**ANNEXURE 6 TRANSFORMATION PLAN**

**SECTION 1**

**B-BBEE IMPROVEMENT PLAN**

South African Airways (SAA) encourages its Suppliers/Service Providers to constantly strive to improve their B-BBEE rating hence the request to Respondents to submit a B-BBEE Improvement Plan. Respondents are then requested to indicate the extent to which their ownership, management control, Supplier Development, Preferential Procurement and Enterprise Development will be maintained or improved over the contract period.

Respondents are requested to submit their B-BBEE Improvement Plan as an additional returnable document/ annexure with their Proposals.

Respondents are to insert their current status (%) and future targets (%) for the B-BBEE Improvement Plan [i.e. not the % change but the end-state quantum expressed as a percentage] in the table below. This will indicate how you intend to sustain or improve your B-BBEE rating over the contract period. On agreement, this will represent a binding commitment to the successful Respondent.

SAA reserves the right to request supporting evidence to substantiate the commitments made in the B-BBEE Improvement Plan.

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| **OWNERSHIP INDICATOR** | **Required Responses** | **Current Status (%)** | **Future Target (%)** |
| 1. The percentage of the business owned by Black[[1]](#footnote-1) persons. | *Provide a commitment based on the extent to which ownership in the hands of Black persons as a percentage of total ownership of the organisation would be sustained or increased over the contract period.* |  |  |
| 1. The percentage of your business owned by Black women. | *Provide a commitment based on the extent to which ownership in the hands of Black women as a percentage of total ownership of the organisation would be sustained or increased over the contract period.* |  |  |
| 1. The percentage of the business owned by Black youth[[2]](#footnote-2) | *Provide a commitment based on the extent to which ownership in the hands of Black youth as a percentage of total ownership of the organisation would be sustained or increased over the contract period.* |  |  |
| 1. The percentage of the business owned by Black persons living with disabilities | *Provide a commitment based on the extent to which ownership in the hands of Black disabled persons as a percentage of total ownership of the organisation would be sustained or increased over the contract period.* |  |  |
| 1. New Entrants[[3]](#footnote-3) (Early stage business) | *Provide a commitment based on the extent to which new entrants will be supported over the contract period.* |  |  |

