

Proudly South African

ANNUAL REPORT

2017/18



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About

Proudly South African

Launched in 2001, Proudly South African is the country's local procurement advocacy campaign which aims to promote South African products and services that adhere to stringent criteria and to influence the buying behaviour of consumers, private business and the public sector in favour of those locally grown, produced and manufactured goods and services. This is in line with government's plans to reduce unemployment to 15% as per the National Development Plan.

Member companies that bear the Proudly South African logo have been audited for local content, quality, fair labour practices and adherence to environmental legislation.

The "Buy Local" philosophy is an internationally tried and tested method to stimulate economic growth through job creation which results from the increased uptake of local goods and services and Proudly South African works to drive this message of economic growth and stimulation through local procurement.



Vision

Proudly SA encourages the nation to make personal and organisational contributions towards economic growth and prosperity in South Africa, thereby increasing employment opportunities, economic growth and local value add while reinforcing national pride and patriotism.

Mission

ProudlySA's mission is to be an economic prosperity and competitiveness driver and business partner for all South African producers and service providers who are serious about quality and who are committed to creating and sustaining employment and meaningful gain for local industries by joining the organisation.



Values

Proudly SA provides a country-of-origin brand that effectively identifies, differentiates and promotes local companies' products and services which meet the organisation's criteria.

4 Pillars

A blue circular icon containing a white map of South Africa is positioned at the top left of a white, pill-shaped graphic. The graphic has a blue shadow at the bottom and a blue tail extending from the icon.

Local Content

At least 50% of the cost of production must be incurred in South Africa and there must be “substantial transformation” of any imported materials.

A red circular icon containing a white thumbs-up gesture is positioned at the top left of a white, pill-shaped graphic. The graphic has a red shadow at the bottom and a red tail extending from the icon.

Quality

The product or service must be of a proven high quality.

A black circular icon containing a white scale of justice is positioned at the top left of a white, pill-shaped graphic. The graphic has a black shadow at the bottom and a black tail extending from the icon.

Fair Labour Practice

The company must comply with labour legislation and adhere to fair labour practices

A green circular icon containing a white plant with a flower is positioned at the top left of a white, pill-shaped graphic. The graphic has a green shadow at the bottom and a green tail extending from the icon.

Environmental Standards

The company must be environmentally responsible and adhere to production processes that are environmentally friendly and acceptable. Services must demonstrate a willingness to recycle and reduce their carbon footprint.

Strategy & Focus

Proudly South African seeks to influence the public and private sectors as well as consumers in favour of increased procurement of locally produced and manufactured goods and services in order to stimulate economic growth and job creation. Our message aligns with that of government as outlined in the Industrial Policy Action Plan (IPAP) and the National Development Plan (NDP) which speak of the drastic reduction in unemployment.

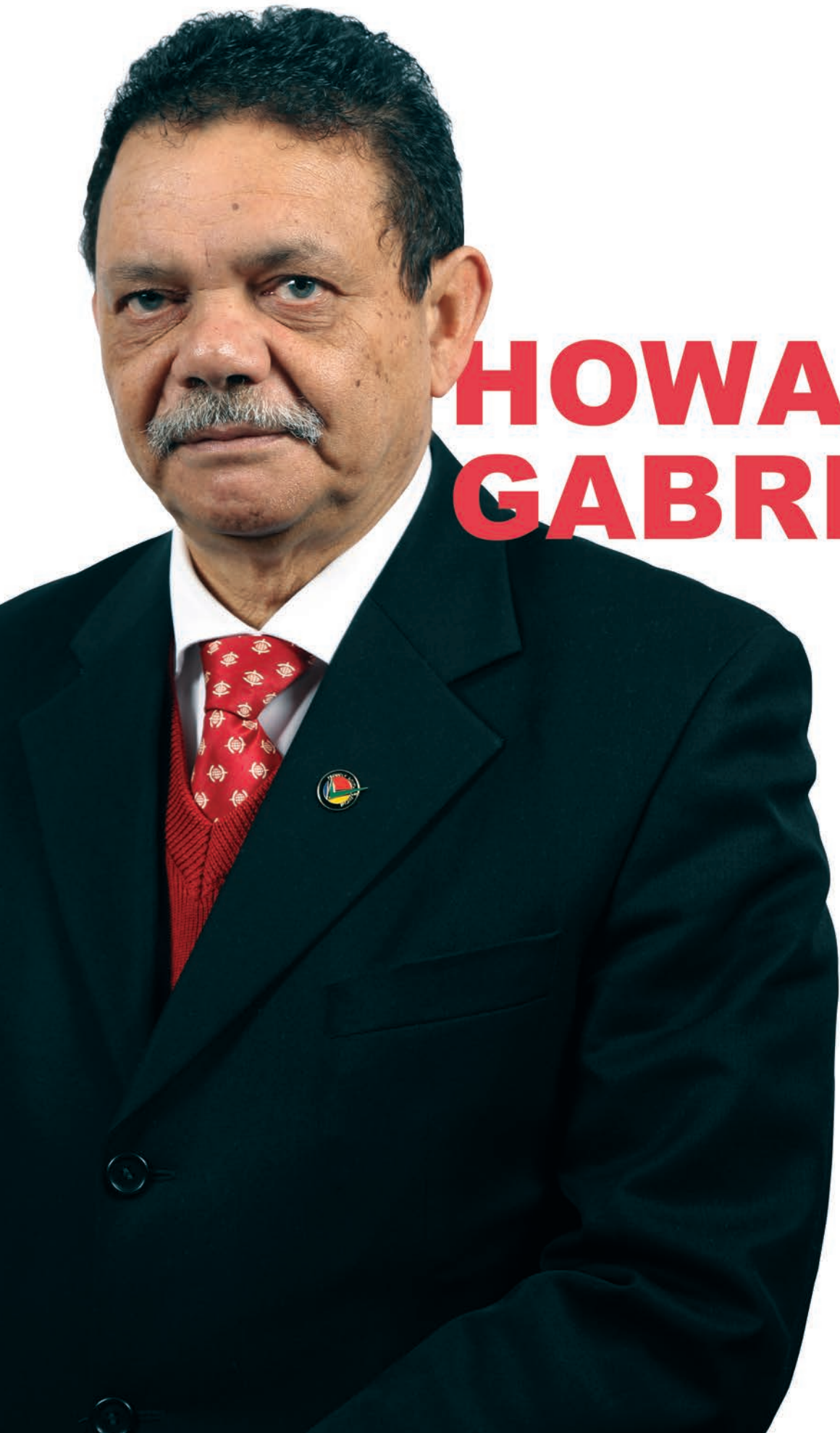
Proudly South African's work also aligns with the broader national development agenda and the Local Procurement Accord of 2011.

The acronym **PRIDE** spells the organisation's vision, mission and strategic focus.



Key focus areas, as per the Strategic Plan, include:

- Embarking on a national campaign to educate consumers, the private sector and all spheres of the public sector on the economy-wide benefits of buying locally manufactured products and services,
- Rolling out a national campaign to educate the public about the importance of labels of origin, and
- Developing a national supplier database of local products and services.



HOWARD GABRIELS



Chairman's Foreword

It is a pleasure to present the Proudly South African Annual Report for the past financial year. Over the twelve months we have experienced tumultuous change in the global economy with the rise of protectionism and serious threats to multi-lateral institutions that govern trade and investment. At the same time there is a new optimism in the South African economy ushered in by the political changes in our country. This new optimism must translate into new investment into our economy that will contribute to new job creation and address the triple challenges of poverty, inequality and unemployment in South Africa.

The mandate of Proudly South African in the new political and economic reality, to promote the buy local campaign in order to contribute to job creation, is even more important than ever. Unemployment has remained stubbornly high in South Africa and is the biggest challenge we face. We welcome the initiative by President Ramaphosa to reconvene the Jobs Summit for the social partners to collectively address interventions to reduce unemployment.

The Minister of Trade and Industry (the **dti**), Dr. Rob Davies, and the officials of the Department have made a substantial contribution to our ongoing efforts, by directly promoting

the campaign and also supporting us with much-needed resources. Over the year we have strengthened our relationship with the Department and secured funding for our work over the medium-term budget period.

The **dti** also plays an important role in creating the policy framework for the localisation campaign. The programme which designates certain products for local procurement by the public sector is an important one in promoting job creation. At Proudly South African we have developed a tender monitoring system over the past year to monitor compliance by all published tenders with this local content legislation. It is disconcerting that despite this being a policy of government we find many tenders at local, provincial and national level that do not comply with the provision of the regulations on designated goods and services. We have now developed a process with the **dti** for the reporting and rectification of such non-compliant tenders. In addition, we are conducting public sector forums in all provinces which focus on educating procurement managers from municipalities, provincial government structures and SOEs on the regulations as well as the benefits of extending local procurement policies beyond simply those sectors designated by legislation.

Over the year we have strengthened our relationship with government departments other than the dti, specifically with the Department of Economic Development, the Department of Labour, National Treasury, The Department of Small Business Development, GCIS and other governmental institutions such as Brand SA and Tourism SA. We have also provided support to other SADC countries including Botswana, Namibia and Zimbabwe who have established similar buy local campaigns to ours.

Our membership has grown significantly amongst companies in the retail and manufacturing sector. This is heartening and reassures us that the changes we introduced to improve the value proposition of Proudly South African is yielding the desired results. We are particularly satisfied with the progress we have made to promote increased localisation with our members primarily in the clothing retail sector, with many members substantially increasing both the volume and value of locally manufactured products in their stores. Retailers are also investing in developing their supply chains and are reaping the benefits from the enterprise development support they are providing, especially to small and medium enterprises.

We have also cemented our relationships with business associations and are grateful for the support these associations are giving us to promote the Buy Local Campaign.

These important and influential organisations include BUSA, BLSA, the Manufacturing Circle, the Consumer Goods Council and many others.

I would like to make particular mention of some of our larger members who have provided extensive support in the form of sponsorship for our major events and activities. In addition to the nationwide public sector forums, we have also over the year conducted provincial business forums which have all been well attended. These business forums are important as we promote the Buy Local Campaign to supply chain managers in the private sector.

Labour is also playing a vital role in promoting the campaign to buy local. We have had over the year very fruitful engagements with shop stewards from COSATU and FEDUSA who we encourage to spread the message to their members that they are all able to make a major contribution to job creation and poverty alleviation by buying local goods and services. Shop stewards are also able to encourage their workplace to procure more locally manufactured goods and services.

Over the year we have also engaged with the community constituency through various workshops, addressing specific groups such as Women in Business and civic organisations. We are currently addressing a comprehensive campaign strategy with civil society to help us bring the message to millions of people across the country.

We continue to manage an extensive calendar of marketing activities aimed at creating consumer awareness of the Buy Local Campaign. A major challenge to the execution of this schedule of events is the lack of financial resources, but despite the limited resources we manage a sophisticated campaign through below-the-line advertising activities and targeted above-the-line adverts on various media platforms.

We concluded the financial year with our flagship Buy Local Summit & Expo in March 2018. The Summit was well attended over the two days with almost 3 000 delegates and visitors and 200 exhibitors. Many of our members have reported that the introduction of a business to business matchmaking service contributed to their securing new business opportunities.

In terms of the governance of Proudly South African, the Board of Directors meets every quarter to ensure proper oversight of all activities. Meetings are well attended. We have also during the course of the year established the

Social and Ethics committee of the Board.

We have also engaged with NEDLAC to give feedback on our work. Proudly South African reported during the year to NEDLAC's Trade & Industry Chamber on the progress the campaign has made in achieving its goals as outlined in the Local Procurement Accord. NEDLAC also provides valuable guidance to the campaign.

In conclusion, I want to thank Minister Davies, the Director General, Mr. Lionel October, Mr Garth Strachan and Ms Jodi Scholtz, all from the **dti** and the many officials in various government departments for their support over the year. A special word of thanks to our other social partners in the labour movement, business and community. Also, I want to express my appreciation to the CEO, Mr. Eustace Mashimbye, and the management and staff of Proudly South African who worked diligently over the past year to deliver our programmes.



EUSTACE MASHIMBYE





CEO's Message

The notion that the passage of time accelerates as one gets older is real, and it seems incredible that we at Proudly South African have managed to fit in quite as many meetings, events, activations, site visits, conferences and other activities that drive the campaign forward during the last 12 months that have flown by.

The energy of the campaign is palpable and we are putting enormous effort into re-establishing our profile with business and consumers, as well as working with government and labour to raise the awareness that the impact of buying local can have on the overall economy and on job creation.

The year in review saw a spike in the unemployment figures and then a stabilisation of those statistics at the close of the fiscal year, but with the figure sitting at around 26% overall and at 38.2% for the youth of our country, we have to work harder to push the buy local message, and to change people's mindsets around local procurement and its tangible benefits.

Public sector focus

In the public sector, which as we know is regulated in terms of the PPPFA to make specific local procurement choices for designated items and industry sectors, we introduced during the year in review a nationwide series of Public Sector Preferential

Procurement Forums. These are a platform to educate procurement and supply chain officials from all 3 tiers of government and from SOEs and other government agencies, on exactly what their roles and responsibilities are in respect of local procurement. Astonishingly, many officials seem to be unaware of the specific localisation terms and conditions of the PPPFA and so our presence around the country has been valuable, and we will continue to roll out the Forums in the new year.

To support efforts to drive stricter adherence to local procurement legislation, we have extended our tender monitoring system which now searches through almost 700 government and SOE websites for tenders that are required to stipulate an element of local procurement. As part of our value proposition for our members, they are matched with companies that are able to fulfil the tenders and are flagged and sent to the **dti** to monitor compliance. In future we hope to be able to track a tender to its final awarding and ensure that all local procurement requirements are met.

But above and beyond requiring the public sector to play by its own local procurement rules, we also appeal to delegates to our Forums to expand their legal obligations and to make local choices in all sectors where they can.

Government has not passed legislation for nothing – redirecting some of the massive amount of government spend to more locally produced and manufactured goods and services can have a massive effect on re-industrialisation and economic growth.

We have further strengthened our work in the public sector with 2 presentations to the State Owned Enterprise Procurement Forum, and hope to continue this relationship going forward.

Another innovation we have introduced for our members which will become effective in the new fiscal year is full integration of our member database with Treasury's Central Supplier Database. It is essential that any enterprise that wishes to pitch for government work or tenders is registered on the CSD. Part of our membership criteria is having a quality product or service, compliance with labour legislation and being in possession of valid SARS clearance certification, and so by virtue of these checks which we carry out rigorously, members that indicate they want to do business with government can be integrated without further verification into the CSD. The benefits of this will be 2-fold, in offering a further value proposition for members and in providing a ready-made source of local producers to government.

Private sector engagement

In the private sector we have continued with our successful provincial business forums which are an excellent platform for each of the entities that accompany us to work with entrepreneurs and SMEs on financial and non-financial support programmes that assist small businesses to grow. We regularly have representatives from SEDA, SEFA, Small Business Development Department, Productivity SA and the **dti** present to guide delegates. The forums are also an opportunity for Proudly

SA to showcase its own value proposition for members and to find new companies to be part of the movement.

In addition to our 'generic' business forums, we have started to focus on certain sectors to address industry specific issues. In the year in review we have hosted a pharmaceutical sector forum and one addressing the challenges facing the poultry industry. In the coming year we will be convening forums for the clothing and textile industry, the automotive sector as well as steel and furniture related industries.

We anticipate that the outcomes from these intensive discussions will be action points for both the businesses concerned and for government as the impact of job losses in these labour-intensive sectors has been felt already and we need to reverse this trend.

We were especially rewarded following our engagement in the poultry sector as we have an MOU with the civil organisation Fair Play, and our participation in their forum, followed by our own event, brought us 2 major players in the sector as members, namely Greenfields and Country Bird Holdings.

We have in the year in review enjoyed enormous support from the Franchise Association of South Africa, the scope of whose operations is extensive. They have members in almost every sector imaginable, and we had the opportunity to address their Business Expo as well as their AGM.

If every franchisee were to procure all the fixtures, fittings, stationery, uniforms, raw materials etc from local companies, that would represent a massive surge in local procurement through the entire value chain.

Stakeholder relations

The campaign has forged a number of ties with different stakeholders that enable us to access important industry groups and associations. These include the Franchise Association as mentioned and The Manufacturing Circle. We have been invited as a non-paying member to be part of Business Leadership South Africa whose members are amongst the most influential in the country. We have close ties with The Consumer Goods Council of South Africa, and we continue to work on various joint projects with our 'cousins' at Brand SA and Tourism SA.

In the labour sector, we have built on our relationship with both Cosatu and FEDUSA and continue to have close ties to the W Cape chapter of Cosatu in particular. In the clothing and textile sector we have presented at SACTWU's bargaining council to unionists and employers. During the course of the year we have formalised a relationship with SEFA.

Consumer driven activities

As we grow our Proudly SA membership base we are acutely aware of the expectations of members and of our responsibility to assist with access to markets. Once a product is commercially available we must be able to drive consumers to those products and most of our marketing related activities during the year in review revolved around communicating to consumers in a variety of ways.

We used the SABC and DStv advertising platforms to communicate the bare truth of choosing imported over local by running the Buy Back SA Dr John Kani advert over December and January. From informal research and anecdotal evidence, it is apparent that it reached a very wide

audience and that it resonated greatly with those who have seen it.

Each quarter we have crafted a different message which runs as a theme through all our above and below the line activities. Three of the four quarters spoke directly to consumers. During the first quarter of the year in the review we used Buy Back SA. Quarter 2 we ran with Made in SA, and the 3rd quarter was our Festive Season campaign. The final quarter messaging was built around the Buy Local Summit & Expo which was the only theme that had slightly less relevance for consumers.

We made our first foray into festivals in an exciting partnership with the DStv Delicious International Food & Music Festival, held in October at Kyalami Race Track. The Festival worked for the campaign on multiple levels, not least the amount of PR and social media coverage it received, with our logo prominently featured.

In addition, the organisers committed to walking the local procurement talk and diverted a significant amount of the R30 Million cost of producing and staging the event to buy goods and services from Proudly SA companies, including security and fire extinguishers, a travel agency and toilet rolls. As part of our collaboration in making the event as local as possible, Proudly SA invited companies in the food and beverage space to trade over the 2-day festival weekend, eventually taking 14 members to create an authentic Proudly SA village.

Over 40 000 visitors pass through the festival and our members and the brand benefitted from the exposure and the companies all achieved phenomenal sales.

Due to the postponement in 2016/17 of our Buy Local Summit & Expo which eventually took place in early April 2017, this year in review shows that we staged our annual flagship event twice in one fiscal year. 2018's edition took place in its traditional time slot of March and was our biggest and most successful yet. It is hard to imagine how this property can grow any bigger or better, but every year is an improvement on the previous edition. In our second event of the year in review, in March 2018 we presented the Summit once again over 2 days. We reached 8 000 people through attendance at the SMME Workshop, One Stop Shop, Conference and Exhibition. More than 30 speakers, presenters and panelists took to the podium over the 2 days and more than 200 companies exhibited. For the first time, we employed the services of a professional matchmaking company which benefitted many members with introductions to new buyers/suppliers they would otherwise not have had, as well as a research company which did in depth reporting back on expectations and realities of delegates and exhibitors. Whilst the findings were extremely positive, there is always room for improvement and we are sure 2019 will surpass everyone's expectations.

In February of the year in review we kicked off with the first of our now weekly columns in Independent Media's Business Report which is carried as a daily supplement in all their regional titles, as well as online. We have received very positive feedback to our themes and the awareness it has created for the campaign has been invaluable. The collective advertising value of the print and online versions amounts to over R250 000 each week, which we would never be able to afford with traditional advertising.

Overall, we believe we have covered as many bases as our financial and human resources allow and continue to see the elevation of the brand's visibility. In

addition, we are bringing real buy local options to business and to consumers from our growing membership base, and we are creating trading synergies between member companies. We are addressing local procurement legislation with all tiers of government and SOEs, keeping it top of mind and extending their commitment to buying local beyond mandatory sectors.

We will not let up in our efforts to change the mind set of the country as to the value of our home grown, manufactured and produced goods which easily stand alongside the best in the world in their categories. Nor will we let up in our efforts to convince South Africans of the value of choosing to buy those world-class goods and services, thereby contributing to changing the economic fortunes of the country.

I would like to take this opportunity to thank the Board of Proudly SA whose support is highly appreciated, especially our Chairman whose inputs are invaluable. I would also like to thank all our member companies who share our belief in the difference that local procurement can make for all our people. Thanks also to the various sponsors of our numerous events, especially those that contribute to the success of our Buy Local Summit & Expo, namely Standard Bank, GEP, Mango, Edcon, Absa, Nestlé, Tsogo Sun and Sasol. We also thank Tourism SA and Brand SA for their collaborations, as well as those institutions that regularly join us in traveling around the country presenting our business and public sector forums, including SEDA, SEFA, SARS, Productivity SA and of course, the Department of Trade & Industry.

Thank you to the Executive team and the staff at Proudly SA that are working tirelessly to implement the turnaround and repositioning strategy of the Buy Local Campaign.

CELEBRATING THE FREEDOM TO CHOOSE LOCAL





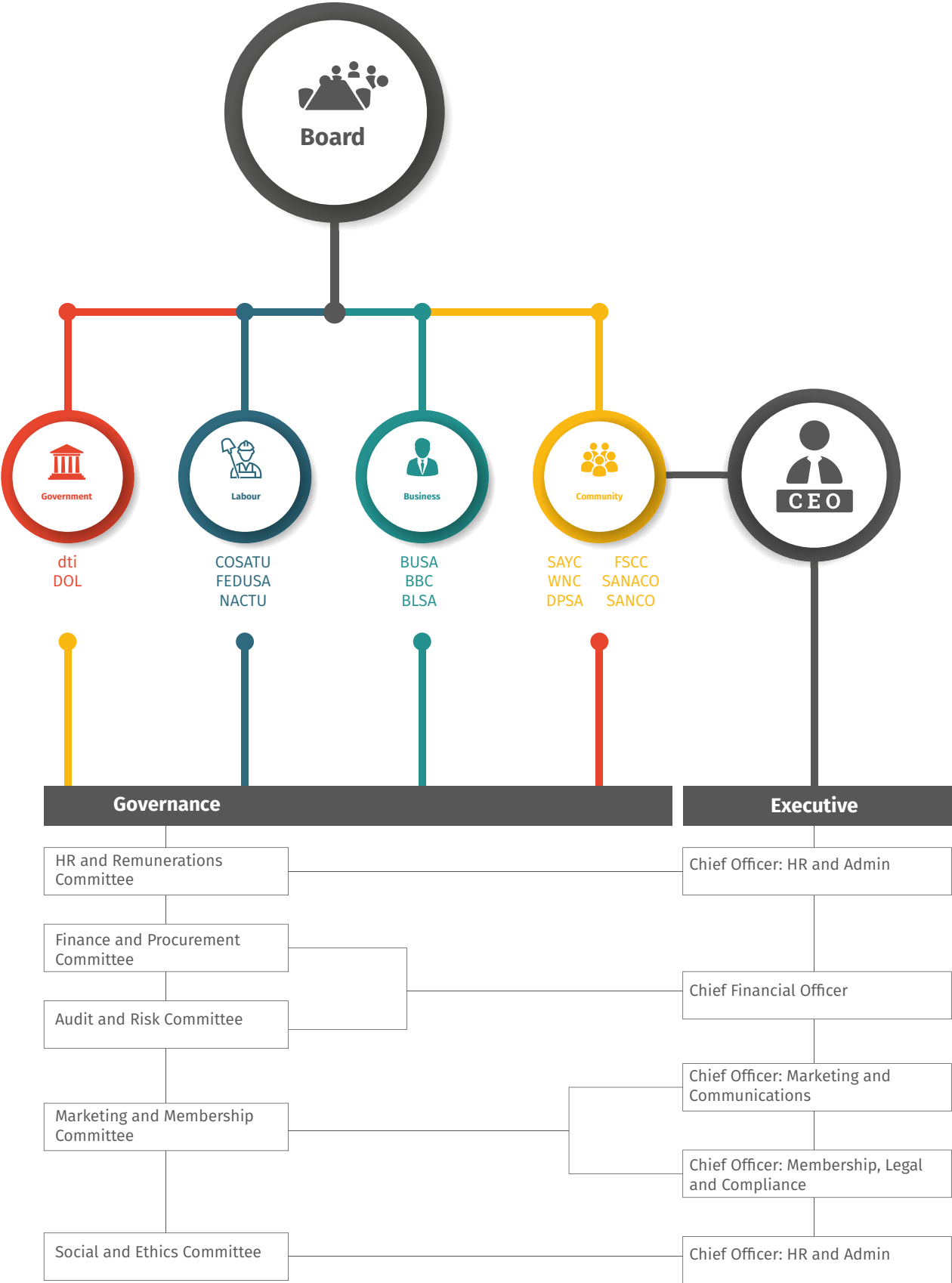
**EVERY RAND SPENT
LOCALLY
CONTRIBUTES TO THE ECONOMY
AND CREATES JOBS**

Be Proudly South African. Buy local to create jobs!



Our People & Resources

Governance Structure





Howard Gabriels

Chairperson

Appointed: 27 July 2016

A senior executive with extensive experience at a strategic leadership level in the public sector, Howard Gabriels was appointed as the Chairperson of the Board on 27 July 2016. He has a B Sc. Degree and a B. Econ (Honours) degree from UWC. In 2012, he completed a Masters Degree in Urban and Regional Science at Stellenbosch University. Mr. Gabriels has held various positions in the public sector and was the chairperson of the Statistics Council between 2005 and 2013.

He is currently working as an independent consultant and has worked on a wide range of consulting assignments in business strategy and planning, economic development and policy analysis.



Eustace Mashimbye

Chief Executive Officer

Start: 27 July 2016

Mr. Mashimbye is a qualified financial accountant who studied at the Technikon Northern Gauteng (now Tshwane University of Technology) and the Technikon South Africa (now UNISA). He majored in Financial Accounting and Corporate Law and also studied towards his MBA with the Management College of SA (still to be completed). He is currently completing his studies towards his Corporate Governance qualification through the Chartered Secretaries Institute of South Africa. He has over 17 years' experience in accounting and financial management in both the public and private sectors with Telkom, Edcon and the Department of Trade & Industry, with more than 10 years of these at senior management level. Mashimbye has served on the board of The Business Place and is currently a Director on the Board of the South African Savings Institute, where he previously also held the position of Audit and Risk Committee Chairperson. He has previously fulfilled the role of CFO (for a 10 year period), Acting COO and Acting CEO of Proudly South African and was appointed permanent CEO in December 2016.



Joseph Maqekeni

Board Member

Period: 1 April 2016-27 July 2016

Mr. Maqekeni passed Matric in 1975 at St. Johns College in Umtata, Eastern Cape. He has moved within the NACTU ranks as the Deputy President from 1990 to 2001. He was the President of the South African Chemical Workers Union from 1994 to 2008.

He serves in the Job Creation Trust, Nedlac Management Committee and Nedlac Executive and National Skills Authority Board. He is the past Chairperson of Cathseta and National Bargaining Council for the Chemical Industries.

Joseph Maqekeni was appointed to the Proudly South African Board in 2005. He is serving on the Audit and Risk as well as the Membership, Marketing and Communications Committee.



Michael Lawrence

Board Member

Executive Director of the National Clothing Retail Federation (NCRF).

The Executive Director of the National Clothing Retail Federation (NCRF), Michael is a business delegate to the National Economic Development Council (NEDLAC) on the Trade and Industry Chamber (TIC). He participates in various national, regional and continental conversations and think tanks on trade in and with Africa, with particular reference to global value chains involving clothing and textiles.



Solly Phetoe

Board Member

Mr. Phetoe was appointed as the Deputy General Secretary of Cosatu in November 2015.

He has been a trade unionist since 1983 and was previously Cosatu's North West Provincial Secretary. He has a special interest in vulnerable workers, especially farm and domestic workers.



Ashley Benjamin

Board Member

Ashley Benjamin is a National Office Bearer of the Federation of Unions of SA (FEDUSA).

He represents FEDUSA on various structures such as the Trade & Industry Chamber of NEDLAC. He is responsible for the Trade, Industry and Development portfolio within FEDUSA and represents the federation at international level at Trade Union Advisory Committee Meetings to the OECD and global union programmes for economic cooperation.

Mr. Benjamin is from the National Union of Leather and Allied Workers (NULAW) and is actively involved in the dealings of the National Bargaining Council of the Leather Industry of SA. He also serves as a Board member on the National Footwear and Leather Cluster and other institutions such as the **dti** to grow local manufacturing and job creation in the leather and footwear industry.

Mr. Benjamin also represents FEDUSA as a trustee on the Board of the Labour Job Creation Trust.



Dumisani Mthalande

Board Member

Chairman: Audit and Risk Committee

Mr. Mthalande represents the Community Constituency as the spokesperson for the South African National Civic Organisation (SANCO).

Mr. Mthalande has vast experience in evaluation and knowledge management, monitoring and evaluation as well as capacity building. He is the Overall Convenor of the NEDLAC Community Constituency. He sits on the Boards of the Local Government Sector Education Training Authority, UIF and the African Peer Review Mechanism.



Laura-Joyce Kganyago

Board Member

Chairperson: HR and Remunerations Committee

Laura Joyce Kganyago is the Secretary General of the Women's National Coalition. She represents WNC at NEDLAC in the Committee of Principals and currently also serves as a Convener in the Development Chamber. She completed a certificate programme in Community Development Training at Pennsylvania University in Philadelphia. She also completed an NGO Directors' Leadership and Governance Training programme at the HAIFA Management Institute for NGO's in Israel. She also serves on the following boards: Credit Ombud Council (HR Committee) and UIF (HR Committee). She is the Deputy Chairperson of the Continental National Governing Council at the African Peer Review Mechanism and the current chair of ECOSOCC. Ms Kganyago is also an active member of the National Council of African Women.



Dr Tebogo Makube

Board Member

Dr. Tebogo Makube is currently employed as Chief Director: Industrial Procurement at the Department of Trade and Industry. He is responsible for the development of policies and strategies that leverage public procurement to grow industrial development in South Africa. This role includes designating products for local production in the public sector procurement system as well as managing offset programmes through the National Industrial Participation Programme. Dr Makube holds a PhD in Energy Studies from the University of Johannesburg and LLB from UNISA. He has held research and managerial positions at the National Treasury, Financial & Fiscal Commission (FFC), National Energy Regulator of South Africa (Nersa), Gauteng Provincial Legislature and Nokusa Consulting, where he worked in areas of Fiscal Policy, Energy & Transport Economics, Infrastructure Finance, and Public Procurement Law & Policy.



Madoda Vilakazi

Board Member

Mr Madoda Vilakazi is the current Executive Director of the National Economic and Development Council (NEDLAC). He has extensive experience in top management spanning over 20 years – in the trade union movement, mining industry, government and local government. He holds amongst others, a Master of Business Administration (MBA) degree from the University of the Witwatersrand.

He represents NEDLAC on the Board and also serves on the Finance & Procurement Committee.



Adv Priakumari Hassan

Board Member

Chairperson: Finance and Procurement Committee

Adv Pria Hassan is an award-winning and industry-changing entrepreneur. She is the founder and CEO of the Women of Africa (WOA) Investment Group, a dynamic women-driven service provider in the pharmaceutical, construction, logistics and energy sectors.

Adv Hassan is an LLB graduate of the former University of Natal and later attended the Gordon Institute of Business Science. She has held executive positions in several JSE-listed companies. In addition, Hassan serves on the board of several women-based organisations, including the Businesswomen's Association of South Africa (BWASA) and the Jes Foord Foundation.

She has had speaking platforms at the 2014 Women in Business and Leadership Conference held in Gaborone, Botswana, the Women in the Energy Industry conference and the World Health Conference Participation in Women in Leadership among others.

Under the BWASA banner, Adv. Hassan initiated the "Winning in the Workplace" project- a programme aimed at providing schoolgirls with the necessary skills to make a success of their future entrance into the business world.

Adv. Hassan has won a number of prestigious awards including Top Black Female Entrepreneur in 2011 at The Metropolitan Oliver Empowerment Awards. She was also honoured as CNBC's Women of the Year in 2012 and most recently was recognised by the Durban Chamber of Commerce and Industry for her role in maintaining business proficiency.



Thulani Tshefuta

Board Member

Mr. Thulani Tshefuta studied BA (majoring in Public Administration and Politics) at the Nelson Mandela Metropolitan University (NMMU). He furthered his studies through UNISA and the University of Johannesburg. He also has a post graduate qualification in International Executive Development Programme (NQF 8) with GIBS. In addition, Mr Tshefuta has also completed academic programmes in Leadership and Entrepreneurship from the North West University Business School and Effective Stakeholder Management from the University of Pretoria.

He is currently studying Advanced Strategic Management through UNISA School of Business Leadership and a Post-Graduate Diploma in Public Development and Management on M&E with the Wits School of Governance.

He is currently serving his second term of office as President of the South African Youth Council (SAYC) and serves on the Boards of the Presidential Youth Working Group and NEDLAC and is Deputy Chairperson of the National Skills Authority (NSA).

He is also serving as an eminent member of the Parliamentary High Level Panel.



Stavros Nicolaou

Board Member

Chairperson: Membership, Marketing and Compliance Committee

Mr. Nicolaou is Senior Executive, Strategic Trade Development at Aspen Pharmacare Holdings Limited.

Mr Nicolaou has been appointed in several high impact positions in the capacity of academic advisor and public servant including as member of the board of Transnet Ltd (2004 -2010); as a Director of the Gauteng Growth and Development Agency (2012 to present), specifically to chair the Trade and Investment Committee; Chairman of the Board of SA Express Airways (2005-2009); Member of the Special Economic Zones Advisory Board, (2014 to present); appointed to the BRICS Business Council. (2013 to present); Member of the Board of Brand SA and Chair of the HR and Remuneration Committee; Non-Executive Director of Business Unity South Africa.

In academia, Mr Nicolaou was recently appointed as an Honorary Lecturer to Wits University, lecturing on Business Studies at the School of Pharmacy and is a Director on the North-West University Business School Advisory Board.

Mr Nicolaou also represents the pharmaceutical sector as Chairman of the South African Pharmaceutical Producers Association, is part of the World Bank/IFC Technical Advisory Board on the strengthening of African Health Systems and was appointed as an Alternate Member to the NEDLAC NHI (National Health Insurance) task team, responsible for building NHI consensus amongst business, labour, government and civil society.

Mr Nicolaou is a recipient of the Order of the Lion of St Mark by the Greek Orthodox Pope and Patriarch, Theodoros II, the highest foreign award of the Greek Orthodox Church.

Mr Nicolaou chairs Proudly South African's Marketing Committee



Virgil Seafeld

Board Member

Virgil Seafeld currently holds the position of Deputy Director-General: Labour, Policy and Industrial Relations in the South African Department of Labour. His portfolio includes Labour Relations which is responsible for collective bargaining, employment standards, labour market information and international relations.

Mr Seafeld holds among other qualifications an MBA, and a number of other degrees. Mr Seafeld further completed a number of courses in measuring compensation and labour market information systems in the USA.

Mr Seafeld represents the Department of Labour both at the CCMA as well as at NEDLAC where he serves as the overall government convenor. His has further represented the country in various areas at the ILO and other international forums.

He has extensive experience in policy development both at a national and international level. Amongst others he has been responsible for establishing and managing the Employment Conditions Commission in terms of the Basic Conditions of Employment Act on behalf of the Minister of Labour .



Happy MaKhumalo Ngidi

Chief Officer: Marketing & Communications

Mrs. Happy MaKhumalo Ngidi is a businesswoman, social entrepreneur, author, motivational speaker and PR and Marketing Executive. Mrs. Ngidi brings over ten years of corporate experience to Proudly SA which she joined in 2015 as Chief Officer: Marketing & Communications.

Prior to joining Proudly South African Ms. Ngidi was the founder and Managing Director of her own boutique public relations firm where she forged strong relationships with all the media houses. She was also Head of PR and Communications for SABC's radio station, Metro FM, and has represented brands such as Chivas Brothers, Seagram SA and the Forum Company as spokesperson. Ms Ngidi has extensive experience in driving strategy development as well as brand and product launches for these and other companies.

She continuously strives to be mindful of simply being the best in her craft and to make a formidable difference in everything she undertakes.



Naresh Patel

Chief Financial Officer

Appointed: 01 April 2017

Mr. Patel is a B Com (Acc) graduate from Rhodes University), B Com (Hons) and MBL from Unisa, and came through the Senior Management Programme at the University of Stellenbosch.

He began his career in 1987 as a graduate trainee in Internal Audit at Volkswagen SA. He worked in various capacities including as a cost accountant, cost & management accountant, financial manager and chief financial officer. His work experience expands over both the private as well as the public sectors.

He was the Chief Financial Officer at two public entities before joining Proudly South African.



Vusi Sithole

Chief Officer: HR & Administration

Mr. Sithole holds a B. Admin Degree from the University of the North and a B. Admin Honours Degree in Industrial Psychology from the University of the Free State. He also studied Business Management with Fachhochschule Altmark in Germany in 1999, and is currently enrolled for Masters in Industrial Psychology. He has strong background and experience in both academic fraternity and corporate sector. He has an impeccable record of developing, sustaining, improvement, auditing and ensuring regular compliance with Quality Management System based on ISO 9001 Standard, the latest achievement being certification of Proudly SA 2015 Standard.

He actively participated and contributed as a member of the dti/SABS/SANAS Working Committee that developed and finalised the Technical Specification on Local Content (SATS 1286). He currently sits on NEDLAC's Task Team on Customs Fraud and Illegal Imports. He was instrumental in the development of nationally publicised and approved Proudly SA's Sustainability, Unprocessed Meat and Fruit and Vegetables Standards as part of SWITCH Africa Green pilot project funded by UNEP/UNDP/UNOPS.



Jeannine van Straaten

Chief Officer: Membership, Legal And Compliance

Appointed: 01 April 2017

Ms Van Straaten brings with her extensive experience in stakeholder relations with her background as Key Client Services Manager, and savvy and professional communication skills as Head of Broadcasting, both positions held at Classic FM. With a degree in Law and Politics from the Rand Afrikaans University in 2003, Ms Van Straaten is passionate about South Africa especially social integration and cites the growth of the Campaign's membership base as her key objective at Proudly SA. Ms Van Straaten prizes creativity in the workplace with her background in music as a violinist, and places particular importance on education and continuous personal development. Her MBA candidacy at Henley Business School is testament to this. Other past experience includes Manager of the #IamConstitution Campaign at The Ichikowitz Family Foundation in which she witnessed first-hand the unification of people from various backgrounds who all possess one common goal, togetherness – this lesson she endeavours to share with member companies to inspire them to bridge the divide in the name of togetherness to collectively contribute to the growth of the country's economy.

