

WE MiND / CDII — PROGRAMME B-BBEE, ESG & s18A COMPLIANCE FRAMEWORK

General reference — applies across all We MiND Foundation pillar programmes, not SmartCommute-specific | v1.6 | 29 September 2026

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HOW TO USE THIS DOCUMENT

This is one reference document covering B-BBEE scorecard eligibility, ESG reporting, and Section 18A tax treatment for any We MiND Foundation programme — not only SmartCommute. Each section is self-contained: read the whole document, or jump directly to the section relevant to your programme or query using the index below.

DOCUMENT INDEX

§	Section	Covers	Status
1	● Overview	How this framework applies across We MiND pillar programmes	Complete
2	● B-BBEE Scorecard Elements	All five elements, sequential order, eligibility, points, verification	Complete
3	● ESG Reporting	King V-aligned content template for programme ESG reporting	Complete
4	● Section 18A	Eligibility criteria and verification for tax-deductible donations	Complete
5	● Verification Checklists	What a VA/auditor needs — CDII-provided vs. partner-sourced	Complete

SECTION 1 — OVERVIEW

Every We MiND Foundation pillar/initiative card that links through to a donation or partnership pathway links through to this document. The specific programme changes — a SETA Learnership legal-fee sponsorship, a commuting Band-based disbursement, a future Soshanguve or Cullinan initiative — but the underlying compliance skeleton stays the same, and is already proven, not theoretical:

CDII acts as Programme Principal in every case; the partner/employer acts as Disbursement Agent or Sponsor only, never as the programme's originator or controller.

This structure predates SmartCommute. The same model — CDII independence, Board Resolution, Section 18A certification, SED verification — was already applied to a 2025 SETA Learnership sponsorship, over a year before SmartCommute existed. SmartCommute is the largest and most-documented application of the model, not its origin.

What varies by programme: the disbursement mechanism (payroll-based vs. project-based vs. one-off), the beneficiary type (employees vs. learners vs. enterprise-development beneficiaries), and which B-BBEE element(s) the programme most naturally qualifies under. What doesn't vary: the independence requirements (§5B), the no-double-dipping rule (§2, §4), and the documentation a Verification Agency or auditor will ask for (§5A).

Use the index to go directly to what's relevant — a full read isn't required to act on any one section.

SECTION 2 — B-BBEE SCORECARD ELEMENTS (SEQUENTIAL ORDER)

The Generic Scorecard runs five elements, Statement 100 through Statement 500, totalling 105 points before bonus points. All five are listed here in order — including the two elements a direct donation cannot claim against — so nothing is left as an unexplained gap for an auditor or verification agency to query.

Priority elements: Ownership, Skills Development, and Enterprise & Supplier Development are Priority Elements under the Codes — each carries its own sub-minimum threshold (roughly 40% of that element's points, excluding bonuses). Falling below a sub-minimum drops the entity's overall B-BBEE level by one, regardless of the total score.

ELEMENT 1 — OWNERSHIP (Statement 100)

25 points

DESCRIPTION

Measures the extent of black ownership in a measured entity — voting rights, economic interest, and net value, assessed using the Flow-Through Principle.

ELIGIBILITY CRITERIA

Applies to the measured entity's own shareholding structure. Priority element; sub-minimum of 40% of the target applies.

VERIFICATION

B-BBEE certificate or sworn affidavit (EME/QSE), issued by a SANAS-accredited Verification Agency for larger entities.

Relevance to We MiND programmes: Not directly claimable through a donation or contribution — a company cannot buy Ownership points. But it becomes directly relevant wherever a We MiND programme trains, incubates, or otherwise builds a new enterprise (e.g. an entrepreneur cooperative, a small tourism or agricultural venture): that beneficiary enterprise's own Ownership profile (must be at least 51% black-owned) determines whether a supporting company can claim Enterprise/Supplier Development or Preferential Procurement recognition for assisting it. Also relevant via the Equity Equivalent Investment Programme (EEIP) — a Ministerial-approved alternative route for multinationals that wish to retain full shareholding at head-office level, generally applicable to JSE-listed multinationals pursuing government business.

