



Block B: 48 Sutherland Avenue
Parktown North
JHB, South Africa

083 227 1375

info@caird.co.za

“Creating BUSINESS sense out of BEE”

The AgriBEE scorecard

The AgriBEE code (gazette number 36035) came into effect on the 28th of December, 2012.

The code is applicable to any enterprise which derives the majority of its turnover from:

- The primary production of agricultural products
- The provision of services and input to producers of agricultural products
- The beneficiation of agricultural products
- The storage, distribution and/or trading of non-beneficiated agricultural products

Definitions

- **Exempt Micro Enterprises (EMEs)** – enterprises whose annual turnover falls below R5 million per year.
- **Qualifying Small Enterprises (QSEs)** – enterprises whose annual turnover falls between R5 million and R35 million.
- **Generic entities** – any entity whose turnover is in excess of R35m

Contributors are measured using the table below.

Contribution Level	BBBEE score range	Recognition level
Level One Contributor	100 points	R1.35/R1 spent
Level Two Contributor	85 points but < 100 points	R1.25/R1 spent
Level Three Contributor	75 points but < 85 points	R1.10/R1 spent
Level Four Contributor	65 points but < 75 points	R1/R1 spent
Level Five Contributor	55 points but < 65 points	R0.80/R1 spent
Level Six Contributor	45 points but < 55 points	R0.60/R1 spent
Level Seven Contributor	40 points but < 45 points	R0.50/R1 spent
Level Eight Contributor	30 points but < 40 points	R0.10/R1 spent
Non-Compliant Contributor	< 30 points	R0/R1 spent

Summary of elements in the AgriBEE Scorecard

<i>Element</i>	<i>Generic weighting points (including bonus points)</i>	<i>QSE weighting points (including bonus points)</i>
Ownership	23	23
<i>Land ownership (alternative to the ownership element)</i>	20	25
Management	11	22
Employment Equity	13	22
Skills development	22	22
Preferential Procurement	20	20
Enterprise Development	12	20
Socio-Economic Development	13	23

Generic B-BBEE scorecard

Equity element – Generic Scorecard

Ownership. Total points - 23 (including 3 bonus points)		
Description	Weighting points	Compliance Target
Voting rights		
Exercisable voting rights in the enterprise in the hands of black people.	3	25% + 1 Vote
Exercisable voting rights in the enterprise in the hands of black women.	2	10%
Economic interest		
Economic interest in the enterprise to which black people are entitled	4	25%
Economic interest in the enterprise to which black women are entitled	2	10%
Economic interest of the following black natural people in the enterprise <ul style="list-style-type: none"> o black designated groups o black participants in employee ownership schemes o black beneficiaries of broad-based ownership schemes; or o black participants in co-operatives are entitled	1	2.5%
Realisation points		
Ownership fulfilment	1	No restrictions
Net value (graduated repayment timeframe)	7	25%
Bonus points		
Involvement in the ownership of the enterprise of black participants <ul style="list-style-type: none"> o in employee ownership schemes o broad-based ownership schemes; or o co-operatives 	3	Bonus per each level of 5%

Land Ownership (alternative to ownership element). Total points - 20		
Description	Weighting points	Compliance Target
Commercial agricultural land transferred or sold to black people ¹	20	30%
Bonus points		
Contribution to achieving in excess of 30% land transfer	5	Bonus point per each percentage of land transferred above 30% off total land

¹ This requirement is offered as an alternative to ownership. The details of this type of transaction are not yet concluded and await the finalisation of the Land Reform Green Paper. However the Recognition of Sale of Assets as contemplated in the DTI's generic B-BBEE codes of good practice can be used to award these points.

Management element – Generic Scorecard

Management Control. Total points –11 (including 1 bonus point)		
Description	Weighting points	Compliance Target
Board participation		
Exercisable voting rights of black board members	3	50%
Black executive directors	1	50%
Black women executive directors	1	25%
Top management participation		
Black senior top management	2	40%
Black women senior top management	1	20%
Black other top management	1	40%
Black women other top management	1	20%
Bonus points		
Black independent non-executive board members	1	40%

