



EMPOWERLOGIC

AN OVERVIEW OF **B-BBEE**

PART 1

The Equity Ownership and
Management Control Elements

INTRODUCTION

EMPOWERLOGIC

EmpowerLogic is part of the first group of agencies to be **accredited by SANAS** as a verification agency in 2008. Since this time EmpowerLogic has established a reputation as a trusted expert in the ever-changing B-BBEE landscape, with an in-depth knowledge of SANAS requirements as well as the application of the codes. We strive for service excellence, quality, and integrity at all times.



SANAS Accredited Verification
Agency



Established 2003



Level 2
51% Black Owned and 30%
black women owned



Issuing 100s of Multinational
and Group Certificates Yearly



Experienced In All Sectors



Highly qualified Team



OVERVIEW OF B-BBEE

What is B-BBEE?

Broad-Based Black Economic Empowerment (BBBEE) is an initiative to address **historical imbalances of the country** by facilitating the participation of black people and women in the mainstream economy of the post-apartheid South Africa

OVERVIEW OF B-BBEE



Why does B-BBEE exist?

The South African constitution states that every South African has the right to equality however due to the history of South Africa not every citizen was born into equal economic circumstances, which has resulted in a rather large economic opportunities disparity based on race. Due to this many black South Africans do not enjoy the same opportunities as the remainder of the population.

What is the aim of B-BBEE?

The purpose of BEE is to **bridge the gap** in economic opportunities available to black South Africans and the rest of the population and create equal opportunities for everyone.

THE HISTORY OF **B-BBEE**



1998 ▶

BEE
Commission
Report 1998

2003 ▶

Broad-based
BEE Act No.
53 of 2003

2003 ▶

Broad-based
BEE Strategy
2003 (straight
Framework)

2007 ▶

Codes of
Good Practice
2007

2012 ▶

B-BBEE
Amendment
Bill 2012

2012 ▶

Amendment
B-BBEE
Codes 2012

2013 ▶

Section 13B of
B-BBEE Act 46
of 2013
(B-BBEE
Commissioner)

