

YOUTH EMPLOYMENT SERVICE

ANNUAL REPORT 2022

JOBS THAT CREATE JOBS



**YES
4YOUTH
.CO.ZA**



CONTENTS

01	A message from the co-chairs	01
02	A message from the chief executive officer	09
03	YES board and executive committee 2021/2022	15
04	About this report	17
05	YES vision & mission	19
06	Glossary	27
07	YES timeline	31
08	FY 2022 in a nutshell	32
09	The turnkey solutions and community impact	41
10	YES Hubs	44
11	Building capacity to deliver quality work experiences	45
12	Human resources	47
13	Media and influence	50
14	Chief financial officer's report	51

section 01 | A MESSAGE FROM THE CO-CHAIRS

In the period under review, the country came to a dangerous fork in the road. The financial year began in April 2021, with the world gripped in its second year of the Covid-19 pandemic, and ended in March 2022 amidst geopolitical tensions triggered by Russia's invasion of Ukraine, which is weakening efforts around the world to reboot economies.

It was a period in which social stability and economic conditions became increasingly difficult for most South Africans. Rising hunger, poverty, lawlessness, political uncertainty and the country's failure to lift its economic performance saw South Africans taking increasingly desperate measures to survive.

The looting and violence that the country experienced in July 2021 highlighted the frustration and discontent of millions of our people, who cannot be freed from the grip of poverty and despair without training, jobs and the ability to earn a living.

It is against this backdrop that the Youth Employment Service (YES) has a vital role to play in easing the country's social burdens. We take one of the most coherent and powerful actors in South African society – the business sector – and help it tackle the country's biggest, most insidious problem, our youth unemployment crisis.

This unemployment crisis is at the heart of the myriad of challenges facing our country. With 2,24 million jobs lost from March 2020 to September 2021 alone,¹ our mission is more urgent – and difficult – than ever.

Business can help, but it needs the right environment
The challenge is this. For business to be sustainable in the long term, we must increase the number of people participating in the economy. At the same time, we must broaden the risks and rewards of economic participation for those who are already driving the economy.

But business needs an optimal environment to not only create

employment, but thrive. Currently, low economic growth, supply chain disruptions, rising inflation, a scarcity of energy, and damaged labour markets are making it difficult for businesses to employ. While YES does offer a meaningful incentive for businesses to employ youth, the current negative economic environment does undermine the full potential of YES.

At its core, the YES programme is a practical and pragmatic project that works with forward-thinking businesses to put thousands of unemployed, young South Africans into private sector-funded work opportunities.

Despite the dire socio-economic context in which YES operates, the financial year ended with more than 25,000 work experiences created for youth. The cumulative impact of YES jobs have resulted in R4,2 billion in monthly wages pouring into the economy and our communities since inception. This record number of work experiences in FY22 is evidence of YES's ability to bounce back from the lows of Covid, and sustained confidence in our value proposition.

YES's partnership with government, which allows participating companies to gain up to two levels on their B-BBEE scorecards, is an example of innovative policy which incentivises business to share the value and benefits that come with being an economic participant in society.

The impact of this crucial incentive for business cannot be understated. As a result, YES is recruiting a growing number of businesses onto the programme. We have seen large businesses like Shoprite, Anglo American Platinum, Nedbank, Famous Brands, YUM! Pizza Hut, The Foschini Retail Group, Investec, Microsoft, Ford, and many more heed our call – but we still have a long way to go. We need more businesses to come on board, and to scale up our operations if we are to make a dent in this massive unemployment crisis.

At YES, we continue to advocate for broader and deeper change at the level of economic policy and within the business ecosystem to secure the tools South African youth need to deliver a multiplier effect: when they are empowered to support themselves, they themselves can employ others and create more jobs with the professional skills they acquire.

As such, the YES board – which includes a diverse range of stakeholders from government, civil society and business – is focussed on finding ways unlock sectors and foster partnerships within the employment ecosystem to increase the flow of job numbers through the YES programme.

However, we recognise that there is an ongoing economic crisis in South Africa, which makes it more challenging and risky to take on youth who generally do not have prior work experience.

This is the classic Catch-22 paradox: if the private sector does not take on more young people, it will not grow the base. Without a base, we cannot grow the procurement power of South African society, which will result in the private sector having fewer consumers, fewer customers, and lower revenues. To put it bluntly, without a country, there is no company.

That is why YES's aim is to work with business to stimulate South Africa's economy and employment rate, because it is good for the country – and what is good for the country is good for business.

YES progress

From our inception to March 2022, YES had created almost 74,000 work experiences.

It is important to remember that YES is 100 percent funded by the private sector. As such, it is the biggest jobs impact programme in South Africa that is entirely funded by the private sector.

YES has consistently advocated for B-BBEE, tax and other business-related incentives to capacitate and enable companies to employ youth. But to deliver the true value YES can bring, we must scale up by: going beyond B-BBEE to create solutions for companies to integrate job creation into environmental, social and governance (ESG) strategies; focussing on creating jobs in future-facing fields; including the SME sector in the programme; and making it easier for high-absorption sectors to participate in the programme.

Integrating ESG criteria into our value proposition will help remedy the imbalances and inequities in South African society and provide benefits for businesses that invest in our youth, particularly in green, blue (ocean), digital, creative and care economies. We apply ESG principles in our operations, and help businesses build their capacity to monitor and evaluate ESG responses so they have concrete evidence of their sustainability targets.

These non-financial determinants of sustainability can enhance the credibility of corporations for potential investment, and help identify projects that actively



"The unemployment statistics are horrifying. In an economy that is shedding jobs, that one small private sector NPO has been able to create almost 74,000 is remarkable."

Colin Coleman
co-chairperson
Youth Employment Service



"When you give people hope, they create opportunity."

Stephen Koseff
co-chairperson
Youth Employment Service

manage and care for a range of stakeholders, including the community, the environment and society. This builds increased inclusiveness and resilience of economies.

To make good on our strategy of creating multipliers through the programme, we must focus on 'future-facing industries', or sectors that are projected to increase economic growth and absorb workers. These include global business solutions (also known as business process outsourcing, or BPO), digital skills and even remote piloting (drones).

It is critical that we incentivise small and medium enterprises (SMEs) to sign on to YES to broaden participation beyond South Africa's top corporates. Making our offering more accessible to SMEs will grow the YES client base and unlock more opportunities for youth employment. We are currently working with policy makers, business and industry bodies to make it easier for SMEs to participate in the YES programme and increase the placement of youth in SMEs through our host partner model.

We are also working to make YES more attractive to a broader range of sectors, specifically those with high potential for job absorption – including mining, construction, infrastructure, tech and digital, healthcare, and financial services. Reworking YES's value proposition to include all industries is key to unlocking opportunities for our youth, and breaking down barriers for businesses to hire them.

Historically, YES has had relatively slower uptake from mining companies, due to YES's B-BBEE value proposition being less attractive to this sector. However, leading mining companies are now signing on, as through the YES turnkey solution mining companies can integrate youth job creation with the Mining Charter and their social and labour plans (SLPs). Anglo American Platinum is our flagship mining programme and we have enjoyed support from other mining houses such as South 32 and Kumba Iron Ore.

The YES turnkey solution works with 29 YES-vetted host partners across South Africa to place youth into meaningful jobs. This has proven an effective tool for companies that want to help address the youth unemployment crisis, but are unable to host youth within their own organisations.

Essentially, the turnkey solution allows companies to sponsor youths' salaries in one of the host partners, which range from digital, green economy, or underserved social sectors like healthcare and education with high absorption rates and potential for self-employment.

Ultimately, YES has a critical role to play in helping South Africa take the right road forward. Our resilience, and that of the wider YES network – YES Youth, our corporate clients and host partners, YES Hub sponsors, other partners in the youth employment ecosystem, civil society and government – has proven that our value proposition works for South Africa.

Our only option is for business to fill the gaping voids that many of our public institutions have at best, forgotten, and at worst, neglected. Business needs a functional environment to not only create employment, but thrive. With this said, we are confident that the challenges of the coming year will bring fresh energy and initiatives to empower and uplift the youth of our country.

Acknowledgements

We are grateful to the 1,214 registered YES companies that have entrusted us to help them play a part in improving the prospects of South African youth and contribute to the prosperity of our country. We are mindful of the difficult choices some have had to make at this challenging time.

We acknowledge our implementation partners, and broader eco-system partnership network, for their cooperation and collaboration during the past year. We also thank the government for their continued support of the programme – this partnership with the Presidency's broader focus on the youth unemployment is crucial to rebuilding South Africa. Thanks also goes to our board members, who commit considerable unpaid time to supporting YES. Their input and guidance is of immense value to us.

Finally, thanks goes to Ravi Naidoo, who was appointed as CEO in 2021 and our outgoing CEO, Tashmia Ismail-Saville (who left in June 2021); and to our executive and leadership teams and YES staff, for their hard work and dedication.



SOCIAL IMPACT CHAMPION

Nestlé
Everything is connected



Nestlé's YES programme has become a case study for effective shared value in communities.

Home to Nestlé's largest black-owned dairy supplier in South Africa, Makhoba Farm spans over 10,000 hectares and is home to 1,400 families residing in Swartberg, KwaZulu-Natal. These families share the benefits of the farm. Makhoba Farm is one of Nestlé's suppliers, and hosts YES Youth for the multinational company.

Nestlé's YES programme has become a beacon of hope for the Makhoba Farm and community-at-large. Youth get vocational

training and to work in their hometown, in roles that uplift their community, while also spending and investing their money back into their local economy. This is what a sustainable community development project looks like.

This partnership has created jobs that range from milkers to farm managers and has allowed youth to dream beyond their surroundings. Many see themselves as owners of their own businesses one day all thanks to this opportunity, the skills they learn, and valuable experiences that they are gaining.

