



ZEST
WEG Group



Black Economic Empowerment, Transformation
Sustainability and Investment

BBBEE

Committed to transformation

At Zest WEG Group, transformation is much more than simply ticking the boxes. The business has always been proactive about transformation, and builds the BBBEE compliance goals into its business culture. It is about inculcating a culture of uplifting fellow South Africans, and participating in areas where real impact can be made.

We believe that the transformative power of education is key to empowering people, and that ensuring access to quality education remains critical in South Africa.

Added to this is the need to create and support micro-enterprises, especially in the rural and peri-urban regions which suffer from the highest levels of unemployment.

With this key to Zest WEG Group's transformation strategy, the business facilitated ownership of its shares by two black-owned Broad Based Community Trusts (BBCTs) that directly benefit communities in need. The two BBCTs, together with the company's employee trust, now hold 51.6% of Zest WEG Electric, the South African arm of Zest WEG Group. One of the BCCTs is in the education sector and the other in the microenterprise support sector. The BCCTs are 100% black women.

Significantly, the shareholding comprises 31.68% black female beneficiaries. Not only are most of the beneficiaries of the BCCTs black women, but the arrangement will also sustain the good work of these BCCTs into the future.

Most importantly, this provides a model for sustainable collaboration between business and civil society, while forging a more effective implementation of the original intentions of the country's BBBEE philosophy.

Historical journey

In 2004 predating any industry specific charter, the then Zest Electric Motors took a proactive stance and concluded a BEE deal with Medu Capital to become one of the largest privately owned black empowered companies in the industry. This move, which took cognizance of the various charters such as the Mining Charter which affected its customers, saw Medu Capital take up a 26% shareholding in the business.

Medu Capital, as a private equity investor, had an investment horizon of five years, but only exited the relationship after seven years. The exit coincided with the start of official negotiations for the sale of Zest to WEG.

A firm belief that employees are the glue that holds any business structure together saw Zest WEG Group establish an empowerment trust to include all permanently employed, previously disadvantaged employees across all the South African operations of Zest WEG Group Africa.

The journey to this point in 2015 was a long one where care was taken to find the most sustainable model. It was approached in methodical manner over more than 18 months to ensure that the model would secure the interests of the business and simultaneously provide benefits for our employees. It was decided that the employee trust model is both synergistic to all stakeholder needs, and most importantly extremely sustainable.



The organisation had previously readily achieved Level 4 status, based on its shareholding, skills development, supplier support and community investment, and the move to a Level 2 status is simply the next step in its transformation journey

Zest WEG Group is continuously evolving its empowerment strategy to become ever more inclusive, and this dynamic process is seen as a journey and not a destination. Transformation forms part of day-to-day activity across the business's operations. The values that were present since the business began have continued to underpin its approach to sustainability for all its stakeholders and to the future development of South Africa's economy.



Uplifting through skills development

While the ownership element in terms of the Codes of Good Practice is a critical component to the group, Zest WEG Group's score in the skills development element is an important key achievement, and underpins the huge investment the business continues to make in this important area.

A philosophy that skills development and training is integral to business development and growth has been inculcated in the business since it was established, and significantly this extends to customers and industry in general.

Pursuing proactive value addition in terms of social economic development, the business provides a range of skills development resources to schools, universities, FET Colleges and the broader community including teaching, equipment, financial aid and infrastructure. This is aimed at developing local talent and capacity, bringing young learners into the business and industry.

Zest WEG Group develops skills internally through apprenticeships, internships and mentoring in various disciplines. The development is supported with study bursaries and in particular bursaries for Electrical Engineering university students. The business also finances and assists students through participation in mentorships offered by, and professional registration with, the Engineering Council of South Africa (ECSA) and the South African Institute of Electrical Engineers (SAIIEE).

These processes, in turn, promote employment equity as potential managers and leaders can be identified and developed.

As far back as 2005, Zest WEG Group invested in the establishment of a training facility. Today that facilitate which is accredited by the relevant Sector Education Training Authority (SETA), the South African Institute of Electrical Engineers (SAIIEE) and the Engineering Council of South Africa (ECSA), offers Continuing Professional Development (CPD) points for its various modules; many of which have been developed in conjunction with WEG of Brazil.

