

P108

Contributing to sustainable growth and development in South Africa

As a committed corporate citizen, Implats, since its inception, has whole-heartedly embraced the notions of Corporate Social Responsibility and Corporate Social Investment (CSI) – the former addressing the group's overall response to economic, social and environmental considerations and the latter (in addition to its regular business activities) the group's contribution to the communities in which it operates. More recently, in compliance with legislation regarding ownership, employment equity, human resource development, and affirmative procurement, our activities have been extended into rural communities in the areas from which our labour is sourced.

As such, the group has traditionally upheld the socio-economic tenets underscored by the Mining Charter component of the MPRDA and the SLPs required for the registration of mining rights in terms of the Mining Titles Registration Amendment Act. The planning and reporting requirements introduced and governed by the new legislation have, however, provided a meaningful framework upon which to develop and implement strategies that will contribute to the sustainable socio-economic development and transformation of South Africa.

socio-economic development

MINE COMMUNITY AND RURAL DEVELOPMENT

Implats co-operates with public and private sector stakeholders in the formulation of integrated development plans (IDPs) and local economic development (LED) plans for the communities surrounding the group's operations and its labour-sending areas, as well as the implementation of the same. Close working relationships are maintained with the relevant authorities and community structures to ensure that the IDPs are implemented responsibly and appropriately.

The major focus areas for Implats' mine community and rural development activities are the greater Rustenburg and Springs areas (Impala) and the Burgersfort/Steelpoort area (Marula Platinum) in South Africa; as well as the communities around our operations in Zimbabwe. The key labour-sending areas currently supported by the Rustenburg operations in particular are in the Taung region (North West Province) and the O R Tambo District of the Eastern Cape. The group projects incorporated into the LED and IDPs fall into four main categories, as outlined below, and form the basis for much of our CSI strategy.

Poverty alleviation

Implats intends to monitor its local spend and the group's indirect influence in the areas in which it operates. Real spend will be plotted to determine a wealth creation index (WCI), which is a measure of the total value of local spend by the operations, through community projects and by employees, visitors, suppliers and local service providers.

A WCI pilot study was established for Marula Platinum in FY2005 to determine the effect of the operations on wealth creation in the surrounding communities. This revealed that the appointment of local labour and the procurement of goods and services from local suppliers have yielded a growth in the index from R2 million since July 2002 to over R12 million in June 2005.

WCIs will be introduced for the Rustenburg operations from July 2006.

Education

Both Impala and Marula Platinum are involved in a range of integrated educational programmes that focus on increasing the pool of quality learners in the communities surrounding our operations. Our primary objective is to increase the number and grades of HDSA matriculants passing higher grade mathematics and science with a C symbol or above to 30% by 2009. The total financial investment in these projects in FY2005 amounted to R6.8 million (detailed on pages 116 to 121).

Healthcare

The current focus of Implats' community development in the healthcare arena is on HIV/AIDS. We support programmes that promote HIV/AIDS awareness, the extension of home-based care for those with AIDS and ensuring acceptable levels of care for AIDS orphans. Support was provided for eight programmes near the Rustenburg operations, four near the Refineries and one near Marula Platinum during FY2005 at a cost of R2.6 million, and included 15,297 home-based care visits (detailed on pages 120 and 121).

Enterprise development

In April 2005, Implats introduced a system of rating suppliers according to both Mining Charter requirements and those proposed by the DTI's new Draft Codes of Good Practice. Further details on this system, which is part of our Procurement strategy, are provided on pages 121 and 122. We also contribute to regional and economic sustainability by supporting the development of entrepreneurial SMEs and other businesses that can benefit from the company's input in terms of business planning, funding processes and start-up operations.



Dikuno Process Solutions, a BEE enterprise, is responsible for operating the slag plant at our Rustenburg operations.

AFFIRMATIVE PROCUREMENT

Implats is committed to meeting the procurement transformation requirements of the MPRDA in general and the Mining Charter in particular by increasing the group's spend with HDSA suppliers of capital goods, services and consumables.

To this end, the group has developed a proactive procurement policy that enables the identification and development of accredited HDSA suppliers so as to facilitate greater spend with such suppliers. The policy has given rise to a preferential procurement programme that incorporates the following practical guidelines:

- Where capacity to enhance local businesses can be pooled with other large corporate entities, this should be pursued, provided the co-ordination effort does not delay nor dilute Implats' social commitment.
- If no pooling of effort can be established within a reasonable time-frame, Implats will embark on a leadership role to provide the necessary assistance to

local business development, with the objective of attracting other contributors once the programme has become functional.

