



REPABOLIKI YA AFERIKA BORWA

REPUBLIEK VAN SUID AFRIKA

BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Section 9(5): Codes of Good Practice

It is hereby notified that the Minister of Trade and Industry hereby issues the following draft Code of Good Practice for public comments under section 9(3) of the Broad-Based Black Economic Empowerment Act 53 of 2003. Interested persons are invited to furnish the Minister with comments on this proposed code within 60 days of the date of publication.

**CODE 300: MEASUREMENT OF THE EMPLOYMENT EQUITY ELEMENT OF BROAD-BASED
BLACK ECONOMIC EMPOWERMENT**

STATEMENT 300: THE RECOGNITION OF EMPLOYMENT EQUITY CONTRIBUTIONS

Issued under section 9(5) of the Broad-Based Black Economic Empowerment Act 53 of 2003 for public comment. Interested persons are invited to furnish the minister with comments on this proposed code within 60 days of the date of publication.

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1 DEFINITIONS

In this statement, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

- 1.1 "**Act**" means the Broad Based Black Economic Empowerment Act, Act 53 of 2003;
- 1.2 "**black people with disabilities**" shall have the same meaning as defined in Code 100 Statement 100;
- 1.3 "**Element**" shall have the same meaning as defined in Code 000 Statement 000;
- 1.4 "**employee**" bears the meaning as defined in the Employment Equity Act;
- 1.5 "**Enterprise**" shall have the same meaning as defined in Code 100 Statement 100;
- 1.6 "**Measured Entity**" means an Enterprise as well as any organ of state or public entity subject to measurement under the Codes;
- 1.7 "**Occupational Levels**" are as outlined in the EEA9 form issued as a regulation under the

Employment Equity Act. For ease of reference, the Occupational Levels relevant to this statement are those specified below and exclude any of the other Occupational Levels specified in EEA9:

- 1.7.1 **"Senior Management"** as per the EEA9 Form issued as a regulation under the Employment Equity Act;
- 1.7.2 **"Professionally Qualified, Experienced Specialists and Mid-management"** as per the EEA9 Form issued as a regulation under the Employment Equity Act; and
- 1.7.3 **"Skilled Technical and Academically Qualified Workers, Junior management, Supervisors, Foremen, Superintendent"** as per the EEA9 Form issued as a regulation under the Employment Equity Act;
- 1.8 **"the Employment Equity Act"** means the Employment Equity Act of 1998; and
- 1.9 **"the Employment Equity Scorecard"** means the scorecard used for the measurement of employment equity contributions in this statement.

2 INTERPRETATION OF THIS STATEMENT

- 2.1 When interpreting a provision of this statement, any reasonable interpretation that is consistent with the objectives of the Act and those set forth in paragraph 4 must be preferred over any other interpretation that is inconsistent with such objectives.
- 2.2 To the extent that any provision of this statement is inconsistent with the Act, the Act shall prevail.

3 APPLICATION OF THIS STATEMENT

This statement is to be used in the measurement of the employment equity Element of broad-based black economic empowerment in respect of all Measured Entities.

4 OBJECTIVES OF THIS STATEMENT

The objectives of this statement are as to:

- 4.1 specify the scorecard for the measurement of the employment equity contributions to BEE;
- 4.2 define the key measurement principles for the measurement of the employment equity contributions to BEE; and

4.3 define the formula for the calculation of the score for employment equity.

5 EMPLOYMENT EQUITY SCORECARD

5.1 The following table represents the criteria used for the purposes of deriving a score for employment equity in terms of this statement:

Criteria		Weighting points	Compliance targets
5.1.1	Black people with disabilities employed by the Measured Entity as a percentage of all full-time employees	2	4%
5.1.2	Black people employed by the Measured Entity at Senior Management level as a percentage of employees at Senior Management level	2	60%
5.1.3	Black women employed by the Measured Entity at Senior Management level as a percentage of employees at Senior Management level	2	30%
5.1.4	Black people employed by the Measured Entity at Professionally Qualified, Experienced Specialists and Mid-management level as a percentage of employees at Professionally Qualified, Experienced Specialists and Mid-management level	2	75%
5.1.5	Black women employed by the Measured Entity at Professionally Qualified, Experienced Specialists and Mid-management level as a percentage of employees at Professionally Qualified, Experienced Specialists and Mid-management level	1	40%
5.1.6	Black people employed by the Measured Entity at Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen, and Superintendents as a percentage of employees at Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foremen, and Superintendents level	1	80%

5.2 Where a Measured Entity attains a score in respect of any one of the criteria specified in the employment equity scorecard that is in excess of the corresponding Weighting points, then that Measured Enterprise shall only be entitled to the corresponding Weighting

points.

6 KEY MEASUREMENT PRINCIPLES

- 6.1 In measuring any of the criteria in the Employment Equity scorecard, the principles contained in the Employment Equity Act will apply and any reporting to the Department of Labour may be used as a basis for the purpose of reporting in terms of this statement. Data and facts may however be collated afresh for BEE planning and verification purposes. For the purposes of measurement and reporting:
- 6.1.1 the percentage of black people at each of the Occupation Levels relevant to the Employment Equity scorecard as well as the percentage of black people with disabilities may be based upon the applicable statistics contained in the Measured Entity's EEA9 and EEA10 forms as contemplated in the Employment Equity Act or may be collated in accordance with the guidelines set out in those forms; and
- 6.1.2 claims in respect of black people with disabilities may be supported by a duly completed declaration as contemplated in the Measured Entity's EEA1 form as contemplated in the Employment Equity Act.
- 6.2 Notwithstanding the foregoing, any Measured Entity not subject to the applicable provisions of the Employment Equity Act shall be required to compile the statistics contemplated in the Employment Equity scorecard using the guidelines set out in the Employment Equity Act for the purposes of this statement.

7 MEASUREMENT OF THE EMPLOYMENT EQUITY CRITERIA

The different indicators of employment equity in the scorecard are calculated on the following basis:

$$A = \frac{B}{C} \times D$$

Where

A is the score achieved in respect of any given criteria as referred to paragraphs 5.1.1 to 5.1.6.

B is the percentage of category of black people being measured

C is the percentage compliance target in respect of that criteria

D is the weighting points allocated to the applicable criteria being measured.