Leader of the Makhoba community, Chief Ambrose Makhoba, speaks highly of the consistent impact that the project has had in the community:

"Our community and farm have benefited greatly from this partnership with Nestlé. Everything in this partnership is connected, from the youth skills development to the dairy farm and the sustainability practices. Through the YES Programme, our youth have been trained and we have seen the impact in their lives. The kind of work we continue to achieve through this partnership is helping to preserve the legacy of our land for our beneficiary families and our country," says Makhoba



section 02 | A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The past two years have changed the ways of work for most people, communities and businesses. For YES, the changes the pandemic brought meant adapting to help our clients navigate new markets while dealing with the constraints of multiple lockdowns and building our own resilience. We opened new pathways for business and youth, invested in our people, and developed our capacity for monitoring and evaluation, all of which have boosted the value we bring to South African society and to the companies that have chosen to come on board with us.

YES has emerged stronger and has demonstrated its resilience and flexibility in the face of the setbacks of Covid-19 and a struggling economy. From 1 April 2021 to 31 March 2022, the period covered in this annual report, YES surpassed its FY20 high and created 25,287,³ overtaking its target of 22,000.

The extent of our impact is clear with 73,957⁴ work experiences since the inception of YES, more than 2,000 programmes registered (as at March 2022) and YES Youth salaries of almost R4,2 billion injected into the South African economy.

The growth in the YES client base – new and returning – confirms the faith South African businesses have in our value proposition, with some early adopters committing to a fifth programme in FY23. This loyalty is crucial to the success of the YES initiative: more clients mean more youth jobs. The increase in the number of sign-ups, along with careful cost control, means our deliberate effort to reduce operating costs per job is working, averaging R2,697 (4,8 percent of youth benefit) by the end of FY22 from R3,048 at the end of FY21 (11,5 percent improvement year-on-year). This metric is an important measure of YES's efficiencies. YES has also attracted third-party funding to finance youth employment ventures at YES Hubs and other organisations in the youth development ecosystem.

While the numbers are impressive, our role in getting the country's most talented youth into quality work experiences – QWEs – is where our true value lies. As YES enters FY23, its influence among South African youth, and the changes it has effected in the employment landscape are clearer and more visible. This qualitative aspect of the YES programme is key to its continued success and replicability and governs every aspect of what we do.

Research has proven that youth graduating through the YES programme are far more likely to go on to become professionals in the private sector or entrepreneurs that create new businesses. This mission is critical for South Africa, as this pipeline of talent and entrepreneurship is the basis for the country's economic growth and employment prospects.

Maintaining our growth curve: our value propositions

The challenge is not only to ensure that we attain our targets in the coming 2023 fiscal and years to come but also to consistently scale and streamline our offering to grow the YES impact exponentially.

YES has earned a reputation as a trusted partner in the employment landscape in South Africa by providing a way for corporates to employ youth directly or through our implementation partners and achieve level ups on their B-BBEE ratings. However, to ensure the longevity of this transformation and the changes that accompany it, YES has ventured beyond B-BBEE territory to magnify the scope for its clients and for YES Youth. Our beyond B-BBEE value proposition extends to integrate a corporate partner's ESG strategies and Sustainable Development Goals (SDGs) into the creation of youth jobs.

The pursuit of these factors, which are entrenched in the global pursuit of greater sustainability, brings investment, growth opportunities and potential partnerships for our clients. In subscribing to this agenda, YES has a direct mandate in Sustainable Development Goal 8 (SDG 8) – decent work and economic growth – and through its host partners and other stakeholders is also influential in helping to attain many of the other SDGs, notably, those with a social or environmental theme.

As a collaborative movement that connects sectors, industries, civil society and youth, YES is also aligned with SDG 17 – partnership for the goals – and urges us to “Strengthen the means of implementation and revitalise the global partnership for sustainable development.”

As an advocate of sustainable development, YES is mindful that it must also examine its role in informing drivers like education, innovation, gender equality and responsible consumption and production, as it now has a more defined role in disrupting the status quo.

Strong partnerships with our clients, implementation partners and other youth employment organisations are at the core of the inroads YES has made in the past year and enable the growth needed to scale up operations to retain and attract clients, and increase the number of jobs. Although the number of jobs is a convenient measure of success, the actual scope of our impact has proven to be broad and multi-dimensional; sustainability may take longer to establish but it has longevity and maintains its integrity as it grows.

The YES programme is a pathway for future talent and it is in this context that YES Youth become multipliers. Not only does the programme prepare youth for the world of work and give them a chance at a first job, it also produces sophisticated customers who are socioeconomically empowered and understand the economy and the role they play in it.

The story of 25-year-old photographer and videographer, Asanda Nqoko, provides an example of a YES Youth who has taken full advantage of the opportunity afforded him by the programme. Asanda started his journey at the YES head office as a YES Youth, and is now the owner of 39 Pictures Ltd., a business that employs four people. In January 2022, one of the images he took during a photo-shoot commissioned by international superstar, Beyoncé, was featured on her clothing brand, Ivy Park's Instagram page. Asanda says his life has not been the same since.

We pride ourselves in being an innovative company and support future-facing hybrid jobs like last-mile delivery which merges ICT and retail, two sectors that are among the highest creators of YES work opportunities. For companies in these sectors it makes sense to invest in youth with the skills for this work.

Our sector strategy is focussed on sectors with strong potential for job creation and is steered by methodical analysis undertaken by our business development and marketing divisions. The highest number of YES registrations come from target industries – retail, manufacturing, ICT, transport, health and the financial and insurance sectors. Social jobs/care work in clinics and early childhood development facilities are crucial for the upliftment of our country, ensuring the



About Ravi: Ravi Naidoo, joined YES with over 25 years of experience in implementing and managing a range of social change and impact programmes.

During this time, he has worked with trade unions, the public sector, and private sector fund management, finding ways to implement programmes in complex institutional environments.

Naidoo forms part of the National Planning Commission, where he chairs the Economy Workstream.

Ravi Naidoo
Chief executive officer
Youth Employment Service

³ Monitoring and evaluation invoices issued for YES quality work experiences.
⁴ YES quality work experiences registered and paid for.

sick, young and elderly are treated with dignity. Jobs in high-growth sectors like ICT and digital and GBS provide youth with the skills and experience they need to become multipliers themselves. We like to think in terms of a 10 x 10 formula: If ten percent of YES Youth become entrepreneurs within ten years of the programme we will have had a massive effect on the South African economy. It is key that we find ways to support and encourage youth entrepreneurship.

According to Statistics South Africa, people with prior work experience are seven times more likely to break into and stay in the labour market than those with no prior work experience.⁴ The technical and soft skills YES Youth acquire in these contexts increase their employability and provide new career directions.

Future directions

We are also optimistic about the potential of the mining sector to create youth jobs. Our value proposition finds a synchronicity with the mining sector in the many YES programmes that are compatible with the requirements of the Mining Charter and SLPs – legally binding agreements between mining companies and local mining towns and communities.

Some of the conditions that a mining company must meet to receive an operating licence are to agree to strengthen local economies, create employment and support human resource and socioeconomic development in the communities around the mine. SLPs, which mines must submit to the Department of Mineral Resources before they are given mining rights, are intended to boost development not only of local infrastructure but also local economies through capacitation of SMEs, job creation and skills development.

We are currently working with Anglo American Platinum, which has created 720 work opportunities for youth in the communities around the mines. Social and healthcare jobs include lay counsellor, vaccine mobiliser, teacher assistant and community service traffic officer. There are also opportunities in ICT-related fields in jobs like e-learning designer, social media marketer and IT support.

Many of these youth jobs and SMEs provide ESG outcomes – such as fighting climate change or providing community health

benefits, which will improve the attractiveness of the mine to investors. Anglo American Platinum is also a potential world leader in the production of green hydrogen which has endless scope for future-facing jobs.

Our connections within the youth employment nexus have bolstered our role as an advocate for policy and organisational change and have enabled us to expand our Hubs model through partnerships that allow for integration with communities, local SME development and showcase the work that YES does.

Our Drone Academy located at the Genesis Hub in Saldanha is a good example of the scope and replicability of the YES offering. YES supports and promotes this field of learning because of the wide range of uses drones have, including security and surveillance of oil and gas facilities, mapping and surveying, traffic control and operational oversight of ports, monitoring of crops, and aerial videography for the film industry. In October 2021, 25 graduates of the academy were issued with commercial drone pilots' licences from the South African Aviation Authority.

The Academy is one of the YES programmes that has attracted interest and funding and indicates how this collaborative and inclusive ecosystem is opening up more possibilities for companies and for youth as it evolves. On the one hand, YES has become more focussed, with improvements to processing and administration functions. On the other, YES has expanded its vision by partnering with a wider range of youth employment organisations. This has broadened our horizons and revealed new possibilities for YES and for the whole of the youth employment landscape.

Many of these collaborations are geared to provide measurable impact, which is very important to our corporate clients and their investors. An example is the reduction in the amount of time patients spend at clinics that are serviced by YES Youth who provide administrative support in this under-resourced sector. Our research shows that the average waiting time in clinics capacitated with YES Youth has decreased from 15 minutes to one minute.

Our capacity to provide evidence-based monitoring and evaluation and maintain statistical integrity has improved



⁴<https://www.statssa.gov.za/publications/Report-02-11-02/Report-02-11-022020.pdf>

considerably with a call centre that is able to contact up to 24,000 YES Youth a month, which means we have the ability to call every active youth on the programme each month. This also helps to fulfill YES's gazetted monitoring and evaluation mandate with reliable and verifiable operational data. This function is key to providing companies that invest in YES with information that is certified and can be used for reporting on their social and environmental investments and to verify B-BBEE status.

It's down to business

Business is the lifeblood of YES; as South Africa's biggest private sector funded jobs programme, it is vital that we continue our advocacy and support in the government – business realm and retain our vision for a brighter future for the youth of South Africa.

We do recognise, however, that economic conditions are difficult given that there has been little to no economic growth for a decade. Therefore we need to look at ways to expand our incentive package to get more companies on board.

