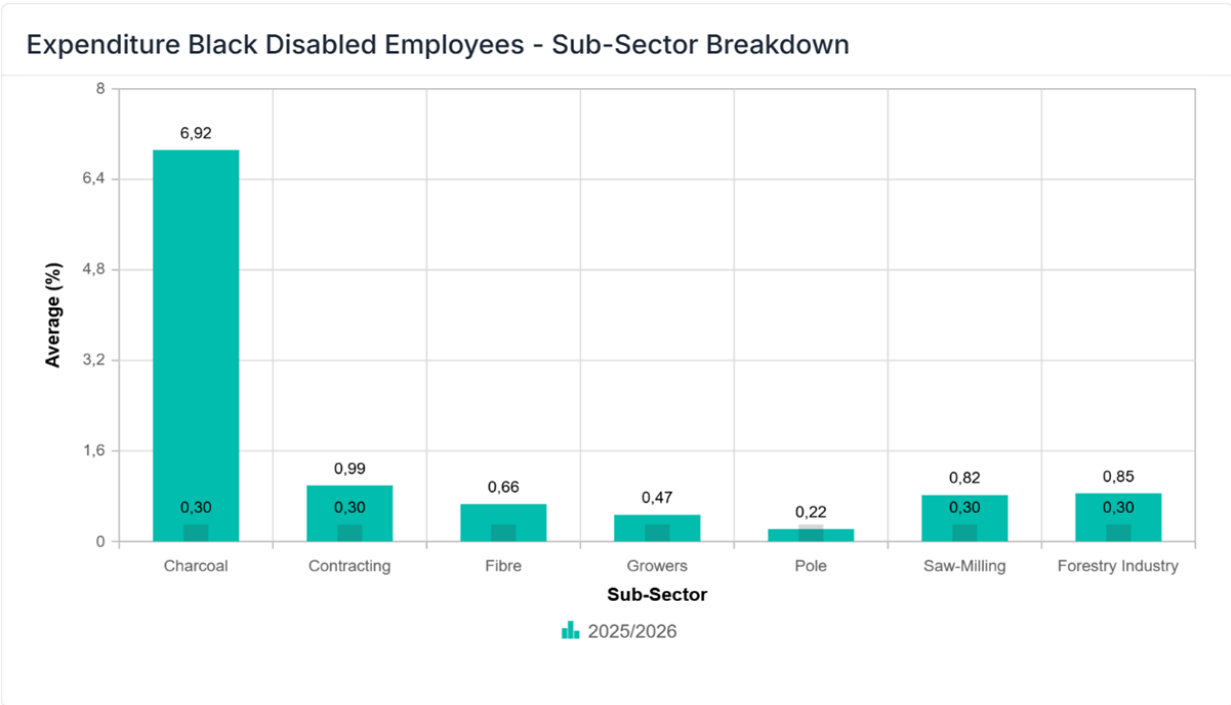


Figure 32: MLE Analysis: Skills Development Spend on Black Employees Living with Disabilities

Figure 32 above reflects varying levels of compliance across the different sub-sectors in relation to expenditure on skills development initiatives for black employees living with disabilities. The Charcoal Producers sub-sector recorded the strongest performance, substantially exceeding the prescribed target and outperforming all other sub-sectors. Contracting, Sawmilling, Fibre, and Growers demonstrated relatively similar performance trends, all achieving results above the minimum compliance threshold. These sub-sectors recorded average expenditure levels, aligning closely with the overall industry performance. In contrast, Pole Producers recorded lower performance, which is below both the target and the industry average, making it the only sub-sector that did not meet the required compliance threshold for this indicator.

The overall performance suggests that the industry has generally demonstrated a positive commitment towards investing in skills development initiatives for black employees living with disabilities, as reflected by the industry average, which exceeds the prescribed target. This indicates that most sub-sectors recognise the importance of inclusive workforce development and are allocating resources towards improving training and development opportunities for employees with disabilities.

Entities are required to create and support opportunities for black employees and unemployed black people to participate in Learnerships, Apprenticeships, and Internships (LAI). These programmes are intended to provide structured workplace exposure and practical learning experiences that strengthen participants’ employability and workplace readiness. They are particularly beneficial for graduates and first-time job seekers who require practical experience to complement their academic qualifications and facilitate their transition into the labour market. In some instances, these programmes also serve as a mandatory component for the completion of formal qualifications. Through these interventions, entities contribute towards enhancing career preparedness, improving skills acquisition, and expanding long-term employment prospects for black people.

Figure 33 below demonstrates the level of implementation of LAI programmes across the various sub-sectors for black unemployed participants, highlighting the extent of participation and investment in workplace-based learning opportunities aimed at improving employability and labour market access.

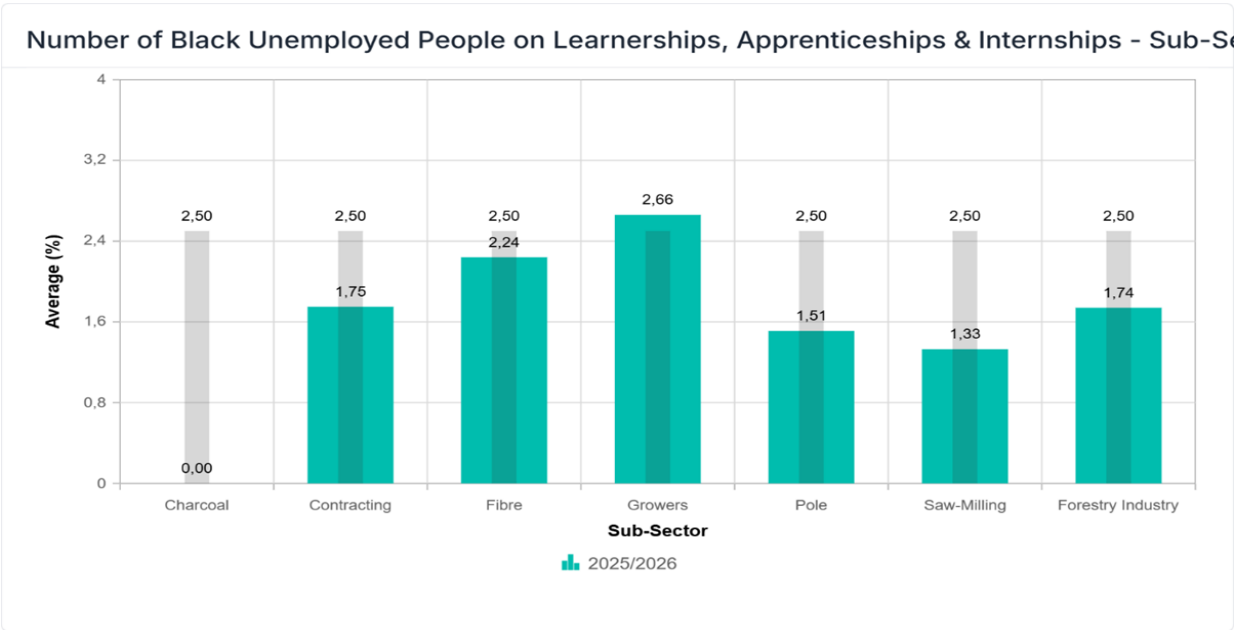


Figure 33: MLE Black Unemployed Participating in Learnerships, Apprenticeships and Internships

The Growers recorded a solid performance, thereby exceeding the prescribed benchmark as shown in Figure 33 above. This performance reflects a robust commitment to integrating black unemployed individuals into structured workplace learning opportunities. Similarly, the Fibre sub-sector performed relatively well, which is marginally below the target. Contracting achieved moderate progress towards the benchmark. Pole Producers recorded a partial compliance with the target, indicating the need for strengthened efforts to improve participation levels and

alignment with broader sector transformation objectives. Sawmilling recorded the second-lowest participation level, achieving just over half of the prescribed benchmark. In contrast, the Charcoal Producers recorded no participation by black unemployed persons in LAI programmes, thereby highlighting a significant gap in the implementation of workplace learning and skills development initiatives.

Figure 34 below presents the performance of sub-sectors with respect to the participation of black employees in LAI. This indicator assesses the extent to which entities are investing in workplace-based learning and employee development initiatives aimed at enhancing skills, career progression, and long-term workforce transformation.

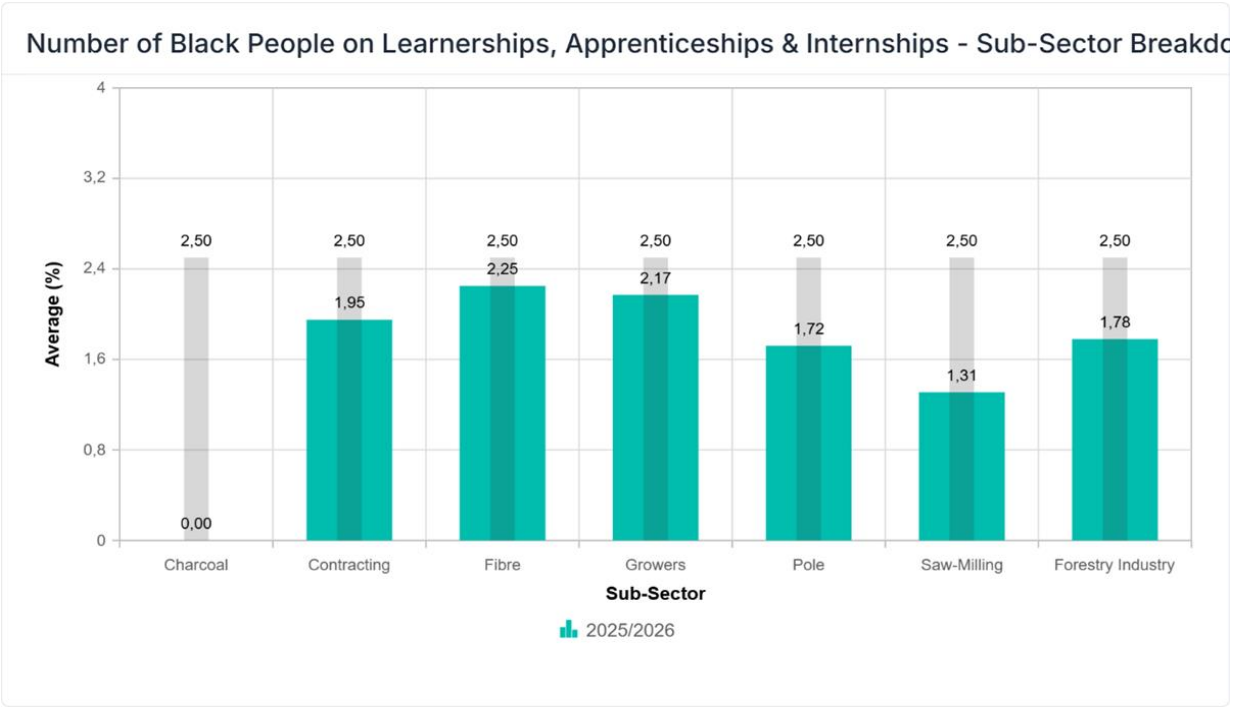


Figure 34: MLE Black Employees Participating in Learnerships, Apprenticeships and Internships

Figure 34 above demonstrates varying levels of participation by black employed people in LAIs across the sector. The performance trend observed closely resembles that reflected in Figure 33, although slight variations are evident across certain sub-sectors. Fibre and Growers recorded relatively comparable performance levels and emerged as the sturdiest-performing sub-sectors in relation to the benchmark. Contracting and Pole Producers also reflected similar performance trends, both remaining below the prescribed target but within close performance ranges. Sawmilling recorded the second-lowest performance, significantly below the benchmark and marginally below the overall industry average. Charcoal Producers reflected a similar outcome to that observed in Figure 34, recording no participation in LAI programmes indicator.

Absorption refers to the successful placement of black unemployed learners into permanent or sustained employment opportunities following the completion of structured workplace learning programmes such as learnerships, internships, and apprenticeships. Under the SD element of the B-BBEE scorecard, Measured Entities may earn up to five bonus points where learners are absorbed within the same measurement period. This indicator is intended to encourage entities not only to provide training opportunities, but also to facilitate meaningful labour market integration and long-term employment outcomes for programme beneficiaries.

Figure 35 below illustrates the absorption performance among sub-sectors, highlighting the extent to which entities have transitioned beneficiaries from structured learning programmes into permanent or long-term employment opportunities.

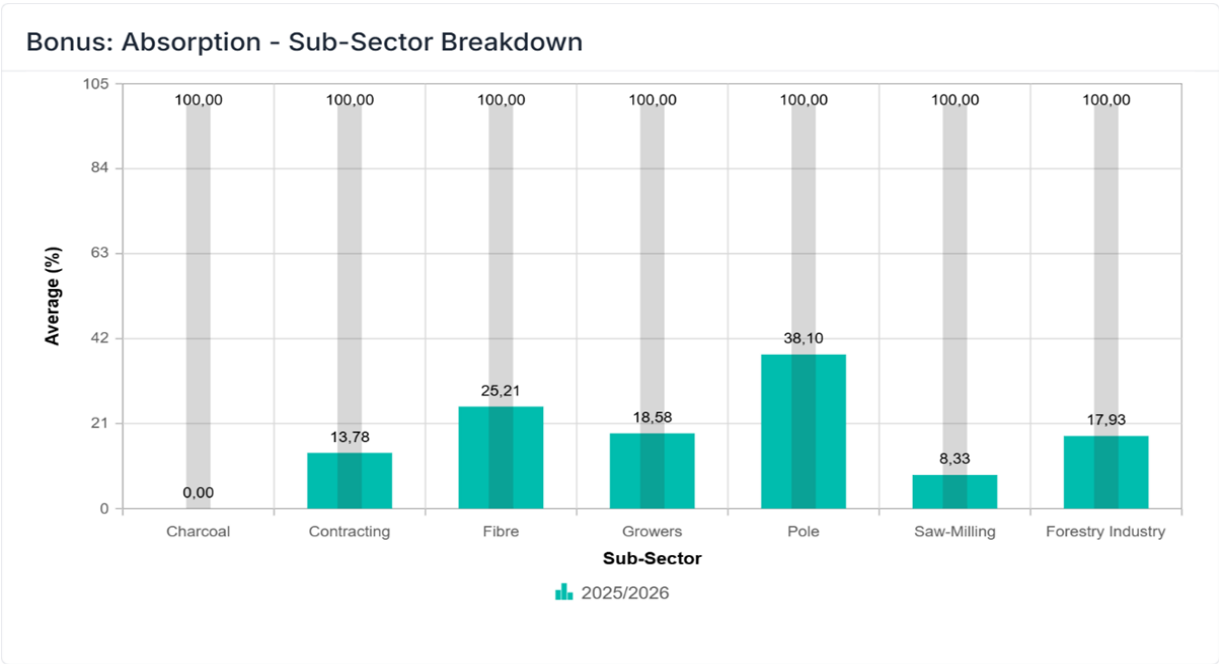


Figure 35: MLEs Absorption for Black Learners

Figure 35 above indicates that absorption performance across the sector remains considerably low, with all sub-sectors performing significantly below the target. The overall industry absorption rate was exceptionally low, reflecting weak sector-wide performance in relation to workforce integration and retention of programme beneficiaries. Pole Producers recorded the highest absorption rate, outperforming all other sub-sectors, although still substantially below the prescribed target. Fibre achieved the second-highest performance with an average absorption rate, followed by Growers, which performed slightly above the industry average. Contracting and Sawmilling recorded poor, varied levels, making them amongst the weakest-performing sub-sectors. Charcoal Producers recorded no absorption of beneficiaries during the reporting period.

Within the South African context, the low absorption performance remains a significant concern, particularly in a country experiencing persistently high unemployment levels, which continue to disproportionately affect young people. Although the challenges associated with youth unemployment are longstanding, the trend has remained consistently high over the past decade. Recent 2025 statistics indicate that the unemployment rate among youth aged 15 to 34 stands at 36.9%, highlighting the urgent need for strengthened interventions aimed at improving employment access and labour market participation for young people.

In response to the growing challenge of youth unemployment within the sector, Forestry South Africa established the Forestry Graduate Employment Programme (F-GEP), a sector-wide initiative aimed at improving the employability of unemployed forestry graduates while simultaneously fostering entrepreneurial development. The F-GEP serves as a complementary intervention to existing internship and workplace learning initiatives implemented by entities, with an additional emphasis on nurturing an entrepreneurial mindset among participants, critical for intercepting ESD entrepreneurial opportunities. Since its implementation, F-GEP has successfully facilitated the placement of graduates across entities within the forestry value chain, thereby contributing towards intentional skills transfer, workplace exposure, and industry integration.

Furthermore, F-GEP creates an expanded pool of suitably skilled and work-ready graduates from which entities may source talent, particularly in instances where internal workplace learning opportunities are limited. As a result, the programme contributes towards strengthening sectoral skills capacity while producing graduates equipped with industry-relevant competencies suitable for entry-level roles within the forestry sector.

<https://www.statssa.gov.za/?p=18398>^{xiii}

<https://www.zawya.com/en/world/africa/south-africa-forestry-sector-webinar-highlights-career-pathways-for-unemployed-youth-dnd8zvx0>^{xiv}

Table 6 below presents the performance of MLEs on the four indicators of the Skills Development element over three reporting periods.

Indicator	Points Allocated	Average Score FY 2023/24	Average Score FY 2024/25	Average Score FY 2025/26	Compliance Target (%)	Indicator Achieved (%) FY 2023/24	Indicator Achieved (%) FY 2024/25	Indicator Achieved (%) FY 2025/26
Skills Development Expenditure- Black People	8	4.58	4.75	4.88	5	57.3	59.4	61
Skills Development Expenditure- Black Employees living with Disabilities	4	2.90	2.67	3	0.3	73	66.8	75
Black Employees- LAI	4	2.96	2.70	2.9	2.5	74	67.5	73
Black Unemployed Learners- LAI	4	3.2	2.27	2.6	2.5	80	56.8	65

6.4 Enterprise and Supplier Development In-Depth Analysis

Enterprise and Supplier Development (ESD) is a critical driver of inclusive economic growth in South Africa, particularly within the framework of B-BBEE. ESD initiatives are designed to build the capacity, sustainability, and competitiveness of Black Small, Medium, and Micro Enterprises (SMMEs). In the context of South Africa’s persistent challenges of unemployment, inequality, and limited economic participation, ESD plays a pivotal role in stimulating local economic activity and supporting job creation. By integrating emerging enterprises into established value chains, ESD facilitates meaningful participation in the mainstream economy, thereby advancing transformation objectives beyond compliance.

A key strength of ESD lies in the strategic partnerships between large corporates and small businesses. Through these partnerships, beneficiaries gain access to funding, technical support, mentorship, and markets, resources that are often otherwise inaccessible. This not only enhances enterprise sustainability but also improves supplier diversity and resilience within the forestry value chain.

Figure 36 below illustrates the average performance of MLEs over three years in relation to their compliance with the ESD target.

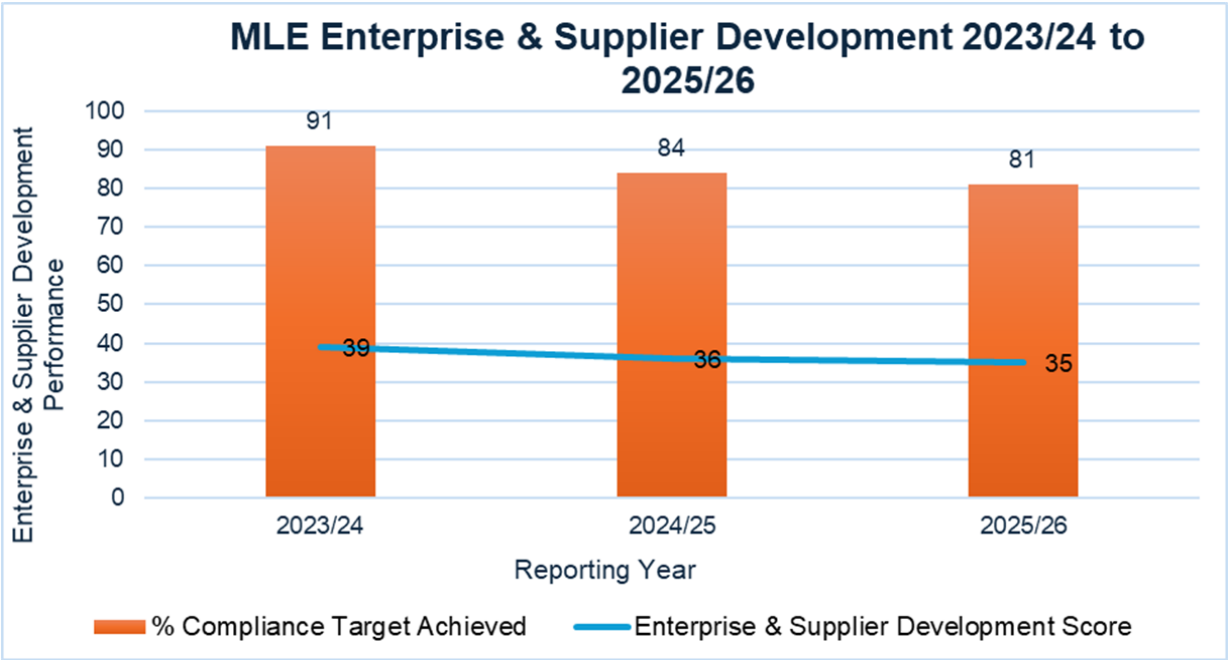


Figure 36: MLEs’ Enterprise & Supplier Development Performance, 2023/24 –2025/26

The illustration in Figure 36 above suggests that ESD compliance remained relatively resilient over the three years, with compliance levels consistently above 80% and average scores remaining above 35 points. However, compliance declined from 91% in 2023/24 to 84% in

2024/25 and further to 81% in 2025/26. Similarly, the average ESD score decreased from 39 points to 36 points, and then to 35 points over the same period. This consistent downward trend suggests a gradual weakening in the sector's commitment to ESD initiatives.

This decline may indicate several underlying challenges within the forestry sector. Firstly, it could reflect reduced financial contributions toward ESD initiatives, particularly given that the entities are to allocate approximately 3% of Net Profit After Tax (NPAT) towards ESD initiatives. A decline may therefore signal financial pressures within entities or shifting priorities away from transformation-focused investments.

Secondly, the trend may point to structural inefficiencies in how ESD programmes are implemented by entities. While ESD is designed to support, capacitate, and integrate black-owned SMMEs into formal value chains, evidence suggests that many programmes in South Africa struggle to translate financial inputs into sustainable business outcomes. For example, recent studies indicate that although ESD initiatives in South Africa are substantial, estimated at billions of rands annually, their long-term impact on SMMEs sustainability and growth remains uncertain. This is also exacerbated by the fragmented implementation of the B-BBEE framework. Literature highlights that fragmented implementation, where ESD, skills development, and Preferential Procurement are not integrated, limits the effectiveness of transformation efforts and reduces the ability of supported enterprises to scale and compete.

Overall, the forestry sector's performance remains relatively sturdy in terms of compliance levels (above 80%), suggesting that entities are still largely meeting minimum requirements. However, the downward trajectory is concerning, particularly given that ESD is widely recognised as a critical lever for job creation, supply chain transformation, and inclusive economic growth in South Africa.

https://www.africanmining.co.za/2024/10/31/white-paper-launched-assesses-effectiveness-of-esd-in-sa/?utm_source=chatgpt.com^{xv}

https://www.businessday.co.za/companies/2025-11-28-from-compliance-to-impact-how-strategic-b-bbee-implementation-transforms-sa-business/?utm_source=chatgpt.com^{xvi}

Figure 37 below illustrates the average performance of several industry sub-sectors relating to ESD expenditure.

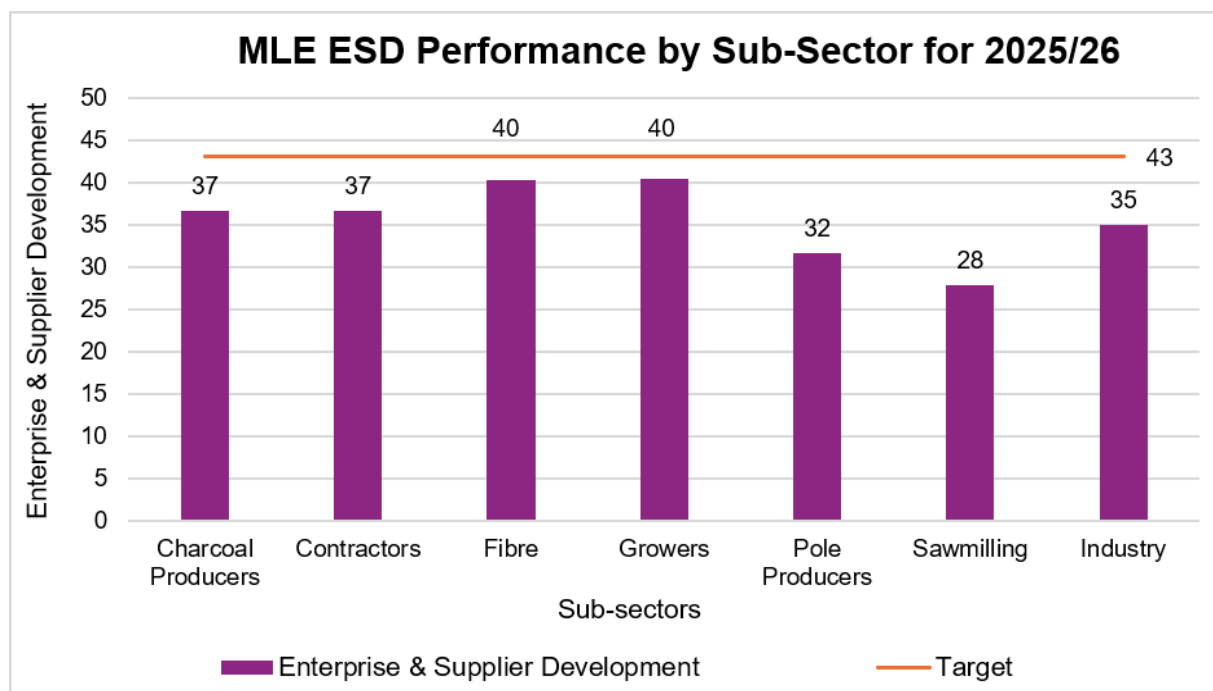


Figure 37: MLEs' Enterprise and Supplier Development Performance per Sub-sector

Figure 37 above indicates varying levels of ESD performance across the sub-sectors, with none achieving the full target of 43 points. The Fibre and Growers sub-sectors are the highest performers, followed by Contractors and Charcoal Producers. These sub-sectors demonstrate a relatively progressive commitment, likely reflecting more structured ESD programmes and better implementation of the ESD initiatives.

In contrast, Pole Producers and Sawmilling record notably lower performance, falling below both the target and the industry average of 36. This suggests poor implementation of ESD initiatives, potentially due to limited financial investment or structural constraints within these sub-sectors. While these sub-sectors are making meaningful progress, there remains a need to shift towards more structured, impact-driven ESD interventions. To strengthen compliance of these sub-sectors, improved access to procurement opportunities, supplier integration, and robust incubation of new black players are necessary.

Preferential Procurement is a component of supply chain and procurement practices aimed at promoting the economic participation of historically disadvantaged groups within the economy. Through this approach, entities are encouraged to procure goods and services from empowering suppliers that meet the prescribed B-BBEE compliance requirements, thereby contributing towards inclusive economic transformation and sustainable supplier development.

Figure 38 below shows the proportion of total procurement expenditure directed towards empowering suppliers across the various industry sub-sectors.

