

# Transformation Policy

**AREA OF APPLICABILITY**  
**ACROSS ACSA AND ITS SUBSIDIARIES**

**DIVISION**  
**Corporate Services**

Next Revision Date  
**18<sup>th</sup> February 2028**

**Control Disclosure**  
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## **Transformation Policy**

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#### **1. Scope**

This policy sets out the principles adopted by ACSA with the intention of controlling and direct economic transformation strategic objectives within the Organisation. It is intended to cover all ACSA subsidiaries, affiliates or joint ventures where ACSA has controlling interest with the aim to provide clear, transparent and concise principles on accelerating social and economic transformation holistically and the prescripts of Broad-Based Black Economic Empowerment.

#### **2. Objective**

The key objectives of this policy are:

- To ensure inclusive participation of black South Africans in the opportunities created by ACSA through its investments in the seven sectors that impacts its business to achieve [TRA 001 - Economic Transformation Strategy](#).
- To set guiding principles on the implementation of the Broad-Based Black Economic Empowerment thus ensuring accelerated sustainable socio and economic transformation
- To identify and address all forms of discriminatory practices in line with all legislative settings, by accelerating employment or empowerment of all South Africans who were marginalized and disenfranchised by the apartheid regime at all levels across the organisation; including and in particular, women, youths and people with disabilities;
- To create a work environment that encourages diversity as a strength and allows all people to develop and contribute to their full potential.
- To design and accelerate social and economic empowerment programmes that empower all levels of employees through development training and supportive strategies to equality.
- To enhance the overall effectiveness of the economic transformation framework and thus carry out its procurement processes as cost-effectively as possible while meeting its commercial, regulatory and socio-economic goals.
- To create a conducive and accessible environment for people with disabilities and provide reasonable accommodation to employees and customers.
- To create shared value for all Shareholders and Stakeholders.

#### **3. Definitions and Abbreviations**

##### **3.1 Definitions**

###### **Black People**

A generic term which refers to Africans, Coloureds and Indians,

- Who are citizens of the Republic of South Africa by birth or decent, or
- Who became citizens of the Republic of South Africa by naturalisation:
  - Before 27 April 1994 or
  - On or after 27 April 1994, and who would have been entitled to acquire citizenship by naturalisation prior to that date.

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#### **B-BBEE Act**

Broad-Based Black Economic Empowerment Act No. 53 of 2003 which was superseded by the Broad-Based Black Economic Empowerment Act No. 46 of 2013

#### **Constitution**

Constitution of the Republic of South Africa, 1996

#### **Employees**

Employees are deemed to comprise all independent non-executive directors, executive directors, officers, permanent employees, contractors, trainees, interns and students.

#### **Employees with Disability**

People who have a long-term or recurring physical or mental impairment which substantially limits their prospects to entry into, or advancement in employment, as defined in the Codes of Good Practice on key aspects of disability in the Workplace issued under and aligned to section 54 of the Employment Equity Act.

#### **Empowering Supplier**

An Empowering Supplier within a context of B-BBEE is a B-BBEE compliant entity, which is a good citizen South African entity, which complies with all regulatory requirements as defined in the Broad-Based Black Economic Empowerment Act of 2013

#### **Exempt Micro Enterprise (EME)**

An entity whose turnover is less than R10 million per annum.

#### **Fifty (51) %percent black or Women owned**

An entity in which

- black people hold at least 51% of exercisable voting rights;
- black people hold at least 51% economic interest and
- has earned all points for Net Value under statement 100 of the Codes of Good Practice

#### **Non-Profit Organisation (NGOs)**

A non-profit organisation registered under the Non-Profit Organisation Act of 1997

#### **Priority Skills**

Core, critical and scarce skills as identified in (a) Sector Skills Plan by the Department of Labour, (b) National Skills Development Strategy III (c) New Growth Plan.

#### **Qualifying Small Enterprise**

An entity that makes turnover of more than R10 million but less than R50 million per annum.

#### **Youth**

Black people who are youth as defined in the National Youth Commission Act of 1996

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### 3.2 Abbreviations

Abbreviation	Description
B-BBEE	Broad-Based Black Economic Empowerment
EME	Exempt Micro Enterprise
QSE	Qualifying Small Enterprise
PFMA	Public Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
SOC	State Owned Company
SMME	Small, Medium & Micro Enterprise Businesses

### 4. Policy General

This policy seeks to address the following transformation commitments.