**Siyabonga Zungu**

Brand Manager

Proudly South African Brand Manager Siyabonga Zungu is responsible for the design team which creates and maintains the look, feel and messaging of the Campaign. He obtained his BCom Strategic Marketing Management from the University of Johannesburg and followed that with a BPhil Honours Degree in Strategic Management.

Mr. Zungu started his career at Puma Sports Distributors and at Capitec Bank before joining Proudly South African, initially as events co coordinator. He has, during his time with the Campaign, worked hard to innovate and grow within the organisation finally to reach the position of Brand Manager. Through his experience of working in promotions as well as sales he has been instrumental in growing the Proudly South African brand in the corporate and consumer spaces.

**Deryn Graham**

Public Relations Manager

Ms Graham was brought up in the UK, and came to South Africa in 1995, adopting citizenship a few years later. She has a degree in French and European History from the University of Exeter. Before becoming a media practitioner, Ms Graham worked for a number of years in international hotel sales and marketing. In 2004 she produced the 26 part NEPAD Focus series whilst working at Ukhozi Productions. Between 2012- 2016 she was a producer at Talk Radio 702, taking 3 industry awards for her work on the John Robbie Show and Xolani Gwala's Afternoon Drive Show. In the latter half of 2016 she was a Senior Producer on eTV's The Big Debate before joining Proudly SA as PR Manager in mid November.



BY CHOOSING TO
BUY LOCAL
WE CREATE CAREER PATHS
INTO THE FUTURE
WE ARE DESTINED FOR



www.proudlysa.co.za | [@ProudlySA](https://www.instagram.com/ProudlySA) | 011 327 7778



Team Proudly SA





Human Resources Management Report



The HR Strategy and Operational Plan are informed by the Organisational Business Plan translated to the Annual Performance Plan. The main objective of the HR and Administration department is to provide support to line departments by creating a conducive environment, both logistically and with appropriate work tools. Competent talent is sourced, maintained and retained for efficient and effective delivery of the overall organisational mandate, namely the roll-out, in partnership with key stakeholders of the Buy Local Campaign as a vehicle to drive the uptake of local products and the creation of sustainable jobs. The department is a custodian of company policies and ensures the orderly execution and consistent compliance with these policies as benchmarked against common domestic legal prescripts relating to Human Resources. This includes the successful championing of the internal ISO-accredited Quality Management System.

All HR functions are provided in-house unless specialized services are required in areas such as labour relations and intensive psychological services. This report covers the following areas:

1. **Staff profile and movement**
2. **Staff performance**
3. **Staff training and development**
4. **Staff Wellness and Retention (Team building, Mother's and Father's Day, year end function, World Aids Day)**
5. **Health and safety**
6. **Employment equity**
7. **Quality Management System**
8. **Special projects (UNOPS)**



Overall Staff Complement Per Occupational Level

(Including Personnel who resigned and were replaced during the period of reporting)

Note: **A**=Africans, **C**=Coloureds, **I**=Indians and **W**=Whites

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|----------------------------------------------------------------------------------------------------------------|-----------|-----------|-----------|---|-----------|-----------|-----------|-----------|-------------------|--------|-----------|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | 01 | | | | | | | | | | 01 |
| Senior Management | 01 | | 01 | | 01 | | | 01 | | | 04 |
| Professionally qualified and experienced specialists and Mid-Management | 01 | | | | | | 01 | 01 | | | 03 |
| Technically and Academically qualified personnel, Junior Management, Supervisors, Foremen, and Superintendents | 09 | 01 | | | 09 | 02 | 01 | | | | 22 |
| Semi-skilled and discretionary decision making | | | | | 01 | 01 | | 01 | | | 03 |
| Unskilled and defined decision making | | | | | 01 | | | | | | 01 |
| TOTAL | 12 | 01 | 01 | | 12 | 03 | 02 | 03 | | | 34 |

Promotion (Including Personnel who resigned and were replaced during the period of reporting)

Note: **A**=Africans, **C**=Coloureds, **I**=Indians and **W**=Whites



| | |
|---------------------|---------------------------|
| Employee | Sabelo Zikalala |
| Race | African |
| Gender | Male |
| Old Position | Warehousing Clerk |
| Promoted to | Warehousing Administrator |

| | |
|---------------------|------------------------------------|
| Employee | Zineida Pomuser |
| Race | Coloured |
| Gender | Female |
| Old Position | Junior Multimedia Graphic Designer |
| Promoted to | Multimedia Graphics Designer |



Terminations

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|----------------------------------------------------------------------------------------------------------------|-----------|-----------|---|---|--------|-----------|---|---|-------------------|--------|-----------|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | | | | | | | | | | | |
| Senior Management | | | | | | | | | | | |
| Professionally qualified and experienced Specialists and Mid-Management | | | | | | | | | | | |
| Technically and Academically qualified personnel, Junior Management, Supervisors, Foremen, and Superintendents | 01 | 01 | | | | | | | | | 02 |
| Semi-skilled and discretionary decision making | | | | | | 01 | | | | | 01 |
| Unskilled and defined decision making | | | | | | | | | | | |
| TOTAL | 01 | 01 | | | | 01 | | | | | 03 |

Recruitment, Selection and Placement

This allows upward mobility of current personnel to senior roles if they possess the required expertise and interest. Key technical, high-level professional and management positions will always be advertised externally through relevant platforms and media:

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|----------------------------------------------------------------------------------------------------------------|-----------|---|-----------|---|-----------|---|---|-----------|-------------------|-----------|-----------|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | | | | | | | | | | | |
| Senior Management | | | 01 | | | | | 01 | | | 02 |
| Professionally qualified and experienced Specialists and Mid-Management | | | | | | | | | | | |
| Technically and Academically qualified personnel, Junior Management, Supervisors, Foremen, and Superintendents | 01 | | | | 01 | | | | | | 02 |
| Semi-skilled and discretionary decision making | | | | | 01 | | | 01 | | | 02 |
| Unskilled and defined decision making | | | | | | | | | | | |
| TOTAL | 01 | | 01 | | 02 | | | 02 | | 01 | 06 |

Staff Performance, Development And Retention

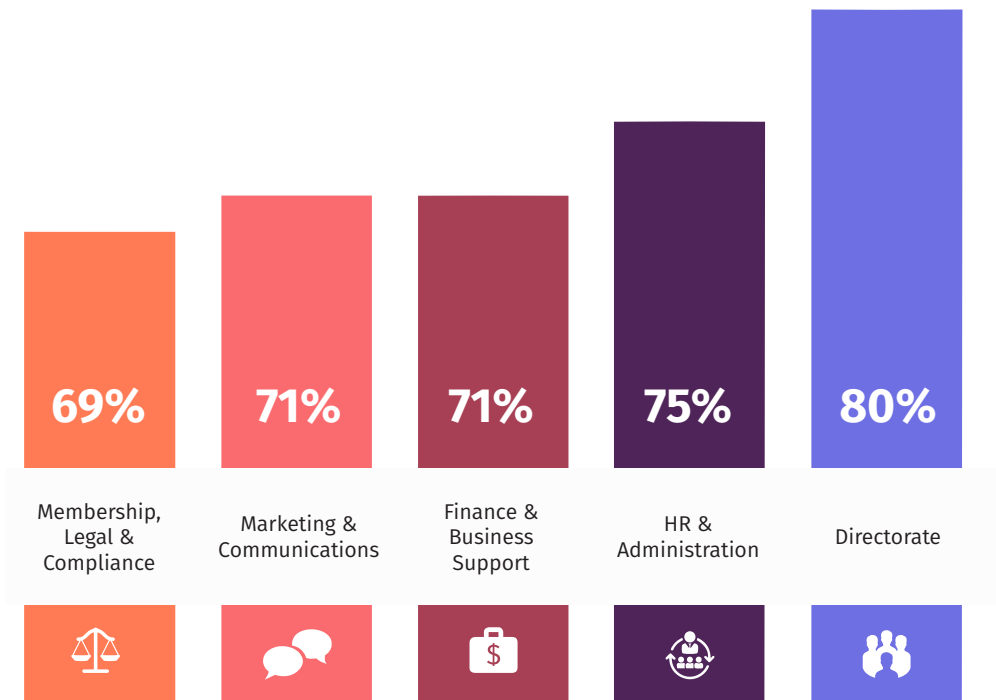
a) Staff Performance

The Campaign has an established performance management system benchmarked against credible industry standards. At the beginning of the performance cycle, employees sign Performance Agreements on the basis of which quarterly Performance Reviews and Evaluation are conducted. Subject to approval by HR and Remunerations Board Committee (REMCO) performance-based bonuses may be determined and paid (budget permitting).

OVERALL STAFF PERFORMANCE

| Department | Average Performance in % |
|----------------------------------|--------------------------|
| Membership, Legal & Compliance | 69% |
| Marketing & Communications | 71% |
| Finance & Business Support | 71% |
| HR And Administration | 75% |
| Directorate | 80% |
| Average Staff Performance | 73% |

OVERALL ORGANISATIONAL PERFORMANCE IN %



b) Staff Training and Development

The organisation is committed to investing in its human capital for optimal productivity and service excellence. Tabulated below is the Annual Training Report which details capacitation interventions linked to both Employment Contracts and the company's Performance Management System. Also, as part of succession planning, dedicated and passionate employees who consistently over-perform and whose behaviour fits with the organisational values and pursuits will be identified for further development in preparation for higher level roles. This is managed very systematically through the Performance Management System driven by the Human Resources Department.

b.1) Staff Training and Development

| Training Program | Attendees | Trainer | Status |
|-----------------------------|-----------|--------------------------------|-----------|
| Company Policies | All Staff | HR Executive | Completed |
| Internal QMS Training | All Staff | HR Executive | Completed |
| Project Management Training | All Staff | Project Management Coordinator | Ongoing |
| Procurement Process | All Staff | Chief Financial Officer | Completed |
| Mental Health Awareness | All Staff | SADAG | Completed |
| World Aids Day Awareness | All Staff | Right to Care | Completed |
| Financial Wellness | All Staff | Nedbank Ltd | Completed |
| Benefit Administration | All Staff | Liberty Life | Completed |
| Tip-Off Anonymous | All Staff | Deloitte and Touche | Completed |
| Risk Management | All Staff | SEMA Auditors | Completed |

b.2) External Accredited Training

Note: **A**=Africans, **C**=Coloureds, **I**=Indians and **W**=Whites

| Type of training | Male | | | | Female | | | | Planned | Conducted | Total | Date | Accredited | |
|----------------------------------------|------|---|---|---|--------|----|----|----|---------|-----------|-------|----------------------|------------|----|
| | A | C | I | W | A | C | I | W | | | | | YES | NO |
| POPI | 01 | | | | | | | | | 02 | 01 | 19 April 2017 | ✓ | |
| Health and Safety | | | | | 01 | 01 | 01 | | ✓ | ✓ | 01 | 20 September 2017 | ✓ | |
| SDF | | | | | 01 | | | | | ✓ | 02 | 12-15 June 2017 | ✓ | |
| Business Communications Report Writing | 01 | | | | 02 | 01 | | 02 | | ✓ | 02 | 19-23 August 2017 | ✓ | |
| Records Management | 01 | | | | | | | | | ✓ | 01 | 11-12 August 2017 | ✓ | |
| SCM | | | | | 01 | | | | | ✓ | 01 | 23-25 August 2017 | ✓ | |
| PFMA | | | | | 01 | | | | | ✓ | 01 | 8 August 2017 | ✓ | |
| Legal Secretariat | | | | | | | 01 | | | | 02 | TBC | ✓ | |
| Professional Communications | 03 | | | | 03 | | | | ✓ | ✓ | 01 | 26-27 September 2017 | ✓ | |
| Tax and Payroll | 01 | | | | 01 | | | | | ✓ | 01 | 15 March 2017 | ✓ | |

b.3) Succession Planning

Given unpredictable employee movements and changes as people seek upward mobility and search for exposure to different and diverse work environments, it is important that the organisation manages its staffing strategy. Steps must be taken to ensure the retention/replacement of key positions, especially senior management roles. This requires a well crafted and realistic succession planning strategy to identify and develop people with the potential to fill critical positions that may be created at a short-notice or vacated by current incumbents, especially at management level. Proudly South African has this strategy in place and under implementation.

The organization ensures depth of competencies exist, especially in key management, leadership and technical positions where skills are both critical and scarce. Pro-active and deliberate planning must ensure that Proudly SA can sustain effective continuity where incumbents in such select position(s) vacate the post(s).

Management shall identify those key positions where the organisation is vulnerable to incumbents vacating those positions, and where there are not sufficient competent possible successors.

The following employees from different organisational departments are identified for development to senior roles:

| No | Employee | Department | Current Position |
|----|-----------------------|----------------------------------|--------------------------------|
| 1 | Siyabonga Zungu | Marketing | Brand Manager |
| 2 | Jeanette Makhoba | Finance | Procurement Officer |
| 3 | Kelebogile Masuku | HR and Administration | HR Officer |
| 4 | Tshiamo Ndlovu | Marketing | Public Relations Officer |
| 5 | Tinyiko Mathebula | Membership, Legal and Compliance | Senior Membership Consultant |
| 6 | Keleabetswe Mokgejane | Membership, Legal and Compliance | Membership Consultant |
| 7 | Preya Keshav | Directorate | Board Secretary |
| 8 | Silindile Nkosi | Project Management | Project Management Coordinator |



HEALTH & SAFETY

The organisation continues to adhere to its Policy on Occupational Health and Safety in line with legislative prescripts. We timeously file the company's reports including the Annual Return on Earnings to the Compensation Commissioner, and as such we are in good standing with the Commission. The following plan is being followed and improved as and when required:

| Aspect | Intervention/Prevention | Frequency |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Occupational Injuries | Create awareness on prevention of possible occupational hazards | Bi- Annually |
| | Conduct regular inspections on workplace premises and equipment machinery to ensure continuity compliance with OHS Standards | Daily |
| | Ensure acceptance procedures are in place to report, deal, and manage workplace OHS incidents | Quarterly |
| | Establish OHS Committee and properly capacitate its members | Annually |
| Occupational Diseases | Create awareness to prevent contamination from sicknesses/illnesses/diseases | As and when required |
| | Ensure that all reasonable measures to prevent contamination of contagious sicknesses/illnesses/diseases are taken | As and when required |
| | Develop and implement Management/Contingency Plan to contain and manage the spread of reported contagious sicknesses/illnesses/diseases | Every time |
| Personnel Physical Safety | Ensure reasonable security of all personnel from outside intrusion | Every time |
| General Safety Office Healthiness | Pesticides control | Quarterly |
| | Carpet cleaning | Annually |
| | Sufficient ventilation | Every time |
| | Servicing of office air-conditioning system | Bi-Annually |

The following employees form part of the Health and Safety Committee:

| Employee | Occupation |
|-------------------|---------------------------------------|
| Vusi Sithole | Health and Safety Manager |
| Kelebogile Masuku | Health and Safety Assistant |
| Sebatatso Mtshali | Health and Safety Assistant |
| Rosemary Hadebe | Health and Safety Level 1 First Aider |
| Rebecca Mofokeng | Health and Safety Level 1 First Aider |
| Zineida Pomuser | Health and Safety Level 1 First Aider |
| Mala Pillay | Health and Safety Level 1 First Aider |
| Pressly Mokhare | Health and Safety Level 1 First Aider |

EMPLOYMENT EQUITY REPORT FOR 2016/17 AND STRATEGY FOR 2017/18 (Including people with disabilities)

The organisation's Employment Equity Plan for 2016/17 was achieved and exceeded as approved and submitted to the Employment Equity Commission. This plan was benchmarked against the National Employment Equity targets as developed and propagated by the Department of Labour. Linked to this was our successful submission of both Workplace Skills Report and Annual Training Report to Services SETA.

Whilst the Campaign has a clear policy on this, the following are key to the overall strategy:

- Proudly SA is determined to implement an Employment Equity Plan and imperatives in line with the national agenda to redress the effects of past discrimination, with clear commitment from top leadership and management to strive towards rigorous improvement of the Campaign's Employment Equity status.
- Proudly SA, especially after terminations, promotions and transfers updates EE plans with realistic objectives and goals. This is the responsibility of the Human Resources Department.
- Every attempt must be made to deliberately target previously disadvantaged groups in filling existing vacancies, new positions, by making new appointments or promotions without window-dressing. Such deliberate placements should be supported by a clear programme to support, mentor, educate, re-train and/or under-study of selected candidates. In selecting candidates for such placements, potential and aptitude must be seriously taken into account.
- There must be equal opportunities for training and development for all staff. However, the training and development programme must be used as a tool for the upgrading of employees from previously disadvantaged groups.
- Proudly SA must comply with statutory requirements by submitting an EE report annually (even if it employs under 50 employees).
- A realistic and comprehensive EE Plan will only be drawn up on understanding the anticipated nature and size of the Campaign's structure and organogram.

The following employees form part of the Employment Equity Committee

| Employee | Occupation |
|-----------------------|---------------------------|
| Vusi Sithole | Employment Equity Manager |
| Sebatatso Mtshali | Employment Equity Officer |
| Keleabetswe Mokgejane | Employment Equity Officer |
| Lehlogonolo More | Employment Equity Officer |
| Mala Pillay | Employment Equity Officer |
| Siyabonga Zungu | Employment Equity Officer |

The building in which the Campaign is based has some limitations for wheelchair access

**Access for
Disabled
Persons**

**Discriminatory
Practices**

The Campaign has developed a comprehensive Manual of HR Policies and Procedures. These prohibit discrimination of any kind and have extensive procedures to lodge and resolve grievances of any kind.

Quality Management

To ensure improved customer service, order, consistency, optimal productivity and quality output of the organisation's services, the organisation continues to be compliant and certified against ISO9001 of the 2008 Quality Management System standard by SABS. The systems assist in risk management, taking corrective actions in occurred risks, and continual improvement of the entire business operations.

The company is in the process of migrating to ISO9001 of 2015 by end of October 2017.



STAFF RETENTION ACTIVITIES



STRATEGIC SESSION

Strategy sessions can be catalysts for creative, innovative, and collaborative breakthroughs. The organization, work units, managers, supervisors and employees can profit from having an inclusive strategic planning process, and a good strategic plan as an outcome. The purpose of this session was to workshop the high level organisational strategy in order to simplify it to operational level.

The purpose of this session was to workshop the high level organisational strategy in order to simplify it to operational level and thereby soliciting new practical inputs and ideas from all personnel to improve the high-level strategic plan itself and brainstorm on efficient and smart ways to roll it out effectively. A lot of engagement and contributions from staff were derived from that session especially regarding marketing and membership functions.

TEAM BUILDING

26 April 2017

Lawiida Lodge And Conference Centre

The main goals of team-building are to improve productivity and motivation. Taking employees out of the office helps groups break down personal barriers, eliminate distractions, and have fun and encourage team work. The benefits of team-building programmes are so significant that many corporations have incorporated teambuilding strategies into their standard training curriculum. The theme for the organisation's team building was Amazing Race.

Some of these benefits include:

- Improves morale and leadership skills
- Finds the barriers that thwart creativity
- Clearly defines objectives and goals
- Improves processes and procedures
- Improves organisational productivity
- Identifies a team's strengths and weaknesses
- Improves the ability to problem solve







MTN WALK THE TALK WITH 702

23 July 2017
Marks Park Sports Club





HERITAGE DAY





MENTAL HEALTH AWARENESS

31 October 2017
Main Boardroom

- Proudly South African acknowledges the stigma associated with mental health and the potential adverse effect of such illnesses on employees' optimal productivity.
- October is recognised as Mental Health Awareness Month, and as such, a short presentation was arranged in order to not only educate employees on mental health, but also provide a platform for staff to engage with experts in the field.



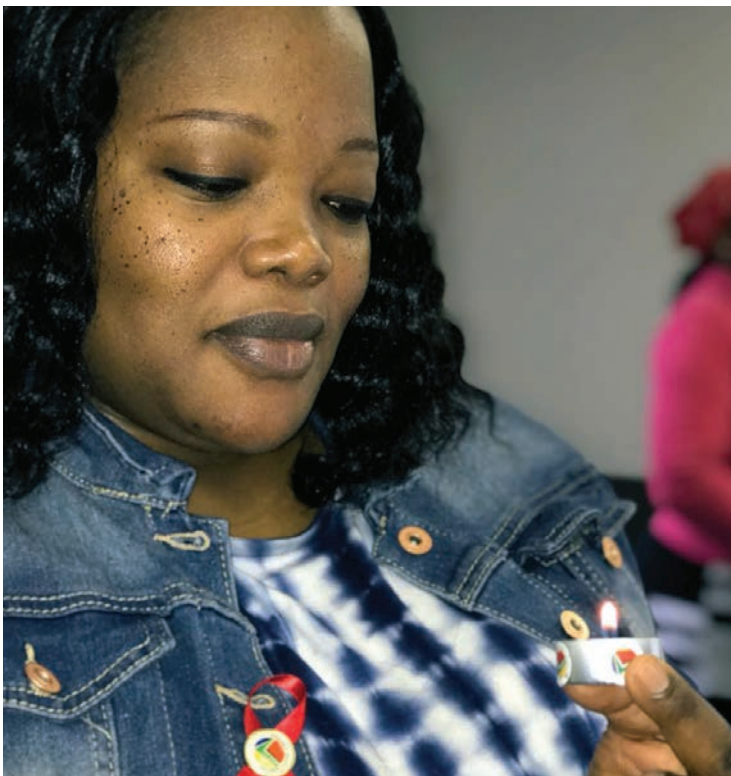
HIV/AIDS AWARENESS, PREVENTION AND SCREENING

1 December 2017
Main Boardroom

As part of the Staff Wellness, Proudly South African seeks to:

Create improved awareness and education on HIV/AIDS prevention, contraction and management to staff.

In partnership with specialised suppliers,(Right to Care) provide HIV Testing and voluntary counselling and HIV talks for our staff members.





YEAR END FUNCTION

**15 December 2017
African Pride, Irene Country Lodge, Centurion**



As part of the staff retention plan, Proudly South African conducts a year end function annually to celebrate all the achievements reached throughout the year

Part of activities on the day includes Staff Awards in which outstanding performance is recognised through an Award with an incentive under the following:

- Employee of the month for the past 11 months
- Employee of the quarter for the past 3 quarters
- Employee of the year (CEO's Discretionary Award)





environmental affairs

Department:
Environmental Affairs and Tourism
REPUBLIC OF SOUTH AFRICA



switchafrica GREEN



UNOPS

PROUDLY
SOUTH AFRICAN



Create Awareness and Build Capacity on Eco-Labeling
for Proudly SA Stakeholders in the Agricultural Sector



ABOUT THE PROJECT

Human activities have a detrimental effect on the environment, human health and food security. As a result, the public and private sectors are developing tools to promote a shift towards responsible socioeconomic and environmental practices. Businesses are similarly increasingly compelled to adopt processes and systems that promote social and environmental wellness, and economic sustainability.

Proudly South African, with the support of the United Nations Office for Project Services (UNOPS) through Switch Africa Green, has undertaken a pilot project entitled 'Awareness Creation and Capacity Building on Ecolabelling in the Agricultural Sector'. Its aim is to promote a culture of sustainable agricultural production and procurement choices in South Africa.

Aims:

- to guide South African farmers to adopt sustainability practices in their socioeconomic and environmental credentials of farms and their products through ecolabelling production systems.
- to promote environmentally friendly and socioeconomically viable practices in the agricultural sector.
- to promote the socioeconomic and environmental credentials of farms and their products through eco-labelling using the Proudly South African 'super brand'.
- to encourage the public and private sectors to support farms that operate sustainably.





Project Activities

Major Project Phases:

- Baseline research.
- Development of Proudly South African Standards.
- Awareness Campaign.
- Project rollout with emphasis to Coaching of farmers to comply with Standards.
- Auditing of selected Farms.
- Promotion of Products produced by the Farmers in partnership with Government, Business and other critical Stakeholders.
- Influence Policy-Makers in favour of products produced according to standards.
- End-line research.



Key Research Outcomes

In the project's initial phase, research was conducted to sketch the South African agricultural landscape in terms of certification, particularly as it relates to small-scale farmers. Following interviews with 392 farmers across six provinces, the research findings were perhaps unsurprising:

- Overall, the level of awareness of sustainable production practices and ecolabelling among small-scale farmers is very low at 11.73%.
- All large-scale farms are certified against one or more local and international standards.
- 61.4% of small-scale farmers do not have any form of certification.

The above findings informed the next phase of the project.

Setting the Bar

Three draft sustainability standards were subsequently developed to guide South African farmers to adopt and incorporate sustainability practices that are environmentally friendly and socioeconomically viable into their production systems, namely:

- Proudly South African Standard: Sustainable Farming (to be used in combination with the product standards)
- Proudly South African Standard: Unprocessed Fruits and Vegetables
- Proudly South African Standard: Unprocessed Red Meat – Ruminants
- The Proudly South African standards can be differentiated from other local and international standards based on their comprehensive content and structure which aims to help small-scale farmers transition to sustainable agricultural practices. The Proudly South African standards are broadly divided into the following sections:

- **Sustainable Farming**

- General management
- Social justice
- Environmental management
- Facility management





- ***Unprocessed Fruits and Vegetables***
 - Production
 - Quality control
 - Packaging
- ***Unprocessed Red Meat – Ruminant***
 - Animal husbandry
 - Transport and slaughter
 - Quality control
 - Packaging

While developing the standards, Proudly South African established a multi-stakeholder committee of experts – the Technical Committee – whose role it was to consider all the relevant elements of the draft standards so as to ensure that they were locally relevant and reflected the project’s aim of capacity building around sustainable agricultural practices. Importantly, while focusing on best practice, a balance needed to be sought so that the criteria did not place an undue burden on small-scale farmers. Following the Technical Committee’s initial review, the standards were sent out for public comment before returning to the Technical Committee for finalisation. Engagement with industry stakeholders formed an intrinsic part of the public comment process.

Small-Scale Farmer Participation

While the standards are a major element of the project, they do not constitute the entire project. Indeed, a chief objective was to ensure participation by small-scale farmers, something that is generally a challenge due to economic, logistical and perceptual issues around certification. To overcome this, Proudly South African recruited nine young people to coach farmers on the Proudly South African standards and sustainability practices in agriculture. They underwent intensive training to equip them for this task.

Testing the Standards

A key differentiator of the Proudly South African project was the piloting of the standards at eight farms selected from three provinces. The farms were selected following a stringent process that included assessments of their knowledge of sustainable practices, the viability of the farm, the local labour component and the capacity to complete the pilot project.

The farmers were then coached (over a three-month period) by the trained coaching experts regarding sustainable farming practices and the Proudly South African standards.

At the end of the financial year, the farms are preparing to be assessed to determine their compliance with the Proudly South African standards. If the farms comply with the mandatory indicators of the standards, they will be licensed to display the Proudly South African logo on their products.



Going Forward

The success of the pilot project will determine the longevity of Proudly South African’s work in this sector. In its final phase, a review will be done to assess the project outcomes. Assuming the aims of the project have been met and subject to funding, the project will carry on so that capacity and awareness of sustainable consumption and production in agriculture will continue to grow, particularly among small-scale farmers.

STANDARDS DEVELOPMENT

Draft standards developed: Sustainable Farming, Unprocessed Fruits and Vegetables, Unprocessed Red Meat (Ruminants)



Proudly South African established a multi-stakeholder committee of experts – referred to as the Technical Committee – whose role is to consider all the relevant elements of the draft standards so as to ensure that they are locally relevant and reflect the project’s aim of capacity building around sustainable agricultural practices. Following the Technical Committee’s initial review, the standards were sent out for public comment before returning to the Technical Committee for finalisation. Engagement with industry stakeholders formed an intrinsic part of the public comment process, as well as the later stages of the overall project.



The members of the Proudly South African Technical Committee together with the Proudly South African team responsible for the project. Left to right: Sinqobile Mqina (Proudly South African), Sebatato Mtshali (Proudly South African), Colleen Hendriksz (Ecolabel South Africa), Dr Mandla Buthelezi (NAFCOC-KZN), Eustace Mashimbye (Proudly South African), Prof Victor Mmbengwa (National Agricultural Marketing Council), Stephen Rathai (Department of Labour), Vusi Sithole (Proudly South African), Ndivhuho Raphulu (National Cleaner Production Centre SA), Livhuwani Nemakhavhani (Proudly South African), Livhu Ngwekhulu (AgriSA), Adrian Cloete (Grassfed Association of South Africa).

While the development of the standards was a major element of the project, they do not constitute the entire project. Indeed, the purpose of the standards is to provide guidance regarding sustainable agriculture practices during the coaching phase and, through the certification process, incentivise small-scale farmers to transition to sustainable agriculture.

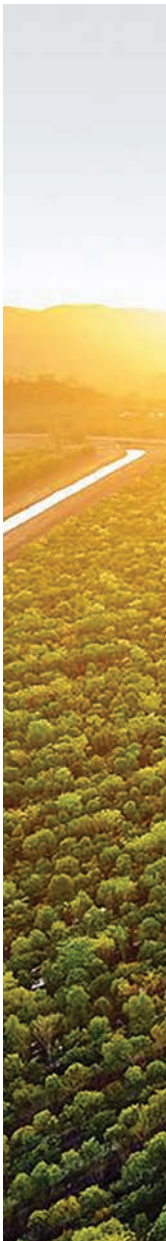
Training of experts

Following the finalisation of the standards, nine individuals were recruited to coach farmers on the Proudly South African standards and sustainability practices in agriculture. They underwent intensive training to equip them for this task.

Training on the Proudly South African verification process will also be provided to verification experts who will be tasked with assessing and verifying farms against the Proudly South African standards.



The trainee coaches with Vusi Sithole (standing) of Proudly South African.



Auditing and Certification

- Comprehensive Audit Protocols developed and in place to be followed by the Independent Audit firm.
- Compliance with the Sustainable Farming standard and a product standard required for certification
- Standards structured to help farmers transition to sustainable agricultural practice through the use of mandatory and recommended indicator.
- Comprehensive content covering the entire value chain.
- However, separate standards for third party functions (e.g. Traceability of pack-houses practice, abattoirs and transportation.)

Project Rollout

- Selection of 9 farms from KwaZulu-Natal (3), Limpopo (3) and the western Cape (3)
- Nine coaching experts farms from KwaZulu-Natal, Limpopo and the Western Cape selected and trained for coaching
- Ongoing Awareness Creation and Visibility campaigns about the standards and the entire Pilot Project, including lobbying policy makers and forging strong partnerships with government, business and labour in favour of products produced according to the standards.
- Auditing of farms compliance with the Proudly SA Standards, certify those meeting requirements- (Extensive Audit Protocols in place)
- The Proudly South African logo will be displayed on the products from certified farms.



KZN FARMS

Ikhukhu Project



| | |
|--------------------|-----------------------------------------------------------------------------------------------------------|
| Owners | Sihle Shelembe(Project Leader) King Bonginkosi Queen Simnikiwe Nomcebo Magagula Mpumi Khumalo |
| Location | Macekani – Kwasomopho |
| Established | 2013, registered 2014 |
| Size | 14 hectares |
| Products | Maize, sweet potatoes, beans and butternut |

Sihle and her four partners' aim was – and still is – to uplift the lives of many of their fellow citizens in KwaZulu-Natal through the growth of agriculture in the form of the Ikhukhu Project. Although Sihle also does events deco and catering, farming is her main priority. The Ikhukhu Project has been recognised by the Department of Agriculture, Forestry and Fisheries, and together with the Department and the Siyasiza Project have assisted the Ikhukhu team through the provision of facilitators.

Despite the fact that none of the farmers has formal training, they have managed to make significant progress. King Bonginkosi's childhood experience with farming, gained from his parents and neighbours, has undoubtedly been instrumental in shaping their farming practice. Since the project hit the ground, all the project members have been attending training workshops to advance their formal education. Based on soil testing conducted

before they began planting, it was discovered that only dry vegetables could be produced on the land. This knowledge was gained through assistance received from the designated facilitators.

With only a small budget, the Ikhukhu team have saved hard to pay for diesel for tractors and the field workers they employ from the community. Fortunately, the government has given King Bonginkosi a tractor for power and traction to mechanize the project's agricultural tasks. However the team need to wait their turn to use it as it is used by everyone in the local community. Their plan is to buy their own tractor in the near future to help speed up production so that they can produce in large volumes, which will mean more employment opportunities for the local community. The team is however facing huge problems with regards to water for their crops. They need assistance with building boreholes or water tanks

as their farms get very dry. The only real solutions to this problem are rainfall and the effective use of water.

The Ikhukhu Project sells its produce to a local market called the uThungulu Fresh Produce Market, which is run by Girlie Mhlongo. She then distributes the produce to the local hospital and among the people from the community.

Sihle and her team are exceptionally hard working, patient and determined to create jobs in their community. They are slowly receiving recognition for their work. Indeed, Sihle has been featured on KZN TV to talk about their project.

Farmers know better than anyone that preserving the environment is important. The Ikhukhu team constantly strives to make improvements to their land and the environment so that they will have better crop seasons in the future.

Makhathini Farm



| | |
|--------------------|-----------------------------------------|
| Owners | Paul Mkhwanazi |
| Location | Makhatini Reserve, Mkhanyakude District |
| Established | 2009 |
| Size | 40 hectares |
| Products | Sugar Cane and Vegetables |

Located in the Makhatini Reserve in the Mkhanyakude District, the Mjinji Co-op was established in 2009. It has grown from strength to strength due in no small part to the dedication and commitment of the Co-op members and their employees. Paul Mkhwanazi is the managing member of the Mjinji Co-op, and he is supported by six female members.

The farm size is 40 hectares and employs 20 workers. The main products are sugarcane

and vegetables. The primary challenge for the Mjinji Co-op is the lack of a tractor. To overcome this, tractors are hired when needed.

Paul Mkhwanazi has a diploma in Marketing Management and a certificate in Nutrition. He represents the amaKhosi (chiefs) of abaMkhwanazi with respect to the rural growth and development of emerging farmers. He is also the head of NAFCOC Construction for the KwaZulu-Natal branch of NAFCOC.





LIMPOPO FARMS

Ha-Nelwamondo

| | |
|--------------------|------------------------------------|
| Owners | The Great Chief Tovhele Nelwamondo |
| Location | Lwamondo |
| Established | 1987 |
| Size | 249 hectares |
| Products | Live Stock (Cows) |

Ha-Ratshikuni

| | |
|--------------------|----------------------|
| Owners | Rangelani Ratshikuni |
| Location | Elim |
| Established | 1997 |
| Size | 400 hectares |
| Products | Live Stock (Cows) |



Ha-Nyelisani

| | |
|--------------------|--------------------------------------------------|
| Owners | Nyelisani SS |
| Location | Lwamondo |
| Established | 1989 |
| Size | Mega |
| Products | Avocados (Fiat, Herse and Pickentin) and Litchis |

Anastasia's Fresh Farm Produce



| | |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Owners | Anastasia Smith |
| Location | Atlantis |
| Established | 2012, registered in 2014 |
| Size | 10 hectares |
| Products | Maize, leafy vegetables, such as mustard spinach, English rape and kale, as well as spring onions and various herbs, including coriander, Italian parsley and rosemary |
| Sales volumes | Approximately 180 tons per annum |

An enthusiastic member of the Western Cape agricultural sector, Anastasia Smith's success and contribution to agriculture was recognised in the Western Cape government's 2016 Female Entrepreneur Awards where she won the Top Entrepreneur Smallholder award. The adjudicators noted that Anastasia stood out due to her passion and dedication to her business.

This passion and commitment is immediately evident when talking to Smith. Rather than merely planting viable vegetables, she conducted extensive research to determine what the residents of the local community were most interested in purchasing. Much of her focus has therefore been on African vegetables to suit the needs of the local market.

WESTERN CAPE FARMS

Although she has no formal experience with sustainable agriculture, she recently started working with the Department of Agriculture's Good Agricultural Practice (GAP) protocols. She has a good working relationship with the Western Cape's Department of Agriculture and the department provides assistance with financial, legal, labour and sector-related issues.

Despite a relatively small budget, Smith prioritised the installation of two water tanks, which have been exceptionally useful during dry periods. She also invested in shade net under which she cultivates various types of lettuce. She has plans to install solar panels to assist with the energy requirements for irrigation.

Smith has a small staff contingent of four permanent employees and a further four during season. She sells produce to the informal markets in Atlantis and a few agencies as well as the large Epping market in Cape Town.

While working in the local community as a mentor, Smith enjoys sharing her knowledge and skills in general crop production, pest management and crop rotation practices. She is also assisting two local community food gardens. She is an ideal candidate for this project given her desire to learn more about sustainable farming and ability to interact and share knowledge with the local community.



Trevor's Farm

In 1998, Trevor Abrahams received an unfenced piece of land just outside Ceres through the Land Redistribution for Agricultural Development programme.

Through hard work, engaging with organised agriculture and help from a prominent local farmer and his mentor Robert Graaf. He initially received an interest-free loan in excess of R1 million, and starting with a modest 22 hectares, has expanded his farm to 75 hectares.

The farm employs 22 permanent staff and 30 seasonal workers. One of his current projects is the joint-venture construction of a pack house about 18km from his farm. Given his extensive experience with international retailers, his work with existing standards and his wide network and influence within the local agricultural sector, Abrahams is considered a valuable asset to this project as a means to test the adequacy, comparability and suitability of the Proudly South African standards through the implementation phase.

| | |
|----------------------|----------------------------------------------------------------------------------|
| Owners | Trevor Abrahams |
| Location | Ceres, Western Cape |
| Established | 1999 |
| Size | 75 Hectares |
| Products | Stone fruits such as nectarines, peach and plums, as well as pome fruits (pears) |
| Sales volumes | Approximately 100 tons per annum |




AWARENESS CREATION AND VISIBILITY CAMPAIGNS

- Awareness creation and Visibility campaigns were conducted through public presentations, panel discussions, expos, conferences, exhibition, electronic and social media platforms including information dissemination through developed information booklets and leaflets in Gauteng, Northern Cape, Free State, Western Cape, Limpopo and Kwa-Zulu/Natal
- A variety of relevant partnerships have been initiated or established with policy institutions, farmer organisations, consumer organisations, other SCP/ecolabelling-promoting organisations, the Department of Agriculture, Forestry and Fisheries, the Consumer Goods Council of SA, the African Farmers Association of SA, the National African Farmers Union, Fruit SA, the National Cleaner Production Centre of South Africa (NCPC-SA), Ecolabel South Africa, the Eco Mark Africa, Branding Agriculture initiative, among others.