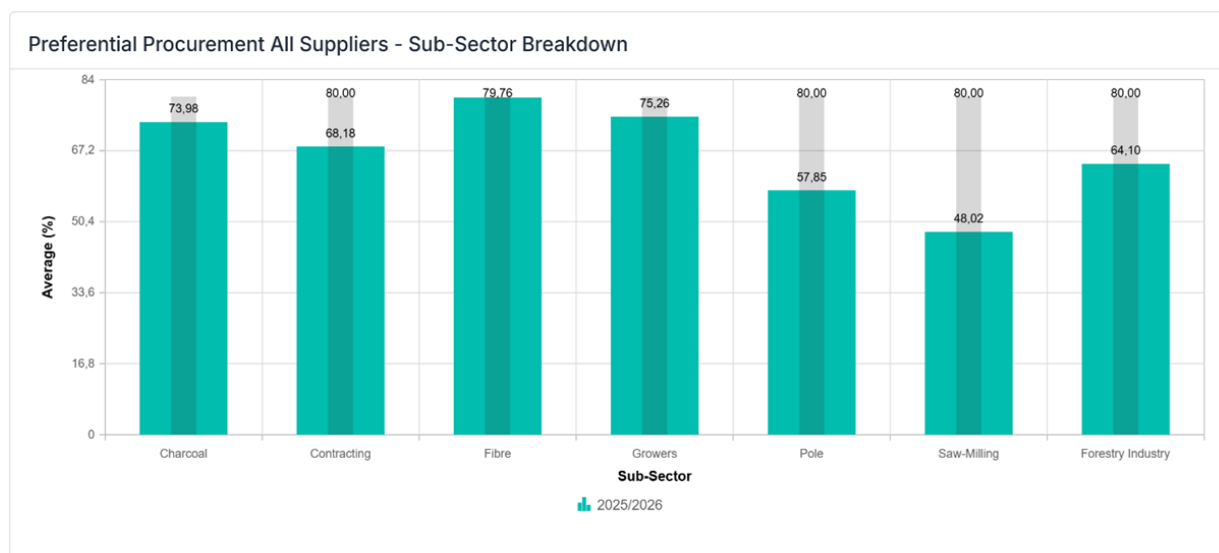


Figure 38: MLE Procurement from all Empowering Suppliers

As illustrated in Figure 38 above, the overall performance across the sub-sectors reflects encouraging progress in procurement expenditure directed towards empowering suppliers, indicating broad implementation of Preferential Procurement strategies throughout the sector. Fibre recorded the strongest performance, achieving expenditure levels close to the prescribed 80% target and outperforming all other sub-sectors. Growers and Charcoal Producers demonstrated relatively similar performance trends. Contracting also performed relatively well, exceeding the overall industry average and demonstrating moderate to firm compliance in comparison to other sub-sectors. Pole Producers recorded lower, yet still moderate performance levels, while Sawmilling emerged as the weakest-performing sub-sector in this indicator.

In accordance with the Amended FSC and the sector-specific Principle of Accountability outlined in FSC000, the implementation of scorecard commitments is recognised as a shared responsibility between Industry and Government. This accountability framework is reinforced through Charter Undertakings and qualified by the Completeness Ratio, both of which are intended to ensure mutual responsibility in advancing transformation objectives. Within this framework, MLEs are required to be assessed on 50% of the total scorecard targets attributable to Industry for indicators 2.1.2 to 2.1.6, while the remaining 50% is allocated to Government responsibility. During the current reporting period, 44 out of 46 reporting entities applied the half-target principle, while two entities applied full-target calculations. This reflects an adequate level of compliance with the prescribed methodology.

Figure 39 below exhibits the comparative analysis of sub-sectors' procurement expenditures on QSEs by sub-sector (Half Target).

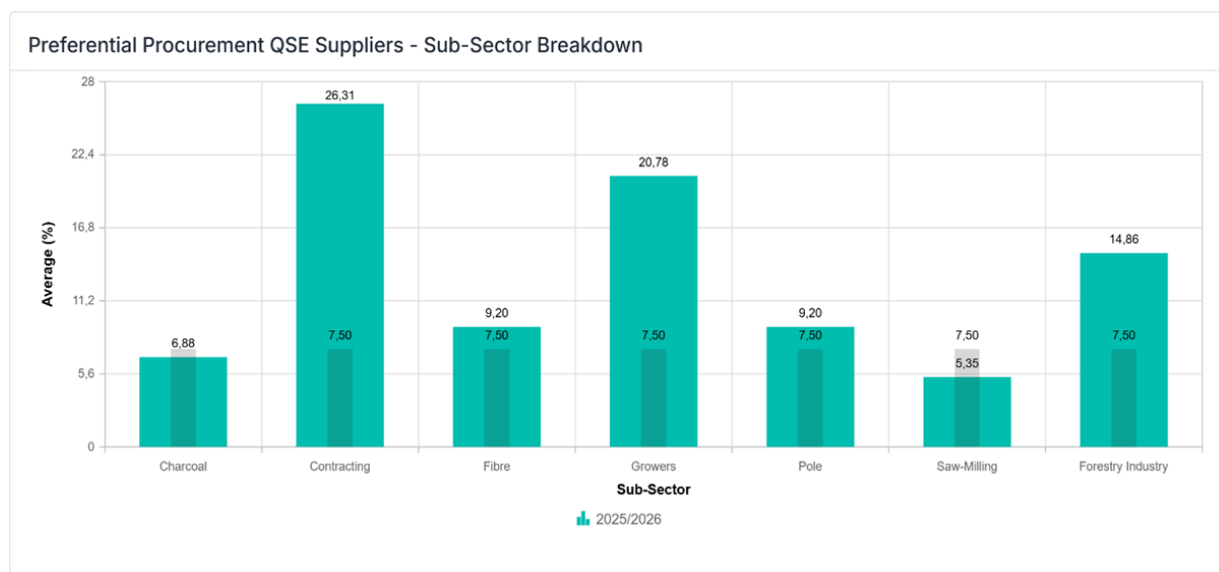


Figure 39: MLEs' Procurement Spend on QSEs per Sub-sector (Half Target)

Performance against the half-target reflected notable variation across the sub-sectors, with some demonstrating encouraging procurement commitment towards the designated category of suppliers, while others continued to underperform, as shown in Figure 39 above. Contracting emerged as the good-performing sub-sector, substantially exceeding the target and outperforming all other sub-sectors by a considerable margin.

Growers also demonstrated strong performance, recording expenditure levels well above the prescribed threshold. Pole Producers and Fibre achieved relatively comparable results, with both sub-sectors performing marginally above the target and demonstrating moderate compliance levels. In contrast, Charcoal Producers and Sawmilling recorded the progressive performance levels, both failing to meet the prescribed target and performing below the overall industry average.

Figure 40 below displays the comparative analysis of sub-sectors' procurement expenditures on EMEs by sub-sector (Half Target).

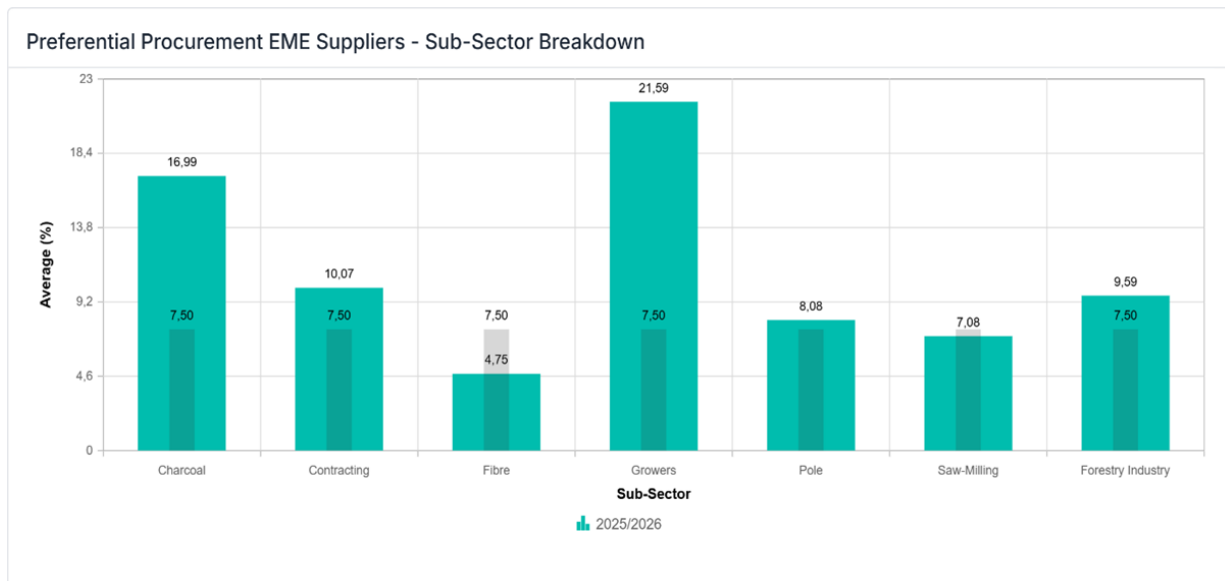


Figure 40: MLEs' Procurement Spend on EMEs per Sub-sector (Half Target)

As shown in Figure 40 above, four out of six sub-sectors exceeded the target, with Growers tripling the compliance benchmark and Charcoal Producers doubling the target. Contracting and Pole Producers also slightly exceeded the required threshold, indicating generally positive performance within these categories. Sawmilling recorded the second-lowest performance, falling below the target, while Fibre demonstrated moderate performance but remained below both the target and the industry average.

The comparison analysis of procurement expenditure from 51% BO Suppliers by sub-sectors is depicted in Figure 41 below (Half-Target).

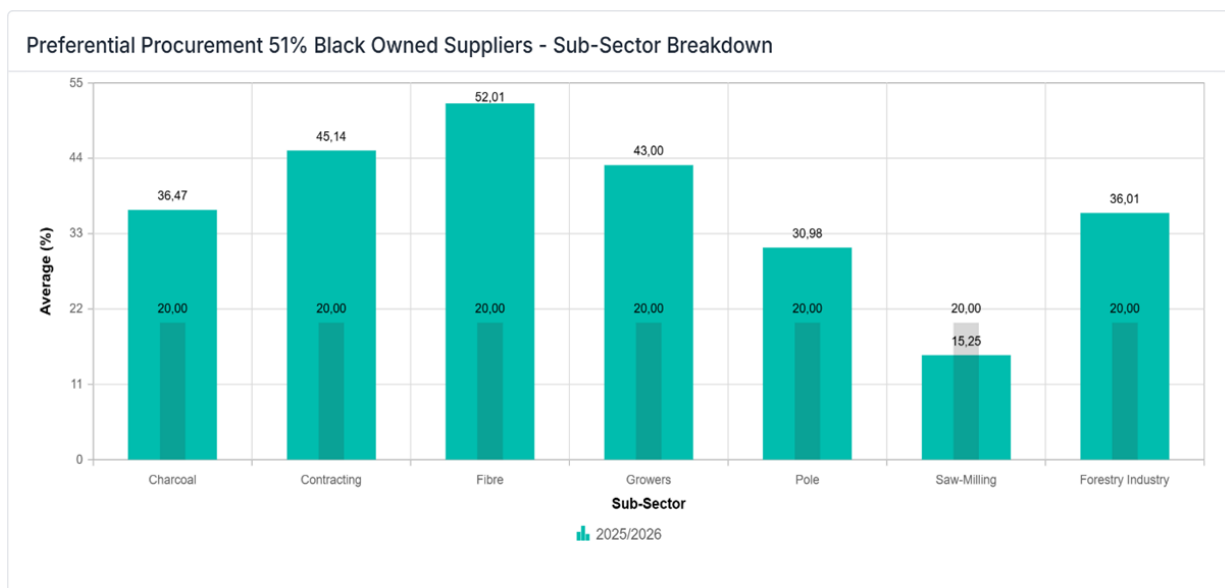


Figure 41: MLEs' Procurement Spend from at least 51% BO Suppliers based on the applicable B-BBEE Procurement Recognition Levels (Half Target)

The performance trends reflected strong compliance across most sub-sectors, with five out of the six sub-sectors exceeding the prescribed 20% target as portrayed in Figure 41 above. Fibre emerged as the highest performing sub-sector, outperforming all peers in procurement expenditure towards the designated supplier category. Contracting and Growers demonstrated relatively similar performance levels, both achieving results above the target with only marginal differences between them. Charcoal Producers and Pole Producers also recorded closely aligned performance levels, although one performed below the industry average. Sawmilling recorded the lowest performance and was the only sub-sector that failed to meet the prescribed target and performed significantly below the industry average.

Figure 42 below presents the procurement expenditure analysis directed towards 30% BWO suppliers across the various sub-sectors, measured against the applicable half-target.

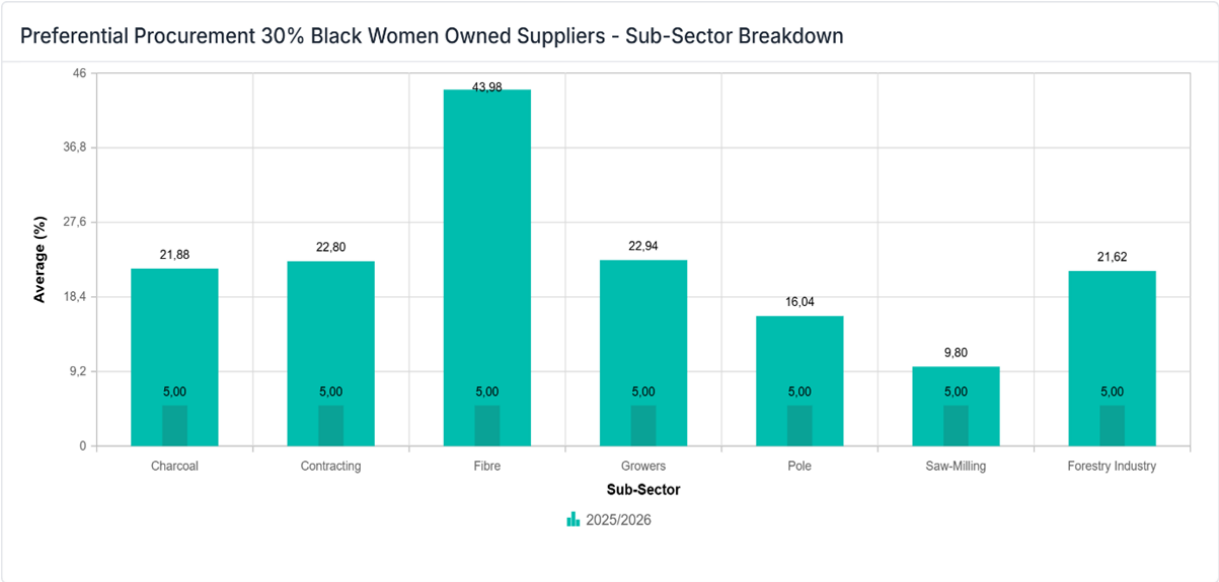


Figure 42: MLEs’ Procurement Spend from 30% BWO Suppliers based on the applicable B-BBEE Procurement Recognition Levels (Full Target)

The performance trends reflected in Figure 42 above indicate strong compliance across all sub-sectors, with each exceeding the prescribed 5% target, although the levels of achievement varied considerably. Fibre recorded exceptional performance, significantly surpassing the target and outperforming both the industry average and all other sub-sectors by a substantial margin. Growers, Contracting, and Charcoal Producers demonstrated relatively similar performance levels, with only minor variations between them. Pole Producers and Sawmilling also recorded positive performance. Overall, the findings suggest that procurement support towards black-owned suppliers is being effectively implemented across the sector, contributing towards improved competitiveness, business sustainability, and broader economic participation within the forestry value chain.

Figure 43 below presents a comparative analysis of procurement expenditure directed towards 51% BO suppliers and 51% BDGs suppliers across the various sub-sectors, measured against the applicable half-target.

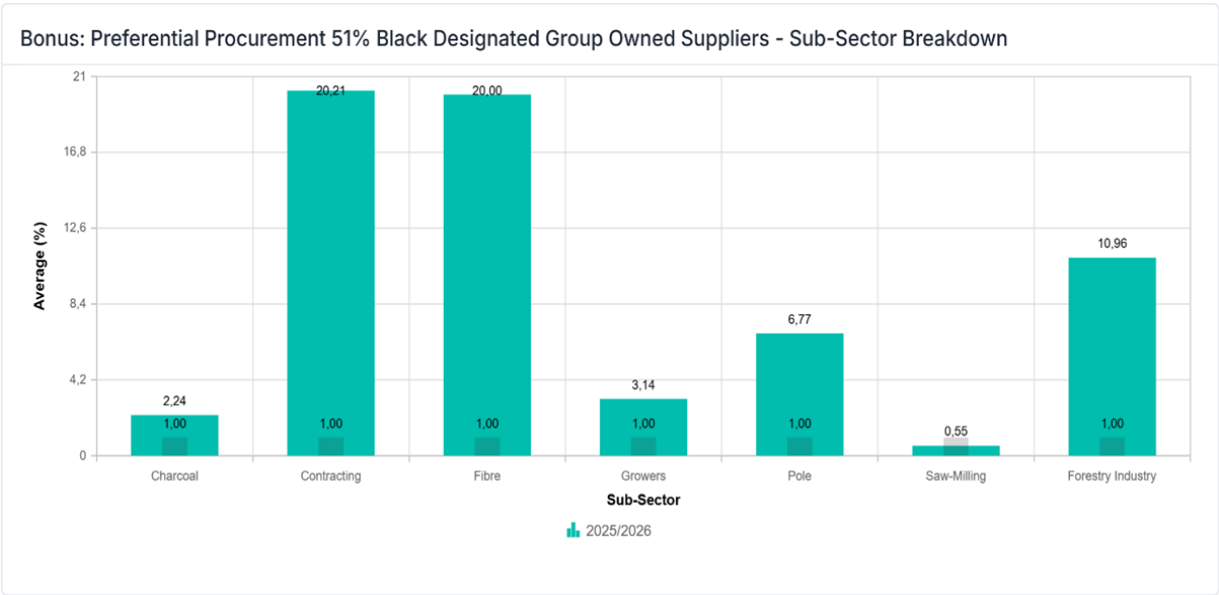


Figure 43: MLEs’ Procurement Spend from Suppliers that are at least 51% BO and 51% owned by BDGs (Half Target)

The performance trends shown in Figure 43 above indicate generally positive progress across most sub-sectors for this indicator. Contracting and Fibre emerged as the highest-performing sub-sectors, substantially exceeding the prescribed 1% target and outperforming all other sub-sectors by a notable margin. Pole Producers, Growers, and Charcoal Producers also exceeded the prescribed target, indicating encouraging progress in advancing inclusive procurement practices within these sub-sectors. However, despite meeting the target, their performance levels remained below the overall industry average. In contrast, Sawmilling recorded the inadequate performance, failing to achieve the prescribed target and performing significantly below the industry average. The overall performance reflects a positive procurement support towards enterprises owned by BDGs.

In the current reporting period, only two entities were assessed against the full targets for PP indicators 2.1.2 to 2.1.6. Figure 44 below presents a comparative analysis of the performance of the two entities against the applicable compliance targets. However, as Company A recorded 0% achievement across all PP indicators, the analysis primarily focused on the performance and achievements of Company B.

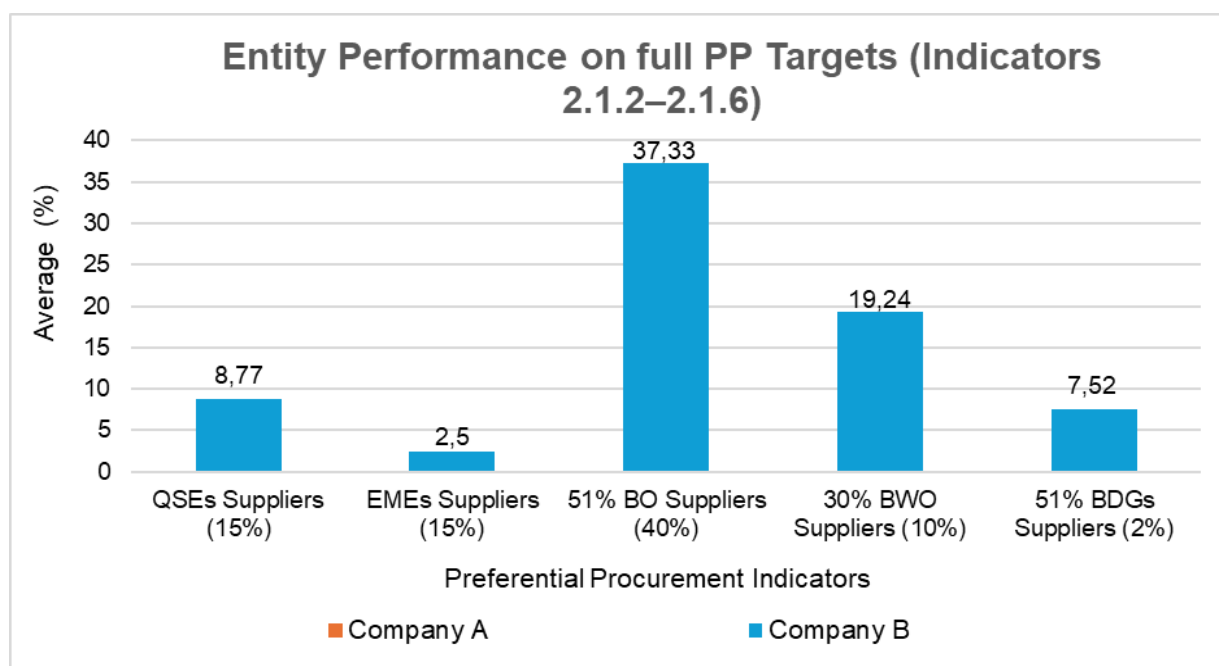


Figure 44: Performance of Entities on PP Indicators 2.1.2–2.1.6 (Full Target)

As illustrated in Figure 44 above, Company B demonstrated varying levels of performance across the PP indicators assessed against the full compliance targets. The entity achieved the highest performance in procurement spend from suppliers that are at least 51% BO, recording closer to the target. Commendable performance was observed in procurement from 30% BWO suppliers, significantly exceeding the prescribed target. Procurement spend from QSE suppliers reflects moderate compliance, while expenditure on EME suppliers recorded the lowest performance against the target, indicating substantial underperformance in this area. Furthermore, procurement from 51% BDGs suppliers surpassed the target. Overall, the findings suggest that while Company B performed exceptionally well in selected procurement categories, except for EMEs suppliers, a more balanced compliance approach across all PP indicators is encouraged.

Supplier Development (SD) requires entities to support and promote the growth and sustainability of SMMEs that already form part of their supply chain through the procurement of goods and/or services. To qualify for the full SD points on the B-BBEE scorecard, entities are required to contribute 2% of their NPAT towards SD initiatives. These contributions may take the form of both financial and non-financial assistance, including funding, training, mentorship, equipment support, and other developmental interventions aimed at enhancing supplier capacity and long-term participation in the value chain. Qualifying SD contributions are outlined under the SD Benefit Factor Matrix, which serves as a guideline to the market on the qualification criteria for recognised SD initiatives.

Figure 45 below displays a comparative analysis of SD contribution compliance across the various sub-sectors.

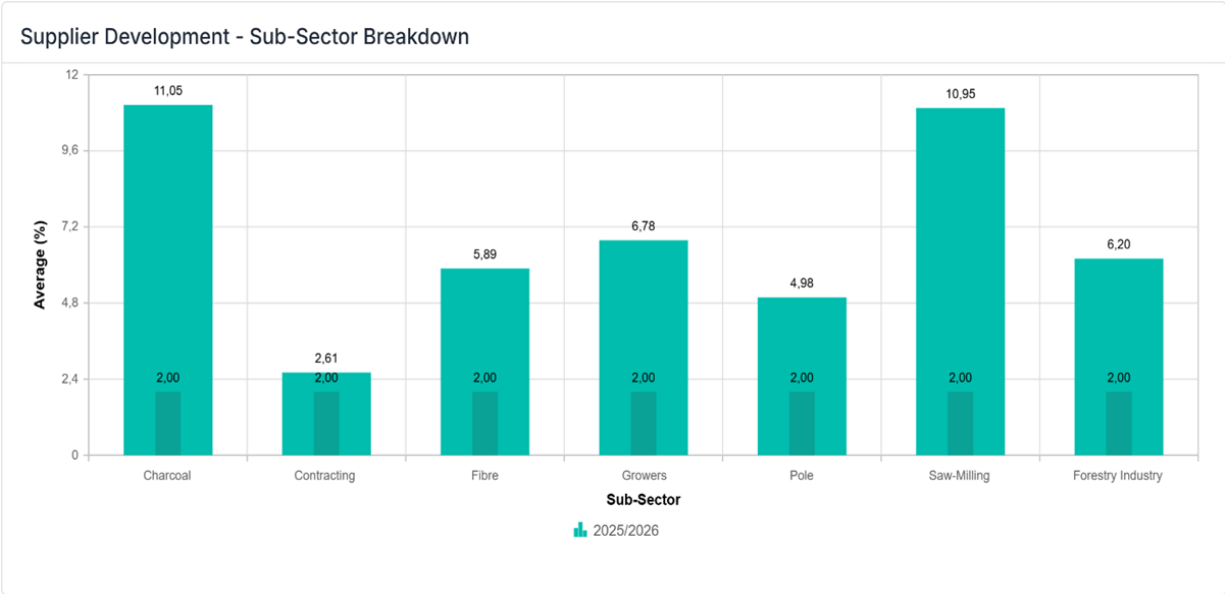


Figure 45: MLE Annual Value of all Qualifying SD Contributions made by the Measured Entity as a % of the Target

The performance of SD contributions reflects a commendable compliance outlook, as illustrated in Figure 45 above. All sub-sectors exceeded the compliance target of 2%, although performance levels varied across the board. Charcoal Producers and Sawmilling performed exceptionally, with slight variances. Growers and Fibre displayed relatively similar performance levels, with only marginal differences between them. Pole Producers and Contracting showed progressive performance trends, with Contracting only marginally exceeding the target; however, both sub-sectors performed below the industry average. Notably, the current reporting period recorded improved SD contribution performance compared to the previous reporting period, indicating progressive compliance and strengthened commitment towards SD across the sector.

Enterprise Development (ED) is aimed at promoting economic growth and sustainability through the development and support of SMMEs that operate outside an entity’s supplier chain. The objective of ED is to assist emerging enterprises in becoming financially and operationally sustainable, thereby enhancing broader economic participation and transformation. To qualify for the full ED points on the B-BBEE scorecard, entities are required to contribute 1% of their NPAT towards ED initiatives. Qualifying ED contributions are guided by the ED Benefit Factor Matrix.

Figure 46 below presents a comparative analysis of ED contribution compliance across the various sub-sectors.



Figure 46: MLE Annual Value of all Qualifying ED Contributions made by the Measured Entity as a % of the Target

As illustrated in Figure 46 above, five out of the six sub-sectors achieved or exceeded the 1% target for ED contributions. Sawmilling showed exceptional performance, significantly exceeding the target and outperforming all other sub-sectors. Growers and Fibre recorded relatively similar performance levels, although both performed marginally below the industry average. Contracting and Pole Producers exceeded the compliance target by slight margins; however, their performance also remained below the industry average. Charcoal Producers recorded the lowest performance and was the only sub-sector that did not achieve the prescribed 1% target for ED contributions. Overall, the findings indicate a fairly positive performance outlook in relation to ED initiatives across the sector, reflecting ongoing commitment towards supporting and developing emerging enterprises.

The Amended FSC places a requirement on entities within the Growers and Sawmilling sub-sectors to prioritise the sale of logs and sawtimber to QSEs and EMEs, and 51% BO and 30% BWO entities. This requirement is intended to ensure procurement support and promote inclusive economic participation within the forestry value chain.

Figure 47 below illustrates the extent to which the Growers and Sawmilling sub-sectors are contributing towards market inclusivity through the targeted distribution of logs and sawtimber to QSEs and EMEs.

