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**GUIDANCE NOTE GN300****on****CODE SERIES FS300,****THE MEASUREMENT OF THE EMPLOYMENT EQUITY ELEMENT OF BROAD-BASED  
BLACK ECONOMIC EMPOWERMENT – SUB - MINIMUMS****1. Introduction**

This Guidance Note provides clarification on the measurement of Employment Equity with regards to the 40% sub-minimum.

**2. Objectives**

The objectives of this Guidance Note are to clarify how the 40% sub-minimum should be treated when calculating an Employment Equity score.

**3. 40% sub-minimum**

Clause 3.2.2.1 of Code FS300 states that:

*“No Measured Entity shall receive any bonus points under the Employment Equity scorecard unless they have achieved a sub-minimum of 40% of each of the targets set out on the Employment Equity scorecard in respect of the applicable targets.”*

For clarification, the sub-minimum only applies when calculating the **BONUS** points and not when calculating the individual line items on the Employment Equity scorecard. Therefore, if a Measured Entity achieves less than 40% for a line item (e.g. Senior Management) they will still achieve points for that line item. They will however, not receive any bonus points for Employment Equity as the sub-minimum as to be exceeded for all 4 line items (e.g. Black Disabled staff, Senior Management, Middle Management and Junior Management) for any bonus points to be awarded.