CHALLENGES AND LESSONS

- The main constraint experienced was the standards development process taking longer than prior planned due to extensive consultation and review processes. This affected the timelines for implementation of the subsequent processes (e.g. finalising training material, training of trainers and coaching farmers) which were dependent on the finalised standards.
- During the roll-out of the project, new activities with unbudgeted costs emerged, and this was a huge problem, e.g. Auditing of farms was a new process which carry huge costs.
- Many small-scale farmers produce almost high quality products with minor improvements/minimal guidance required in order to get traction from big businesses and government. Interestingly, there is relatively huge uptake of their products in unregulated Fresh Produce markets.



Strategic Partnerships

Fedusa Workshop

ENGAGEMENTS WITH LABOUR FEDERATIONS TO RESPOND TO A CALL TO SUPPORT “BUY LOCAL”

Since the signing of The Local Procurement Accord (LPA) on 31 October 2011, Proudly SA has been pivotal in encouraging the signatories to this accord to deliver on their commitments as clearly outlined in that agreement. Emanating from LPA, Proudly SA’s role includes nationwide buy local activism campaigns to, inter alia, labour federations in line with Organised Labour Commitments 8, 9 and 10 of the Accord.

The Accord and its relevance is amplified by the revision of the Preferential Procurement Policy Framework Act (PPPFA) enacted in 2000, with its Regulations promulgated in 2001 and amended in 2011 – particularly Regulation 8 which deals with Local Production and Content.

It is against this backdrop that Proudly SA partnered with FEDUSA to educate and lobby its unions’ shopstewards at their nationwide conferences through interactive engagements by presentations followed by intensive engagements on how best to drive the localisation message and prioritise the procurement of local products and services.

Shopstewards were encouraged to establish Local Procurement Committees in their respective workplaces together with their employers and push for an agenda to procure their day-to-day consumables from other local companies. These consumables include canteen items, cleaning products, stationery, etc.

Proudly SA Board Chairman and Management made presentations at the following FEDUSA provincial conferences:

- 14 February 2018 Gauteng
- 20 February 2018 Kwa-Zulu/Natal
- 20 February 2018 Western Cape
- 28 February 2018 Eastern Cape (East London)
- 13 March 2018 Eastern Cape (Port Elizabeth)

The feedback from this Labour Federation’s regions was very positive, and there was a clear undertaking to support localisation and Proudly SA initiatives.

Nedlac Taskteam


FEEDBACK ON PARTICIPATION IN NEDLAC’S CUSTOMS FRAUD AND ILLEGAL IMPORTS TASK TEAM

This is a high-level summary report on Proudly South African’s participation on NEDLAC’s Trade and Investment Chamber Task Team on Customs Fraud and Illegal Imports.

The committee convened 3 times; the first session dealt mostly with the Constitution and Terms of Reference of the Task Team which were adopted and detailed below:

1.1 The Trade and Industry Chamber agreed to establish a Customs Fraud and Illegal Imports Task Team. Constituencies agree that customs fraud and illegal imports harm domestic industries and jobs. Customs fraud also means a loss to the fiscus. The Task Team should explore and propose the implementation of measures to prevent (or, where not possible, at least curtail) customs fraud and illegal imports in support of local economic activities and job creation, amongst others by:

- 1.1.1) Reviewing the FRIDGE Study Report on Customs Fraud and Illegal Imports of 2010; the NEDLAC Report on Customs Fraud in respect of Textile, Clothing and Footwear; and the NEDLAC Report on the Customs Duty Bill and Customs Control Bill (“the reports”) in order to:

- 
- 1.1.2.) Receive an update, from Government with additional inputs from SARS, Business and Labour, on the implementation of the measures to deal with customs fraud identified in the reports in the:
 - i. clothing, textiles, footwear and leather goods (CTFL) sectors identified; and
 - ii. other sectors identified in the FRIDGE Study Report;
 - 1.1.3.) Determining the reason/s for partial and/or non-implementation of measures identified in the reports and corrective measures to address these;
 - 1.1.4.) Receiving an update on any new forms or areas of customs fraud in the sectors identified in the reports and determine measures to address these;
 - 1.1.5.) Receiving a report on measures to deal with customs fraud imposed or being considered for sectors not identified in the reports and brought to the attention of the task team as sectors experiencing serious customs fraud and illegal imports challenges;
 - 1.1.6.) Identifying new priority sectors and recommend remedies to strengthen action against customs fraud in such sectors;
 - 1.1.7.) Devising support measures, including measures that business and labour can introduce, to ensure implementation of the identified measures mentioned in the subsections above including any partially or fully outstanding measures;
 - 1.1.8.) Identifying systemic problems concerning customs fraud and illegal imports and list potential actions in each case to address the problems; and improve risk assessment and deployment of targeted Customs controls;
 - 1.1.9.) Developing a report on its work for submission to the Chamber.

During the second meeting of the Task Team, Government (through experts from SA Revenue Services) presented a detailed scenario of the landscape and challenges in and around Customs Fraud since the last meeting of the Task Team more than 5 years ago. After lengthy and comprehensive analysis of the current situation, the following key resolutions were taken and discussed during the third meeting of the Task Team:

- a. SARS will bring more experts to deal with other technical issues which were raised during the second meeting;
- b. Business and Labour will make their presentation to contribute in formulating a refined strategy to deal with problems in customs and imports; and

Final response report will be drafted for escalation to relevant NEDLAC EXCO and then to the Minister concerned over the next financial year.

Our Members

- 1 The current value proposition for Proudly South African member companies
- 2 Proudly South African membership report for 2017/2018
 - 2.1 Year-on-year comparisons of the number of newly-recruited members per month from the period 2010/2011 to 2017/2018
 - 2.2 Quarterly comparisons of the number of newly-recruited members for the period 2017/2018
 - 2.3 Member companies recruited for the period 2017/2018 by sector
 - 2.4 Member companies recruited for the period 2017/2018 by province
- 3 Database of local products and services
- 4 An overview of the period 2017/2018
- 5 Looking forward to 2018/2019





The current value proposition for Proudly South African member companies

1. Use of the Proudly South African logo, which is a recognised endorsement of local content and quality.

2. Access to Market Platforms:

2.1. First-hand access to tender opportunities issued by public entities for products that have been designated for local content by the Department of Trade and Industry;

2.2. The opportunity to list qualifying products and/or services on the Proudly South African database, established to assist government and business to promote the procurement of local goods and services. The database is housed on the Proudly South African website that is accessible via an interactive search

facility which allows consumers, businesses and public entities to search for products and services of Proudly South African member companies;

2.3. Participation in various activities and marketing campaigns including:

- The prestigious annual Proudly South African Buy Local Summit and Expo, which gives participating members an opportunity to exhibit their products and/or services and network with decision makers and procurement officers from business and government;
- Through dedicated business and sector-specific forums, members enjoy frequent networking and information-sharing opportunities with other fellow members, businesses and strategic stakeholders. At these events, the challenges and solutions for individual companies and/or collectively, industries under distress are presented;
- Joint promotions with Proudly South African in consumer-targeted campaigns at major events and exhibitions;
- Members may benefit from the Campaign's marketing strategy and activities that encourage the purchasing and procurement of members' products and services;
- Access to the Campaign's communication platforms such as the electronic newsletter, product booklet, social media platforms as well as print and broadcast media;
- Participation in the South African Premier Business Awards event which recognises and honours local businesses and promotes partnerships and competitiveness; and
- Special packages and pricing between Proudly South African member companies to encourage business transactions within the Proudly South African member community.

2

Proudly South African membership report for 2017/2018

2.1. Year-on-year comparisons of the number of newly-recruited members per month from the period 2010/2011 to 2017/2018

In previous years, newly-recruited members were considered only by approved memberships (that is, membership applications of companies that have been vetted for and that adhere to the mandatory four criteria for Proudly South African membership).

For this financial year, newly-recruited members are considered by the following two criteria

- i. Approved memberships for quarter 1, and
- ii. Fully paid-up membership of companies that have been vetted for and adhere to the mandatory four criteria for membership for quarters 2 to 4.

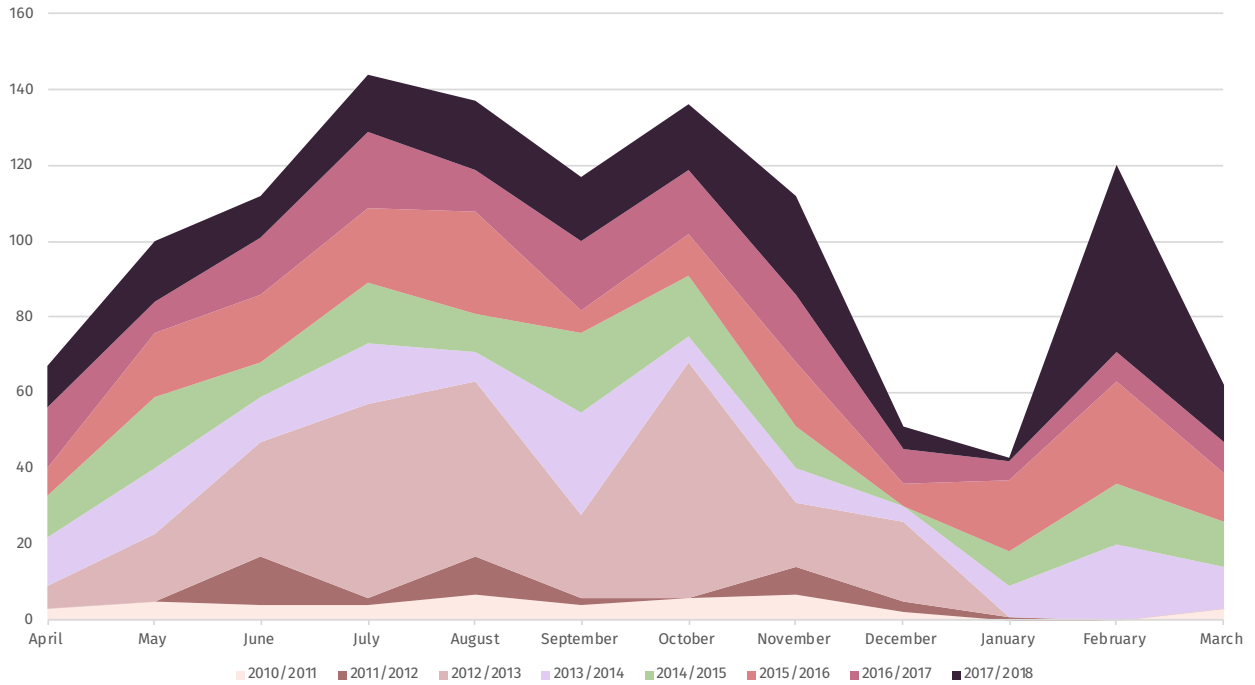
From 1 April 2018, the membership department's targets will only be based on the latter consideration.

| MONTH | APPROVED APPLICATIONS | | | | | | | APPROVED APPLICATIONS | PAID-UP | CONSIDERATION 2017/18 * |
|--------------|-----------------------|-----------|------------|------------|------------|------------|------------|-----------------------|------------|-------------------------|
| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | | | |
| Apr | 3 | 0 | 6 | 13 | 11 | 7 | 16 | 11 | 17 | 38 |
| May | 5 | 0 | 18 | 17 | 19 | 17 | 8 | 16 | | |
| Jun | 4 | 13 | 30 | 12 | 9 | 18 | 15 | 11 | | |
| Jul | 4 | 2 | 51 | 16 | 16 | 20 | 20 | 19 | 15 | 50 |
| Aug | 7 | 10 | 46 | 8 | 10 | 27 | 11 | 32 | 18 | |
| Sep | 4 | 2 | 22 | 27 | 21 | 6 | 18 | 21 | 17 | |
| Oct | 6 | 0 | 62 | 7 | 16 | 11 | 17 | 21 | 17 | 49 |
| Nov | 7 | 7 | 17 | 9 | 11 | 17 | 18 | 28 | 26 | |
| Dec | 2 | 3 | 21 | 4 | 0 | 6 | 9 | 5 | 6 | |
| Jan | 0 | 1 | 0 | 8 | 9 | 19 | 5 | 1 | 1 | 65 |
| Feb | 0 | 0 | 0 | 20 | 16 | 27 | 8 | 49 | 49 | |
| Mar | 3 | 0 | 0 | 11 | 12 | 13 | 8 | 15 | 15 | |
| TOTAL | 45 | 38 | 273 | 152 | 150 | 188 | 153 | 229 | 181 | 202 |

***Consideration for 2017/2018:**

In this interim period of reporting on targets for the membership department and for the purposes of this report, consideration for 2017/2018 will be given to approved applications for quarter 1 (38), and fully paid-up memberships for quarters 2 (50), 3 (49) and 4 (65).

**NEWLY-RECRUITED MEMBERS:
YEAR-ON-YEAR GRAPHICAL COMPARISONS
2010/2011 to 2017/2018**

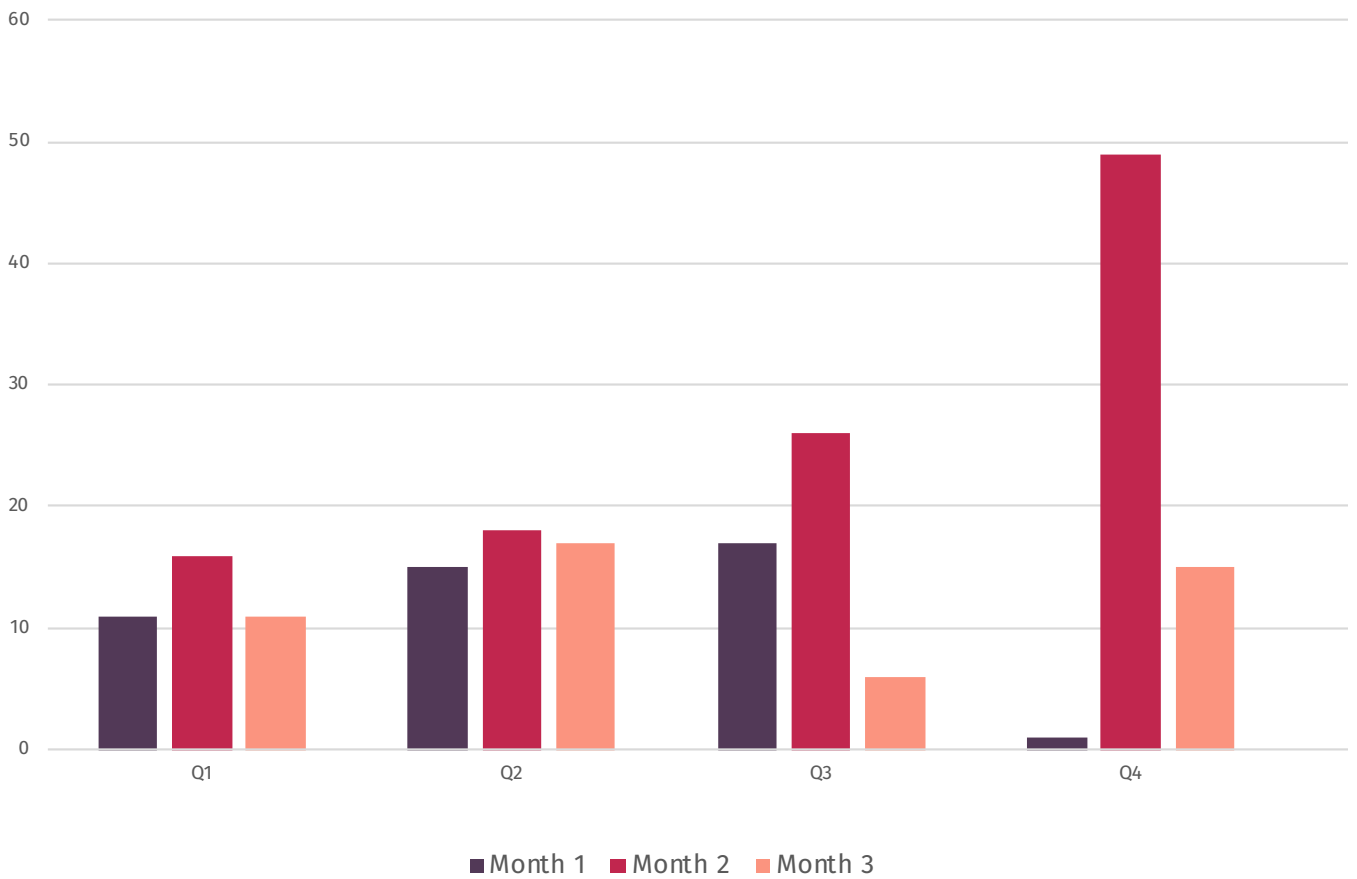


2.2. Quarterly comparisons of the number of newly-recruited members for the period 2017/2018

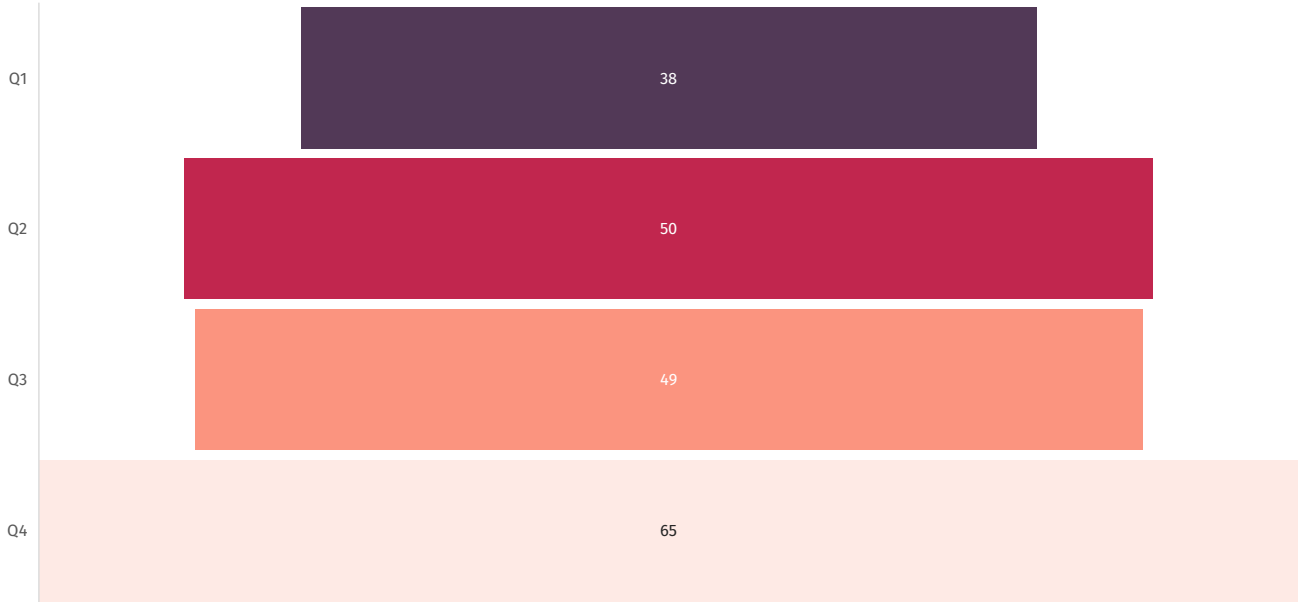
| | Month 1 | Month 2 | Month 3 | Total |
|----|---------|---------|---------|------------|
| Q1 | 11 | 16 | 11 | 38 |
| Q2 | 15 | 18 | 17 | 50 |
| Q3 | 17 | 26 | 6 | 49 |
| Q4 | 1 | 49 | 15 | 65 |
| | | | | 202 |

Q1: April, May, June
 Q2: July, August, September
 Q3: October, November, December
 Q4: January, February, March

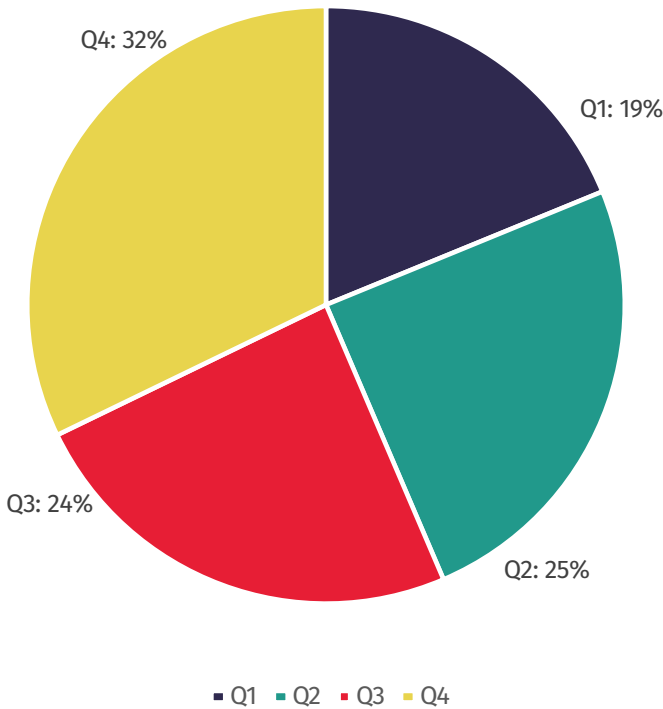
**NEWLY-RECRUITED MEMBERS:
QUARTERLY GRAPHICAL COMPARISONS BY MONTH
2017/2018**



**NEWLY-RECRUITED MEMBERS:
GRAPHICAL COMPARISONS BY QUARTER
2017/2018**



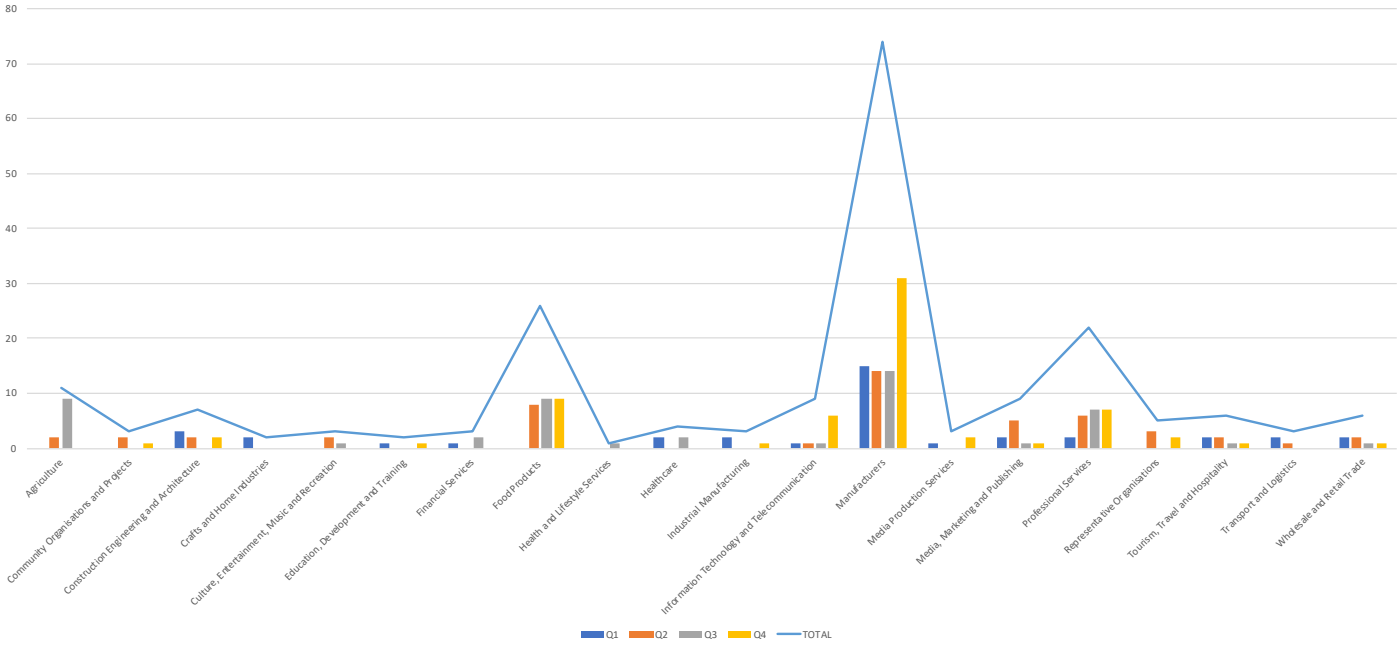
**NEWLY-RECRUITED MEMBERS:
QUARTERLY GRAPHICAL COMPARISONS
IN PERCENTAGE
2017/2018**



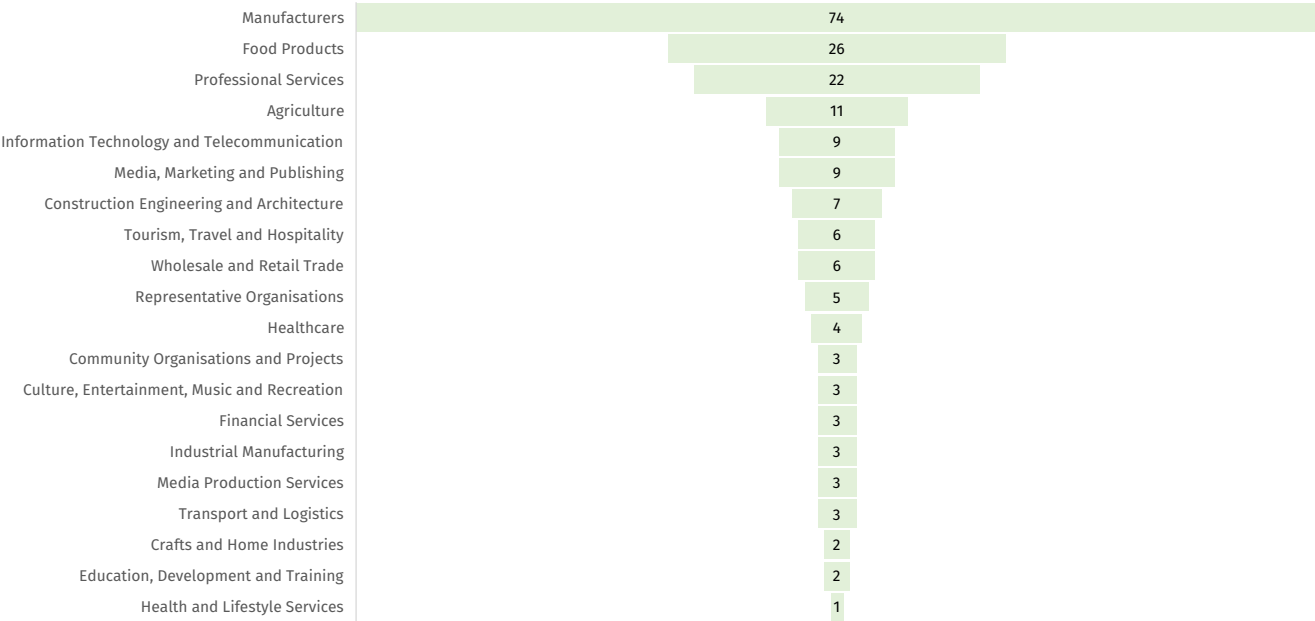
2.3. Member companies recruited for the period 2017/2018 by sector

| Sector | Q1 | Q2 | Q3 | Q4 | Total |
|----------------------------------------------|-----------|-----------|-----------|-----------|------------|
| Agriculture | | 2 | 9 | | 11 |
| Community Organisations and Projects | | 2 | | 1 | 3 |
| Construction Engineering and Architecture | 3 | 2 | | 2 | 7 |
| Crafts and Home Industries | 2 | | | | 2 |
| Culture, Entertainment, Music and Recreation | | 2 | 1 | | 3 |
| Education, Development and Training | 1 | | | 1 | 2 |
| Financial Services | 1 | | 2 | | 3 |
| Food Products | | 8 | 9 | 9 | 26 |
| Health and Lifestyle Services | | | 1 | | 1 |
| Healthcare | 2 | | 2 | | 4 |
| Industrial Manufacturing | 2 | | | 1 | 3 |
| Information Technology and Telecommunication | 1 | 1 | 1 | 6 | 9 |
| Manufacturers | 15 | 14 | 14 | 31 | 74 |
| Media Production Services | 1 | | | 2 | 3 |
| Media, Marketing and Publishing | 2 | 5 | 1 | 1 | 9 |
| Professional Services | 2 | 6 | 7 | 7 | 22 |
| Representative Organisations | | 3 | | 2 | 5 |
| Tourism, Travel and Hospitality | 2 | 2 | 1 | 1 | 6 |
| Transport and Logistics | 2 | 1 | | | 3 |
| Wholesale and Retail Trade | 2 | 2 | 1 | 1 | 6 |
| TOTAL | 38 | 50 | 49 | 65 | 202 |

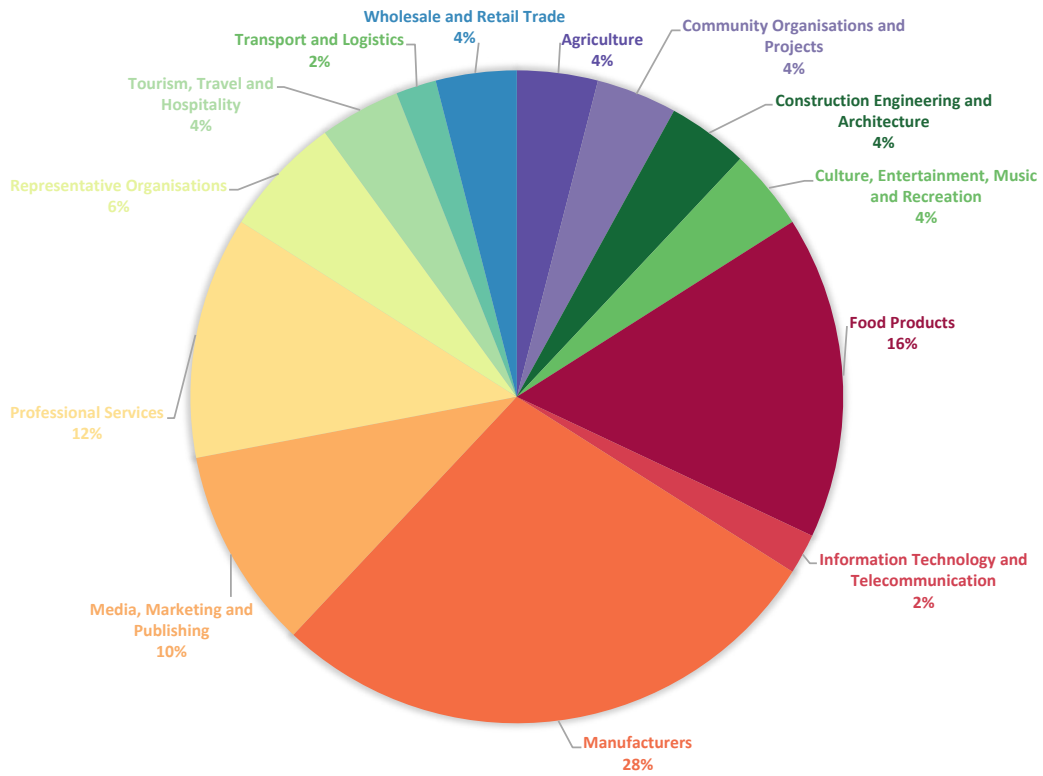
**NEWLY RECRUITED MEMBERS:
QUARTERLY COMPARISONS BY SECTOR
2017/2018**



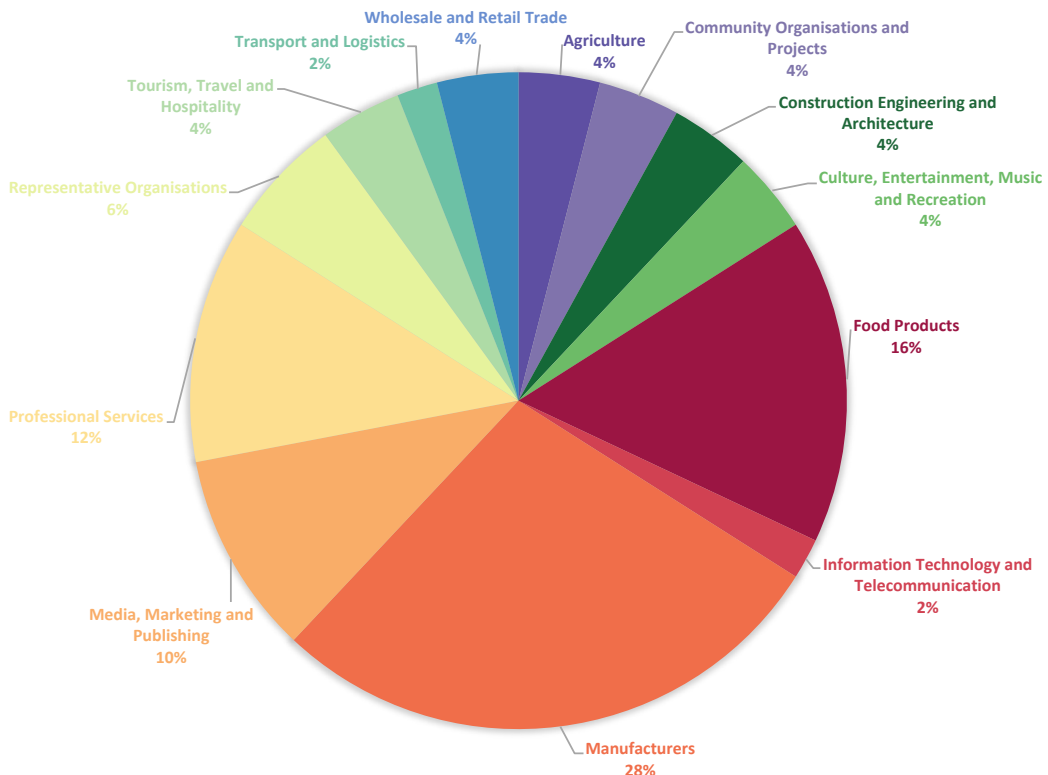
**NEWLY RECRUITED MEMBERS:
COMPARISON BY SECTOR
2017/2018**