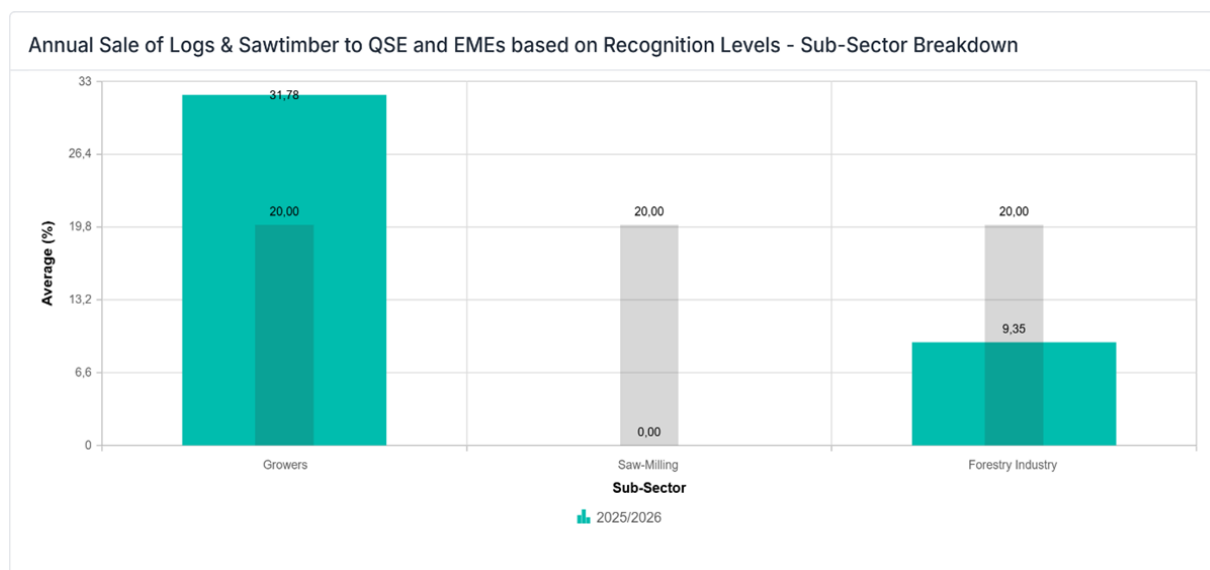


Figure 47: MLE Growers & Sawmilling Sales of Logs & Sawtimber to QSEs & EMEs

Figure 47 above presents an interesting performance outlook, indicating that the Growers sub-sector is the only sub-sector exceeding the compliance targets for these indicators, while the Sawmilling sub-sector continues to demonstrate consistently poor performance across reporting periods. This recurring trend suggests the existence of structural and operational challenges affecting the ability of entities within the Sawmilling sub-sector to meet these requirements. Anecdotal evidence indicates that Growers are generally better positioned to achieve compliance due to the vertically integrated nature of many of their operations. In contrast, entities operating within the Sawmilling sub-sector rely heavily on the primary Growers sub-sector for the supply of raw materials and timber resources. Furthermore, the nature of raw materials differs across entities, limiting the flexibility of sawmilling operations to resell logs and sawtimber under normal business conditions. In most cases, the resale of raw materials may only occur when entities face operational or market-related challenges that necessitate such transactions in order to minimise potential economic losses.

An additional requirement for measured entities is to ensure the sale of logs and sawtimber to entities that are at least 51% BO or 30% BWO, irrespective of the B-BBEE recognition levels achieved by such entities.

Figure 48 below illustrates the performance of the respective sub-sectors in meeting the obligation relating to the sale of logs and sawtimber to entities that are at least 51% BO or 30% BWO.

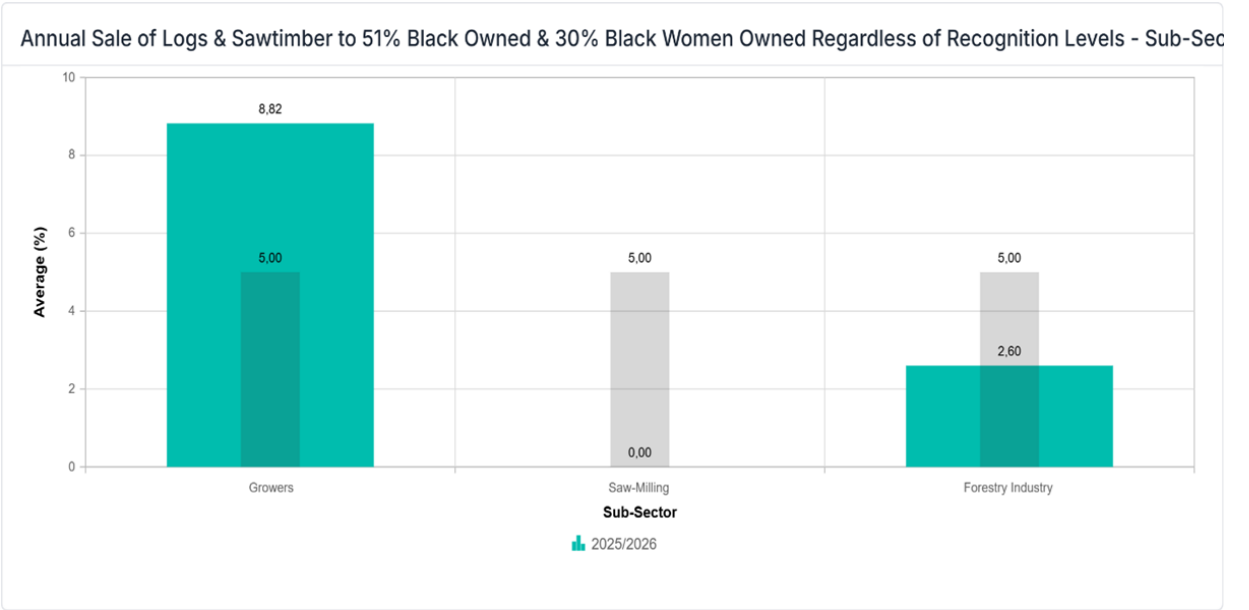


Figure 48: MLE Growers & Sawmilling Sales of Logs & Sawtimber to 51% BO or 30% BWO

Figure 48 above reflects a similar pattern to Figure 47, with Growers exceeding the target and outperforming both the industry average and the Sawmilling sub-sector. The continued underperformance of the Sawmilling sub-sector against this target suggests that the target may be difficult or impractical for sawmillers to achieve under current conditions. This supports the explanation provided above and highlights the importance of the proposed review of this target in the pending amendments still to be gazetted.

Table 7 below illustrates the performance of MLEs on the indicators of the Enterprise and Supplier Development element over three reporting periods

Indicator	Points Allocated	Average Score FY FY 2023/24	Average Score FY 2024/25	Average Score FY 2025/26	Compliance Target (%)	Indicator Achieved (%) FY 2023/24	Indicator Achieved (%) FY 2024/25	Indicator Achieved (%) FY 2025/26
PPS All Suppliers	5	-	4.02	3.65	80	-	80.4	73
PPS from QSEs	2	0.79	1.27	0.58	15	39.5	63.5	29
		1.33	1.39	1.4	7.5	66.5	69.5	70
PPS from EMEs	3	2.11	1,04	0.25	15	70.3	34.7	8.3
		2.32	2.15	2.09	7.5	77.3	71.7	69.7
PPS from 51% BO	9	8.64	5.45	4.2	40	96	60.6	46.7
		8.75	7.39	7.64	20	97	82.1	84.9
PPS from 30% BWO	2	2	1.33	1	10	100	66.5	50
		1.91	1.83	1.77	5	96	91.5	88.5
PPS from 51% BDG	2	1.22	1.33	1	2	61	66.5	50
		1.72	1.53	1.56	1	86	76.5	78
SD Contribution	10	-	8.55	8.7	2	-	85.5	87
ED Contribution	10	-	8.9	8.29	1	-	89	82.9
ED Contribution	7*	-	6.40	7	1	-	91.4	100
Sale of Logs EMEs /QSEs	2	-	0.68	0.31	20	-	34	15.5
Sale of Logs 51% BO/30% BWO	1	-	0.49	0.14	5	-	49	14

6.5 Socio-Economic Development In-Depth Analysis

Socio-Economic Development (SED) encompasses both monetary and non-monetary contributions aimed at uplifting individuals, groups, and communities. For full recognition, at least 75% of the beneficiaries must be Black people; otherwise, contributions are recognised on a pro-rata basis in line with the extent of benefit. Measured entities must allocate 1% of NPAT to SED initiatives that deliver sustainable economic and social benefits. These contributions are intended to promote long-term development and improve the quality of life in beneficiary communities.

Within the forestry sector, operations are predominantly located in rural and underdeveloped areas where economic activity and access to basic services are often limited. As a result, forestry companies frequently play a broader developmental role, supporting infrastructure and essential services in a manner that supplements local government capacity. Through targeted SED initiatives, the sector contributes significantly to improving access to education, healthcare, infrastructure, and community development programmes. This not only enhances livelihoods and well-being but also supports socio-economic stability in disadvantaged communities.

From a broader perspective, literature suggests that while SED initiatives in South Africa are generally well-funded, their effectiveness often depends on the extent to which they are integrated with broader economic participation strategies. The B-BBEE Commission notes that SED programmes tend to yield stronger outcomes when they move beyond once-off contributions towards sustainable, community-linked interventions. Similarly, the BusinessDay emphasises that socio-economic development initiatives are most impactful when aligned with local economic systems, skills development, and enterprise creation, rather than operating as isolated corporate social investments.

https://www.bbbeeecommission.co.za/b-bbee-commission-research-survey-puts-a-spotlight-on-the-gains-and-challenges-on-implementing-enterprise-and-supplier-development-programmes/?utm_source=chatgpt.com^{xvii}

https://www.bbbeeecommission.co.za/wp-content/uploads/2026/02/B-BBEE-COMMISSION-ESD-Report-17-Final_compressed-3.pdf?utm_source=chatgpt.com^{xviii}

https://www.businessday.co.za/companies/2025-11-28-from-compliance-to-impact-how-strategic-b-bbee-implementation-transforms-sa-business/?utm_source=chatgpt.com^{xix}

The comparative performance of MLEs on the SED over a three-year reporting period is displayed in Figure 49 below.

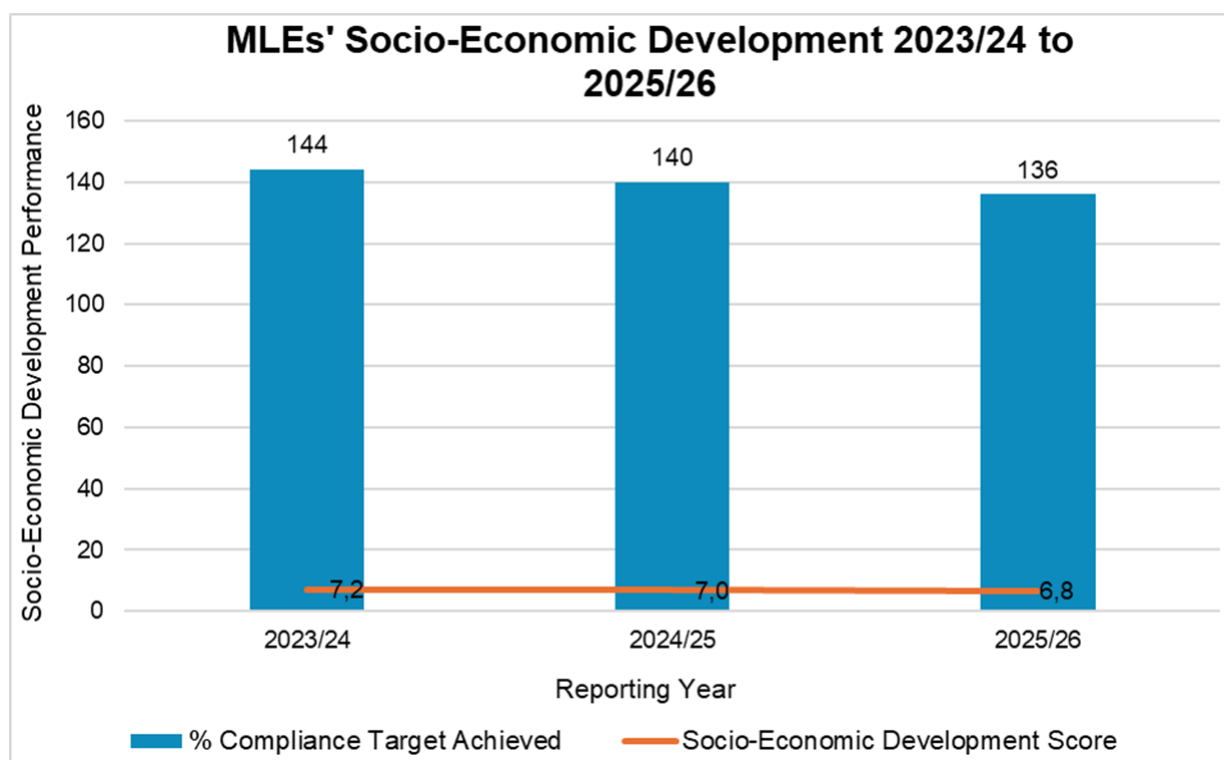


Figure 49: MLEs' Socio-Economic Development Performance, 2023/24–2025/26

The SED performance remains relatively notable, reflecting sustained investment in structured, impact-oriented initiatives. As shown in Figure 49 above, SED scores declined marginally from 144 in 2023/24 to 140 in 2024/25 (2.8%), and further to 136 in 2025/26 (2.9%), with average scores exhibiting a similar downward trend. While this indicates a gradual softening in performance, the levels achieved remain comparatively high, suggesting that SED continues to be a stable and well-embedded element within the sector's transformation agenda.

The persistently high scores point to ongoing commitments by MLEs to support community upliftment, particularly in forestry-dependent and rural areas. This aligns with the objectives of the Amended FSC, where SED is positioned as a mechanism to address historical socio-economic inequalities and promote inclusive rural development.

Figure 50 below presents the performance of SED initiatives across the six industry sub-sectors.

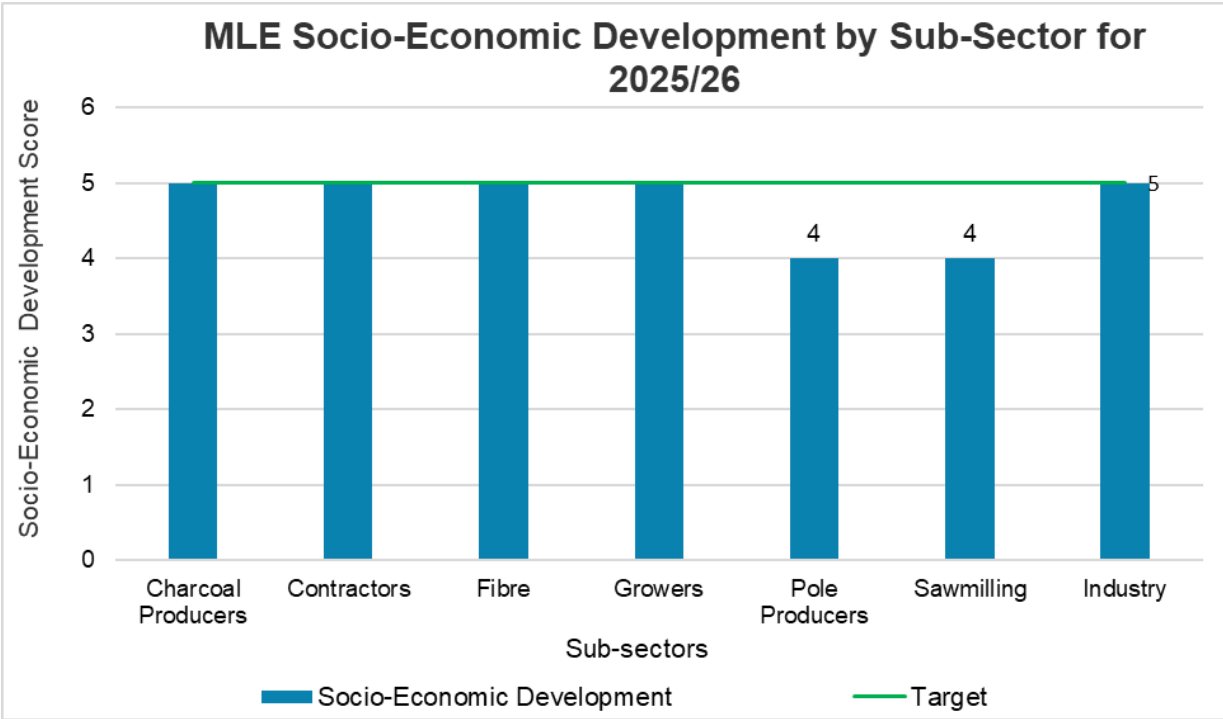


Figure 50: MLE Socio-Economic Development Performance per Sub-sector

As portrayed in Figure 50 above, four out of six sub-sectors achieved the SED target, while the remaining two sub-sectors attained an equal score of 4, contributing approximately 80% towards the overall target. The overall trend is consistent with the previous reporting year. Contractors improved notably, increasing from 80% to 100%, whereas Sawmilling recorded a decline over the same period. Pole Producers, by contrast, maintained a stable performance relative to the previous year. Despite these fluctuations, all sub-sectors demonstrate progressive compliance behaviour in relation to SED, indicating that SED initiatives are increasingly embedded within entities' business strategies, although the level of implementation intensity varies across sub-sectors.

Figure 51 below illustrates SED expenditure performance across sub-sectors, indicating their alignment with the benchmark and contribution to transformation and community development objectives.

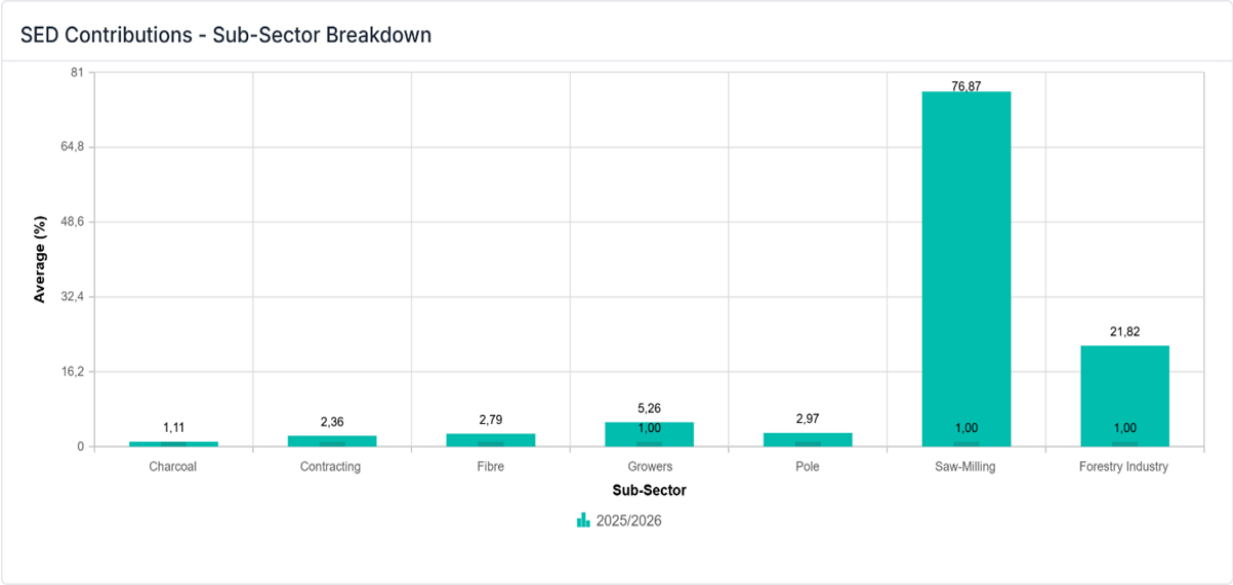


Figure 51: MLE Analysis: Socio-Economic Development Contributions as a % of NPAT

Encouragingly, all sub-sectors exceeded the 1% NPAT target for SED expenditure, demonstrating exceptional performance in this indicator, as illustrated in Figure 51 above. Sawmilling recorded the highest contribution above the target. The remaining sub-sectors showed comparable levels of performance, achieving varying levels above the prescribed threshold.

Although this element is often regarded as a “low-hanging fruit” within the B-BBEE framework, the sector continues to demonstrate consistent implementation above the prescribed benchmark. These outcomes are further supported by the Amended FSC’s Rural Development principle, which promotes sustained investment in forestry-dependent communities to enhance livelihoods and drive meaningful socio-economic impact.

7. JSE LISTED COMPANIES ANALYSIS, COMPARISON, AND BENCHMARKING TO B-BBEE COMMISSION REPORT

Public companies listed on the Johannesburg Stock Exchange (JSE) are required to submit annual compliance reports in terms of Section 13G (2) of the B-BBEE Act as Amended. These reports must be lodged with the B-BBEE Commission either within 30 days of the approval of audited financial statements and annual reports, or within 90 days after the end of the financial year. Failure to comply with these statutory obligations constitutes an offence under the B-BBEE Act as Amended.

In the forestry sector, four JSE-listed entities and one state-owned entity (South African Forestry Company SOC Limited (SAFCOL)) are subject to these requirements. However, compliance with Section 13G (2) does not replace their obligation to report to the Forest Sector Charter Council (FSCC), as mandated by the Act and the applicable sector code. While this may appear to be a duplication of reporting requirements, compliance with both regulatory and sector-specific obligations remains essential, as it supports the distinct mandates of each institution and promotes transparency, accountability, and alignment with national transformation objectives and compliance requirements.

Figure 52 below presents the B-BBEE scorecard performance of the four forestry companies listed on the JSE, represented anonymously as entities “A to D”.

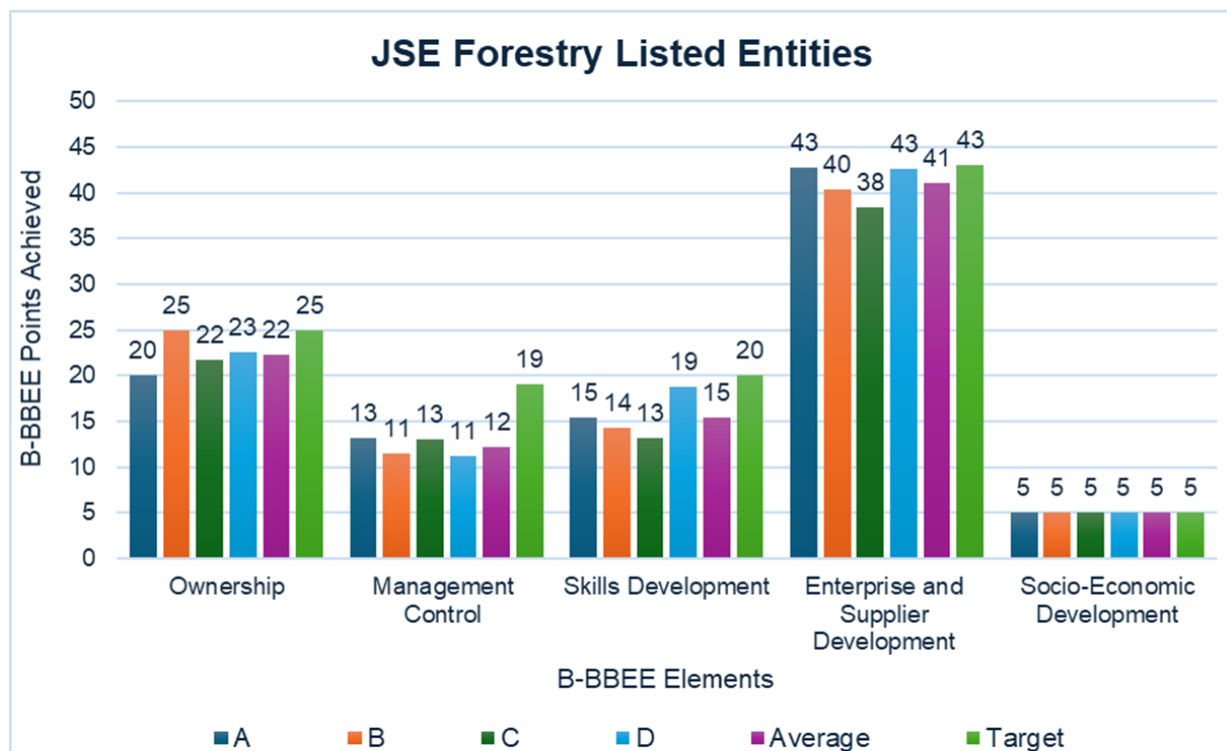


Figure 52: Forestry Sector JSE-Listed Entities, 2025/26 Reporting Period

Forestry entities listed on the JSE continue to demonstrate robust overall B-BBEE performance, with all entities consistently maintaining Level 1 recognition over the reporting period, as highlighted in Figure 52 above. This reflects a sustained commitment to transformation and compliance. However, while B-BBEE ratings remain competitive, the analysis reveals uneven performance across individual scorecard elements. Certain elements demonstrate consistency and robustness, whereas others continue to reflect variability and implementation gaps, indicating differentiated levels of commitment across entities.

In terms of Ownership, only entity “B” achieved full target attainment during the reporting period, continuing its firm and consistent outperformance relative to entities “A”, “C”, and “D”. The remaining entities performed below target, with entity “C” and “D” achieving approximately 88% and 92% respectively, while entity “A” recorded the lowest performance at around 80%. This distribution suggests that meaningful ownership transformation remains concentrated within a single entity, with slower to sturdy progress across the rest of the group. This underscores the continued importance of targeted ownership structuring interventions, including enhanced participation mechanisms and equity realisation strategies, in advancing transformation objectives.

Performance in MC remains moderate across the sector, reflecting average to slightly above-average compliance levels. Entities “A” and “C” achieved similar outcomes at approximately 68%, while entities “B” and “D” recorded comparatively lower results at around 58%. Although these figures indicate incremental progress in certain instances, they also point to persistent structural constraints at the entity level. In particular, the pace of transformation in executive and senior management remains limited, suggesting that existing talent pipeline and succession strategies have not yet fully translated into improved representation outcomes. This aligns with broader empirical observations in transformation literature, such as B-BBEE Commission Annual Reports and the Commission of Employment Equity reports, which emphasise that leadership diversification requires sustained investment in internal development systems rather than isolated compliance efforts.

Overall performance in SD shows relative stability; however, the current reporting period reflects a noticeable downward trend across most entities. Entities “A”, “B”, and “C” recorded declines of 6.3%, 7.7%, and 23.5%, respectively, while only entity “D” maintained a solid performance at approximately 95% of the target. These declines are concerning in the context of South Africa’s broader labour market challenges, particularly core and critical skills shortages and a high unemployment rate. SD remains a critical lever within the B-BBEE framework, as it supports both employability and internal progression into MC positions. A weakening performance in this area may therefore undermine the long-term sustainability of transformation outcomes by constraining the pipeline of qualified black professionals entering and advancing within the sector.

In contrast, ESD and SED continue to reflect comparatively favourable performance across the entities. In ESD, entities “A” and “D” achieved target compliance, with entity “D” sustaining

particularly commendable performance in the current reporting period. Entity “C” recorded a marginal improvement of 2.6%, signalling gradual progress, while entity “B” experienced a decline of 7%, resulting in performance below target. Despite this variation, overall ESD performance remains relatively stable across the group, indicating ongoing investment in supplier development and enterprise support mechanisms. SED performance is particularly positive, with all entities exhibiting the highest achievements. These outcomes reflect an embedded corporate commitment to socio-economic investment, especially in communities located around forestry operations.

8. SOUTH AFRICAN FORESTRY COMPANY SOC LIMITED (SAFCOL)

South African Forestry Company SOC Limited (SAFCOL) is a state-owned forestry enterprise in South Africa, operating now under the Department of Forestry, Fisheries and the Environment (DFFE). Established in 1992 under the Management of State Forests Act No. 128 of 1992, SAFCOL conducts forestry operations domestically in Limpopo, Mpumalanga, and KwaZulu-Natal and internationally in the southern provinces of Mozambique (Manica and Sofala). Its activities include timber harvesting, processing, and related forestry services, balancing commercial viability with socio-economic development.

In South Africa, SAFCOL manages approximately 187 000 hectares of state-owned land and directly and indirectly employs about 5,000 people. Its operations support approximately 20,000 lives in surrounding communities, demonstrating a significant contribution to local socio-economic development. SAFCOL is evaluated under Statement 004, a specialized B-BBEE scorecard designed for state-owned enterprises. This framework exempts SOEs from the Ownership element, redistributing ownership points proportionally across the remaining four elements, thereby assessing compliance and accounting for transformation efforts from the SOE's perspective.

Figure 53 below illustrates SAFCOL's B-BBEE performance over the past three reporting years, highlighting its level of compliance and progress across key scorecard elements.

