



B-BBEE Module

Insite now features a fully integrated B-BBEE module further streamlining how you manage and report all your social performance commitments and requirements.

Introduction to B-BBEE

The purpose of B-BBEE is to address the legacy of structural inequality, to promote economic participation and to ensure that all people in South Africa enjoy access to various socio-economic opportunities. Increased participation is enabled through diversified ownership structures, capacity development, representation across management levels and a diversified supply chain through enterprise and supplier development programmes as well corporate social investment programmes. The revised codes of good practice gazetted 2013, designate 3 elements on the B-BBEE scorecard as priority elements are the following; ownership, skills development & enterprise and supplier development. For these elements, a sub minimum target of 40% has to be achieved.

Feature and Functionality



Improved Efficiency

Manual reporting on B-BBEE compliance and initiatives is time-consuming, repetitive, technically challenging, and prone to error. With Insite, you and your team can increase productivity and efficiency across the business by reducing the amount of time the organisation spends on reporting and compliance tracking and can focus more energy on implementing strategy and improving performance.



Minimise Human Error

Digital data and document management reduces human error through automation and centralisation of record keeping.





Visibility of Key Data Fields and Reporting Categories

Data quality reports and the ability to drill down on the data underlying any B-BBEE figure increase visibility across the board.



Improved Communication and Collaboration

Insite integrates data categories across different functional areas and eases communication regarding progress on B-BBEE performance. This empowers various stakeholders, both internal and external to work together.



Actionable Insights and Reporting

Insite enables you to track, collect and analyse your data above and beyond regulatory reporting. This allows you to spot patterns and proactively improve processes, correct any failures, and do more of what's working across the business.

Ownership

Black persons' ownership of assets and enterprises must reflect genuine participation in decision-making at board, executive management and operations levels, and the assumption of real risk. In the scorecard, direct empowerment focuses on ownership of enterprises and assets through shares and other instruments that provide the holder there of with voting rights and economic benefits, such as dividends or interest payments.

Passive ownership of assets through pension and provident funds, unit trusts, and other collective investment schemes also play an essential role in B-BBEE. The ownership element considers the extent to which ownership interests in a measured entity, such as voting rights and economic interests, are held by black people and by black women specifically, as well as the extent to which ownership interests are unencumbered by debt - referred to as net value.

Ownership Scorecard

There are various elements of the ownership scorecard in which shares or parts of shares can be used in calculating a score. There are two sets of rules, one for voting right calculations and one for economic interest calculations. The inclusion or factored inclusion for these are reflected in the voting right and economic interest shareholders tables.

Table 2 reflects the base set of shareholders used in calculating the scorecard.

Shareholders such as state-owned entities, trusts, section 21 and mandatory investments are excluded.

Indicator	Description	Weighting Points	Compliance Target	Actual	Score	Final Score
2.1 Voting Rights	2.1.1 Exercisable Voting Rights in the hands of Black People	4.00	25.00	83.46	13.35	4.00
	2.1.2 Exercisable Voting Rights in the Entity in the hands of Black Women	2.00	10.00	8.27	1.65	1.65
	2.2.1 Economic Interest in the Entity to which Black People are entitled	4.00	25.00	60.66	9.70	4.00
	2.2.2 Economic Interest in the Entity to which Black Women are entitled	2.00	10.00	6.01	1.20	1.20
2.2 Economic Interest	2.2.3.1 Black designated groups	3.00	3.00	6.01	6.01	3.00
	2.2.3.2 Black participants in Employee Share Ownership Programmes					
	2.2.3.3 Black People in Broadbased Ownership Schemes					
	2.2.3.4 Black participants in Cooperatives					
2.2.4 New Entrants	2.2.4	2.00	2.00	0.00	0.00	0.00
	2.3.1 Net Values	8.00	25.00	60,655,136.61	19.41	8.00
2.3 Realisation Points	Subminimum Achieved		Yes			
Totals		25.00				21.86

Table 3 - Voting Rights Shareholders

Table 3 shows shareholders in voting right calculations and what percentage of the individual shareholders' voting shares are allowed. A factor is calculated per shareholder to indicate included share percentages.

Voting Rights are calculated using only shares that have voting rights. In contrast Economic Interest calculations include Non Voting Right shares.

Entity Name	Shareholder Type	Classification	Voting Shares	Non Voting Shares	Black Factor	Black Women	Black Women	Black Youth	Black Youth	Black Youth Designated Group	New Entrant	Modified Flow Through	Additional Criteria Met	Debt	Debt Year
Bak en Terie	Mr A	Individual	Other	75.19	0.00	0.75	75.19	0.00	0.00	0.00	No	No		0.00	0.00
Bak en Terie	Maelisi Maseko	Company	Other	24.81	0.00	0.25	8.27	8.27	8.27	0.00	0.00	8.27	No	300,000.00	1.00
Bak en Terie	Lucas Maree	Mandated Investment		0.00	37.59	0.00	0.00	0.00	0.00	0.00	Yes			0.00	0.00



Human Resources: Management Control

The management control element within the B-BBEE scorecard measures the race and gender representation of the company's employees across its entire organisational structures, including board, executives, operational management and disabled employees, as defined in the regulations of the Employment Equity Act and Commission of Employment Equity Report.

It is important to remember that this measurement is not limited to African male and female representation, but rather each subset of the economically active group (African, Indian, and Coloured) using the national or provincial adjusted EAP as provided by Statistics South Africa.

The management control scorecard can therefore be used to track performance against the requirements of the B-BBEE Act and Revised Codes of Good Practice. It can further be utilised to inform skills development and employment equity initiatives such as succession planning, career development and individual development of employees across the different occupational levels within the organisation.

