

AVIATION SUB-SECTOR CODE FOR BBEE

Element	Criteria	Weightings	Sector target-5 years	Adjusted Weightings for SOE's
	Black Women Executive Directors	1	16.5%	2
	Black Senior Top management	1	26%	2
	Black Women Senior Top management	1	13%	2
	Black other top management	1	26%	1.5
	Black Women Other Top management	1	13%	1.5
	Black people living with disabilities	1	3%	1
	Bonus points: Black independent non-executive board members	1	26%	3
Employment Equity	Black employees in senior management	3	43%	4
	Black Women employees in senior management	2	21.5%	3
	Black employees in middle management	1	63%	2
	Black Women employees in middle management	1	31.5%	2
	Black employees in junior management	1	68%	2
	Black Women employees in junior management	1	34%	2
	Black people living with disabilities	1	2%	2
	Black Women living with disabilities	1	1%	2
	Black Pilots	1	8%	2
	Black Women Pilots	1	3%	2
	Black Technicians	1	25%	2
	Black Women Technicians	1	3%	2
	Bonus points: for meeting or exceeding the EAP targets	3		4
Skills Development	Black skills development expenditure on learning programmes specified in Learning Matrix as percentage of Leivable amount	3	3%	3
	Black Women skills development expenditure on learning programmes specified in Learning Matrix as percentage of Leivable amount	3	1.5%	3
	Number of Black employees participating in Learnerships or category B, C, D programmes as percentage of total employees	3	5%	3

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Element	Criteria	Weightings	Sector target-5 years	Adjusted Weightings for SOE's
	Number of Black Women employees participating in Learnerships or category B, C, D programmes as percentage of total employees.	3	2.5%	3
	Skills Development Expenditure on Learning Programmes specified in the Learning Programmes Matrix for Black Employees with disabilities as a percentage of Leivable Amount	1.5	0.3%	1.5
	Skills Development Expenditure on Learning Programmes specified in the Learning Programmes Matrix for Black Women Employees with disabilities as a percentage of Leivable Amount	1.5	0.15	1.5
Preferential Procurement	Procurement spend from all suppliers based on recognition levels as percentage of total measured procurement spend.	12	50%	12
	Procurement spend from QSE's and EME's based on recognition levels as percentage of total measured procurement spend.	3	10%	3
	B-BBEE Procurement Spend from any of the following Suppliers as a percentage of Total Measured Procurement Spend:	5	15%	5
	Suppliers that are 50% black owned (3 out of 5) or Suppliers that are 30% black women owned. (2 out of 5)			
Enterprise Development	Investment in black-owned and empowered enterprises as identified in the "Benefit Factor Matrix" (Annexure 600A) as a percentage of net profit after tax.	15	3% of NPAT	15
Socio-economic Development	Socio-economic development contributions as identified in the "Benefit Factor Matrix" (Annexure 700A) as a percentage of net profit after tax.	5	1% of NPAT	6
Total		100		100

NB: Targets for Pilots and Technicians will be subjected to annual review.

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5. QUALIFYING SMALL ENTERPRISES B-BBEE SCORECARD - DOMESTIC AVIATION

B-BBEE Element	Indicators of Empowerment	Sector target - 5 year	Sector weightings
Ownership	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
	Bonus Points: Involvement in the ownership of the Enterprise by black women	10%	2
	Bonus Points: Involvement in the ownership of the Enterprise by black participants in Employee Share Schemes, Co-operatives or Broad Based Ownership Schemes	10%	1
	Management Control	Black Representation at Top Management level	33%
	Bonus Points: Black women representation at Top-Management	25%	2
Employment Equity	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
	Bonus points: meeting or exceeding the EAP targets in each category		2
Skills Development	Skills Development spend on learning programmes for Black employees as a percentage of the leviable/payroll	2%	12.5

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B-BBEE Element	Indicators of Empowerment	Sector target - 5 year	Sector weightings
	Skills Development spend on learning programmes for Black Women employees as a percentage of the leviable/payroll	1%	12.5
Preferential Procurement	BEE Procurement Spend from all suppliers based on the B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend	40%	25
Enterprise Development Spend	Average annual value of Qualifying Contributions made by the Measured Entity as a percentage of the target	2% of NPAT	25
Socio-Economic Development	Average annual value of Qualifying Contributions made by the Measured Entity as a percentage of the target	1% of NPAT	25
TOTAL			175

A QSE may select any four of the above seven elements for the purposes of measurement.