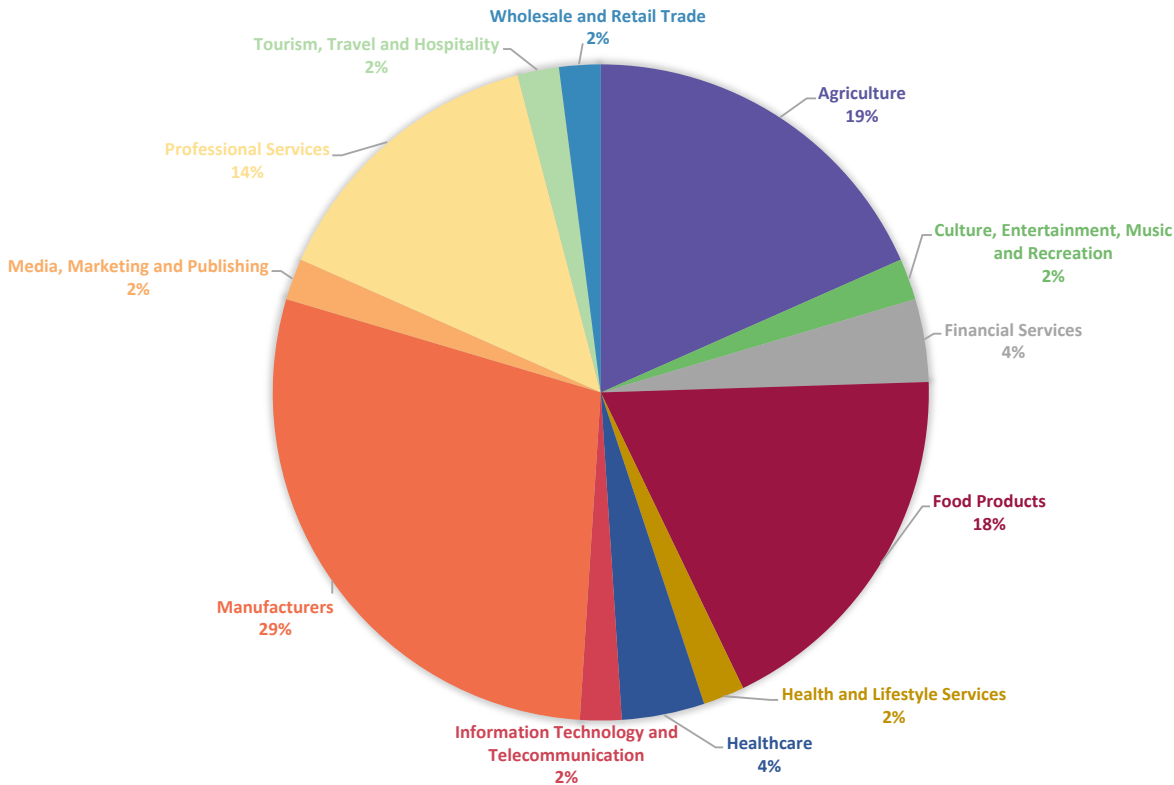
**NEWLY-RECRUITED MEMBERS:
PERCENTAGE COMPARISONS BY SECTOR
Q1 2017/2018**



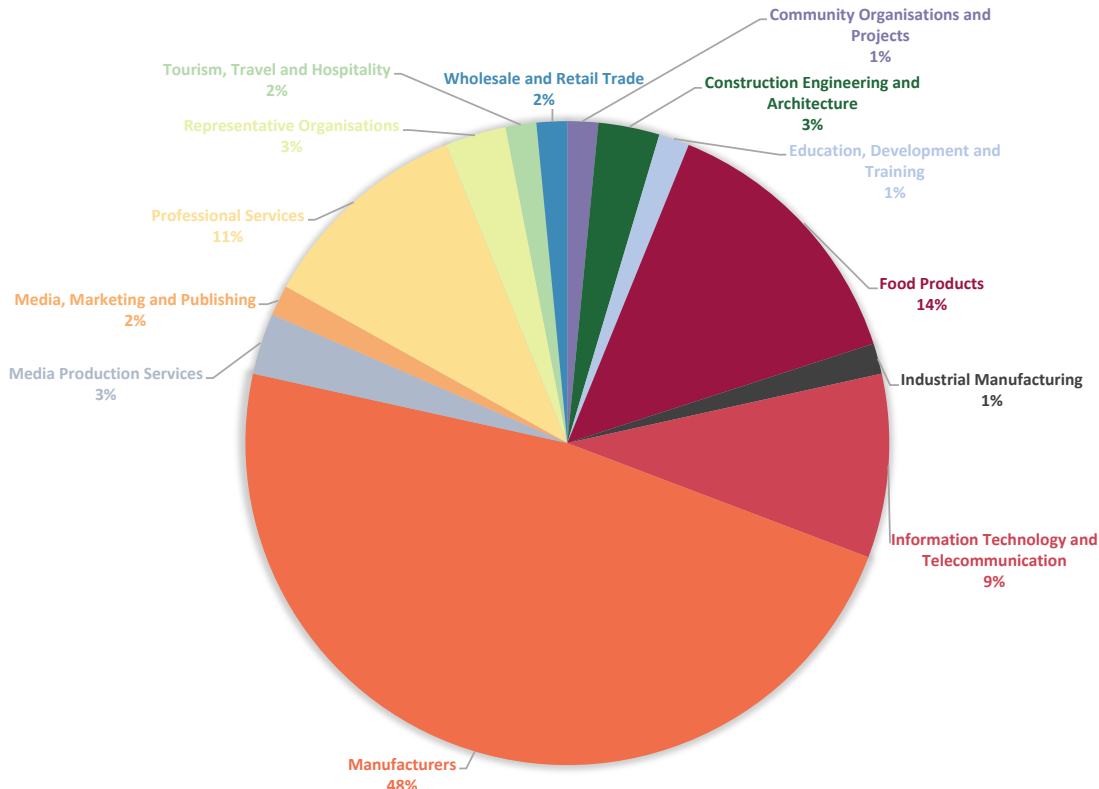
**NEWLY-RECRUITED MEMBERS:
PERCENTAGE COMPARISONS BY SECTOR
Q2 2017/2018**



NEWLY-RECRUITED MEMBERS:
PERCENTAGE COMPARISONS BY SECTOR
Q3 2017/2018



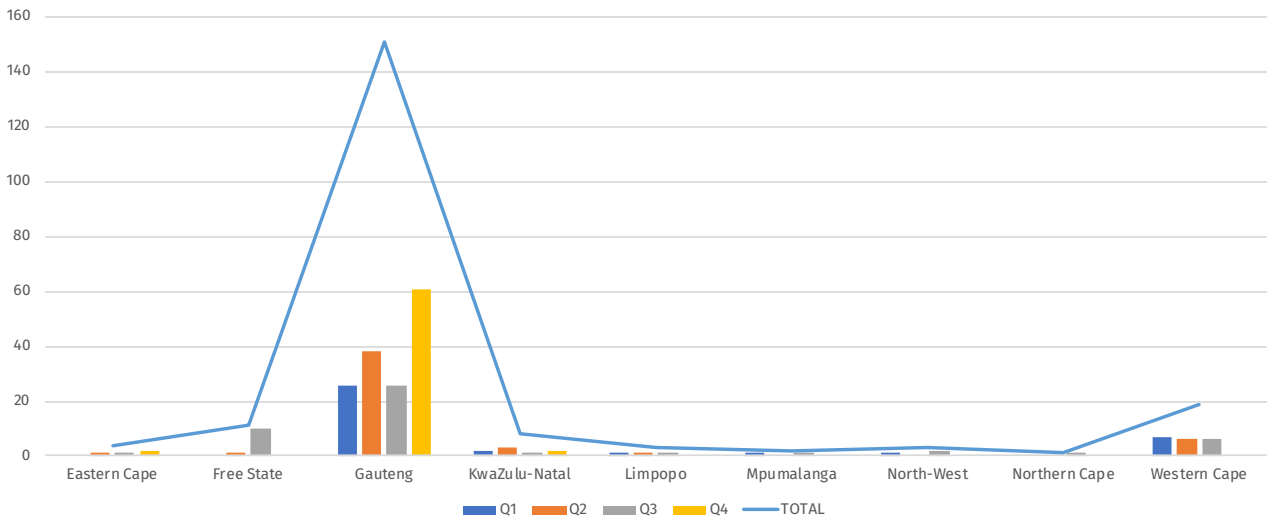
NEWLY-RECRUITED MEMBERS:
PERCENTAGE COMPARISONS BY SECTOR
Q4 2017/2018



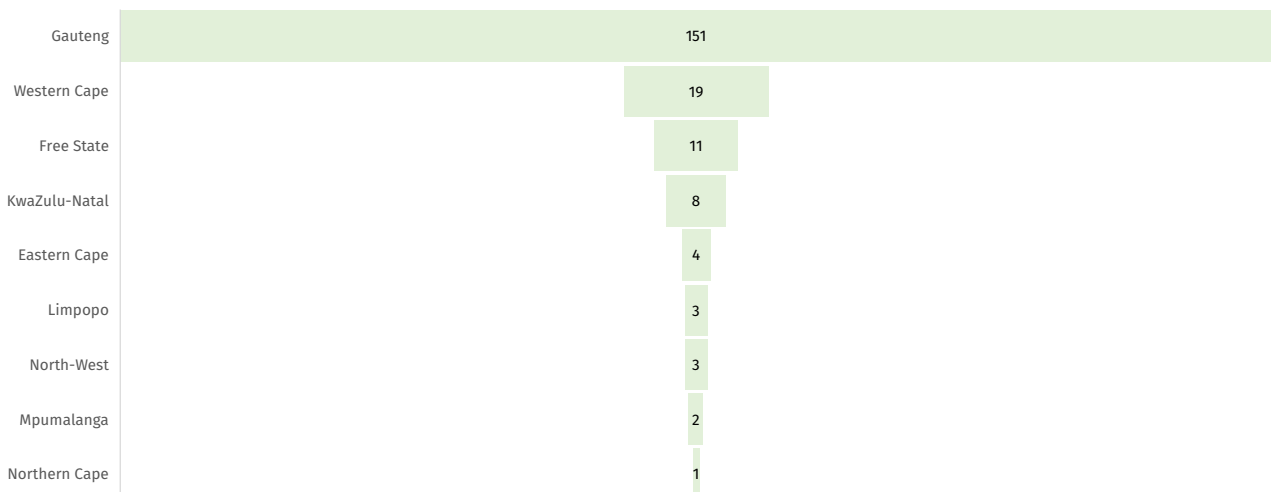
2.4. Member companies recruited for the period 2017/2018 by province

| Province | Q1 | Q2 | Q3 | Q4 | Total |
|---------------|-----------|-----------|-----------|-----------|------------|
| Eastern Cape | | 1 | 1 | 2 | 4 |
| Free State | | 1 | 10 | | 11 |
| Gauteng | 26 | 38 | 26 | 61 | 151 |
| KwaZulu-Natal | 2 | 3 | 1 | 2 | 8 |
| Limpopo | 1 | 1 | 1 | | 3 |
| Mpumalanga | 1 | | 1 | | 2 |
| North-West | 1 | | 2 | | 3 |
| Northern Cape | | | 1 | | 1 |
| Western Cape | 7 | 6 | 6 | | 19 |
| TOTAL | 38 | 50 | 49 | 65 | 202 |

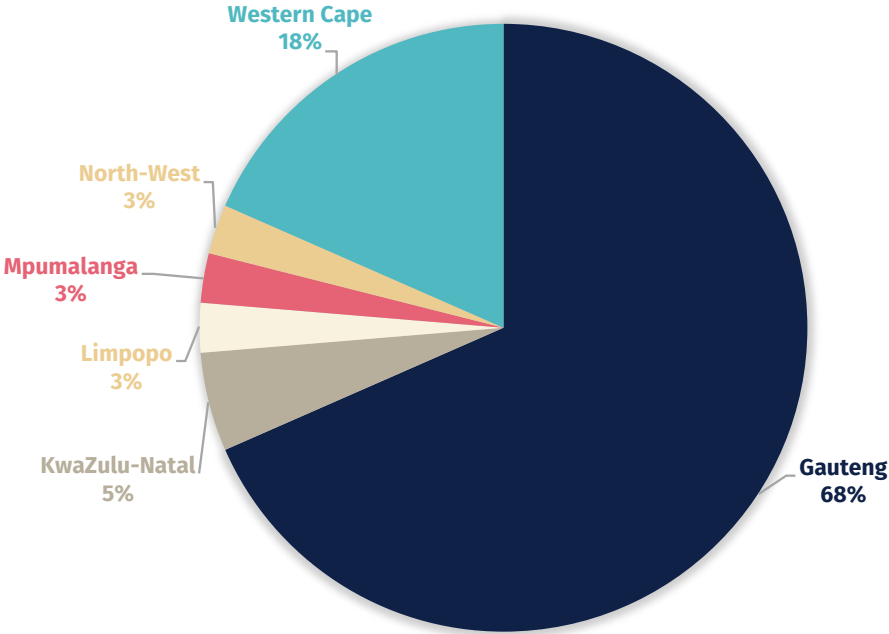
**NEWLY-RECRUITED MEMBERS:
PERCENTAGE COMPARISONS BY PROVINCE
2017/2018**



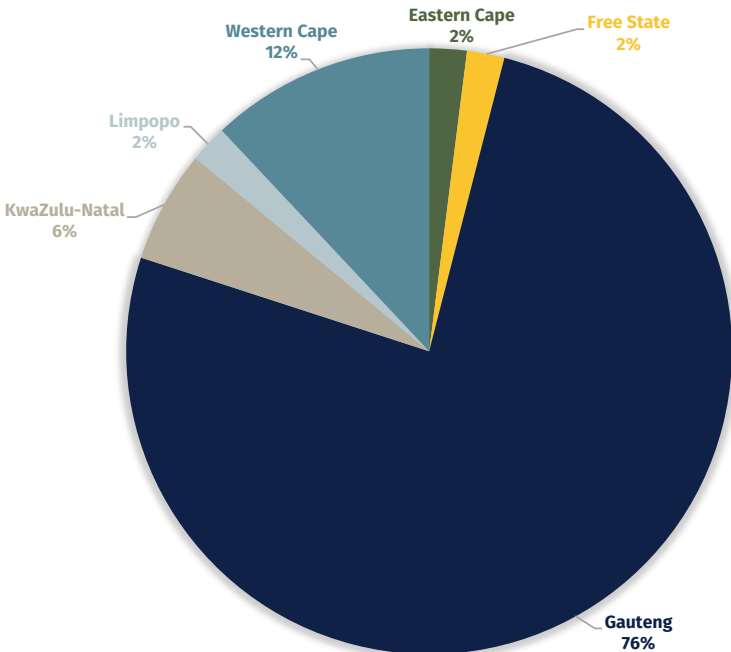
**NEWLY-RECRUITED MEMBERS:
PERCENTAGE COMPARISONS BY PROVINCE
2017/2018**



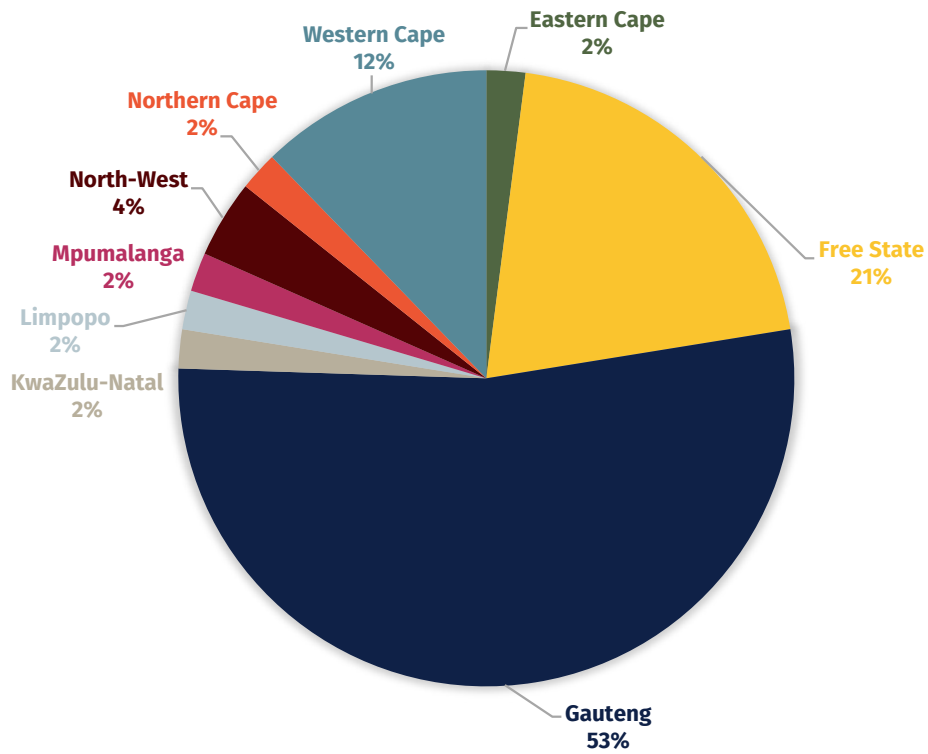
**NEWLY-RECRUITED MEMBERS:
PERCENTAGE COMPARISONS BY PROVINCE
Q1 2017/2018**



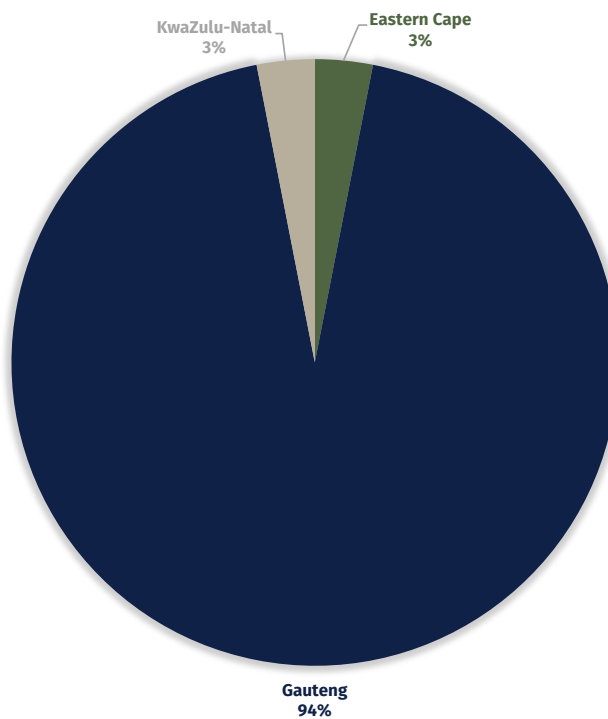
**NEWLY-RECRUITED MEMBERS:
PERCENTAGE COMPARISONS BY PROVINCE
Q2 2017/2018**



**NEWLY-RECRUITED MEMBERS:
PERCENTAGE COMPARISONS BY PROVINCE
Q3 2017/2018**



**NEWLY-RECRUITED MEMBERS:
PERCENTAGE COMPARISONS BY PROVINCE
Q4 2017/2018**

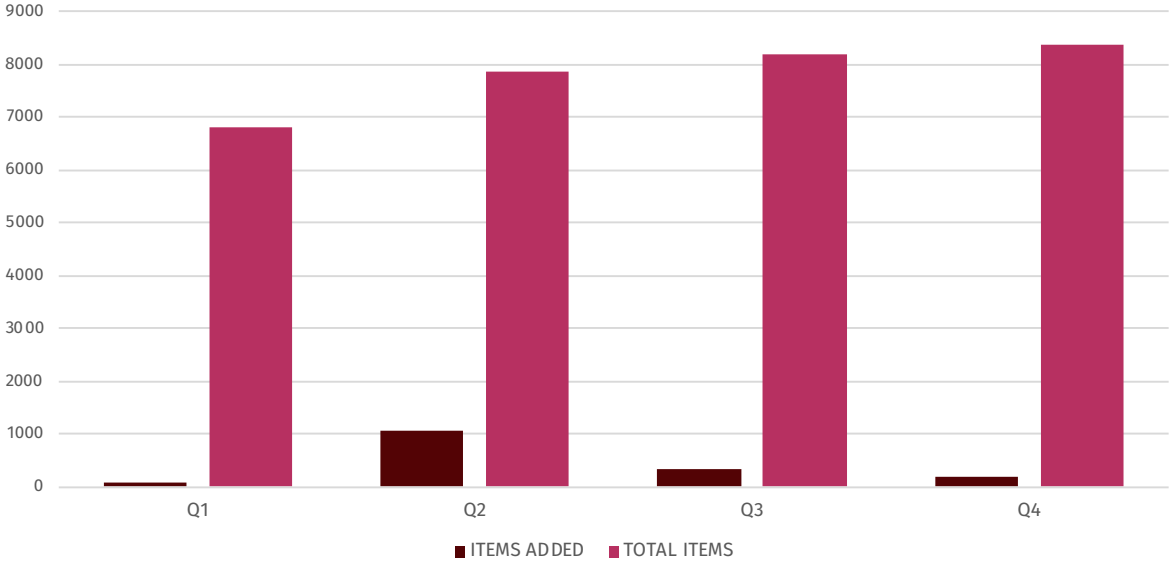


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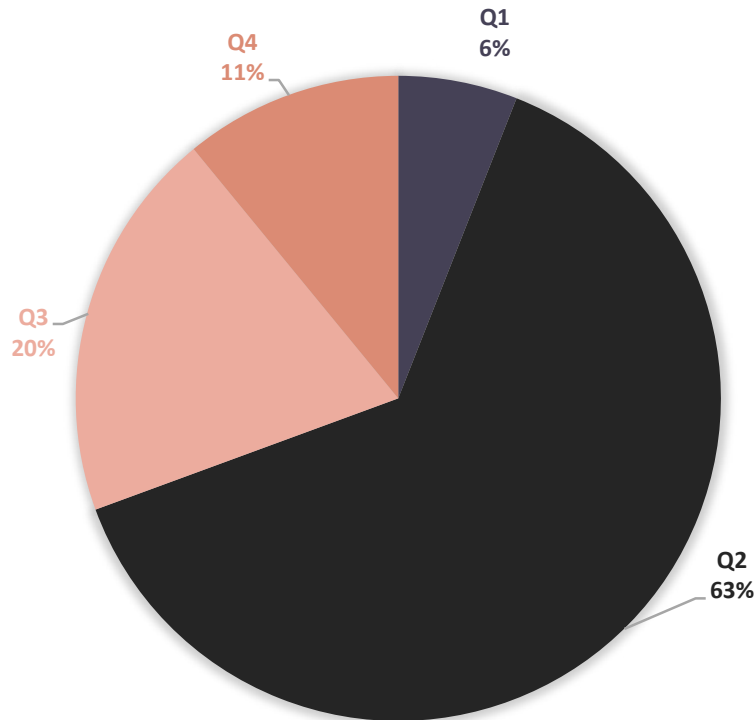
Database of local products and services

| Database of local products and services | | |
|-----------------------------------------|--------------|-------------|
| | Items added | Total items |
| Q1 | 100 | 6,800 |
| Q2 | 1,061 | 7,861 |
| Q3 | 329 | 8,190 |
| Q4 | 183 | 8,373 |
| Total | 1,673 | |

DATABASE OF LOCAL PRODUCTS AND SERVICES:
 GRAPHICAL REPRESENTATION OF
 ITEMS ADDED AND TOTAL ITEMS
 2017/2018



**DATABASE OF LOCAL PRODUCTS AND SERVICES:
GRAPHICAL REPRESENTATION OF
QUARTERLY PERCENTAGE COMPARISONS
OF ITEMS ADDED
2017/2018**



An overview of the period 2017/2018

4

Quarter 1

The first quarter of 2017/2018 saw an average uptake of new members of 38 (17 fully paid-up) which is on par when compared with previous years.

Of the 38 newly-recruited members, 16 memberships were finalised in May, and 11 in the months of April and 11 in June. The interest in Gauteng for membership remains the highest with 26 members recruited in the first quarter, and the Western Cape came in at second place at seven. The best performing sector was Manufacturing at a total number of newly-recruited members at 16, followed by Construction, Engineering and Architecture at three and Crafts and Home Industries at two.

The database of local products and services of member companies was revised and refined. The number of products and services now totals 6,800 where exactly 100 products and services were added to the database in the first quarter of 2017/2018.

Members were retained at almost 100% for the first quarter. As of June, a dedicated senior member of the team has been given the responsibility of chasing renewals including compliance documentation and payment. All renewals due for the new financial year (i.e. from 1 April 2017) were followed up by this dedicated team member until retention is finalised in its totality for each renewal outstanding.

Quarter 2

The second quarter of 2017/2018 saw an uptake of exactly 50 new fully paid-up members (or 72 approved memberships). This number is drastically up from previous years as historically, only approved members were accounted for.

Of the 50 newly-recruited and finalised members, 15 new memberships were activated in June (although as many as 19 were approved), 18 in the month of August (whereas 32 were approved), and 17 at the end of September (whereas 21 companies were approved for membership).

The interest in Gauteng for membership remains the highest at 38 new recruits in the second quarter, six in the Western Cape, three in KwaZulu-Natal, and one each in the Eastern Cape, the Free State and Limpopo.

The best performing sector remains Manufacturing at a total number of newly-recruited members at 14, followed by Food Products (due to the Membership Department's work done for the Delicious International Music and Food Festival and the active drive for recruiting in the Fast-Moving Consumer Goods space) at eight, Professional Services at six new recruits, and Media, Marketing and Publishing at five.

New member companies include the OBC Group that joined with a two-year membership, FASA (the Franchise Association of South Africa) joined for a three-year period, the Delicious International Food and Music Festival, Country Bird Holdings, Pharmacare Limited (trading as Aspen Pharmacare), Sandvik Mining RSA, the Southern African Stainless Steel Development Association (SASSDA), and the Cape Craft and Design Institute (now named Craft + Design Institute).

The Proudly South African database of products and services continued to grow at a rapid pace. The target of 100 new products and services for the second quarter was exceeded by over 900% at 1,061. The total number of products and services now totals 7,861 as at 30 September 2017.

Members are retained at a monthly average of 86% for the first two quarters, just falling short of the annual target of 90%.

Quarter 3

The third quarter of 2017/2018 saw an uptake of 49 new fully paid-up members (where a total of 54 companies were approved for membership). The actual recruitment number fell just short of the Membership Department's target of 50 per quarter. The conversion rate of potential members to actual paying members improved significantly since quarter two, where previously, 72 members were approved, but only 50 had paid for their membership activations.

Of the 49 newly-recruited members, 17 new memberships were activated (21 were approved) in October; in November, 26 new members were activated (28 were approved); and at the end of December, six companies' memberships were activated (whereas five companies were approved for membership).

The best performing sector remains Manufacturing with 14 new recruits, followed by Agriculture and Food Products at nine each, Professional Services at seven, and Financial Services and Healthcare at two each.

The pool of new recruits for the third quarter saw the likes of National Security & Fire (Chubb Security Services) join the Campaign for a record-breaking 5-year membership, Rooibos Ltd joined for a three-year period, African Bank, WOA Fuel and Oils, Twizza – the soft drinks, energy drinks and water manufacturer, and Gimtrac also joined the Buy Local Movement. Grain Field Chickens paved the way for seven other companies that form part of the VKB Group including Free State Oil, NTK-Venda Rolling Mills, Nu-Pro Feeds, Triple V Animal Feeds, VKB Bakery KZN, VKB Flour Mills, VKB Homegrown Bakery and VKB Milling to join the Proudly South African membership base.

The number of members recruited in Gauteng remains the highest at 26; followed by the Free State at 10, the Western Cape at six, North-West at two, and single member companies were recruited in the Eastern Cape, KwaZulu-Natal, Limpopo, Mpumalanga and the Northern Cape, respectively. The Membership base in the third quarter increased in every province of the country.

The database of local products and services grew by 329 items, exceeding the target of 150 new products and services for the third quarter by over 219%. The total number of products and services totalled 8,190 as at 31 December 2017.

Members were retained at a monthly average of 78% for the first three quarters, collectively.

Quarter 4

The last quarter of 2017/2018 reaped the rewards of relationships cultivated with organisations such as the Gauteng Growth and Development Agency's The Innovation Hub and South Africa's internationally-renowned beverage darling, The South African Breweries.

The Innovation Hub – a Proudly South African member since June 2016 – saw the opportunity to partner Proudly SA and award 100 qualifying entrepreneurs who form part of their incubation programmes, namely Maxum Business Incubator, Climate Innovation Centre South Africa, BioPark @ Gauteng, eKasi Labs, and mLab Southern Africa annual Proudly SA memberships in February. Similarly, in March, SAB, through their Entrepreneurship Programmes, identified 50 market-ready entrepreneurs who would become beneficiaries of Proudly South African memberships. The aforementioned relationships are testament to the organisation's commitment to the development of SMMEs at a time when support for these contributors of our economy has become crucial. Combining the two organisations' contributions, 151 new companies were introduced to Proudly South African for membership in February and March alone. Efforts were underway to finalise and process the applications of this staggering number of new member companies as efficiently as possible.

Taking into account the newly-recruited members (including paid-up members and registered entrepreneurs from The Innovation Hub and SAB), quarter four saw an uptake of 65 new member companies. This number excludes the nominated beneficiaries whose memberships have been paid but whose application forms and/or compliance documents have not as yet been submitted for processing).

Of the 65 newly-recruited members, 49 new memberships were activated in February, 15 in March and one in January.

Members were recruited in 13 out of a total 26 sectors – a marked improvement in the number of sectors represented by Proudly South African members. Manufacturing remains at an all-time high with 31 newly-recruited members, followed by nine new members in Food Products, seven in Professional Services, and a welcomed surge of six new members in the Information Technology and Telecommunication sector.

The number of members recruited in Gauteng remains the highest at 61, followed by the Eastern Cape and KwaZulu-Natal at five new members each.

The Proudly South African database of local products and services grew by 183 items in Quarter 4, exceeding the target of 150 new listings. The database continues to grow at a satisfactory pace, reaching a total of 8,373 items as at 31 March 2018.

Overall

The number of approved members for the period 2017/2018 was 202 – a marked improvement from the 153 members recruited in 2017/2018 – comprising:

- quarter one – 38
- quarter two – 50
- quarter three – 49
- quarter four – 65

Members were recruited from an unprecedented 20 out of 26 sectors from all nine provinces in an effort to increase the footprint of the Campaign's membership base.

Members were retained at a monthly average of 72% to date for all four quarters, collectively. It is found that the high-value members are renewing their memberships more frequently and timeously when compared with smaller organisations. Proudly South African's membership team is embarking on a drive to implement a debit order system to ease the payment process for the smaller organisations who are taking longer to renew their memberships. Proudly South African's database of local products and services stands at 8,373 – a growth of 1,673 items over the financial year. The Campaign's membership base is 1,235, up from 1,114 reported in the previous year; the growth of the membership base is exceeding the Campaign's expectations.

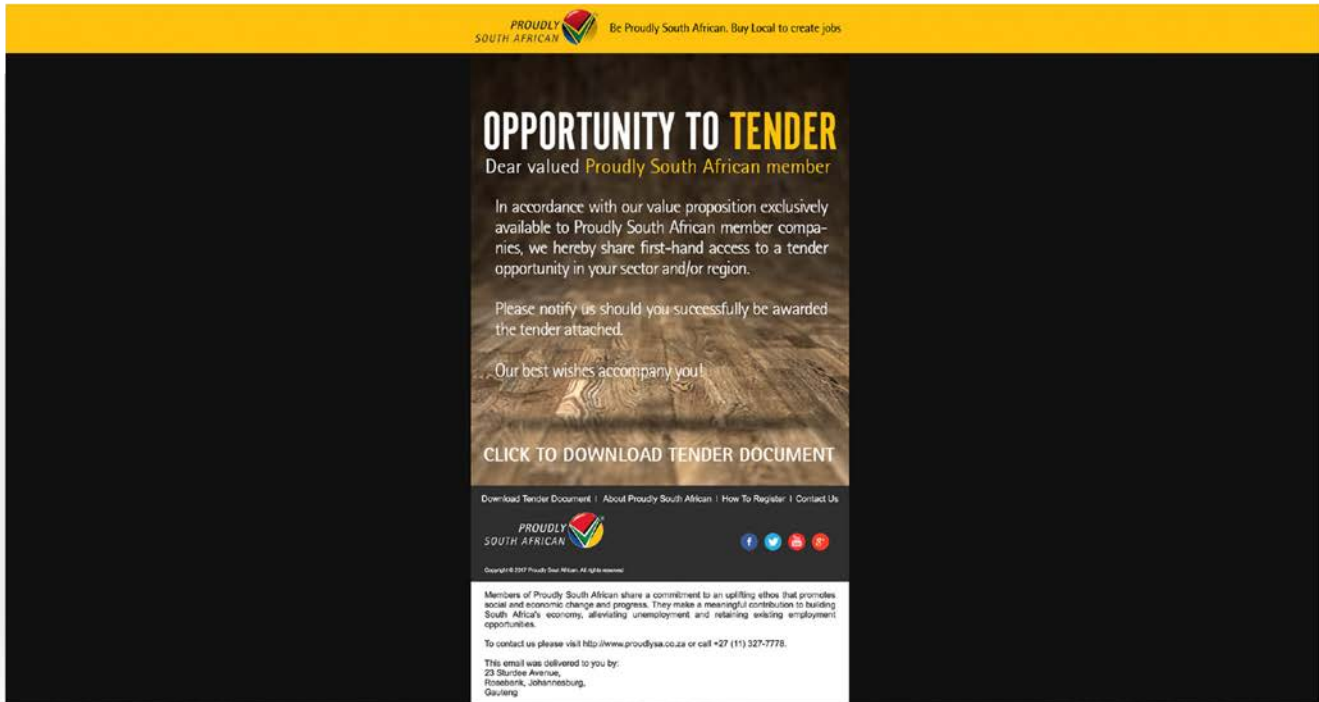
Looking forward to 2018/2019

5

Proudly South African's value proposition to member companies continues to grow with a strong emphasis on access to markets – the most sought-after platform for member companies wanting to thrive. The Campaign's target remains 200 new members for 2018/2019, but the renewal rate has been reduced to a more realistic target of 80%.

The Campaign will continue to target companies in the Fast-Moving Consumer Goods space with the assistance of various associations and other regulatory bodies. Particular attention will also be given to companies present in the 23 designated sectors to support the Department of Trade and Industry to reduce the number of exemption requests and support Proudly South African's work in its import replacement project.

PROUDLY SOUTH AFRICAN'S TENDER MONITORING FUNCTION

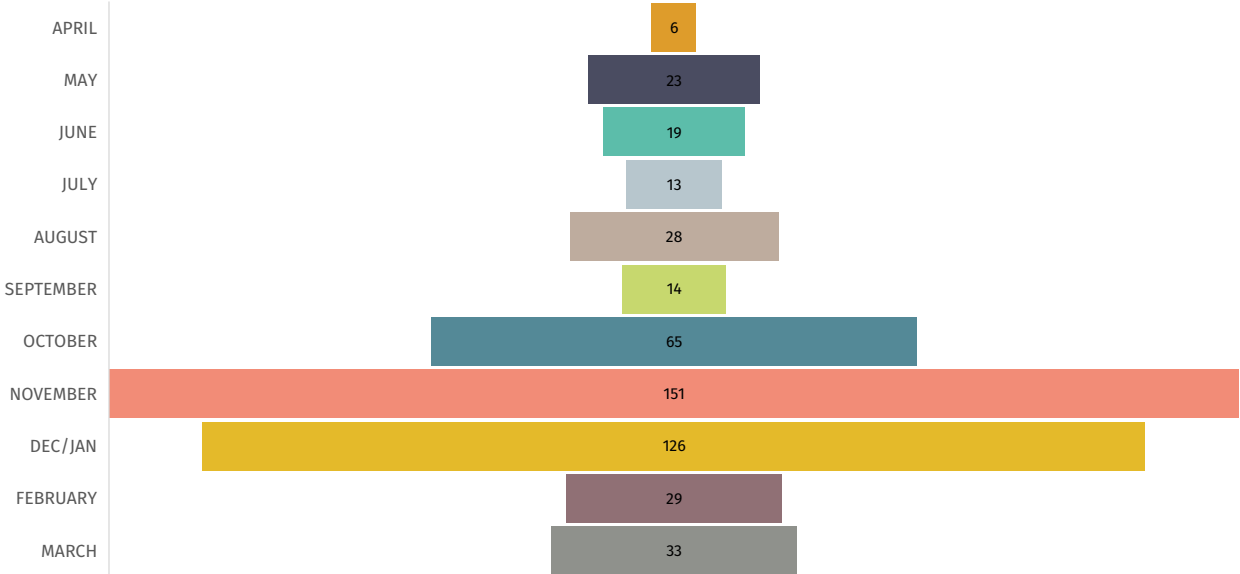


To support the efforts to drive stricter adherence to local procurement legislation, Proudly South African has launched the Tender Monitoring Function which now searches through over 760 government and SOE websites for tenders that are required to stipulate an element of local procurement. As part of Proudly South African's value proposition for members, they are matched with companies that are able to fulfil the tenders and are flagged and sent to the dti to monitor compliance.

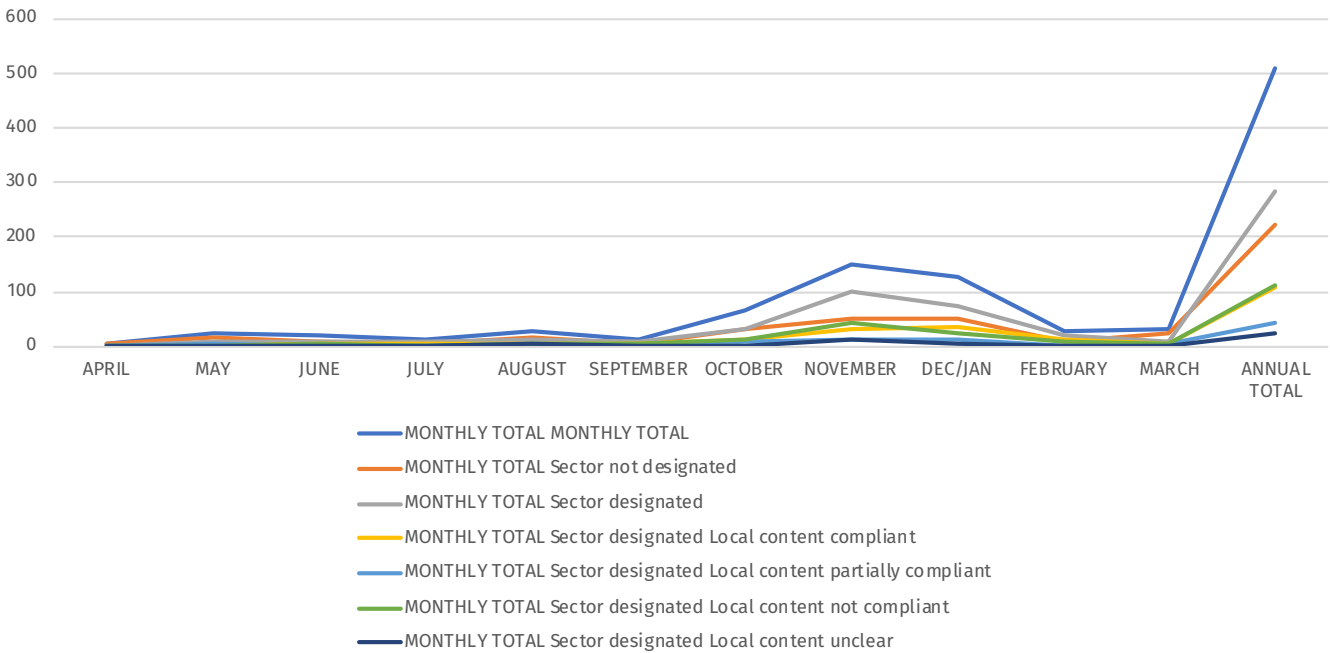
The graphs below portray the number of tenders Proudly South African's Tender Monitoring Function has picked up since April 2017, the number of which are designated for local content and those that are not. For the sectors that are designated, the tenders have been categorised in terms of their compliance to local content specifications, whether they are fully compliant, partially compliant, not compliant or whether the local content is unclear.

| | | APRIL | MAY | JUNE | JULY | AUG | SEPTEMBER | OCTOBER | NOVEMBER | DEC/JAN | FEB | MARCH | ANNUAL TOTAL |
|------------------------------|-----------------------------------|-------|-----|------|------|-----|-----------|---------|----------|---------|-----|-------|--------------|
| MONTHLY TOTAL | | 6 | 23 | 19 | 13 | 28 | 14 | 65 | 151 | 126 | 29 | 33 | 507 |
| Sector not designated | | 4 | 16 | 10 | 6 | 15 | 5 | 32 | 52 | 51 | 8 | 23 | 222 |
| Sector designated | | 2 | 7 | 9 | 7 | 13 | 9 | 33 | 99 | 75 | 21 | 10 | 285 |
| | Local content compliant | 1 | 2 | 4 | 3 | 3 | 3 | 12 | 31 | 34 | 12 | 3 | 108 |
| | Local content partially compliant | 0 | 4 | 1 | 1 | 3 | 0 | 7 | 12 | 13 | 0 | 3 | 44 |
| | Local content not compliant | 1 | 1 | 3 | 2 | 3 | 6 | 14 | 44 | 24 | 9 | 3 | 110 |
| | Local content unclear | 0 | 0 | 1 | 1 | 4 | 0 | 0 | 12 | 4 | 0 | 1 | 23 |

**TENDER MONITORING FUNCTION:
NUMBER OF TENDERS IDENTIFIED
2017/2018**



**TENDER MONITORING FUNCTION:
SUMMARY
2017/2018**



PUSHING THE BOUNDARIES FOR SOUTH AFRICA



#iFlyMango

— for —

**A PROUDLY SOUTH
AFRICAN AIRLINE**

Supporting South
African made
products and
services at the
Local Procurement
Summit 2018





Building local labels and a sustainable supply ecosystem



Edcon is South Africa's largest clothing and footwear retailer

Edcon is South Africa's largest non-food retailer, with a market share of the South African clothing and footwear (C&F) market nearly twice that of its nearest competitor. The Group has three divisions, Edgars, Jet and Speciality, which includes, Boardman's, Red Square, C NA, Edgars Active, and Cellular.

Edcon offers a wide range of local and international brands, with a renewed focus on Private Label products, manufactured locally to meet our customer needs.



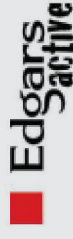
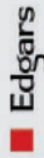
Edcon pioneers world-class local manufacturing and local brands



Edcon is a pioneer in local manufacturing and innovation through local manufacturing plant, Celrose Clothing.

