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***B-BBEE explained— The Socio-Economic Development (SED) Scorecard***

The objective of this element is to measure initiatives that contribute towards SED or to Sector Specific Programmes that promote access to the economy whereby contributions are any monetary or non-monetary contribution implemented for individuals (natural individual or group of natural individuals) or communities, where at least 75% of the beneficiaries are classified as black people in terms of race.

The challenges which this section of the scorecard seeks to address can be summarised as follows:

The majority of Black People in South Africa are still unable to access the mainstream economy owing to poverty and a lack of education.

The most critical aspect of this B-BBEE Element is that SED initiatives should result in **sustainable** economic participation by its intended beneficiaries and discourage dependence on hand-outs.

The indicators and weightings are as follows and in this **example** specific to the Generic sector:

| SED indicator  | BEE Element Number | Generic sector - maximum possible points | Compliance Target for 2018  |
|--|--------------------|--|---|
| Average annual value of all SED contributions by the Measured Entity as a percentage of NPAT or turnover | 5                  | 5  | 1% of NPAT or 0,125% of turnover or by use of STATS SA quarterly statistics indicators for the particular industry when calculating the industry norm net profit margin |



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## ***B-BBEE explained— The Socio-Economic Development Scorecard (continued)***

Below is a summary of the required contributions to assist with maximising your BEE Scorecard points for the SED element.

### QSE & Generic Scorecards

Annual value of all Socio-Economic Development Contributions made by the Measured Entity as a percentage of the target equates to a 1% contribution of Net Profit after Tax (NPAT).

### Specialised & Sector Specific Scorecards

Annual value of all Socio-Economic Development Contributions made by the Measured Entity as a percentage of the target equates to:

Tourism, ICT QSE, Forestry, Media-Advertising-Communications, Transport – 1% of NPAT

ICT Generic – 1% of NPAT

Agricultural – 1.5% of NPAT

Financial – 1.25% of NPAT

Property – 1% of NPAT

Contact BEE Ratings —SA at your earliest convenience for an appointment.