Skills Development Scorecard

Skills development is a critical component of South Africa's transformation and economic growth. The B-BBEE Act encourages its implementation and it goes hand-in-hand with the Skills Development Act of South Africa. Skills development aims to empower entrants to the South African workforce with skills and workplace experience, which can be achieved through various training initiatives such as apprenticeships, bursaries, internships and learnerships as specified in the Learning Program Matrix. This report also assists users in understanding how such training initiatives measure up to their current Economically Active Population (EAP), whether national or provincial.

The Skills Development Scorecard measures the extent to which companies carry out initiatives designed to develop the competencies of black people internally and externally. It further measures skills development spend on black people with disabilities and measures the absorption of black learners who have completed their qualifications.

Demographics: National

Element Description	Measure	Weighting	Actual Spend	Result	EAP Capped	EAP Result	No EAP Score	Score	Final Score
Total Expenditure of Black People on Learning Programmes									
Skills Development Expenditure of Black People in all learning programmes as per skills matrix (B-G) + A-Tweaks.	3.5	6	6,325,952.86	16.3113	4,078,819.52	10.5171	27.96	18.03	6.00
Skills Development Expenditure on Bursaries of Black Students at Higher Education Institutions. (A)	2.5	4	2,761,034.09	7.1192	2,091,004.16	5.3916	11.39	8.63	4.00
Skills Development Expenditure of Black People in all learning programmes as per skills matrix with Disabilities Only. (A-G)	0.3	4	8,544.00	0.0220	NA	NA	NA	0.29	0.29
Learnerships, Internships and Apprenticeships									
Number of Black People participating in Learnerships, Internships and Apprenticeships (B-D).	5	6	16.00	1.8391	0.57	0.5747	2.21	0.69	0.69
Bonus Points									
Number of Black People absorbed (B-D).	100	5	0.00	0	NA	NA	NA	0.00	0.00
Total		25.00					41.85	27.64	10.98
Subminimum Achieved	Yes								



Procurement: Enterprise and Supplier Development Scorecard

The procurement scorecard can be utilised to assist with measuring initiatives to enable transformation and socio-economic impact through the targeted implementation of an organisation's preferential procurement strategy and compliance to the various elements of the B-BBEE Codes.

Enterprise and supplier development programmes improve the success rate of new entrants and the resultant financial inclusion of such SMMEs into the mainstream economy. These include B-BBEE-compliant entities, which have empowering credentials, as well as SMMEs with a 51% direct Black Ownership and a turnover of less than R50 million per annum (QSE).

Category	Measure	Weighting	Spend	Weighted Spend	Enhanced Spend	Result	Score	Final Score
Preferential Procurement								
B-BBEE Spend from all Empowering Suppliers	30	5	173,676,538.03	98,272,317.45	132,389,720.32	47.0851	2.94	2.94
B-BBEE Spend from QSE Empowering Suppliers	15	3	141,636.00	179,264.12	185,255.68	0.6852	0.02	0.02
B-BBEE Spend from DME Empowering Suppliers	15	4	9,426,128.93	12,196,834.56	14,620,160.00	0.7246	1.79	1.79
B-BBEE Spend from Empowering Suppliers that are 51% Black Owned	30	11	20,428,372.43	20,879,112.56	24,376,455.68	11.4896	2.53	2.53
B-BBEE Spend from Empowering Suppliers that are 30% Black Women Owned	12	4	8,717,179.43	8,670,883.44	10,396,133.12	4.7817	1.59	1.59
Subminimum Achieved								
Bonus Points								
B-BBEE Spend from Empowering Designated Groups that are 51% Black Owned	15	2	4,726,096.20	5,203,128.68	6,241,351.68	2.8767	0.38	0.38
Supplier Development								
Supplier Development (Annual Contributions)	2	10	1,004.56	NA	0	0.6190	0.05	0.05
Subminimum Achieved								
Enterprise Development								
Enterprise Development (Annual Contributions)	1	5	350,000.00	NA	0	3.5000	17.50	5.00
Subminimum Achieved								
Bonus Points								
Graduation of Enterprise Development to Supplier Development	1	0.00	NA	NA	0	0.00	0.00	0.00
Job Creation of one or more as a result of Enterprise and Supplier Development initiatives	1	0.00	NA	NA	0	0.00	0.00	0.00
Total	46							14.31

Combined B-BBEE Scorecard

The purpose of the combined scorecard is to determine your preferential procurement recognition level and to give you a guideline on how to raise your current B-BBEE level. The B-BBEE scorecard measures the level of compliance against all five (5) elements, each of which is measured against target-specific weightings. These elements are Ownership, Management Control, Skills Development, Preferential Procurement, which includes Supplier and Enterprise Development and Socio-Economic Development.

The scorecard within Insite shows the actual state of your score to date, utilising data from your ERP systems.

Element Description	Qualification	BBBEE Recognition Level
Level One Contributor	= 100 Points on the Generic Scorecard	135%
Level Two Contributor	= 95 but < 100 Points on the Generic Scorecard	125%
Level Three Contributor	= 90 but < 95 Points on the Generic Scorecard	110%
Level Four Contributor	= 80 but < 90 Points on the Generic Scorecard	100%
Level Five Contributor	= 75 but < 80 Points on the Generic Scorecard	80%
Level Six Contributor	= 70 but < 75 Points on the Generic Scorecard	60%
Level Seven Contributor	= 55 but < 70 Points on the Generic Scorecard	50%
Level Eight Contributor	= 40 but < 55 Points on the Generic Scorecard	10%
Non-Compliant Contributor	< 40 Points on the Generic Scorecard	0%

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