

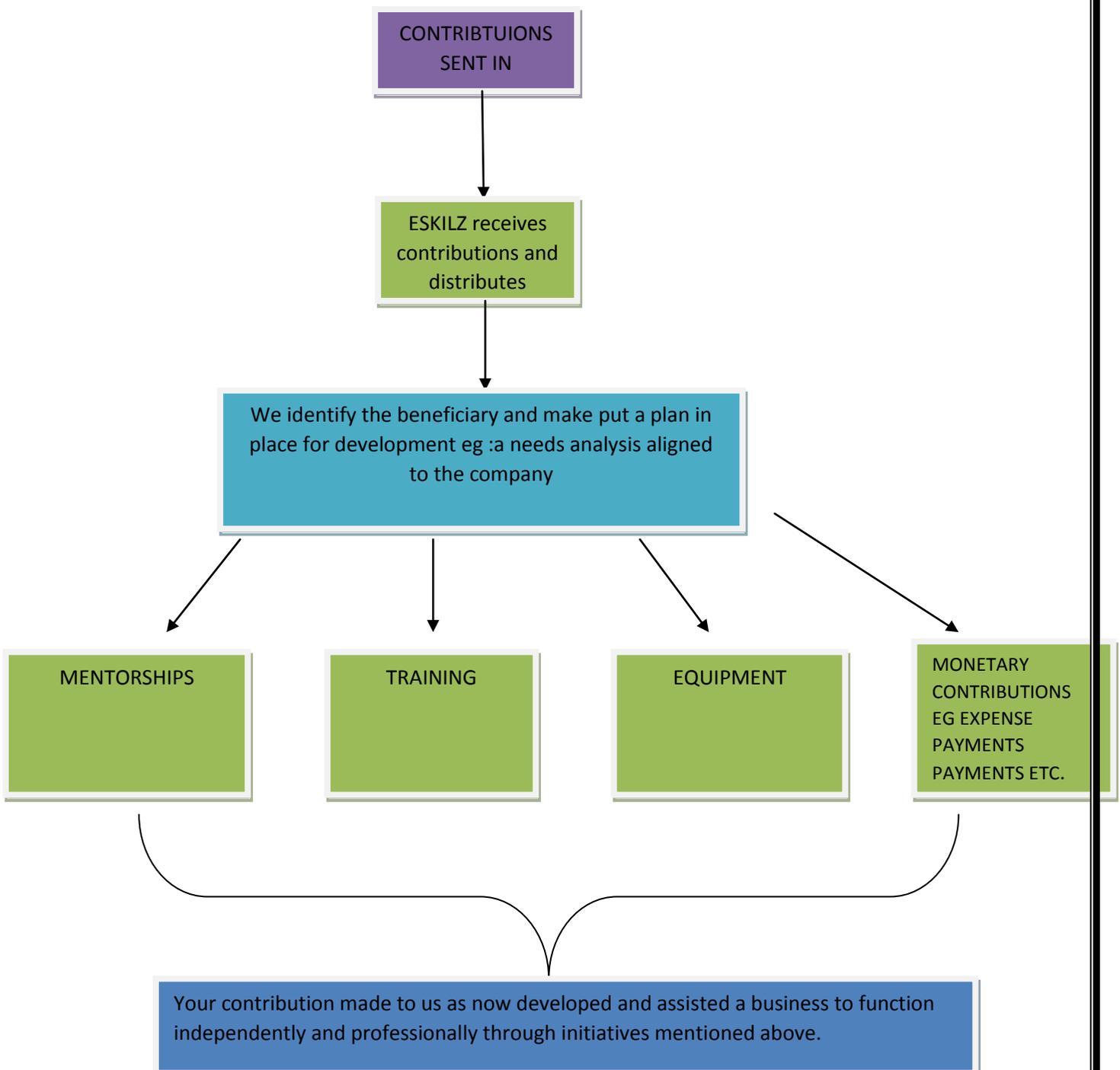
What is Enterprise and Supplier Development (ESD)?

The new codes group Enterprise Development, Supplier Development and Procurement into one code, amounting to 40 points out of a total 105. 25 points are allocated to Procurement and 15 points to ESD.

Measured Entities are required to provide Supplier Development contributions equivalent to 2% of the entities' Net Profit After Tax (NPAT) and 1% of NPAT for Enterprise Development (investments made on businesses outside of their supply chain) in order to earn the full 15 ESD points on their B-BBEE scorecard. Points are awarded pro-rata relative to this target.

In order for a contribution to qualify for Enterprise Development points on the scorecard it needs to be:

1. Made to a Qualifying Enterprise
2. Defined as an Enterprise and Supplier Development contribution by the Benefit Matrix



Who qualifies for Enterprise development?

In order for an enterprise to be eligible for Enterprise Development contributions, it must be financially and operationally independent and be a business with less than R50m turnover (i.e. a QSE or EME) that has greater than 51% black ownership.

How can we help you?

Eskilz can help you identify a supplier which we will put all requirement aligned with the codes to assist you to maximize on your BEE points. We have a number of companies under our wings of mentorship, and we assist them with funding through initiatives such as Enterprise development. Together we can empower business across the board. Let us alleviate the stress of the paper work and ensure you achieve best results through our efficient services.

Let us show you how?

We will send through a skilled consultant that will put a budget in place for 12 months that alleviate lump sum payments to your beneficiary. Customized plans for each client according to your needs and what you want to achieve.

How Can you be a part of Transformation?

Contributions made by the Measured Entity to the Qualifying Enterprise can be made in a number of forms, and be either financial or non-financial, recoverable or non-recoverable.

The following diagram illustrates the different types of contributions that qualify for ED points.

Another term often used in this space is Supplier Diversity. Supplier Diversity is the utilisation of Enterprise Development to build businesses that diversify the Measured Entities supply chain from a transformation perspective. This is advantageous as it assists the corporate in improving its performance against the Preferential Procurement pillar in the B-BBEE scorecard.

The B-BBEE codes further incentivise Supplier Diversity by providing bonus points for graduating SMEs from an ED programme into the supply chain.