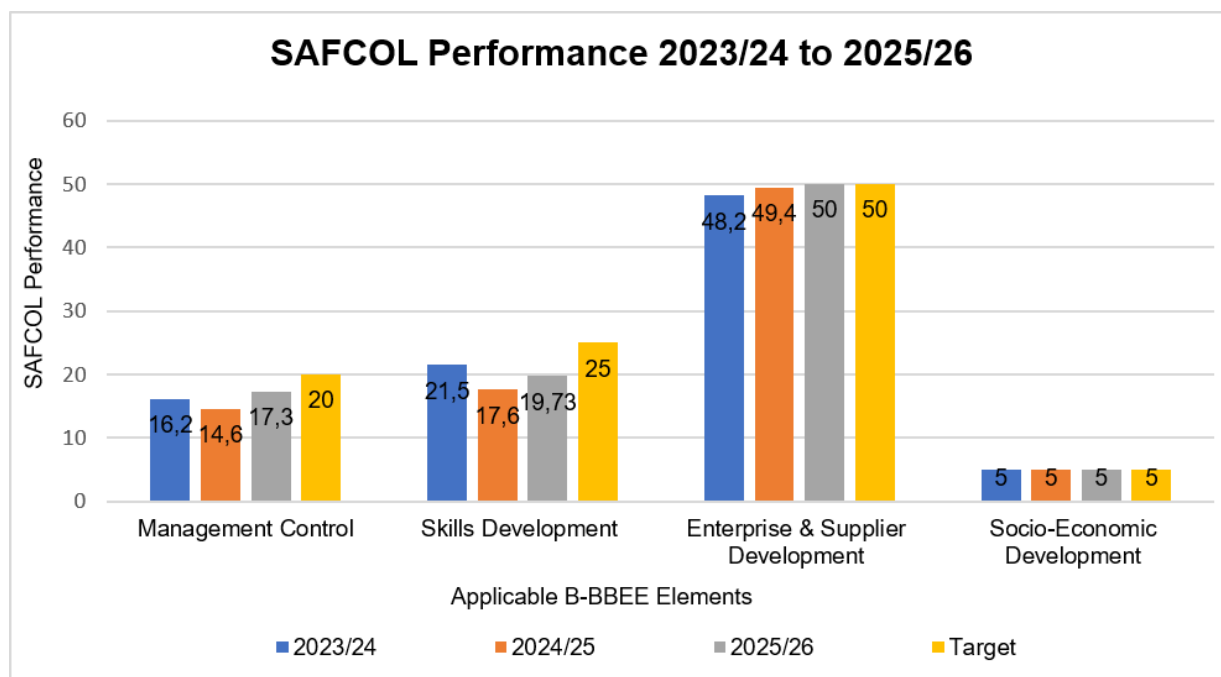


Figure 53: SAFCOL B-BBEE Performance Over Three Years

South African Forestry Company SOC Limited (SAFCOL) has demonstrated a generally robust and improving B-BBEE performance over the three years, as illustrated in Figure 53 above. The entity achieved a Level 1 B-BBEE status in the current reporting year, improving from a Level 2 rating in the preceding two years. This progression reflects enhanced implementation across scorecard elements and signals SAFCOL's continued commitment to transformation.

Performance under Management Control showed some variability, with improvements of 18.5% and 6.8% recorded in 2023/24 and 2024/25, respectively. However, this trend also indicates inconsistency, largely attributed to fluctuating representation of black individuals, particularly black women, in executive and senior management roles. This suggests that while progress is evident, sustained transformation at the leadership level remains an area requiring focused attention.

Skills Development performance presents a more concerning trend. The entity recorded a decline of 8.25% when compared to the 2023/24 period, although a partial recovery of 12.1% is observed in the current year. Despite this, ongoing challenges are evident in the absorption of black individuals who have participated in learning programmes. The limited transition of beneficiaries into permanent employment undermines the long-term impact and sustainability of these initiatives.

This pattern risks perpetuating a cycle where individuals repeatedly participate in training programmes without meaningful integration into the workforce, thereby limiting the effectiveness of Skills Development as a tool to address unemployment. This challenge is compounded by stagnant economic growth in South Africa, which has constrained job creation and contributed to organisational restructuring, including the consolidation of roles and reduced staff complements across sectors. In this context, youth unemployment reached approximately 46.1% in the first quarter of 2025. Strengthening absorption strategies, including participation in sector-wide initiatives such as the F-GEP, could enhance outcomes and better align training investments with sustainable employment creation.

SAFCOL's performance in ESD remains strong and resilient. Although scores reflected minor fluctuations and marginal underperformance against targets in 2023/24 and 2024/25, the entity achieved full compliance in the current reporting year, attaining 100% of both ESD and SED targets. This demonstrates a sustained commitment to rural economic empowerment, enterprise development, and community upliftment, supported by SAFCOL's strategic presence in rural areas and its focused development initiatives.

[South Africa's Youth in the Labour Market: A Decade in Review | Statistics South Africa^{xx}](#)

9. QUALIFYING SMALL ENTERPRISES (QSEs) ANALYSIS

Enterprises classified as Qualifying Small Enterprises (QSEs) are those generating an annual turnover within the range of R10 million to R50 million. In this category, differentiation is made based on ownership structure, resulting in two groupings: Enhanced and Unenhanced QSEs.

Entities that meet the threshold of 51% or more black ownership fall under the Enhanced QSEs category. These enterprises benefit from simplified compliance requirements and are exempted from undergoing the verification process. As a result, they are awarded automatic B-BBEE levels. 100%black-owned entities are recognised at Level 1, while those with 51% - 99% are accorded Level 2 status.

In contrast, enterprises with less than 51% black ownership are categorised as Unenhanced QSEs. These entities must undergo a formal verification process. Their B-BBEE performance is measured annually across all five scorecard elements, in accordance with the provisions of Statement FSC600, and must be confirmed by accredited verification agencies.

A notable development in the current reporting cycle is the introduction of the FSCC Online Reporting System. This system is intended to streamline submission processes and improve the integrity of reported data. Enhanced QSEs are now encouraged to utilise this platform to generate their B-BBEE affidavits directly, while Unenhanced QSEs use the platform to upload and submit their B-BBEE certificates and scorecards once received from the VAs. As a result, reliance on manual or traditional submission methods will be progressively reduced, with plans to discontinue these channels in the near term.

All QSEs operating within the forest sector remain obligated to report their B-BBEE status to the FSCC on an annual basis. A comparative overview of submissions received from QSEs over the last three reporting periods is presented in Figure 54 below.

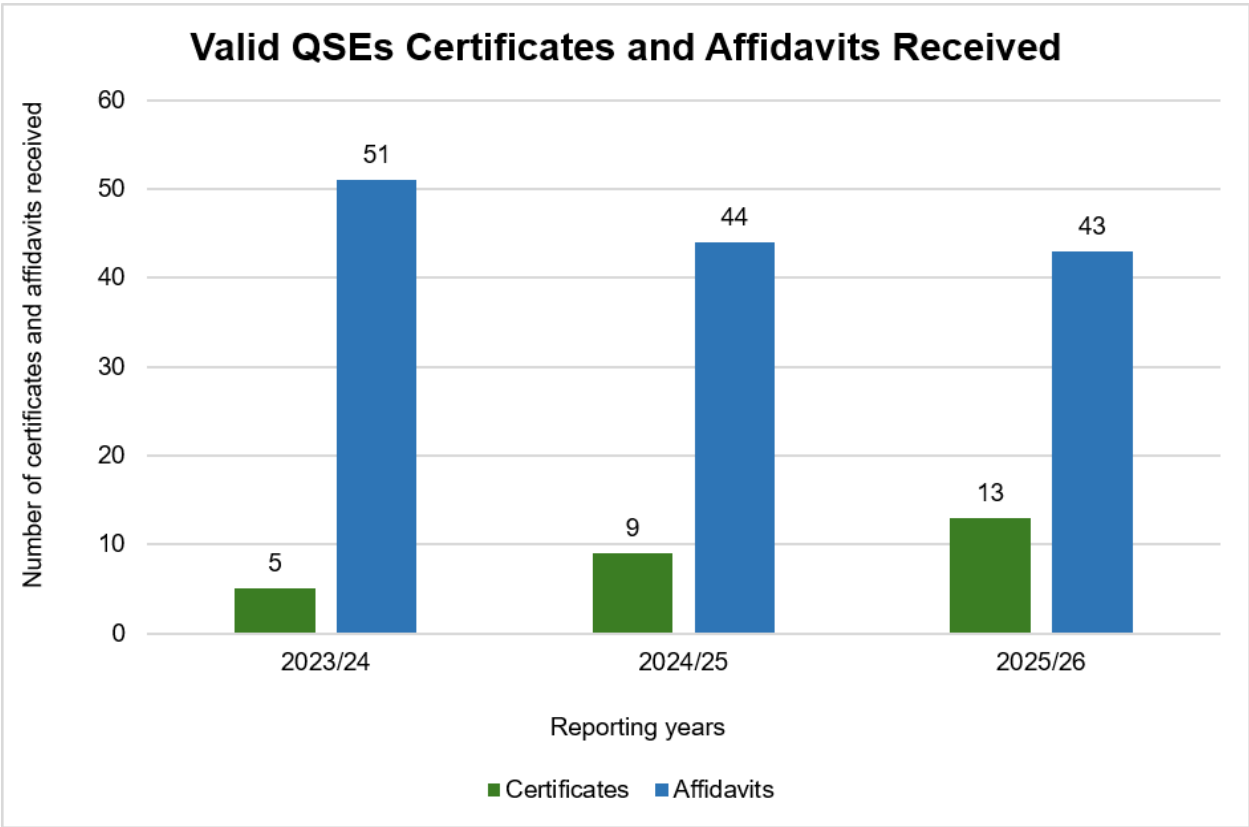


Figure 54: Valid QSEs Certificate submissions, 2023/24-2025/26

Figure 54 reflects a slight increase in the number of QSE submissions for the current reporting period, with submissions rising from 53 to 56, mainly due to the certificate and report submissions. While this upward movement suggests a marginal improvement in reporting compliance, the overall growth remains limited and does not yet reflect the full extent, considering the number of enterprises that fall within the QSEs threshold across the sector and this suggests that some enterprises, both Enhanced and Unenhanced, may still not be fully compliant with reporting requirements.

Affidavit-based submissions remain the dominant among QSEs, indicating that Enhanced QSEs continue to constitute the larger share of entities within the sector. In the current reporting period, certificate submissions (Unenhanced QSEs) increased from 9 to 13, reflecting a modest improvement in verified reporting.

In contrast, affidavit submissions (Enhanced QSEs) recorded a slight decline from 44 to 43 in the current reporting year. This decline can be attributed to the four companies that reported in the previous reporting period, which have since exited the sector due to termination or the end of contracts, resulting in business closure. This points to a degree of instability among QSEs, particularly those operating as contractors, where sustainability is often closely tied to the availability and duration of contracts.

It is anticipated that the introduction of the FSCC online reporting platform may improve reporting patterns over time by simplifying submission processes and enhancing accessibility. However, Council will continue to educate QSEs about reporting requirements to encourage reporting, improve awareness, and ensure that all qualifying entities are captured within the reporting framework.

The B-BBEE levels achieved by all reporting QSEs are illustrated in Figure 55 below. The displayed trend continues to highlight the predominance of majority black-owned enterprises within the QSE category.

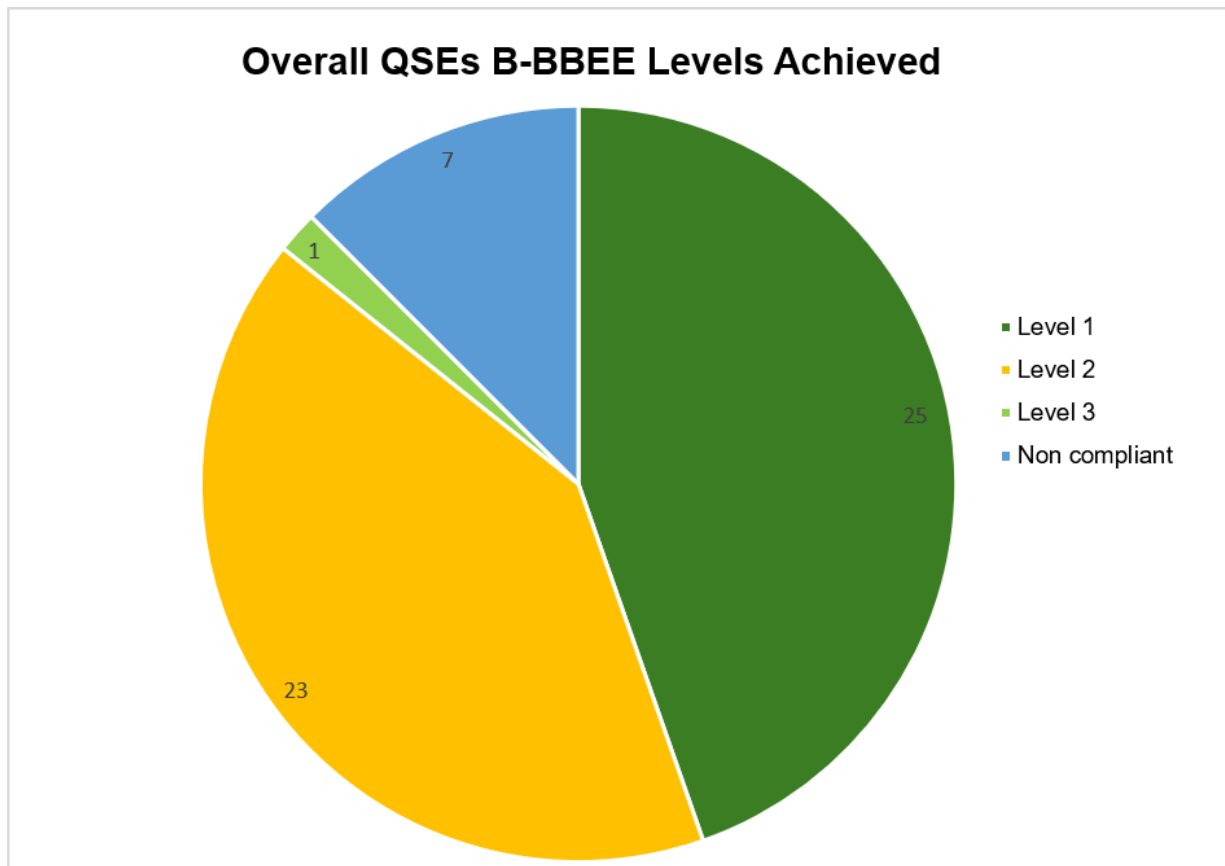


Figure 55: QSEs B-BBEE Level Achieved

Figure 55 illustrates that the majority of QSE submissions in the current reporting period attained high B-BBEE recognition levels. Of the 56 entities that reported, 25 (45%) achieved Level 1, while 23 (41%) were recognised at Level 2. Collectively, this means that 48 out of 56 QSEs (89%) achieved the top two B-BBEE status levels.

A smaller proportion of entities fell outside this range, with 1 entity (2%) achieving Level 3 status, and the remaining 7 (12%) classified as non-compliant. The presence of non-compliant entities suggests that there are still companies that are non-compliant with the scorecard indicators, requiring targeted and deliberate improvements.

The distribution of B-BBEE levels continues to demonstrate the influence of the enhancement principle in enabling QSEs to attain higher B-BBEE levels. However, a persistent imbalance remains between Enhanced and Unenhanced QSE in terms of the submissions. The majority of submissions are still received from Enhanced QSEs through affidavit reporting, while comparatively fewer Unenhanced QSEs undergo full verification.

This pattern raises concerns regarding the broader intent and application of the enhancement principle. The growing concentration of Enhanced QSEs, coupled with indications that some entities may not be reporting at all, suggests the need for closer scrutiny. In response, more

robust interventions such as the enforcement of the Online Reporting system will assist in improving the reporting numbers and ensure balanced reporting across all QSE categories.

Figure 56 below illustrates the distribution of valid B-BEEE certificates and affidavits among QSEs across the applicable six sub-sectors.

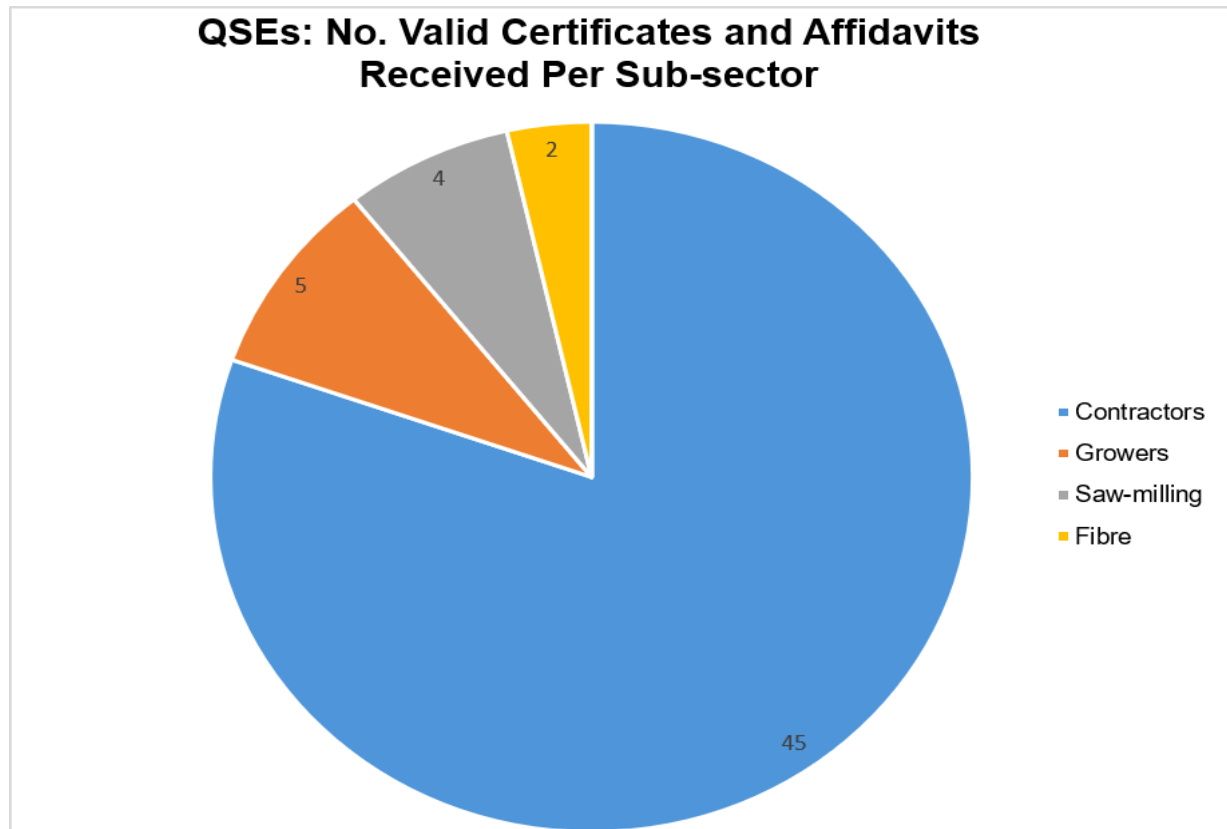


Figure 56: QSEs certificate and affidavit submissions by sub-sectors

Figure 56 reflects a continued uneven distribution of valid certificates across the sub-sectors in the current reporting period. Contractors remain the dominant contributors, accounting for 45 of the 56 total submissions, translating to approximately 80%. While this indicates a slight decrease compared to the previous year, the contracting sub-sector still demonstrates the highest level of reporting. The decline in submissions from this sub-sector may be attributed to some, including the four companies within the contracting sub-sector that reported business closures during the year. However, it is anticipated that there are other contractors and businesses falling within the other sub-sectors that are not prioritising reporting to the FSCC.

The Sawmilling sub-sector contributed 4 submissions (7%), followed by Growers with 5 submissions (9%). The Fibre sub-sector recorded the lowest participation among those represented, with only 2 submissions (4%). Although the submission from growers' sub-sector has slightly increased compared to previous periods, their contribution remains relatively low

overall. Notably, there were no submissions received from both the Charcoal Producers and Pole Producers sub-sectors in this reporting period. The absence of sub-sectors is consistent with the previous year, indicating a persistent gap in participation or the non-existence of such entities falling within the QSE category. These trends suggest that while certain sub-sectors continue to show strong compliance, others remain underrepresented.

9.1 Ownership In-Depth Analysis

Ownership assesses the extent to which black individuals hold equity and exercisable control in both new and existing enterprises. For Unenhanced QSEs, this is a mandatory priority element, meaning that failure to achieve at least 40% of the net value target will result in a one-level discount in their B-BBEE status.

This element carries a total of 25 weighting points, which are apportioned across six key indicators. These include voting rights and economic interest held by Black People, with specific consideration given to Black Women, BDGs, and new entrants, as well as Net Value targets.

Figure 57 below shows the QSEs’ average performance on the Ownership element over a three-year reporting period.

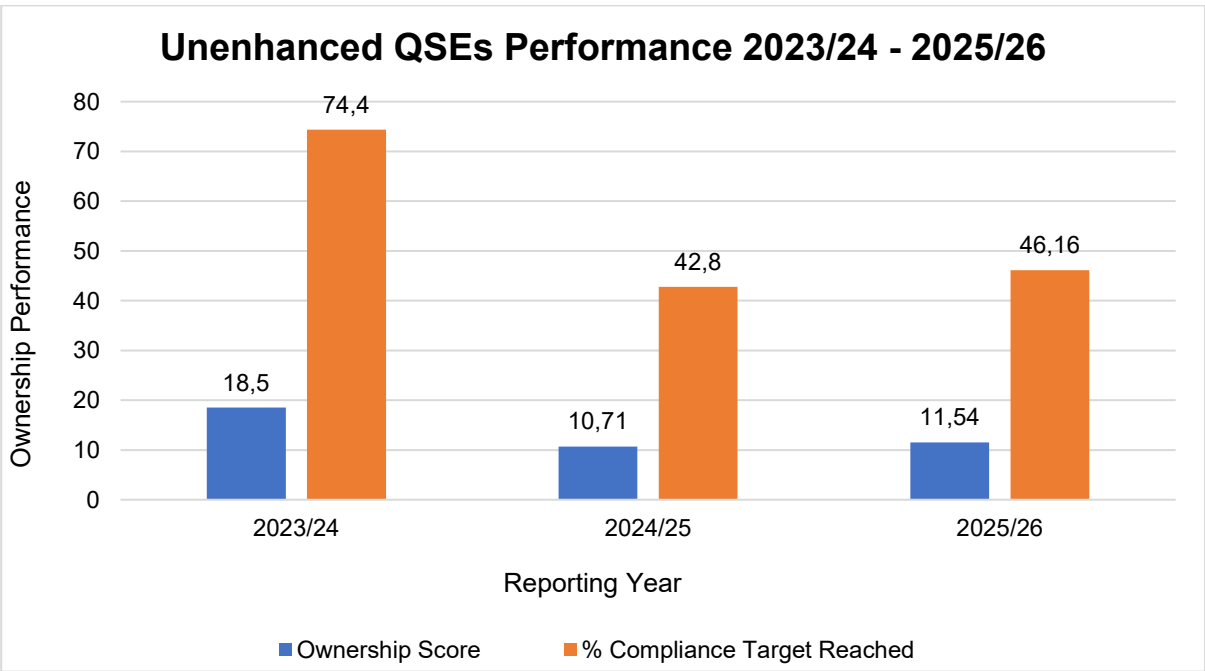


Figure 57: QSEs Ownership Performance, 2023/24 - 2025/26

During the 2025/26 reporting period, Unenhanced QSEs recorded a marginal performance improvement compared to the previous year, with the average score increasing slightly from 10.71 to 11.54. Despite this improvement, overall performance in the Ownership element remains low. Of the 13 submissions received, only six entities fully met the target by achieving

100% compliance in this element. In comparison, the seven remaining entities scored 0% against the ownership target, which significantly pulled down the overall average. Further observation suggests that the seven are either non-consistent or have previously reported and achieved similar scores.

This outlook from the poorly performing QSEs on the Ownership element continues to reflect underlying structural challenges, particularly the limited allocation of exercisable voting rights and economic interest to black shareholders. As a result, meaningful participation and influence in strategic decision-making by beneficiaries remain constrained, thereby affecting the overall ownership performance of Unenhanced QSEs.

Figure 58 below shows the QSEs' average across the six Ownership indicators against the weighing points allocated to each indicator.

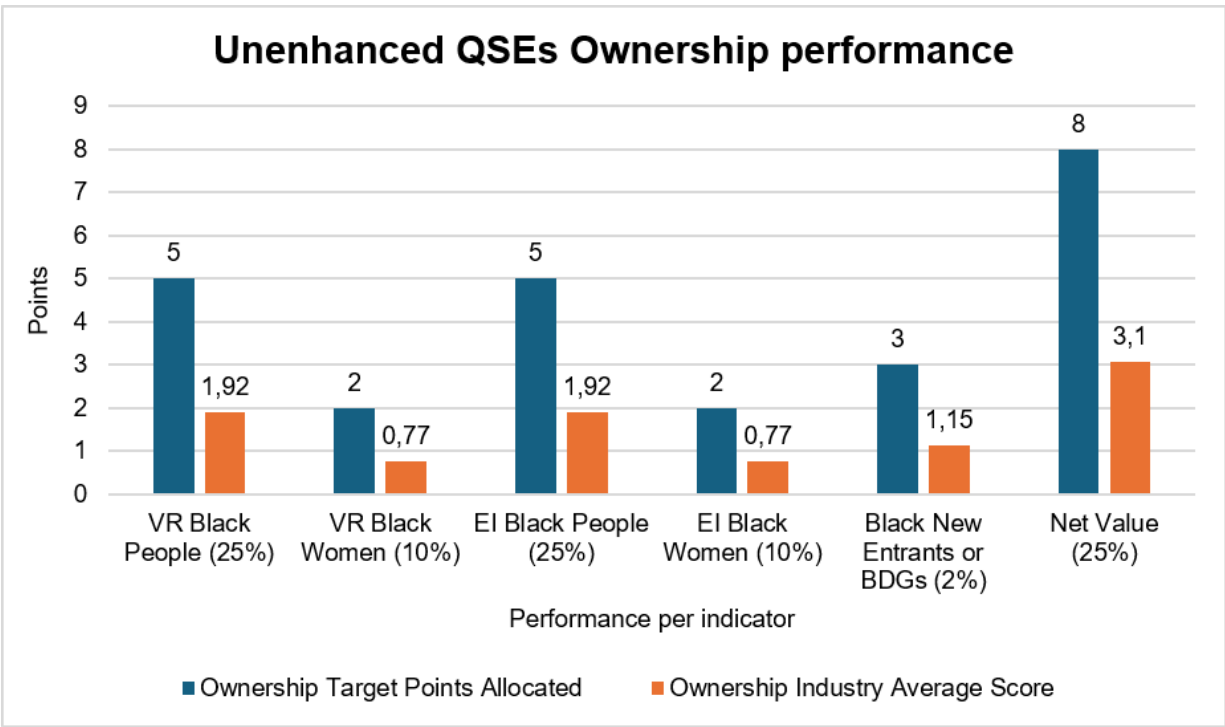


Figure 58: Ownership industry average performance per indicator

In the 2025/26 reporting period, Unenhanced QSEs continued to record weak performance across all Ownership indicators, with average scores remaining below 50% of the available points. Voting rights and economic interest for BP both averaged 1.92 out of 5, while BW scored 0.77 out of 2 in both areas, reflecting persistent gender disparities. Performance for Black Designated Groups or New Entrants also declined to 1.15 out of 3, indicating limited progress

in broadening inclusion. The Net Value score further decreased to 3.1 out of 8, heightening the risk of discounting for many entities.

Notably, this overall underperformance is largely driven by uneven participation. Of the 13 reporting Unenhanced QSEs, only 6 entities achieved good results and even exceeded the target, while the remaining 7 performed poorly, significantly lowering the averages. This contrast suggests that, where there is deliberate effort and commitment, achieving the required Ownership targets is possible. Notably, these lower average scores can be attributed in part to the limited number of entities meeting the required targets.

Overall, the 2025/26 results reaffirm the findings of the previous reporting period, with low scores across most Ownership indicators and particularly poor performance in relation to black women. The continued weakness in Net Value, coupled with the low number of compliant entities, underscores the need for some of the Unenhanced QSEs to prioritise and progressively implement Ownership initiatives. Without targeted and sustained interventions, these entities are likely to remain non-compliant and not contribute meaningfully to B-BBEE.

In-depth Analysis: Average Voting Rights of Black People

The indicator “voting rights held by Black People” assesses the extent to which black individuals possess voting rights within Unenhanced QSEs, reflecting their level of control and participation in decision-making processes. Holding voting rights enables shareholders to influence key strategic and governance decisions at board level, thereby determining the direction and operations of the enterprise.

Figure 59 below displays the Unenhanced QSE performance on the voting rights in the hands of Black People across the six sub-sectors.