Demand for training led to the opening of training facilities in Cape Town, Durban, Middleburg and Rustenburg. Training is also done, when necessary, at customers' facilities. Training is also provided in African countries, and in many cases in the language of that country.





Developing entrepreneurs and enterprises

Socio-economic development requires not only the financial investment in small and micro businesses, but also the necessary on-going support and mentorship required to accelerate the financial enterprise and economic growth of such businesses.

Zest WEG Group has a deliberate strategy of bringing small, local suppliers into the business supply chain, thereby developing their capacity to deliver. Much of the focus is on generating an entrepreneurial spirit coupled with sound business practice, and by doing this Zest WEG Group is able to ensure the growth of such businesses guiding them to a sustainable future.

Through involvement with small business incubators, the business is able to select and support small enterprises before they are in a position to become suppliers. This provides invaluable support and mentorship to these enterprises.

Investment in local manufacture

The Zest WEG Group business model is one of continued investment in assets and technology transfer from parent company, WEG to the South African operations.

Today, there are four manufacturing facilities which fall under the business. The first to be acquired was in 2007 when Zest WEG Group took over Shaw Controls. This acquisition saw the business extend its product offering with locally manufactured electrical infrastructure equipment. Over time significant investments in this facility saw it being extended and upgraded and today this extensive manufacturing operation provides employment opportunities with an emphasis on on-going skills development and transfer.

In 2008, Zest WEG Group took over the IMS Group's generator manufacturing operation in Cape Town. Investment into this plant has seen it develop into a specialist supplier capable of designing customised generator solutions to suit specific requirements.

In a further financial commitment to the South African economy, Zest WEG Group increased its local manufacturing base and staff complement with the acquisition of a transformer manufacturing operation – Hawker Siddeley Electric Africa – in 2013. Since that takeover the business embarked on a significant upgrade initiative to enhance the processes, equipment and design packages at this manufacturing plant, and once again created employment opportunities.

The localisation of products is an important element of the Zest WEG Group strategy as not only does it create more employment opportunities, it also brings capital back into the local economy. In 2015, the business acquired a second transformer manufacturing facility, TSS Transformers. Further investment has seen this facility modernised and upgraded to where it is now capable of supplying larger transformers up to 132 kV.

Zest WEG Group is focusing on reinforcing its achievements thus far, be these business acquisitions, training and development or its overall contribution to the economy. The Group will continue to seek growth opportunities and spread the Group ethos.





PLATINUM VERIFICATIONS

BROAD BASED BEE VERIFICATION CERTIFICATE

WE CERTIFY THAT

ZEST WEG ELECTRIC (PTY) LTD

47 Galaxy Avenue, Linbro Business Park, Sandton, 2146
REG No: 1990/004422/07; VAT No: 4110101336

Has been assessed and verified with the B-BBEE Act (No.53 of 2013)
and the final BEE Codes (100-500) of 2013
and has achieved the following:

BEE STATUS: LEVEL 2

BBBEE PROCUREMENT RECOGNITION LEVEL: 125%

ELEMENT	WEIGHTING	ACHIEVED
OWNERSHIP	25.00	25.00
MANAGEMENT CONTROL	19.00	07.05
SKILLS DEVELOPMENT	20.00	24.71
ENTERPRISE & SUPPLIER DEVELOPMENT	40.00	34.28
SOCIAL – ECONOMIC DEVELOPMENT	05.00	05.00
TOTAL	109.00	96.04

% BLACK OWNERSHIP	51.60%
%BLACK FEMALE OWNERSHIP	31.68%
EMPOWERING SUPPLIER	Yes
ALL PRIORITY ELEMENTS ACHIEVED	Yes
CERTIFICATE NUMBER	PVZES1231
EFFECTIVE DATE	21/08/2017
EXPIRY DATE	20/08/2018
B-BBEE CATEGORY	GENERIC