Celrose is a world-class clothing manufacturer, that has successfully pioneered new production methodology enabling manufacture through-put times of less than a week. The plant is efficient in manufacturing at a competitive cost, countering Chinese imports and offers reduced risk through quick-response logistics and replenishment. Celrose employs 1327 employees. Eddels is part of Celrose and is a leading footwear manufacturer, also with world class manufacturing standards.

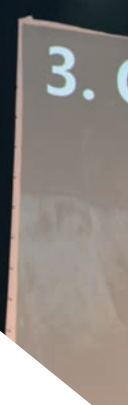
Both Celrose and Eddels manufacture Edcon's Private in-house brands such as Stone Harbour, Signature E, D66, J Exchange, Dow Jones and Kelso.





Our Activities

Key Activations & Events



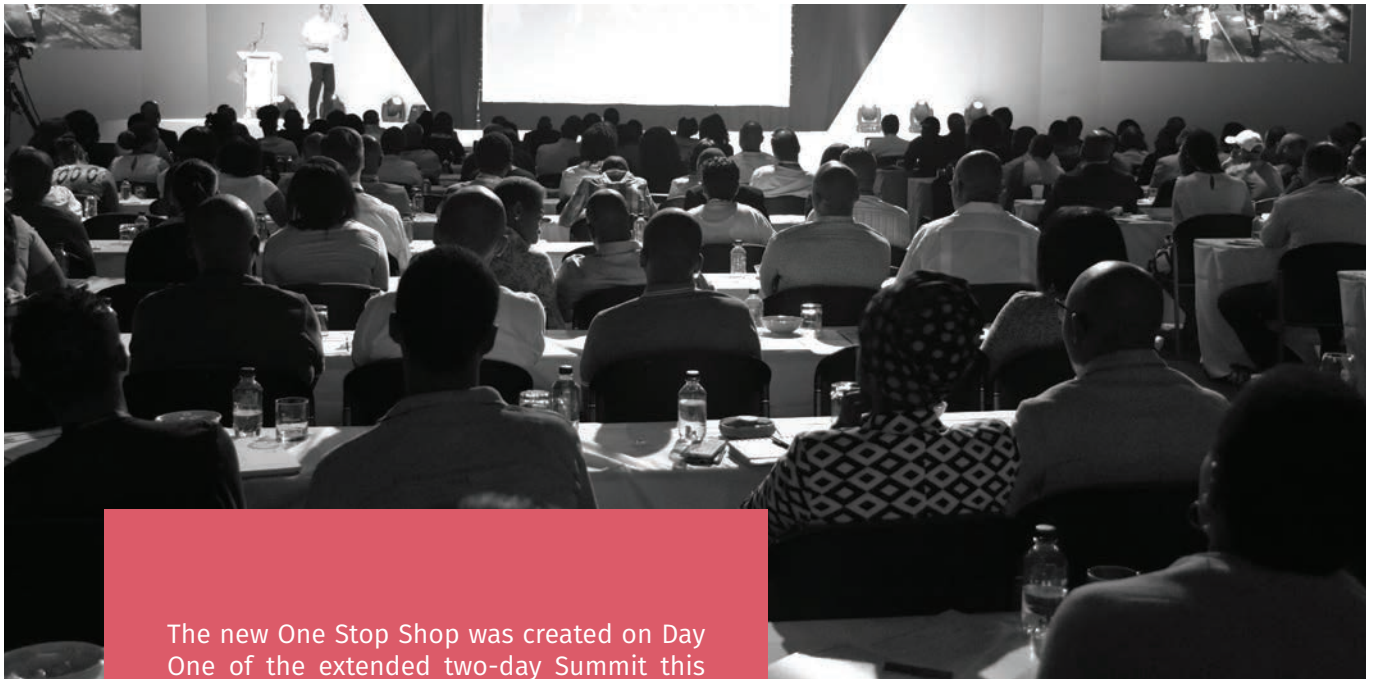
BUY LOCAL SUMMIT AND EXPO

3-4 April 2017

After five successful years of the Proudly South African Buy Local Summit & Expo, the time was right in 2017 to expand and grow the content and reach of the event. It had become apparent over the previous years that not all small businesses and exhibitors were able to maximise on their participation, as they lacked presentation and sales skills, missing the opportunity to convert leads to sales. In addition, many confront the myriad of administrative challenges in establishing and sustaining a small business – from legislation and tax compliance through to labour practices.

The 2017 edition of the Proudly South African Buy Local Summit & Expo held at the Sandton Convention Centre in Johannesburg was extended to cover two days, adding a day dedicated to SMMEs and entrepreneurs.





The new One Stop Shop was created on Day One of the extended two-day Summit this year. The Workshop provided information on branding, market access, funding programmes and IP, amongst other topics.

Alongside representatives from a number of institutions who were there to give advice and practical assistance to SMME delegates (these institutions included the dti, Consumer Council of SA, National Empowerment Fund, UIF, CIPC, the IDC, the Small Enterprise Finance Agency, NYDA, SARS, The Technology Innovation Agency and Small Enterprise Development Agency), we invited presentations from experts working in the entrepreneurial space and hosted panel discussions on financial and non financial support available to small businesses.



The event had a lot of paid advertising, as well as press coverage in print and electronic media and the SMMEs responded in huge numbers, confirming our belief that there was a need for this kind of focussed event. The National Development Plan envisages a work force that by 2030 is 90% employed by SMMEs, so it is imperative that we nurture and assist these small businesses to become the employers of tomorrow.

Day two followed the same format as previous years with the conference running alongside the exhibition. The exhibition was bigger and even more professionally presented than in previous years and the feedback from exhibitors and visitors alike was extremely positive. The Summit was opened by Minister Rob Davies and Minister Lindiwe Zulu, who just the previous day had made the key note address at the SMME event. We are grateful for their support and for giving additional time so generously for scheduled and unscheduled media interviews.

We tried with the content of the Summit to come up with new angles from which to approach our messaging, and we therefore included an innovative discussion which centred around national heritage and identity, inviting panellists from TV, the fashion industry, design and fmcg. It proved to be one of the most popular sessions, and next year we will again seek to find new ways of telling the same story, at the same time as providing solid reasons why government, business and consumers should make local procurement decisions. The two days were closed with a spectacular fashion show, staged by Edcon, showcasing new lines by local designers that will soon be seen in their stores nationwide.

Reach for this event: 6 000
Target Audience: Business, government, consumers, procurement officers





Rand Show Mango Career Expo, Johannesburg:
14 -23 April 2017

Proudly South African partnered Mango Airlines at the Rand Show on a careers expo stand, targeting the youth and educating those learners gearing up to make career choices on the importance of buying local. The Buy Local to Create Jobs message resonated with visitors to the stand who saw the relevance of the campaign in relation to their future job prospects.

Reach for this event: 23 000
Target Audience: Youth, business, government, consumers



Sunday Times Generation Next Youth Conference
11 May 2017

This event targeted both businesses that market their products and services to the youth sector as well as the youth themselves in an expo and conference format. Marketing gurus in the youth space gave insights into marketing trends and how to crack this influential and lucrative market. Proudly South African used this speaking and expo platform to educate both the 'tweens' and delegates on the importance of local procurement.

Reach for this event: 5 000
Target Audience: Youth, youth marketers, business, government, consumers





Tourism Indaba 2017 16 – 18 May 2017

INDABA is one of the largest tourism marketing events on the African calendar. International buyers of travel related products come to Durban every year to look for local content for their travel brochures and tour programmes and itineraries. 2017's INDABA attracted 7000 delegates, including 1449 local and international buyers and 692 media. More than 1 000 exhibitors from 18 African countries showcased a diverse array of travel and tourism offerings.

Proudly SA exhibited under the **dti** umbrella, taking two member companies looking for new supply channels for their products namely Yamama Gemmer and Ledikana.

The event was also an opportunity to recruit new members from this important sector into the campaign.

Reach for this event: 7000

Target Audience: Industry related dignitaries, media, diplomats, government including Ministers, international travel buying decision makers and tourism operators



Back to Kasi 20 May 2017

The "Back to Kasi" series of events is hosted by Emmanuel Bonoko who is a trailblazing advocate for youth development. Bonoko motivates and encourages them to make good life choices. The speaker line up included Proudly SA's Happy MaKhumalo Ngidi, Rosie Motene and Thami Ngubeni. The event gained good media traction for both Bonoko and Proudly SA.

Reach for this event: 150

Target Audience: Youth and students, Cosmo City community.



Africa Day, Tshwane
25 May 2017

An exhibition, food tasting, market for local crafts, performances by local cultural groups and a learners' education session on African heritage was held at Tshwane's Kara Heritage Institute. Proudly SA and a number of member companies participated in the celebration of the continent with representatives from different embassies, and government departments.

Reach for this event: 80
Target Audience: SMME, students, government representatives



Proudly SA North West Business Forum, Rustenburg
30 May 2017

The Proudly SA Business Forum in Rustenburg was the North West Province leg of our national provincial road show during which we bring funders, government departments and other entities to an audience of entrepreneurs and SMEs and use the platform to assist in equipping them with tools for growth, as well as information on leveraging local procurement.

In this edition, representatives from Productivity SA, The dti, NCPC-SA, SEDA and SEFA participated in a panel discussion and the keynote address was given by the North West MEC's Chief Director, Mr Nathan Oliphant.

Reach for this event: 100
Target Audience: SMMEs, existing and prospective Proudly SA member companies.



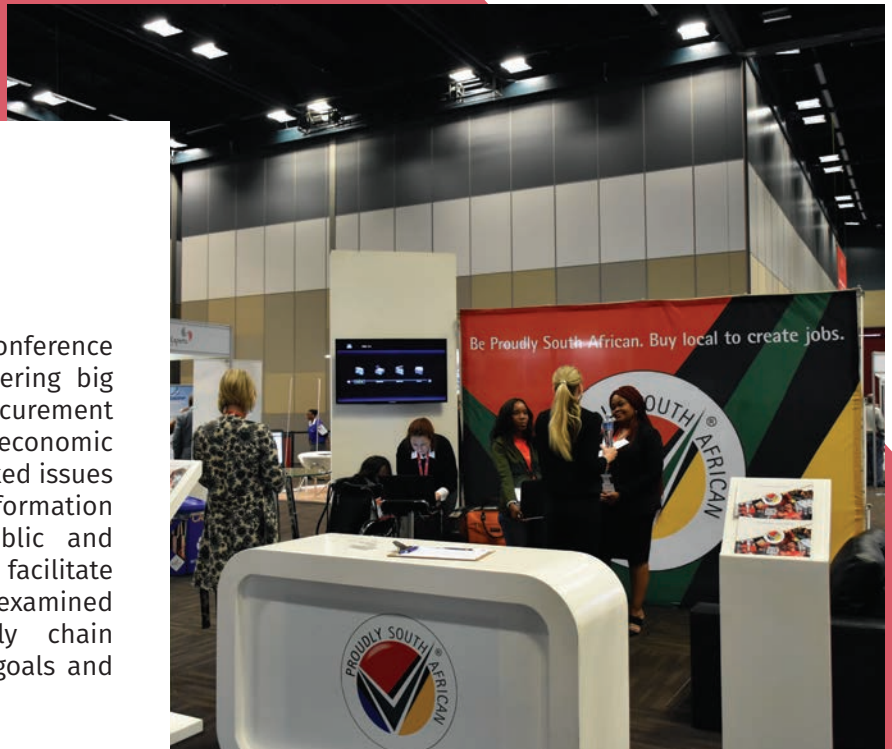
The Smart Procurement World Conference

5 – 6 June 2017

The Smart Procurement World Conference and Exhibition assisted in delivering big ideas regarding the function of procurement and its role in advancing economic development. The Summit unpacked issues around radical economic transformation and collaboration between public and private entities being a vehicle to facilitate this agenda. The conference also examined finer procurement and supply chain innovations with organisational goals and policies.

Reach for this event: 600

Target Audience: Buying decision makers in the public and private sector.



Manufacturing Indaba 2017

26-28 June 2017

The leading manufacturing event in Sub-Saharan Africa has shown impressive growth year on year and proved once again in 2017 its value in creating business connections and helping manufacturers to innovate and to grow their potential. The Indaba was hosted in partnership with a number of strategic partners including The dti, the Department of Science and Technology, City of Ekurhuleni, NCPA-SA and The Manufacturing Circle. Proudly SA CEO, Mr Eustace Mashimbye participated as a panelist and Proudly SA had space at the Exhibition. This event was also a source of potential new members in a sector which the campaign views as critical to the re-industrialisation of the country, economic growth and job creation..

Reach for this event: 3 000

Target Audience: Policy makers, private equity investors, industry sector specialists, SME manufacturing companies, IT solutions providers, industrial suppliers, academic and research bodies.



Proudly SA KZN Business Forum, Durban

27 June 2017

On this leg of the provincial Business Forum Roadshow, Director of Small Enterprise Development at the Ministry for Economic Development, Tourism and Environmental Affairs, KZN, Mr. Bheko Madlala, gave the keynote address. Representatives from venue hosts Tsogo Sun, Productivity SA, the dti, NCPC-SA, SEDA and SEFA participated in a panel discussion that focused on issues pertaining to localisation allowing each to highlight their service offerings.

Reach for this event: 85

Target Audience: SMME's, business and government

Proudly SA KZN Public Sector Preferential Procurement Forum, Durban

28 June 2017

This event was the first in our brand new series of Public Sector Preferential Procurement Forums whose purpose is to educate procurement officials and those tasked with procurement/buying in the public sector on local content provisions, as contained in the revised PPPFA (procurement regulations), as well as other legislation governing local procurement.

Reach for this event: 80

Target Audience: Government & SOE procurement and supply chain officials





Franchise Business Festival, Midrand
30 June – 2 July 2017

The franchising space has great potential for new membership for the buy local campaign, as well as providing a platform for promoting buy local to franchisors/franchisees. The Franchise Association of SA has been very supportive in promoting local procurement through the entire value chain of their members' operations and our presence at this event underscored the value to both parties of the relationship.

Reach for this event: 500
Target Audience: Franchisors, franchisees, service providers and suppliers

Nelson Mandela Day celebration, Johannesburg
18 July 2017

Proudly South African partnered with the Nelson Mandela Foundation and Absa to provide sponsored Proudly SA member products which were donated to the Adelaide Tambo School for the Physically Challenged. Activities later moved on to the YMCA Centre in Orlando, where painting, cleaning of the garden and building took place.

Reach for this event: 120
Target Audience: Members of the public





***Proudly SA Limpopo Business Forum, Polokwane
27 July 2017***

Third in our series of provincial Business Forums, which was extremely well supported by businesses in the region. A dynamic panel which included representatives from the City of Polokwane, the dti, Productivity SA, LEDA, NCPC-SA and a representative from the office of the Economic Development, Tourism and Environmental Affairs worked with delegates to find solutions confronting businesses in the province.

Reach for this event: 120

Target Audience: Business, government, SMME's, Limpopo based member and prospective member companies





Women in Business:
8 August 2017

Our annual Women's Day celebration was held this year in partnership with Tsogo Sun at the Southern Sun, Hyde Park and acknowledged the achievements of women and the gift of sisterhood. Proudly SA and Tsogo Sun each had a speaking platform, and the event's key note speaker was Mrs. Basetsana Kumalo, who shared words of empowerment with 200 influential women from the corporate sector, entertainment and media.

Reach for this event: 200
Target Audience: Influential women

Proudly SA North West Public Sector Preferential Procurement Forum, Mahikeng
15 August 2017

The NW Province leg of the new Public Sector Preferential Procurement Forums which educate procurement officials and those tasked with procurement/buying in the public sector on local content provisions, as contained in the revised PPPFA (procurement regulations), as well as other legislation governing local procurement, took place in Mahikeng.

Reach for this event: 80
Target Audience: Government & SOE procurement and supply chain officials.





***Proudly SA Western Cape Business Forum, Cape Town
16 August 2017***

The Western Cape edition of our provincial Business Forums took place in Cape Town and was over-subscribed by local businesses. The Western Cape's investment body, Wesgro, the dti, Productivity SA, the NCPC-SA and SEDA were represented on the panel which worked on finding solutions to issues ranging from poor communication between business and government and lack of funding opportunities.

Reach for this event: 105

Target Audience: Business, government, SMME's, CPT based member and prospective member companies

***Induction of 1996 Bafana Bafana Afcon winning team into the Hall of Fame, Sun City
20 August***

Proudly South African was invited to be part of the podium presentations to the 1996 Bafana Bafana Afcon winning team into the Hall of Fame. The gala dinner was attended by an audience of 800 people and attracted a large social media following.

Reach: 800

Target Audience : Sporting personalities, sports related industry representatives and media



3rd Annual Vita Basadi Awards in partnership with the Gauteng Provincial Legislature, Johannesburg City Hall 31 August 2017

The Awards honour remarkable women whose work in many different spheres makes a positive impact on their communities.

Proudly SA partnered with the Legislature by sponsoring the 18 winners with Proudly SA member companies' gift items.

Reach for this event: 300

Target Audience: Women in business, entrepreneurs, young adults, local government representatives



Proudly SA & Multichoice Mall Activation: 01-03 September 2017

The three-day-long mall activation in collaboration with Multichoice was held at the Umlazi Mega City Mall. Umlazi is South Africa's 4th largest township. The high traffic centre provided a huge platform for consumer education on the Proudly SA logo and labels of origin. Through song and dance and competitions with spot prizes shoppers were educated about the economy-wide benefits of buying local, most important for such a venue being job creation and poverty alleviation.

Reach for this event: 10 000

Target Audience: Consumers



SA Innovation Summit, Cape Town
6-8 September 2017

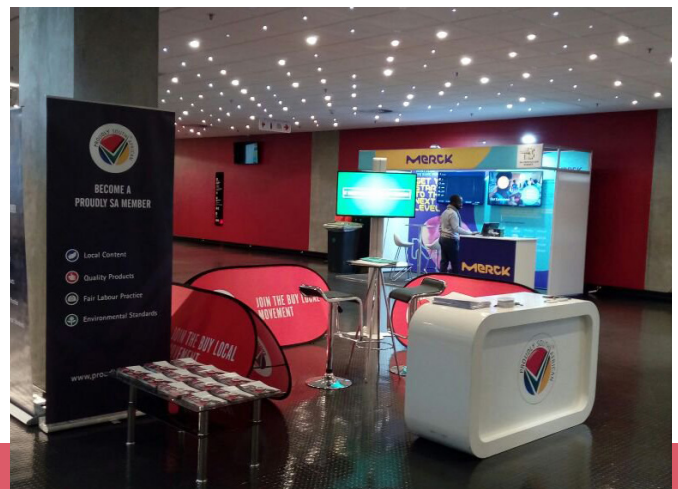
The South African Innovation Summit is a stage for the cultivation of thought-leadership. The initiative brings together corporates, thought leaders, inventors, entrepreneurs, academia and policy makers to amplify South Africa’s competitive edge and to inspire sustained economic growth across the continent.

The event is hosted as a partnership between a number of strategic partners, including Chivas Regal Venture, Santam, SABC Education, IDC, IBM and The City of Cape Town. Proudly SA exhibited at the event and CEO was part of a panel discussion entitled ‘How to scale a world class Business from South Africa to the world. CEOs of companies that have done just that! Global success stories that were born in Africa’

In addition, the membership department accompanied marketing to source new members in the innovation sector.

Reach for this event: 800

Target Audience: Technology leaders and founders, trend specialists, policy makers and forward thinkers



NCPC-SA Industrial Efficiency Conference 2017, Cape Town
13 -15 September 2017

The biennial Industrial Efficiency Conference of the National Cleaner Production Centre (NCPC-SA) speaks to raising awareness and educating industry on the application and benefits of resource efficient and cleaner production (RECP) methodologies. The event was held at the Century City Convention centre in Cape Town, Western Cape

The conference targeted gender mainstreaming to increase the participation of women in the sector and on equipping SMEs, particularly those in the downstream value chain, to contribute towards a low carbon economy.

The conference brought together the Consumer Goods Council of SA, Proudly SA, The Western Cape Provincial Government, Green Cape, Switch Africa Green (UNEP/EU) and the Global Reporting Initiative(GRI)

Proudly South African CEO, Mr Eustace Mashimbye was one of the keynote speakers, Proudly SA Chief Officer: HR and Administration, Mr Vusi Sithole spoke for the Switch Africa Green UNOPS programme and the organisation both exhibited and sourced new members in the green industries sector, which is an important focus of the dti.

Reach for this event: 800

Target Audience: The manufacturing sector, major retailers and their supply chains, industry association representatives and sustainability reporting managers





Youth Engagement, Maropeng
18 September 2017

The Proudly South African team travelled as part of our Heritage Month activities to Maropeng in The Cradle of Humankind World Heritage Site for a youth engagement programme. We addressed 150 learners from grades 9, 10 and 11 from Khindlimukane High School in Soweto, as well as 30 staff from the centre.

The Buy Local to Create Jobs message was conveyed in a fun, interactive way with a quiz, music and give-aways. Maropeng's MD Michael Worsnip also addressed the learners. Maropeng is a Proudly South African member company.

Reach for this event: 150
Target Audience: Youth





**Proudly SA & Edcon Fashion Show,
Johannesburg**
20 September 2017

Guests were invited to dress for the theme “South African Unique” and to celebrate SA Heritage with fashion. The fashion show put the spotlight on local designers and manufacturers and showcased the support the Proudly SA campaign, the Department of Small Business Development and Edcon give to this sector. Minister Lindiwe Zulu addressed the audience as well as Proudly SA board member, Mr. Michael Lawrence. Celebrated local designer David Tlale showed his collection and the Edcon Design Innovation Challenge Finalists were celebrated.

Reach for this event: 250
Target Audience: Clothing and textile manufacturers, designers, fashion consumers, media and fashion influencers



Edcon Heritage Month Roof Party
Johannesburg
23 September 2017

Edcon hosted a celebration of Heritage Day at a rooftop venue in Braamfontein to which they invited their stakeholders. Proudly South African branding was given prominence around the venue. Our presence underlined our partnership in the new Spring/Summer '17 Proudly SA collection. The event was social media driven.

Reach for this event: 300
Target Audience: Young Edcon stakeholders



The Consumer Goods Council of South Africa (CGCSA) Summit
4-5 October 2017

The Consumer Goods Council Summit is the most empowering industry conference, where retail industry leaders, aspiring leaders and experts share knowledge and debate best practice. Speakers from a wide range of FMCG leadership, industry experts and other related organisations motivated and inspired delegates with stories of change, transformation and innovative approaches to business models in an evolving and increasingly digital age. Proudly SA used this Summit as a consumer education platform and to source potential member companies.

Reach for this event: 400

Target Audience: Audience: Consumers, sector CEO's, supply chain, commercial and integrated sustainability executives and management, brand executives, SMME suppliers/manufacturers, merchandisers and buyers, sales and marketing executives.



Dstv Delicious International Food & Music Festival, Kyalami
7- 8 October 2017

2017 saw Proudly SA's first participation in this, the biggest and most influential lifestyle event in South Africa and DStv's flagship lifestyle property. This festival enjoys millions of Rands worth of exposure across DStv platforms in South Africa and many of their other African territories.

The production/business value of the event amounts to approximately R30million, and the festival organisers diverted much of this spend into procuring from Proudly SA member companies including security, fire extinguishers, a travel company and even a toilet roll provider. As part of our value proposition to member companies in the food and beverage space, we took 14 enterprises with us and created a Proudly SA trading village. Over 40 000 feet visit the festival over the weekend and our members benefitted from the high volume of traffic through the village.

In addition, we used the festival as an opportunity to host many of our key stakeholders and high value members in a hospitality zone shared with African Bank.

The expansion potential of this event as a Proudly South African member in its own right is enormous and already 9 such events over 3 years in the UK are in the pipeline.

Reach for this event: 40 000
Target Audience: Consumers





Trade and Industrial Policy Strategies (TIPS) Development Dialogue Colloquium, Pretoria
 24 October 2017

Proudly SA CEO, Mr. Eustace Mashimbye, gave a presentation on Proudly SA’s work in promoting the campaign through retailers including Edcon, Massmart and with fmcg companies such as NestleSA at this colloquium which shared research undertaken on the impact of supermarkets and their linkages to the manufacturing sector and supplier development. Also attended by Proudly SA Board Member, Mr. Michael Lawrence.

Reach for this event: 40
Target Audience: Policy makers, retailers and researchers

10th Social Media Conference Ekurhuleni
 18 October 2017

Marketing and Communications Executive, Ms Happy Ngidi was invited to present to the conference on how the campaign uses social media to assist in the achievement of its goals. A new slide presentation was created in house to speak to the topic which was well received by the audience. The platform was a great opportunity which came without any costs to present to a new audience.

Reach for this event: 60 Businesses
Target Audience: Business owners, social media practitioners

Launch of Commonwealth Business Women Africa
 25 October

The launch of the Commonwealth Business Women Africa network and forum was held in Sandton and was attended by around 60 female business owners. The keynote address was given by Makaziwe Mandela whose company manufactures bespoke jewellery. It provided a great networking opportunity for Proudly SA PR.

Reach for this event: 60
Target Audience: Female owned companies and South African business women

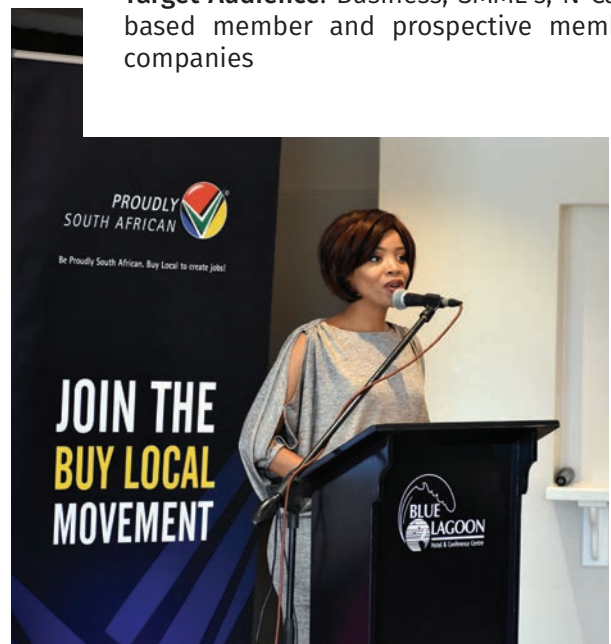


Proudly SA Northern Cape Business Forum, Kimberley
25 October 2017

The Northern Cape leg of our series of Business Forums was addressed by Proudly SA CEO, Mr. Eustace Mashimbye and Mr. Colin Fortune, Chairperson of the Northern Cape Tourism Board. Representatives from SEDA, the dti, SEFA and Productivity SA participated in the panel discussion, where they each provided an account of the ways in which each could assist small businesses in both Kimberley and the Northern Cape at large.

There was significant media coverage from local radio and local news channels.

Reach for this event: 80
Target Audience: Business, SMME's, N Cape based member and prospective member companies



Proudly SA Free State Business Forum, Bloemfontein
26 October 2017

The Free State provincial government was represented by the office of Economic Development, Tourism and Environmental Affairs alongside Productivity SA, SARS, the dti, SEDA, NCPC-SA and in this edition of our provincial Business Forums.

Reach for this event: 60
Target Audience: Local business, SMME's, Bloemfontein based member and prospective member companies

Proudly SA Eastern Cape Public Sector Preferential Procurement Forum, East London
07 November 2017

The newly introduced Public Sector Preferential Procurement Forum was extremely well received in the Eastern Cape, and as a result of our presentations to local government delegates, our CEO was invited to address a gathering of municipalities from the province on a subsequent occasion.

Reach for this event: 38
Target Audience: Government procurement officers, other local and provincial government officials



Proudly SA Eastern Cape Business Forum, East London
8 November 2017

Proudly SA was joined for this edition of its provincial Business Forums by representatives from NCPG-SA, SEFA & Treasury and the event was well attended by existing and prospective member companies.

Reach for this event: 60
Target Audience: Local business owners, entrepreneurs, SMMEs.

The Proudly South African Local Procurement COSATU Conference, Western Cape
9 November 2017

Proudly SA used this opportunity to secure broader implementation and support of the buy local campaign in the Western Cape. Union members were encouraged to increase the uptake of locally produced products and services through the entire value chain in their respective factories which in turn will assist to grow job creation levels and alleviate poverty.

Proceedings concluded with local artists based in the Western Cape showcasing their talents at a Proudly SA local concert.

Reach for this event: 1000
Target audience: COSATU affiliated workers and union officials



SA Chamber of Commerce & Industry Conference, Johannesburg
9 November 2017

SACCI's 2017 AGM and conference was attended by around 120 member companies and stakeholders. The conference which was addressed by Gauteng Premier David Makhura and the keynote speech was delivered by Minister Lindiwe Zulu. Proudly SA used this as a networking platform.

Reach for this event: 120
Targeted Audience: SACCI members and other businesses



***Proudly SA Gauteng Business Forum,
Johannesburg***
15 November 2017

The Gauteng edition of our provincial Business Forums was addressed by Proudly SA CEO, Mr. Eustace Mashimbye and the Acting Chief Executive Officer of GEP, Ms. Leah Manenzhe.

The event also offered a platform to Productivity SA, The dti, NCPG-SA, SARS, SEDA and SEFA, to present to business delegates.

Reach for this event: 90

Target Audience: Local businesses and SMMEs, Proudly SA member and prospective member companies



***Proudly SA Mpumalanga Business
Forum, Nelspruit***
25 November 2017

Local businesses at this leg of our provincial roadshows were addressed by CEO of Proudly SA, Mr. Eustace Mashimbye and Acting Chief Director, Immy Serakalala, from the Department of Economic Development and Tourism. In addition, the event hosted representatives from Productivity SA, The dti, NCPG-SA, SARS, SEDA, SEFA and DSBD.

Reach for this event: 111

Target Audience: Local businesses and SMMEs, Proudly SA member and prospective member companies.



***Proudly SA Free State Public
Sector Preferential Procurement
Forum, Bloemfontein***
28 November 2017

The newly introduced Public Sector Preferential Procurement Forums focus on engaging government officials in different government departments and their public entities to ensure they adhere PPPFA legislation and are aware of their responsibilities in this regard.

The event was supported by the Department of Trade and Industry (the dti) and Tsogo Sun.

Reach for this event: 60

Targeted Audience: Public sector procurement, supply chain and finance officials



The Festive Season Campaign Mall Activation, Maponya Mall, Soweto
 2-3 December 2018

An interactive event in the run up to the festive season created a conducive environment in which to speak to consumers about the difference that buying locally manufactured goods over the traditionally higher spending December can make to the economy and to job creation.

Reach for this event: 1500
Targeted Audience: Consumers



Festive Season Campaign Mall Activations, Green Acres Mall, Port Elizabeth
 8-9 December 2017

Mall activations are a fun way of introducing Proudly SA and the buy local campaign to consumers. We used this platform to drive home the importance of checking labels of origin in this traditionally high spending month.

Reach for this event: 200
Targeted Audience: Consumers



Proudly SA Festive Season Campaign 'Back to School' Activation, Pavilion Mall, Durban
 12 - 13 January 2018

The value of the country's back to school spend on uniforms, stationery and other items is enormous and so capturing this consumer audience is important for the campaign. Using local celebrity Selby Mkhize as MC drew in the shoppers to the stand and elevated the numbers of consumers we were able to reach.

Reach for this event: 1500
Targeted Audience: Consumers





**Buy Local Summit & Expo Media Launch, Parktown, Gauteng
6 February 2018**

In the run up to the annual Buy Local Summit & Expo, Proudly South African invited stakeholders including sponsors, speakers, MC's, event organisers as well as media to the launch of the 7th edition of the campaign's flagship event.

Reach for this event: 75
Target Audience: Media and Buy Local Summit stakeholders



**The Mango and Proudly South African Valentine's Day Activation, Lanseria
14 February 2018**

Proudly South African partnered with Mango Airlines for the second Valentine's Day consumer activation. Travelling on flights to/from Cape Town and Durban the team brought flags, cupcakes, branded seating and even a musician to passengers. In a 3 way collaboration with Tsogo Sun, we offered one couple per flight a prize of air tickets, accommodation as well as car hire for a weekend away in SA. Social media activity around the entire activation was high.

Reach for this event: 1300 (800 passengers; 500 Lanseria patrons)
Target Audience: Lanseria Airport and Mango passengers, general public

Pharmaceutical Sector Specific Forum, Johannesburg, Gauteng
20 February 2018

In recognition of the distress in which the pharmaceutical sector finds itself but as an industry which is labour intensive with the capacity to sustain many jobs, each of which has a multiplier effect in peripheral sectors, Proudly SA hosted a Sector Specific Forum, calling together industry players, government, labour and civil society. The Forum unpacked and addressed all of the issues which currently face this vulnerable sector. Organisations that were part of the event included Aspen Pharmaceuticals, the Department of Health, National Treasury, Adcock Ingram, Kiara Health, Black Pharmaceuticals Industry Association and BFAP.

Reach for this event: 85
Target Audience: Pharmaceutical related businesses, government

Poultry Sector Forum, Johannesburg, Gauteng
27 February 2018

Identified as another industry sector in distress, the poultry producing companies came in their numbers to this Proudly SA convened Poultry Sector specific forum, presented with the support of OBC. The forum discussed issues confronting the industry including the immoral dumping of chicken, and the challenges for small producers to access markets. Also represented at the forum were the Fair Play Movement, BFAP, SA Poultry Association, the dti, Nando's, Country Bird Holdings, FAWU and Daybreak Farm.

Reach for this event: 80
Target Audience: Poultry related business, civil society, government

Africa Energy Indaba – Johannesburg, Gauteng
20- 21 February 2018

The energy sector represents an important focus for both the provision of energy and its value to the country's manufacturing industry. The Africa Energy Indaba 2018 focused on seeking solutions to enable adequate energy generation across the continent. Delegates came from all continents and represented many industry experts, project developers, financiers, energy users, government officials and manufacturers, including representatives from NEPAD, SANEA, World Energy Council, SA Electrical Export Council and Department of Energy and so was an important platform in the context of local procurement.

Proudly SA was an exhibitor and both the marketing and membership departments were active at the event.

Reach for this event: 500 - 1000
Target Audience: SMMEs, local and international businesses, energy sector representatives





Meetings Africa, Johannesburg
27 – 28 February 2018

Meetings Africa showcases Africa’s diverse offering of services and products in a sector that is an active economic player representing thousands of jobs and job opportunities. Proudly SA exhibited at this SA Tourism partner event under the dti stand alongside the National Empowerment Fund (NEF). The event was well attended and was a recruitment opportunity for the Proudly SA membership department.

Reach for this event: 300

Target Audience: SMMEs, meetings sector related business



Flavours of the City, Johannesburg, Gauteng
02 – 04 March 2018

An opportunity for Proudly SA and member companies to showcase and sell at ‘Flavours of the City’, a food and lifestyle event that supports and promotes small and medium enterprises in the food and beverages sector.

The dti invited Proudly SA who were joined by Sihle’s Brew, YaMama Gemmer, Okubabayo Atchaar, Sharpeville Breweries, Skyrule Drinks and Sweet Gift Bakery.

Reach for this event: 2 000

Target Audience: Consumers, other exhibitors.



BUY LOCAL SUMMIT AND EXPO

14-15 March 2018

Our annual flagship event, the Buy Local Summit & Expo has grown year on year, and in 2018 focused on ensuring that content was even more impactful. It gave topical and relevant information to small businesses on industry trends while keeping organisations at all levels up to date with local procurement movements. A line up of top level speakers proved to be a massive draw card for media and delegates. The event was oversubscribed online long before 14 March 2018, and registration had to be closed early.





The SMME Workshop took place on 14 March 2018 – Day 1. Led by MC and national TV presenter, Leanne Manas, the presentations put the focus on the establishment and sustainability of small businesses. The workshop set the stage for SMME’s to learn and change thinking while keeping future growth in mind. Headline sponsors, Standard Bank, expounded on “How to Finance your Next”. Pavlo Phitidis, business incubation guru who has taken many medium sized businesses to even greater heights, showcased 3 members in a session called “Taking your Business to its Next”. The keynote speaker for the Day 1 workshop was the custodian of Small Business Development, Minister Lindiwe Zulu.

The workshop included a panel discussion, facilitated by reputation builder and coach for corporate professionals and entrepreneurs, Rams Mabote, centring around the theme: “The Rise and Rise of Supplier Development Programmes”. As enterprise and supplier development becomes more and more of a business imperative for large corporations, these can prove a great access to a single, large market for our members. Industry influencers including AB InBev’s Enterprise Development Lead for Africa Zone, Phumzile Chifunyise, Massmart’s Founder of Lokhule Trading & Projects, a partner in the Massmart Supplier Development Programme Zanele Ntsibande and Sasol SA’s Vice President for Supplier Management & Transformation, Lebelo Lukhele as well as Tsogo Sun’s Candy Tothill comprised the panel.

Another exciting segment of the workshop was our “Dress for Success” session in which we profiled six Proudly SA member company representatives, transforming their standard, ‘everyday’ work attire to a new look with outfits that were created for making a great first impression and to match their innovative and creative companies.

Edcon created the new looks and gave wardrobe advice and each entrepreneur was allowed to keep their outfit.

Popular public speaker, Vusi Thembekwayo, was the finale draw-card. His presentation “Trust Me, I’m an Entrepreneur” gave real insight into the life of an entrepreneur and ways to handle challenges and grow one’s brand.





Building on the success of 2017, the One-Stop-Shop in which organisations which play a vital role in the small business establishment process set up a help desk on the side of the workshop saw more institutions represented in 2018, and many delegates took advantage to resolve tax, labour, UIF and other issues on site. Organisations that were represented included the Small Enterprise Development Agency (SEDA), the Small Enterprise Funding Agency (SEFA), the Companies & Intellectual Property Commission (CIPC), The Consumer Goods Council of SA (CGCSA), the National Empowerment Fund (NEF), the Office of the Tax Ombud, SA Revenue Service (SARS), the Department of Trade and Industry (the dti), the Unemployment Fund (UIF), the Industrial Development Corporation (IDC), the National Youth Development Agency (NYDA) and The Core Group.



The Exhibition and Conference ran concurrently on 15th March 2018 – Day 2, also hosted at the home of the Buy Local Summit & Expo, the Sandton Convention Centre.

The exhibition comprised 200 Proudly South African member companies who had taken the opportunity to showcase their products and services free of charge as part of our value proposition. Attendance at the conference and workshop were also part of their complimentary package.