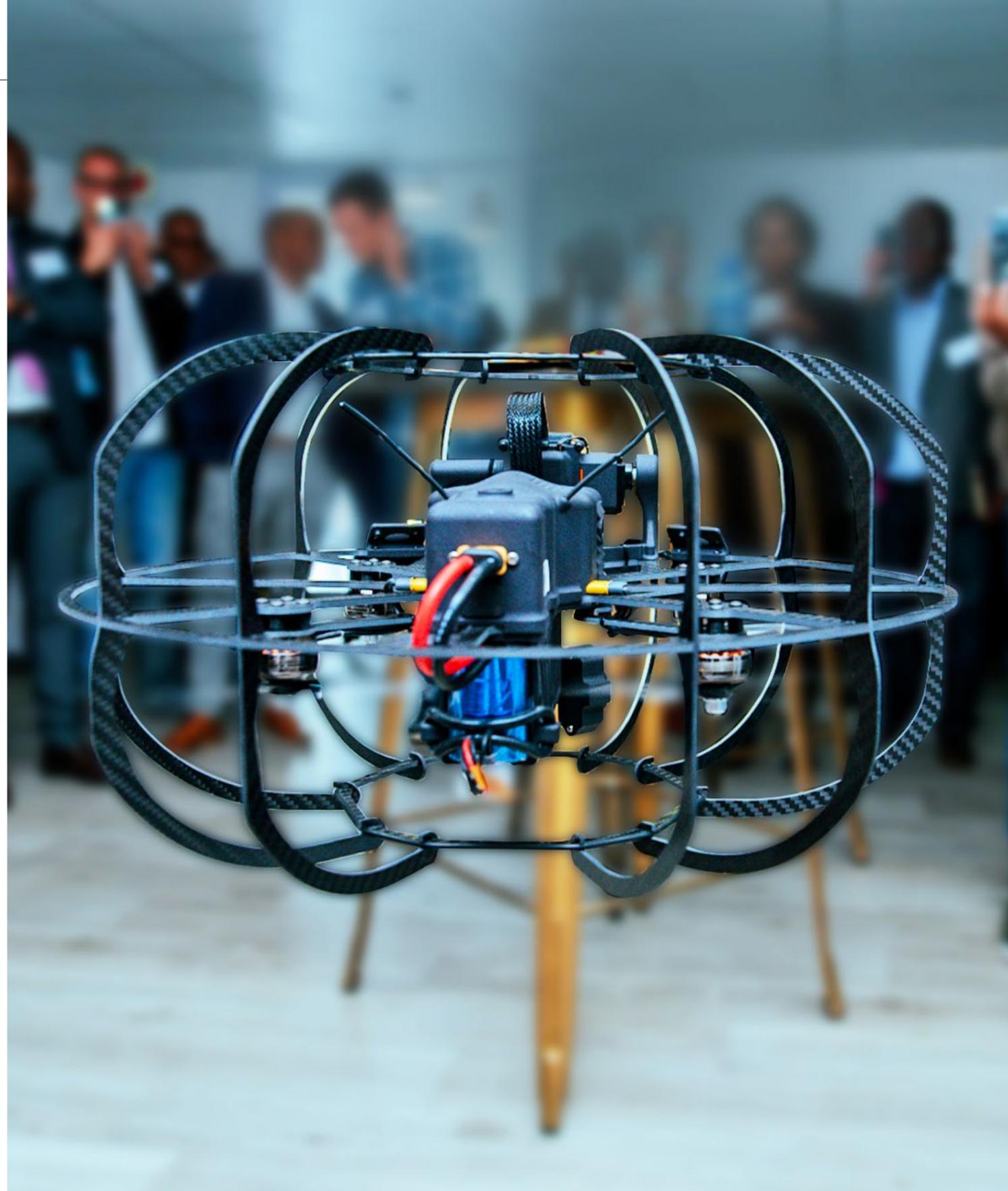
YES is part of a national discussion investigating how to make it easier for companies to sponsor jobs. We are working with dtic, the Presidency, corporate partners and labour on promoting reforms to increase employment opportunities for youth.

We are working collaboratively with government and the private sector on a number of incentives that have the potential to unlock more jobs. In particular, we are focussing on ways to make YES more accessible to SMEs, as well as enhancing incentives for Level 1 companies to participate in YES.

We look forward to forging new partnerships and strengthening those we already have to open up opportunities for YES clients and pathways for South Africa's youth to imagine, create and grow.

"The YES programme is a pathway for future talent and it is in this context that YES Youth become multipliers. Not only does the programme prepare youth for the world of work and give them a chance at a first job, it also produces sophisticated customers who are socioeconomically empowered and understand the economy and the role they play in it."

Ravi Naidoo
Chief executive officer
Youth Employment Service



"FREEDOM FROM ALL FORMS OF VIOLENCE"

from Chapter 2, Bill of Rights, Constitution of South Africa

Yonela Jezile

26-year-old Yonela Jezile knows what a difference her work makes in the lives of the children in her care. She grew up in Delft, a township on the outskirts of Cape Town with a high rate of unemployment, particularly among young people, that is compounded by drug use and gang violence. Young children are often victims; gang crossfire has claimed many young lives and child murder rates are above average in the Western Cape.

In 2019, Yonela started her YES programme through ORT SA CAPE Education. As a Grade R teacher's assistant at Portland Primary School in Mitchell's Plain, her passion and talent for connecting with and teaching children found an outlet. After her YES year, Yonela was selected to complete an early childhood development (ECD) learnership and in January 2022, she was permanently employed by Little Steps Daycare in Montclair.

Yonela is playing a critical role in the lives of vulnerable children. By being a part of their development and education she is making a real contribution to their safety and security and to the socioeconomic upliftment of local communities.

section 03 | YES BOARD 2021/2022



Colin Coleman
Co-chair
Non-executive director



Stephen Koseff
Co-chair
Non-executive director



Zarina Bibi Mahomed Bassa
Non-executive director



Cassim Coovadia
Non-executive director



Adrian Domonic t'Hooff Enthoven
Non-executive director



Nomvuyo Naledi Nomayeza Guma
Non-executive director



***Tashmia Ismail-Saville**
Executive director



Patrick Dlamini
Non-executive director



*****Nazmeera Moola**
Non-executive director



****Ravindra Naidoo**
Executive director



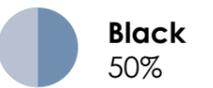
Donne Leigh Nicol
Non-executive director



Simon Norman Susman
Non-executive director

*Tashmia Ismail-Saville resigned as YES CEO 30 June 2021 = per our Directors report in the AFS. Per CIPC, her resignation was processed as follows: 2021-10-07 Director Tashmia Ismail-Saville - Change was made. - Director / member status changed from Active to Resigned.
**Ravindra Naidoo took over as YES CEO on 1 November 2021
***Appointed Tuesday, 31 May 2022; Per CIPC: 2022-05-31 Director Nazmeera Moola was added

section 04 | YES EXECUTIVE COMMITTEE 2021/2022



Ravindra Naidoo
Chief executive officer
(incoming November 2021)



***Tashmia Ismail-Saville**
Chief executive officer
(outgoing July 2021)



Leanne Emery Hunter
Chief client and marketing officer



Vaunn Kelly
Chief financial officer



*****Thato Mmaditla**
Human resources director
(outgoing March 2022)



Farai Mubaiwa
Chief partnerships officer



Zaid Patel
Acting chief technology officer



Samantha Steyn
Business development strategy director

*Tashmia Ismail-Saville resigned as YES CEO 30 June 2021 = per our Directors report in the AFS. Per CIPC, her resignation was processed as follows: 2021-10-07 Director Tashmia Ismail-Saville - Change was made. - Director / member status changed from Active to Resigned.
**Ravindra Naidoo took over as YES CEO on 1 November 2021
***Thato Mmaditla resigned from her position at YES on 31 May 2022

section | ABOUT THIS
05 | REPORT

This aim of this report, which covers the period April 2021 to March 2022, is to:

- **Consolidate** the achievements of YES and the challenges it has encountered,
- **Measure** the performance of YES against its objectives and
- **Examine** its short-, medium- and long-term prospects.

Annual reports issued by YES enable stakeholders to make informed assessments of the organisation's performance and meet best practice reporting standards for non-profit organisations to demonstrate accountability and credibility.

In compiling this report, we have tried to represent the voices of all those who have shared in our successes and journeyed with us through this endeavour.

Our financial information is independently audited by EY with YES receiving its forth successive unqualified audit opinion in 2022. EY's opinion states that the financial statements present fairly, in all material respects, the financial position of Youth Employment Service (RF) NPC as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Our full audited financial statements can be found at: <https://bit.ly/3VSOyqc>



SOCIAL IMPACT CHAMPION

Merchants Mzansi goes offshore



More than 200 young men and women have been given the opportunity to set a foot on the employment ladder through a partnership between the Youth Employment Service (YES) and Merchants, an award-winning global business services (GBS) company.

As the growth trend in the GBS sector continues, South Africa has an opportunity to boost youth job creation by leveraging its popularity as a top offshore destination for customer experience. The target for the sector is between 250,000 and 500,000 cumulative jobs by 2030.²

Merchants, a long-standing YES client in its third programme, has ventured beyond dtic absorption legislation and partnered with us to find ways to increase employment – and employability – among the YES Youth it hosts.

While 24 percent of the youth enrolled in their first two programmes (2020 and 2021) were absorbed into permanent jobs, the remaining 76 percent were offered further 12-month, fixed-term contracts for work in call centres in Gauteng, KwaZulu-Natal and the Western Cape, which are currently the focus of the GBS sector. This means that 100 percent of Merchants youth (75 percent of whom are female) are employed in some form post-programme.



FROM TEMBISA TO IVY PARK

Asanda Nqoko

25-year-old YES Youth Asanda Nqoko was raised in Kempton Park but has made his mark internationally by getting his work published on a social media account that belongs to mega-star, Beyoncé.

Asanda used the salary he earned from his quality work experience in the IT department at YES head office to start his own business while he gained diverse business skills through the YES entrepreneurship modules – in accounting, word processing, web development and graphic design.

