

## RAIL SUB-SECTOR CODE FOR BBEE

### 4. RAIL SUB-SECTOR B-BBEE SCORECARD

B-BBEE Element	Indicators of Empowerment	Private Sector 5 Year Targets	Private Sector Weights	
<b>Ownership</b>	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 in the hands of black people	25%	4	
	Economic Interest in the hands of Black Women	10%	2	
	Economic interest in the hands of 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 cooperatives	3%	1	
	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>			
	Involvement in the ownership of the Enterprise black new entrants	10%	2	
	Involvement in the ownership of the Enterprise of black participants in ESOPs, Broad-Based Schemes or Co-operatives	10%	1	
	Economic Interest & exercisable voting rights in the hands of black disabled people	2%	2	
	<b>Management</b>	% of total exercisable voting rights in the hands of black board members	33%	1.5
		% of total exercisable voting rights in the hands of black women board members	16.5%	1.5
% Black persons who are executive directors		33%	1	
% Black women who are executive directors		16.5%	1	

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<b>B-BBEE Element</b>	<b>Indicators of Empowerment</b>	<b>Private Sector 5 Year Targets</b>	<b>Private Sector Weights</b>
	% of black people who hold senior top management positions	40%	1.5
	% of black women who hold senior top management positions	20%	1.5
	% of black people who hold other top management positions	40%	1
	% of black women who hold other top management positions	20%	1
	<b>Bonus Point: Black Independent non-executive board members</b>	40%	1
<b>Employment Equity</b>	% Black People in Senior Management	60%	3
	% Black Women in Senior Management	30%	2
	% Black People in Middle Management	75%	2
	% Black Women in Middle Management	37%	2
	% Black People in Junior Management	80%	2
	% Black Women in Junior Management	40%	2
	Black People living with disabilities as a % of all employees	3%	1
	Black Women living with disabilities as a % of all employees	1.5%	1
	% of Black Women in semi-skilled and unskilled positions	15%	2
	<b>Bonus points: Meeting or exceeding the EAP target in each category of employment equity</b>		3
<b>Skills Development</b>	Skills Development Spend on black employees as a % of Leivable amount total payroll	3.5%	7
	Skills Development Spend on black women employees as a % of total leivable amount/payroll	1.5%	3

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<b>B-BBEE Element</b>	<b>Indicators of Empowerment</b>	<b>Private Sector 5 Year Targets</b>	<b>Private Sector Weights</b>
	Number of black employees in Learnerships Programmes or Category B, C and D as a % of total workforce	5%	5
	Number of black women employees in Learnerships Programmes or Category B, C or D as a % of total workforce	2%	2
	Skills Spend on black employees living with disabilities as a % of total payroll	0.3%	1.5
	Skills Spend on black women employees living with disabilities as a % of total payroll	0.15%	1.5
<b>Preferential Procurement</b>	Procurement from all B-BBEE Compliant Enterprises as defined by the B-BBEE Recognition Levels as a % of Total Measured Procurement Spend	50%	10
	Procurement from B-BBEE Compliant QSEs and EMEs as defined by the B-BBEE Recognition Levels as a % of Total Measured Procurement Spend	10%	3
	Procurement from 50% Black-Owned as a % of discretionary spend	9%	3
	Procurement from 30% Black Women-Owned Enterprises as a % of discretionary spend	6%	2
<b>Enterprise Development</b>	Expenditure on supplier development initiatives as a proportion of NPAT	3% of NPAT	10
<b>Socio-economic Development</b>	Expenditure on social development programmes as a % of NPAT	1% of NPAT	5
<b>TOTAL</b>			<b>100</b>

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### 5. QUALIFYING SMALL ENTERPRISES B-BBEE SCORECARD

B-BBEE Element	Indicators of Empowerment	Private Sector 5 year target	Private Sector Weightings
<b>Ownership</b>	Exercisable voting rights in hands of black people	25%+1 Vote	6
	Economic Interest of black people in the Enterprise	25%	9
	Realisation Points:		
	Ownership fulfilment		1
	Net Value	25% graduated over 10 years as per the Codes (Year 5 at 60%)	9
	<b>Bonus Points:</b> Involvement in the ownership of the Enterprise by black women	10%	2
	<b>Bonus Points:</b> 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 as a % of all Management	40%	7.5
	Black Women Employees of the Measured Entity who are management as a % of all 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 leviable/payroll	2%	12.5
	Skills Development spend on learning programmes for Black		12.5

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<b>B-BBEE Element</b>	<b>Indicators of Empowerment</b>	<b>Private Sector 5 year target</b>	<b>Private Sector Weightings</b>
	Women employees as a percentage of the leviable/payroll	1%	
<b>Preferential Procurement</b>	BEE Procurement Spend from all suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	50%	25
<b>Enterprise Development Spend</b>	Average annual value of Qualifying Contributions made by the Measured Entity as a percentage of the target	2% of NPAT	25
<b>Socio-Economic Development</b>	Average annual value of Qualifying Contributions made by the Measured Entity as a percentage of the target	1% of 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.

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### 6. APPENDIX A: COMMITMENT EVALUATION MATRICES

#### Skills Development

Action/Description	Measure	Reporting	Responsible
Prioritise the training of high school learners in mathematics and science at higher grade	Money spend on mathematics and science programmes for high school learners	Annual Report on Progress made in implementing B-BBEE within the Rail Industry and annual B-BBEE report	Steering Committee/Sub-Sector CodeCouncil & DoT
Prioritise the implementation of bursary schemes and education grants for science and engineering students in South African Universities and Technikons	Money spent on research as a % of total discretionary funds	Number of information session programmes and number of beneficiary enterprises benefiting from government programmes	Steering Committee/Sub-Sector CodeCouncil & DoT
Ensure and monitor compliance within existing legislation that might be linked to the B-BEE such as Employment Equity, Skills Development, Competition Act, etc.	Money spent on awareness campaigns as a % of total discretionary funds	Annual Report on Progress made in implementing B-BBEE within the Rail Industry and annual B-BBEE report	SC, DoT, DoL, TETA and dti
Increase awareness programmes that will publicise information regarding scholarships and training resources.	Money spent on awareness campaigns as a % of total discretionary funds	Report to Steering Committee on number of new attendees at awareness campaigns.	TETA & Steering Committee/Sub-Sector CodeCouncil
Implement funding strategy to facilitate the improvement of technical skills of black people within the industry.	Amount of funding as a % of total discretionary funds.	Assessment Report on technical skills of black people within the industry.	TETA & Steering Committee/Sub-Sector CodeCouncil
Facilitate high quality training of black people through 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/Sub-Sector CodeCouncil
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 and	TETA & Steering Committee/Sub-Sector CodeCouncil

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		TETA.	
Set targets to increase the number of sustainable learnerships at all levels within the industry.	Money spent on learnerships as a % of total discretionary funds.	Report to Steering Committee on improvement (percentage change) in black learnerships.	TETA & Steering Committee/Sub-Sector CodeCouncil

**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.	Steering Committee/Sub-Sector CodeCouncil

**Enterprise Development**

Action Undertaken	Input measurement	Output measurement	Quality Control
Enter into joint ventures with B-BBEE enterprises.	Annex 600A (Benefit Factor Matrix) of the Codes shall apply.	Report to Steering Committee on improvement (percentage change) in new entities.	Steering Committee/Sub-Sector CodeCouncil