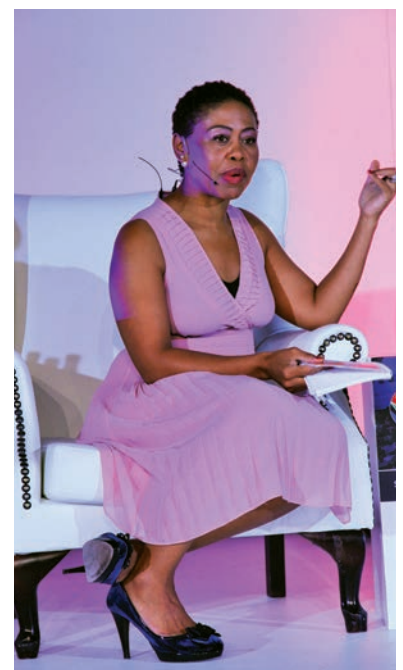
Despite a diary conflict, Minister Rob Davies attended the opening of the Expo, preceded by his customary walk about, returning later in the day to give his keynote address. MC for Day 2 was Andile Khumalo, who between presentations, facilitated one of the panel discussions themed: “Procurement in South Africa”, which was made up of commercial and public procurement heavy weights, including The Foschini Group, Nampak and The **dti**. The other discussion, themed: “The Politics of Buying Local”, facilitated by media personality, journalist and author, Redi Tlhabi, unpacked issues surrounding the relationship between politics and localisation. Participants included representatives from the DA, COPE, the South African Clothing & Textiles Workers’ Union (SACTWU) and the African National Congress (ANC).





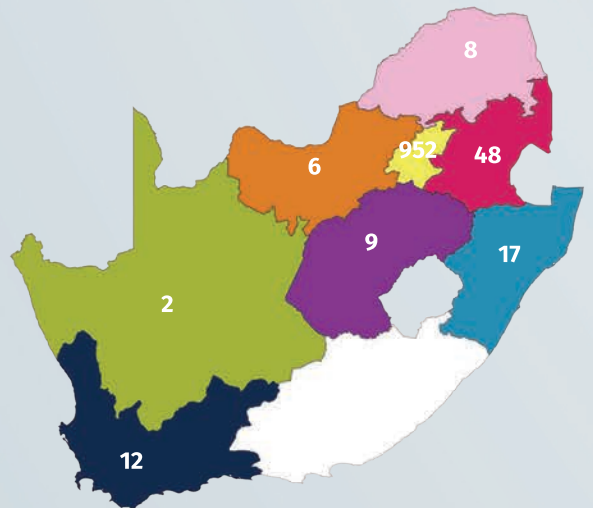
A new addition to our programme for 2018 was TK Global Experts' business-to-business matchmaking service. Strategically matching exhibitors (suppliers), external buyers and procurement professionals, meetings took place in special meeting 'pods' on the side of the exhibition space. Testimonials for the service included: "I have been looking to talk to someone at Transnet for ages. Today the opportunity was given on a silver platter". A full report on the outcomes of the matchmaking service was supplied by TK Global Experts.

In order to obtain an objective assessment of the impact of the overall campaign as well as that of the Summit, Proudly SA employed the services of PIMC Development Communication to compile detailed research. PIMC executed an impact assessment, gathering data over the two-day event, including participant views and provided recommendations. Conclusions that came out of this research are that The Proudly SA Buy Local Summit and Expo is a professionally organised annual event, that it is a fantastic platform for stakeholder engagement, a place where South African companies benefit from showcasing their locally produced products, and it is a great platform for sponsors to confirm their commitment to support the buy local campaign and localisation. The event is an overall premium offering, good for SMME's, government, private sector and all South Africans.

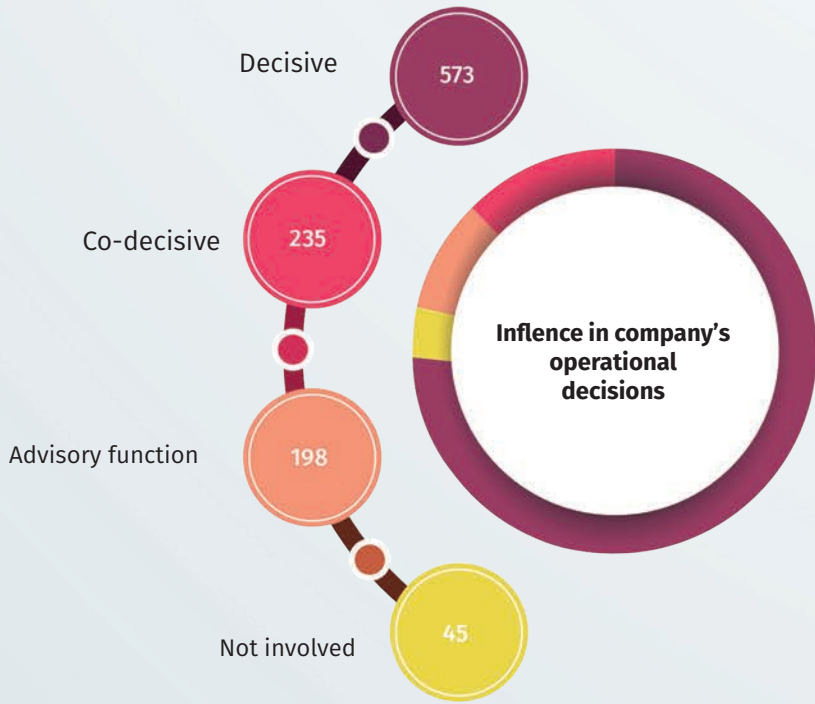
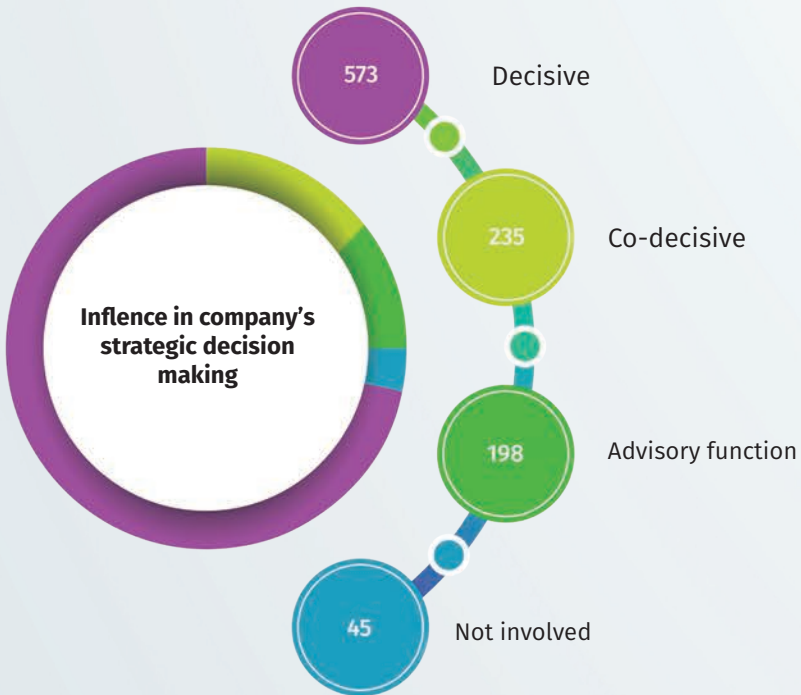




● Re-Visits ● New Registrations



Local Postal Regions
(South Africa Only)



How they found out about the event

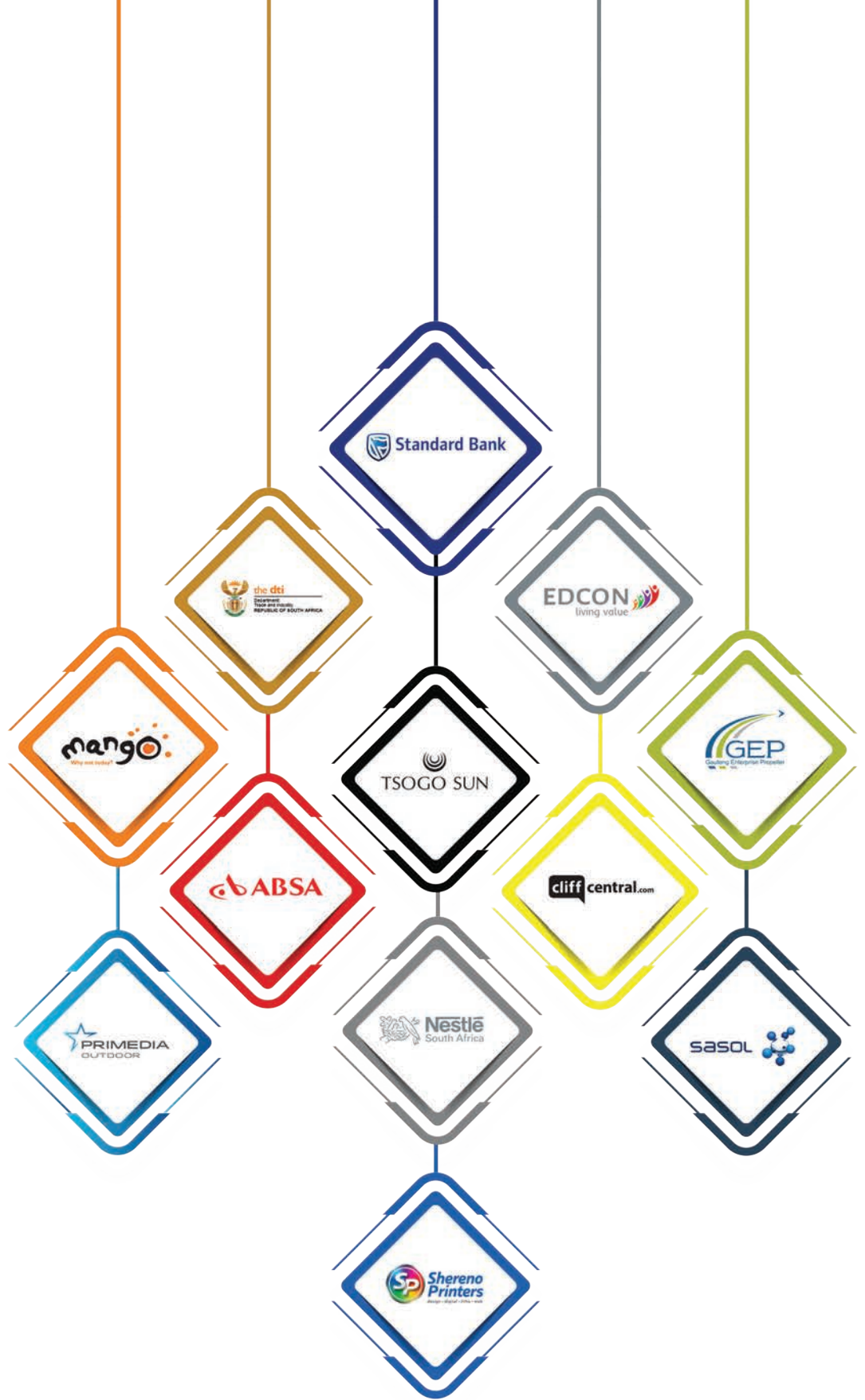


PROUDLY
SOUTH AFRICAN
BUY LOCAL SUMMIT | **2018**



Event by numbers

Sponsors





The event was closed in due celebratory style with a fashion show produced by South Africa's own David Tlale, revered for his bold designs and showmanship. Together with Edcon's other in-house brands, he showed his latest collection, which can be found in selected Edgars stores nationwide.

Through the Summit, local products and services were promoted, government bodies were informed of their responsibilities in terms of local uptake and delegates were educated on the importance and impact of buying local.

Reach for this event: 8 000+

Target Audience: Business, government, consumers, procurement officers



FASHION SHOW WITH EDCON AND DAVID TLALE

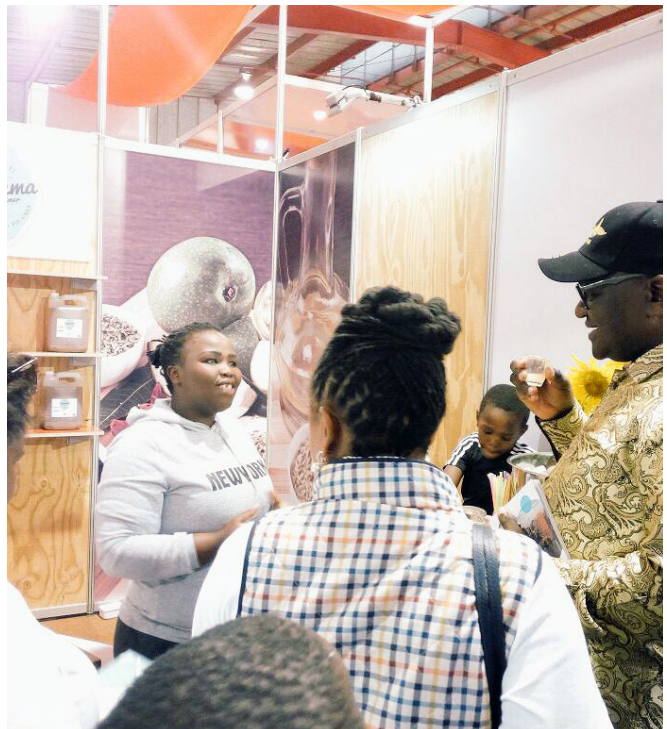
Rand Easter Show, Johannesburg, Gauteng
30 March – 8 April 2018

The Rand Show has become South Africa's largest and most iconic consumer event, attracting over 200 000 visitors each year. Often referred to as Johannesburg's biggest day out, exhibitor categories include sport, children's products and services, wellness, outdoor living, science, technology, government departments, trends, design and home living, as well as world-class exhibits by the SANDF.

Proudly SA was joined by members Sihle's Brew, YaMama Gemmer, Nalane Group and Okubabayo on the the dti stand.

Reach for this event: 500

Targeted Audience: Consumers, business owners, other exhibitors



OVER
100 HOTELS

OVER
15330 Rooms
from luxury
to budget

13 PREMIER CASINOS
& entertainment
destinations

OVER
270 CONFERENCE VENUES
banqueting facilities &
Sandton Convention Centre

LUXURY

MAIA

SANDTON SUN

BEVERLY HILLS

PALAZZO

SUNCOAST
TOWERS

54
ON BATH

FULL SERVICE

Southern Sun
HOTELS

RESORTS

CROWNE PLAZA

Holiday Inn

INTERCONTINENTAL
SANDTON TOWERS

SELECT SERVICE

Garden Court

SUN SQUARE

stayeasy

BUDGET

SUN 1

ACCOMMODATION PARTNER

to various sporting bodies including
soccer, rugby, cycling, and netball

MORE THAN **300**

RESTAURANTS & BARS

4 THEATRES
in Johannesburg

6 movies@
cinemas

MORE THAN **30** THEME PARK RIDES
at Gold Reef City Theme Park

LEVEL 1 B-BBEE CONTRIBUTOR

CITIZENSHIP

Community
development

Entrepreneur
development

Environmental
Education

Everyone has their own idea of the perfect break. A holiday with loved ones, a business trip away, the thrill of the casino floor, or the imagination of theatre. Whatever yours is, Tsogo Sun has the variety - with 13 casinos and over 100 hotels in South Africa, Africa and Seychelles.

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escape to ours.**

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Media & PR



During the year in review the PR department has begun to reap the rewards of the work done in the course of the previous fiscal year, during which there was a change in the PR team structure. The new team has gelled extremely well and works efficiently and effectively in different spheres of media and PR, enabling the Campaign to grow its output in traditional media formats as well as on social media platforms.

The first Quarter in review saw the first two-day Buy Local Summit & Expo and unprecedented levels of media coverage. In addition to two national TV stations (eTV and SABC2) broadcasting from the event on Day 2, we also brought in member radio stations Kaya FM for the Breakfast Drive Show, Power FM's popular mid-morning show with the influential Iman Rapetti, as well as Radio 2000's Afternoon Drive Show. In addition, online and print media coverage was extensive and we were able to profile all of our key sponsors and stakeholders with one-on-one interviews.

The press release announcing the introduction of Proudly SA's innovative online tender monitoring system attracted a lot of business media attention and radio interviews and put us in the spotlight as an organisation which is both working for greater compliance with local procurement legislation, at the same time as for the benefit of our members.

Our continued collaboration with Edcon in Quarter 2 saw the staging of the Heritage Day Fashion Show which attracted a lot of specialist media attention.

For the third Quarter, the PR highlight was Proudly SA's first partnership with the DStv Delicious International Food & Music Festival. The organisers' willingness to embrace local procurement through their entire value chain in staging a R30 million event gave the story a real business angle with entertainment news agencies picking up on the musical element. Our PR activities complemented the Festival's own use of traditional media and extensive use of social media, in which our logo/ social media information always appeared.

The beginning of the Festive Season Campaign saw a gift drop to 25 influential media personalities from radio stations (702, 94.7, Metro and Kaya FM) as well as other media houses with proudly South African items and a media release calling for greater

local procurement over the December holidays. This garnered social media response and led into our consumer activations.

During the fourth quarter we came full circle and staged our second two-day Buy Local Summit & Expo. Due to cost constraints we reduced the commercial radio station presence to Power fm only, but brought in community radio station (and a Proudly SA member) Radio Pulpit. Jozi FM, the country's largest community radio station ran telephonic interviews over both days and profiled a number of our key sponsors and stakeholders. Once again, eTV and SABC Morning Live broadcast from the floor of the Expo on Day 2.

The postponed SA Premier Business Awards also took place during the final Quarter, and the Proudly SA PR team played active roles in the media and social media workstreams to assist the **dti** and Brand SA.

Our annual Valentine's Day activation once again drew media and online attention as we took to the skies for the second year in a partnership with Mango Airlines. Social media and bloggers were invited to join us and in this way, we reached new audiences via their profiles.

Proudly SA's profile was further boosted during Quarter 4 with the commencement – on 20 February 2018 – of the CEO's weekly Tuesday column in Independent Media's Business Report, which is carried in all their national titles. The column features both in print and online.

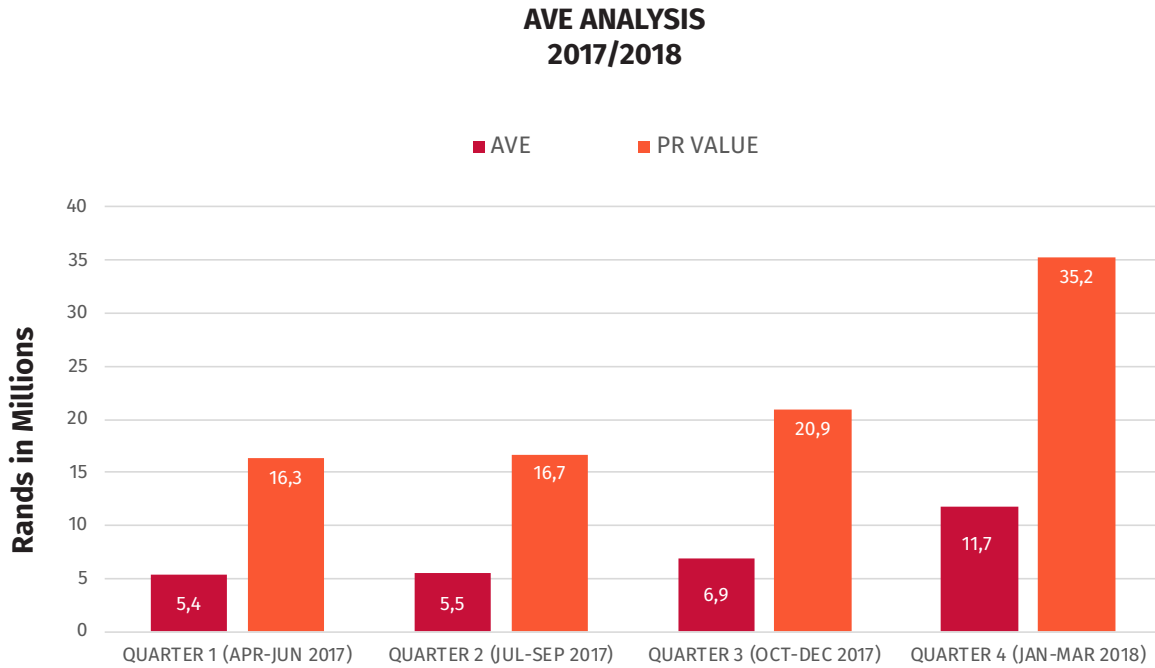
Our heightened media profile has also led to invitations for opinion pieces, interviews and profiles from publications including FDI Spotlight, SASSDA (Stainless Steel), FASA (Franchising Association), WEAR Magazine, SA Profile magazine, Tourism SA's Tourist Guide newsletter amongst others.

Our following on the three main social media platforms of Facebook, Instagram and Twitter grew exponentially in the year in review and by the end of 2017/2018

- **Facebook: 13 952**
- **Instagram: 1 798**
- **Twitter: 149 309**

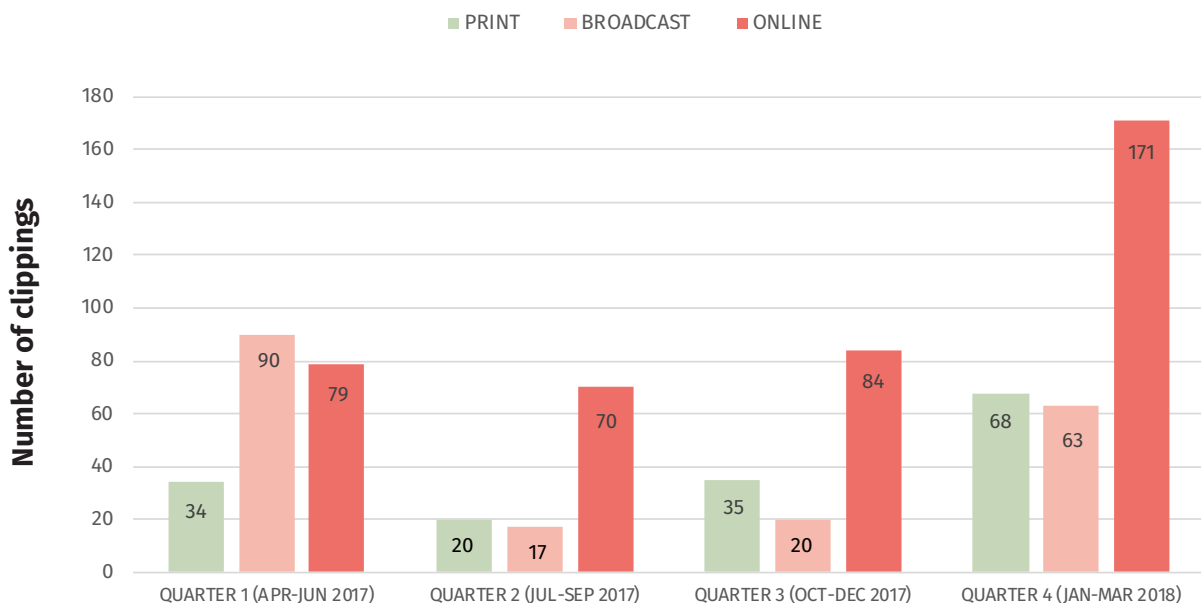
AVE Analysis

The Advertising Value Equivalency (AVE) is what editorial coverage would cost if it were advertising space (or time). The PR value is derived by multiplying the AVE by three, as per industry norms. The total AVE value for the 2017/2018 financial year is R29,5 million while the PR value amounts to R89,1 million.



Clip count comparison

The clip count comparison illustrates the total number of media clippings for each media platform i.e. print, broadcast and online for the period under review (April 2017 – March 2018).



Press Releases/ Op Eds / Articles

The following were issued / published during the year in focus

| No | Release Date | Release/Statement/Opinion Piece | Title |
|----|-------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 3 April 2017 | Press Release Day 1 Summit | Proudly SA sets up One Stop Shop for SMMEs on Day 1 of Buy Local Summit |
| 2 | 4 April 2017 | Press Release Day 2 Summit | Proudly SA, partners & sponsors give clarion call for local procurement |
| 3 | 13 April 2017 | Commissioned by Diplomatist Magazine | South Africa-India: Partners in progress |
| 4 | 18 April 2017 | Press Release on Jeannine van Straaten and Naresh Patel | New appointments at Proudly SA |
| 5 | 11 May 2017 | Joint Press Release | Smart Procurement World & Smart Supplier KZN event |
| 6 | 16 May 2017 | Press Release for Back to Kasi | Proudly SA supports township economies |
| 7 | 24 May 2017 | Press Release for first Business Forum of 2017 | Proudly SA kicks off national SMME roadshow in NW Province |
| 9 | 25 May 2017 | Press Release | Proudly SA develops tender monitoring system to track government compliance |
| 10 | 18 June 2017 | Press Release | Proudly SA SMME roadshow heads for KZN |
| 11 | 29 June 2017 | Press Release on Design Innovation Challenge | Proudly SA member Edcon makes a significant contribution to local fashion design and manufacturing |
| 12 | 4 July 2017 | Press statement | Illegal Use of the Proudly SA logo by the DA |
| 13 | 5 July 2017 | Press release on Rep Trak Reputation study in which ABSA, Nedbank, Nestlé & Econ get special mentions | When reputations all around are falling... |
| 14 | 10 July 2017 | Press release | DStv Delicious Festival is Proudly South African! |
| 15 | 21 July 2017 | Press release for Limpopo Business Forum | MEC Sekoati to give keynote address at Limpopo Networking Forum |
| 16 | 17 August 2017 | Commissioned article for SA Stainless Steel Assoc. publication | An interview with Proudly SA CEO |
| 17 | 23 August 2017 | Opinion Piece by the CEO | Proudly SA member companies are able to thrive in difficult economic times |
| 18 | 01 September 2017 | Press Release | Entries open for the 5th Annual SAPBA Awards |
| 19 | 01 September 2017 | Commissioned article for Tourism SA addressing tour guides | How tour guides can help promote South African products whilst accompanying a tour |
| 20 | 18 September 2017 | Press Release | Proudly SA chooses Maropeng, The Official Visitor Centre for the Cradle of Humankind World Heritage Site for its youth engagement programme |
| 21 | 19 September 2017 | Press Release | Proudly SA & Edcon celebrate our heritage through fashion |
| 22 | September 2017 | Editorial for first edition of WEAR magazine | Q&A with CEO |
| 23 | 2 October 2017 | Press Release | Proudly South African creates an authentic Food Village at DStv Delicious International Food & Music Festival on 7/8 October |

| | | | |
|----|------------------|----------------------------------------|----------------------------------------------------------------------------------------------------|
| 24 | 19 October 2017 | Press Release (SAPBA) | Wits Business School to be Exclusive Academic Partner for the SAPBA |
| 25 | 24 October 2017 | Press Release | Massmart & Proudly SA enter into Supplier Development Programme |
| 26 | 24 October 2017 | Comment | Proudly South African as part of Tsogo Sun's Entrepreneur Development Programme |
| 27 | 01 November | Press Release | Research summary into the revitalisation of SA's manufacturing sector |
| 28 | 22 November 2017 | Press Release | Iconic tea brand becomes Proudly South African |
| 29 | 30 November 2017 | Press Release and media gift bag drop | Dear Santa, Please bring me a gift made in South Africa this Christmas |
| 30 | November 2017 | Commissioned piece for Municipal Focus | Proudly SA develops tender monitoring system |
| 31 | November 2017 | Article | Q&A with CEO in FASA publication |
| 32 | 16 January 2018 | Press release | DStv Delicious International Food & Music Festival earns its Proudly SA accreditation |
| 33 | 22 January 2018 | Commissioned/ SA Profile Magazine | Buy Local & create Jobs: Q&A with Eustace Mashimbye |
| 34 | 6 February 2018 | Press Release | Dates for 7th Annual Buy Local Summit & Expo announced |
| 35 | 14 February 2018 | Press Release | Showing Love for SA with Mango Airlines |
| 36 | 20 February 2018 | Business Report Column Week 1 | Strong family ties helped beat scourge of unemployment |
| 37 | 20 February 2018 | Press Release | Proudly SA convenes Pharmaceutical Sector Specific Forum to address challenges facing the industry |
| 38 | 27 February 2018 | Press Release | Proudly SA tackles issues facing the poultry sector in special forum |
| 39 | 27 February 2018 | Press Release | Outcomes of the Proudly SA Sector Forum on Poultry |
| 40 | 27 February 2018 | Business Report column Week 2 | Ignoring industry distress is ignoring job losses |
| 41 | 6 March 2018 | Business Report Column Week 3 | Fong Kong goods have economy in a headlock |
| 42 | 13 March 2018 | Media Advisory | Proudly SA Buy Local Summit & Expo taking place on 14th & 15th March |
| 43 | 13 March 2018 | Business Report Column Week 4 | We're only asking the government to play by its own rules |
| 44 | 14 March 2018 | Press Release Summit Day 1 | Entrepreneurs given a new lease on life at Proudly SA SMME Summit |
| 45 | 14 March 2018 | Joint Press Release with Nestle SA | MD of Nestle South Africa and the DSBd hand over delivery vehicles at Proudly SA Summit |
| 46 | 15 March 2018 | Press Release Summit Day 2 | Annual Buy Local Summit & Expo ends in style |
| 47 | 20 March 2018 | Business Report Column Week 5 | Proudly SA flies the flag and draws the delegates |
| 48 | 27 March 2018 | Business Report Column Week 6 | Public Private Partnerships in the spotlight |

Media Visits / Engagements

To build and strengthen good working relationships with the media – and to promote good media coverage of Proudly SA and its activities – the PR Manager and the PR officer had both formal and informal meetings, networking sessions and /or interactions with members of the media and/or advertising sales staff from the following media platforms (among others).

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • 702 • Algoa FM • Beeld • Cape Business News • Cape Messenger • Caxton Press: Fourways Review • China Global TV Network • Citizen • City Press • Classic FM • Cliff Central • CNBC • CNBC Africa • Daily Sun • DRUM magazine • DStv • Egoli Jozi News • ENCA • Engineering News • eTV • Ezweni News • FASA • Hazelbird Post • Huisgenoot • Ikwewezi FM • Investing.com | <ul style="list-style-type: none"> • Bizcommunity • Bloemfontein Courant • Brand South Africa • IOL • Isivini News • Joburg Post • Jozi FM • Kaya FM • KZN Top Business • Lead SA • Ligwalgwala FM • Media 24 • Medical Academic • Medical Chronicle • Metro FM • OziAfrica.com • Polity • Power FM • Primedia Broadcasting • Radio 2000 • Radio Islam • Radio Pulpit • SA FM • SA Pharmaceutical and Cosmetic Review • SABC 2 | <ul style="list-style-type: none"> • BuaSoweto News • Business Live • Business Report • SABC 2 Morning Live • SABC News • SAfrica24.com • Sandton Chronicle • Saturday Star • SME South Africa • Smile FM • Sowetan • Sowetan Live • Soweto Life • Soweto-Life News • Sunday Times • The Franchising Association of South Africa • The Herald • The New Age • The Star • Times Live • tiso blackstar group • Touch HD • Unisa Radio • VOW FM • Xinhua News • YOU magazine |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Brand Management



Branding is a very important asset of any organisation with the capacity to increase the capital of a company.

All the elements of a brand need to be looked at holistically with all the components working in synergy, in order to give the brand life.

A strong, recognisable brand creates value with the simple familiarity of its logo. It can buy customer retention, and reduce buyer dissonance providing it can be trusted.

As more businesses recognise the importance of their brand in the space in which they operate, they have begun to invest more into brand credibility and the added value it can bring their bottom line.

The Proudly South African brand is no different, and we have worked to build a brand proposition that can add value to those companies that carry our logo.

We have worked on increasing logo usage on as many platforms as our members support - from packaging to websites, advertising and invoicing and hard copy or digital stationery.

Promoting the brand and its logo has offered opportunities to undertake a number of marketing activities designed to build brand awareness and visibility and ultimately to impact buying behaviour in favour of member companies, easily identifiable by the brand's logo.





BUY LOCAL
MAKE IT YOUR
BUSINESS



LOCAL
YOUR

The activities included:

- Below-the-line marketing events, which directly access identified companies for potential recruitment, as well as an opportunity to educate them on the buy local campaign;
- Above-the-line marketing with a mass approach to educating consumers on buying local ;
- Improving brand value through better positioning, creating brand trust and credibility through association for member companies carrying the logo ; and
- Activations aimed at exposing more consumers to the logo and educating them as to its meaning and the implications of making buy local choices.



BUY LOCAL
MAKE IT YOUR
BUSINESS



BUY LOCAL
MAKE IT YOUR
BUSINESS



BRAND POSITIONING

Proudly South African is an internationally recognized organisation and is South Africa's national "Buy Local" Campaign. In South Africa, Proudly SA is the proprietor of the Trademark phrase, 'Proudly South African'

As the proprietor of the trademark registration, Proudly South African is protected in terms of the Trade Marks Act 194 of 1993, against any third party from using the mark in the course of trade, without Proudly South African's authority, that is identical or confusingly similar to the Proudly South African Logo.

The trademarks (the phrase and logo) are also legally protected in accordance with the Merchandise Marks Act, Counterfeit Goods Act and Common Law. Only registered members of the Proudly South African Campaign (and those given special permission) are authorized to use the trademarks.

Correct use of trademarks

Proudly South African members, upon approval of membership, are given access to the Members' Portal. Here they are able to download the Proudly South African corporate identity and logos for use on packaging, marketing and branding materials.

Members are also given the option to forward their designs to Proudly South African, to ensure that the logo is applied correctly. A Corporate Identity Manual was repackaged to give users of the logo a guideline on the use and application of the logo. Continuous communication and marketing of the logo is used to educate members about correct logo use and correct logo application. This includes getting members to use the logo to promote their membership to the Proudly SA Campaign.

Trademark permissions

To ensure that the Buy Local message reaches the youth, Proudly South African often grants publishers permission to use the Trademarks in various educational materials. The Trademark is also given to all members and partners of the Campaign. The right to use the logo lies with the Proudly South African Campaign and we hold the right to decline the use of the logo. Once companies are granted membership, they are given the Corporate Identity manual in order for them to correctly use the logo.

Unauthorised use of trademark

The use of the Trademarks is monitored both internally and through Proudly South African's intellectual property lawyers, Adams and Adams. Illegal use of the logo includes:

- A company continuing to use the logo when they have not renewed their membership;
- A company that is not a registered member of the Campaign using the logo;
- Using the incorrect logo;
- Misleading the public by using wording that is confusingly similar to that of the Campaign, to gain undue benefits from association with the Campaign; and
- Misleading the public by using a logo that is confusingly similar to that of the Campaign, to gain undue benefits from the association with the Campaign;
- The illegal use of the logo will result in an internal cease and desist letter. Failure to comply with the request will result in the matter being raised with our IP lawyers, Adams & Adams;
- Cases are monitored with the law firm through monthly meetings, updates on open cases as well as new infringement cases.



OUR LOGO

**Member
Logo**



**Corporate
Logo**



Please do not distort, squash or stretch the logo



Please do not change font or remove the type



Do not add effects like a shadow to our logo. Logo with "TM" is wrong! Do not use.



We spent a lot of time creating our logo, please do not change the colour or orientation. It is a trademark and using the logo illegally is an offence

Just like wearing your shoes the wrong way round, or your jersey inside out, using our logo incorrectly is a poor reflection on us all and looks bad in public! So, let's try not get creative with a logo that took us many years to perfect.

Let's embark on the Journey of **PRIDE**



You make us
who we are

Since 1929, Edgars has been a part of the fabric of South Africa. And this is why we will forever support the people who weave inspiration into all that we do.

This Heritage Day
Celebrate with
25% off
almost everything in store

25 September 2017.
One day only.



#EDGARSFASHION | T&Cs APPLY | SHOP ONLINE @ WWW.EDGARS.CO.ZA



THE EDCON DESIGN INNOVATION CHALLENGE



GRANT PATTISON, EDCON CEO & MD, REQUESTS THE HONOUR OF YOUR PRESENCE AT THE 2018 EDCON DESIGN INNOVATION CHALLENGE FASHION SHOW.

CELEBRATE THE SUCCESS STORIES OF 13 YOUNG FASHION DESIGN STARS AND CATCH A GLIMPSE OF THE FUTURE OF FASHION.

FOLLOWING ON THE SUCCESS OF 2017, THE EDCON DESIGN INNOVATION CHALLENGE HAS SUCCESSFULLY BROUGHT 13 DESIGN STARS TO THE END OF THE 2018 PROGRAMME - A LEARNING PLATFORM THAT PUSHES THE ENVELOPE IN FASHION DESIGN AND ENTREPRENEURIAL SKILLS.

GEORGE BIZOS HALL | APARTHEID MUSEUM | BOOYSENS

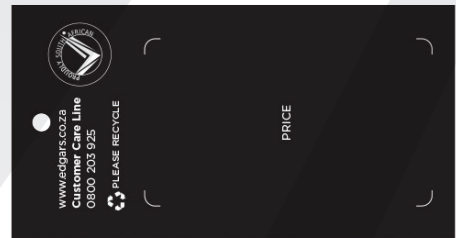
27 JUNE | 17H30 FOR 18H00 (SHOW STARTS AT 19H00)

RSVP TO RSVP@RUNWAYPRO.CO.ZA BY 20 JUNE 2018



A PROUDLY SOUTH AFRICAN INITIATIVE





ORATION

Corporate Identity

The design of all advertising, internal and external material is handled through the Brand Manager and the design team, in order to maintain a corporate identity that is consistent throughout the organisation. The designs and messaging are applied in such a way that it is easily identifiable by consumers when they see adverts or promotional material.

Internal presentations, e.g. for sponsorships, follow the same design path. Maintaining the same look improves the brand value and brand image in the consumer's mind, makes the brand identifiable and gives the brand a personality. This has been done for our purchases of promotional material as well as for our messaging and design in all above the line and below the line activities.

SOUTH AFRICA PRIDES ITSELF IN QUALITY MANUFACTURING AND CREATING PRODUCTS OF AN INTERNATIONAL STANDARD

Be Proudly South African. Buy Local to create jobs.

dti
Department of Trade and Industry

BUY BACK SA

NDP

PROUDLY SOUTH AFRICAN

Join the BUY LOCAL Movement

Launched in 2001, Proudly South African is a multi level campaign to promote South African Companies, organisations, products and services that demonstrate high quality, local content, fair labour and environmental practices.

Proudly South African promotes members products and services to consumers, businesses and all state organs, encouraging South Africans to buy locally made products bearing the Proudly South African logo.