2013 ▶

Amendments
of B-BBEE
2013

-

B-BBEE Codes
Amended

WHEN REFERRING TO BLACK PEOPLE

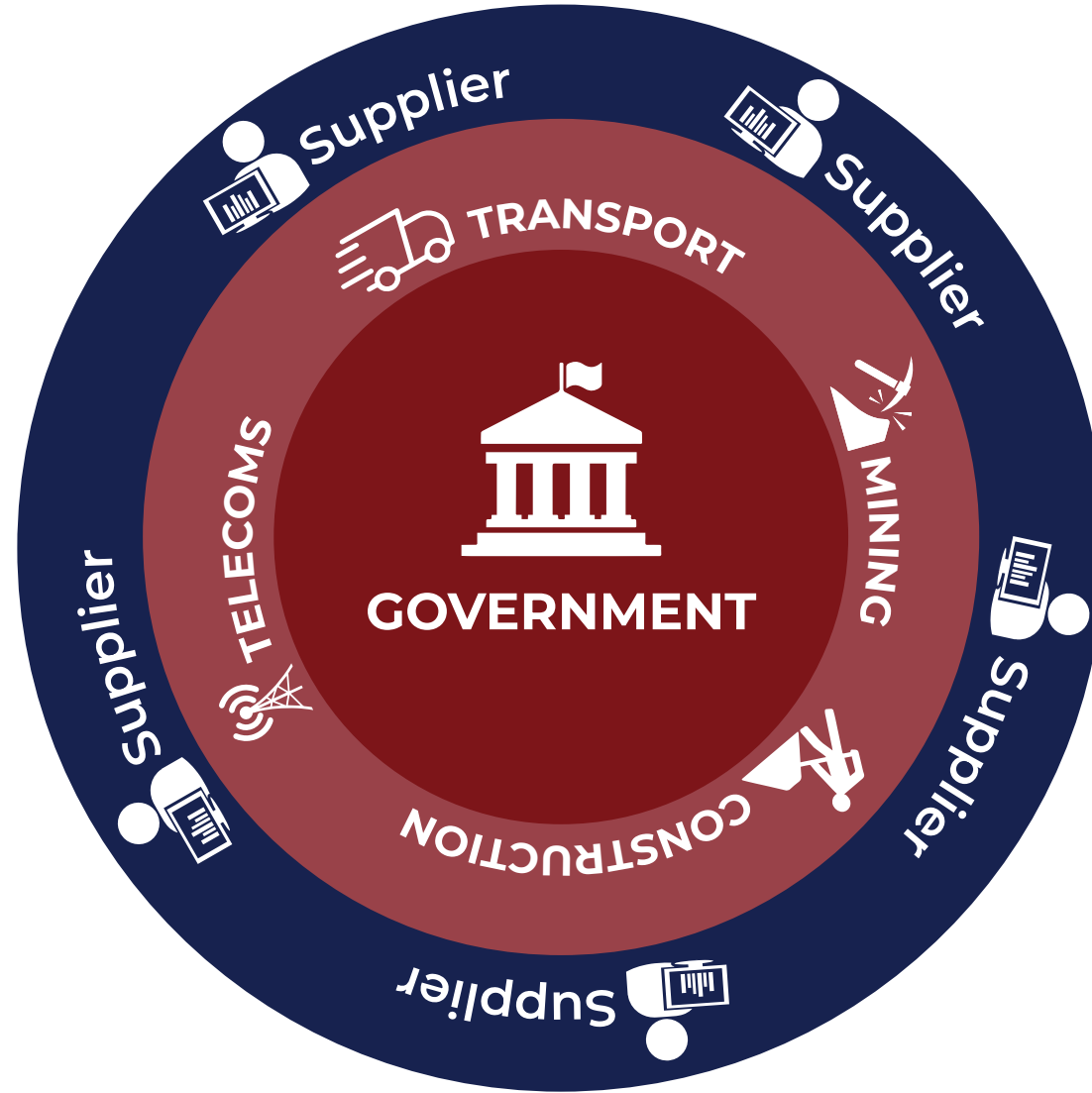
WHAT DO WE MEAN:

- Africans, Coloureds and Indians; (and SA Chinese)
- Who are **citizens** of South Africa by **birth** or **decent**; or
- Who became citizens by naturalisation:
 - before 27 April 1994;
 - on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date



THE RIPPLE EFFECT OF
B-BBEE

THE RIPPLE EFFECT OF
B-BBEE





BENEFITS OF BEING B-BBEE COMPLIANT

Having a good B-BBEE compliance level can provide the company with a **competitive advantage** as this is a consideration clients make when purchasing goods and services as the score of their suppliers affects their own score.



When the focus falls on HR development, enterprise development as well as BEE, the business can demonstrate **commitment towards transformation** in a social, educational, and economic development context in the industry, sector, and community in which the business operates.



The company can play off their **good corporate citizenship/corporate governance** status in the market.

SECTOR CODES

Not all entities are rated on the same codes, when an entity falls within the below industries, they must comply with the rules and regulations of these sector codes:



Agri-BEE Charter



Financial Sector Charter



Information and Communication Technology (ICT) Charter



Property Sector Charter



Chartered Accountancy Sector Code



Integrated Transport Sector Codes



Forest Sector Code



Marketing, Advertising and Communication (MAC) Sector Code



Tourism Sector Code



Defence Sector Code



B-BBEE
SCORECARD

B-BBEE SCORECARD

Ownership
25 Points
Contributes
23%

Management
Control
19 Points
Contributes
17%

Skills
Development
20 Points + 5
Bonus
Contributes
18%

Enterprise
and Supplier
Development
42 Points
Contributes
38 %

Socio
Economic
Development
5 Points
Contributes
5%

B-BBEE SCORECARD



B-BBEE SCORECARD

Ownership
25 Points
Contributes
23%

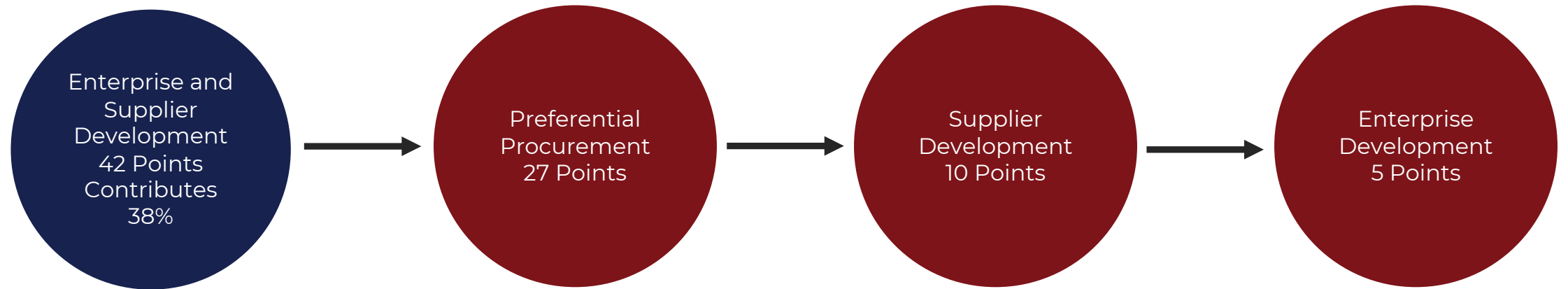
Management
Control
19 Points
Contributes
17%

Skills
Development
20 Points + 5
Bonus
Contributes
18%

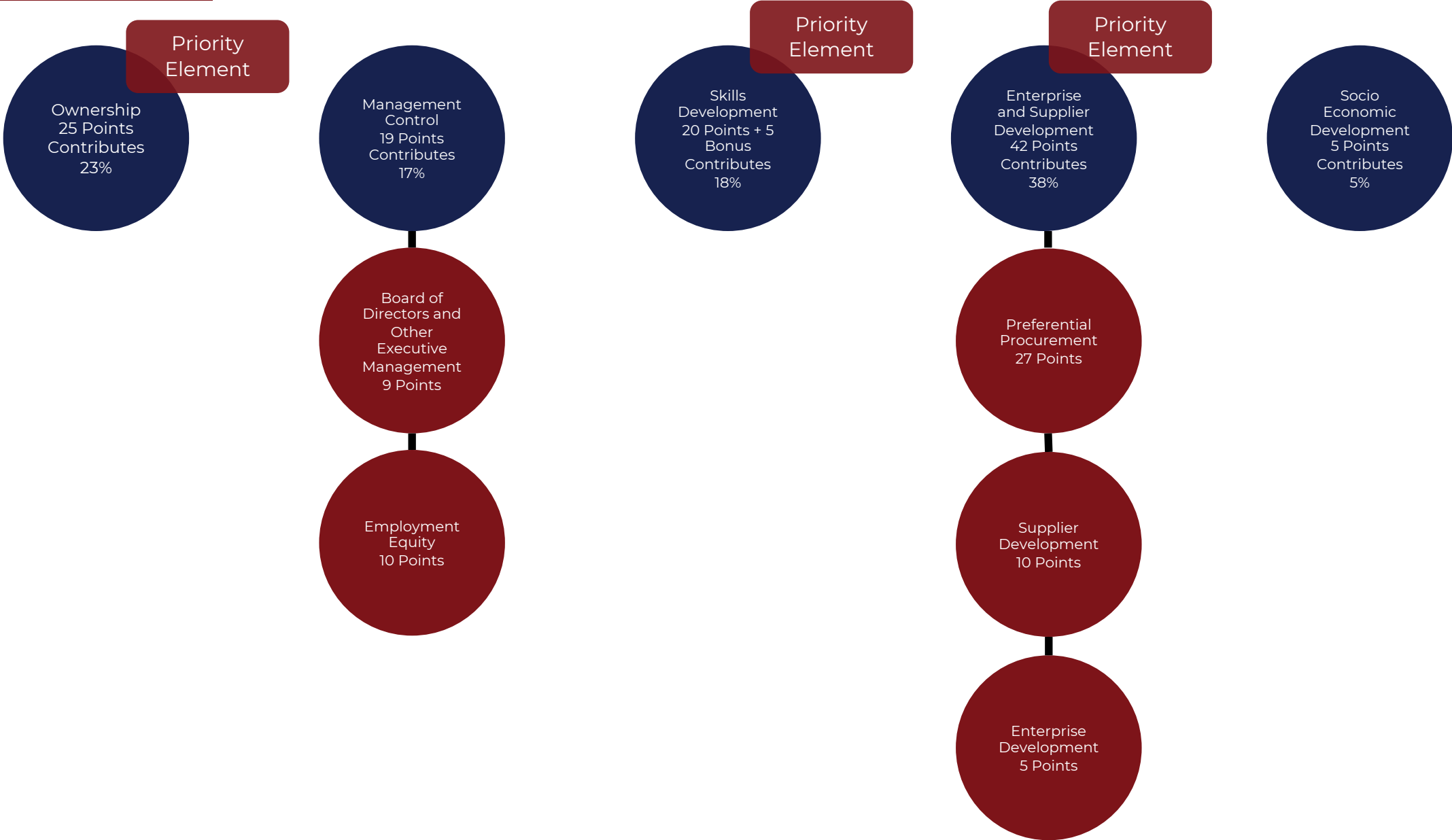
Enterprise
and Supplier
Development
42 Points
Contributes
38%