- **Social** - To assist people living below the poverty line and to assist them to mainstream economic growth.
- **Moral** - To promote equality and to contribute towards correcting the imbalances of our past.
- **Economic** - To align our business to reflect the demographics of South Africa towards economic equality.

ACSA as a responsible organisation towards Economic transformation also commit to the following to:

- Providing development support to black business through structured development programmes and partnerships with industry players to ensure meaningful, rapid development and growth of black entities in aviation and related sectors.
- Pursuing engagements with all recognised industry associations to seek cooperation and support in advancing participation of black entities in the aviation industry in order to achieve inclusivity.
- Supporting the development and participation of businesses owned by people in designated categories including black people, women, youth, people with disabilities and military veterans.
- Ensure that before the conclusion of all awards, service providers present a clear transformation plan outlining the participation of black South Africans in the contracts, capitalising on the provisions within the prevailing legislative and regulatory frameworks.
- Breaking down monopolies in the supply chains of the equipment, technologies, systems and other areas within the aviation and related industries to ensure broad-based participation by black South Africans.
- Ensuring that the procurement of professional services supports black South African consultants through the encouragement of joint ventures, consortia, partnerships and other appropriate structures.

ACSA acknowledges that it has a responsibility to its stakeholders and society. Protection of the environment is thus a priority in all ACSA initiatives and projects.

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#### **4.1 Main Principles of Conduct**

- i. As a State-owned Company, ACSA is committed to uphold the principles enshrined in Chapter 2 of the Constitution of the Republic of South Africa (1996), which promotes the rights of all people of South Africa and affirms the democratic values of human dignity, equality and freedom.
- ii. Transformation imperatives are beyond legislation as our focus is to contribute towards a strong diverse economic hub that is reflective of South Africa's Economically Active Population.
- iii. The company not only recognises the importance of implementing Broad Based Black Economic Empowerment in achieving equity in the economy of South Africa but, more importantly, is committed to the principles and directives that shall streamline the harmonisation of the scales of past inequities.
- iv. Transformation, therefore, is the path any organisation takes to ensure it is diverse and respectful towards all, according to the values of substantive equality and human dignity. ACSA believes that transformation is a continuous process, which requires frequent introspection and re-alignment.
- v. All service providers shall be registered on the National Treasury Central Supplier Database (CSD) and shall comply with any other relevant legislative requirements.
- vi. ASCA shall use its own discretion to determine which of its projects use internal stakeholder management resources or external social facilitation services as per ACSA [Stakeholder Relations and Partnership Management Policy](#)
- vii. The transformation policy shall be included in [Supply Chain Management Policy – P010 001P](#) and procedures and in all tender documentation.
- viii. ACSA endorses the principle of Universal Design as a feature of all new infrastructure development and shall formulate and implement standards and guidelines which ensure that Universal Design Principles are applied in the design and construction and/or maintenance of all buildings, thoroughfares, facilities, security systems, information technology and all other infrastructures for which the organisation is responsible.
- ix. ACSA shall identify, and where possible, address barriers to facilities and services at the airports to improve access to passengers and employees with disabilities in accordance with the Universal Design principles.

#### **4.2 Key Outcomes of Principles**

The key outcome of these principles shall yield the following outcomes as strategic focus:

##### **4.2.1 Social Transformation**

In transforming our people and society, ACSA shall:

- Ensure adherence to its Employment Equity planned targets and goals in line with the National Economic Active Population targets and exceed them wherever possible.
- Develop and implement its five (5) year successive employment equity plan that shall provide the framework for measuring progress in representation of people

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from designated as well as implementation of objectives and affirmative measures besides numerical goals.