He says he was supported by YES throughout: “The YES team became my second family and kept me motivated. I was awarded with certificates I can use when I apply for work.”

In January 2022, one of Asanda's images was featured on Beyoncé's Ivy Park Instagram page and helped his business, 39 Pictures, take off. “My life hasn't been the same since. Without YES, I wouldn't be where I am right now.”

Asanda now employs a graphic designer, a lighting assistant, a camera assistant and a deals booker.

²<https://www.itweb.co.za/content/Olx4z7kayVdq56km>

section 06 | YES VISION AND MISSION

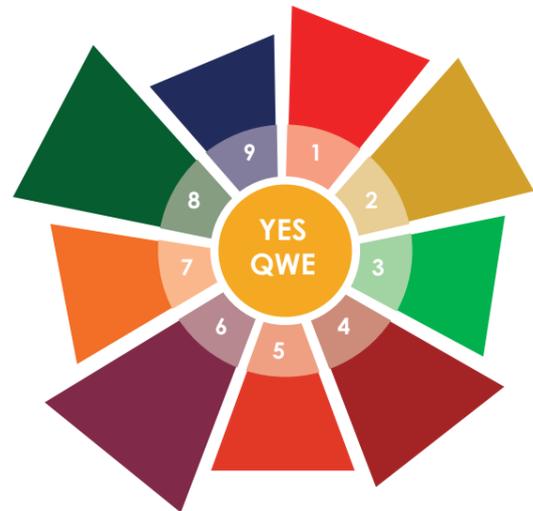
VISION

Transforming companies, communities and youth lives by connecting youth to economic opportunity and dignity and together, building a future that works.

MISSION

To create, by connecting with companies, work opportunities for South African youth at scale. To increase youth employability through the provision of CVs, reference letters and transition South African youth to earning future incomes. To achieve this by leveraging B-BBEE policy for better, and more meaningful company impact and performance.

THE SUSTAINABILITY IMPACT OF THE YES QUALITY WORK EXPERIENCE



- **No Poverty**
 Healthcare, education and early childhood development, SMME development, agriculture and conservation, retail
- **Decent Work and Economic Growth**
 Retail, manufacturing, agriculture, SMME development, training and YES apps
- **Zero Hunger**
 Healthcare, education and early childhood development, SMME development, agriculture and conservation, retail
- **Climate Action**
 Job programmes for young women e.g. Leadership (Pizza Hut), agriculture, drones, ICT, SMME development
- **Good Health and Well-Being**
 Healthcare, education and early childhood development, smme development, agriculture and conservation, retail
- **Industry, innovation and Infrastructure**
 Retail, manufacturing, agriculture, SMME development, training and YES apps
- **Partnership for the Goals**
 The YES turnkey solution connects social partners and companies to create quality work experiences for youth
- **Quality Education**
 ICT, training, early childhood development, yes training app
- **Gender Equality**
 Job programmes for young women e.g. LeadHERship (Pizza Hut), agriculture, drones, ICT, SMME development

As a youth employment initiative, YES has a direct impact on SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Working towards this goal will mitigate poverty and hunger, and improve living standards which are defined in SDGs 1, 2 and 3: By working towards transformation and socioeconomic development YES is also a driver for reducing economic and gender inequality, and support for quality education, innovation and entrepreneurship.



THE SDGs AND YES IMPLEMENTATION PARTNERS

Host partner	Fields	SDGs
Afrika Tikkun	Early childhood development (ECD), career development, agriculture, healthcare, digitisation	    
Africa Foundation	Conservation	   
Asil Call Centre	Marketing and data capture	
Blossom Care Solutions	Manufacturing	
CapaCiti	ICT	 
Conservation South Africa	Conservation, agriculture	    
Edunova	ICT, education	 
Funda Wandé	Education	
Gold Youth	Mentorship, education	
HIVSA	Healthcare	
IT Varsity	ICT	 
iHappify	Customer service	
Jumpstart	Retail, life skills, business skills	 
Matongoni	Manufacturing and recycling	
Mobicel	ICT	



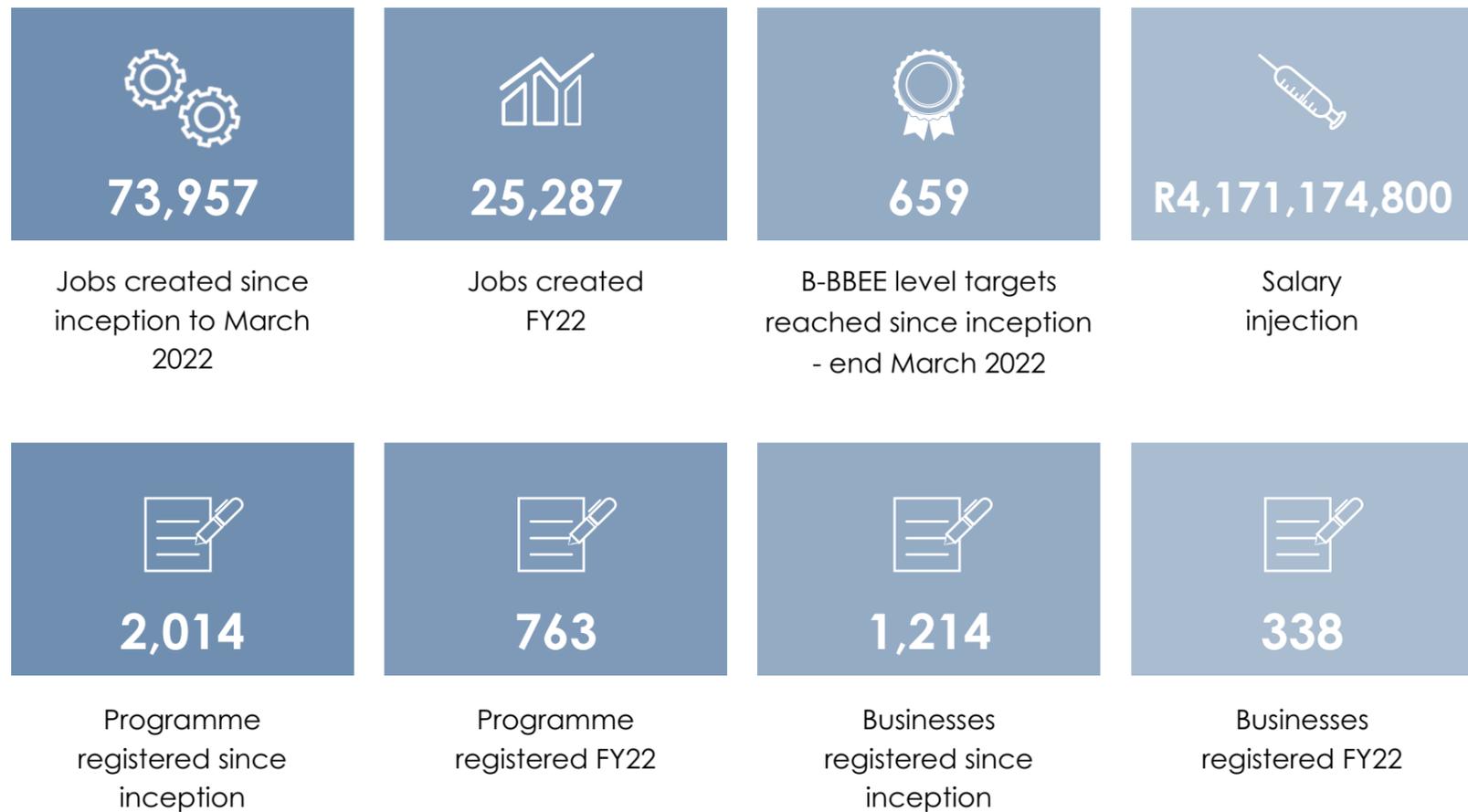
THE SDGs AND YES IMPLEMENTATION PARTNERS

Host partner	Fields	SDGs
National Financial Literacy Association	SMME support and development	
ORT SA	ICT, skills development, early childhood development	 
ORT SA Cape	ICT, skills development, early childhood development	 
Property Point	SMME support and development	
RLabs	ICT, SMME development	  
The Click Foundation	Education	
TILT	ICT	 
Tradeway Promotions	ICT and marketing	 
U-Turn	Work readiness	
Witkoppes Health Centre	Healthcare	
Youth Health Africa	ICT	
Youth@Work	Early childhood development (ECD), teacher development, sport, IT skills, life skills, food security, SMME development, manufacturing, transport	      
Yoga4Alex	Health, education, mentorshipMentorship, education	 
Zaio	ICT	