Employment Equity – Generic Scorecard

Employment Equity. Total points – 13 (including 3 bonus points)		
Description	Weighting points	Compliance Target
Black disabled employees as a percentage of <u>ALL</u> employees	2	3%
Black people as a percentage of <i>senior management</i>	2	60%
Black women as a percentage of <i>senior management</i>	2	30%
Black people as a percentage of <i>middle management</i>	2	75%
Black women as a percentage of <i>middle management</i>	1	40%
Black people as a percentage of <i>junior management</i>	1	80%
Bonus Point for meeting or exceeding the Economically Active Population (EAP) targets in each category above	3	

Skills Development – Generic Scorecard

Skills Development. Total points – 22 (including 2 bonus points)		
Description	Weighting points	Compliance Target
Skills development expenditure on learning programmes specified in the Learning Programmes Matrix		
Skills development spend on black employees as a percentage of Leivable Amount. (85% of spend focused on core skills as identified by the enterprise and critical skills as identified by the relevant SETA. Spend less than 85% will be prorated).	7	2%
Skills development spend on black women as a percentage of Leivable Amount. (85% of spend focused on core skills as identified by the enterprise and critical skills as identified by the relevant SETA. Spend less than 85% will be prorated).	2	1%
Skills development expenditure on black employees with disabilities as a percentage of Leivable Amount.	1	0.2%
Learnerships		
Number of black employees participating in training programmes/learnerships that lead to recognised qualifications as percentage of total employees.	3	5%
Number of black women participating in training programmes/learnerships that lead to recognised qualifications as percentage of total employees.	2	2.5%
Number of people who are members of black designated groups participating in training programmes/learnerships that lead to recognised qualifications as percentage of total employees.	3	1%
Number of black employees participating in ABET training as a percentage of total employees	2	1%
Bonus points: Percentage of employees participating in ABET level 3 training as a percentage of total employees	2	2%

Preferential Procurement – Generic Scorecard

Preferential Procurement. Total points – 20		
Description	Weighting points	Compliance Target
B-BBEE procurement spend from all suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	12	70%
B-BBEE procurement spend from all <i>Qualifying Small Enterprises</i> (QSEs) based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	2	15%
B-BBEE procurement spend from all <i>Exempted Micro-Enterprises</i> (EMEs) based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	1	5%
B-BBEE procurement spend from EMEs that are more than 50% black owned as a as a percentage of total measured procurement spend	3	12%
B-BBEE procurement spend from EMEs that are more than 30% black women owned as a as a percentage of total measured procurement spend	2	8%

Enterprise Development – Generic Scorecard

Enterprise Development. Total points – 10		
Description	Weighting points	Compliance Target
Average annual value of all Enterprise Development contributions and Sector Specific Programmes as a percentage of the target	10	3 % of NPAT
Bonus points: Enterprise Development contributions that directly increase employment levels in the preceding year	2	One point for every 5% proven increase in permanent employment for black people on previous year's permanent employment

Socio-Economic Development – Generic Scorecard

Socio-Economic Development. Total points – 10		
Description	Weighting points	Compliance Target)
SED spend and or land available to farm workers:		
Average annual value of all SED contributions and Sector Specific Programmes made by the measured entity as a percentage of target AND/OR land made available to farm workers measured from the commencement date of this sector code (28 December 2012) or the inception date over 10 years of the code period. The inception date may not be more than 5 years before the gazetting date.	10	1% of NPAT OR 10% land of the total land owned by the measured entity
Bonus points		
SED contributions benefiting black people in rural communities or geographic areas identified in government's integrated sustainable development programme and urban renewal programme	1	
Lease 20% of land or capital assets owned by the measured entity on a long term basis to black persons which meets the criteria of a qualifying transaction ²	2	Lease longer than 10 years

² The Qualifying Transaction must ultimately result in the creation of sustainable businesses or business opportunities for Black People; the transfer of specialised skills or productive capacity to Black People; and must not result in unnecessary job-losses;

It must involve a separate Associated Enterprise which has:

- no unreasonable limitations with respect to its clients or customers;
- clients, customers or suppliers other than the Enterprise with which the Qualifying Transaction was undertaken; and
- no operational outsourcing arrangements with the initiating enterprise that were not concluded at arms-length on a fair and reasonable basis.

Qualifying Small Enterprises BBBEE scorecard

The QSE scorecard is made up of the same seven elements as the generic scorecard. Each element is weighted out of 20 points (bonus points are provided in certain elements). QSEs may choose five out of the seven elements on the scorecard (making a total of 100 points). If a QSE selects more than five elements, the best four will be selected.

