



BBB-EE TRANSFORMATION STRATEGY

Date: 2025/02/26

Introduction

Avon Packaging Convertors is committed to embracing the principles of Broad-Based Black Economic Empowerment (BBBEE) and transforming our organization to reflect the demographics of South Africa. This transformation strategy outlines our approach to achieving BBBEE compliance and promoting economic empowerment.

Vision and Mission

Vision : To be a leading, empowered, and sustainable packaging solutions provider in South Africa.

Mission : To transform Avon Packaging Convertors into a vibrant, inclusive, and equitable organization that reflects the diversity of our country, while delivering exceptional value to our customers and stakeholders.

BBBEE Objectives

1. Achieve a minimum BBBEE level 4 rating within the next 24 months.
2. Increase black ownership to at least 25.1% within the next 48 months.
3. Enhance black representation in management and skills development.
4. Improve procurement from black-owned and black-woman-owned businesses.
5. Contribute to socio-economic development and community upliftment.

Transformation Strategy

Ownership – Medium term

1. Black Economic Empowerment (BEE) deal: Explore opportunities for a BEE deal that increases black ownership and control.
2. Employee Share Ownership Programme (ESOP): Establish an ESOP to benefit black employees.

Management Control – Short term

1. Diversity and inclusion training: Provide training for all employees to promote diversity, inclusion, and cultural sensitivity.
2. Black management development: Identify, develop, and promote black managers to key positions.



AVON PACKAGING CONVERTORS (PTY) LTD

Skills Development – short term & ongoing

1. Training and development programs: Offer training and development programs focused on black employees, including mentorship, coaching, and leadership development.
2. Bursaries and scholarships: Provide bursaries and scholarships for black students pursuing studies in fields relevant to our industry.

Procurement – Short term & ongoing

1. Supplier diversity: Develop a supplier diversity program to increase procurement from black-owned and black-woman-owned businesses.
2. Preferential procurement: Implement preferential procurement practices that favour black-owned and black-woman-owned businesses.

Socio-Economic Development - Short term & ongoing

1. Community development projects: Partner with local communities to develop and implement socio-economic development projects.
2. Enterprise development: Support the development of black-owned businesses through mentorship, training, and access to markets.

Implementation and Monitoring

1. Establish a BBBEE committee: Set up a committee to oversee the implementation of our BBBEE transformation strategy.
2. Develop a detailed action plan: Create a comprehensive action plan with timelines, milestones, and responsible individuals.
3. Regular progress monitoring: Track and report on progress against our BBBEE objectives and targets.
4. Annual BBBEE audit: Conduct an annual BBBEE audit to ensure compliance and identify areas for improvement.

Target Table

YEAR	BBB-EE TARGET LEVEL	COMMENT
1	LEVEL 4	Automatic level 4 due to EME exemption (startup year)
2	LEVEL 4	Maintain level 4 - official first audit as Generic category company
3	LEVEL 3	Increase black ownership
4	LEVEL 3	Maintain level 3 with higher focus on supplier development
5	LEVEL 2	Achieve 95% or more on all categories except Black Ownership

Conclusion

Avon Packaging Convertors is committed to embracing the principles of BBBEE and transforming our organization to reflect the demographics of South Africa. This transformation strategy outlines our approach to achieving BBBEE compliance and promoting economic empowerment. We believe that this strategy will enable us to make a positive impact on the lives of our employees, customers, and communities, while contributing to the growth and development of our country.