Socio
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5%

B-BBEE SCORECARD



B-BBEE SCORECARD



BEE Procurement Recognition Levels

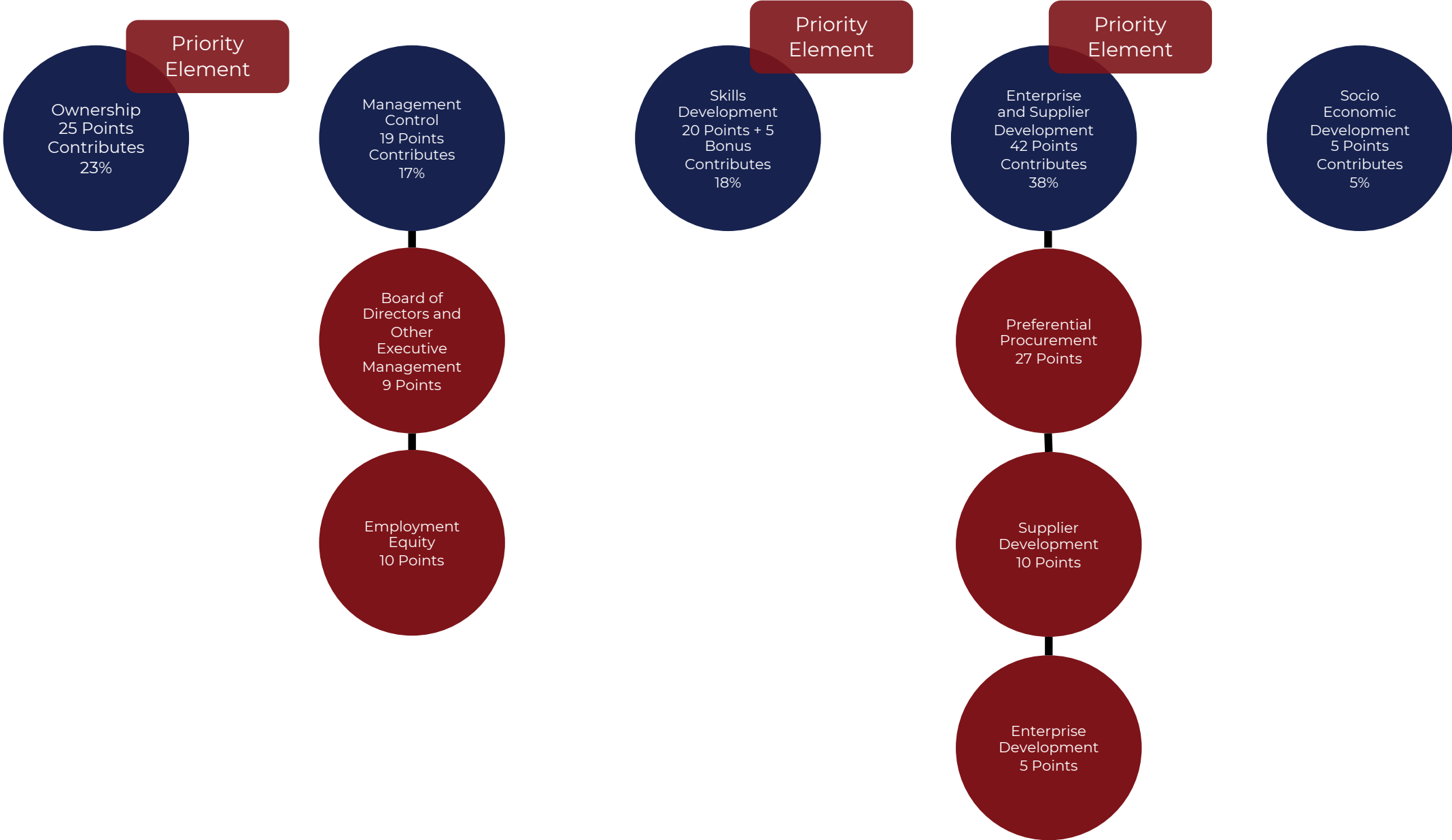
Level	Qualification	%
1	≥ 100 Points	135%
2	≥ 95 but < 100	125%
3	≥ 90 but < 95	110%
4	≥ 80 but < 90	100%
5	≥ 75 but < 80	80%
6	≥ 70 but < 75	60%
7	≥ 55 but < 70	50%
8	≥ 40 but < 55	10%
Non Compliant	< 40	0%