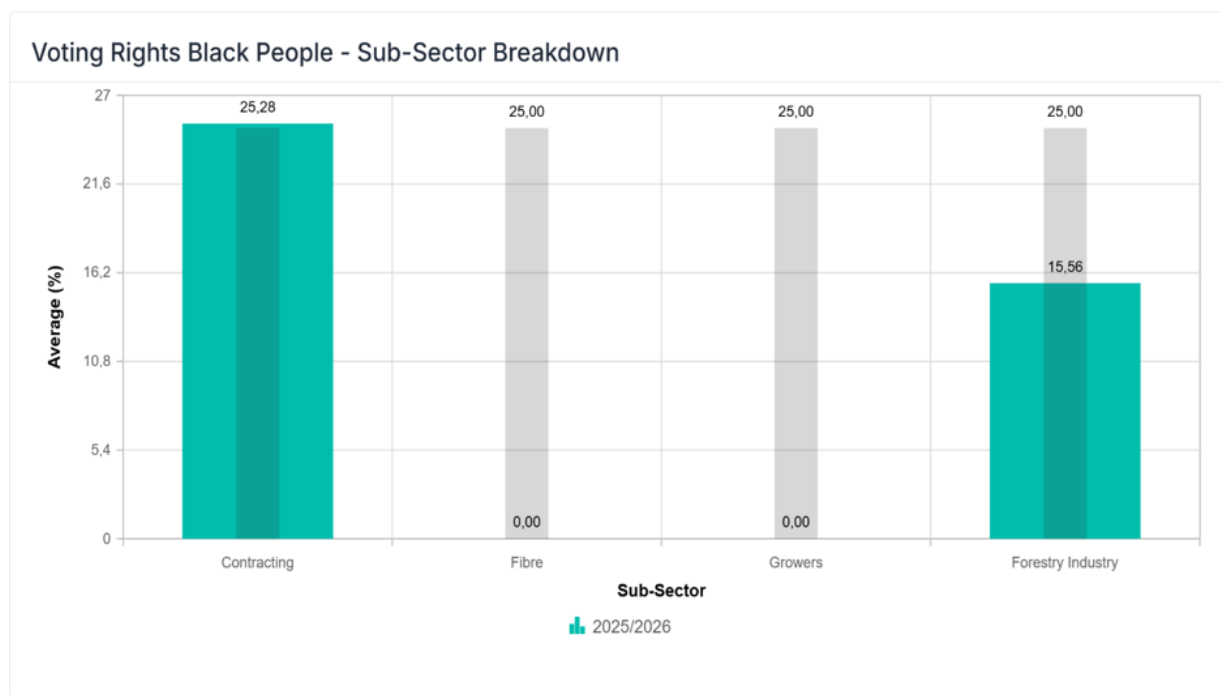


Figure 59: QSEs Voting Rights in the hands of Black People

A minimum threshold of 25% plus one vote is required to ensure meaningful participation of black people in voting rights within Unenhanced QSEs. In the current reporting period, the Contracting sub-sector, consistent with the previous year, was the only sub-sector to surpass this target, achieving an average of 25.28%. This continued performance contributed positively to the overall industry results.

In contrast, the Fibre and Growers sub-sectors recorded no progress, each reporting 0% against the target. This sustained lack of performance reflects ongoing challenges in advancing black ownership and control within these sub-sectors, mirroring trends observed in the previous reporting cycle. Furthermore, there were no submissions received from the Charcoal producers, Pole producers, and Sawmilling sub-sectors. The absence of reporting from these sub-sectors raises concerns regarding both compliance and transparency and may indicate limited participation or a lack of alignment with reporting requirements among Unenhanced QSEs operating within these sub-sectors.

Overall, the 2025/26 findings highlight a continued disparity in performance across sub-sectors, with only the Contracting sub-sector demonstrating compliance, while others lag significantly behind or fail to report altogether.

Figure 60 below shows the Unenhanced QSEs performance on the voting rights held by Black Women indicator.

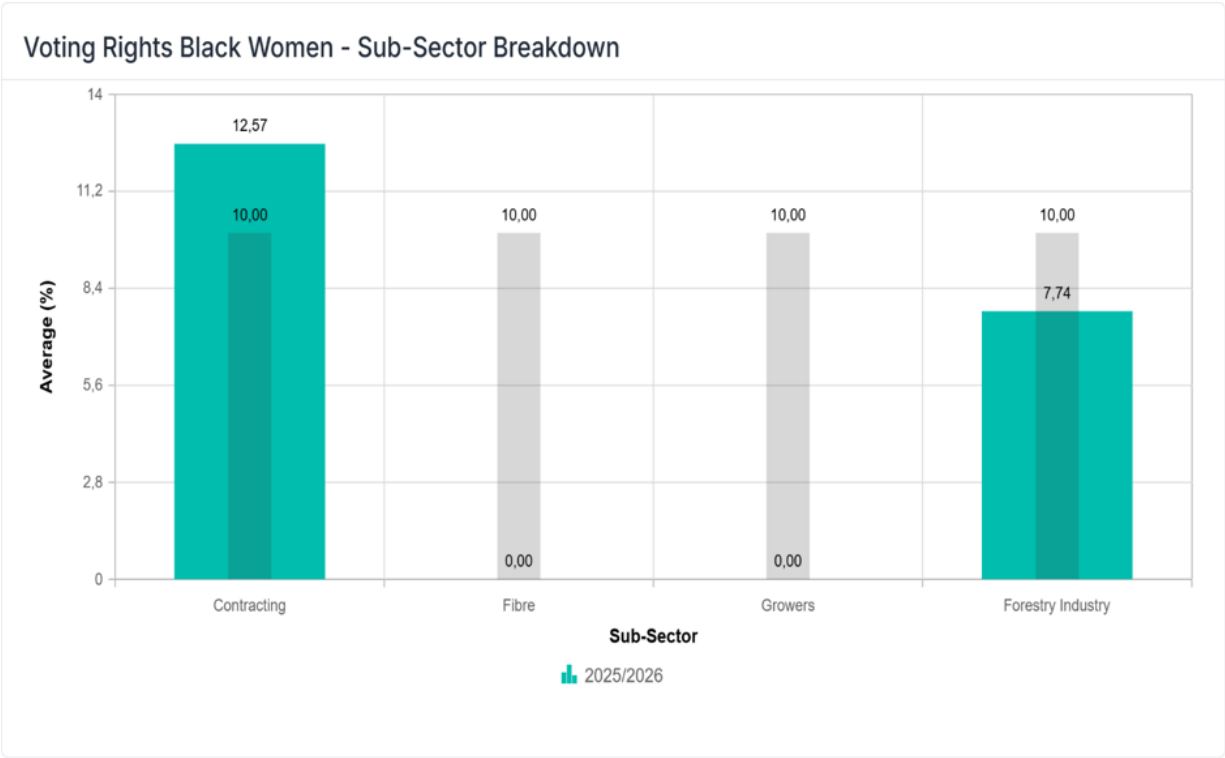


Figure 60: QSEs Voting Rights in the Hands of Black Women

Consistent with trends observed in previous reporting periods, the Contracting sub-sector continued to lead in performance among the reporting sub-sectors, reflecting a sustained commitment to B-BBEE transformation. In the 2025/26 reporting period, the sub-sector once again exceeded the applicable target, achieving 12.57%, and maintaining its position as the strongest contributor to overall performance. This achievement also contributed to the industry average being 7.74%. In contrast, the Fibre and Growers sub-sectors recorded no progress. This mirrors the pattern observed under voting rights for BP and points to a continued lack of participation by BW in ownership structures within these sub-sectors.

The economic interest indicator allocates 25% to BP and 10% to BW, reflecting the importance of equitable financial participation within enterprises. This indicator evaluates the degree to which black shareholders are entitled to economic returns, including dividends, capital gains, and other financial benefits associated with ownership.

Assessing this measure provides valuable insight into how effectively economic value is shared and the extent to which black people and women benefit from their ownership stakes. It serves as a key determinant of whether ownership translates into tangible financial empowerment

rather than merely symbolic participation. Figure 61 below illustrates the level of economic interest held by black people.

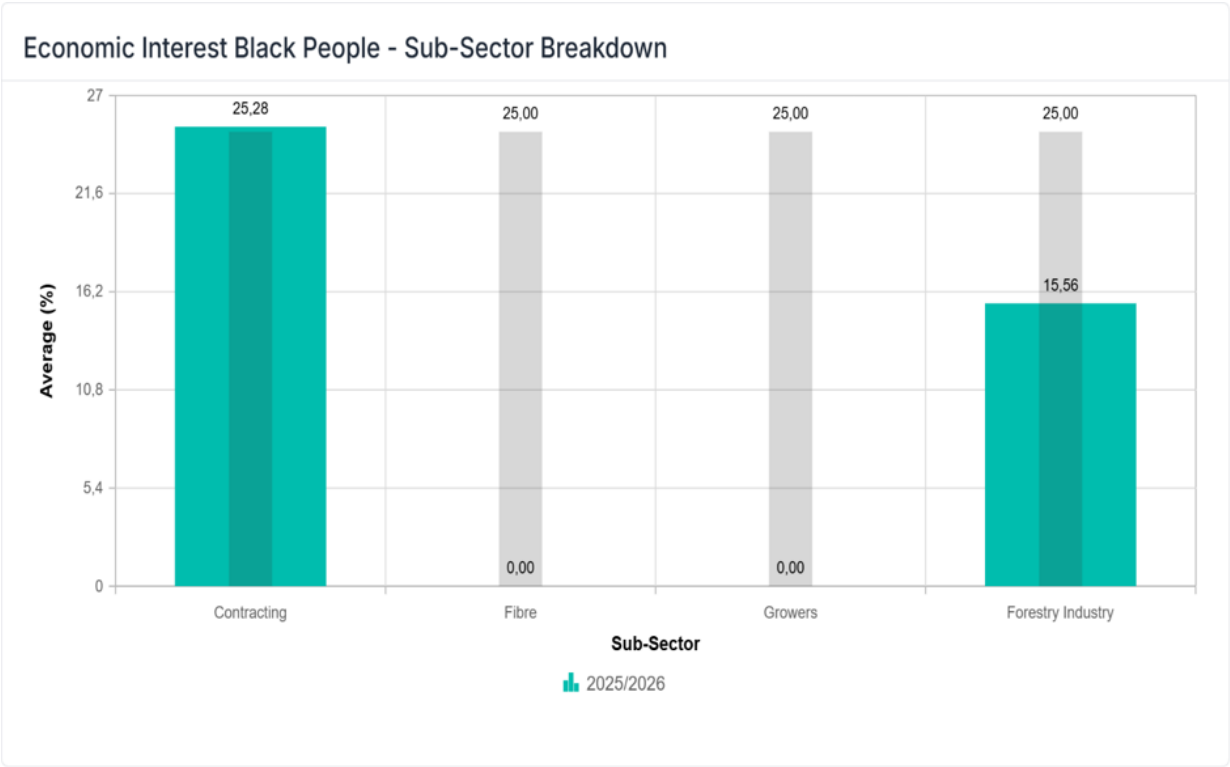


Figure 61: QSEs Average Economic Interest in the hands of black people

As illustrated in Figure 61 above, the Contracting sub-sector remained the only strong performing sub-sector under this indicator, continuing its positive trajectory from the previous two reporting periods. In 2025/26, the sub-sector slightly surpassed the target, achieving 25.28%, which indicates that BP within this sub-sector continue to benefit meaningfully from economic returns such as dividends and capital growth. This performance also contributed significantly to the overall industry average of 15.56%.

The remaining reporting sub-sectors recorded no progress, each achieving 0%, thereby negatively affecting the industry’s overall performance. This persistent underperformance points to a substantial lack of economic participation by BP within these sub-sectors and reflects ongoing challenges in advancing meaningful ownership benefits.

As indicated above, Figure 62 below shows the Unenhanced QSEs performance on the economic interests in the hands of black women across sub-sectors

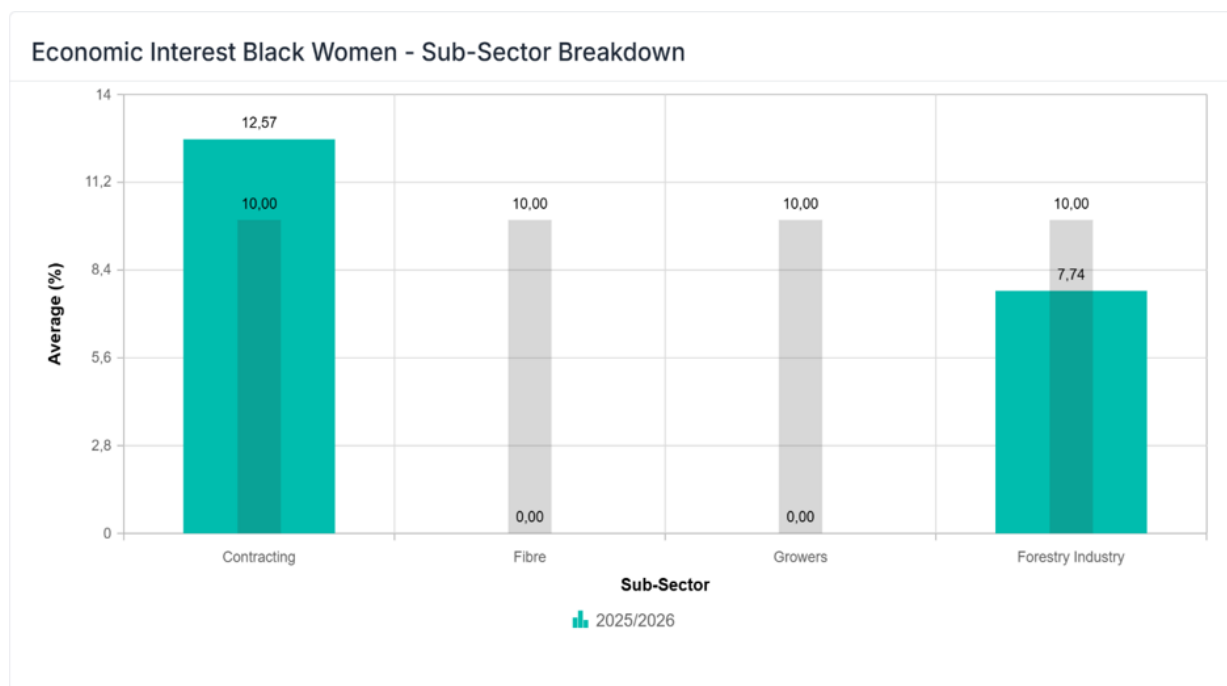


Figure 62: QSEs Average Economic Interest in the hands of Black Women

As expected, Figure 62 indicates that the Contracting sub-sector continued to lead in performance under this indicator, maintaining its strong trajectory from the previous two reporting periods. In 2025/26, the sub-sector marginally exceeded the compliance target of 10%, achieving 12.57%. Similarly to the previous reporting cycle, the two remaining sub-sectors performed poorly in this indicator, each scoring 0%, which is consistent with trends observed across other Ownership indicators. In general, the results reveal a continued disparity across sub-sectors, with the Contracting sub-sector driving performance while others lag behind.

The other economic interest indicator for Unenhanced QSEs provides entities with the option to allocate ownership to Black New Entrants (BNEs), Black Designated Groups (BDGs), or a combination of both. This approach offers flexibility, enabling entities to structure their ownership in a manner that maximises their B-BBEE score while aligning with their specific ownership profile or structure and strategic objectives.

Black New Entrants refer to black South African individuals who have not previously held significant ownership stakes in other enterprises beyond a defined threshold. In contrast, Black Designated Groups include specific categories such as black youth, persons with disabilities, individuals residing in rural or underdeveloped areas, and military veterans. These groupings are intentionally prioritised to ensure that economic benefits are extended to historically disadvantaged and underrepresented populations. This indicator plays an important role in

broadening participation and enhancing the distribution of economic benefits across diverse groups.

Figure 63 below illustrates the economic interest held by BNEs, BDGs, or a combination of both.

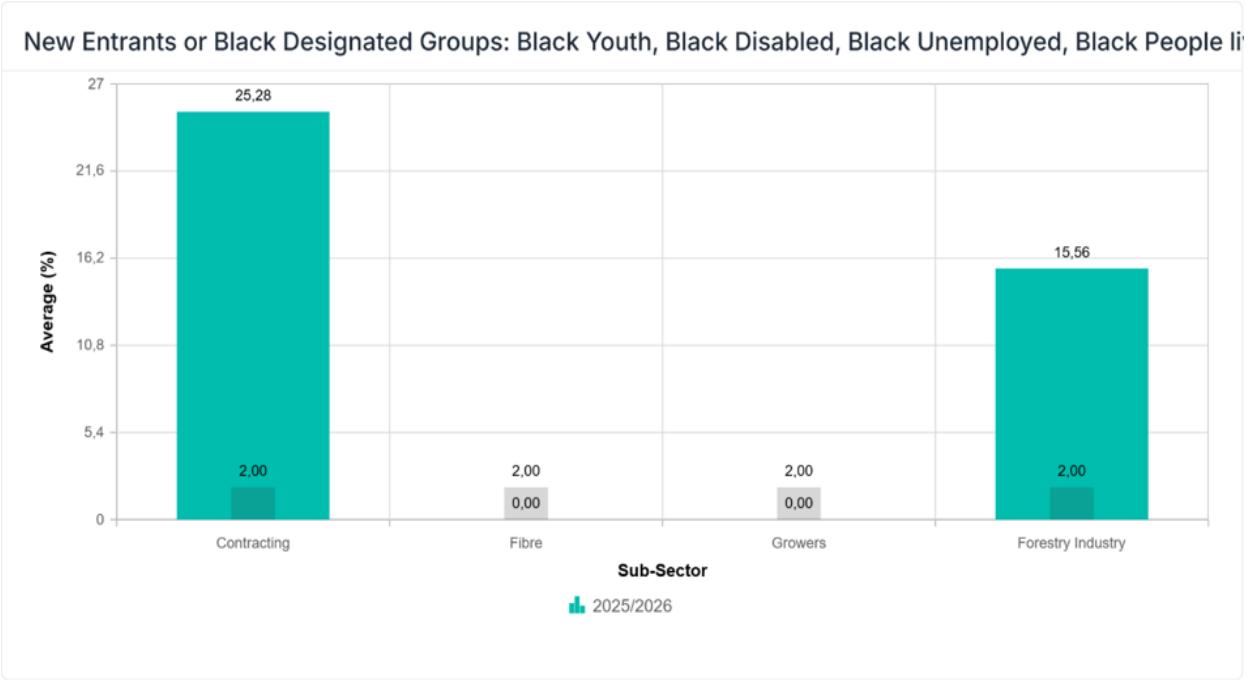


Figure 63: QSEs Economic interest in the hands of BDGs or BNEs

Notably, only 6 out of the 13 reporting Unenhanced QSEs achieved the target, while the remaining entities either recorded no achievement or did not submit data. This uneven contribution continues to dilute the sector’s overall performance.

Similarly with the trends observed across the other Ownership indicators above, only the Contracting sub-sector exceedingly performed well under this indicator, while the remaining sub-sectors recorded weak scores.

Although the industry average of 15.56% exceeds the set target, this outcome masks underlying disparities in performance. The overall result could have been significantly higher had there been broader participation across all sub-sectors.

As one of the three priority elements under the B-BBEE framework, Ownership carries a mandatory requirement for Unenhanced QSEs to meet at least 40% of the Net Value indicator points. The threshold is critical in determining whether entities are deriving and sustaining real value from their ownership structures over time.

Failure to meet this minimum requirement triggers the application of the discounting principle, whereby the entity is penalised through a one-level downgrade in its overall B-BBEE status.

This has direct implications for the entity’s compliance level and competitiveness. The Net Value indicator therefore serves as a key measure of the sustainability and effectiveness of ownership arrangements. Figure 64 below illustrates the performance of reporting Unenhanced QSEs against this indicator.

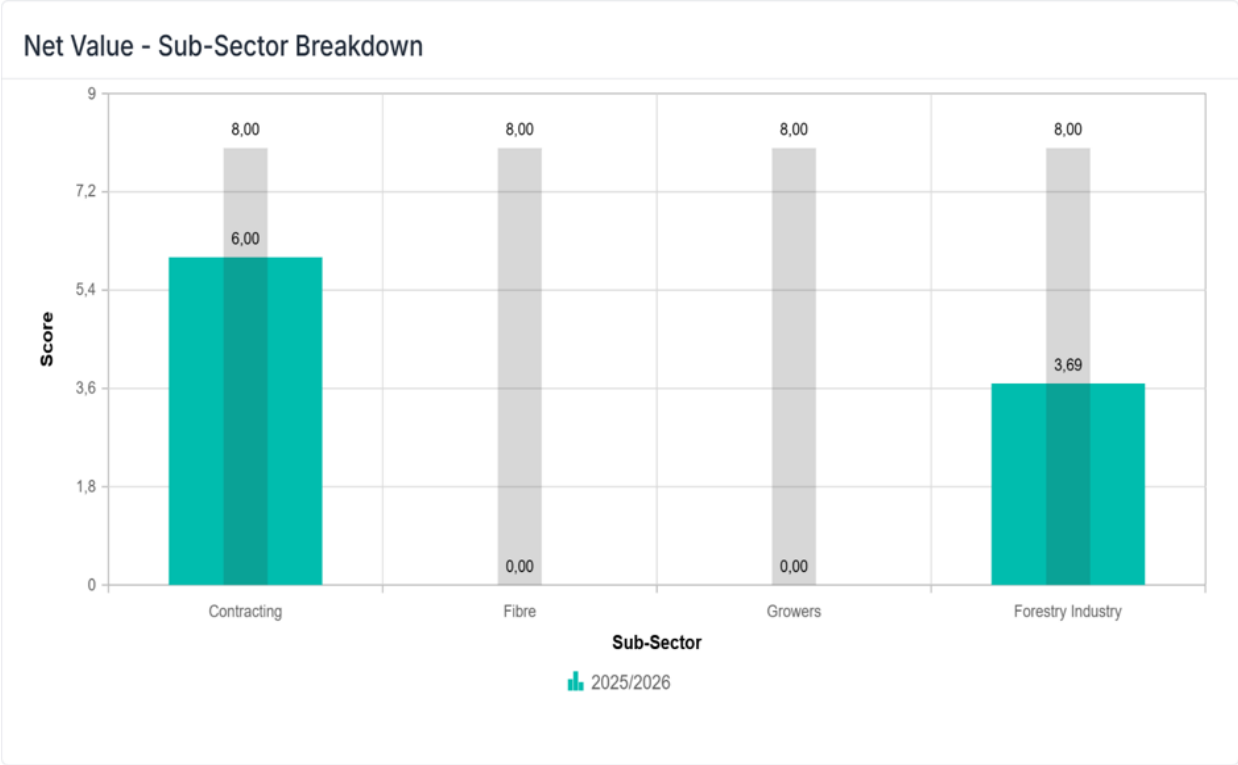


Figure 64: QSEs Net Value – Priority indicator

Figure 64 indicates that the Contracting sub-sector once again led performance on the Net Value indicator, maintaining its strong position over the past reporting periods. In 2025/26, the sub-sector achieved 6 out of the 8 available points, demonstrating a relatively stronger ability to sustain ownership value compared to its counterparts.

As a result, the industry recorded an average of 3.69 points, which remains well below the 8-point target. The consistently low performance of other sub-sector on this indicator is of particular concern, given its link to the discounting principle. Entities that fail to meet the minimum threshold risk being downgraded, which negatively affects their overall B-BBEE status.

9.2 Management Control In-Depth Analysis

The Management Control (MC) element evaluates the extent to which black people are represented and actively involved in leadership and decision-making roles within an organisation. It is intended on promoting diversity and inclusion across management structures

by ensuring meaningful participation of black individuals, including black women, at various levels of authority.

The MC element measures representation across executive, senior, middle, and junior management positions, recognising the importance of inclusive leadership in shaping organisational strategy and direction. By increasing participation at these levels, companies are better positioned to drive equitable diversity in decision-making.

A total of 15 points is allocated across these Management Control indicators. Figure 65 below presents a comparison in the performance of Unenhanced QSEs on Management Control over the three reporting periods from 2023/24 to 2025/26.

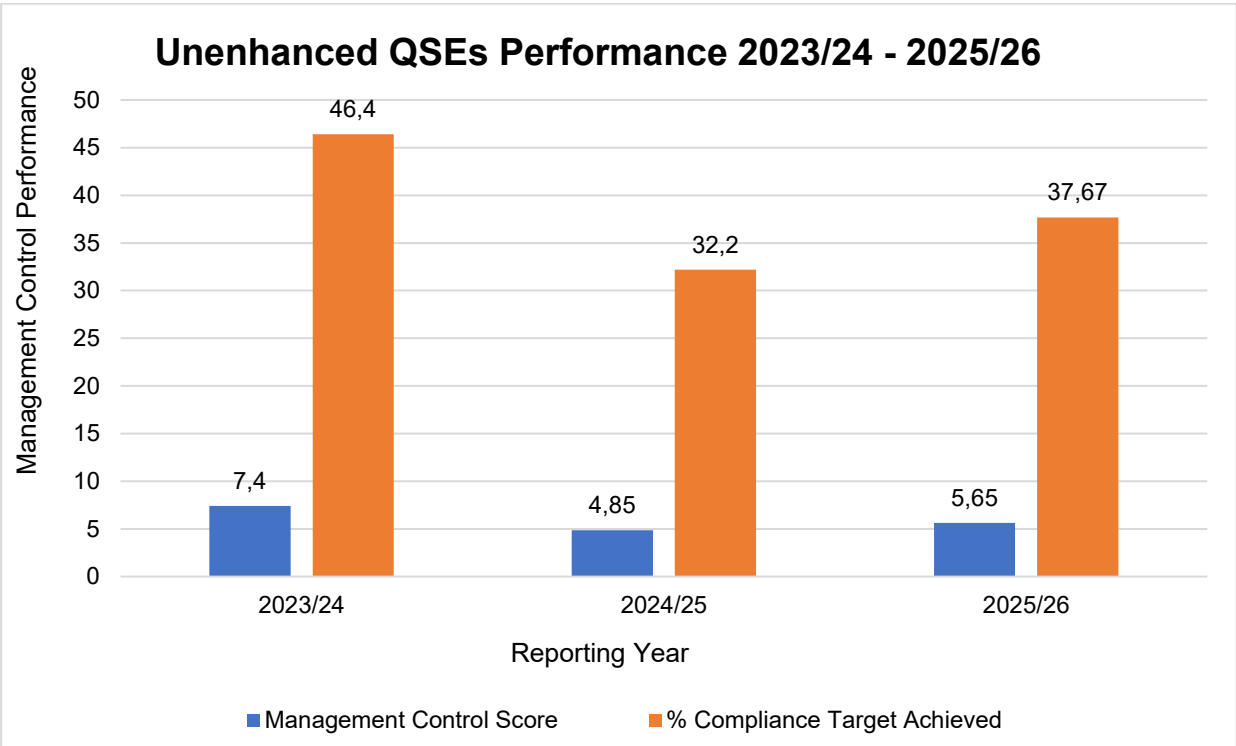


Figure 65: QSEs Management Control performance, 2023/24 - 2025/26

The performance of Unenhanced QSEs under the Management Control element reflects a modest recovery in the 2025/26 reporting period following the decline observed in the previous year. While the achieved target of the Unenhanced QSEs improved marginally from the previous year (37.67% from 32.2%), it still reflected a poor performance on this element. This trend is worrying as it is suggesting limited efforts to improve the persistent narrative across the three-reporting period. The overall trajectory may also qualify the inconsistencies and slow pace of transformation.

Figure 66 below shows the Unenhanced QSEs average across the Management Control indicators against the weighing points allocated to each indicator.