- Put in place successive plan that shall cover specific targets for recruitment and selection, training and development opportunities, transfers, and promotion opportunities, and strategies and plans for retaining people from designated groups. This shall include specific focus on women, youth and persons with disabilities.
- Determine annual targets for bursaries, learnerships, apprenticeships and internships in line with the ACSA Young Talent development framework to grow the pool of young talent internally and produce adequate capacity to meet the aviation industry demand and supply skills needs.
- Pursue aviation related research and development initiatives through strategic partnerships and support to institutions of higher learning inclusive of previously disadvantaged institutions.
- Promote sharing of aviation industry skills and expertise through exchange programmes with its international partner airports authorities to expose its employees to global best practices.
- Prioritise the development for black women, youth and people with disabilities with specific focus to core, critical and priority skills for the transport sector and aviation industry.
- Initiate and promote community development programmes that empowers rural and local communities by enabling them to have access to economic activities, infrastructure and skills training.

#### **4.2.2 Economic Transformation**

In transforming the organisation and supplier base, ACSA shall pursue the following policy guidelines in order to support the achievement of the [Economic Transformation Strategy – TRA 001](#) which has an economic focus on seven sectors i.e. Advertising /Car rental/ Retail Construction /Information Technology/Property Development / & Ground Handling and in order realise this initiative of economic transformation, ACSA shall:

- Contribute to economic empowerment as per the Codes of Good Practice on Broad-Based Black Economic Empowerment by actively striving to meet or exceed the compliance target in procuring goods or services from empowered suppliers.
- At all times, as far as practicable, procure both discretionary, non-discretionary goods and services and letting of assets from empowering suppliers (with the exception of EMEs) who have valid B-BBEE certificates from verification agencies accredited by South African National Accreditation System (SANAS) or sworn affidavits.
- Set B-BBEE targets in order to monitor and evaluate its performance towards achievement of B-BBEE objectives. The targets shall be based on the applicable /relevant Sector Charters.

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[Supply Chain Management Policy – P010 001P](#) shall explore opportunities to encourage the procurement of goods and services in rural/regional areas with the aim of creating employment in order to contribute substantially to the national employment creation effort.

### 5. Process for Monitoring

The effective implementation and monitoring of this Transformation Policy shall be done through relevant committees. Internal Audit shall be conducted to determine compliance and implementation. This policy shall be reviewed accordingly to reflect the environmental changes or regulation requirement in order to ensure that is relevant and current to the organisation.

MONITORING CONTROLS	PURPOSE	RESPONSIBLE	FREQUENCY
THRSC	To exercise oversight and management of Transformation programs	Chairperson	Monthly
Executive Committee	To exercise oversight and implementation of Transformation programs e	Chief Executive Officer	Quarterly
SEC	Exercise oversight over the Integrated transformation agenda and economic transformation strategy ensuring that B-BBEE, Skills Development, EE and relevant Codes of Good Practices are implemented and complied with.	Chairperson of the SEC	Planned Intervals
Internal Audit	Ensure that this document is in line with the necessary regulatory approvals for compliance	Chief audit Executive	Planned Intervals

**Note:** This policy shall be reviewed in three (3) years cycle and if there is a need to review the policy before three (3) years cycle laps due to any circumstances being legal requirements, changes in the businesses, the need to reflect current practices or activities, the policy shall be unlocked for review accordingly.

**Disclaimer:** In instances where document links are not accessible, directly access the documents on the Policy Management Document Store on the ACSA intranet.

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**6. Accountabilities and Responsibilities**

**6.1 Accountabilities**

The overall accountability for development and implementation of this policy lies with the Chief Executive Officer with the support from Group Executive: Corporate Services and Group Manager: Transformation as the responsible persons for actual development, implementation of this policy. Internal Auditors have full responsibility to report audit outcomes to Audit and Risk committee about the affairs of this policy.

Authorities	Board	Chief Executive Officer	Group Executive: Corporate Services	Group Manager: Transformation
Has overall accountability for development and implementation of this policy	-	<i>Accountable</i>	<i>Responsible</i>	<i>Responsible</i>
Has overall responsibility for implementation and adherence of this policy	<i>Responsible</i>	<i>Responsible</i>	<i>Responsible</i>	<i>Responsible</i>
Has overall responsibility for implementation and adherence of this policy	<i>Responsible</i>	<i>Responsible</i>	<i>Responsible</i>	<i>Responsible</i>
Consulted at the time of an exception and adherence of this policy.	<i>Consulted</i>	<i>Consulted</i>	<i>Consulted</i>	<i>Consulted</i>
Has overall responsibility for adherence, implementation and performance of a given task.	<i>Informed</i>	<i>Informed</i>	<i>Informed</i>	<i>Informed</i>
Has responsibility for approval and authorisation	<i>Responsible</i>	<i>Responsible</i>	-	-
Communicate the policy to all	-	-	<i>Responsible</i>	<i>Responsible</i>

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impacted stakeholders or employees.				
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**7. Non-Conformance Management**

Any deviation from this policy shall be identified and registered with corrective and preventative measures for continual improvement in accordance with [Non-Conformance and Non-Compliance Policy Documents Z001 001M](#).

