

## Kaap Agri Improves B-BBEE Accreditation

Kaap Agri, the JSE-listed retail group trading in agricultural, fuel and related retail markets, recently completed its annual B-BBEE verification process and achieved a Level 3 BEE contributor status.

This status is amongst the highest in the agricultural sector and will provide 110% BEE recognition for the procurement spend of all customers of the Kaap Agri group.

Producers and other players in the sector will know that a good BEE rating is becoming increasingly more important, and having a good rating will realise some additional benefits for businesses. Be it when one participates in tenders for new business, or from a regulatory or licensing perspective. For example, farming businesses will know that export licenses and water rights applications are complex. A good BEE rating could facilitate an easier process.

Sean Walsh, Kaap Agri's Managing Director and CEO, says this BEE status comes as a result of prioritising a turnaround strategy to improve on the previous level 7 recognition status.

"Leveraging culture and diversity remains a key differentiator for unlocking further growth opportunities and is a major strategic focus area for the Group. Considerable efforts were therefore made in improving Kaap Agri's B-BBEE contributor status," he said.

"We developed a forecasting tool to give us a consolidated view of each of our scorecard elements. This resulted in improved planning and more effective decision-making regarding proposed financial investments which ultimately contributed to our improved score."

The company's BEE shareholding amounts to just over 27% (using the modified flow-through principle), with the Kaap Agri Trust – a shareholder – providing benefits to, amongst others, previously disadvantaged employees.

Focus areas such as supplier development, socio-economic development (SED) programmes, and skills development contributed to the improved score. In addition to this, the Group increased its products purchased from B-BBEE accredited suppliers to more than 85%.

"Socio-economic development spend is a critical building block for the much needed long-term societal change in South Africa. It offers Kaap Agri the opportunity to share with a wider audience the 'mens-mense' ethos that forms such an integral part of the company's corporate DNA," said Walsh.

Kaap Agri's flagship SED programmes include the Kaap Agri Academy which offers emerging farmers the opportunity to obtain NQF level agricultural training, as well as its bursary programme, which currently supports 45 high school learners.

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**We are mens-mense, we CARE.**

Kaap Agri is also a proud partner of the Young Stars programme, a three-year job shadowing programme supported by the United Nations Children's Fund (UNICEF) which aims to empower 50 female learners from rural and peri-urban high schools. Overall, the group spent R4.5 million on CSI activities over the last financial year and actively supports initiatives in the areas in which its stores operate.

"Our focus is always to offer and add value to our stakeholders. From a customer point of view, improving our score is one more way for us as a supplier to add value to our clients. Through improving our own score, any customer looking to improve their procurement score, could benefit by obtaining 110% recognition of their procurement spend with us," Walsh said.