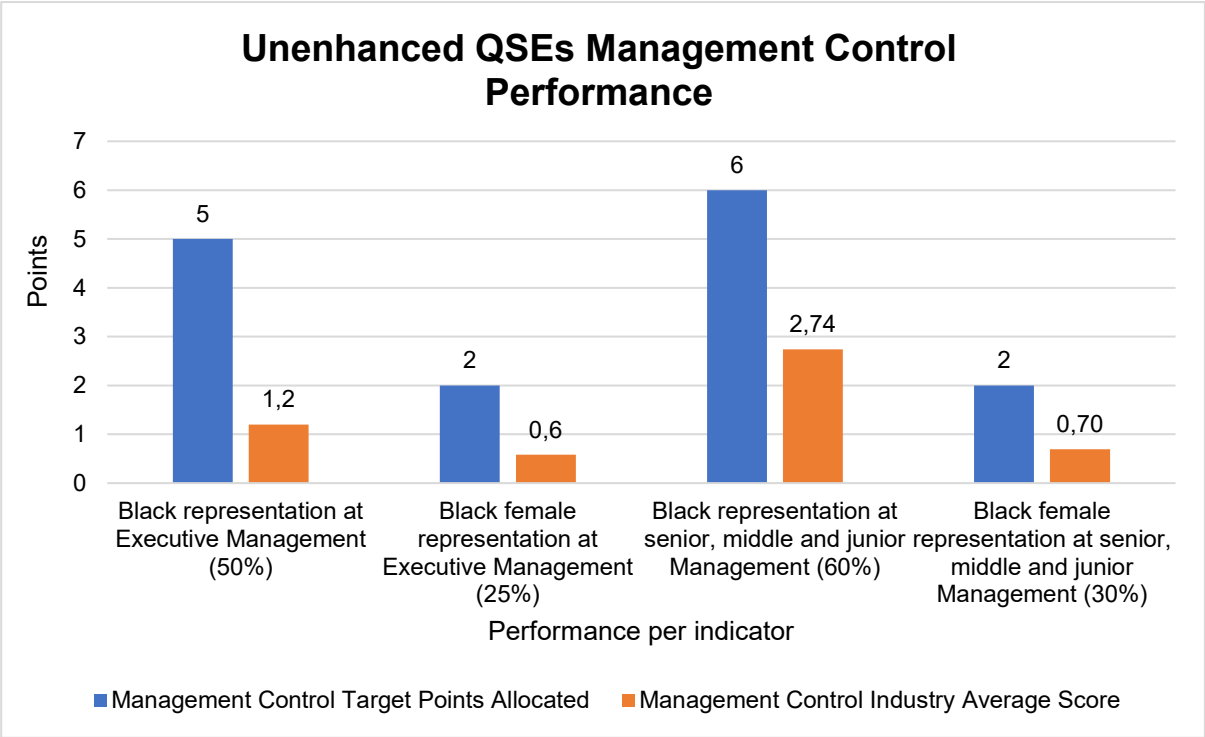


Figure 66: QSEs Management Control performance per indicator

Figure 66 reflects the performance of Unenhanced QSEs across the Management Control indicators for the 2025/26 reporting period. As expected, and from the overall performance indicated above, the performance on the MC indicators show a discouraging outlook. The overall average performance across all four indicators remains below 50%, largely due to the continued underperformance of a number of entities. This consistent observation suggests very minimal progress in advancing diversity within management structures.

Figure 67 below shows the performance of Unenhanced QSEs in the representation of Black People in Executive Management positions.

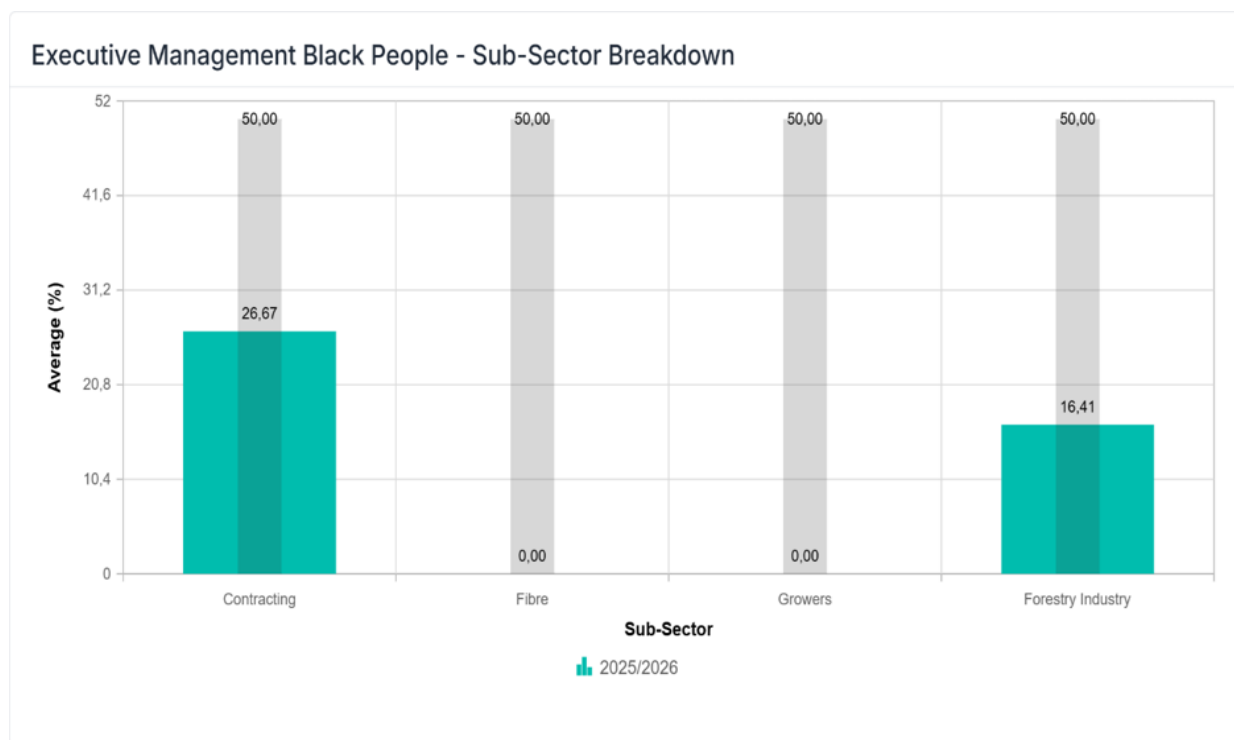


Figure 67: Black representation at Executive Management in Unenhanced QSEs

Figure 67 presents the performance of Unenhanced QSEs in relation to the representation of black people at executive management level across the various sub-sectors. Consistent with the 2024/25 reporting period, the Contracting sub-sector remained the only sub-sector with entities meeting the required targets even in this current year, despite a decline in its performance from 36.67% in the previous year to 26.67% currently.

The remaining sub-sectors continued to show little to no progress, which significantly affected the overall industry achievement resulting to the average performance declined further to 16.41%, reflecting the continued lack of representation of black people at executive level across most sub-sectors. While the Contracting sub-sector continues to demonstrate some level of commitment, the non-compliance from other sub-sectors undermines the broader objective of achieving inclusive and representative leadership.

Figure 68 below depicts the performance of the Unenhanced QSEs on the participation of Black Women in Executive Management positions.

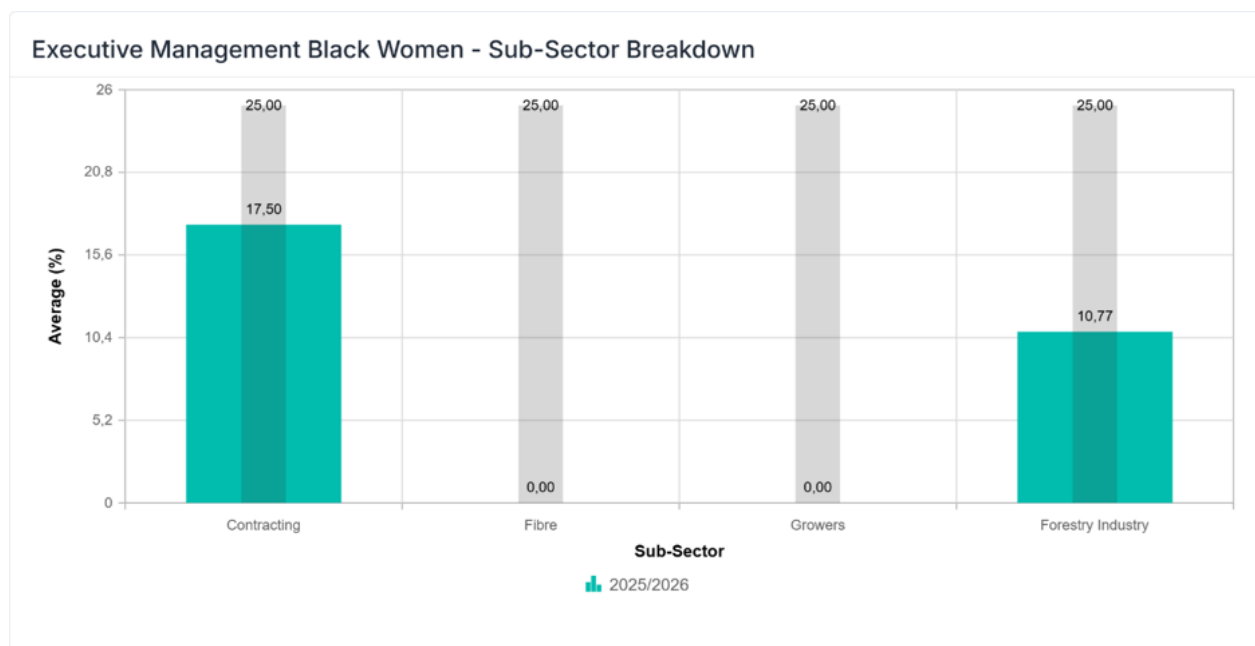


Figure 68: Black Women's Representation at Executive Management in Unenhanced QSEs

Figure 68 illustrates the performance of Unenhanced QSEs in relation to the representation of black women at executive management level across the sub-sectors. Similarly to the indicator above, the Contracting sub-sector continued to lead, showing a slight improvement in performance from 16.67% in the previous year to 17.50%. Despite this progress, it remains the only sub-sector with entities that achieved the required targets. The other sub-sectors recorded little to no meaningful contribution, which continues to reflect the limited presence of black women in executive leadership positions, and negatively influencing the overall industry average.

The performance of the Unenhanced QSEs on the Junior, Middle, and Senior Management positions are displayed in Figure 69 below.

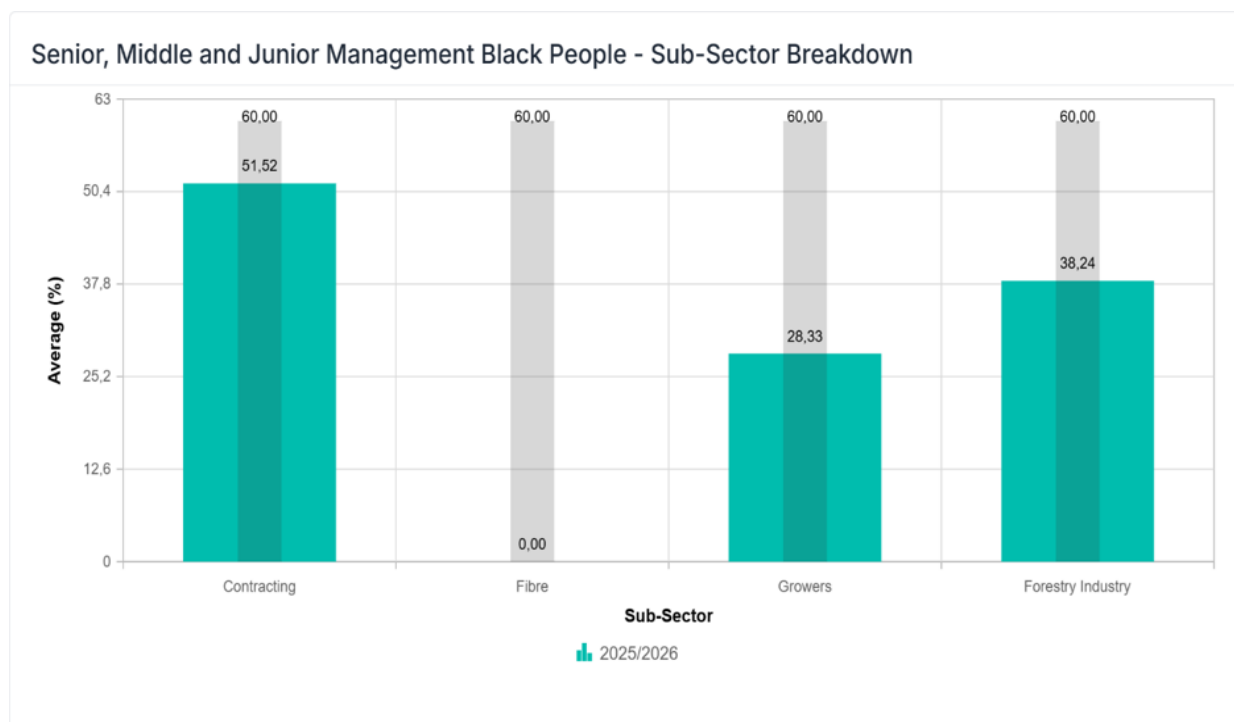


Figure 69: Unenhanced QSEs participation of black people in Senior, Middle and Junior management levels

The performance of Unenhanced QSEs in relation to on the representation of black people across senior, middle, and junior management levels is shown in Figure 69 above. In the 2025/26 reporting period, the Contracting sub-sector remained one of the key contributors, despite its performance declining from 60.33% in the previous year to 51.52%. While still achieving a score below average, the Growers sub-sector demonstrated improvement, achieving 28.33%, and emerging as the second sub-sector. This marks a positive shift compared to previous periods where no progress was recorded in this sub-sector. As a result of this improvement, the overall industry average improved to 38.24%. Despite some progress, the industry is still falling short of the expected level of representation. Continued and more deliberate efforts particularly from the other sub-sectors are required to strengthen representation of black people across all management levels and to close the existing gaps in leadership diversity.

Figure 70 below shows Unenhanced QSEs performance on the participation of Black Women in Junior, Middle and Senior Management positions.



Figure 70: Unenhanced QSEs participation of black women in senior, middle and junior management levels

As illustrated in Figure 70 and similarly to the above indicator, the Growers and Contracting sub-sectors remain the only sub-sectors that performed better on this indicator with Growers recording the highest score of 21.67% and showing an improvement from the previous year performance. The Contracting sub-sector, which previously exceeded the target, recorded a notable decline, achieving 17.02%. Unlike the previous reporting period, none of the sub-sectors achieved the 30% compliance target in 2025/26.

9.3 Skills Development In-Depth Analysis

The Skills Development element evaluates the extent to which an organisation invests in building the capabilities of its black employees, with particular emphasis on individuals from designated groups. It is designed to promote meaningful skills transfer and build a competitive, future-ready workforce

This element consists of four key indicators being expenditure on learning programmes for black people as a proportion of the leviable amount (15 points), targeted spending on black women (7 points), and on black employees with disabilities (3 points). In addition, bonus points (5 points) are awarded for the successful absorption of black participants into employment upon completion of training programmes, either within the entity or the broader industry.

The leviable amount refers to the portion of an organisation’s payroll used to calculate its mandatory contribution under the Skills Development Levies framework. These funds support training and development initiatives aimed at enhancing workforce skills. Organisations can implement a range of recognised learning interventions, including learnerships, apprenticeships, internships, occupational training, and other accredited programmes outlined in the Learning Programmes Matrix.

For Unenhanced QSEs that have selected Skills Development as a priority element, a minimum of 40% must be achieved on the total points to avoid being discounted by a level on the B-BBEE level achieved. Figure 71 below shows a comparison of the Unenhanced QSEs Skills Development performance for the three reporting years, 2023/24 to 2025/26.

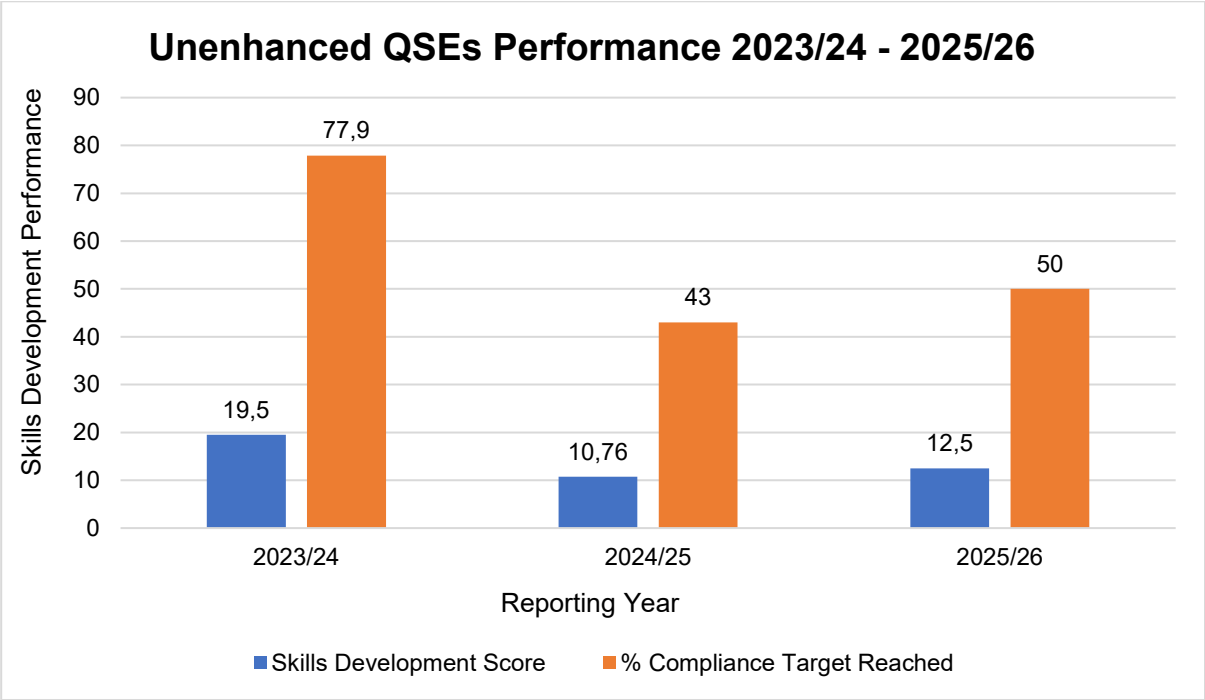


Figure 71: QSEs Skills Development performance, 2023/24-2025/26

Figure 71 indicates that Unenhanced QSEs showed some improvement in the Skills Development element during the 2025/26 reporting period, achieving an average of approximately 50% of the available points. This reflects a recovery from the previous year’s decline; however, performance remains moderate and uneven across entities, with stronger contributions from a few still being offset by weaker scores from others.

This level of performance is particularly concerning within the broader South African context, where unemployment remains persistently high and skills shortages continue to limit access to economic opportunities. The findings highlight the need for more consistent and targeted investment in skills development initiatives, as this element plays a critical role not only in improving compliance but also in addressing unemployment and enhancing workforce participation

Figure 72 below shows the overall performance of Unenhanced QSEs on the Skills Development indicators against the allocated weighting points.

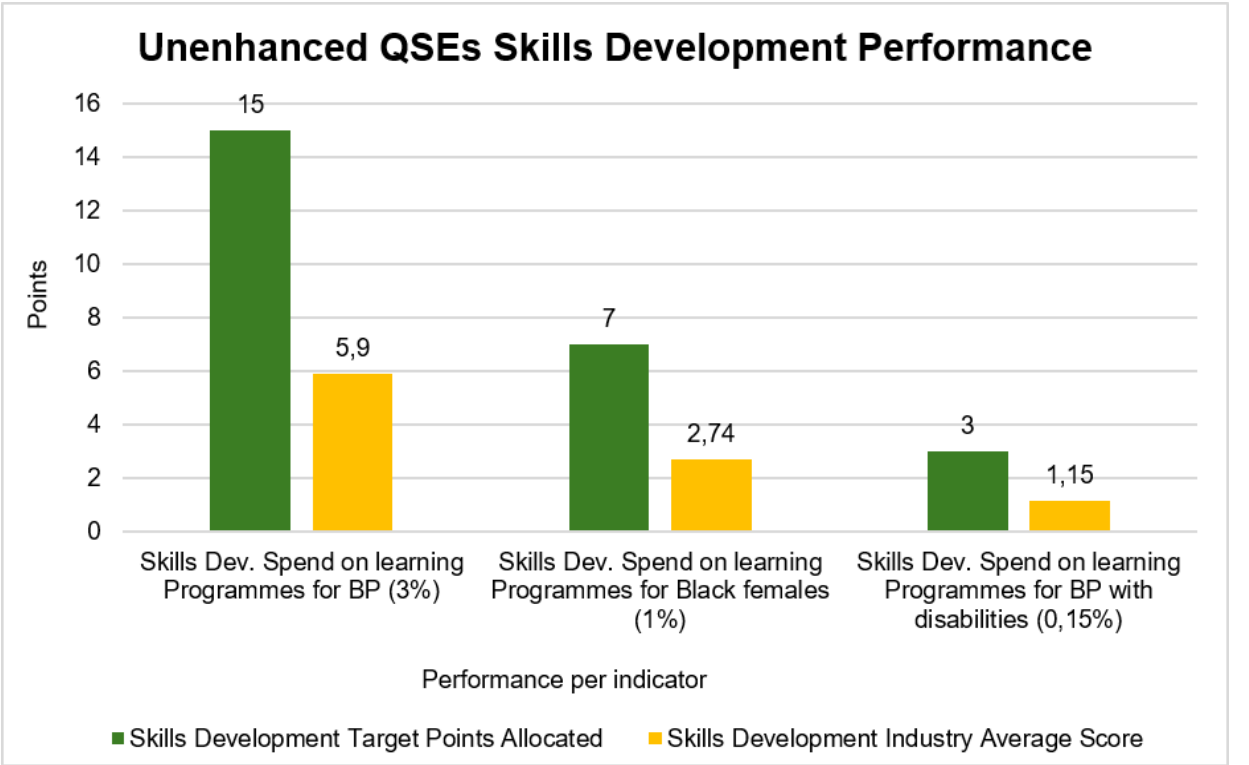


Figure 72: QSEs Skills Development Performance per Indicator

As illustrated in Figure 72, the performance of Unenhanced QSEs across the Skills Development indicators declined in the 2025/26 reporting period. The average scores across all three core indicators fell even below 40% of the respective targets, indicating a regression from the previous year.

This downward trend reflects a continued lack of sufficient investment and commitment towards skills development by a number of entities, particularly in relation to black people and designated groups. The decline is especially concerning given economic downturn, socio-economic challenges, where the unemployment is at 32.9% and youth employment rate is at 48.3% and

a shortage of relevant skills which continues to hinder economic participation. The results point to the need for more deliberate and sustained efforts by Unenhanced QSEs to prioritise skills development initiatives, both to improve compliance and to contribute meaningfully to addressing skills gaps in the economy. Possibly the bigger vision would be to also consider evidence provided in the Skills audit report presented in the Forestry Masterplan and prioritise the core and critical skills. In addition, the investment conference which resulted in pledges towards job creation is anticipated to change the narrative particularly on creating jobs for the young people.

Figure 73 below illustrates the skills development for Black People invested by the reporting Unenhanced QSEs.

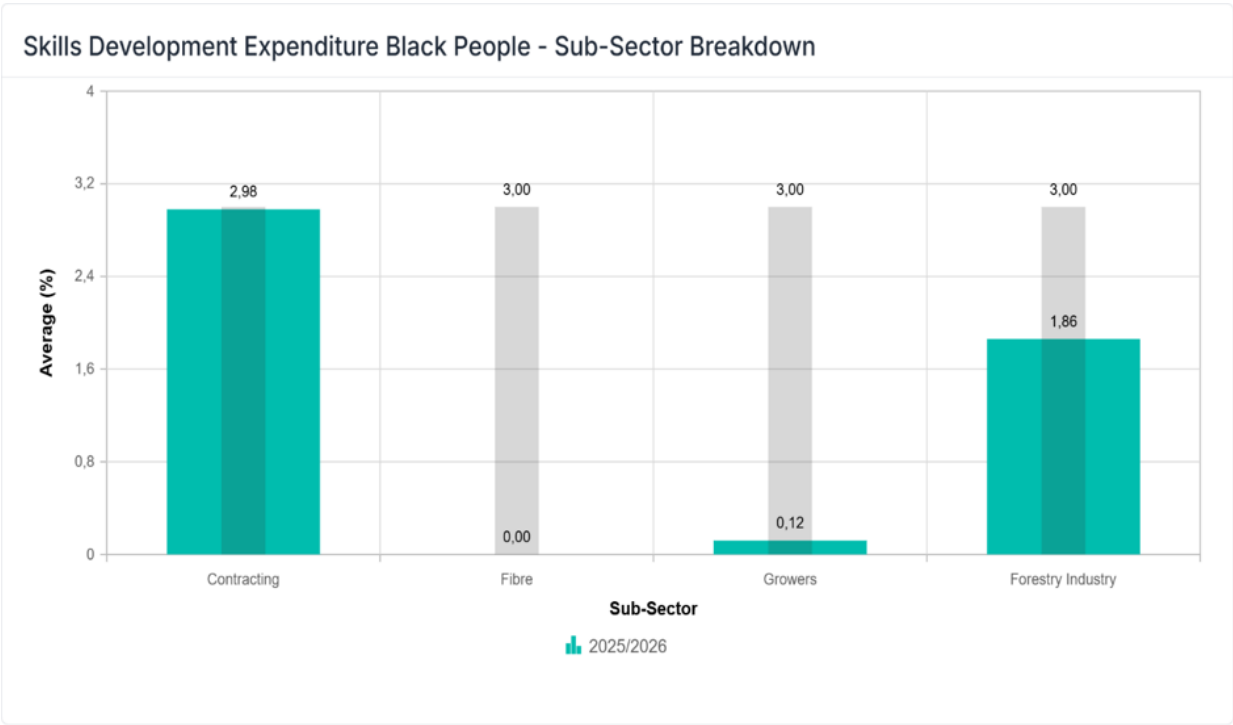


Figure 73: QSEs Skills Development Spend on Black People

Figure 73 presents the performance of Unenhanced QSEs in respect of skills development expenditure for black people across the reporting sub-sectors. In the 2025/26 reporting period, the Contracting sub-sector continued to outperform the other reporting sub-sectors and remained the primary contributor to overall industry results.

Encouragingly, the Growers sub-sector demonstrated some level of progress, recording 0.12%, making it a notable improvement from the previous year where no contribution was made.

Despite this, performance across the remaining sub-sectors remained minimal, continuing to weigh down the overall industry outcome.

Figure 74 below illustrates the skills development performance for Black Women invested by the reporting Unenhanced QSEs.

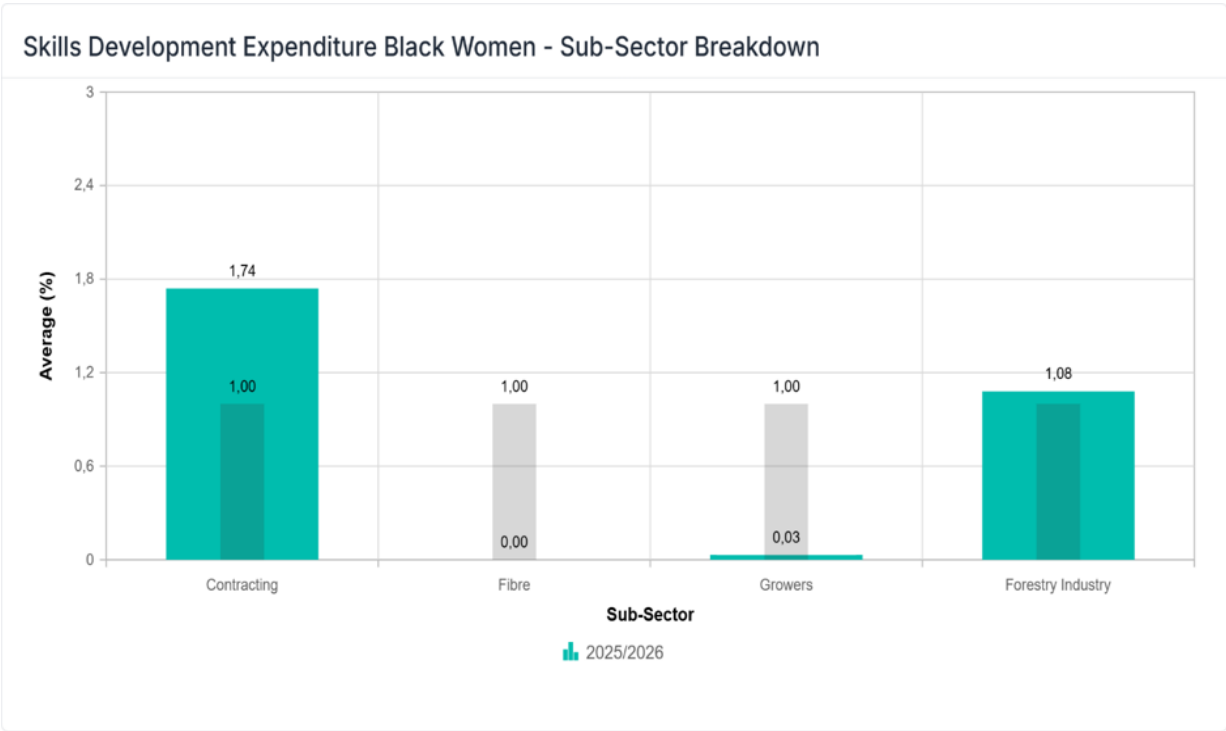


Figure 74: QSEs Skills Development Spend on Black Women

Consistent with the previous indicator, performance in skills development expenditure for black women shown in Figure 74 above remains largely driven by the Contracting sub-sector. The Growers sub-sector showed minimal improvement, it still underachieved similarly to the Fibre sub-sector. As a result, the industry average reached 1.08%, slightly above the target. While this indicates some improvement, the results are still heavily reliant on the performance of a single sub-sector.