**8. Related Policy Documents**

Document Control Procedure - Z001 006M  
Record Keeping Requirements Procedure - Z001 008M

**9. Related Legislation and Standard**

The accelerated sustainable socio and economic transformation shall be informed and achieved by adhering to the following legislation, standards and codes:

- Quality Management System ISO 9001
- Environmental Management System ISO 14001
- Broad-Based Black Economic Empowerment Act No. 53 of 2003, as well as the amendment Act 46 of 2013;
- Amended Codes of Good Practice of 2013 ;
- Constitution of the Republic of South Africa , 1996;
- Integrated Transport Sector Codes of 2009, as well as the draft aligned Integrated Transport Sector Code of 2015;
- Public Finance Management (PFMA) Act No. 1 of 1999 Government Gazette 38735 dated 30 April, 2015
- Public Finance and Audit Act No. 25 of 2004
- Companies Act No. 71 of 2008;
- Airports Company Act No. 44 of 1993;
- National Land Transport Act No. 5 of 2009;
- Civil Aviation Act No. 13 of 2009;
- Employment Equity Amendment Act No. 16 of 2014;
- Skills Development Act No. 97 of 1998;
- Skills Development Levies Act No. 9 of 1999;
- Preferential Procurement Policy Framework (PPPFA) Act No. 5 of 2000 and Regulations 2017
- Mineral and Petroleum Resources Development Act No. 28 of 2002
- The Promotion of Equality and Prevention of Unfair Discrimination Act No. 4 of 2000
- King IV Code on Governance of 2018
- Construction Industry Development Board Act No. 38 of 2000

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**10. Change Control and Verification**

This policy shall only be changed with the authorisation of the Chief Executive Officer and in accordance with [Change Control and Verification Procedure - Z001\\_003M](#).

**11. Records**

Each Process Owner as identified is responsible for maintaining, storage and protection of their respective documents. Records shall be identifiable, easily retrievable and shall follow retention times as regulated or required by the organisation, statutory or regulatory requirements. Refer [Record Keeping Requirements Procedure - Z001\\_008M](#).

Record Name	Storage Location	Record Number	Responsible Person	Retention Time
Employment Equity Plan 2016-2021	Human Resources	-	Corporate Office	Five (5) years
Economic Transformation Strategy	Transformation Department	TRA 001	Group Manager: Transformation	Five (5) years
Transformation Policy	Master in Policy Management Storage Room	P010 004P	Policy and Assurance Officer	Five (5) years

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**12. Revision History**

<b>Date last revised</b>	<b>Revision Status</b>	<b>Compiler</b>	<b>Summary of changes</b>
New Document	Version: 1	<b>Group Manager:</b> Transformation  <b>Name and Surname</b> Ele Tshikovhi	New Issue
08 <sup>th</sup> July 2020	Version: 2	<b>Group Manager:</b> Transformation  <b>Name and Surname</b> Ele Tshikovhi	The policy has been reviewed and revised to align with the transformation strategy. Overall outlook of the policy has been changed from being limited to B-BBEE Codes to a much broader social and economic transformation approach to enable business to contribute towards social and economic transformation in business. Industry and country. Scope, objectives, policy statement and main principles of conduct have been revised in line with the transformation ecosystem (people/society/business & environment to address ACSA's transformation (social/moral /economic) commitments.
21 <sup>st</sup> January 2025	Version: 3	<b>Group Manager:</b> Transformation  <b>Name and Surname</b> Ele Tshikovhi	This policy is still relevant to the current content, therefore no major changes. Policy renewal form initiated to effect the new version

**13. Endorsement (See Master in Policy Management Storage Room)**

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