



# TRANSFORMATION

FACT SHEET 2015

*The mining industry is a key contributor to the economy of South Africa. The industry's contribution goes beyond economic inputs: through the Chamber of Mines the industry is committed to addressing legacies of the past and contributing meaningfully to policies that reflect the true demographics of the country and create an environment that will create a sustainable and prosperous mining industry. The Mining Charter is a vehicle through which the industry can achieve its transformation objectives.*

The mining industry has played a critical role in South Africa's economic development for over 140 years, which has transformed South Africa into the most industrialised country in Africa. The industry remains a major contributor to the economy with significant contributions to employment numbers, export earnings, attracting foreign direct investment, creating GDP and contributing to significant transformation in the economy.

The Chamber of Mines is a key catalyst in the industry's transformation imperative and as such believes that beyond compliance, ongoing engagements with stakeholders such as the DMR, organised labour and communities are a necessary panacea for collective efforts to contribute to an inclusive industry and to meet the country's development agenda.

Transformation therefore is not only a regulatory requirement, but a business imperative. The year 2014 was a milestone year for the industry as it marked the 20 year anniversary of democracy and it spelled the delivery date for agreed targets of the Mining Charter. All members of the Chamber have demonstrated their commitment to meeting their Mining Charter obligations.

*"Transformation should entail fundamental change in the essence of SA's mining industry: its proportion in the structure of the economy; its employment profile; quality of exports; the taxes it contributes; the width and depth of its profile in terms of equity... Transformation should also entail a fundamental change in the magnitude and quality of the mining sector's contribution to the South African economy through backward and forward linkages, community development, and environmental sustainability." Joel Netshitenzhe*



## QUICK FACTS

IN 2014, CHAMBER  
MEMBERS  
CONTRIBUTED:



**R18 billion**  
in taxes to South Africa



**R102.1 billion**  
in employee earnings



Employed  
**495,568** people

## REPORTING ON MINING CHARTER COMPLIANCE AT THE END OF 2014

The majority of Chamber member companies complied with the reporting requirements as per Section 28 (2) of the MPRDA in terms of reporting responsibility of the mining rights holder. The following table represents Chamber members' 95 mining rights holders and 385,246 employees.

Charter Element	Description	Measure	Compliance Target 2014	Chamber Assessment
<b>Ownership</b>	Minimum target for effective HDSA ownership	HDSA ownership %	26%	38%
		Percentage of companies achieving 26%	100%	100%
		Percentage of companies with BEE employees, community and ESOP	–	41%
<b>Housing and Living Conditions</b>	Conversion and upgrading of hostels to attain occupancy rate of 1 person per room	Percentage reduction of occupancy rate towards 2014 targets	100%	73%
	Conversion and upgrading of hostels into family units	Percentage conversion of hostels into family units	100%	63.4%
<b>Procurement &amp; Enterprise Development</b>	Procurement spend from BEE entity	Capital goods	40%	72%
		Services	70%	63%
		Consumable goods	50%	72%
		Multinational suppliers contribution to the Social Fund	Procurement spend from MNC suppliers	0.5%
<b>Employment Equity</b>	Diversification of the workplace to reflect the country's demographics to attain competitiveness	Top management	40%	50.4%
		Senior management	40%	41.9%
		Middle management	40%	50.9%
		Junior management	40%	54%
		Core skills	40%	75.5%
<b>Human Resource Development</b>	Development of requisite skills, including support for South African human resource development	Human Resource Development expenditure as percentage of total annual payroll	5%	5.5%
<b>Mine Community Development</b>	Conduct ethnographic community consultative processes to delineate community needs analysis	Implement approved community projects	Up to date implementation	70.6%
<b>Sustainable Development and Growth</b>	Improvement in the industry's environmental management	Implementation of approved Environmental Management Plans	100%	90.6%
	Improvement of the industry's mine health and safety performance	Implementation of tripartite plan on health and safety	100%	86.2%
	Utilisation of South African research facilities for analysis of samples	Percentage of samples in South African facilities	100%	84.6%

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