ELEMENT 2 — MANAGEMENT CONTROL (Statement 200)

15 + 4 bonus = 19 points

DESCRIPTION

Measures black representation and active decision-making participation at board, executive, senior, middle, and junior management levels, assessed against Economically Active Population demographics.

ELIGIBILITY CRITERIA

Applies to the measured entity's own leadership structure. Token appointments without genuine decision-making authority do not satisfy the criteria.

VERIFICATION

Included within the entity's B-BBEE certificate/affidavit — board and management demographic returns reviewed by the Verification Agency.

Relevance to We MiND programmes: Same logic as Ownership — not directly claimable via a donation, but a factor in the overall B-BBEE level of any beneficiary enterprise a We MiND programme develops, which in turn affects a supporting company's Preferential Procurement recognition for buying from that enterprise once established.

ELEMENT 3 — SKILLS DEVELOPMENT (Statement 300)

20 + 5 bonus = 25 points

DESCRIPTION

Measures investment in training and skills development for black employees and unemployed black people, including learnerships, apprenticeships, and bursaries.

ELIGIBILITY CRITERIA

Priority element; 40% sub-minimum applies. Training of unemployed black people (not only existing employees) counts and is often the stronger route for a We MiND-linked programme, since it extends the beneficiary base beyond a single employer's own staff.

VERIFICATION

Training records, WSP/ATR submissions to the relevant SETA, and — where CDII or We MiND administers the training — a verification letter confirming beneficiary numbers, demographics, and nature of training provided.

ELEMENT 4 — ENTERPRISE & SUPPLIER DEVELOPMENT (Statement 400)

40 points + bonus

DESCRIPTION

The highest-weighted element, combining three sub-categories:

Sub-category	Points	Focus
Preferential Procurement	25	Directing spend toward B-BBEE-compliant suppliers, weighted by supplier level
Supplier Development	10	Grants, loans, or mentoring to grow existing/new black-owned suppliers
Enterprise Development	5 (+bonus)	Investment in black-owned enterprises not yet in the supply chain

ELIGIBILITY CRITERIA

Priority element; 40% sub-minimum applies to each sub-category independently. Beneficiary enterprises must be Exempt Micro Enterprises (turnover under R10m) or Qualifying Small Enterprises (R10m–R50m), at least 51% black-owned or black-women-owned. Support must be genuine and developmental (mentoring, funding, market access) — not merely procurement dressed up as development.

VERIFICATION

Beneficiary B-BBEE certificates/affidavits confirming ownership status, procurement spend reports by supplier level, and grant/loan/mentoring agreements evidencing the support provided.

Relevance to We MiND programmes: This is where entrepreneurship-building initiatives (training a group into a viable small enterprise — e.g. an agricultural cooperative or a small tourism venture) fit most directly. Once such a beneficiary enterprise is formally constituted and confirmed at least 51% black-owned, a supporting company can claim Enterprise Development, Supplier Development, and (once trading with them) Preferential Procurement recognition — three separate points on the same relationship.

DESCRIPTION

Monetary or non-monetary contributions promoting sustainable access to the economy for black beneficiaries — the element under which most We MiND Foundation pillar programmes qualify.

ELIGIBILITY CRITERIA

- At least 75% of beneficiaries must be classified as black people
- Compliance target typically 1% of Net Profit After Tax
- Contribution must promote income-generating access to the economy — not the same as general Corporate Social Investment (goodwill donations that don't meet this income-generation test do not qualify)

■ **A measured entity's own employees do not qualify as SED beneficiaries at all** — confirmed directly by the B-BBEE Commission's own guidance: contributions to a company's own black employees are not aligned to SED's objectives. Where a company's programme spend benefits only its own staff, that spend cannot be claimed as SED points under any circumstances — a broader, non-employee beneficiary base is required. An unrestricted contribution, not directed to the contributor's own employees and with CDII alone selecting the beneficiaries, may qualify for SED where the criteria above are met. A business may also be able to deduct a qualifying SED contribution under section 11(a) (never under s18A as well) — see §4.

VERIFICATION

Beneficiary acknowledgement letter confirming receipt, the 75% black-beneficiary declaration, proof of payment, and an independent third-party (typically an auditor) confirmation of the beneficiary demographic split.

