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W. Fearnough Africa (Pty) Ltd

08 January 2024

To Our Valued Partner,

There is no doubt that economic and social transformation is vital to the overall success of the economy. Over the last ten years, we have steadily improved on our BEE Score by making greater empowerment strides through the various elements in the original scorecard.

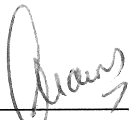
The gazettement of the revised BEE codes has had a negative impact on our BEE score. The levels that we have been used to achieving are now only something we can hope to achieve in the next few years. We too have been subject to demands from our suppliers and customers who are insisting that we retain our current level under the revised codes coupled with a substantial increase in our black ownership levels. This has proved to be very difficult in the current economy. The sheer cost of compliance with this revised legislation will erode our financial viability and as such put our business and the livelihood of several people at risk, we operate on low margins to compete against cheap Indian & Chinese imported products.

We believe that if we are in this position then you must be too. We will not allow fronting, nor will we allow our suppliers to simply renege on their responsibility to transform this economy, and believe transformation is bought about growing an economy to create jobs and opportunities for growth. We are willing to travel this road with all concerned and understand that achieving similar scores that were reached under the old codes might be arrived at over a period. We'll make no unreasonable demands but will expect an improvement in BEE Performance over the next five years.

In this respect, we understand that it is likely that the first few scorecards under the revised codes will come up as non-compliant.

Please join us in this journey and as a unit, we'll continue changing the social and economic landscape of this country through our steady investment in skills development, enterprise, and supplier development as well as socio-economic development.

Kind Regards



Caireen Hains

Managing Director

For W. Fearnough Africa (PTY) Ltd. T/A Zanogen Industrial Knives & Blades