

## FORWARDING AND CLEARING SUB-SECTOR CODE FOR BBEE

- 3.7.5 Measurement Principles and the Application of the Sub-Sector Code**
- 3.7.5.1 Measurement principles associated with the socio-economic development element are contained in Statement 700 of Code 700 of the Generic Code of Good Practice.
- 3.7.5.2 Qualifying contributions for the socio-economic development element are contained in Annexure 700 (A) – Benefit Factor Matrix of the Statement 700 of Code 700 of the Generic Codes of Good Practice.
- 3.7.5.3 The formulae required in the determination of the socio-economic development are contained in Annexure 700 (A) of Statement 700 of Code 700 of the Generic Code of Good Practice.
- 3.7.5.4 Measurement principles required in evaluating socio economic development contributions made by QSEs within this sector are contained in Statement 807 of Code 800 of the Generic Codes of Good Practice

### 4. FORWARDING & CLEARING B-BBEE SCORECARD

B-BBEE Element	Indicators of Empowerment	Targets - 5 years	Weightings
<b>Foreign Ownership</b> Provide evidence of a global practice against selling equity to locals in investee countries	Equity equivalent programmes approved by the line minister of the transport sector. N.B: Contributions toward these programmes are measured as actual contributions made using the general principles outlined in statement 600 and statement 700 of the Codes of Good Practice.	25% of the value of the South African operations of the Multinational, determined using a Standard Valuation OR 4% of Total Revenue from its South African operations annually over the period of continued measurement	20
<b>Local Based Operations</b>	Economic interest in the hands of Black people	25%	4
	Economic interest in the hands of Black Women	10%	2
	Exercisable voting rights in the hands of Black people	25%+1 vote	3
	Exercisable voting rights in the hands of Black Women	10%	2
	Economic Interest of following black natural people in the Enterprise: -black designated groups, -black participants in Employee Ownership Schemes, -black beneficiaries of Broad based Ownership Schemes ;or -black participants in Co-operatives	3%	1

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B-BBEE Element	Indicators of Empowerment	Targets - 5 years	Weightings
	Net Economic Interest/Net value	25% graduated over 10 years as per the Codes (year 5 at 60%)	7
	Ownership fulfilment		1
	<b>Bonus points:</b> Economic interest in the hands of black disabled people	2%	2
	<b>Bonus points:</b> Involvement in the ownership of the Enterprise of Black new entrants.	10%	1
	<b>Bonus points:</b> Involvement in the ownership of the Enterprise of Black participants in:	10%	1
	Employee Ownership Schemes		
	Broad-Based Ownership Schemes		
	Co-operatives		
<b>Management</b>	Exercisable voting rights of Black board members.	50%	1.5
	Exercisable voting rights of Black Women board members.	25%	1.5
	Black persons who are executive directors	50%	1
	Black women who are executive directors	25%	1
	Black senior top management	40%	1.5
	Black Women senior top management	20%	1.5
	Black other top management	40%	1
	Black Women other top management	20%	1
	<b>Bonus point:</b> Black Independent non-Executive Board Members	40%	1
<b>Employment Equity</b>	Black employees in senior management	45%	2
	Black Women employees in senior management	23%	1
	Black employees in middle management	63%	2

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	Black Women employees in middle management	32%	1
	Black employees junior management	68%	2
	Black Women employees in junior management	34%	1
	Black people living with disabilities	2%	0.5
	Black Women living with disabilities	1%	0.5
	<b>Bonus Points:</b> Meeting or exceeding the EAP Targets in each category of employment equity	-	3
<b>Skills Development</b>	Black skills development expenditure on learning programmes specified in Learning Matrix as percentage of Leivable amount.	3%	5
	Black Women skills development expenditure on learning programmes specified in Learning Matrix as percentage of Leivable amount.	1.5%	5
	Number of Black employees participating in Learnerships or category B, C, D programmes as percentage of total employees.	5%	4
	Number of Black Women employees participating in Learnerships or category B, C, D programmes as percentage of total employees.	2.5%	2
	Black People with Disability skills development expenditure on learning programmes specified in Learning Matrix as percentage of Leivable amount	0.3%	2
	Black Women with Disability skills development expenditure on learning programmes specified in Learning Matrix as percentage of Leivable amount	0.15%	2

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B-BBEE Element	Indicators of Empowerment	Targets - 5 years	Weightings
<b>Preferential Procurement</b>	Procurement spend from all suppliers based on recognition levels as percentage of total measured procurement spend.	50%	12
	Procurement spend from QSE's and EME's based on recognition levels as percentage of total measured procurement spend.	10%	3
	Procurement from 50% Black-Owned as a % of Total Procurement spend	9%	3
	Procurement from 30% Black Women-Owned Enterprises as a percentage of Total Procurement spend	6%	2
<b>Enterprise Development</b>	Investment in the Black-owned enterprises	3% of NPAT	10
	Investment in the Black Women-owned enterprises	1.5% of NPAT (i.e half of the target for contributions to black-owned enterprises)	5
<b>Socio-economic Development</b>	Expenditure on social development programmes as a % of NPAT. N.B: Enhanced recognition shall be awarded for contributions towards the following causes: <ul style="list-style-type: none"> <li>○ HIV/AIDS</li> <li>○ Bursaries</li> <li>○ Poverty alleviation</li> <li>○ F&amp;C industry awareness</li> </ul>	1% NPAT	5

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### 5. FOWARDING AND CLEARING QUALIFYING SMALL ENTERPRISES SCORECARD