EQUITY OWNERSHIP
FOCUS

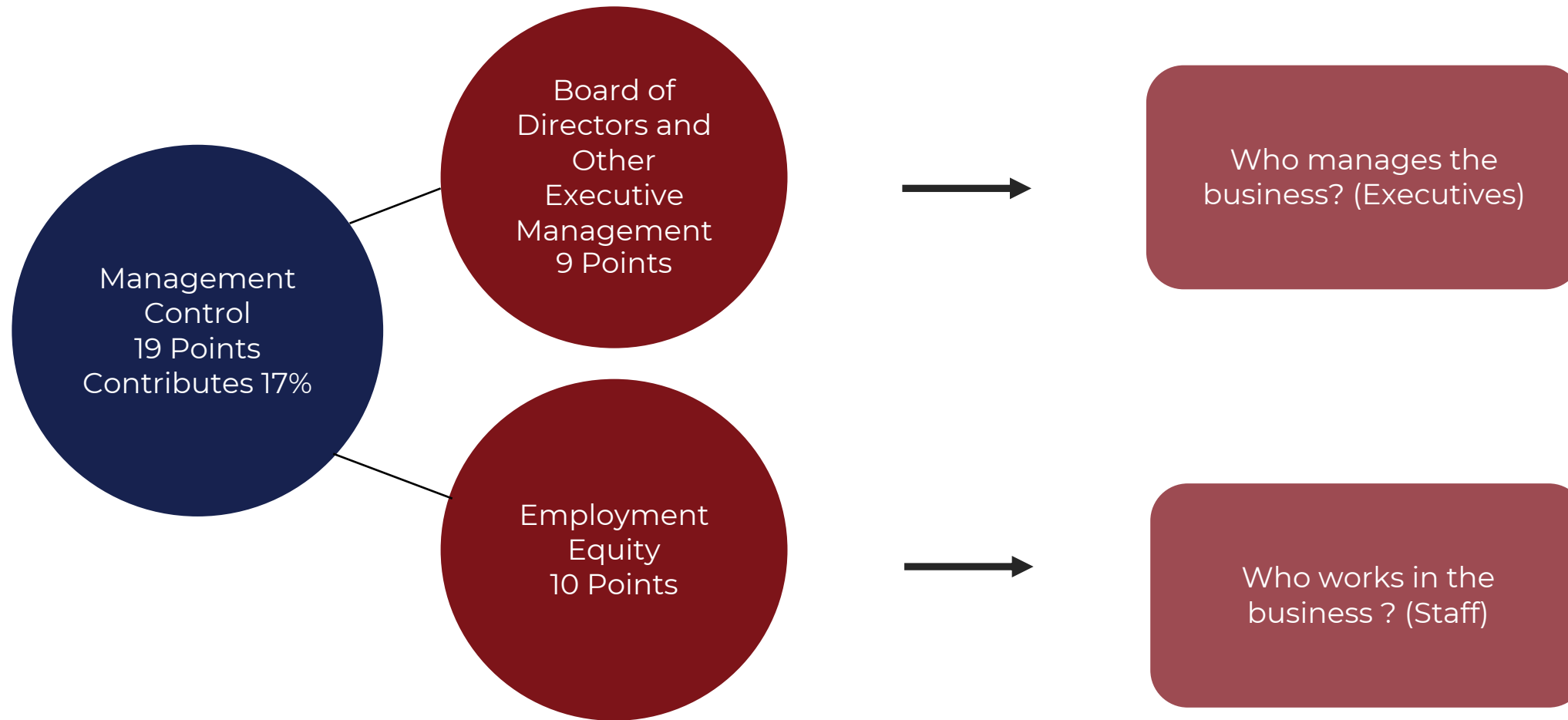
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Quiver Tree Capital**