Figure 75 below illustrates the analysis for Skills Development Expenditure for Black Employees living with disabilities.

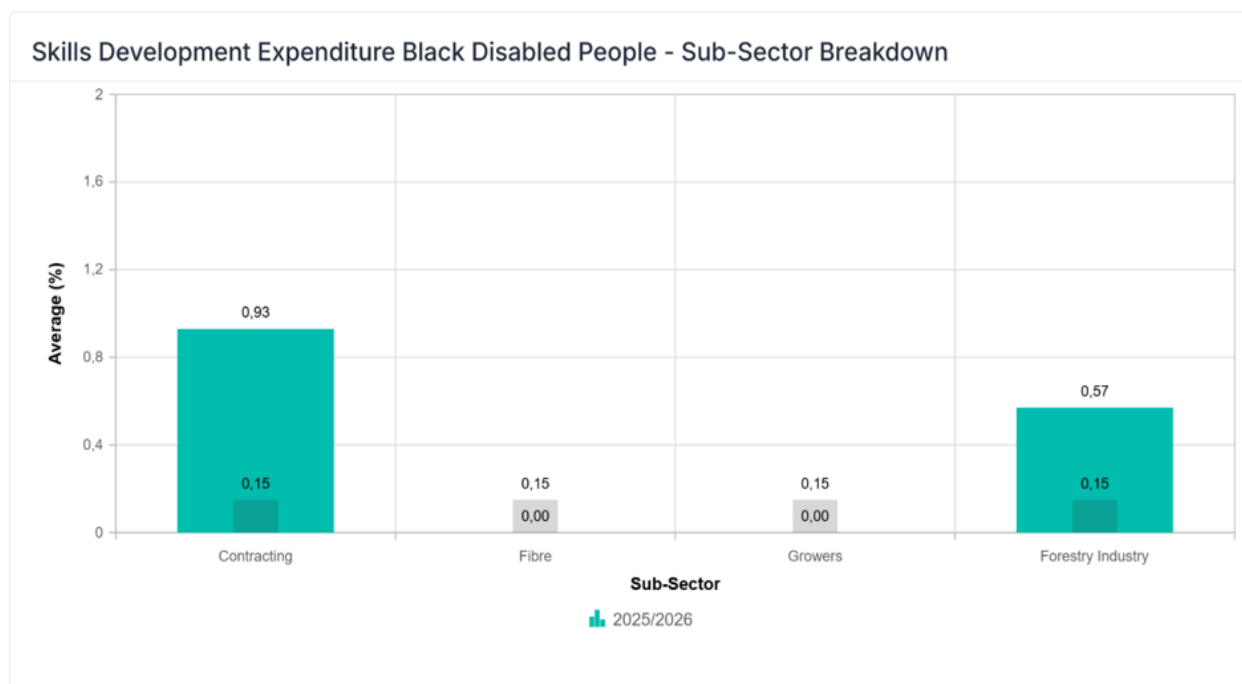


Figure 75: QSEs Skills Development Spend on Black People with disabilities

Figure 75 demonstrate the expenditure by Unenhanced QSEs on Skills Development initiatives for black people living with disabilities. The Contracting sub-sector recorded the strongest performance. The poor performance from the remaining sub-sectors indicates limited inclusion of persons living with disabilities or inadequate awareness and implementation of disability-related initiatives within entities.

9.4 Enterprise and Supplier Development In-Depth Analysis

The Enterprise and Supplier Development (ESD) element is one of the three priority elements within the B-BBEE framework and carries a weighting of 30 points, excluding bonus points. This element measures the extent to which entities support and promote the growth and sustainability of black-owned businesses through procurement practices, supplier development, and enterprise development initiatives.

The ESD scorecard for Unenhanced QSEs incorporates three core indicators: Preferential Procurement, Supplier Development, and Enterprise Development. Unenhanced QSEs that select ESD as their priority element are required to achieve a minimum of 40% in each of the three indicators in order to avoid a one-level discount in their overall B-BBEE status.

Figure 76 below shows the comparison of the ESD performance in a three-year period.

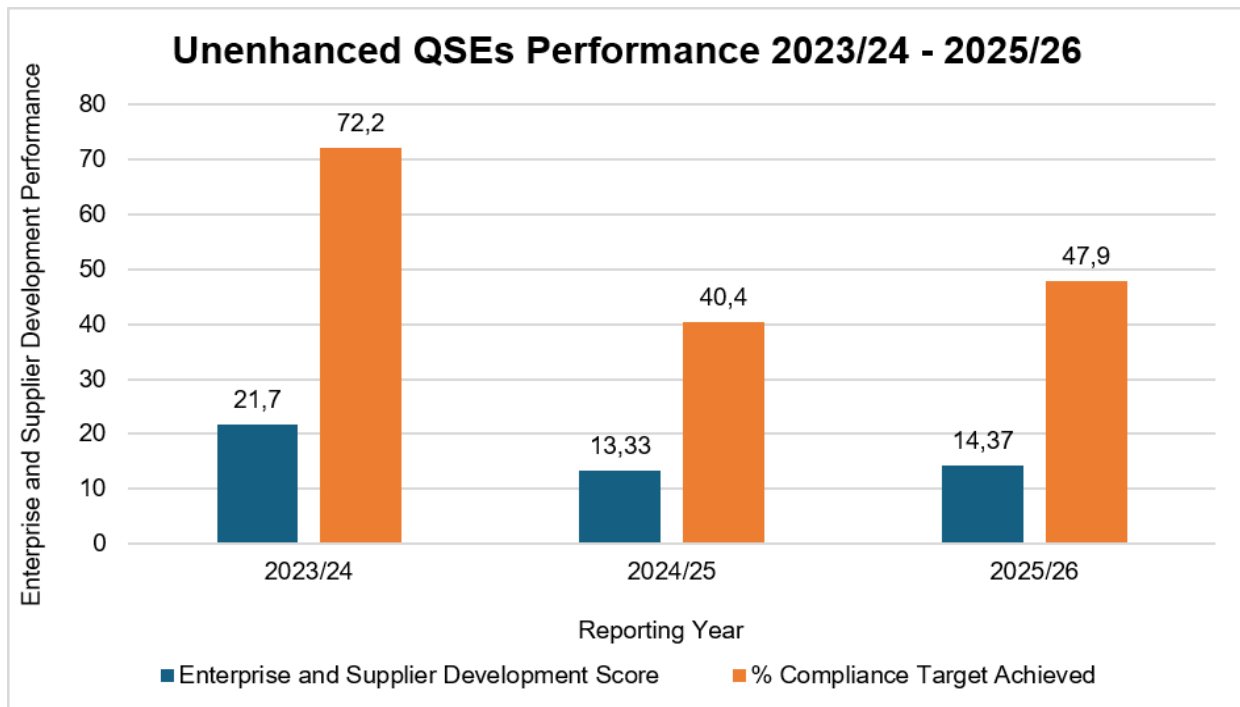


Figure 76: QSEs Enterprise and Supplier Development, 2023/24-2025/26

Figure 76 illustrates the performance of Unenhanced QSEs in the Enterprise and Supplier Development element over the three reporting periods. In 2023/24, the Unenhanced QSEs recorded its highest performance. However, this performance declined significantly in 2024/25, where the average dropped to about 40% of the target. In the 2025/26 reporting period, a moderate recovery, with the average increasing to 14.37 points or 47.9% of the total points was observed. While this improvement is acknowledged, performance remains well below, indicating inconsistent progress across the years.

Figure 77 below shows the overall performance of Unenhanced QSEs on the ESD indicators against the allocated weighting points.

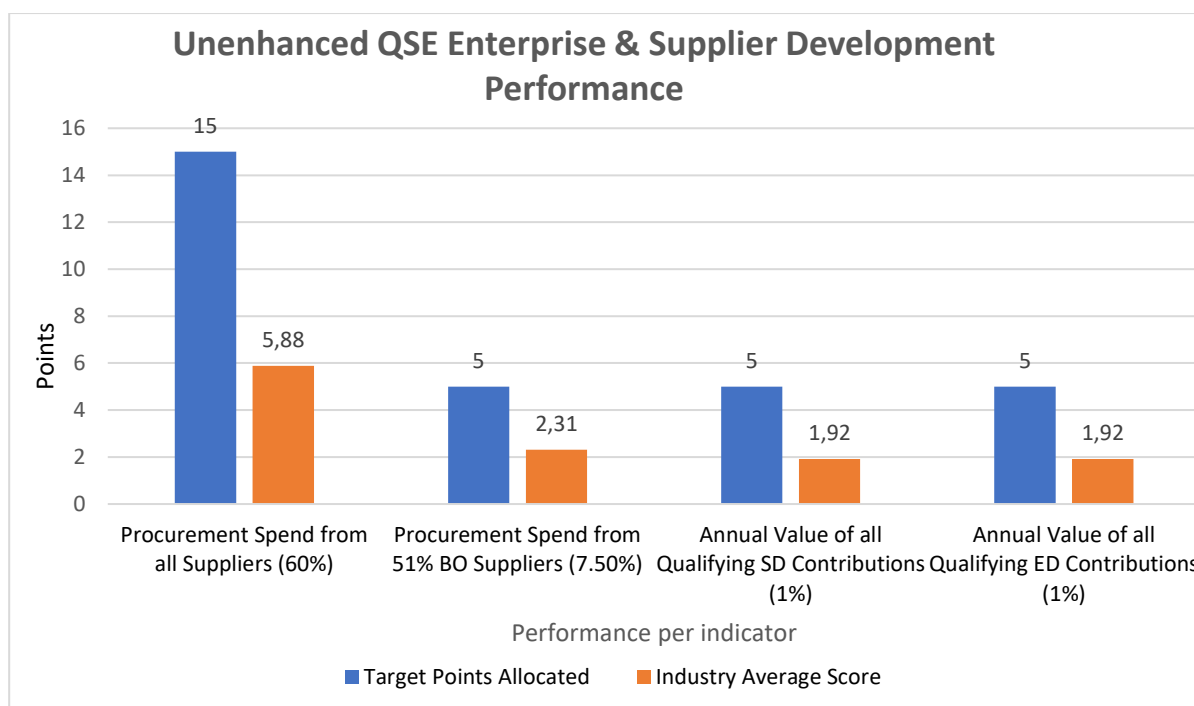


Figure 77: QSEs Enterprise and Supplier Development Performance per Indicator

Unenhanced QSEs continued to record low performance across all ESD indicators even in the current reporting period, with average achievements remaining below 50% of the allocated points in all four indicators as illustrated in Figure 77 above. This mirrors the trend observed in the previous reporting year, where performance across the indicators was also below the halfway mark. Although the overall ESD element showed a slight improvement compared to last year, the indicator-level results suggest that progress remains limited and uneven across entities.

Figure 78 below illustrates the contribution of Unenhanced QSEs expenditure from all Empowering Suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend.

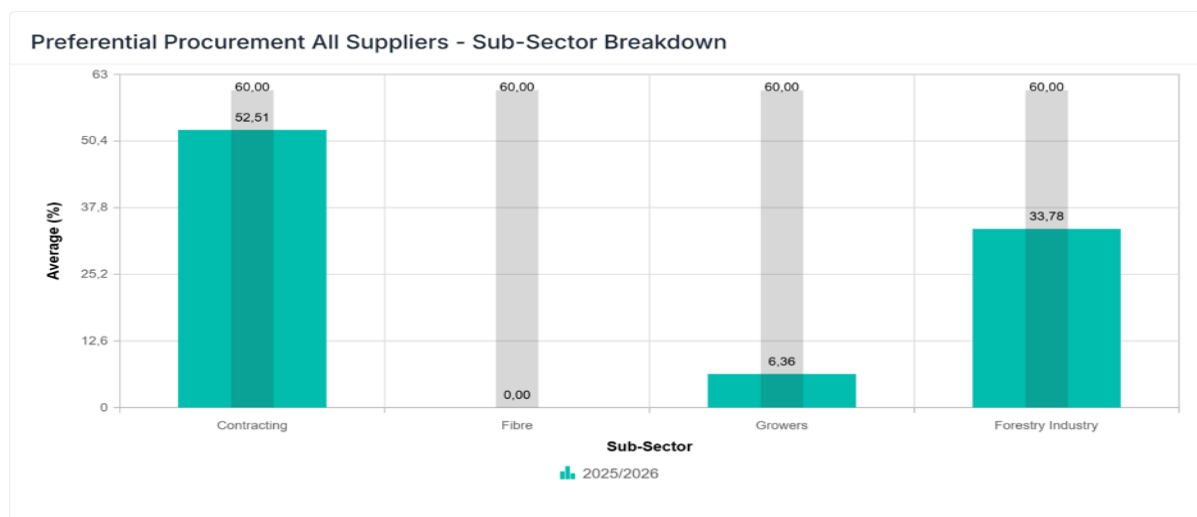


Figure 78: Unenhanced QSEs B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement Recognition Level

Figure 78 demonstrates the performance of Unenhanced QSEs in procurement spend from empowering suppliers across the reporting sub-sectors. The Contracting sub-sector continued to record the strongest performance, making it the primary contributor, while the other remaining performed poorly. Encouragingly, the Growers sub-sector showed some slight improvement, marking progress from previous reporting periods where the sub-sector consistently recorded no progress. This indicates a gradual shift towards participation in preferential procurement initiatives.

Figure 79 below demonstrates the Unenhanced QSEs expenditure from all Empowering Suppliers that are at least 51% black owned.

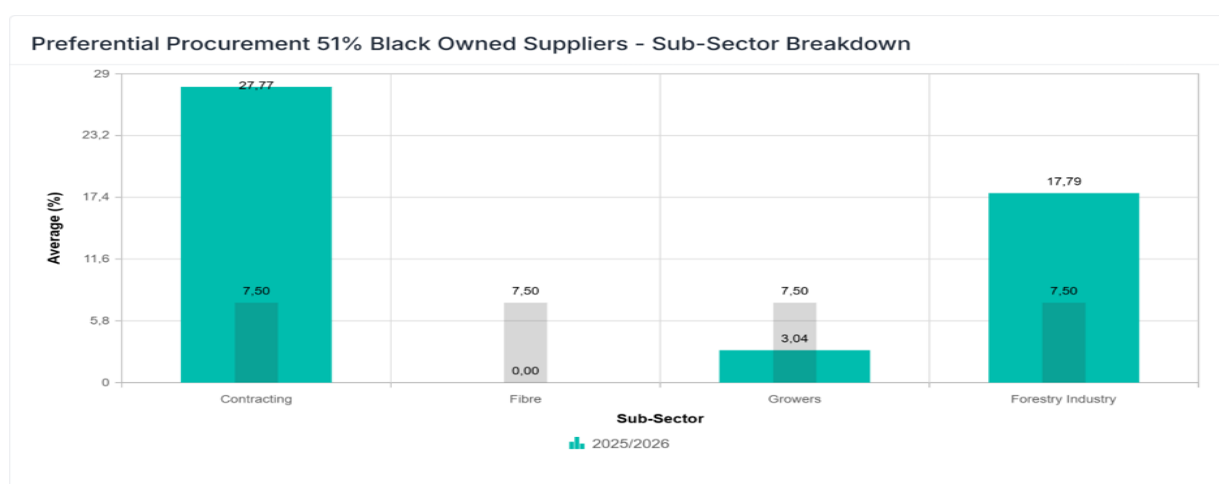


Figure 79: Unenhanced QSEs B-BBEE Procurement Spend from all Empowering Suppliers that are at least 51% black-owned based on the B-BBEE Procurement Recognition Level

Similarly to the previous indicator, procurement spend from 51% black-owned empowering suppliers showed similar performance trend, with the Contracting sub-sector making the biggest contribution. The Growers sub-sector also showed improvement in this indicator in the current reporting period. As a result, the forestry industry average continued to exceed the compliance target even with other sub-sectors having made no effort.

Figure 80 below shows the performance of Unenhanced QSEs on all qualifying Supplier Development contributions as a percentage of the target (1% of the NPAT)

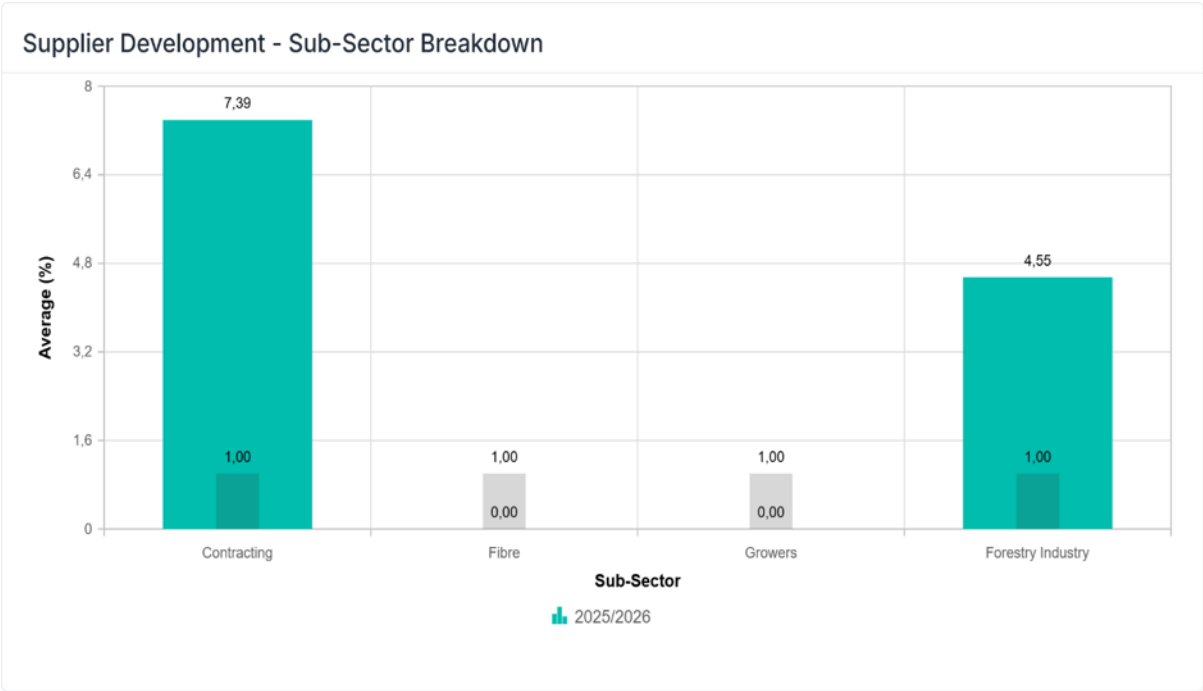


Figure 80: Unenhanced QSEs Supplier Development Contributions

Figure 80 presents the performance of the sub-sectors under the Supplier Development indicator for the 2025/26 reporting period. The Contracting sub-sector continued to lead performance and contributing significantly to the overall forestry industry’s exceptional average, while the remaining other sub-sectors performed poorly. Increased participation from the other sub-sectors would further strengthen industry performance.

Figure 81 below illustrates the scores of Unenhanced QSEs on all qualifying Enterprise Development contributions as a percentage of the target (1% of the NPAT).

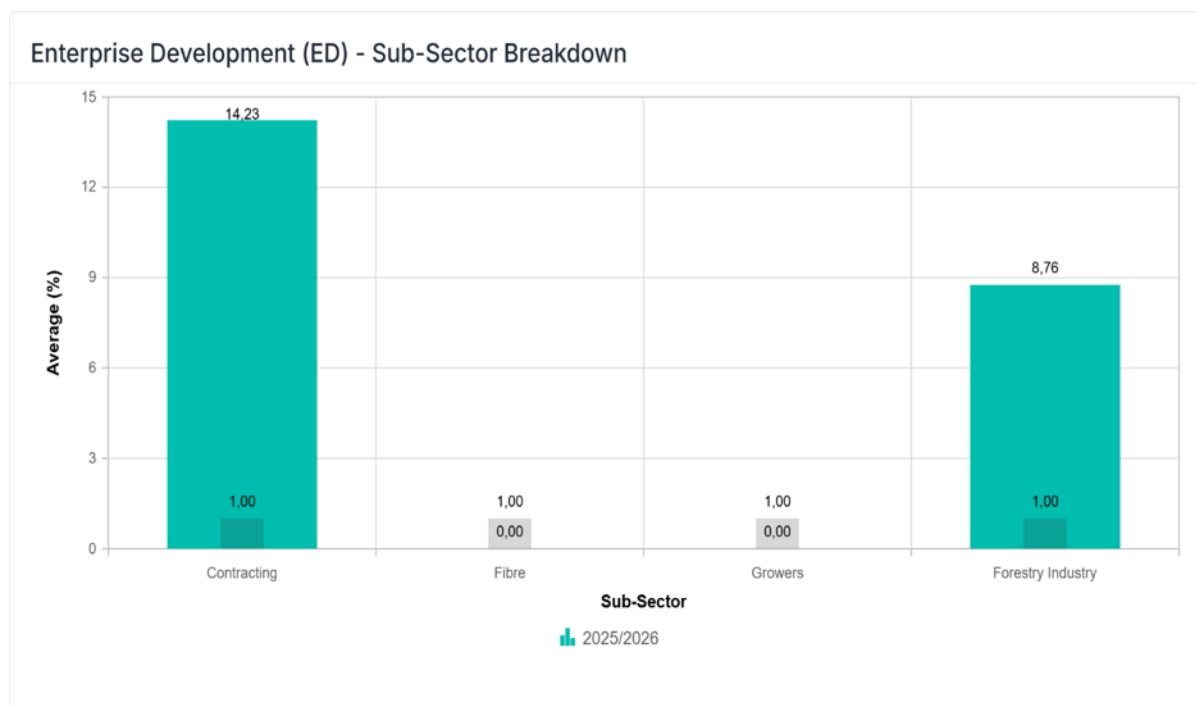


Figure 81: Unenhanced QSEs Enterprise Development Contributions

Similarly to the indicators above, continued strong performance of the Contracting sub-sector is observed even in this indicator, with the sub-sector exceeding the target. This persistent lack of progress from other sub-sectors is concerning and suggests limited emphasis on supporting the growth of emerging black-owned enterprises.

9.5 Socio-Economic Development In-Depth Analysis

The Socio-Economic Development (SED) element evaluates the extent to which Unenhanced QSEs contribute towards initiatives aimed at improving social and economic conditions within local communities. These contributions may include monetary support, or other non-financial assistance directed towards programmes such as education, healthcare, poverty alleviation, and community upliftment.

Under this element, entities are encouraged to invest in initiatives that predominantly benefit black people, particularly communities surrounding forestry operations. In order to qualify for the full 5 weighting points, Unenhanced QSEs are required to contribute at least 1% of their NPAT towards socio-economic development initiatives. The SED element seeks to promote sustainable community development by encouraging interventions that create long-term social and economic value. Figure 82 below shows the performance of Unenhanced QSEs across the past three years, 2023/24 to 2025/26

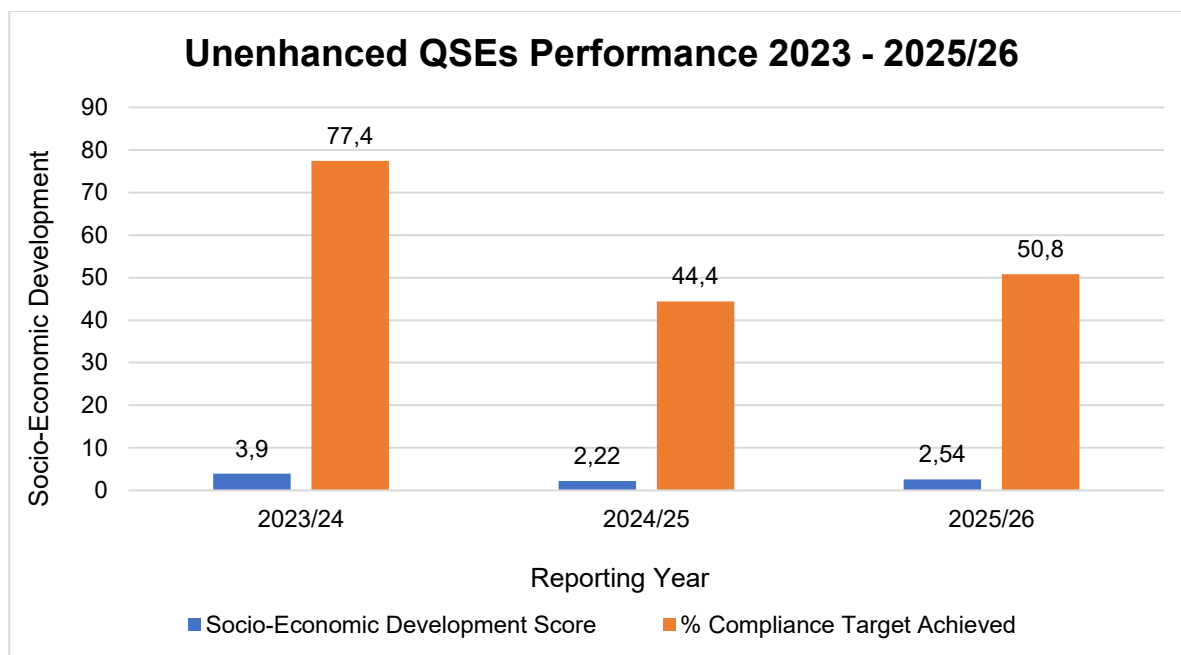


Figure 82: QSEs Socio-Economic Development, 2023/24 - 2025/26

The performance of Unenhanced QSEs over the current reporting period indicates a slight improvement compared to the previous year, as reflected in Figure 82. After a declining trend observed between the previous two reporting years, the current year showed some slight improvement. Despite this improvement, performance remains below the full compliance requirement of 5 points. The variation in performance continues to be influenced by non-compliance of some entities, which affects the overall average performance.

Figure 83 below shows the overall performance of the Unenhanced QSEs on the SED element.

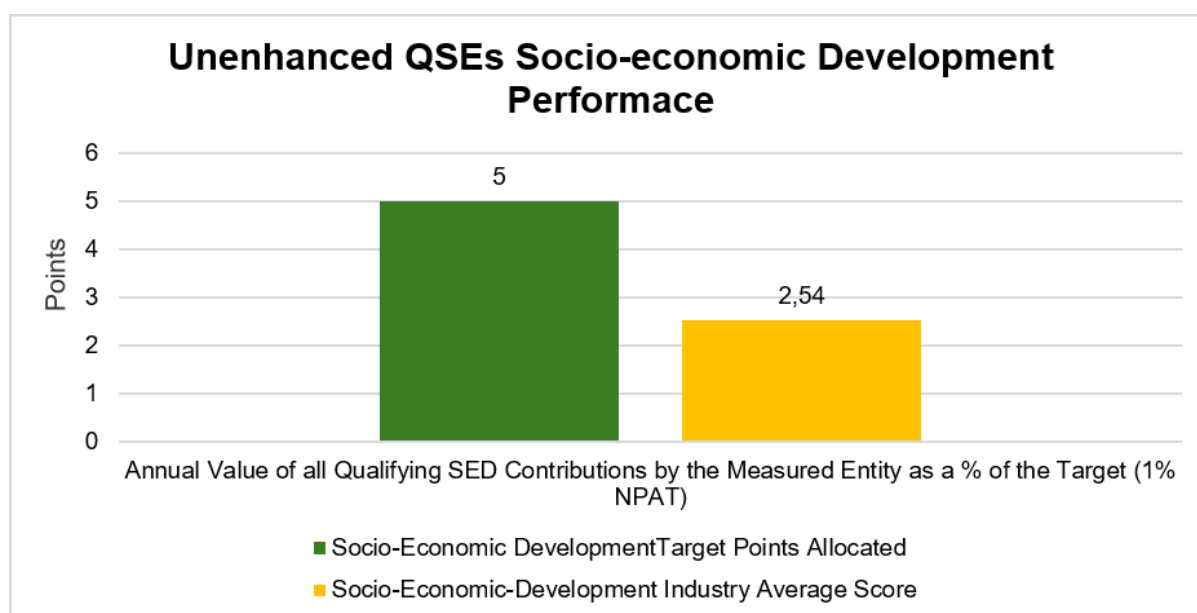


Figure 83: QSEs Socio-Economic Development Performance

As shown in Figure 83, Unenhanced QSEs recorded a score slightly above 50% of the overall target. This demonstrates an insignificant improvement in SED performance during the year under review. The results further indicate that the even the implementation of SED initiatives across sub- sectors remains uneven, with some entities contributing minimally or not at all.