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| **MANAGEMENT CONTROL INDICATOR** | **Required Responses** | **Current Status (%)** | **Future Targets (%)** |
| 1. The percentage of Black Board members in relation to the total number of Board members | *Provide a commitment based on the extent to which the number of Black Board members, as a percentage of the total Board, would be sustained or increased over the contract period.* |  |  |
| 1. The percentage of Black female Board members in relation to the total number of Board members | *Provide a commitment based on the extent to which the number of Black female Board members, as a percentage of the total Board, would be sustained or increased over the contract period.* |  |  |
| 1. Black Executives directors as a percentage of all executive directors | *Provide a commitment based on the extent to which the number of Black executive Directors as a percentage of all Executive Directors would be sustained or increased over the contract period.* |  |  |
| 1. Black female Executives directors as a percentage of all executive directors | *Provide a commitment based on the extent to which the number of Black female executive Directors as a percentage of all Executive Directors would be sustained or increased over the contract period.* |  |  |
| **Other Executive Management** | **Required Response** | **Current Status (%)** | **Future Targets (%)** |
| 1. Black Executive Management as a percentage of all executive directors | *Provide a commitment based on the extent to which the number of Black executive Managers as a percentage of all Executive Directors would be sustained or increased over the contract period.* |  |  |
| 1. Black Female Executive Management as a percentage of all executive directors | *Provide a commitment based on the extent to which the number of Black female executive Managers as a percentage of all Executive Directors would be sustained or increased over the contract period.* |  |  |
| **Senior Management** | **Required Response** | **Current Status (%)** | **Future Targets (%)** |
| 1. Black employees in Senior Management as a percentage of all senior management | *Provide the percentage of Blacks that would be appointed or retained by the Board and would be operationally involved in the day to day* ***senior management*** *of the business, with individual responsibility for overall and/or financial management of the business and actively involved in the development and implementation of* ***overall strategy,*** *over the contract period.* |  |  |
| 1. Black female employees in Senior Management as a percentage of all senior management | *Provide the percentage of Black females that would be appointed or retained by the Board and would be operationally involved in the day to day* ***senior management*** *of the business, with individual responsibility for overall and/or financial management of the business and actively involved in the development and implementation of* ***overall strategy,*** *over the contract period.* |  |  |
| **Middle Management** | **Required Response** | **Current Status (%)** | **Future Targets (%)** |
| 1. Black employees in Middle Management as a percentage of all middle management | *Provide the percentage of Blacks that would be retained or appointed by the organisation in the* ***middle management*** *cadre and would be operationally involved in the day to day management of the business, with individual responsibility for a particular area within the business and actively involved in the* ***day to day management*** *of the organisation, over the contract period.* |  |  |
| 1. Black female employees in Middle Management as a percentage of all middle management | *Provide the percentage of Blacks females that would be retained or appointed by the organisation in the* ***middle management*** *cadre and would be operationally involved in the day to day management of the business, with individual responsibility for a particular area within the business and actively involved in the* ***day to day management*** *of the organisation, over the contract period.* |  |  |
| **Junior Management** | **Required Response** | **Current Status (%)** | **Future Targets (%)** |
| 1. Black employees in Junior management as a percentage of all junior management | *Provide a commitment based on the extent to which the number of Black Junior Managers as a percentage of the total junior Managers, would be sustained or increased over the contract period.* |  |  |
| 1. Black female employees in Junior management as a percentage of all junior management | *Provide a commitment based on the extent to which the number of Black female Junior Managers as a percentage of the total junior Managers, would be sustained or increased over the contract period.* |  |  |
| **Employees with disabilities** | **Required Response** | **Current Status (%)** | **Future Targets (%)** |
| 1. Black employees with disabilities as a percentage of all employees | *Provide a commitment based on the extent to which the percentage of Black disabled employees, in relation to the total of all employees in the organisation, would be sustained or increased over the contract period.* |  |  |
| **PREFERENTIAL PROCUREMENT INDICATOR** | **Required Responses** | **Current Status (%)** | **Future Targets (%)** |
| 1. B-BBEE procurement spend from all Empowering Suppliers[[4]](#footnote-4) based on the B-BBEE procurement recognition level as a percentage of total measured procurement spend | *Provide a commitment based on the extent to which B-BBEE spend from all Empowering Suppliers would be sustained or increased over the contract period.* |  |  |
| 1. 20 B-BBEE procurement spend from all Empowering Suppliers QSEs based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend | *Provide a commitment based on the extent to which B-BBEE spend from Empowering Supplier QSEs would be sustained or increased over the contract period* |  |  |
| 1. B-BBEE procurement spend from Exempted Micro- Enterprise based on the applicable B-BBEE procurement recognition Levels as a percentage of Total Measured Procurement Spend | *Provide a commitment based on the extent to which B-BBEE spend from EMEs would be sustained or increased over the contract period* |  |  |
| 1. B-BBEE procurement spend from Empowering Suppliers that are at least 51% black owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend | *Provide a commitment based on the extent to which spend from Empowering Suppliers who are more than 51% Black-owned would be maintained or increased over the contract period.* |  |  |
| 1. B-BBEE procurement spend from Empowering Suppliers that are at least 30% black women owned based on the applicable B-BBEE Procurement Recognition Levels as a percentage of Total Measured Procurement Spend | *Provide a commitment based on the extent to which spend from Empowering Suppliers who are more than 30% Black women-owned would be maintained or increased over the contract period.* |  |  |
| 1. B-BBEE Procurement Spent from Designated Group[[5]](#footnote-5) Suppliers that are at least 51% Black owned | *Provide a commitment based on the extent to which spend from suppliers from Designated Group Suppliers that are at least 51% Black owned would be maintained or increased over the contract period.* |  |  |
| **SUPPLIER DEVELOPMENT INDICATOR** | **Required Response** | **Current Status (%)** | **Future Target (%)** |
| 1. Annual value of all Supplier Development[[6]](#footnote-6) Contributions made by the Measured entity as a percentage of the target | *Provide a commitment based on the percentage in your organisation’s annual spend on Supplier Development initiatives, will be maintained or improved over the contract period.* |  |  |
| **ENTERPRISE DEVELOPMENT INDICATOR** | **Required Response** | **Current Status (%)** | **Future Target (%)** |
| 1. The organisation’s annual spend on Enterprise Development[[7]](#footnote-7) as a percentage of Net Profit after Tax [NPAT] | *Provide a commitment based on the retention or increase in your organisation’s annual spend on Enterprise Development initiatives, as a percentage of its Net Profit after Tax, over the contract period.* |  |  |

**SECTION 2**

**BBBEE IMPLEMENTATION PLAN**

SAA requires Respondents to submit a **BBBEE Implementation Plan** demonstrating how they will discharge their commitments

The BBBEE Implementation Plan is a detailed narrative document explaining the Respondent’s proposal to transformation.

Respondents must compile the BBBEE Implementation Plan, further guided by the specific requirements mentioned below:

**Important Notes for completion of the BBBEE Implementation Plan:**

1. Respondents are urged to pay careful attention to the compilation of the BBBEE Implementation plan since it will represents a binding commitment on the part of the successful Respondent.
2. Respondents are required to address the BSC identified categories below. This is however not an exhaustive list and Respondents are not limited to these choices when compiling each section.
3. Respondents are required to provide the completed BBBEE Improvement Plan as part of their submissions.

