

PERSPECTIVES

Foreword by the Minister of Minerals and Energy

Message from the Chairperson of the Parliamentary Portfolio Committee on Minerals and Energy

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Sapia members support people and communities on crucial needs ranging from child care to training scientists.

SOCIAL RESPONSIBILITY: HELPING SOUTH AFRICA PREPARE FOR ITS FUTURE

Sapia members recognise that their future is bound up with the advancement and prosperity of thousands of their employees and millions of their consumers. They also appreciate that the reduction of imbalances in South African society is imperative. Therefore the oil companies devote extraordinary effort to helping upgrade communities. Their combined impact on social upliftment throughout southern Africa is immense.

Each member of Sapia has its own philosophy, its own priorities, its own programmes and preferred projects for:

- Adding to education and scientific training.
- Fighting HIV/Aids and crime.
- Protecting the environment.
- Looking after its employees and their families.

- Fostering the arts.
- Rescuing lives at sea, on mountains and elsewhere.
- Uplifting historically disadvantaged South Africans.

Upliftment is a top priority, and is being tackled by all Sapia members on many fronts. One of the most significant efforts is Black Economic Empowerment (BEE) through black ownership and partnership in the oil industry. Progress in this field is spectacular and radical in terms of world commerce, but being carefully handled by the industry so that the value of the assets being shared is not devalued. This effort in BEE is being achieved through a government-industry pact, the BEE Charter, which is embraced by all members of Sapia.

Oil companies who are members of Sapia spend tens of millions of rands every year on nation building. One member alone budgeted in 2002 well over R100 million for social welfare, health, education and other projects which will improve the future of millions of people in southern Africa.

Each company has a unique, carefully considered programme of social upliftment. For instance one member of Sapia conducts its donations campaign under four headings:

- EDUCATION QUALITY AND DELIVERY (e.g. One million text books distributed to disadvantaged schools).
- SUSTAINABLE JOB CREATION (e.g. Helping organise 3000 jobs in the tourist season).
- PEACE AND SECURITY (e.g. Sponsoring the African Peace Award).
- BUILDING NATIONAL (AND AFRICAN) PRIDE AND IDENTITY (e.g. National sponsorship of three codes of sport).

Another member of Sapia conducts its upliftment programmes on three "Social pillars":

- SOCIAL DEVELOPMENT (e.g. Constructing energy-efficient houses in Gugulethu as a model for home-builders).
- ECONOMIC DEVELOPMENT (e.g. Women's Sewing Project to create businesses).
- ENVIRONMENT (e.g. Promoting communal Food Gardens).

The voluntary endeavours of Sapia's members are so

many that there is not sufficient space to describe the full social responsibility programme of just one oil company. Instead, each year the Sapia Report provides samples from a few of our members. This year we list some examples of work done by SA's biggest oil refiner, and two multinational oil companies.

A liquid fuels refining group has made a number of corporate social investments including R4 million spent annually on job creation projects; R11 million spent annually on community development and R19 million spent in 2000 on new schools and flood relief. As an extraordinary humanitarian gesture, the group is committing over a three year period about R57 million to community development in Mozambique, where the group is increasingly involved.

At home, the group supported projects during the year that ranged from the African Renaissance initiative and community-focused education, to small-business development, HIV/AIDS programmes and environmental conservation.

The group helped establish no less than 13 companies run by emerging entrepreneurs. Its many other social investments included, for instance, donating 6,000 Oxford English dictionaries to under-resourced schools, and sponsoring a national choir festival.

A multinational oil company which has spent several hundred million rands on social welfare over the years, sees "a need to address the imbalances of the past in a way that is both urgent and aggressive, yet simultaneously preserves and stimulates good business and the progressive upliftment of our society." It believes in "respect for the individual; respect for cultures; respect for the environment and society." These govern their policy of corporate social investment.

Examples of what this multinational oil company supports are:

- EDUCATION: programmes that train teachers or promote learning in maths and science in universities and technikons. Through organisations such as Phambili Educational Projects the oil company provides maths and science reading materials in rural areas.
- COMMUNITY DEVELOPMENT: Projects range from training in leadership to early childhood development; from promoting Peoples Law to rehabilitation of an entire informal settlement and its communal activities.
- HEALTH: Caring for AIDS orphans, and promoting an AIDS awareness programme in rural areas.
- ARTS AND CULTURE: Projects range from film production to high school competitions and youth interest in art.

Another oil company focuses on four social investment areas:

- EDUCATION: This includes HIV/AIDS education as well as teacher training and funding of tertiary programmes in English, maths, science and technology. Examples are:
 - An African Academy programme to prepare disadvantaged youth for careers in draughtsmanship.
 - An innovative Technikon Natal project to make science, engineering and technology accessible and exciting to rural communities.
 - A Thusano Education project to improve matric results and provide career guidance through professional tutoring and mentoring in previously disadvantaged schools.
 - An Aviation Training and Development Foundation

course for budding pilots from disadvantaged communities.

- **CONSERVATION:** This includes everything from saving White rhinos to development of the "We Care" environmental conservation package for schools which has now achieved worldwide recognition.

Other examples are:

- Alien vegetation clearing projects on Table Mountain and in the Tsitsikamma Mountains providing work for the unemployed.
 - Establishment of hundreds of vegetable gardens and tree nurseries in developing urban areas.
 - Seeking to ensure that the annual Arbor Week is a meaningful national project.
- **HERITAGE:** The oil company's projects seek to create appreciation of the value of heritage among previously disadvantaged youths. Thus it supports conservation of works and artefacts which encourage heritage education. It also promotes music, drama and art and culture among youth.
- **BUSINESS DEVELOPMENT:** Over and above BEE practices, the oil company enters into partnerships with other corporate bodies, communities, organisations or government to provide the necessary support for business training.

From these random examples of the reconstruction and social development programmes of a sample of members of the South African Petroleum Industry's Association, it can be seen that each takes its social responsibility very seriously. The samples above cannot give a full picture of the size of effort the industry puts into social upliftment. Nor do these projects include any of the industry's massive expenditure on industrial environmental protection, and on BEE, two subjects that merit separate sections in this Report.