Figure 84 below displays the SED performance for Unenhanced QSEs on qualifying SED contributions as a percentage of the target (1% of the NPAT).

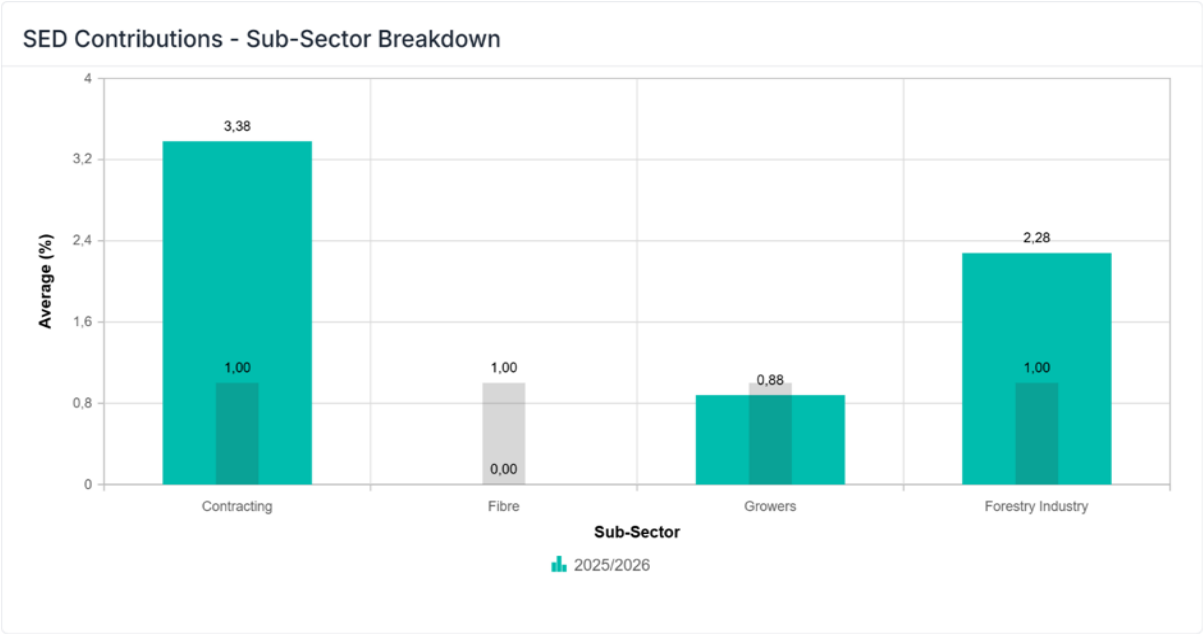


Figure 84: Unenhanced QSEs Socio-Economic Development contribution across sub-sectors

Figure 84 above highlights the performance of the reporting sub-sectors on the SED element. Similarly to all the above indicators, the sector’s performance continues to be driven by Contracting sub-sector. The Growers sub-sector also showed impressive improvement when compared to the previous reporting periods where no contribution was made. The overall industry exceeded the compliance target, supported by the good performance from the Contracting and growers’ sub-sectors.

Table 8 below illustrates a statistical breakdown of direct black people and black women ownership in QSEs.

	<i>Black People</i>	<i>Black Women</i>	<i>Black Designate d Groups</i>
<i>Minimum</i>	0	0	0
<i>Q1</i>	51	0	0
<i>Median</i>	55.19	0	0
<i>Mean</i>	63.59	14.65	30.71
<i>Mode</i>	100	0	0
<i>Q3</i>	100	14.5	55.39
<i>Maximum</i>	100	100	100
<i>Standard Deviation</i>	34.97	28.57	41.77
<i>No. of entities scoring 0% ownership</i>	7	36	32
<i>No. of entities scoring above 0% but below 51% ownership</i>	5	14	6
<i>No. of 51% BO entities</i>	15	0	2
<i>No. of entities scoring above 51% but below 100% ownership</i>	7	2	3
<i>No. of 100% BO entities</i>	22	4	13
<i>Total No. of Measured Entities</i>	56	56	56

Table 8 above presents the black ownership profile of the 56 QSEs that reported during the 2025/26 reporting period. The average black ownership was at 61.53%, while black women ownership averaged 12.61%, and black designated groups recorded an average score of 28.63%. Although the average for black designated groups improved compared to previous reporting periods, black women ownership remains notably low, reflecting continued disparities in ownership patterns and participation.

Out of the 56 reporting entities, 22 were 100% black owned, while only 4 entities were 100% black women owned and 13 entities were 100% owned by black designated groups. In contrast, 36 entities recorded 0% ownership participation for black women and designated groups, with 36 entities scoring 0% for black women ownership and 32 entities recording 0% ownership for black designated groups. The distribution of ownership levels continues to demonstrate uneven level of economic transformation across the sector, particularly in relation to black women and designated groups.

10. EXEMPTED MICRO ENTERPRISES (EMEs) ANALYSIS

Exempted Micro Enterprises (EMEs) refer to businesses with an annual turnover not exceeding R10 million. Within the forestry sector, these entities are categorised into two categories; either Enhanced or Unenhanced EMEs. Unlike larger entities and Unenhanced QSEs, EMEs are not required to undergo a formal B-BBEE verification process, which is intended at simplifying compliance and reporting for smaller businesses.

EMEs receive automatic B-BBEE recognition levels based on their black ownership profile. Entities that are 100% black owned qualify as Level 1 contributors, while those with black ownership between 51% and 99% qualify as Level 2 contributors. EMEs with less than 51% black ownership are recognised as Level 4 contributors. However, EMEs can improve their B-BBEE levels by being verified using the QSE scorecard. While this automatic recognition is intended at encouraging participation, it also alleviates the financial burden on small entities by removing the need for verification.

In line with the implementation of the FSCC Online Reporting System, EMEs are also required to utilise the platform for submission purposes, thereby promoting improved reporting efficiency, accessibility, and record management across all categories of reporting entities. This transition towards digital reporting is expected to strengthen compliance monitoring and enhance the reliability of information submitted to the Council and this will be mandatory as soon as the amendments in the codes have been gazetted.

Figure 85 below compares the submissions of EMEs' affidavits for the past three years: 2023/24 to 2025/26.

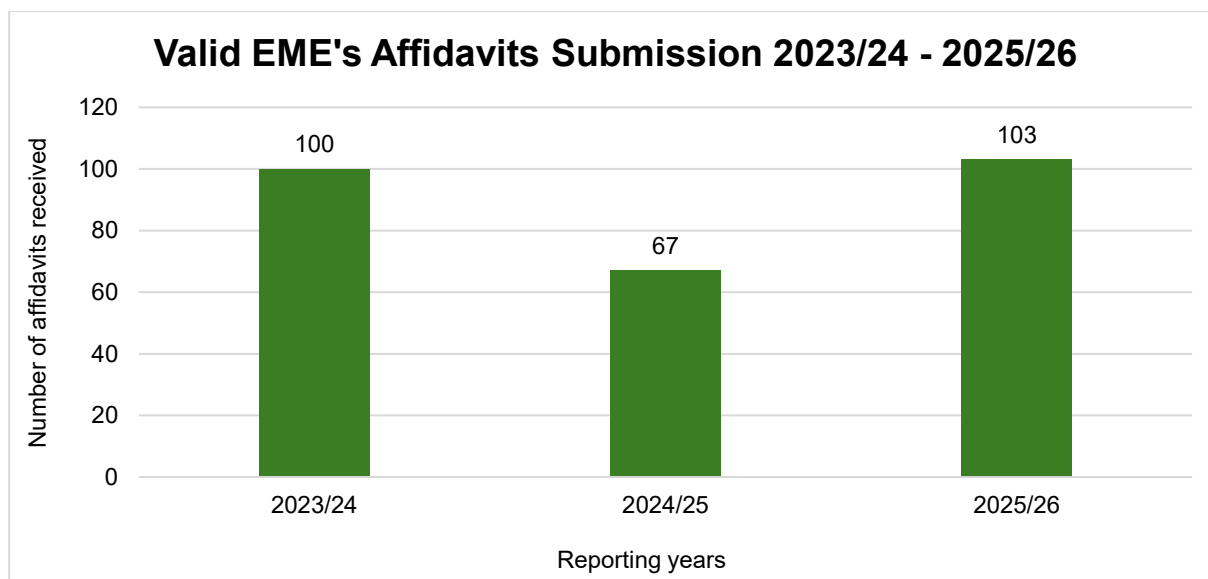


Figure 85: Submissions of EMEs' affidavits from 2023/24-2025/26

Figure 85 illustrates the trend in EME affidavit submissions over the past three reporting periods. Following the significant decline recorded in 2024/25, the current reporting period showed a notable recovery, with 103 valid affidavits received. This represents the highest number of submissions recorded over the three-year period, slightly exceeding the 100 submissions received in 2023/24.

The increase in submissions reflects improved participation by EMEs in the reporting process. While only a few entities utilised the platform during this initial phase, the gradual uptake is encouraging and demonstrates the beginning of the sector's transition towards a more efficient and streamlined digital reporting process.

As indicated above, EMEs qualify for automatic B-BBEE recognition levels based on their black ownership profile and may only be recognised as Level 1, Level 2, or Level 4 contributors. Figure 86 below presents the B-BBEE levels attained by EMEs during the 2025/26 reporting period.

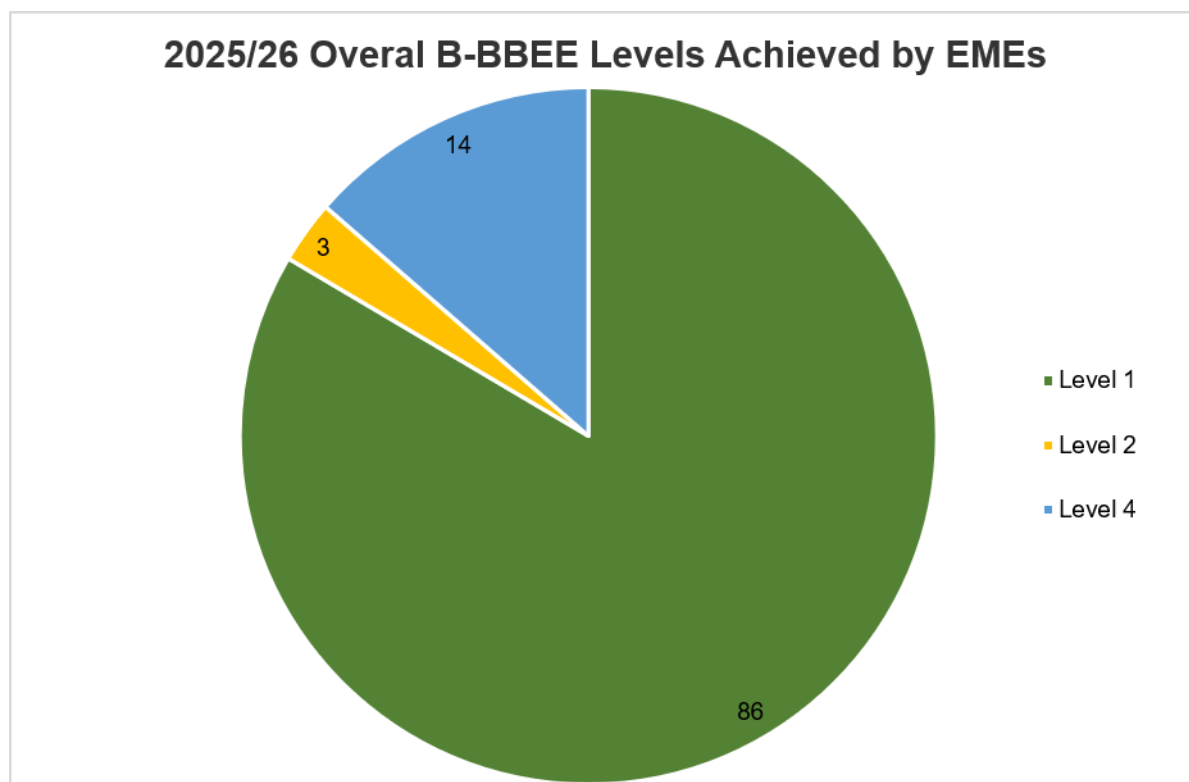


Figure 86: B-BBEE Levels Achieved by EMEs

The B-BBEE levels achieved by EMEs during the current reporting period continue to reflect strong black ownership participation within this category of entities. As illustrated in Figure 86 above, the majority of reporting EMEs (86), translating to 83% achieved a Level 1 B-BBEE status, confirming that most of these enterprises are fully black owned. This demonstrates the continued participation of black entrepreneurs within the forestry sector, particularly at small business level. A further three entities achieved Level 2 status, while 14 entities reported as Level 4 contributors. Although the number of Level 4 contributors remains notable, the overall distribution of B-BBEE levels reflects encouraging transformation progress amongst EMEs. The dominance of small entities also suggests an encouraging understanding of the legal obligation of reporting.

Sub-sector representation is also a key element within the EMEs. The representation of EMEs in terms of the sub-sectors they operate in is shown in Figure 87 below.

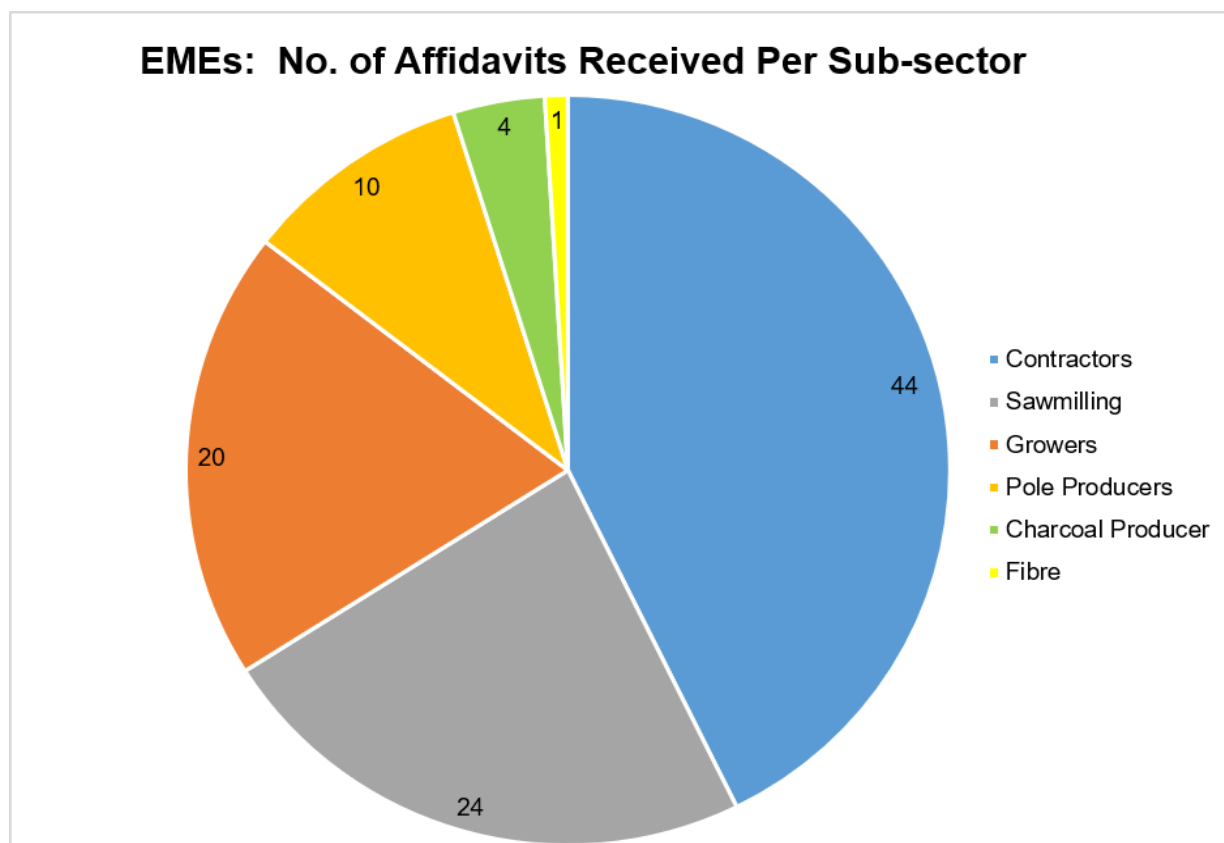


Figure 87: Valid EMEs submission per sub-sector

As presented in Figure 87, this year's reporting reflects participation across all six EME sub-sectors. The Contractors' sub-sector recorded the highest level of participation followed by Sawmillers, Growers and Pole producers subsequently. The intervention of the FSSC in partnership with DFFE and Forestry South Africa (FSA) in as far as reporting sawmillers and growers is beginning to show some fruits. The remaining two being Fibre and Charcoal producers recoded the least with the fibre sub-sector continuing to lag behind, likely due to the large-scale nature of its operations. As a result, participation from smaller-scale entities within this sub-sector is expected to remain limited. While some improvements in reporting are anticipated, these will largely stem from the inclusion of the recycling segment introduced through recent amendments.

Table 9 below illustrates a statistical breakdown of direct black people and black women ownership in EMEs.

	<i>Black People</i>	<i>Black Women</i>	<i>Black Designated Groups</i>
<i>Minimum</i>	0	0	0
<i>Q1</i>	0	0	0
<i>Median</i>	100	0	0
<i>Mean</i>	84.98	37.23	70.11
<i>Mode</i>	100	0	100
<i>Q3</i>	100	100	100
<i>Maximum</i>	100	100	100
<i>Standard Deviation</i>	34.86	43.82	45.29
<i>No. of entities scoring 0% ownership</i>	14	54	29
<i>No. of entities scoring above 0% but below 51% ownership</i>	0	10	2
<i>No. of 51% BO entities</i>	3	0	1
<i>No. of entities scoring above 51% but below 100% ownership</i>	0	9	0
<i>No. of 100% BO entities</i>	86	28	71
<i>Total No. of Measured Entities</i>	103	103	103

Table 9 above presents the ownership profile of the reporting EMEs in the 2025/26 reporting period. The results show strong black ownership profile, with an average black ownership of 84.98%, while black women ownership averaged 37.23% and black designated groups recorded 70.11%. A significant number of entities showed full ownership representation across the categories, with 86 entities being 100% black owned, 28 being 100% black women owned, and 71 being 100% owned by black designated groups also confirmed by the B-BBEE levels achieved. This reflects encouraging empowerment and participation progress amongst EMEs and demonstrates broader participation of previously disadvantaged groups within the sector.

11. CONCLUSION AND RECOMMENDATIONS

The Annual Status of Transformation Report provides an assessment of the forest sector's progress towards achieving the objectives of the Amended FSC and advancing B-BBEE within the industry. The report evaluated reporting participation, transformation performance across the scorecard elements, levels achieved by measured entities, and key trends influencing the pace and sustainability of transformation within the sector.

The reporting period recorded a significant improvement in participation levels, with the number of reporting entities increasing from 157 to 206, representing a 30% increase compared to the previous reporting cycle. This growth was largely driven by EMEs, followed by MLEs, while QSE participation remained relatively stagnant. The increase in reporting participation demonstrates improved awareness of reporting obligations, growing commitment to transparency and accountability, and continued support from VAs. Sub-sector representation also improved, particularly among EMEs, with small-scale sawmillers participating in reporting for the first time. However, Charcoal Producers remained the least represented sub-sector, with limited participation from MLEs and EMEs and no representation within the QSE category. This limited participation continues to constrain the representativity of transformation assessments within the sub-sector. Despite these positive developments, inconsistent reporting among QSEs and EMEs remains a concern, limiting the sector's ability to comprehensively assess transformation progress. The anticipated implementation of mandatory reporting through the FSCC Online Reporting System is therefore expected to improve reporting consistency and strengthen the reliability of sector-wide transformation assessments.

The forestry sector achieved an overall Level 2 B-BBEE Contributor status during the reporting period, based on the aggregation of the B-BBEE performance levels attained by reporting MLEs. This achievement demonstrates continued progress towards the objectives of the Amended FSC and reflects the cumulative impact of transformation initiatives implemented across the sector. QSEs attained an overall Level 2 status, while EMEs achieved Level 1, reflecting improvements compared to previous reporting cycles. The strong performance of Enhanced entities, which consistently outperformed their Unenhanced counterparts across most scorecard elements, was a significant contributor to these outcomes.

Performance across the scorecard elements reflects both areas of progress and ongoing challenges. MLEs performed strongly in Ownership, Skills Development, ESD, and SED, contributing positively towards the sector's overall transformation performance. However, the continued decline in ESD performance among some entities and evidence of selective compliance remain areas of concern. The overall results suggest that while MLEs continue to

drive the sector's transformation performance, further efforts are required to ensure balanced progress across all scorecard elements and sustained compliance with priority elements.

Unenhanced QSEs continued to underperform, recording below-average performance across most scorecard elements. MC remained particularly weak, while compliance with priority elements continued to pose a challenge, resulting in some entities being discounted. Skills Development emerged as the strongest-performing element within this category, with approximately 50% of the applicable targets achieved. Ownership trends among QSEs and EMEs mirrored those observed among MLEs, with comparatively lower participation by black women and BDGs. While EMEs demonstrated relatively stronger participation by BDGs, representation of black women remained limited across both categories, highlighting the need for more inclusive ownership and participation models.

Despite the progress achieved across certain scorecard elements, transformation outcomes remain uneven across beneficiary groups, business categories, and sub-sectors. MC remains the poorest-performing element across the sector, characterised by persistent underrepresentation of black people, particularly black women, at board, executive, senior management, and strategic leadership levels. While representation is generally stronger at junior and middle management levels, progression into senior leadership positions remains limited, highlighting challenges relating to succession planning, leadership development, talent retention, and organisational transformation practices. The continued underrepresentation of black women and designated groups in both ownership and leadership structures further suggests that the benefits of transformation are not yet being equitably distributed amongst all intended beneficiaries.

The report further highlights the limited absorption of black trainees into permanent employment opportunities following the completion of learnerships, internships, apprenticeships, and other development programmes. While many entities continue to invest in Skills Development and achieve compliance targets, the transition of beneficiaries into sustainable employment remains low. This raises concerns regarding the long-term effectiveness and impact of these interventions and underscores the need to strengthen the linkage between skills development, workforce planning, succession management, and employment creation. The findings suggest that transformation outcomes should increasingly be measured not only by training outputs but also by employment outcomes, career progression, and leadership development.

The findings further demonstrate that meaningful transformation cannot be achieved through compliance alone. Sustainable transformation requires integrated implementation of all

scorecard elements and a deliberate focus on long-term outcomes. The discounting of certain MLEs and Unenhanced QSEs for non-compliance with priority elements reinforces the importance of complying with the foundational requirements of the B-BBEE framework and highlights the risks of selectively implementing transformation initiatives.

To accelerate progress, the FSCC should continue to strengthen awareness programmes, compliance support initiatives, stakeholder engagement, research, and evidence-based interventions to improve reporting participation and address the root causes of underperformance. Particular attention should be given to improving reporting consistency among QSEs and EMEs, strengthening support for underperforming entities, and promoting broader participation across all forestry sub-sectors. Comparative analyses between consistent and inconsistent reporters should be utilised to identify barriers to compliance and support targeted interventions.

Measured entities should implement deliberate and measurable interventions to improve representation at board, executive, senior management, and strategic leadership levels, with a specific focus on black women and designated groups. Enhanced succession planning, mentorship programmes, leadership development initiatives, and talent retention strategies should be prioritised to strengthen leadership transformation. Entities should further strengthen the alignment between Skills Development and workforce planning to improve the absorption of trainees into sustainable employment and leadership pathways. Monitoring beneficiary absorption rates should form part of assessing the effectiveness and long-term impact of skills development interventions.

Government institutions should continue strengthening the implementation of Section 10 of the B-BBEE Act by ensuring that organs of state and public entities appropriately consider B-BBEE compliance when issuing licences, concessions, grants, authorisations, incentives, procurement opportunities, and other economic instruments. This will reinforce the strategic importance of transformation and encourage greater compliance throughout the sector.

Entities should continue promoting meaningful ownership participation and broad-based inclusion by expanding opportunities for black women, BDGs, employees, communities, and emerging enterprises. Greater collaboration between the FSCC, government institutions, VAs, organised industry structures, and measured entities will remain critical in addressing systemic barriers, improving accountability, and strengthening both reporting and implementation of the Amended FSC. Furthermore, entities should actively utilise the B-BBEE feedback reports issued by the FSCC as strategic planning tools to identify performance gaps, monitor progress against

targets, strengthen compliance, and align transformation initiatives with their organisational and sector transformation objectives.

Overall, while the attainment of a Level 2 B-BBEE Contributor status demonstrates encouraging progress within the forest sector, sustained commitment and targeted interventions will be required to address remaining transformation gaps. By moving beyond compliance-driven approaches and embedding transformation as a strategic business imperative, the sector will be better positioned to achieve meaningful socio-economic participation, leadership diversity, enterprise growth, and inclusive development for all intended beneficiaries.

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- i [Employment Equity: New Forms Gazetted on 15 April 2025 - TESD](#)
 - ii [Parks Tau summons sector councils to 'reposition' B-BBEE | News24](#)
 - iii [Trade & Industry Minister to meet with stakeholders over loosening BBEE rules](#)
 - iv <https://www.tusker.co.za/bee-ownership-guide/financing-a-bee-deal/net-value/>
 - v <https://bmfonline.co.za/media-release/subjecttime-for-a-reset-bmf-and-henley-business-school-africa-research-calls-for-overhaul-of-b-bbee-implementation/>
 - vi [B-BBEE overview – ABI BEE](#)
 - vii <https://www.catalyst.org/research/women-of-color-in-leadership/>
 - viii <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>
 - ix <https://bmfonline.co.za/media-release/subjecttime-for-a-reset-bmf-and-henley-business-school-africa-research-calls-for-overhaul-of-b-bbee-implementation/>
 - x [Skills Development in South Africa: Trends, Challenges & Opportunities – South African Worker and Student Portal](#)
 - xi [Department of Higher Education and Training \(DHET\) - Annual Report 2023-24](#)
 - xii <https://www.worldbank.org/ext/en/topic/education/skills-and-workforce-development>
 - xiii <https://www.statssa.gov.za/?p=18398>
 - xiv <https://www.zawya.com/en/world/africa/south-africa-forestry-sector-webinar-highlights-career-pathways-for-unemployed-youth-dnd8zvx0>
 - xv https://www.africanmining.co.za/2024/10/31/white-paper-launched-assesses-effectiveness-of-esd-in-sa/?utm_source=chatgpt.com
 - xvi https://www.businessday.co.za/companies/2025-11-28-from-compliance-to-impact-how-strategic-b-bbee-implementation-transforms-sa-business/?utm_source=chatgpt.com
 - xvii https://www.bbbeeecommission.co.za/b-bbee-commission-research-survey-puts-a-spotlight-on-the-gains-and-challenges-on-implementing-enterprise-and-supplier-development-programmes/?utm_source=chatgpt.com
 - xviii https://www.bbbeeecommission.co.za/wp-content/uploads/2026/02/B-BBEE-COMMISSION-ESD-Report-17-Final_compressed-3.pdf?utm_source=chatgpt.com
 - xix https://www.businessday.co.za/companies/2025-11-28-from-compliance-to-impact-how-strategic-b-bbee-implementation-transforms-sa-business/?utm_source=chatgpt.com
 - xx [South Africa's Youth in the Labour Market: A Decade in Review | Statistics South Africa](#)