**Minimum BBBEE Implementation plan requirements**

The BBBEE Implementation plan should outline the type of activities you intend to embark upon should you be awarded the contract. This BBBEE Implementation plan should also provide an overview of what you intend to achieve, by when, and the mechanisms to be used to achieve those objectives.

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| **Category** | **Description** |
| New Industrialisation | Industrial capability building that focuses on globally leading capabilities developed within South Africa |
| Local Capability and Capacity Building in South Africa (existing industry) | Industrial capability building that focuses on value-added activities of the South African industry through manufacturing or service-related activities |
| Transfer of Technology and Intellectual Property Rights [**IPR**] | Transfer technology, IPR and methodology to small businesses |
| New Skills development | Skills transfer & skills education which will occur as a result of the award of contract |
| Job Creation/Preservation | Number of jobs created or preserved resulting from the award of contract |
| Enterprise and Supplier Development | Encouragement for growth and the expansion of emerging local firms, through procurement and support mechanisms |
| Rural Integration and Regional Development | Incorporation of the use of rural labour and regional businesses which will contribute to NGP objectives |

**BBBEE IMPLEMENTATION PLAN**

1. **Executive Summary**
2. **Development plan per category:**

State facts per category

* 1. Industrialisation
  2. Technology transfer and sustainability
  3. Local Capability and capacity building in South Africa (Localisation)
  4. Skills development
  5. Job creation
  6. Job preservation
  7. Enterprise and Supplier Development
  8. Rural / regional integration

***Commodity Manager/ Specialist Delete these Guidance Notes:***

***Delete the BBBEE Improvement Plan categories that are not applicable.***

1. **Conclusion**

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**Respondent’s Signature** **Date**

1. *“****Black****” means South African Blacks , Coloureds and Indians , as defined in the B-BBEE Act, 53 of 2003* [↑](#footnote-ref-1)
2. *“****Black youth****” means Black persons from the age of 16 to 35* [↑](#footnote-ref-2)
3. “***New Entrants”*** *means* *an early stage business which is similar to a start-up. However, an early stage business is typically 3 years old or less.* [↑](#footnote-ref-3)
4. *“****Empowering Suppliers****” means a B-BBEE compliant entity, which should meet at least three of the following criteria if it is a Large Enterprise or one if it is a QSE:*

   *(a) At least 25% of cost of sales excluding labour cost and depreciation must be procured from local producers or local supplier in SA, for service industry labour cost are included but capped to 15%.*

   *(b) Job creation - 50% of jobs created are for Black people provided that the number of Black employees since the immediate prior verified B-BBEE Measurement is maintained.*

   *(c) At least 25% transformation of raw material/beneficiation which include local manufacturing, production and/or assembly, and/or packaging.*

   *(d) Skills transfer - at least spend 12 days per annum of productivity deployed in assisting Black EMEs and QSEs beneficiaries to increase their operation or financial capacity.* [↑](#footnote-ref-4)
5. *“****Designated Groups”*** *means:*

   *unemployed black people not attending and required by law to attend an educational institution and not awaiting admission to an educational institution;*

   *black people who are youth as defined in the National Youth Commission Act of 1996;*

   *black people who are persons with disabilities as defined in the Codes of Good Practice on employment of people with disabilities issued under the Employment Equity Act;*

   *black people living in rural and under developed areas; and*

   *black military veterans who qualifies to be called a military veteran in terms of the Military Veterans Act 18 of 2011.* [↑](#footnote-ref-5)
6. “***Supplier Development***” me*ans monetary or non-monetary contributions carried out for the benefit of value-adding suppliers to the Measured Entity, with the objective of contributing to the development, sustainability and financial and operational independence of those beneficiaries:*

   *Supplier Development Contributions to suppliers that are Exempted Micro-Enterprises or Qualifying Small Enterprises which are at least 51% black owned or at least 51% black women owned.*

   *Supplier Development within the contest of the B-BBEE scorecard must be differentiated from South African Airways’ Supplier Development Initiatives. Whereas the former relates to the definition above, the latter relates to improving the socio-economic environment through initiatives that are committed to as part of a contract award that contribute to the development of a competitive supplier base in relation to a particular industry.* [↑](#footnote-ref-6)
7. ***“Enterprise Development”*** *means monetary and non-monetary contributions carried out for the following beneficiaries, with the objective of contributing to the development, sustainability and financial and operational independence of those beneficiaries:*

   *(a) Enterprise Development Contributions to Exempted Micro-Enterprises or Qualifying Small Enterprises which are at least 51% Black owned or at least 51% Black women owned;* [↑](#footnote-ref-7)