

SCORECARD FOR THE BROAD BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY

Introduction

- The proposed scorecard gives effect to the provisions contained in the Broad Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry.
- The scorecard is designed to facilitate the application of the Charter in terms of the Mineral and Petroleum Resources Development Act requirements for the conversion of all the “old order rights” into new rights within a five-year conversion window period, but recognising the full 10-year period.
- In adjudicating the scorecard the Minister of Minerals and Energy will need to take into account the entire scorecard in decision making.
- The scorecard is intended to reflect the “spirit” of the Broad-based Socio-Economic Empowerment Charter for the Mining Industry.
- Progress by stakeholders in achieving the aims of the Charter as enunciated in the Scorecard can be measured in two ways:
 - The specific targets set in the Charter.
 - The targets set by companies.

ANNEXURE A: SCORECARD FOR THE BROAD BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY

NOTES	DESCRIPTION	5 YEAR TARGET				10 YEAR TARGET
	Human Resource Development					
1	<ul style="list-style-type: none"> Has the company offered every employee the opportunity to be functionally literate and numerate by the year 2005 and are employees being trained? 	Yes		No		
	<ul style="list-style-type: none"> Has the company implemented career paths for HDSA employees including skills development plans? 	Yes		No		
2	<ul style="list-style-type: none"> Has the company developed systems through which empowerment groups can be mentored? 	Yes		No		
	Employment Equity					
	<ul style="list-style-type: none"> Has the company published its employment equity plan and reported on its annual progress in meeting that plan? 	Yes		No		
3	<ul style="list-style-type: none"> Has the company established a plan to achieve a target for HDSA participation in management of 40% within five years and is implementing the plan? 					
	<ul style="list-style-type: none"> Has the company identified a talent pool and is it fast tracking it? 	Yes		No		
4	<ul style="list-style-type: none"> Has the company established a plan to achieve the target for women participation in mining of 10% within the five years and is implementing the plan? 					
	Migrant Labour					
5	<ul style="list-style-type: none"> Has the company subscribed to government and industry agreements to ensure non-discrimination against foreign migrant labour? 	Yes		No		
	Mine community and rural development.					
	<ul style="list-style-type: none"> Has the company co-operated in the formulation of integrated development plans and is the company co-operating with government in the implementation of these plans for communities where mining takes place and for major labour sending areas? Has there been effort on the side of the company to engage the local mine community and major labour sending area communities? (Companies will be required to cite a pattern of consultation, indicate money expenditures and show a plan). 	Yes		No		
	Housing and Living Conditions					
6	<ul style="list-style-type: none"> For company provided housing has the mine, in consultation with stakeholders established measures for improving the standard of housing, including the upgrading of the hostels, conversion of hostels to family units and promoted home ownership options for mine employees? Companies will be required to indicate what they have done to improve housing and show a plan to progress the issue over time and is implementing the plan? 	Yes		No		
7	<ul style="list-style-type: none"> For company provided nutrition has the mine established measures for improving the nutrition of mine employees? Companies will be required to indicate what they have done to improve nutrition and show a plan to progress the issue over time and is implementing the plan? 	Yes		No		
	Procurement					
	<ul style="list-style-type: none"> Has the mining company given HDSA's preferred supplier status? 	Yes		No		
	<ul style="list-style-type: none"> Has the mining company identified current level of procurement from HDSA companies in terms of capital goods, consumables and services? 	Yes		No		
8	<ul style="list-style-type: none"> Has the mining company indicated a commitment to a progression of procurement from HDSA companies over a 3 – 5 year time frame in terms of capital goods, consumables and services and to what extent has the commitment been implemented? 	Yes		No		
	Ownership & Joint Ventures					
9	<ul style="list-style-type: none"> Has the mining company achieved HDSA participation in terms of ownership for equity or attributable units of production of 15 percent in HDSA hands within 5-years and 26 percent in 10-years? 				15%	26%
	Beneficiation					
	<ul style="list-style-type: none"> Has the mining company identified its current level of beneficiation? 	Yes		No		
10	<ul style="list-style-type: none"> Has the mining company established its base line level of beneficiation and indicated the extent that this will have to be grown in order to qualify for an offset? 	Yes		No		
	Reporting					
	<ul style="list-style-type: none"> Has the company reported on an annual basis its progress towards achieving its commitments in its annual report? 	Yes		No		

Notes

1. The commitment of the mining companies is to have offered each employee the opportunity to become functionally literate and numerate. The critical test is if a human resource development system has been established and resourced so that people are being trained.
2. The mentoring of empowerment groups refers to that mining company's HDSA employees and HDSA linked partners at the levels of ownership and procurement. It does not preclude mining companies being involved in mentoring programmes outside of its own operations.
3. The aspirational target for HDSA participation in management is a 5-year target. If companies want to convert to licenses within a much shorter time frame, then a phase in approach will be adopted with the companies committing to a 40 percent by the fifth year. The key decision point here is whether the company has established a plan to achieve the target and is implementing the plan.
4. The aspirational target for women participation in mining is a five-year target and the phase in approach will be used. The key decision point here is whether the company has established a plan to achieve the target and is implementing the plan.
5. The commitment of stakeholders to ensure non-discrimination against foreign migrant labour can be approached from the perspective that each company subscribes to industry and government agreements on the matter.
6. In terms of companies establishing measures for improving the standard of housing – the company will be required to indicate what it has done to improve housing and show a plan to progress the issue over time and are implementing the plan.
7. In terms of companies establishing measures for improving the standard of nutrition – the company will be required to indicate what it has done to improve nutrition and show a plan to progress the issue over time and are implementing the plan.
8. In terms of procurement the mining company should commit to an increase of procurement from HDSA companies over the 3-5 year time frame and agree to a monitoring system.
9. The Scorecard represents the 5-year targets and it has been agreed that within 10-years the level of HDSA participation will rise to 26 percent.
10. In terms of beneficiation commitments and the offset option the key issue is to capture the actual beneficiation activities of a company and to convert it to the same unit of measurement of ownership e.g. attributable units of production / or % measure of value as the case may be and offset accordingly. The attributable ounces that are beneficiated above the base state may be offset against HDSA ownership targets. *Considering that some 59 different minerals are mined in South Africa – the detailed discussions on the base state for each mineral are ongoing.*