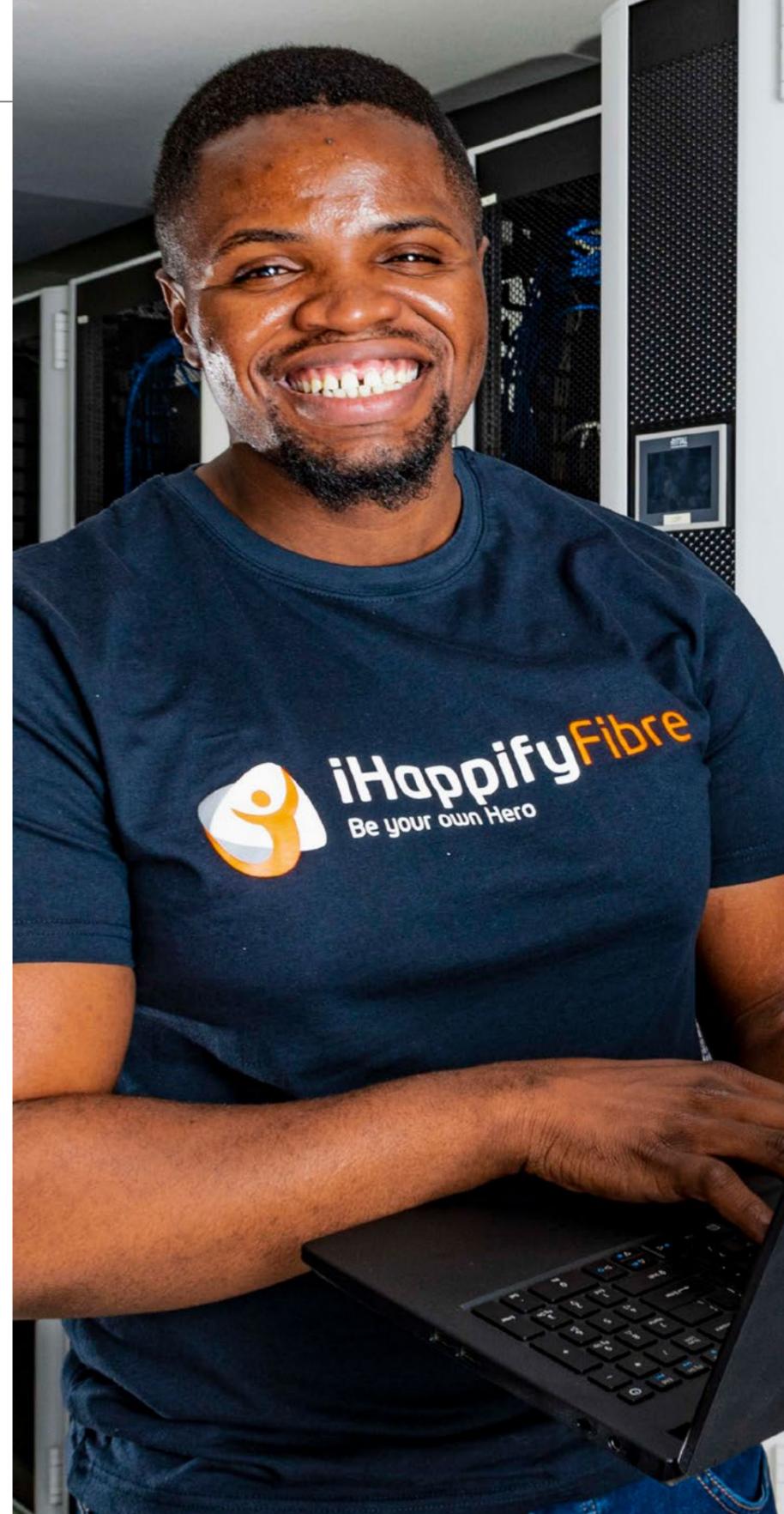
IMPACT TO DATE

(INCEPTION TO MARCH 2022)



Registrations per programme since inception

Programme 1	Programme 2	Programme 3	Programme 4
1,214	500	239	61



GIVEN GIVES BACK

Given Malebe

At the end of his work experience with StretchSA, which is known as Yoga4Alex under the YES programme, Given Malebe started 7Trendz, a business that offers courses on basic computing, typing skills, end-user computing (iWork), how to write a professional email and use Grammarly, and introductory programming (binary, C and Python).

Alexandra-born Given has a BTech in electrical engineering from the University of Johannesburg but like many graduates in South Africa, struggled to find permanent employment. Until the opportunity with Yoga4Alex came along he used his knowledge to earn money repairing TVs, radios and other electronic devices.

Given says his YES quality work experience taught him leadership skills, how to present, and how to compile an effective CV. He also learned more about entrepreneurship on the YES apps. For Given, it was a bonus that he got the chance to give back to his community while learning and earning a salary.

After his 12-month programme, Given was employed by Altron Managed Solutions as a junior technician.

section 07 | YES GLOSSARY

12-month quality work experience (QWE): A year-long salaried position sponsored by a corporation. Corporations can place youth in their own organisations or opt to sponsor youth placed by host partners.

Absorption rate: The rate at which placed YES Youth are given permanent jobs after their 12-month quality work experience.

B-BBEE: Broad-based black economic empowerment is a government policy to advance economic transformation and enhance the economic participation of Black people (African, Coloured and Indian people who are South African citizens) in the South African economy.

B-BBEE Level-Up: An improvement in a company's B-BBEE rating by up to two levels.

Clarification Note: The dtic issued a clarification to the YES Initiative to provide guidance on application of the Y.E.S. Initiative as published in the Government Gazette on 28 August 2018, as well as the Practice Note published on 12 October 2018. The note addressed confusion around the maintenance of B-BBEE levels, absorption buffers, and noted that the transport sector did not need sub-minimums to participate.

Environmental, social, governance (ESG): A set of standards used by investors to screen potential investments. Environmental criteria consider how a company safeguards the environment, including corporate policies addressing climate change, for example. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

Host partner or implementation partner: YES engages host partners selected by corporates based on the job types they need, or want to support. They enable YES to offer the turnkey solution (implementation partner model) of recruiting, contracting, managing and deploying, as well as holding the employment contract with youth.

Hub: A YES Hub is a centrally located safe space in an underserved community, purpose-built to address barriers to economic inclusion like legacy spatial planning, substandard infrastructure (transport, electricity, water, waste, telecommunications) and obstacles to small business, like lack of expertise and access to funding. Hubs bring corporate investment (through funding of hub infrastructure) and technology (access to WiFi, digital training) into communities to build local capabilities and opportunities, where the youth are.

Programme: A programme is defined as the 12-months during which the YES Youth complete their quality work experience (either placed in a business' structure or externally through the turnkey solution), and is the period measured by the B-BBEE verification agency.

Sustainable Development Goals (SDGs): Sustainable Development Goals are 17 interlinked global goals that are 'a blueprint to achieve a better and more sustainable future for all'. The SDGs were announced by the United Nations General Assembly in 2015 with the aim of attaining them by 2030.

The YES Gazette: Government Gazette No. 41866, Notice 502 of 2018, dated 28 August 2018 (the "Y.E.S Initiative Gazette") is a piece of legislation that allowed for the inclusion of the YES initiative in the Amended Code Series 000. The B-BBEE benefits (level ups) afforded can be achieved exclusively through YES, legitimising YES's processes and methodology.

The YES Practice Note: The Practice Note 1 of 2018 published under the Government Gazette No. 41975, Notice 640 of 2018, dated 12 October 2018 (the "Practice Note") is another piece of legislation that provides guidance on the application of the YES initiative as published in the YES Gazette.

Youth: Unemployed youth, aged 18 to 35. For a B-BBEE programme, youth must be Black as defined by the dtic codes. For a non-B-BBEE programme, candidates of all races and all ages may participate.

SOCIAL IMPACT CHAMPION

Pizza Hut An equal slice for everyone



The case study on Pizza Hut SA's LeadHERship initiative covers the impact of the YES programme beyond B-BBEE. At its core, this idea looks at how YES can make an integrated impact on company, country and youth using other policy tools, such as environmental, social and governance (ESG) strategies and reporting, as well as the United Nations' Sustainable Development Goals (SDGs).

The LeadHERship programme is using youth jobs to create impact in other key social and environmental areas, such as conservation, healthcare, SMME development, early childhood education and many more either internally, in a business' supply chain, or through the YES turnkey solution.

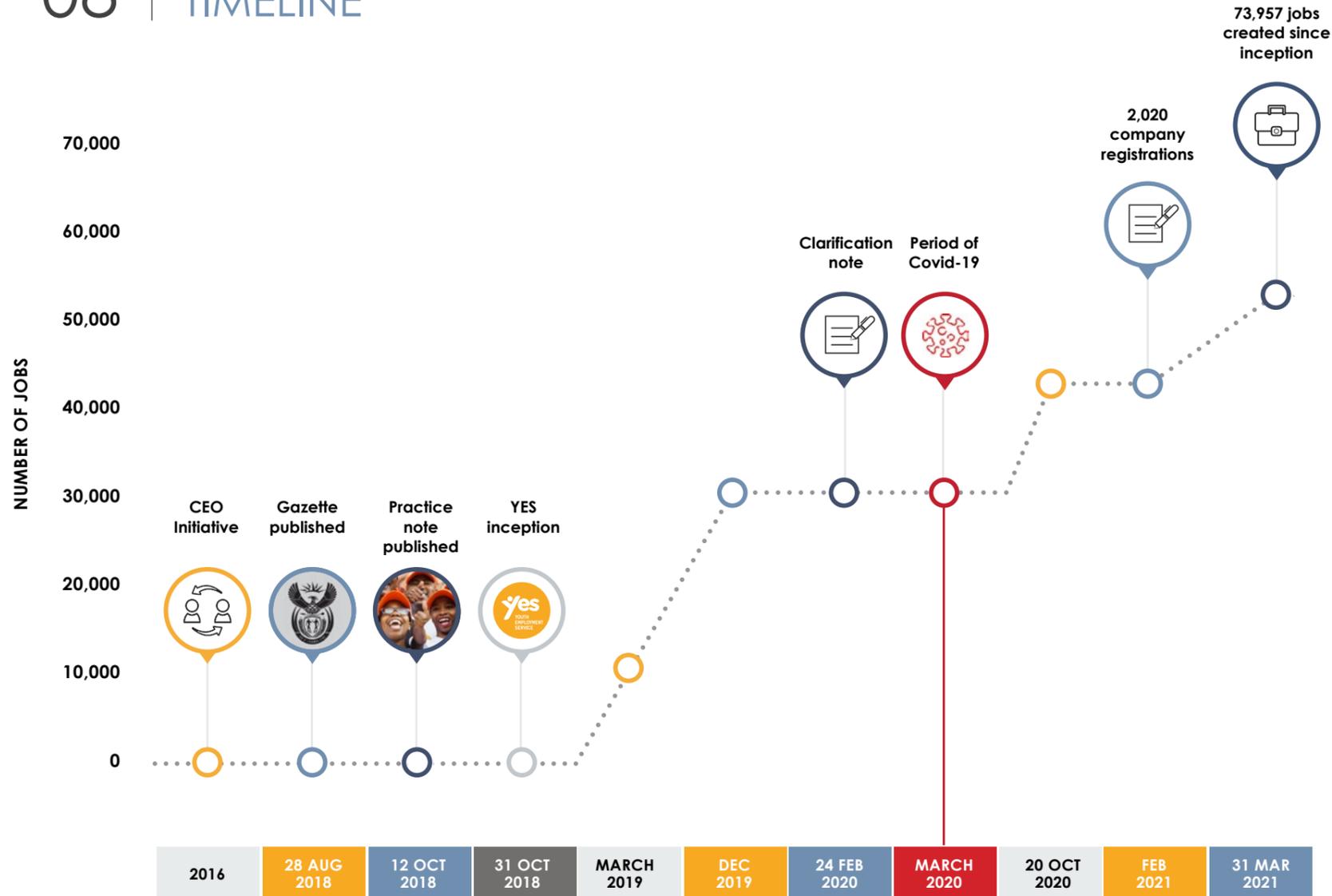
The LeadHERship initiative's focus was on SDG 4 and SDG 8, which target gender inequality and economic growth. It specifically aims to empower over 100 young, Black women aged 18-24 with critical skills that are needed to break into the job market and build a solid foundation as they navigate their careers.