No double-dipping, across every element: the same Rand of expenditure cannot be claimed under more than one element, and specifically cannot be claimed under both Section 18A tax deduction and B-BBEE SED points simultaneously. See §4 for the election mechanism.

SECTION 3 — ESG REPORTING

Unlike B-BBEE, ESG reporting is not a points-scored scorecard — it is narrative and governance disclosure. This section gives partner companies the content structure to represent their We MiND programme participation accurately within their own ESG/sustainability reporting, aligned to South Africa's current governance code.

Governance context — King V

King V is South Africa's current corporate governance code, released by the Institute of Directors South Africa and the King Committee on 31 October 2025, replacing King IV in full. It applies to financial years commencing on or after 1 January 2026 (early adoption encouraged), and is mandatory for JSE-listed companies under the JSE Listings Requirements; for other organisations it remains a voluntary, apply-and-explain framework. It comprises four documents — Foundational Concepts, the Code (13 principles), the Glossary, and the Disclosure Framework.

Two principles are most directly relevant to a We MiND programme partnership:

Principle 3 — the governing body ensures the organisation's purpose, strategy, and business model support sustainable value creation within its economic, social, and environmental context.

Principle 4 — the governing body ensures external reporting enables stakeholders to assess how the organisation creates, preserves, or erodes value over time, across the full reporting suite (integrated report, sustainability/ESG report, climate report, etc.).

King V also endorses **double materiality** — reporting both on matters that could affect the organisation's own financial position or access to capital, and on matters that affect the organisation's ability to create sustainable value for stakeholders more broadly. A We MiND programme partnership can speak to both: workforce resilience and talent retention (financial materiality) alongside genuine community economic access (impact materiality).

Organisations disclosing King V compliance publish a standardised **King V Disclosure Framework**, reviewed annually, which is encouraged to **link through to** supporting reports — including sustainability/ESG content — rather than duplicate them in full. A We MiND partnership's own documentation (SED Verification Letter, Programme Description) is designed to be linked from a partner's Disclosure Framework or ESG report, not re-typed into it.

Content template — ESG Impact Summary

The same fields apply regardless of which pillar or programme is involved:

TEMPLATE — ESG IMPACT SUMMARY

ESG IMPACT SUMMARY — [Partner/Employer Name] — [Reporting Period]

Programme: [Programme name] | Pillar: [Right 2 Learn/Work/Play/Live/Achieve]

Nature of contribution: [monetary / non-monetary / skills / enterprise support]

ESG pillar(s) addressed: **ENVIRONMENTAL** **SOCIAL** **GOVERNANCE** (mark applicable)

Beneficiary summary: [n] beneficiaries | [x]% black beneficiaries (cross-reference Beneficiary Analysis Report where applicable)

Governance assurance: Programme independently administered by CDII (Programme Principal); see B-BBEE VA Documentation for detail

King V alignment: Principle 3 (sustainable value creation) / Principle 4 (external reporting) — [one-line narrative specific to the programme]

Materiality note: Financial-materiality relevance: [e.g. workforce resilience, talent retention] | Impact-materiality relevance: [e.g. community access to the economy]

Supporting documentation: [link through to CDII SED Verification Letter / Programme Description Document — do not reproduce in full]

Eligibility

Any programme meeting the Skills Development, Enterprise & Supplier Development, or Socio-Economic Development eligibility criteria in §2 is automatically eligible for ESG narrative inclusion using this template — the same underlying evidence (beneficiary numbers, demographics, governance controls) serves both purposes without separate collection.

Tone guidance

Present ESG value as a genuine, defensible contribution — social sustainability, governance assurance, workforce resilience — rather than a guaranteed compliance or certification outcome. This mirrors the same caution already applied to Section 18A (§4): the underlying activity is real and valuable; the reporting language should not overstate certainty beyond what a partner's own advisers would confirm.

SECTION 4 — SECTION 18A

Applies to any We MiND Foundation programme where CDII issues a tax-deductible donation receipt — not SmartCommute-specific.

Eligibility criteria

The donation must be **bona fide**: a voluntary, gratuitous gift, given out of liberality or generosity, where CDII (as donee) is enriched and the donor impoverished.