MANAGEMENT CONTROL
SCORECARD FOCUS

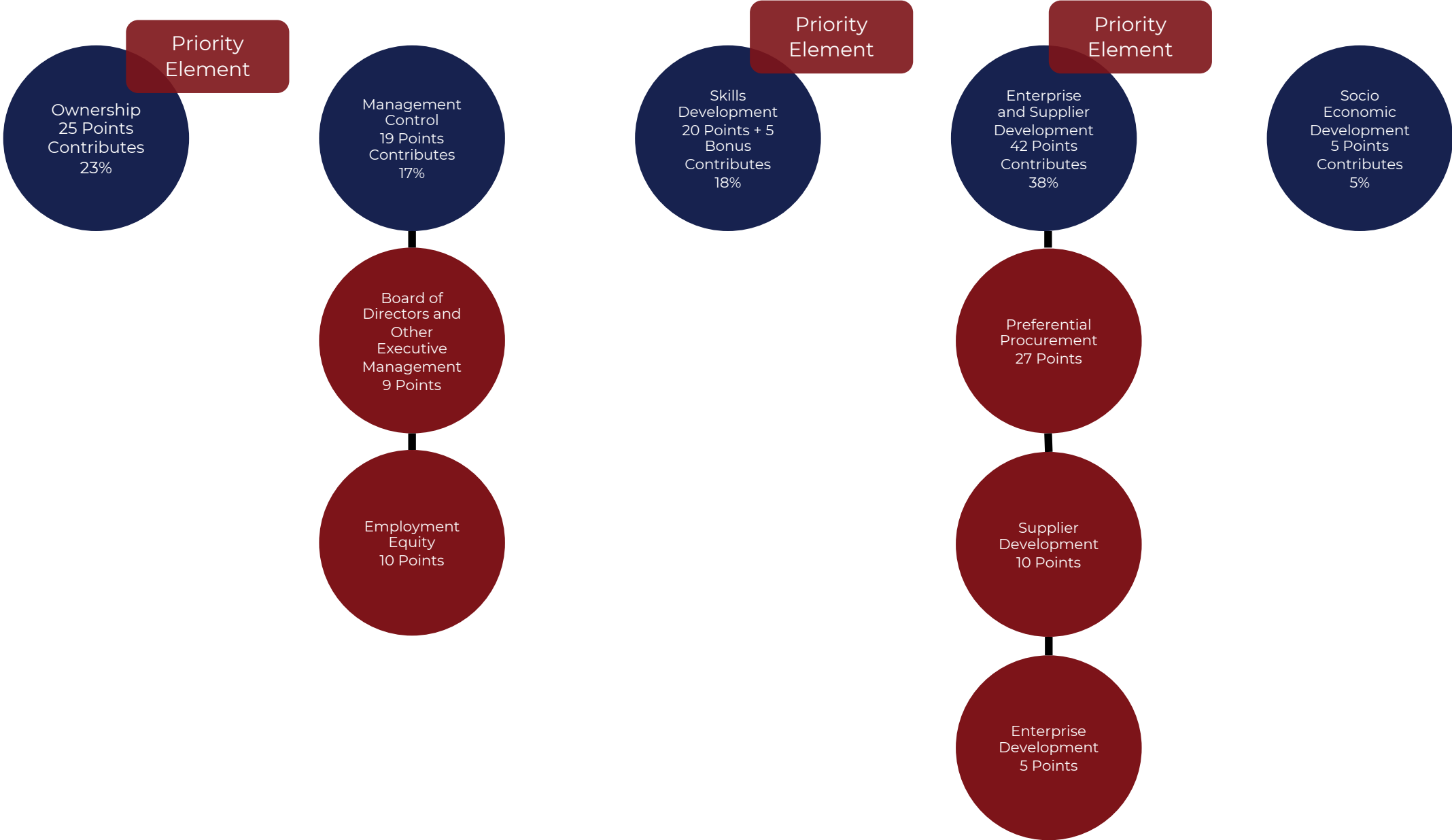
Management Control Scorecard Focus



Management Control Scorecard Focus



Management Control Scorecard Focus



Management Control Scorecard Focus



Element	Indicator	Weight	Target
Board of Directors and Other Executive Management	% Exercisable Voting Rights of Black Board Members	2.00	50.0%
	% Exercisable Voting Rights of Black Women Board Members	1.00	25.0%
	% Black Executive Directors	2.00	50.0%
	% Black Women Executive Directors	1.00	25.0%
	% Black Executive Management	2.00	60.0%
	% Black Women Executive Management	1.00	30.0%

Management Control Scorecard Focus

Board of Directors and Other Executive Management

Indicator	Weight	Target
% Black People on Board of Directors	2.00	50.0%
% Exercisable Voting Rights of Black Women Board Members	1.00	25.0%
% Black Executive Directors	2.00	50.0%
% Black Women Executive Directors	1.00	25.0%
% Black Executive Management	2.00	60.0%
% Black Women Executive Management	1.00	30.0%

Employment Equity targets are further calculated in relation to the race and gender breakdown of the EAP (Economically Active Population) as per STATS SA except for the disabled portion

Element	Indicator	Weight	Target
Employment Equity	% Black People in Senior Management	2.00	60.0%
	% Black Women in Senior Management	1.00	30.0%
	% Black People in Middle Management	2.00	75.0%
	% Black Women in Middle Management	1.00	38.0%
	% Black People in Junior Management	1.00	88.0%
	% Black Women in Junior Management	1.00	44.0%
	Black People Living with Disabilities as a % of All Employees	2.00	2.0%

EMPOWERLOGIC SERVICES RELATED TO

OWNERSHIP AND MANAGEMENT CONTROL

OWNERSHIP

- Verifications and Certificates
- Pre-Implementation Review
- Assessment of Current Structures
- Opinions

MANAGEMENT CONTROL

- Verifications and Certificates
- Pre-Implementation Review
- Assessment of current standing
- Opinions
- Interim Verifications



THANK YOU

CONTACT EMPOWERLOGIC

EMPOWERLOGIC

Contact Us



011 612 3560



sales@empowerlogic.co.za