Black women were a key focus for Pizza Hut SA, as they have historically been the most vulnerable in times of economic recession. The Quarterly Labour Force Survey for quarter 1 (Q3) of 2022 found that the expanded unemployment rate was 49 percent among black African women², the highest among women. These youth come from urban, semi-urban, and rural communities and have been linked to our YES-vetted host partners through the turnkey solution, such as Youth Health Africa, the Youth Content Collective (YCC), Click Learning and Youth@Work.

Watch the Pizza Hut video here:

<https://blog.yes4youth.co.za/case-studies/pizza-hut>

section 08 | YES TIMELINE



Youth unemployment rate (Official definition - 15-34 years)



section 09 | FY 2022 IN A NUTSHELL

YES has emerged stronger from the challenges of the Covid-19 pandemic and has increased its impact on South African youth, business and society-at-large. YES has earned trust and recognition as an innovative, cost-effective non-profit, with the youth of South Africa – and their inclusion in the economy – at its heart.

According to Statistics South Africa, the country lost two million jobs from March 2020 to the end of 2021. YES nevertheless continued to attract new clients and increase its capacity to create work opportunities for youth.

Since its inception, YES has created almost 74,000 work experiences, with 1,214 unique business registrations (as at end March 2022), in just over three years of operation. This translates to just under R4,2 billion injected into the economy through youth wallets.

After a volatile FY21, YES rebounded with 25,287 work opportunities created in FY22 compared to 16,285 in the corresponding FY21 period. This is a 55 percent increase in the rate of jobs per annum.

YES has also greatly improved its capacity to fulfil its gazetted monitoring and evaluation mandate; the YES call centre calls up to 24,000 youth a month and has increased the weekly contact rate to 6,000 calls a week. This means that YES is contacting all YES Youth every month and reaching an average of 58 percent of YES Youth every month.

YES leadership and teams have worked consistently to strengthen YES operations and streamline processes to be able to deliver on operational and M&E requirements, for the benefit of clients and youth.

LARGEST JOB CONTRIBUTORS TO FY22





SOCIAL IMPACT CHAMPION

Famous Brands Life's too short for bad coffee



The skills young people learn at Famous Brands restaurants can take them anywhere: baristas are sought after all over the world; young people who work as waiters learn to solve problems and make decisions.

Famous Brands, whose brands include Steers, Wimpy, Debonairs and Mugg & Bean, has 1,608 outlets in South Africa, and has seen the benefits of their commitment to addressing youth unemployment. Chief operating officer, Derrian Nadauld, says the YES Youth they have taken on have had a positive impact where they are deployed: "We have been energised and inspired by the young people who have joined the programme with us."

The YES internal placement model also nurtures a talent pipeline and transferrable skills within the participating company and for the sector as a whole. Famous Brands is a key stakeholder in the local hospitality sector which, along with the tourism sector, is recovering well from the Covid downturn and promises to play a major part in boosting local economic growth.

Watch the Famous Brands video here:
<https://yes4youth.co.za/https-www-youtube-com-watchvufkihtawewt68s/>



SOCIAL IMPACT CHAMPION

Anglo American Platinum Mining the benefits



In their first YES programme, Anglo American Platinum subsidiary, Rustenburg Platinum Mines (RMP) Ltd., created 720 work opportunities for unemployed youth. Youth were placed in healthcare, education and digital jobs in communities in the three provinces where RMP has mining operations (Gauteng, North-West and Limpopo) through five implementation partners:

- Health sector: 120 youth were placed through Youth Health Africa
- Education sector: 520 youth were placed across IPs such as Afrika Tikkun, ORT SA Operational Trust and Youth@Work.
- Digital sector: 80 youth were placed through IT Varsity

The communities derive concrete socioeconomic benefits from the injection of YES Youth salaries into the local economy. They also benefit from the added capacity youth bring: pass rates at local schools have increased and more people now have access to vaccines and other primary healthcare services.





THE SKY'S NO LIMIT

Mawanda Faniso

30-year-old Mawanda Faniso took part in the pilot Drone Academy programme at the YES Genesis Hub in Saldanha in 2021. He now has a remote pilot's licence (RPL) to fly drones and a technician's licence to repair and work on drones. The two licences are a dual income stream for Mawanda.

After YES, Mawanda was employed by a night security operations company where he works on the Eskom account to help prevent cable theft.

The Drone Academy has a 100 absorption rate post-training. Mawanda says there is huge demand for his skills, across many sectors. His fellow graduates are all learning and excelling in various industries: "Some work in mines capturing footage of blasts and others gather data and intel for security operations via inhouse apps."

A few of his peers have even opted to train as facilitators to help those who want to train as drone pilots.



New directions for the future

Beyond B-BBEE

YES has successfully leveraged B-BBEE policy to incentivise corporates to sign up to YES and sponsor quality work experiences for youth in the YES programme.

YES has been established as a trusted partner in the South African employment landscape. It has succeeded in smoothing the way for corporates to include unemployed youth in the economy by employing them directly or through our implementation partners. In return, they receive up to two levels up on their B-BBEE ratings.

While B-BBEE is vital for the part YES continues to play in broad-based transformation, there are other evaluative factors that can be used to prompt companies to sign up to YES.

The ESG approach gauges the extent to which a corporation pursues ESG goals and impact beyond maximising profit for its shareholders. YES emphasises and promotes recognition of corporate due diligence as an added client value proposition.

By integrating ESG criteria into their strategic planning, YES clients are beginning to broaden their impact on unemployment, and, by sponsoring jobs in high-impact and underserved sectors, help to improve standards of living and increase social mobility.

YES subscribes directly to SDG 8 in that it pursues a sustainable cycle of economic growth and decent work.

The mining sector, social and labour plans and sustainability

In the second half of 2021, YES recorded an increase in registrations from companies in the mining sector, which has many of the elements required to drive socioeconomic development in South Africa.⁵

The mining sector is a reservoir of potential youth employment that can benefit from partnering with YES to maximise its impact on socioeconomic development, transformation, gender equality and employment. The impact is particularly beneficial in mining communities – communities where mining takes place or communities that are impacted by mining.

Mining companies have an obligation to draw up an SLP with the communities they operate in.

An effective SLP includes ESG elements and is linked with the SDGs, as is the Mining Charter which defines requirements for ownership, community development, employment equity, human resource development, inclusive procurement, supplier and enterprise development, and housing and living conditions.

The YES turnkey solution is a vehicle to create jobs outside of the mining industry to build thriving communities and self-reliant economies. It integrates seamlessly with the Local Economic Development (LED) and Human Resource Development plans that must be included in a mining company's SLP. YES host partners help capacitate local businesses, schools, clinics and NPOs with dynamic young people who are eager to learn and grow their careers. This feeds into poverty eradication (an LED element).

An element of the Human Resources Development plan is that mines must not only develop their own workers' skills, but also develop the skills of community members. By placing youth within a host partner, mining companies can uplift communities and economies beyond the mines these towns surround.

YES also allows mines to take their existing skills development programmes up a level by pairing them with post-training work-readiness initiatives in which a young person can practice and hone their skills.

Creating youth jobs in sectors that build economic, social, and environmental stability in communities (through the turnkey solution) is an effective way to systemically and holistically reach environmental, social, and governance (ESG) goals, and empower communities beyond mining. Positive ESG outcomes also improve the attractiveness of mines to investors.

The YES integrated offering promotes youth jobs that dovetail with the B-BBEE scorecard, ESG initiatives, the Mining Charter and SLPs.

This flagship partnership between YES and Anglo American Platinum promises to open up the sector to new possibilities.

Refocussing our priorities

There is a renewed focus on YES's operational capacitation, leading to the need to bolster human resources with highly skilled individuals to strengthen management, and to invest in enabling systems and processes to ensure a seamless client and youth experience.

Other strategies include refining our identifying addressable market, lobbying for policy amendment that will unlock more jobs at scale, strengthening our channel strategy and using the turnkey solution as a vehicle for scale.

Our Hubs – in Tembisa, Alexandra and Saldanha – represent an ambassadorial presence for YES and YES clients in high-density areas that are historically underserved and have high rates of unemployment.

YES cost efficiencies

As a percentage of youth salaries, the operating cost per job for FY22 was 4,8 percent compared with 5,4 percent in FY21, which also reflects an improvement in overall cost efficiency. At 4,8 percent, the lean YES jobs model, which is also fully funded by the private sector, outstrips the 10 percent operational cost that many NPOs try to achieve.

Client retention

FY22 was a record calendar year for the business development team, with 763 programmes signing onto YES, up 45 percent from 529 programmes in FY21. New sign-ups and renewal of existing programmes are the lifeblood of YES and we have concentrated our efforts this year on maintaining these relationships, looking for ways to improve them and proactively acquiring new business.

March 2022 saw a marked improvement in client retention with a programme renewal rate of 62 percent, very close to our target of 70 percent.