No quid pro quo: no reciprocal obligation and no direct or indirect personal benefit for the donor, or for any person connected to the donor. If any consideration at all passes back to the donor, it is not a donation for s18A purposes.

Must be made to CDII while its Section 18A approval is current (PBO No. 930 041 456), and used exclusively for an approved Public Benefit Activity listed in Part II of the Ninth Schedule to the Income Tax Act.

Deductible amount is capped at **10% of the donor's taxable income** for that year of assessment.

Must be actually paid or transferred during the year of assessment being claimed.

■ **Contributions directed to the donor's own employees are not s18A donations.** The bona fide/no-quid-pro-quo test above means that a company's contribution directed toward its own employees (for example, SmartCommute participation for its own workforce) is not a donation for s18A purposes. Such a contribution is generally deductible instead as staff welfare expenditure under section 11(a), subject to that section's requirements, and (see §2) it does not earn SED points. Only an unrestricted contribution — not directed to the donor's own employees, with CDII alone selecting the beneficiaries — may qualify for s18A or for SED, never both, and only where the relevant eligibility criteria are met. Each donor is responsible for confirming its position with its own tax adviser, B-BBEE Verification Agency and legal adviser.

Verification — receipt requirements (current, effective 1 March 2026)

SARS Notice 6762 (Government Gazette 53589, 24 October 2025) prescribes the mandatory content of a valid Section 18A receipt, replacing the 2023 rules, effective for all receipts issued on or after 1 March 2026 — currently in force. A valid receipt must contain:

The reference number issued by SARS confirming CDII's Section 18A approval

Date the donation was received

Name and address of CDII (the approved organisation)

Donor's full name and address

Donor's **nature** — individual, company, or trust

Donor's ID number (individual) or registration number (company/trust)

Donor's income tax reference number

Amount of the donation, if cash — or a detailed description and fair market value, if in kind

A unique receipt number

Certification that the receipt is issued for Section 18A purposes and that the donation will be used exclusively for approved Public Benefit Activities, issued in the year the donation is received

Updated content template — Section 18A Certificate

TEMPLATE — SECTION 18A RECEIPT (CURRENT REQUIREMENTS)

SECTION 18A RECEIPT — COMMUNITY DEVELOPMENT INITIATIVES INTERNATIONAL NPC

PBO No.: 930 041 456 | Tax Ref: available on request | Reg: 2012/201981/08

Receipt No.: CDII/s18A/[year]/[unique number]

Donor Name: [Employer/Individual Name] | Donor Nature: Individual ☐ / Company ☐ / Trust ☐

Donor ID / Registration No.: [number] | Donor Tax Reference No.: [number]

Donor Address: [address]

Nature of Donation: [Programme name] contribution

Amount (if cash): R [amount] | Description & Fair Market Value (if in kind): [detail]

Date Donation Received: [date]

This receipt is issued in terms of Section 18A of the Income Tax Act, 1962, and certifies that this donation will be used exclusively for Public Benefit Activities approved under Part II of the Ninth Schedule.

Signed: _____ CDII Director Date: _____

No double-dipping — cross-reference

As set out in §2: the same Rand of expenditure may be claimed under Section 18A *or* B-BBEE SED points, never both. Where a donor wishes to split spend between the two, CDII issues separate certificates for each portion, recorded via a Benefit Election Form — see §5.

SECTION 5 — VERIFICATION CHECKLISTS

What a Verification Agency, auditor, or partner's own compliance team needs to see — split by who provides it, so nothing is assumed to exist on either side. Applies to any We MiND programme structured as CDII-as-Principal, partner-as-Disbursement Agent (the same model already in place for SmartCommute, and consistent with CDII's 2025 SETA Learnership sponsorship precedent).