Equity element – QSE Scorecard³

Ownership. Total points - 23 (including 3 bonus points)		
Description	Weighting points	Compliance Target
Voting rights		
Exercisable voting rights in the enterprise in the hands of black people.	5	25% + 1 Vote
Economic interest		
Economic interest of black people in the enterprise	7	25%
Realisation points		
Ownership fulfilment	1	Yes
Net value	7	25%
Bonus points		
Involvement of black participants <ul style="list-style-type: none"> o in employee ownership schemes o in co-operatives; or o broad-based ownership schemes o black women 	3	10%

³ QSEs electing to include the ownership element in their measurement, will have its ownership score (including bonus points) multiplied by 1.25, provided that the enterprise scores a minimum of 20 points (including bonus points) for ownership, before the application of this multiple.

Land Ownership (alternative to ownership element). Total points - 20		
Description	Weighting points	Compliance Target
Commercial agricultural land transferred or sold to black people ⁴	20	30%
Bonus points		
Contribution to achieving in excess of 30% land transfer	5	Bonus point per each percentage of land transferred above 30% off total land

Management element – QSE Scorecard

Management Control. Total points – 22 (including 2 bonus points)		
Description	Weighting points	Compliance Target
Black representation at owner/manager level	20	50.1%
Bonus points		
Bonus points: black women representation at owner/manager level	2	25%

⁴ This requirement is offered as an alternative to ownership. The details of this type of transaction are not yet concluded and await the finalisation of the Land Reform Green Paper. However the Recognition of Sale of Assets as contemplated in the DTI's generic B-BBEE codes of good practice can be used to award these points.

Employment Equity – QSE Scorecard

Employment Equity. Total points – 22 (including 2 bonus points)		
Description	Weighting points	Compliance Target
Black representation at supervisor/controller level	6	60%
Black women representation at supervisor/controller level	6	30%
Black employees as a percentage of all employees	4	70%
Black women employees as a percentage of all employees	4	35%
Bonus Point for meeting or exceeding the Economically Active Population (EAP) targets in each category above	2	

Skills Development – QSE Scorecard

Skills Development. Total points – 22 (including 2 bonus points)		
Description	Weighting points	Compliance Target
Employee enrollment/involvement in recognized training programmes	5	30%
Skills development spend on black employees as a percentage of Leviable Amount. (85% of spend focused on core skills as identified by the enterprise and critical skills as identified by the relevant SETA. Spend less than 85% will be prorated).	25	2%
Bonus points: Percentage of employees participating in ABET level 3 training as a percentage of total employees	2	2%

Preferential Procurement – QSE Scorecard

Preferential Procurement. Total points – 20		
Description	Weighting points	Compliance Target
BEE procurement spend from all suppliers based on the BEE procurement recognition levels as a percentage of total measured procurement spend	20	50%

Enterprise Development – QSE Scorecard

Enterprise Development. Total points – 20		
Description	Weighting points	Compliance Target
Average annual value of all qualifying contributions as a percentage of the target	20	3% of NPAT

Socio-Economic Development – QSE Scorecard⁵

Socio-Economic Development. Total points – 23 (including 3 bonus points)		
Description	Weighting points	Compliance Target)
SED spend and or land available to farm workers:		
Average annual value of all SED contributions and Sector Specific Programmes made by the measured entity as a percentage of target and/or land made available to farm workers measured from the commencement date of this sector code (28 December 2012) or the inception date over 10 years of the code period. The inception date may not be more than 5 years before the gazetting date.	10	1% of NPAT OR 10% land of the total land owned by the measured entity
Bonus points		
SED contributions benefiting black people in rural communities or geographic areas identified in government's integrated sustainable development programme and urban renewal programme	1	
Lease 20% of land or capital assets owned by the measured entity on a long term basis to black persons which meets the criteria of a qualifying transaction ⁶	2	Lease longer than 10 years

⁵ Enterprises that have fully contributed to the ownership element may elect to contribute to the SED portion which will have a corresponding 10 weighting points

⁶ See socio-economic development under the generic scorecard [above](#).



“creating **BUSINESS** sense out of BEE”

Caird

Caird provides consultation and training on all the BEE codes of good practices. Our BEE solutions combine well established methodologies with best practices that maximise the B-BBEE implementation.

Contact Caird

Please feel free to discuss this document with us at any time.

Contact: Paul Janisch
Email: paul@caird.co.za
Cell: 083 227-1375