JSE listed universe strategy

YES has penetrated approximately 11 percent of JSE-listed companies. A major focus of FY22 was a roadshow visiting CEOs of JSE-listed companies to discuss the YES value proposition, with support of the board.

YES has met with the CEOs of more than 20 large businesses and leadership teams to find best ways of working with JSE-listed companies to unlock more opportunities for youth and improve the YES value proposition to bring in new clients.

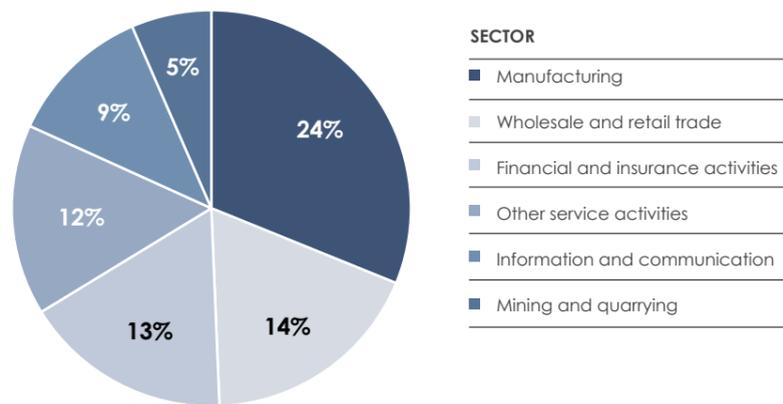
The YES message remains: we call on CEOs to join the YES movement in building an inclusive society with young people at the centre of recreating their communities and showcasing their potential.

Sector strategy

Our multi-faceted sector strategy aims to attract companies from sectors with a strong potential for youth jobs. Industries in which companies are participating in YES range from financial and insurance, manufacturing and construction to arts, entertainment and recreation and conservation. The graph below shows the percentage of jobs each sector contributes. To date, manufacturing is the biggest job creator, having created 24 percent of the cumulative YES jobs, followed by wholesale and retail trade and financial and insurance activities (14 percent and 13 percent respectively).

All sectors listed below have been targeted by marketing efforts, and jobs sponsored by these industries have increased, specifically, mining and quarrying, has moved up the list to a top job-creator sector, with three mining company registrations, in comparison to none in the previous fiscal. This is a result of direct marketing with publications, events and digital activities.

YES top job-creator sectors



Our beyond B-BBEE value proposition also has a part to play. A few examples of successful beyond B-BBEE programmes include YUM Pizza Hut's LeadHERship programme, all three of Nedbank's programmes, and Anglo American Platinum's programme, which is governed by the requirements of SLPs as well as the Mining Charter (see section on beyond B-BBEE above).

Another aspect of the sector strategy is building the capacity of YES implementation partners to report on ESG factors, which is an important factor for companies that are integrating ESG into their planning.

Strategic partnerships

In order to respond appropriately to the employment demands generated by the private sector, we seek out partners that deliver programmes and recruitment aligned with the needs of business and our existing and prospective clients. While we have broadened our partnership channels by establishing ties with B-BBEE agencies and industry bodies, we have also strengthened our relationships with key partners in the youth development ecosystem.

Corporate partnerships

While most of our registrations are generated via B-BBEE agencies, client and industry body referrals are also improving. Other partners in the youth development ecosystem increase the scope of what we can offer our clients and ensure that we can offer youth employment solutions and post-YES pathways suited to their needs.

Ecosystem partnerships

Collaboration also includes the key role YES plays in advocating for youth employment issues from the perspective of both business and youth. YES is a member of the Presidential Youth Employment Initiative (PYEI) task team in the Project Management Office (PMO) in the Presidency and is involved in four of its five pillars, which are to:

1. Implement targeted interventions to unlock opportunities in high-growth sectors
2. Scale up SAYouth
3. Recalibrate and expand the employee tax incentive (ETI) to increase private sector job creation
4. Reform the B-BBEE codes to boost employment and scale up YES

As the lead partner mapping healthcare opportunities in the social and care economy under the PMO, YES identified 23,000 opportunities for entry-level youth jobs. YES also submitted five interventions to scale up SAYouth, three ETI proposals (November 2021) and three B-BBEE proposals to scale up private sector participation.

As a member of the National Pathway Management Network (NPMN), YES represents the private sector's role in unlocking youth employment opportunities. YES is an active lead in pillars 1 and 2: implementation of interventions to stimulate local economies, and: implementation of workforce solutions for growing jobs.

YES has been working collaboratively with Harambee Employment Accelerator towards increasing job creation. In mid-2021, YES integrated its youth database with SAYouth.mobi to decrease the cost of job-seeking for youth, who can now access learning and earning opportunities through a single zero-rated platform without having to register via the YES website. YES is also able to monitor client and youth sign-ups via access to the SAYouth.mobi data portal. YES encourages our IPs and clients to recruit youth using the zero-rated platform.

Partnerships for policy change

YES has been lobbying for various reforms around the ETI benefit, and it was encouraging that the benefit was increased by 50 percent from R1,000.00 per employee per month to R1,500.00 (in the first 12 months), as this was one of the goals YES was working towards, among others. This amendment will help to incentivise clients to sign up as sponsors of 12-month QWEs.

YES and the Department of Trade, Industry and Competition (dtic) are co-chairs of Pillar 4 of the Presidential Youth Employment Strategy – Reform the B-BBEE codes to boost employment and scale up YES. YES engaged the dtic on the seven Presidency PMO interventions to recalibrate B-BBEE, which was proposed by all stakeholders in the Presidential Youth Employment Strategy task team of the PMO.

FUTURE FACING

Objectives for FY22, what we achieved, and strategy for FY23

Our sustained focus on our sector strategy and strategic partnerships has broadened our beyond B-BBEE impact and helped to unlock the potential in future-facing sectors like mining which, until recently, have had low rates of registration. We are focussed on sustainability and growth that maintains its integrity and resolution as it is scaled up.

YES has also strengthened its ability to deliver quality work experiences by building capacity for reliable M&E – through enhanced call centre operations and technology – and human resources development and allocation, standard operating procedures and key account management systems and processes.

YES has projected a 11 percent growth in jobs for FY23. To achieve this we will have to increase our retention rate and bolster jobs from new clients. Plans to enhance our business development team and operational execution are underway to support this growth.

The implementation partner team, through the turnkey solution, is gearing up to accommodate future-facing roles for greater impact and sustainability. In future, we will be focused on recruiting IPs in digital, agri, tech, green energy and global business services, and revising IP absorption targets.

section 10 | TURNKEY SOLUTION & COMMUNITY IMPACT

The 29 organisations in the YES host partner network managed 25,9 percent⁶ of total active YES Youth placements over the reporting period, and hosted 6,554 YES Youth in sectors like healthcare, education, ICT and SMME development.

Many YES Youth were placed in 'sunrise' economies – ICT and digital, global business services (GBS), agriculture and agri-processing, the social and care economy, and conservation. These jobs help to drive sustainability because they are in sectors that have longevity in terms of future applications as well as relevance to SDGs like climate change mitigation, well-being and quality education.

The turnkey solution is two-pronged. It encompasses value propositions for clients seeking to improve their B-BBEE status and those who want to increase integration of ESG factors in their strategies.

To position the turnkey solution as the primary tool for achieving this, YES is working to:

- Improve operational efficiencies of IP offering to clients.
- Attract quality IPs in strategic and high-growth sectors.
- Nurture and build relationships with key IPs in key sectors.
- Maintain a high standard of IP deliverables through consistent monitoring, evaluation and reporting.

The YES turnkey solution enables the creation of work experiences to scale by offering businesses a cost-effective way to make an impact on youth unemployment while improving their B-BBEE status and, by investing in high-impact sectors, ensuring due diligence in terms of ESG and sustainability.

This offering is efficient and flexible. YES IPs manage recruitment, administration, training and hosting costs. Regular reporting enables clients to monitor the progress of the youth they have invested in.

Placement of youth in small businesses and NPOs in high-impact sectors that are often under-resourced has far-reaching economic and social benefits and is invaluable in preparing youth for work. Along with work experience, youth also gain soft skills – communication, work ethic, teamwork, critical thinking and leadership – which are known indicators for success in the workplace and highly desirable for future employers.

Training opportunities include high-demand skills like coding, which will equip youth to transition to the 4th Industrial Revolution. The YES turnkey solution not only covers B-BBEE but is also well suited to our beyond B-BBEE focus.

Host partners, economic inclusion and social capital

The quality work experiences offered by YES host partners cover a range of sectors and industries of which education, digital, agriculture and health are the largest.

These sectors showcase the double impact YES strives to achieve through these partnerships, which enable YES Youth to deliver value in critical, high-demand development areas like primary healthcare, early childhood development, digital services, education, and conservation.

Our vision is to be able to offer youth hosted work experiences across the spectrum of employment possibilities, which will increase the rate at which they are absorbed into formal employment. YES is broadening its reach and exploring the potential for more work experiences in the digital, renewable energy and agriculture sectors.



section 11 | YES HUBS

The scope of activities at YES Hubs enables innovation and cross-pollination of ideas, which makes them fertile ground for new business initiatives to develop and grow.

Hubs deliver a wide range of programmes that include digital courses and labs, textile manufacturing, ceramics, creative agencies, small business support, drone programming and piloting, culinary arts, and urban farming.

As of 31 March 2022, eight programmes were running across our three hubs in Alexandra, Tembisa and Saldanha. Youth are given access to networks, training, markets, work opportunities, ideas for careers or new businesses, and partner support. YES Hubs attract the ideas and resources to encourage, nurture and support the SME sector, with its boundless potential for creating jobs and inspiring entrepreneurship.