(Handwritten Signature)
Timothy Harrison
VERIFICATION MANAGER



Johannesburg

47 Galaxy Avenue
 Linbro Business Park
 Private Bag X10011, Sandton 2146
 GPS: S 26° 4' 10.92" E 28° 6' 45.88"
 Tel: +27 (0) 11 723 6000
 Fax: +27 (0) 11 723 6001
 info@zestweg.com

Cape Town

9 Omuramba Road, Marconi Beam
 Montague Gardens, Milnerton
 GPS: S 33° 52' 42.1" E 18° 30' 39.1"
 Tel: +27 (0) 21 551 2710
 capetown@zestweg.com

Durban

51 Island Circle
 Riverhorse Business Estate
 GPS: S 29° 46' 5.53" E 31° 0' 21.04"
 Tel: +27 (0) 31 569 7260
 durban@zestweg.com

Rustenburg

6 Kgwebo Road
 Mabe Business Park
 Old Pretoria Road
 GPS: S 25° 41' 14.1" E 27° 15' 38.78"
 Tel: +27 (0) 14 594 0450
 rustenburg@zestweg.com

Middelburg

6 Wicht Street
 Vaalbank, Middelburg
 GPS: S 25° 47' 7.70" E 29° 28' 42.33"
 Tel: +27 (0) 13 246 2849
 mpumalanga@zestweg.com

Richards Bay

78 Alumina Alley
 GPS: 28°45'27.414"S 32°1'30.586"E
 Tel: +27 (0) 35 751 1607
 richardsbay@zestweg.com

Trichardt

3 Schabot Street, Trichardt
 GPS: S26° 29' 28.08" E29° 13' 15.64"
 Tel: +27 (0) 17 638 1571
 trichardt@zestweg.com

Port Elizabeth

1 Millennium Road,
 Old Show grounds, North End, PE
 GPS: S 33° 55' 70.7" E 25° 36' 19.6"
 Tel: +27 (0) 41 486 1262
 portelizabeth@zestweg.com

Zest Electric Ghana LTD

15, Third Close Street
 Airport Residential Area
 Accra, Ghana
 GPS: N 5° 36' 54.90" W 0° 10' 50.02"
 Tel: +233 30 27 664 90
 Fax: +233 30 27 664 93
 Cell: +233 540 898 466
 ghana@zestweg.com

Enl Electrical

Electrical/Instrumentation Engineering
 and Contracting
 47 Galaxy Avenue
 Linbro Business Park
 GPS: S 26° 4' 10.92" E 28° 6' 45.88"
 Tel: +27 (0) 11 792 2803
 info@eni.zestweg.com

Zest Energy

Integrated Power Generation, Co-Generation and
 Energy Solutions
 21 Galaxy Avenue
 Linbro Business Park
 GPS: S 26° 4' 23.4" E 28° 6' 49.5"
 Tel: +27 (0) 11 723 6000
 info@energy.zestweg.com

Generator Sets

Johannesburg
 47 Galaxy Avenue
 Linbro Business Park
 GPS: S 26° 4' 10.92" E 28° 6' 45.88"
 Tel: +27 (0) 11 723 6000
 gensets@zestweg.com

Generator Sets & Panel Division Cape Town

13 Benbow Avenue
 Epping Industrial 1
 GPS: S 33° 55' 48.65" E 18° 32' 12.6"
 Tel: +27 (0) 21 507 7200
 gensets@zestweg.com

Shaw Controls

Low and Medium Voltage Packaged
 Switchgear Solutions
 18 Mt. Ida Road, Robertsham
 GPS: S 26° 14' 43.8" E 28° 00' 59.3"
 Tel: +27 (0) 11 434 8100
 info@shaw.zestweg.com

WEG Transformers Africa

Locally Manufactured Transformers and Mini-
 Substations, Transformer Services and Repairs
 Wadeville
 38 Van Deventer Street
 Wadeville, Germiston
 GPS: S 26° 15.941' E 28° 12.46'
 Tel: +27 (0) 11 827 3458
 wta@zestweg.com

Heidelberg

11 Marconi Street
 Heidelberg
 GPS: S 26° 31' 7.54" E 28° 21' 33.28"
 Tel: +27 (0) 16 349 2683/4/5
 wta@zestweg.com