B-BBEE Element	Indicators of Empowerment	Private Sector 5 year target	Private Sector Weightings
<b>Ownership</b>	Exercisable voting rights in hands of of black people	25%+1 Vote	6
	Economic Interest of black people in the Enterprise	25%	9
	Realisation Points		
	Ownership fulfillment		1
	Net Value	25% graduated over 10 years as per the Codes (Year 5 at 60%)	9
	<b>Bonus Points</b>		
	Involvement in the owership of the Enterprise by black women	10%	2
	Involvement in the ownership of the Enterprise by black participants in Employee Share Schemes, Co-operatives or Broad Based Ownership Schemes	10%	1
<b>Management Control</b>	Black Representation at Top Management level	50.1%	25
	<b>Bonus Points:</b> Black women representation at Top-Management	25%	2
<b>Employment Equity</b>	Black Employees of the Measured Entity who are Management	40%	7.5
	Black Women Employees of the Measured Entity who are management	20%	7.5
	Black employees of the Measured Entity as a percentage of total employees	60%	5
	Black women employees of the Measured Entity as a percentage of total employees	30%	5
	<b>Bonus points:</b> meeting or exceeding the EAP targets in each category		2
<b>Skills Development</b>	Skills Development spend on learning programmes for black employees as a percentage of the leviabale/payroll	3%	12.5
	Skills Development spend on learning programmes for black women employees as a percentage of the leviabale/payroll	1.5%	12.5

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B-BBEE Element	Indicators of Empowerment	Private Sector 5 year target	Private Sector Weightings
Preferential Procurement	BEE Procurement Spend from all suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	40%	25
Enterprise Development Spend	Average annual value of Qualifying Contributions made by the Measured Entity as a percentage of the target	3% NPAT	25
Socio-Economic Development	Average annual value of Qualifying Contributions made by the Measured Entity as a percentage of the target	1% NPAT	25
<b>TOTAL</b>			<b>175</b>

A QSE must select any four of the above seven elements for the purposes of measurement. If a QSE does not make a selection, its four best element scores will be used for the purposes of measurement.

### 6. APPENDIX B: COMMITMENT EVALUATION MATRICES

#### Ownership

Action Undertaken	Input measurement	Output measurement	Quality Control
Establish funding mechanisms for the purchasing of shares by black people.	Money spent on research as a % of total discretionary funds	Research report submitted to Steering Committee/ Transport Charter Council on details and feasibility of funding mechanisms.	Steering Committee/ Transport Charter Council
Creating awareness of the F&C industry amongst the traditional banking institutions as well as Public Financing Institutions.	Money spent on awareness campaign as a % of total discretionary funds	Report to Steering Committee/ Transport Charter Council on attendance at awareness campaigns.	Steering Committee/ Transport Charter Council

#### Employment Equity

Action Undertaken	Input measurement	Output measurement	Quality Control
Department of Labor to ensure that employment equity targets are met.	Money spent on research survey as a % of total discretionary funds	Assessment Report on employment equity targets for black people within the industry.	TETA & Steering Committee/ Transport Charter Council

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### Skills Development

Action Undertaken	Input measurement	Output measurement	Quality Control
Increasing awareness regarding scholarships, training resources and careers in the industry.	Money spent on awareness campaign as a % of total discretionary funds	Report to Steering Committee/ Transport Charter Council on attendance at awareness campaigns.	TETA & Steering Committee/ Transport Charter Council
Facilitate high quality training of black people through learnership, internship and mentorship programmes.	Money spent on skills development as a % of total discretionary funds	Assessment Report on skills of black people within the industry.	TETA & Steering Committee/ Transport Charter Council
Implement skills audit to identify management, professional and technical skills that will be required over the next decade.	Money spent on research as a % of total discretionary funds	Analysis and forecasts to be presented to Steering Committee/ Transport Charter Council and TETA.	TETA & Steering Committee/Transport Charter Council
Continuously benchmark training programmes against best international practice.	Money spent on gap analysis as a % of total discretionary funds	Research report submitted to Steering Committee/Sub-Sector Code Council on details of gap analysis and suggestions on how the problem can be alleviated.	TETA & Steering Committee/ Transport Charter Council

### Preferential Procurement

Action Undertaken	Input measurement	Output measurement	Quality Control
Ensure that uniform accounting practices regarding preferential procurement are adopted by public sector agencies.	Money spent on research as a % of total discretionary funds	Assessment Report on accounting practices regarding preferential procurement submitted to Steering Committee/ Transport Charter Council.	Steering Committee/ Transport Charter Council

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### Enterprise Development

Action Undertaken	Input measurement	Output measurement	Quality Control
Create joint ventures with and invest directly in black owned enterprises.	Annex 600A (Benefit Factor Matrix) of the Codes shall apply	Report to Steering Committee on improvement (percentage change) in new entities created.	Steering Committee/ Transport Charter Council

### Socio-economic Development

Action Undertaken	Input measurement	Output measurement	Quality Control
Facilitate access to finance and grants to improve participation in skills programmes.	Money spent on developing appropriate financial mechanisms as a % of total discretionary funds	Report to Steering Committee/ Transport Charter Council on the percentage and type of financial mechanisms used to finance skills programmes.	TETA & Steering Committee/ Transport Charter Council
Develop awareness campaign to demonstrate the economic growth and development, B-BBEE and job creation aspects within the industry.	Money spent on awareness campaign as a % of total discretionary funds	Report to Steering Committee on attendance at awareness campaigns.	TETA & Steering Committee/ Transport Charter Council
Implement labour practices in line with labour legislation.	Money spent on awareness campaigns and legal and administrative fees as a % of total discretionary funds	Report to Steering Committee/ Transport Charter Council on adherence to labour legislation.	Steering Committee/ Transport Charter Council