Although the YES Hubs are an important component of YES operations, YES has resolved to focus on ensuring its current Hubs are sustainable, before opening new Hubs, and expanding its reach through the IP model. The host partners have been invaluable to the process of decentralising the Hub strategy because they provide opportunities for entrepreneurship, enterprise development and youth employment beyond the physical premises of Hub locations. A good example is the creative agency, the Youth Content Collective (YCC), which engages

with its own networks to connect young creatives from all over South Africa with potential clients. Through this approach, which supports SMME development and job creation, YES supports local economies and opens up markets beyond the townships. YES is focussed on building its core and flagship hub programmes to extend the IP model for wider reach.

Other partnerships are being developed to stabilise and create long-term sustainability and success at current Hub sites. Funding of the Hubs, both from a programme perspective and completion of existing Hub setup, remains the key focus.

One of our partners, the German development agency, GIZ, has invested R4,9 million in the Alex-based drones and creative programmes. YES has also secured a grant of R11,3 million through the Jobs Fund for training programmes at the Hubs. These programmes are due to commence in July 2022.

The Drone Academy

Commercial drone use has rapidly expanded globally since 2015 and has opened up a wide range of specialised and technical roles for interested participating youth. This allows YES to nurture crucial future-proof jobs.

YES completed its first drone programme at the Saldanha Hub (with 100 percent absorption) and will be embarking on a training programme for a further 90 drone pilots split between Alex and Saldanha as a pilot to expand the flagship drones programme.

Training has been funded by GIZ, Property 24 and the Jobs Fund and salaries have been covered by multiple corporate sponsors.



section | BUILDING CAPACITY
12 | TO DELIVER QUALITY
WORK EXPERIENCES

Monitoring and evaluation: Call centre

YES has increased its call-centre capacity to strengthen its ability to fulfil its monitoring and evaluation (M&E) mandate and by the end of the reporting period was equipped to engage with a minimum of 24,000 youth per month. This means YES is calling every youth on the programme monthly, with an average monthly contact rate of 58 percent.

Increased productivity within the youth stream team, coupled with increased youth engagement rates through the call centre, ensures that YES can effectively fulfil its gazetted M&E function.

In November 2021, YES refined its call centre strategy to enhance the YES M&E function, which is part of the YES mandate. The YES call centre is managed by an IP partner and focusses on the following:

1. Monthly M&E calls to YES Youth to check in on their quality work experience and drive app engagement.
2. A hotline for YES Youth to report problems like non-payment, unsafe working conditions, or other matters.
3. Monthly SMSes to YES Youth and supervisors to drive app engagement across all three YES apps – YES4Youth, YESLife and the YES supervisor app.
4. Enabling market and YES Youth research to add value for YES clients.
5. Quarterly youth campaigns including alumni drives to track the impact of the YES programme to assist in building programme that increase employability impact.

From November 2021, the call centre has contacted 100 percent of YES Youth with an average engagement rate of 58 percent per month.

In FY23, YES plans to use call centre data related to youth experiences and youth employability to improve its offering.



CHANGING THE
STATUS QUO

Ndikhumbile Mashiye

Ndikhumbile Mashiye is from one of the largest townships in South Africa, Khayelitsha, in the Western Cape. He is currently a second year BEng (computer engineering) student and is an information technology enabler at Noluthando School for the Deaf.

He obtained a diverse skillset from the Information Technology Enabler programme that includes, communication and facilitation, project management, app development with Microsoft Power apps and programming.

He is currently running a coding club at the school and has initiated a recycling project to raise funds to purchase a premium anti-virus license for the school's computer lab.

Ndikhumbile says, "I want to transcend the status quo and stereotype which is set upon black men from townships within South Africa. My goal is to work in the data science field and continue my studies to earn an MBA and later a PhD."

section 13 | HUMAN RESOURCES

The YES human resources (HR) strategy provides the overall direction for transformation at YES. It is aligned with, and contributes to, organisational effectiveness and efficiency priority areas for YES. The HR strategy drives effective management of the organisation. The strategy is guided by four overarching goals:

- A world-class, client-centric team created by attracting, developing and retaining talent.
- An organisational culture in which YES people feel valued and consistently perform to the best of their abilities.
- Inspiring leadership, with consistent emphasis on ethical behaviour and high performing teams, focused on delivering the YES vision and mission.
- Human resources and digital transformation that drive performance and enable teams and individuals to deliver on the YES mandate.

To scale YES to fulfil its mandate, the YES organogram and functional view of the organisation was reviewed to realign function with business flow and to capacitate and strengthen teams. YES has focused on capacitating operational and business development teams to assist in retaining our current client base and delivering on our M&E responsibilities while scaling up the impact of YES jobs.

The executive management team convenes weekly to plan various development processes, principles and practices, and to monitor the progress of financial matters and business plans.

Employment equity

YES recognises the power in diversity and as such strives to build a culture that embodies the values of accountability, growth mindset, integrity, teamwork, diversity, innovation and excellence.

From March 2021 to March 2022 the number of YES employees increased from 56 to 66. Female employees currently account for 71 percent of the staff complement.

YES ensures that its workforce reflects its focussed employment equity philosophy. In accordance with YES's internal management and control results, Black representation is at 50 percent at top management, and 78 percent at senior management level, and at middle and junior management levels is 86 and 96 percent respectively. The percentage of Black employees throughout the group is currently 87 percent. We also achieved B-BBEE level 1 status.

YES's main challenge in employment equity is facilitating and fast-tracking the skills of our employees to enable our development pipeline.

YES's biggest priority throughout the pandemic has been our people. During the uncertainty, the HR and management team have sought to provide reassurance, care and clarity. In return, YES employees have given their trust, agility and support - maintaining their focus on our clients, keeping connected and looking out for each other.

This has helped us not only to protect and create new jobs, but to make an unprecedented investment in our people this year, while planning for a post-pandemic future.





section | **MEDIA AND INFLUENCE**
13

The continuous PR efforts have contributed to building YES's brand as a thought-leader in the space and has increased the frequency of YES's media exposure. Critically, our expert positioning and regular features have grown significantly in influential business media channels such as The Sunday Times, Daily Maverick, 702, SABC News, Financial Mail, eNCA, SAFM, Business Day, Newzroom Africa IOL and eNCA (to name a few).



Watch Leanne Emery Hunter: [Business SA needs to take charge](#)



Ravi Naidoo OpEd: [South Africa's youth unemployment crisis: The clock is ticking and it's five minutes to midnight](#)



Leanne Emery Hunter OpEd: [#BizTrends2022: The future of transformation – beyond BEE](#)



Listen Ravi Naidoo: [Four suggestions to help tackle youth employment in SA](#)



Watch: [Ravi Naidoo discusses SONA views](#)



Listen: [Ravi Naidoo speaks about the importance of NGOs in the economy](#)



Watch: [Ravi Naidoo discusses the role of NGOs in curbing unemployment](#)



Watch: [Leanne Emery Hunter speaks about how YES works with critical NGOs](#)



Listen: [Ravi Naidoo comments on latest Quarterly Labour Force Survey](#)



Watch: [Ravi Naidoo discusses devastating unemployment numbers](#)

section 14 | CHIEF FINANCIAL OFFICER'S REPORT



Vaunn Kelly
Chief financial officer
Youth Employment Service

The 2022 financial year marked a record year for YES. With ongoing support from new and loyal corporate sponsors we exceeded 25,000 youth jobs for the first time.

After the severe COVID-19-induced downturn, this record achievement was made possible through the recovery in the wider South African economy and YES's ability to consistently deliver value to clients, both corporate sponsors and youth.

YES continues to be self-funded; the primary source of income is the monitoring and evaluation (M&E) fees paid by corporate clients for each youth placement. As YES receives no external funding to support its operations, it is completely dependent on its capacity to generate youth jobs. YES has much to be proud of: a record number of youth jobs, a reduction in the operating cost per job, and self-sufficiency in just over three years of operation; YES does not rely on funding from government or any other entity.

With the strong rebound in YES QWEs and strong overall cost control, YES generated a surplus for the financial year. In a volatile local and global economy and with YES being a young organisation, we need to ensure that YES has sufficient resources to continue to execute on its mandate. Therefore, the YES board set a target for YES to retain 10 months' worth of operating costs in reserve. This was achieved by 31 March 2022. Surplus reserves in excess of this amount will be directed to youth employment initiatives and will also bolster YES's ability to execute effectively at scale and maintain a low operating cost per job.

Despite continuing to hold M&E fees at original 2018 levels, revenue increased by 56 percent to R158,2 million, which is in line with the 55 percent increase in youth jobs numbers to 25,287 (based on youth jobs for which we invoiced M&E in FY22). Following the trend, cost of sales, which comprises of youth smartphone costs and youth placement fees, increased 43 percent to R54,95 million in FY22. As evidence of YES's tight cost control and the delay of many resources until we could see

sustainable growth in youth jobs, operating costs increased by a much lower 30 percent to R83,7 million. Overall operating costs per youth job (excl. Hubs and cost of sales) reduced 11,5 percent to R2,697. YES operating costs (excluding Hubs) represents a mere 4,8 percent of the benefit (salaries) received by YES Youth in FY22 a further improvement from the 5,4 percent registered in FY21. This continual improvement in efficiency is the result of a deliberate focus of YES management. As YES continues to build robust systems capable of scale and to fill key roles which have not been incurred to date, our operating costs are expected to increase in the short term. The average operating cost per job, which excludes the cost of sales such as the YES supplied smartphone, is higher than the revenue generated from M&E fees charged to companies that generate less than R12 million annual net profit after tax. This reflects YES's ongoing commitment to subsidise SMEs, widely seen as a catalyst to employment.

YES fully appreciates the role with which it has been entrusted per its mandate and as a recipient of significant youth salaries and continued support from over 1,000 corporate sponsors. For this reason, corporate governance is a significant focus area of YES management and the board. The 2022 financial year - end marked YES's fourth consecutive unqualified audit. YES has continued to develop and enhance its control environment and therefore subjects itself to internal audit reviews. The results of these reviews reflect YES's culture of continuous improvement. We passionately believe that we must earn this trust and will work tirelessly to repay the faith of corporates and youth alike.

Our full audited financial statements can be found at:

<https://bit.ly/3VSOyqc>





YES annual report 2022