- CDII PROVIDES
- PARTNER SOURCES
- JOINT

A. Master Checklist — What CDII Must Provide

Item	Who	Notes
CDII B-BBEE Certificate / Affidavit (Level 1)	CDII	Confirms CDII's own status
CDII NPO Registration Certificate	CDII	CIPC Reg. 2012/201981/08
CDII PBO Approval Letter (SARS)	CDII	PBO 930 041 456; confirms s18A authority
CDII Board Resolution establishing the specific programme	CDII	Proves CDII, not the partner, originated the programme
Programme Participation & Master Agreement, executed	Joint	CDII drafts; partner must sign and return
CDII Director Independence Declarations	CDII	See checklist B below
Monthly/periodic Instruction to Pay (or equivalent control instrument)	CDII	Only where the programme uses periodic disbursement — not every programme structure requires this
Proof of Disbursement / execution confirmation	Partner	Partner certifies CDII's instruction was carried out
Beneficiary demographic data (POPIA-consented)	Partner	Partner collects consent and shares only what's consented
Beneficiary Analysis Report	CDII	CDII compiles from partner-supplied data
POPIA Consent Records (signed Acceptance Forms)	Partner	Partner retains originals; CDII may sample
Donor nature, ID/registration number, tax reference number	Partner	New requirement — must be supplied to CDII before a valid s18A certificate can be issued
Section 18A Certificate	CDII	Per updated template, §4 — depends on partner supplying the row above first
SED Verification Letter	CDII	Primary SED evidence for the VA
Programme Description Document	CDII	Objectives, methodology, SED qualification basis
Benefit Election Form (s18A vs. SED, or split)	Joint	See checklist C below
ESG Impact Summary	Joint	CDII supplies beneficiary/governance data; partner supplies materiality framing — see §3
Independent tax adviser confirmation (s18A position)	Partner	Recommended, not issued by CDII — see §4's caution note

B. Checklist — Programme Independence (replaces Director Independence Declaration form)

What a VA/auditor is checking for, and who confirms it:

Check	Who confirms	Evidence
No CDII director holds directorship, shareholding, or employment with the participating partner	CDII	Signed declaration, each director
No CDII director has a financial interest in the partner beyond the arm's-length admin fee	CDII	Signed declaration

Programme design, eligibility criteria, and payment methodology are set by CDII independently	CDII	Board Resolution + Programme Participation & Master Agreement clauses
No overlap or informal arrangement between director interests and partner interests	CDII	Signed declaration
CDII is the genuine Programme Principal — designed the programme, owns the IP, controls disbursement instructions	CDII	Board Resolution, Instruction to Pay records (where applicable)
POPIA compliance — Information Officer identified, consent basis confirmed	CDII	Louw Allan, IR Reg. 2025-008244
Declarations are truthful and current	CDII	Dated signature, each director, each programme

C. Checklist — Benefit Election (replaces Benefit Election Form as a checklist view)

Step	Who	Notes
Confirm employer/partner identity and contact details	Partner	Company name, registration no., tax reference no.
Confirm programme financial summary — total spend, admin fee, period	Partner	Verified by CDII against Proof of Disbursement or equivalent evidence
Make the election — s18A only / SED only / Split	Partner	Irrevocable once certificates are issued; no double-dipping across the two (\$2, \$4)
If split — confirm the two allocations sum to total spend	Joint	CDII verifies before issuing certificates
Obtain independent tax adviser confirmation (recommended)	Partner	Confirms s18A deduction is genuinely available given the 10% cap — see §4
Sign and submit the election	Partner	Authorised signatory, dated
Acknowledge receipt and record the election	CDII	Confirmed within 2 working days
Issue certificate(s) per the recorded election	CDII	s18A Certificate and/or SED Verification Letter, per §4

CDII | NPO Reg: 2012/201981/08 | PBO: 930 041 456 | Information Officer: Louw Allan (IR Reg: 2025-008244) | information.officer@wemindfoundation.co.za
Historical precedent: this CDII-as-Principal structure was already applied to the 2025 SETA Learnership legal/placement fee sponsorship, prior to SmartCommute.

This document is prepared by Community Development Initiatives International NPC as a general reference on B-BBEE, ESG, and Section 18A treatment as they may apply to We MiND Foundation programmes. It does not constitute legal, tax, or accounting advice, and should not be relied on as a substitute for a partner's own independent professional advice. Figures and requirements are stated as understood as at 30 August 2026 and are subject to change under future legislative, regulatory, or Codes amendments. © 2026 Community Development Initiatives International NPC (CDII). All rights reserved. No part of this document may be reproduced or distributed without CDII's prior written consent, save for a partner's own internal compliance and reporting use.