

TO BEE OR NOT TO BEE

Transformation can help grow your business and our economy

Broad-Based Black Economic Empowerment (B-BBEE) plays a fundamental role in the economic well-being of South Africa. It also aims to address the demographic imbalance of black participation in local businesses. As a key business partner, we believe transformation can create opportunities for you, Santam, and the greater economy. We ALL have a role to play. We hope to help you navigate through this landscape, so you can add even more value to your business.



WHAT IS BEE?



GOVERNMENT
The architect

In 2003, the South African government established B-BBEE to stimulate inclusive economic growth by empowering black people to participate meaningfully in the economy. **BEE focuses on five key economic drivers:**

-  **Ownership**
-  **Management Control (Leadership)**
-  **Skills Development**
-  **Preferential Procurement (including Enterprise and Supplier Development)**
-  **Socio-economic Development**

Our sector is bound to this legislation through the Financial Sector Charter (FSC) code. In 2017, the revised FSC code particularly called for your participation, effective from 1 December 2020.

How does this impact your relationship with Santam?



SANTAM
The bricklayer

We are proud of our BEE Level 1 achievement and remain fully committed to supporting you and this country in achieving its economic transformation objectives. This is underpinned by **our Transformation intent:**

To create a **culture of diversity and inclusion,** which will drive **sustainable business results, competitive advantage and value for all.**

The new legislation determines that we, as the insurer, do the following:

-  **Include the commissions we pay you when we measure our procurement spend.**
-  **Collect BEE status certification from all our brokers.**
-  **Engage with you about the transformation of your business.**

How does B-BBEE impact your business?



YOU
The owner

As a business owner, you choose the building blocks to grow your business. As your partner, we encourage you to consider what BEE brings to the table when you align with this legislation.



The time is now to start your transformation journey.

How do you become BEE compliant?

CLICK HERE

for your blueprint.



WHAT'S NEXT

THE BEE BLUEPRINT

Your category of compliance is based on your turnover per annum.



There are three categories:

1. Exempt Micro-Enterprises (EMEs)

2. Qualifying Small Enterprises (QSE)

3. Large Enterprises

To determine your next steps, please determine which compliance category you fit into:

1

Exempt Micro-Enterprises (EMEs)

Turnover: Less than R10m per annum



What do you need to comply:

- Only require a sworn affidavit stating:
 - Annual turnover less than R10m
 - Level of black ownership

What does it mean for you:

- If **100% black ownership:** achieve an automatic Level 1 BEE status
- If at least **51% black ownership:** Level 2 status
- All other EMEs get a Level 4 status
Automatically recognised as Empowering Suppliers

2

Qualifying Small Enterprises (QSE)

Turnover: More than R10m; less than R50m



What do you need to comply:

- Must report on QSE scorecard (and get a verified B-BBEE certificate from an Accredited BEE Verification Agency)
- Unless at least 51% black ownership, then:
- Only require a sworn affidavit stating:
 - Annual turnover less than R50m
 - Level of black ownership

What does it mean for you:

- If **100% black ownership:** Level 1 status
- If at least **51% black ownership:** Level 2 status
- All QSEs subject to Empowering Supplier criteria

3

Large Enterprises

Turnover: More than R50m



What do you need to comply:

- Comprehensive 5 element scorecard
- Subject to **Priority Element** provisions
- Subject to Empowering Supplier criteria

For a detailed explanation, access the financial sector transformation council (FSTC) website.
FSTC.org.za

Useful sites:

- For Affidavit templates access the [fstc.org.za](https://www.fstc.org.za) site
- For accredited verification agencies access [sanas.co.za](https://www.sanas.co.za) site

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