WHO CAN JOIN?
Any company of any size can join, whether it specialises in products or services. Non-business entities such as educational institutions; national, provincial and local government departments. State-owned enterprises, NGO's, craftsmen, sports teams, other professional bodies and individuals are also eligible for membership of the Campaign.

WHAT ARE THE QUALIFYING CRITERIA?
Organisations that want to use the Proudly South African mark of quality to identify themselves and their products/services have to meet four criteria: Local Content, Quality, Fair labour practice, Environmental standards

There are numerous benefits associated with being a member of Proudly South African. For more information contact us on:

Tel: 011 327 7778
Fax: 011 327 7459
Email: info@proudlysa.co.za
Website: www.proudlysa.co.za

Below the Line Campaigns

The Proudly South African website which is currently being updated, will retain its current look and feel and will serve as a vehicle to support the events calendar and to assist in the recruitment of members.

Promotional material has been designed and procured to supplement the above the line campaign, continuing the theme, and brand identity of all our other collateral and platforms, further emphasising the messaging.

We have custom designed an exhibition stand which will ensure that we maintain the same look and feel standard across all the expos we attend. We are reworking the messaging to keep it current, making it attractive to potential new members and to ensure it is memorable for consumers.

The creation of internal documents such as a Membership Handbook and campaign presentations have supplemented sponsorship proposals and include our value proposition, better to sell the Campaign to potential members and consumers.

Above the Line Campaigns

The above the line campaign is aimed at a mass audience to convey the Buy Local message. The campaign focused on 3 key messages:

- Buy Back SA
- Festive season campaign
- Buy Local Summit & Expo

Taking a look at platforms that reach the target audience and are cost effective, we used various print, digital as well as outdoor media to share the key messages. Designed to both increase awareness of the campaign and our logo to consumers as well as to increase uptake of membership to the campaign, the advertising also sought to increase the desirability of the brand. The increased visibility of our logo in above the line advertising allows for the brand to be top of mind and assist in value creation to members whose products carry the same logo.

Campaign Objectives

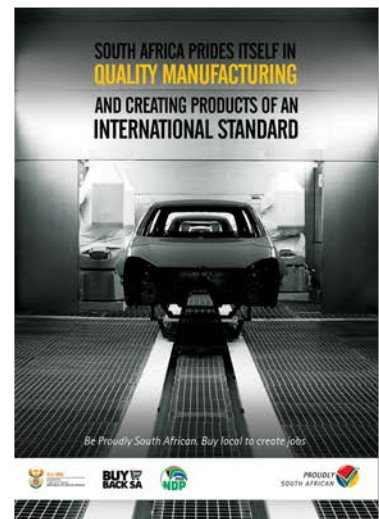
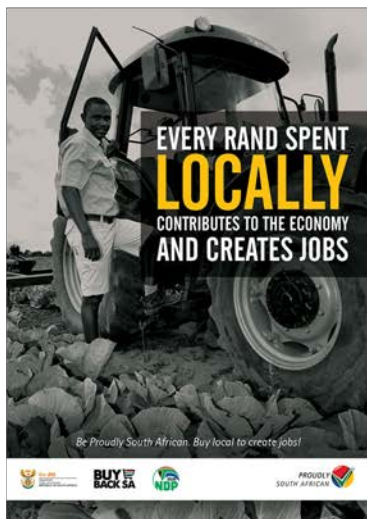
- Create and build awareness for the Proudly SA Brand
- Promote the Buy Local Summit & Expo
- Educate consumers on the importance of buying local
- Promote the Country of Origin label to improve sales of local products
- Showcase local brands' sponsoring the Buy Local Summit & Expo
- Strengthening our brand alignment with big brand member companies

Buy Back SA campaign

The objective of the Buy Back SA campaign is to educate consumers to buy or use locally grown, produced or manufactured goods and services, and to encourage businesses to make local procurement decisions, in the knowledge that in so doing, money will flow back into the country's economy.

The campaign utilises various above the line platforms to reach a mass audience and is designed in such a way that whilst the wording of the message varies, the call to action as well as the look and feel of the ads is always the same - Buy Local. Through this education process, Buy Back SA aims to increase the uptake in locally manufactured goods and services and promote the positive impact this action has on the country.

A R4-million-rand campaign television campaign was run for a period of 1 month on SABC television as well as radio adverts running across the two platforms. These platforms have a national reach and extend to all LSM across the board.



- **Made in SA Ad Campaign**

The new messaging for the quarter in review was “Made in SA, it’s not just a label, it’s more” The advert depicts the Proudly SA logo on a number of products, with a strap line that points out that it’s not simply a label, but a movement that has a real impact on the economy and job creation. The advert encourages consumers to see that there is more to their purchase decision than supporting South Africa, but that every ‘Made in SA’ purchase has real positive consequences on the lives of South Africans. The campaign has lived through print media and on our digital platforms.

Brand exposure included:

Print Advert : Woolworths Taste magazine



Festive Season Campaign

The festive season campaign was created to drive the Buy Local message in the run up to the December holidays. As consumer spending increases, and year-end bonuses are paid, the aim was to direct that spend towards local products and services.

Campaign Objectives

- Build Proudly SA Brand and create brand awareness
- Influencing purchasing decisions
- Educate consumers on the importance of buying local
- Promote the Country of Origin label to improve sales of local products.

| | |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Campaign | “Festive Season Campaign” “Buy local this festive season” |
| Objectives | Calls to Actions: <ul style="list-style-type: none"> • Promote buying local goods and services • Promote the Meet the Locals Campaign as part of the overall marketing strategy |
| Elements | Mall Activation, mall advertising, Street pole adverts, print, PR activities |
| Activity | <ul style="list-style-type: none"> • 3 Mall Activations • Radio & TV interviews • Billboards • Digital Advertising |
| Period | 25 November 2017 – 15 January 2018 |
| Target Market | South African Consumers (Buying public) |



Digital Campaign: Festive Season and the Buy Local Summit & Expo

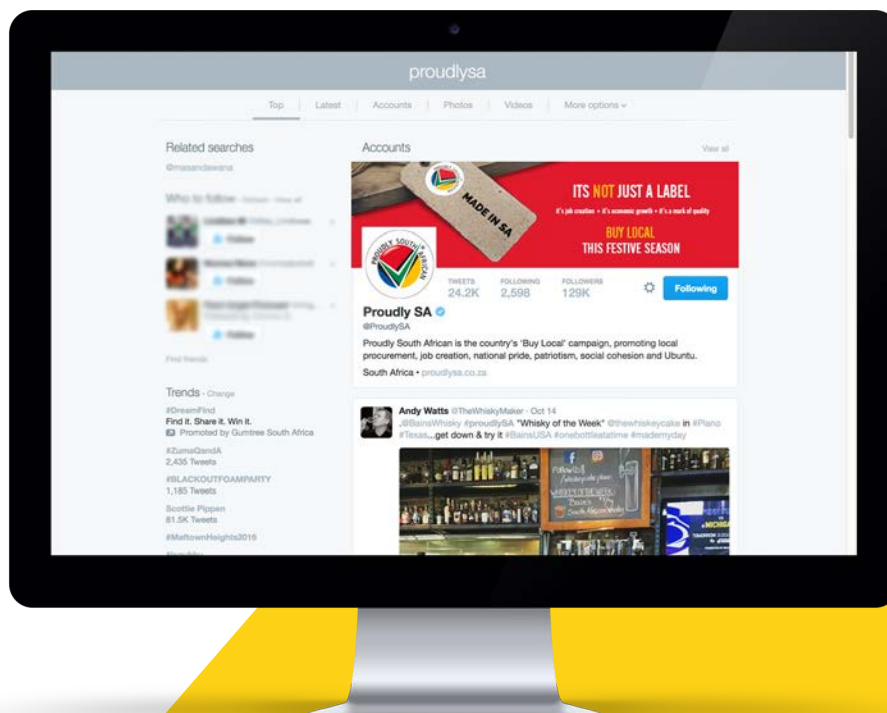
The digital campaign comprised social media and other digital platforms to promote the campaign and reach a larger audience. People who interact with information on these digital platforms engage more and are more easily converted to attendees through the online registration click through mechanism. Their phones and desktops have more time to engage with an advert and it is easier to transfer those people to registered guests at the event

Programmatics

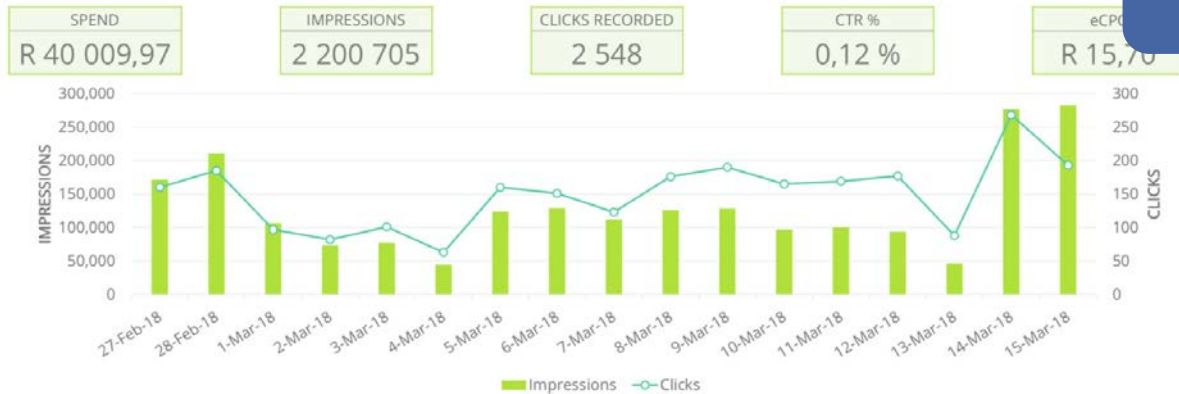
Google adwords

Promoted Tweets

3rd Party Adverts



Daily Performance: Buy Local Summit & Expo



The goal of this campaign was to create awareness around the **Buy Local Summit & Workshop** as well as to drive users to sign up for the event. The main focus was to get people to go to the event that was held in Johannesburg on **14-15 March**. Geo-location targeting was employed around the main business hubs in the country to ensure we delivered to the correct users. Overall, the campaign gathered **2 200 705 impressions** and **2 548 clicks** with an exceptional **CTR of 0,12 %** due largely to the optimizations on slide 13.

Creative

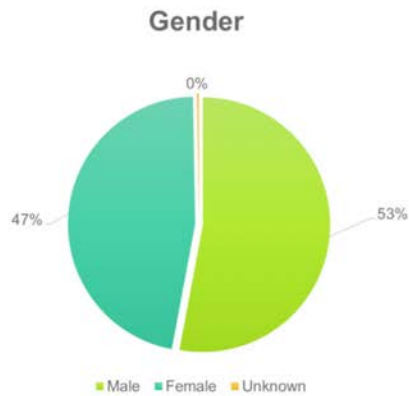
| | | | | |
|-------------|-------------|-----------------|--------|---------|
| SPEND | IMPRESSIONS | CLICKS RECORDED | CTR % | eCPC |
| R 40 009,97 | 2 200 705 | 2 548 | 0,12 % | R 15,70 |

| Creative | Impressions | Clicks | CTR% |
|----------|-------------|--------|--------|
| 300x250 | 834,009 | 1 457 | 0,11 % |
| 320x50 | 284,003 | 575 | 0,09 % |
| 300x600 | 127,729 | 254 | 0,16 % |
| 970x250 | 50,934 | 222 | 0,37 % |
| 728x90 | 44,185 | 25 | 0,03 % |
| 160x600 | 50,967 | 15 | 0,03 % |

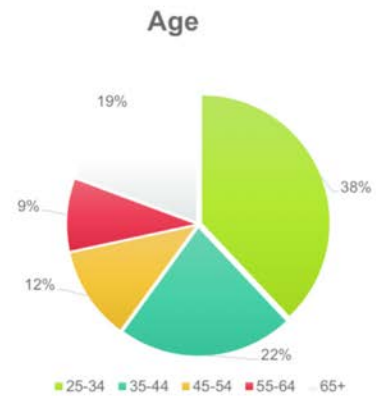
The above the line campaign was successful in reaching and engaging a wide audience and contributed significantly to the high attendance at the Summit & Expo. In addition, it reached and educated many more people about the Proudly South African campaign.

The quarterly message had a two pronged purpose: to mobilise people to attend the event as well as educate consumers about the Proudly South African campaign and the work that we do outside of the Summit & Expo.

Campaign Insights



From the data we've gathered we can confirm that our male users performed slightly better than the female users.

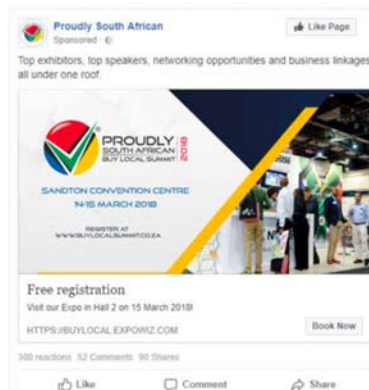


In the age demographics, we've come to the conclusion that the 25-34yrs age group is the best performers overall. Also, upon deep-diving we found that male users between 25-34yrs were responsible for 22% of the campaign's overall delivery.

Campaign Overview

| | |
|-------------|---------|
| Link clicks | 4 948 |
| Clicks | 6 893 |
| Impressions | 384 194 |
| LCTR Rate % | 1,29% |
| Reach | 322 779 |
| Frequency | 1,2 |

Top Campaign Performers



| LCTR% | CPLC | Link Clicks |
|-------|--------|-------------|
| 0,96% | R 4,46 | 2 605 |

| | | |
|---------|---|--------------|
| 135 478 | ✉ | Unique Reach |
| 272 907 | 👁 | Impressions |
| 4 219 | 👉 | Clicks |
| 1,55% | 📊 | CTR |

Top Performing Tweets in terms of cost

| Link Click Rate % | CPLC | Link Clicks |
|-------------------|--------|-------------|
| 17,62 % | R 0,23 | 13 833 |



- 13 851 Engagements
- 78 524 Impressions
- 1 Retweets
- 0 Replies
- 0 Follows
- 1 Likes

Best performing tweet

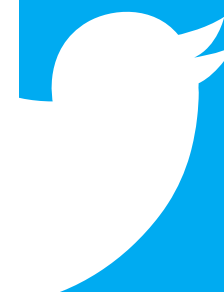
| Link Click Rate % | CPLC | Link Clicks |
|-------------------|--------|-------------|
| 9,75 % | R 0,36 | 23 074 |



- 23 092 Engagements
- 243 104 Impressions
- 2 Retweets
- 0 Replies
- 0 Follows
- 1 Likes

Twitter Campaign Overview

| | |
|-------------------|------------|
| Link clicks | 74 189 |
| Engagements | 74 289 |
| Impressions | 550 850 |
| Link click rate % | 13,47% |
| CPLC | R0,27 |
| Budget spent | R20 000,00 |





Buy Local Summit & Expo Campaign

The Buy Local Summit & Expo is our flagship event and an opportunity to promote the Campaign as well as to drive businesses and procurement officials to attend the event. Whilst this was the primary purpose of above the line activities, secondary to that is brand visibility, making the brand stronger and more relevant to businesses.

The platforms used to promote the event include print, television, outdoor billboards & radio adverts. The Buy Local message has been incorporated in the promotion of this event and has given the campaign a wider reach as well as strengthening brand association with other important stakeholders sponsoring and aligned to the event and Campaign. By including big brand member and sponsor logos in the promotion of this event we have been able to leverage their brand equity.

Outdoor media

Four billboards in Gauteng:

- William Nicol Drive Sandton
- Faraday Johannesburg
- R24 Airport freeway
- Lynwood Road , Pretoria





Print advert

Business Report - 2 ads across all national titles ie The Star (circulation 74 500), The Mercury (circ. 24 500), Cape Times (circ 29 600), Pretoria News (circ 12 500)

Entrepreneur Magazine - 200 139 subscribers to hard copy , 600 000 + online

Juice Magazine - (Mango's in flight magazine)

Beeld - 1 ad with an article (circ 35 000)

Equinox - (Tsogo Sun's in room magazine)

Radio

- 702 - Reach: 471 000
- Power FM - Reach: 97 000

Corporate Governance



Legislative and Governance Framework

In addition to the provisions of the Companies Act 71 of 2008, Proudly South African is regulated in terms of its Memorandum of Incorporation and the provisions of the Shareholder Compact, the Public Finance Management Act, 1999 (Act No. 1 of 1999) ("PFMA") and the National Treasury Regulations, King Code on Governance Principles (King IV Report) and all other applicable laws of the Republic of South Africa.

Governance

King III sets out guidelines for the practice of good corporate governance for South African companies, embraced by the accompanying Code of Corporate Practices and Conduct ("King Code.") The King Code, inter alia, represents best practice in terms of governance framework within Proudly SA.

The directors of Proudly SA regard corporate governance as key and fundamental to the attainment of the strategic objectives of the organisation. Proudly SA is an NPO which is funded through the National Revenue Fund, via the Department of Trade and Industry.

Section 4(3) (b) of the Public Audit Act No. 25 of 2004, stipulates that: "The Auditor General may audit and report on the accounts, financial statements and financial management of... any other institution funded from the National Revenue Fund."

Notwithstanding the fact that Proudly SA is not a PFMA listed entity, the Board sought external legal advice regarding the applicability of the Public Finance Management Act ("PFMA") to Proudly SA.

The recommendation obtained through the legal opinion was that in as much as Proudly SA is not a PFMA listed entity, it would make for good corporate governance for Proudly SA to subscribe and comply with the spirit, purpose and object of the PFMA as it enlists transparency, sound management and accountability. It was therefore decided that Proudly SA would migrate towards complying with the requirements set out in the PFMA, which are applicable to public entities.

Board's mandate and corporate goals

The Board of Proudly SA is responsible for ensuring that the mandate of the Campaign is achieved. In this regard, the Board has adopted a number of programmes including the creation of a financially sound Campaign built on a sustainable business model and ensures that its assets are used in an effective and efficient way in line with the requirements of key legislation to which Proudly South African is subject.

This includes the establishment of a procurement framework that complies with the Constitution of the Republic 1996 (Act No. 108 of 1996), the PFMA, Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) and promotes ownership and the participation of youth, women and persons with disabilities and all classes of historically disadvantaged individuals.

The role of the Board

The Board exercises leadership, integrity and judgment in directing the Campaign so as to achieve the goals of the Campaign and the objectives as set out in the founding documents of the Campaign. In this regard, the Board determines Proudly South African's purpose and values and sets the strategic direction of the Campaign, having regard to the objectives prescribed in the legislative and governance framework within which Proudly South African exists. Furthermore, at least once in each financial year, the Board oversees the development of, and approves, a budget to facilitate delivery of the approved strategy.

The Board also monitors Management's implementation of the business and operational plans and agreed financial objectives on an ongoing basis during each financial year. The Board also defines levels of materiality and relevance appropriate to the business of the Campaign, delegates appropriate authority for the running of the day-to-day business of the Campaign to Management in a written Schedule of Delegated Authorities which will be reviewed from time to time, and continually monitors the exercise of such delegated authority by Management.

In order to facilitate its work, the Board has established the following Board Committees:

- Audit and Risk Committee;
- Remunerations Committee;
- Finance and Procurement Committee;
- Social and Ethics Committee; and
- Marketing, Communications and Membership Committee.

General principles of the Terms of Reference for Board Committees

As a general rule:

1. Board Committees have no executive authority unless otherwise specifically resolved by the Board in respect of particular issues within a Committee's remit. Board Committees must discuss any matter referred to them and must present their recommendations to the Board for resolution;
2. Board Committees observe the same rules of conduct and procedures as the Board, unless the Board specifically determines otherwise in the Committee's terms of reference;
3. No non-executive director of the Board may serve on more than two (2) Board Committees. Board Committees will consist of a maximum of four (4) non-executive Board members, excluding invitees;
4. Board Committees are constituted having regard to the skills, expertise and experience of members apropos the respective Committees' mandates. Where appropriate or necessary, independent external professionals with relevant skills and expertise may be co-opted as permanent members of the Committees to assist or bolster the Committees where there is a shortage of such skills or expertise. Such co-opted professionals must have the status of invitees to the Committee, will not form part of the quorum for meetings and will have no voting rights.
5. Board Committees are entitled to seek independent professional guidance and advice at the cost of the Campaign where the Committee deems it appropriate for the proper discharge of its mandate;
6. A formal report back, either orally or in writing, is provided by the Chairman of each Committee to all Board meetings following the Committee meetings to keep the Board informed and to enable the Board to monitor the Committee's effectiveness;
7. A member of a Board Committee ceases to hold office as such immediately when he becomes ineligible or disqualified in terms of the Companies Act; and
8. Committees of the Board may consult with or receive advice from any person.

Relationship with the dti

Proudly SA is funded by National Treasury via the **dti** and accordingly the Board regards its relationship with the **dti** as very key and strategic towards the attainment of the objectives of the Campaign. A three-year MOU has been entered into with the **dti** in this regard.

The Vision of the dti is to create:

A dynamic industrial, globally competitive South African economy, characterised by inclusive growth and development, decent employment and equity, built on the full potential of all citizens.

The Mission of the dti is to:

1. Promote structural transformation towards a dynamic industrial and globally competitive economy which includes an emphasis on tradable, labour absorbing and diversified manufacturing growth characterised by the movement into non-traditional and tradable goods and services that compete in export markets and against imports;
2. Provide a predictable, competitive, equitable and socially responsible environment for investment, trade and enterprise development;
3. Broaden participation in the economy to strengthen economic development; and
4. Continually improve the skills and capabilities of the **dti** to effectively deliver on its mandate and respond to the needs of South Africa's economic citizens.

the dti's key strategic objectives are to:

1. Facilitate transformation of the economy to promote industrial development, diversified manufacturing growth, investment, competitiveness and employment creation;
2. Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives and to include regional African industrial integration and economic development;
3. Facilitate broad-based economic participation inclusive of BBB-EE and support for women's empowerment and empowerment of disabled citizens through targeted interventions to achieve more inclusive growth;
4. Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner; and
5. Promote a professional, ethical, dynamic, competitive and customer-focused working environment that ensures effective and efficient service delivery.

dti MOU compact key deliverables

The Policy Objectives contained in the Annual Performance Plan (APP) for Proudly South African for the financial year 2016/17 - 2018/19 are as follows:

1. To promote the buying of locally manufactured products and services and importance of country of origin labels.
2. To roll out national campaigns to the public sector, the private sector, workers and consumers to create awareness on economy-wide benefits of local procurement, strategic sourcing and buying locally manufactured products;
3. To develop a database listing locally produced products and services; and
4. To provide support with regard to the roll out of the Local Procurement Accord in line with Proudly South African's mandate of local procurement, national pride and patriotism.

The roles and responsibilities of the dti

the dti's primary role and responsibilities as contained in the MOU for the period 2016/17 - 2018/19 will be to:

- Monitor the voluntary and/or compulsory adherence by Proudly South African to the PFMA, Treasury Regulations, Corporate Governance Principles and the Act irrespective of whether or not such instruments are otherwise applicable to Proudly South African.
- monitor compliance of the APP to corporate governance principles and ensure that same is submitted within the date presented by the Minister and subsequently prior to the beginning of the financial year;
- review management accounts on a monthly basis;
- review quarterly reports and provide feedback to Proudly South African;
- ensure timely board appointments and/or re-appointment;
- timely attend to correspondence to and from Proudly South African;
- provide inputs into the budgeting process;
- recommend to the Minister the approval of the budget and APP;
- review and recommend the Proudly South African's annual report to the Minister;
- annually review the Board and Chairperson's performance against agreed key performance indicators;
- Ensure vetting of the Chairperson and Board members as appointed by the NEDLAC Constituencies and approved by the Minister.
- Subject to prior reasonable notice, obtain walk-in rights (such as instituting forensic investigations and obtaining relevant information that may be important) to intervene as and when required or necessary;
- step-in in case of crisis (crises in this regard will mean but not limited to, strikes, mismanagement of funds, internal conflicts etc.);
- Ensure that it keeps an eye on the Audit Committee through the participation of the GCFO in the Audit Committee as an ex-officio member.

Proudly South African undertakes for the duration of this agreement to:

1. Maintain effective governance and the highest standards of ethics and continue to subscribe to the broad principles set out in the PFMA, the Act, and the latest applicable King Report;
2. Subscribe to the principles of good governance and reassess its systems of governance on an ongoing basis;
3. Ensure that it maintains appropriate participative structures with representatives of its staff, to ensure that its staff has an opportunity to meaningfully contribute to decision-making with respect to its administrative and managerial functions. The process shall include, but not be limited to, mechanisms for consultation and information sharing;
4. Ensure that it has a code of ethics and code of conduct in place;
5. Establish an Audit and Risk Management Committee to advise on the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements, in compliance with all legal requirements and accounting standards; and
6. Ensure that in determining the composition and functions of the Committees, Proudly South African will follow the guidelines of the King III Report on Corporate Governance as well as the prescripts of the PFMA and the Act.
7. Ensure that it implements an effective staff performance management system, and that any performance bonuses must be approved by the Board. In the regard, the parties record that all bonuses shall be in line with a budget which shall be approved by the **dti** prior to the commencement of the financial year

Proudly South African Board and Board Committees' report

For the year ended 31 March 2018

Board of Proudly South African

The Board of Proudly South African consists of Executive and Non-Executive Directors who represent the interests of all the constituencies of NEDLAC. The majority of the representatives on the Board are Non-Executive with the CEO and CFO as the only Executive Directors.

Audit and Risk Committee

The Committee assists the Board through critically evaluating the Board's financial control measures, accounting practices, information systems and audit procedures. It performs this function continuously by way of close liaison with the Executive Management and with the Board's internal and external auditors. The Audit and Risk Committee consists of four non-executive Board members plus the Chief Executive Officer and Chief Financial Officer. The Committee may involve other members of Management or external specialists in meetings for specific purposes. The authority and mandate of the Audit and Risk Committee, its duties and functions, its composition and its operations have been approved by the Board in the form of a detailed charter and Terms of Reference.

Risk Management

Effective risk management is integral to the organisation's objective of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks. Operating risk is the potential for loss to occur through a breakdown in control information, business processes and compliance systems. Key policies and procedures that have been developed to mitigate and manage operating risk involve segregation of duties, transaction authorisation, supervision and monitoring of financial and management reporting.

Internal Control Systems

In order to meet its responsibility of providing reliable financial information, Proudly South African maintains financial and operational systems for internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's delegated authority, that the assets are adequately protected against material loss of unauthorised acquisition, use or disposition and that transactions are properly authorised and recorded. A three year rolling internal audit plan has been completed by our Internal Auditors to ensure that risks identified in their risk assessment are adequately covered in their audit plan.

The system includes a documented organisational structure, division of responsibility and established policies and procedures. These include the careful selection, training and development of people as well as a code of ethics - which is communicated throughout the organisation - to foster a strong ethical climate.

Proudly South African has appointed the auditors, SEMA Integrated Risk Solutions, to provide internal audit services. Internal auditors monitor the operation of the internal control system and report findings and recommendations to Management and the Audit Committee. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified. The Board, operating through the Audit Committee, provides oversight of the financial reporting process and internal control systems. The Audit and Risk Committee Members are:

- Mr. Dumisani Mthlane (Chairperson)
- Mr. Joseph Maqekeni
- Dr. Tebogo Makube
- Mr. Michael Lawrence
- Mr. Eustace Mashimbye: CEO- Ex Officer
- Internal Audit Representatives – SEMA Integrated Risk Solutions
- External Auditors – NEXIA SAB&T
- Company Secretary - Permanent Invitee
- Auditor General - Permanent Invitee
- Mr. Naresh Patel: Chief Financial Officer - Ex Officer

The Audit and Risk Committee has adopted appropriate formal terms of reference, which have been confirmed by the Board and has performed its responsibilities as set out in the terms of reference. In performing its responsibilities the Audit and Risk Committee has reviewed the following:

1. The effectiveness of internal control systems;
2. The effectiveness of the internal audit function;
3. The risk areas of the organisation's operations to be covered by the scope of internal and external audits;
4. The adequacy, reliability and accuracy of financial information provided to management and other users of such information;
5. The accounting or auditing concerns identified as a result of the internal and external audits;
6. The organisation's compliance with legal and regulatory provisions;
7. The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations;
8. The independence and objectivity of the external auditors; and
9. The scope and results of the external audit function and its cost-effectiveness.

The Audit and Risk Committee is also responsible for:

1. Reporting to the Board and the Auditor General where a report implicates any members of the Board in fraud, corruption and/or gross negligence;
2. Communicating any concerns it deems necessary to the Board, the Auditor-General and if appropriate the external auditors;
3. Confirming the internal audit charter;
4. Conducting investigations within its terms of reference;
5. Concurring with the appointment and dismissal of internal audit;
6. Deciding whether or not an interim audit report should be subjected for review by the external auditors; and
7. Detailed study of the financial statements.

The Audit and Risk Committee is satisfied that internal controls and systems have been put in place and that these controls have functioned effectively during the period under review.

The Audit and Risk Committee considers the organisation's internal controls and systems appropriate in all material respects to:

1. Reduce the organisation's risks to an acceptable level;
2. Meet the business objectives of the organisation;
3. Ensure the organisation's assets are adequately safeguarded; and
4. Ensure that the transactions undertaken are recorded in the organisation's records.

The Audit and Risk Committee agrees that the adoption of the going concern status of Proudly South African is appropriate in preparing the annual financial statements.

The Audit and Risk Committee has accordingly recommended the adoption of the annual financial statements by the Board.

Finance and Procurement Committee

The Finance and Procurement Committee provides strategic direction to the organisation by ensuring proper adherence to fiscal discipline and compliance with legislation on procurement related matters. The role of the Proudly SA Finance and Procurement Standing Committee is to:

Finance Function

1. Recommend approval of budgets to the Board;
2. Ensure preparation of Annual Financial Statements;
3. Recommend the approval of Treasury management plans to the Board;
4. Have overview over internal controls and approve related policies and procedures and systems;
5. Review quarterly financial reports; and
6. Play an oversight role and monitor the utilisation of funds in line with the Business Plan.

Procurement Function

1. Ensure that Proudly SA's procurement policies are effective, efficient and that they are implemented and sustained;
2. Recommend and approve procurement and sourcing strategies;
3. Recommend the composition of Procurement Committees to the Board;
4. Recommend to the Board any deviation or ratification that might be required from time to time in line with good governance;
5. Recommend the appointment of any procurement structure as it deems necessary to the Board to perform a particular task; and
6. Monitor the procurement spend with the set targets within the BEE Codes.

The members of the Committee are:

- Adv. Priakumari Hassan: Chairperson
- Mr. Ashley Benjamin
- Mr. Thulani Tshefuta
- Mr. Stavros Nicolaou
- Mrs. Laura Kganyago
- Mr. Eustace Mashimbye: CEO- Ex Officer
- Mr. Madoda Vilakazi
- Company Secretary - Permanent Invitee
- Mr. Naresh Patel: Chief Financial Officer- Ex Officer

Marketing, Communications And Membership Committee

The primary function of this Committee is to provide strategic direction and focus on matters involving marketing programmes of the organisation and the communications plan plus build a viable value proposition for the members of the Campaign.

Primary function of the Committee is to:

1. Consider the Marketing and Communications strategies to be developed for the Campaign for recommendation to the Board;
2. Recommend the appointment of any advertising or related agency enlisted to provide advertising and marketing related services to the Campaign;
3. Monitor and ensure that the marketing activities, as approved for implementation, are implemented accordingly; and
4. Ensure effective campaigns are carried out to ensure that the Campaign can meet its objectives.

The members of the Committee are as follows:

- Mr. Stavros Nicolaou: Chairperson
- Mr. Eustace Mashimbye: CEO- Ex Officer
- Mr. Dumisani Mthlane
- Mr. Joseph Maqekeni
- Mrs. Happy Ngidi - Permanent Invitee
- Company Secretary - Permanent Invitee
- Dr. Tebogo Makube
- Mr. Naresh Patel: Chief Financial Officer- Ex Officer
- Executive Manager: Membership, Legal and Compliance- Permanent Invitee

HR and Remunerations Committee

The Committee provides strategic advice to the Board and Management on matters relating to Human Resources and Remuneration. The Committee formulates and reviews Human Resource and Remuneration policies as and when appropriate.

Function of the Committee is to:

1. Review and provide recommended remuneration levels (including annual salary increases) for Chief Officers and Non-Executive Directors within Proudly SA;
2. Review and approve remuneration policy and salary bands for the organisation and approve annual salary increases or annual inflationary adjustments;
3. Play an integral part in the contingency planning of staff, the CEO and Executive Management;
4. Ensure that Proudly SA's Human Resources strategies are implemented and sustained;
5. Recommend the approval of related policies and procedures to the Board;
6. Review and recommend the appointment of the Chief Executive Officer; and
7. Make recommendations to the Board for the performance bonus of the CEO and approve performance bonuses for Chief Officers and staff.