DOMESTIC AVIATION SUB-SECTOR CODE

ANNEXURE A: PROCUREMENT LIST: INCLUSIONS & EXCLUSIONS

Operating Expense	Description	Procurement Inclusions	Procurement Exclusions	ADDITIONAL NOTES
Aircraft Fixed Costs	Lease Costs		X	To be excluded - International leases are the norm – difficult to enforce local leasing arrangements.
	Spares Lease Costs		X	To be excluded - International leases are the norm – difficult to enforce local leasing arrangements
	Aircraft Finance Costs		X	
	Aircraft Hire Charges		X	
	Aircraft Insurance		X	
	Depreciation		X	
	Crew Salaries & Subsistence All		X	
	Crew Positioning & Accommodation	X		Hotel accommodation only incurred within South Africa – no over border.
	Crew Training Costs	X		Training consumables only for training incurred within South Africa.
	Fuel	X		For procurement of jet fuel in South Africa only – as oil companies comply with BEE in terms of Liquid Fuels Sub-Sector Code, include in numerator and denominator of calculation
Aircraft Variable Costs	Landing Fees	X (if landing in privately owned airports)	X (if landing in ACSA airports)	ACSA is a regulated monopoly and as such it is excluded as per the Codes.
	Navigation Charges		X	
	weather Services		X	

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Operating Expense	Description	Procurement Inclusions	Procurement Exclusions	ADDITIONAL NOTES
	Maintenance Materials and Repairs	X		Inclusion of maintenance and materials for repairs undertaken in South Africa only – inclusion in numerator and denominator as AMO's are BEE compliant.
	Maintenance Staff		X	
	Head Office AMO		X	
	Maintenance-Depreciation on capitalised assets		X	
	Maintenance Engine Hire		X	To be excluded due to nature of aircraft operations and maintenance requirements, engines for hire have to be sourced from over border suppliers and it is not possible to include BEE considerations as part of this process which is often of an urgent nature to keep aircraft operations going.
Passenger Variable Costs	Commission Agents		X	
	Commission – Interline		X	To be excluded – interlining is dependent on passenger choices for travel and cannot be included as a BEE consideration for airlines.
	Commission-Credit Cards		X	
	Catering	X		Only for locally sourced catering requirements. The guidelines provided by the dti Codes will apply with regards to imports.

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Operating Expense	Description	Procurement Inclusions	Procurement Exclusions	ADDITIONAL NOTES
	Airport Handling fees	X (for ACSA airports)		Included for ACSA airports on the basis and understanding that ACSA and their appointed Ground handlers are BEE compliant and can be included in numerator and denominator. These should be included regardless of the ACSA's and Ground handlers BEE status..
	Passenger Services Charges		X	
	Passenger Revenue Accounting		X	
	Insurance ANV & CSL		X	
	CRS Charges		X	
	Airline Loyalty programs		X	
Station Costs	Station Salaries		X	
	Station Overheads	X		Only in respect of consumables (i.e. day-to-day operational expenses and excludes overheads/capex) for offices in South Africa. The dti guidelines with regards to the importation of goods and services will be applicable if any of the consumables are imported.
Head Office	Salaries		X	

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Operating Expense	Description	Procurement Inclusions	Procurement Exclusions	ADDITIONAL NOTES
	HO Overheads	X		Only in respect of consumables (i.e. day-to-day operational expenses and excludes overheads/capex) for Head Office operations in South Africa. The principle discussed above with regards to station overheads will be applicable.
	Finance Charges-Net		X	
	Franchise Fees		X	To be excluded as this is a global strategy determined by the airline, which could involve a franchise with an international airline or a local airline. Airlines cannot be judged on a BEE basis for franchise arrangements.
	Marketing expenses	X		Only in respect of local marketing spend. Excluded for foreign owned airlines where marketing decisions are linked to global contracts.
	Diversions	X		Only in respect of accommodation and meal arrangements and expenses incurred for passengers in S.A. Excluded for foreign owned airlines where marketing decisions are linked to global contracts.
	Loss on sale of assets (profit)		X	
	Depreciation		X	

NB. This procurement list is subject to annual review.

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