The members of the Committee are as follows:

Mrs. Laura Kganyago - Chairperson
Mr. Eustace Mashimbye: CEO- Ex Officer
Mr. Thulani Tshefuta
Mr. Ashley Benjamin
Adv. Priakumari Hassan
Mr. Virgil Seafeld
Company Secretary - Permanent Invitee
Mr. Naresh Patel: Chief Financial Officer- Ex Officer

Performance Information

Performance for the period (1 April 2017 to 31 March 2018)

| Output | Performance Measure or Indicator | Annual Target | Actual Achievement for 2017/18 | Reason for Variance |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behaviour | <ul style="list-style-type: none"> To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through: <ul style="list-style-type: none"> Above-the-line campaign i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns – number of people reached. | <ul style="list-style-type: none"> Above-the-line – Buy Local (Buy Back SA/Meet the Locals) activism campaign reaching at least 20 million consumers | <ul style="list-style-type: none"> In excess of 20 million consumers reached during 2017/18 through the Buy Back SA campaign, and other advertising for other activations such as the Buy Local Summit and for the Delicious Festival | |
| <ul style="list-style-type: none"> Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behaviour | <ul style="list-style-type: none"> To increase awareness of Proudly SA (products and services), influence purchase behaviour in favour of local products, raise the profile of local products and educate consumers on the importance of buying local through: <ul style="list-style-type: none"> PR and Below the line activities through Social Media, press releases, radio interviews and other PR related activities; National Consumer Educational Road show through Mall Activations (Education Through Edutainment); Schools campaign in secondary schools and FET colleges (consumer education) | <ul style="list-style-type: none"> PR & Below the Line Activities reaching at least 20 million consumers per annum; Roadshows in at least 6 provinces annually Roll out of schools campaign in at least 6 schools and/or FET colleges per annum | <ul style="list-style-type: none"> In excess of 20 million consumers reached through PR activities 2017/18 4 activations undertaken, 3 of which were mall activations and one major being the Delicious Festival 2 campaigns done via campus radio stations in Universities, and also participated in: <ul style="list-style-type: none"> Step Up To A Start Up programme NDP ambassadors programme Radio interviews on youth targeted stations | <ul style="list-style-type: none"> Funds redirected to Delicious Festival a higher impact activity which reached 40 000 consumers Reached more youth through the alternative programmes we participated in, including reaching more school kids through the Start Up to A Step Up programme as it is rolled out in schools in all 9 provinces |

| Output | Performance Measure or Indicator | Annual Target | Actual Achievement for 2017/18 | Reason for Variance |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> Youth targeted Campaign, incl. university radio stations and other youth targeted initiatives Proudly SA Events/Exhibitions/Expo's/Villages at trade expos; Increased awareness of the buy-local message in support of Heritage Day/Week/Month Proudly SA CSI projects | <ul style="list-style-type: none"> Participation in youth targeted activities reaching at least 500k youth 8 x Campus Radio interviews/competitions or advertising campaigns per annum Participation in at least 8 mini trade expos or events per annum; Roll out of at least one Proudly SA week per annum At least 2 CSI projects per annum | <ul style="list-style-type: none"> In excess of 500k youth reached through Back to Kasi, TEA – Township, Entrepreneurs Alliance, Consumer Goods Council, Delicious Festival 4 Interviews/advertising campaigns undertaken – <ul style="list-style-type: none"> UNISA radio interview Voice of Wits Radio UNISA Wits ad campaigns Participated in 13 expos and or events (as detailed in the Activities section of this Annual Report) Proudly SA Week/Heritage activities undertaken (incl. Fashion Show and Delicious Festival) 2 CSI projects undertaken, (Mandela Day & Thabo Tona School supported – extensive PR value achieved) | <ul style="list-style-type: none"> The radio interviews in other provinces made up for through participation in NDP Ambassadors Programme and youth targeted social media campaigns |
| <ul style="list-style-type: none"> Promoting Proudly SA logo as a Country of Origin label to improve fair and legal trade | <ul style="list-style-type: none"> Above-the Line Campaigns promoting the Proudly SA logo as the Country of Origin label. These include Radio Adverts, TV Blurps, Print Banners, Street Posters, Social Media Campaigns, Proudly SA Website. Introduction of Eco-labelling in specific sectors (partnership with UNOPS) | <ul style="list-style-type: none"> Above the line – Buy Local (Buy Back SA) Activism Campaign reaching at least 20 million consumers; Promotion of Eco-labelled local products in the agricultural sector in 4 provinces | <ul style="list-style-type: none"> In excess of 20 million consumers reached during 2017/18 through the Buy Back SA campaign, Delicious Festival advertising as well as Buy Local Summit & Expo publicity campaigns. 5 forum/events undertaken | |

| Output | Performance Measure or Indicator | Annual Target | Actual Achievement for 2017/18 | Reason for Variance |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Increase procurement of local products and services in the public sector through increased engagements with the public sector.</p> | <p>Educational roadshows Increase buy-in and support for local procurement by the public sector (all state organs) through:</p> <ul style="list-style-type: none"> • Presentation to SOEPF (State Owned Enterprises Procurement Forum) per annum • Partnership with the dti, EDD, National Treasury and provincial government departments on education of procurement officials on the implementation of the public procurement regulations in support of local procurement for designated sectors in national, provincial & local government departments and to monitor procurement within the public sector • National, provincial and local departments visits – engagement with procurement officers • Presentation at SALGA • 1-2 x day Buy Local Summit – focusing on all state organs and business procurement • 1-2 x Day Buy Local Expo – of all SA companies focusing on the priority Sectors - Gallagher Estate – “Made in SA” Expo | <p>At least 1 presentation to SOEPF per annum</p> <ul style="list-style-type: none"> • Presentation at 1 government’s SCM forum with Heads of procurement from various national government departments • Provincial Public Sector forums in at least 5 provinces • Presentation at least 1x SALGA member’s forum and/or event; • At least 1 summit to be held per annum • At least 1 Buy Local Expo held per annum | <p>1 presentation made to SOEPF</p> <ul style="list-style-type: none"> • 1 presentation made at the Eastern Cape government’s quarterly procurement forum hosted by the Treasury MEC • 4 Provincial Public Sector forums done – KZN, NW, MPU, Free State • No presentation to SALGA • Buy Local Summit took place on 14 & 15 March 2018 • Buy Local Expo took place on 15 March 2018 | <ul style="list-style-type: none"> • GP procurement forum postponed to Q1 in next financial year • MOU concluded with SALGA and plan finalised for implementation in next financial year in all 9 provinces |

| Output | Performance Measure or Indicator | Annual Target | Actual Achievement for 2017/18 | Reason for Variance |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Increase procurement of local products and services in the private sector through engagements with Business (incl. BUSA, BBC and BLSA) | <p>National Educational road shows: Increased buy-in and support for local procurement by the private sector. Signing of Partnership agreements/pledges with BLSA, BBC and BUSA to commit to buying locally produced products and services through:</p> <ul style="list-style-type: none"> Presentations to BUSA, BBC and BLSA members plus Business Chambers; Local Procurement Partnerships with large retailers and /or manufacturers; 1-2 x Day Buy Local Summit – focusing on all state organs and business procurement 1-2 x day Buy Local Expo – of all SA companies focusing on the priority Sectors - SCC – “Made in SA” Expo Sector Specific Workshops Business Forums with dti and other strategic partners | <ul style="list-style-type: none"> 1 presentation to BUSA, BBC and BLSA per annum; Partnerships with at least 3 major retailers/manufacturers per annum; At least 1 summit to be held per annum; At least 1 Buy Local Expo held per annum; 3 x sector specific workshops/forums per annum 9 business forums per annum | <ul style="list-style-type: none"> 1 presentation made to Nedlac TIC ((where Business constituencies are all represented) Partnership agreement with Massmart and SAB/AB-Inbev. Buy Local Summit took place on 14 & 15 March 2018 Buy Local Expo took place on 15 March 2018 2 sector specific forums took place namely, Poultry and Pharmaceutical forums 9 Business forums took place, one in each province | <ul style="list-style-type: none"> Preliminary engagements held with BUSA, BLSA & BBC Discussions held with TFG, Mr. Price and Woolworths but finalisation only to happen in 2018/19 Steel industry forum postponed due to change at CEO level at Arcelor Mittal, which was meant to cover the costs of the forum |

| Output | Performance Measure or Indicator | Annual Target | Actual Achievement for 2017/18 | Reason for Variance |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Educate consumers on the importance of buying local (Local Procurement Accord) – Influencing “Buy Local” purchase behaviour to increase awareness of Proudly SA, influence purchase behaviour in favour of local products and raise the profile of local products</p> | <ul style="list-style-type: none"> Proudly SA Events/ Exhibitions/ Expo's/ Villages at trade expos SA Premier Business Awards (in partnership with the dti and Brand SA) | <ul style="list-style-type: none"> Participation in at least 8 major trade expos, events, etc. per annum Hosting 1x annual SA Premier Business Awards event (as a partner to dti) | <ul style="list-style-type: none"> Participated in 13 expos and or events (as detailed in the Activities section of this Annual Report) SAPBA Awards were held on 30 January 2018 | |
| <p>Brand Management Brand research - Development of a scientific basis for local procurement</p> | <ul style="list-style-type: none"> Above-the-line campaign, i.e. Top of mind awareness through various platforms incl. TV, radio, print, outdoor, online and social media campaigns – number of people reached; Existence of an Economic Impact Study to contribute to the increase in the uptake of local products and services and procurement by the public sector, private sector and consumers; Bi-annual research, qualitative and quantitative research results as well as event or campaign dipstick surveys outcomes; | <ul style="list-style-type: none"> Above-the-line – Buy Local (Buy Back SA/Meet the Locals) activism campaign reaching at least 20 million consumers Economic Impact Study conducted and results published – at least once per annum At least 8 x Dipstick surveys per annum conducted at Proudly SA events and exhibitions/ consumer outreach campaigns and via the website | <ul style="list-style-type: none"> In excess of 20 million consumers reached during 2017/18 through the Buy Back SA campaign, and other advertising for other activations such as the Buy Local Summit and for the Delicious Festival Economic Impact Study was completed and opinion pieces issued to mainstream media on the study 3 dipstick surveys were conducted | <ul style="list-style-type: none"> Management oversight. A new IT system has been developed for use in 2018/19, which will make the surveys mandatory and easy to conduct |

| Output | Performance Measure or Indicator | Annual Target | Actual Achievement for 2017/18 | Reason for Variance |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <p>Brand Compliance and IP. Effective management of Proudly SA intellectual property</p> | <p>Percentage of successfully executed letters of demand and court actions against identified transgressors</p> | <ul style="list-style-type: none"> Weekly monitoring of the Proudly SA logo to identify irregular use and counterfeit goods Action/letters of demand to all (100%) irregular users of the Proudly SA logo identified Regular compliance reviews of all members Weekly monitoring with Adams & Adams of companies that are using the Phrase and logo illegally | <ul style="list-style-type: none"> Weekly monitoring of the use of the logo was done 100% of all identified illegal users were sent letters 100% all members checked for compliance Monitoring done by Adams & Adams on the use of logo and phrase done illegally – 100% contact with all identified companies | |
| <p>Partnership with enforcement agencies</p> <ul style="list-style-type: none"> Growing the database of South African supplier products and services for local procurement Official Database for Local Products and Services to be utilized by all South Africans and all Government entities when procuring designated and local products | <ul style="list-style-type: none"> To prevent illegal imports, counterfeit products, dumping of unsafe products and under invoiced products through Below and Above the line Anti – piracy and illicit trading campaigns reaching 2 million people per annum; Develop partnerships with Intergovernmental State enforcement Agencies, i.e. SARS, CIPC, Customs, SAPS, Hawks, Brand SA and – multi disciplinary process with key stakeholders Promotion of Database – NATIONAL CAMPAIGN to grow the number of companies registering on the database. Call to Action campaigns (Above and Below the line campaigns) reaching businesses. Promotion of database to both the public and private sector through workshops / regular communicate (this will include the promotion of other SA Made Products as per the designated sectors). Measured in terms of how many public institutions reached that are using the database. | <ul style="list-style-type: none"> Participation in the Nedlac Task team on Anti-piracy at least once per annum 500 new products and/or services registered Promotion of database to at least 5 provincial public sector forums Promotion of database to at least 9 provincial business forums Promotion of database to at least 1 business association | <ul style="list-style-type: none"> Participated in all 3 meetings of the Nedlac task team on Anti-piracy 1673 new products and/or services registered 4 provincial public-sector forums conducted 9 provincial business forums conducted, one in each province Presented database to Nedlac TIC where all major organisations are represented. At least 5 individual industry associations also approached and introduced to the database | <ul style="list-style-type: none"> GP procurement forum postponed to Q1 in next financial year |

| Output | Performance Measure or Indicator | Annual Target | Actual Achievement for 2017/18 | Reason for Variance |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <p>Strengthening Media relations, PR and social media</p> | <ul style="list-style-type: none"> Daily, weekly, monthly monitoring of media coverage on the campaign and analysis thereof Number of published press releases prepared per month (Regular communication in print media aimed at members, media, government departments, consumers and other stakeholders) Number of interactions with the media per annum to increase the publicity and raise the profile of Proudly SA. This is part of the media relations strategy where the campaign can discuss with the media tactical issues, e.g. job losses in specific sectors as well as strengthen relations with the media through media breakfasts/lunches & media meetings hosted by the CEO, Chairperson, board or the PR Manager Daily communication on Twitter, Facebook and Instagram. Increased activities during campaigns *Increase following on social media platforms and increase in publicity *Major PR activation to increase awareness about the campaign and the "Buy Local" campaign | <p>Media Monitoring Regular monitoring of media reports coverage on Proudly SA, its members and other key stakeholders</p> <ul style="list-style-type: none"> Press releases At least 24 press releases per annum Media engagement At least 16x individual media engagements per annum At least 2 x Media meet & greet networking sessions per annum Social Media activities daily Increase following on all social media platforms by 10% per annum Valentine's Day activation 1x per year on Valentine's day | <ul style="list-style-type: none"> 100% of Daily monitoring through Newsclip of all coverage on Proudly SA *In excess of 32 press releases issued In excess of 41 media/editor's meetings held In excess of 8 media meet & greet networking sessions were done Daily updates done on Twitter, Facebook and Instagram resulting in an increase in the number of followers on all three platforms. The Proudly SA Twitter account has 150 000 followers and Facebook has more than 14 000 followers and Instagram has more than 2 000 followers Increased following on all social media platforms by at least 10% on each of the platforms *This activation took place on the 14 February 2018 | |

| Output | Performance Measure or Indicator | Annual Target | Actual Achievement for 2017/18 | Reason for Variance |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Retention and Recruitment Members | Number of members recruited and retained | <ul style="list-style-type: none"> Recruit at least 200 new members for the year Retain at least 90% of all members due for renewal for the year | <ul style="list-style-type: none"> 202 new members recruited during the year 72% of all members due for renewal renewed membership | <ul style="list-style-type: none"> 181 fully paid up members for the financial year (efforts continue to get the rest of the approved companies to pay) |
| Financial Management: Proper processing of all financial transactions on SAP and maintenance of records and supporting documents for audit purposes in compliance with relevant standards | Percentage of processing of all financial transactions done accurately and correctly at all times | 100% accurate and correct processing of all financial transactions - unqualified opinion and clean audit reports for 2017/18 financial year end audit – Annual Financial Statements | <ul style="list-style-type: none"> 100% accurate and correct processing of all financial transactions during the year Achieved unqualified audit opinion for 2017/18 - AFS | |
| Human Resources Management: Organisational structure is always aligned to organisational strategy | Extent (Percentage) of alignment of the functional organogram with the approved strategy <ul style="list-style-type: none"> Percentage of critical positions filled | <ul style="list-style-type: none"> Organogram with positions informed by the organisational strategy and aligned completely All (100%) critical positions filled at all times | <ul style="list-style-type: none"> 100% alignment of organogram to the strategy during the year All (100%) critical positions filled during the year. The Bookkeeper vacancy was filled effective 1 April 2018 | |



Audited Annual Financial Statements

Proudly South African
(Registration number 2001/021636/08)
Annual Financial statements
for the year ended 31 March 2018

The Company Annual Financial Statements were audited in
terms of the Companies Act 71 of 2008

The preparation of the Company Annual Financial
Statements was done by
the Chief Financial Officer, N. Patel

These Annual Financial Statements were authorised by the
Board of Directors on 23 August 2018

General Information

| | |
|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company registration number | 2001/021636/08 |
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | Buy Local campaign |
| Directors | H. Gabriels (Chairperson) E. Mashimbye (CEO) M. Lawrence L. Kganyago S. Nicolaou Adv. P. Hassan Dr. T. Makube A. Benjamin D. Mthalane T. Tshefuta S. Phetoe J. Maqekeni M. Vilakazi V. Seafield |
| Registered office | 23 Sturdee Avenue Rosebank 2196 |
| Business address | 23 Sturdee Avenue Rosebank 2196 |
| Postal address | P O Box 1062 Saxonwold 2132 |
| Bankers | Nedbank Rand Merchant Bank |
| Auditors | Nexia SAB&T Registered Auditors |

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is the responsibility of the directors to ensure that the Annual Financial Statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of Risk Management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

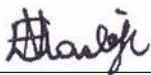
The directors are of the opinion, based on the information and explanations given by Management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast as well as the Medium-Term Expenditure Framework (MTEF) allocation for the 3-year period commencing on 1 April 2018 and ending 31 March 2021 as contained in the 2018/19 Estimates of National Expenditure (ENE). In light of this review and the current financial position, the directors are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's Annual Financial Statements.

The Annual Financial Statements have been examined by the company's external auditors and their report is presented on page 180 to 182

The Annual Financial Statements set out on pages 185-204, which have been prepared on the going concern basis, were approved by the board of directors and signed on its behalf, by:



Mr. Eustace Mashimbye
(Chief Executive Officer)



Mr. Howard Gabriels
(Chairman)

Independent Auditors' Report



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Independent Auditors Report

To the Board of Proudly South African

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the financial statements of Proudly South African, set out on pages 174 to 191, which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Proudly South African as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report set out on pages 172 to 173 and the supplementary information as set out on pages 192 to 193, as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.



Chairperson: Ms N Medupe
Chief Executive Officer: Mr B Adam
* a full list of directors is available on request
B-BBEE rating: Level 1 Contributor in terms of Generic Scorecard - B-BBEE Codes of Good Practice
Offices in: Bloemfontein, Cape Town, Centurion, Durban, Kimberley, Nelspruit, Polokwane, Port Elizabeth, Rustenburg
SAB&T Chartered Accountants Incorporated is an independent member firm of Nexia International
Company Registration Number: 1997/018869/21 | IRBA Registration Number: 921297



In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up

to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the audit of the annual performance report

The entity is not required to prepare a report on its performance against predetermined objectives as it does not fall within the ambit of the PFMA and such reporting is also not required in terms of the entity's specific legislation.

Compliance with legislation

We performed procedures to obtain evidence that entity had complied with legislation regarding financial matters, financial management and other related matters. We did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

We considered internal control relevant to our audit of the annual financial statements and compliance with legislation. We did not identify any significant deficiencies in internal control.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of Proudly South African for 5 years.

Nexia SAB&T

Nexia SAB&T
Registered Auditors
Per: C. Chigora
Director
Date: 23 August 2018

Directors' Report

The directors submit their report for the year ended 31 March 2018.

1. Review of activities

Main business and operations

Proudly South African is a campaign formed by the NEDLAC social partners namely, Government, organized business, organized labour and the community constituency to help sustain existing jobs and create new jobs through promoting South African companies as well as the procuring of their local products and services.

There are four qualifying criteria for organisations who want to use the Proudly South African logo to identify their companies or their products, namely:

Local content – at least 50% of the cost of production must be incurred in South Africa and there must be “substantial transformation” of any imported materials.

Quality – the product or service must be of a proven high quality.

Fair labour practice – the company must practice fair labour standards comply with labour legislation.

Environmental standards – the company must practice sound environmental standards and the production process must be environmentally responsible.

The main focus as contained in the strategy of the Proudly SA campaign for the year under review, was on the implementation of its deliverables as contained in the Local Procurement Accord, which was signed on 31 October 2011 by representatives of government, organised labour, business and community organisations, wherein the Social partners all committed to supporting local industries through procurement activities in favour of local companies, manufacturing, products and services.

The operating results and state of affairs of the company are fully set out in the attached Annual Financial Statements and do not in our opinion require any further comment.

Net deficit of the company for the 2018 financial year was R5 846 537 (2017: R1 623 451 – Net deficit).

2. Going concern

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Medium-Term Expenditure Framework (MTEF) allocation from the Department of Trade and Industry confirm allocations of R30,7m for the 2018/19 financial year, and increased allocations of R32,3m and R34,3m for the 2019/20 and 2020/21 financial years respectively. In addition to the current membership revenue model, sponsorships have been successfully revived and contribute to the funding base of the organisation.

3. Post balance sheet events

The directors are not aware of any matter or circumstance arising since the end of the financial year. Subsequent to the end of the financial year, funds have been received from the dti, as per their allocation letter and the deficit reflected in these statements has been subsequently reversed.

4. Directors

The directors of the company during the year and to the date of this report are as follows:

| Name | Organisation | Changes |
|---------------------------|----------------|------------------------|
| H. Gabriels (Chairperson) | Chairman | Appointed 27 July 2016 |
| E. Mashimbye (CEO) | CEO Proudly SA | Appointed 27 July 2016 |
| A Benjamin | Labour | |
| T. Tshefuta | Community | |
| D. Mthalane | Community | |
| L. Kganyago | Community | |
| S. Phetoe | Labour | |
| Adv. P. Hassan | Business | |
| S. Nicolaou | Business | |
| Dr. T Makube | Government | |
| M. Lawrence | Business | |
| J. Maqekeni | Labour | |
| M. Vilakazi | NEDLAC | Appointed 27 July 2016 |
| V.Seafield | Government | Appointed 27 July 2016 |

4. Taxation

Proudly South African has been granted an exemption from income tax and donation tax by the South African Revenue Services in terms of section 10(1)(d)(iii) of the Income Tax Act and section 56(1)(h) of the Donation Tax Act.

5. Auditors

Nexia SAB&T was appointed for a 3-year period, which ends after conclusion of the 2018/19 financial year end audit.

6. Secretary

The company secretary is Ms. Jeanette van Straaten and was appointed by the board of directors.

Statement of Financial Position

| Figures in Rand | Note(s) | 2018 | 2017 |
|-------------------------------------|---------|------------------|------------------|
| Assets | | | |
| Non-Current Assets | 2 | 885 517 | 1 260 220 |
| Property, Plant and Equipment | 3 | 4 235 | 0 |
| Intangible Assets | | 889 752 | 1 260 220 |
| Current Assets | | | |
| Inventories | 4 | 154 989 | 169 631 |
| Trade and other receivables | 5 | 6 916 152 | 5 688 085 |
| Cash and cash equivalents | 6 | 970 428 | 1 133 126 |
| | | 8 041 569 | 6 990 842 |
| Total Assets | | 8 931 321 | 8 251 062 |
| Equity and Liabilities | | | |
| Equity | | | |
| Retained Income | | (2 014 777) | 3 705 721 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 8 | 8 466 867 | 3 315 998 |
| Deferred Income | 9 | 2 007 927 | 916 792 |
| Provisions | 7 | 471 303 | 312 551 |
| | | 10 946 098 | 4 545 341 |
| Total Equity and Liabilities | | 8 931 321 | 8 251 062 |

Statement of Financial Performance

| Figures in Rand | Note(s) | 2018 | 2017 |
|------------------------------------|---------|--------------------|--------------------|
| Revenue | 10 | 41 577 749 | 35 492 053 |
| Cost of Sales | 11 | (5 259) | (5 059) |
| Gross Surplus | | 41 572 490 | 35 486 994 |
| Operating expenses | | 47 654 631 | 37 289 206 |
| Operating surplus | 12 | (6 082 141) | (1 802 412) |
| Investment income | 13 | 231 136 | 266 250 |
| Disposal of assets | | 1 227 | 9 350 |
| Finance costs | 14 | 3 241 | (96 639) |
| Deficit for the year | | (5 846 537) | (1 623 451) |
| Other Comprehensive income | | 0 | 0 |
| Total Comprehensive deficit | | (5 846 537) | (1 623 451) |

Statement of Changes in Equity

| Figures in Rand | Accumulated Surplus | Total Equity |
|--------------------------------------------------|---------------------|--------------------|
| Balance at 01 April 2015 | 3 193 759 | 3 193 759 |
| Changes in equity | | |
| Total surplus for the year | 2 188 969 | 2 188 969 |
| Prior year adjustment in respect of depreciation | (53 556) | (53 556) |
| Total Changes | 2 135 413 | 2 135 413 |
| Balance at 01 April 2016 | 5 329 172 | 5 329 172 |
| Changes in Equity | | |
| Total Deficit for the year | (1 623 451) | (1 623 451) |
| Total changes | (1 623 451) | (1 623 451) |
| Balance at 01 April 2017 | 3 705 721 | 3 705 721 |
| Changes in Equity | | |
| Total deficit for the year | (5 846 537) | (5 846 537) |
| Revaluation of Fixed Assets | 126 039 | 126 039 |
| Total changes | (5 720 498) | (5 720 498) |
| Balance at 31 March 2018 | (2 014 777) | (2 014 777) |

Statement of Cash Flows

| Figures in Rand | Note(s) | 2018 | 2017 |
|------------------------------------------------|---------|------------------|--------------------|
| Cash flows from operating activities | | | |
| Cash used (in) from operating activities | 16 | (364 997) | (1 505 461) |
| Interest income | | 231 136 | 266 250 |
| Finance costs | | 3 241 | (96 639) |
| Net cash (in) from operating activities | | (130 620) | (1 335 850) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 2 | (39 748) | (446 309) |
| Disposal of assets | | 7 671 | 9 350 |
| Net cash (in) from investing activities | | (32 077) | (436 959) |
| Total cash movement for the year | | (162 697) | (1 772 809) |
| Cash at the beginning of the year | | 1 133 125 | 2 905 934 |
| Total cash at the end of the year | | 970 428 | 1 133 125 |

Accounting Policies

1. Presentation of Annual Financial Statements

The Annual Financial Statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The Annual Financial Statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1. Significant judgements and sources of estimation uncertainty

In preparing the Annual Financial Statements, Management is required to make judgements, estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that Management has made in the process of applying the company accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- **Impairment testing**

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, Management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, Management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors.

- **Provisions**

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 7 - Provisions.

1.2. Property, Plant and Equipment

Property, plant and equipment are tangible items that:

- Are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- Are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

| Item | Average useful life |
|------------------------|---------------------|
| Leasehold improvements | 5 years |
| Furniture and fixtures | 7 years |
| Office equipment | 5 years |
| IT equipment | 5 years |
| Sundry equipment | 7 years |

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate. The residual values of Property, Plant & Equipment vary between 3% and 10% depending on the asset class.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in surplus or deficit in the period.

Property, Plant & Equipment are derecognized on disposal or when no future economic benefits are expected.

1.3. Intangible assets

An intangible asset is recognised when:

- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed annually.

Intangible assets are derecognized on disposal or when no future economic benefits are expected.

| Item | Average useful life |
|-------------------|---------------------|
| Computer Software | 3 |

1.4. Financial instruments

Financial instruments at amortised cost

Financial instruments are initially measured at amortised cost.

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest

method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted

amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognized.

1.5. Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term except in cases where another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or where the payments are structured to increase in line with expected general inflation.

1.6. Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

Inventories are derecognized on disposal or when no future economic benefits are expected.

1.7. Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8. Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted

1.9. Provisions and contingencies

Provisions are initially measured at the present value of the best estimate of the amount required to settle the obligation.

Provisions are recognised when:

- The company has an obligation at the reporting date as a result of a past event;
- It is probable that the company will be required to transfer economic benefits in settlement; and
- The amount of the obligation can be estimated reliably.

Contingent assets and contingent liabilities are not recognised.

1.10. Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability. Grants are measured at the fair value of the asset received or receivable.

1.11. Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue for membership is recognised when the payment is received from the paying member, as at that point all the conditions for membership will have been satisfied and complied with by the paying member. Revenue for sponsorship is recognised when the sponsorship contract is concluded with the contracting sponsor, after the goods and services to be exchanged for sponsorship have been determined and the value of the sponsorship has been agreed to.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax. Interest is recognised, in profit or loss, using the effective interest rate method.

1.12. Trade exchanges

Trade exchanges are valued at market value and recorded as income with the corresponding amount reflected as a receivable. The receivable is reduced as and when the exchanged service or goods are utilized.

1.13. Related parties

The entity has processes and controls in place to aid in the identification of related parties. A related party is a person or an entity with the ability to control or jointly control the other party or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Where transactions occurred between the entity any one or more related parties, and those transactions were not within:

- a. normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances; and
- b. terms and conditions within the normal operating parameters established by the reporting entity's legal mandate;

1.14. Deferred income

Deferred income relates to membership fees received when the companies join Proudly South African . The revenue will be recognised over the period of the membership. Any such revenue which overlaps to future financial years are deferred and recognised as deferred income.

Notes to the Annual Financial Statements

2. Property, plant and equipment

| | 2018 | | | 2017 | | |
|------------------------|------------------|--------------------------|----------------|------------------|--------------------------|------------------|
| | Cost | Accumulated depreciation | Carrying value | Cost | Accumulated depreciation | Carrying value |
| Furniture and fixtures | 549 059 | (424 047) | 125 012 | 885 230 | (690 024) | 195 206 |
| Office equipment | 55 429 | (37 123) | 18 306 | 93 632 | (82 666) | 10 966 |
| IT equipment | 1 182 077 | (643 595) | 538 482 | 1 383 595 | (744 372) | 639 223 |
| Leasehold improvements | 986 577 | (875 772) | 110 805 | 986 577 | (688 322) | 298 255 |
| Sundry equipment | 59 312 | (18 606) | 40 706 | 60 014 | (11 648) | 48 366 |
| Motor vehicle | 84 202 | (31 997) | 52 205 | 84 202 | (15 998) | 68 204 |
| Total | 2 916 656 | (2 031 139) | 885 517 | 3 493 250 | (2 233 030) | 1 260 220 |

The Company did not pledge any item of property, plant and equipment as security for borrowings during the year. (2017: Rnil)

Reconciliation of property, plant and equipment – 2018

| | Opening balance | Revaluation | Disposal | Additions | Depreciation | Total |
|------------------------|------------------|----------------|----------------|---------------|------------------|----------------|
| Furniture and fixtures | 195 206 | 4 432 | | | (74 626) | 125 012 |
| Office equipment | 10 966 | 12 103 | | 6 298 | (11 061) | 18 306 |
| IT equipment | 639 223 | 100 668 | (6 675) | 33 450 | (228 183) | 538 484 |
| Leasehold improvements | 298 254 | | | | (187 450) | 110 804 |
| Sundry equipment | 48 365 | 400 | | | (8 060) | 40 706 |
| Motor vehicle | 68 204 | | | | (15 998) | 52 206 |
| Total | 1 260 218 | 117 603 | (6 675) | 39 748 | (525 377) | 885 517 |

Reconciliation of property, plant and equipment – 2017

| | Opening balance | Disposal | Additions | Depreciation | Total |
|------------------------|------------------|----------|----------------|------------------|------------------|
| Furniture and fixtures | 255 117 | | 11 227 | (71 138) | 195 206 |
| Office equipment | 20 637 | | 6 820 | (16 491) | 10 966 |
| IT equipment | 509 677 | | 317 507 | (187 961) | 639 223 |
| Leasehold improvements | 485 705 | | | (187 450) | 298 254 |
| Sundry equipment | 28 509 | | 26 553 | (6 696) | 48 365 |
| Motor vehicle | 0 | | 84 202 | (15 998) | 68 204 |
| Total | 1 299 643 | 0 | 446 309 | (485 734) | 1 260 218 |

3. Intangible assets

| | 2018 | | | 2017 | | |
|-------------------|--------|--------------------------|----------------|---------|--------------------------|----------------|
| | Cost | Accumulated depreciation | Carrying value | Cost | Accumulated depreciation | Carrying value |
| Computer Software | 12 705 | (8 470) | 4 235 | 336 616 | 336 616 | 0 |

None of the intangible assets have been pledged as security.

Reconciliation of intangible assets – 2018

| | Opening balance | Revaluation | Disposal | Additions | Amortization | Total |
|-------------------|-----------------|-------------|----------|-----------|--------------|-------|
| Computer software | 0 | 8 470 | 0 | 0 | (4235) | 4 235 |

Reconciliation of intangible assets – 2017

| | Opening balance | Revaluation | Disposal | Additions | Amortization | Total |
|-------------------|-----------------|-------------|----------|-----------|--------------|-------|
| Computer software | 0 | 0 | 0 | 0 | 0 | 0 |

4. Inventories

| | 2018 | 2017 |
|-------------------|---------|---------|
| Promotional Stock | 154 989 | 169 631 |

None of the promotional stock has been pledged as security

5. Trade and other receivables

| | | |
|-------------------|------------------|------------------|
| Trade Receivables | 3 849 635 | 1 403 816 |
| Deposits | 288 198 | 288 198 |
| VAT | 2 062 793 | 1 195 346 |
| Staff Loans | 416 983 | 612 450 |
| Prepayments | 298 543 | 2 188 275 |
| | 6 916 152 | 5 688 085 |

Figures in Rand**2018****2017****6. Cash and cash equivalents**

Cash and cash equivalents consist of:

| | | |
|---------------|----------------|------------------|
| Cash on hand | 4 316 | 2 055 |
| Bank balances | 966 112 | 1 131 071 |
| | 970 428 | 1 133 126 |

7. Provisions**Reconciliation of provisions - 2018**

| | Opening balance | Additions | Utilized during the year | Total |
|-------------------------|------------------------|------------------|---------------------------------|--------------|
| Provision for leave pay | 312 551 | 1 416 205 | (1 257 453) | 471 303 |

Reconciliation of provisions - 2017

| | Opening balance | Additions | Utilized during the year | Total |
|-------------------------|------------------------|------------------|---------------------------------|--------------|
| Provision for leave pay | 310 650 | 103 000 | (101 099) | 312 551 |

Leave provision is calculated at current salary rate multiplied by number of available leave credits. There are no uncertainties envisaged that may affect the above provision.

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|----------------------------------------------------|------------------|------------------|
| 8. Trade and other payables | | |
| Trade payables | 7 795 915 | 2 949 604 |
| Accrual (Proudly SA Buy Local Summit and Expo) | 79 002 | 21 261 |
| Payroll Accruals (Provision for expenses) | 564 583 | 84 260 |
| Provision for Director's Fees & Tax | 26 867 | 75 593 |
| Provision for PAYE Interest and SARS re-assessment | 0 | 184 779 |
| Unallocated deposits | 500 | 500 |
| | 8 466 867 | 3 315 997 |

9. Deferred income

| | | |
|---------------------|------------------|----------------|
| Current Liabilities | 2 007 927 | 916 792 |
| Total | 2 007 927 | 916 792 |

Deferred income represents membership fees received from members which relates to fees for the following financial year.

10. Revenue

| | | |
|----------------------------|-------------------|-------------------|
| Sale of promotional items | 8 559 | 8 226 |
| Government grant - The dti | 33 611 000 | 31 868 000 |
| Grant - UNOPS | 844 008 | 0 |
| Sponsorship | 4 696 008 | 1 732 018 |
| Membership fees | 2 418 174 | 1 874 674 |
| Sundry Income | 0 | 9 135 |
| Total | 41 577 749 | 35 492 053 |

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|------------------------------------------------------------------------------------------|------------------|------------------|
| 11. Cost of sales | | |
| Sales of goods | | |
| Promotional items | 5 259 | 5 059 |
| 12. Operating surplus/ (deficit) | | |
| Operating surplus / (deficit) for the year is stated after accounting for the following: | | |
| Operating lease charges | | |
| Premises | | |
| Contractual amounts | 813 735 | 760 939 |
| Equipment | | |
| Contractual amounts | 299 433 | 315 689 |
| | 1 113 168 | 1 076 627 |
| Depreciation on property, plant and equipment | 529 612 | 485 735 |
| Directors' emoluments | 2 844 027 | 4 260 244 |
| Employee costs | 16 825 893 | 14 732 602 |
| 13. Investment revenue | | |
| Investment revenue | | |
| Interest received | 231 136 | 266 250 |
| 14. Finance costs | | |
| Interest paid - other | (3 241) | 96 639 |

Notes to the Annual Financial Statements

| Figures in Rand | 2018 | 2017 |
|-------------------------------------------|------------------|--------------------|
| 15. Auditors remuneration | | |
| External audit fees | 206 000 | 208 099 |
| Internal audit fees | 277 113 | 535 985 |
| | 483 113 | 744 084 |
| 16. Cash generated from operations | | |
| Surplus/(Deficit) before taxation | (5 846 537) | (1 409 739) |
| Adjustments for: | | |
| Depreciation and amortisation | 529 612 | 485 735 |
| (Profit) Loss on sale of assets | (1 227) | (9 350) |
| Interest received - investment | (231 136) | (266 250) |
| Finance costs | (3 241) | 96 639 |
| Movements in provisions | 158 752 | 1 902 |
| Changes in working capital | | |
| Inventories | 14 642 | 8 410 |
| Trade and other receivables | (1 257 958) | (830 501) |
| Trade and other payables | 6 272 096 | 417 693 |
| | (364 997) | (1 505 461) |
| 17. Commitments | | |
| Operating leases- as lessee (expense) | | |
| Minimum lease payments due | | |
| -within one year | 291 359 | 874 076 |
| -in second to fifth year inclusive | | |
| | 291 359 | 874 076 |

Operating lease payments represent rentals payable by the company for its leased office equipment. The escalation rates from 0% to 5%. The lease agreements do not carry option to purchase the assets at the end of lease term

Notes to the Annual Financial Statements

Figures in Rand 2018 2017

18. Related Parties

Relationships

Proudly South African was a project initially launched through NEDLAC

Related party balances

| | | |
|---------------------------------------------------|---|---|
| Amount included in Trade Payables owing to NEDLAC | 0 | 0 |
|---------------------------------------------------|---|---|

19. Directors' Emoluments

2018

| Executive | Emoluments | Total |
|-------------------------------------------------------|------------------|------------------|
| Eustace Mashimbye (Appointed: 1 December 2016) | | |
| Basic Salary | 1 783 486 | 1 783 486 |
| Performance Bonus | 106 562 | 106 562 |
| Total Executive Emoluments | 1 890 047 | 1 890 047 |

Non-Executive: Directors' Fees

| | | |
|---------------------------------------------|------------------|------------------|
| Howard Gabriels | 312 772 | 312 772 |
| Joseph Maqekeni | 48 361 | 48 361 |
| Dumisani Mthlane | 124 694 | 124 694 |
| Laura Kganyago | 96 506 | 96 506 |
| Ashley Benjamin | 70 206 | 70 206 |
| Adv. Pria Hassan | 24 073 | 24 073 |
| Thulani Tshefuta | 96 177 | 96 177 |
| Stavros Nicolaou | 68 350 | 68 350 |
| Michael Lawrence | 102 095 | 102 095 |
| Solly Phetoe | 10 747 | 10 747 |
| Total: Non-Executive Directors' Fees | 953 980 | 953 980 |
| Total Emoluments | 2 844 027 | 2 844 027 |

| Figures in Rand | 2018 | 2017 |
|-------------------------------------------------------|-------------------|------------------|
| 2017 | | |
| Executive | Emoluments | Total |
| Adv. Leslie Sedibe (Resigned: 26 August 2016) | | |
| Basic Salary | 1 143 099 | 1 143 099 |
| Performance Bonus | 1 600 000 | 1 600 000 |
| Eustace Mashimbye (Appointed: 1 December 2016) | | |
| Basic Salary | 664 756 | 664 756 |
| Performance Bonus | 67 228 | 67 228 |
| Total Executive Emoluments | 3 475 083 | 3 475 083 |
| Non-Executive: Directors' Fees | | |
| | 159 910 | 159 910 |
| Joseph Maqekeni | 97 796 | 97 796 |
| Dumisani Mthlane | 96 506 | 96 506 |
| Laura Kganyago | 92 638 | 92 638 |
| Ashley Benjamin | 59 108 | 59 108 |
| Adv. Pria Hassan | 65 771 | 65 771 |
| Leigh Gunkel-Keuler | 60 397 | 60 397 |
| Thulani Tshefuta | 44 277 | 44 277 |
| Stavros Nicolaou | 85 975 | 85 975 |
| Michael Lawrence | 22 783 | 22 783 |
| Total: Non Executive Directors' Fees | 785 160 | 785 160 |
| Total Emoluments | 4 260 243 | 4 260 243 |

Detailed Income Statement

| Figures in Rand | Note(s) | 2018 | 2017 |
|----------------------------------------------------------------------|---------|-------------------|-------------------|
| Revenue | | | |
| Sale of goods | | 8 559 | 8 226 |
| Government grant - the dti | | 33 611 000 | 31 868 000 |
| Grant: UNOPS | | 844 008 | 0 |
| Sundry Income | | 0 | 9 135 |
| Sponsorship | | 4 696 008 | 1 732 018 |
| Membership fees | | 2 418 174 | 1 874 674 |
| | 10 | 41 577 749 | 35 492 053 |
| Opening stock | | (169 631) | (178 041) |
| Purchases | | 19 901 | 13 469 |
| Closing Stock | | 154 989 | 169 631 |
| | 11 | (5 259) | (5 059) |
| Gross Surplus | | 41 572 490 | 35 486 994 |
| Other Income | | | |
| Profit on Disposal of Assets | | 1 227 | 9 350 |
| Interest Received | 13 | 231 136 | 266 250 |
| Operating expenses | | | |
| Advertising posts and tenders | | (14 569) | (137 760) |
| Auditors remuneration | 15 | (483 113) | (744 084) |
| Bad debts | | (7 381) | (48 612) |
| Bank charges | | (18 977) | (19 742) |
| Depreciation, amortisation and impairments | | (529 612) | (485 735) |
| Directors' emoluments | 19 | (2 844 027) | (4 260 244) |
| Employee costs | | (16 825 893) | (14 732 602) |
| Fines and penalties | | 140 949 | (32 220) |
| IT expenses | | (1 051 598) | (599 896) |
| Insurance | | (103 331) | (77 059) |
| Lease rentals on operating lease | | (1 113 168) | (1 076 627) |
| Legal and professional services | | (418 314) | (806 262) |
| Marketing expenses (with focus on LPA activities incl. Travel costs) | | (11 000 204) | (8 511 098) |
| Membership costs | | (45 434) | (4 250) |

Detailed Income Statement (continued)

| | | | |
|---------------------------------------|----|---------------------|---------------------|
| SA Premier Business Awards | | (451 748) | (462 926) |
| Proudly SA Buy Local Summit and Expo | | (8 900 222) | (2 472 093) |
| Photocopier costs | | (59 847) | (79 845) |
| Postage | | (32 959) | (77 754) |
| Printing and stationery | | (254 420) | (229 187) |
| Proudly South African CSI activities | | (68 123) | (41 192) |
| Repairs and maintenance | | (84 749) | (84 142) |
| Staff training | | (22 990) | (37 704) |
| Staff welfare | | (200 050) | (133 803) |
| Subscriptions | | (101 292) | (32 263) |
| Telephone and fax | | (116 898) | (120 793) |
| Travel local | | (878 318) | (964 655) |
| Travel – international | | 0 | 0 |
| Workshops and seminars | | (100 357) | (63 127) |
| Utilities | | (234 333) | (276 304) |
| UNOPS project (new project) | | (1 833 655) | (677 428) |
| | | (47 654 631) | (37 289 406) |
| Operating surplus | 12 | (5 849 777) | (1 526 812) |
| Finance costs | 14 | 3 241 | (96 639) |
| Surplus/(deficit) for the year | | (5 846 537) | (1 623 451) |



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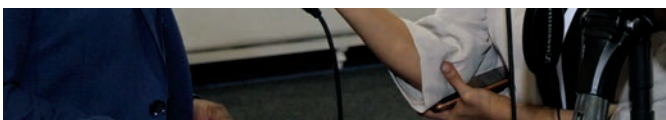
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