As part of a consultative process involving political, economic and community stakeholders, Implats has committed itself to initiate, facilitate, support and enhance the opportunities for SMEs in the communities surrounding the group's operations. This process is designed to:

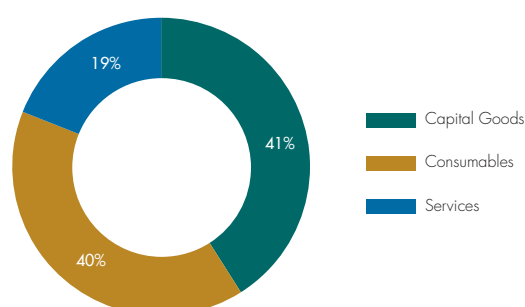
- address the structural and development issues facing SMEs in general and HDSA enterprises in particular; and
- increase the business opportunities for SME/HDSA enterprises with proven capacity.

Of the R4.4 billion discretionary spend incurred by the group's South African operations in FY2005, some R1.36 billion (30%) was spent with HDSA suppliers (FY2004: R817 million). The substantial increase in HDSA spend is largely attributable to industry co-operation and the support received from the South African Mining Preferential Procurement Forum (SAMPPF).

Table 17: Breakdown of discretionary spend at Implats' South African operations, FY2005.

Operations	HDSA Spend FY2005	
	Actual (R million)	Target (R million)
Rustenburg operations	924.18	624.0
Refineries	416.97	128.0
Marula Platinum	20.70	15.8
TOTAL	1,361.85	767.8

Figure 13: Breakdown of discretionary spend by category, Implats' South African operations, FY2005



Going forward, Implats has made a commitment to progressing the group's procurement from HDSA companies. The new Draft Codes of Good Practice, released by the DTI, has been taken into account in our planning and strategy development processes, the aims of which are, *inter alia*, to:

- agree with the Implats Transformation Committee on annual HDSA procurement spend targets;
- measure and report HDSA procurement spend of our operations on a monthly basis;
- develop operational procedures to promote the preferential procurement policy and programme;
- communicate our preferential approach to existing and potential new suppliers;
- investigate current procurement practices and effect change, if required;
- entrench affirmative procurement performance indicators in the company's award system;
- identify impact suppliers representing 80% of Implats' procurement spend and institute dialogue with them in terms of transformation and joint venturing with HDSA suppliers;
- establish a preferential procurement steering committee to identify challenges, develop solutions and implement corrective actions;
- identify suppliers not yet conforming to HDSA status and to initiate dialogue with these parties to effect transformation;
- adopt an acceptable, legitimate and affordable industry accreditation methodology to minimise fronting;
- promote HDSA's access to mining procurement;
- develop with provincial government a process to measure the economic benefit flow of preferential procurement at regional level; and
- design, establish and support the implementation and maintenance of local business support centres, if applicable.

South African Mining Preferential Procurement Forum (SAMPPF)

Implats is one of 28 members of the SAMPPF, a non-profit organisation which is chaired by Impala Community Development Trust (ICDT) Chief Executive, Pierre Lourens. The SAMPPF continues to pursue several key procurement objectives by:



The Marang Women in Agriculture project has created several jobs for members of the communities surrounding our Rustenburg operations.

- promoting dialogue with stakeholders regarding the effective implementation of preferential procurement policies;
- providing reporting facilities to measure the progress of preferential procurement initiatives;
- continuously developing and maintaining a database of credible suppliers from which the mining industry can source goods and services; and
- streamlining the maintenance and improving the accuracy of supplier information.

The SAMPPF has developed a database of 30,000 suppliers (of which 1,458 have been identified as HDSAs) covering all areas of mining activity. The estimated value of the annual procurement opportunities is R32 billion. As indicated earlier, Implats' discretionary spend amounted to R1,361 billion in FY2005, equating to 30% of the group's total procurement for the year. This is well in advance of the target to achieve 20% originally set for FY2009.



Badiramogo, a small BEE company, fulfils the duties of the former 'tea ladies' at the Mineral Processes plant, which forms part of the Rustenburg operations.



The Monontsha Woodchips Project provides employment to 36 people from the local community.

SME initiatives

The Mineral Processes plant at our Rustenburg operations has helped establish a number of small BEE business enterprises by outsourcing several non-core services to former employees. The process has enhanced the affirmative procurement spend of the operation, while creating job opportunities in the local community, and is guided by a SME Policy and Logistics framework.

The new business entrepreneurs, who are not bound to employ former Impala employees, receive extensive support in the form of training in entrepreneurial skills, business planning and management, teamwork, group dynamics and aftercare. The training component of the initiative is being facilitated by a local BEE consultancy, operating in the North West Province.

Among the new businesses launched during the year under review are:

- **Tailings Technology**, which is responsible for recovering additional metals from the tailings dam stream. This 50% BEE-owned business has a former plant manager as one of its directors.
- **Serole Cleaning Services**, where Mineral Processes' entire cleaning requirements have been outsourced to a former change house supervisor who has grown his employee base from twelve to 36 to accommodate an extension of the contract to include areas outside of the plant.
- **Monontsha** (Woodchips Project), which is responsible for the rehabilitation of the tailings dam slope, using technology developed co-operatively by Impala and the

University of Potchefstroom. A group of 15 ladies from the local community own 75% of the business, with the remainder held by a landfill consultant. The project provides employment to a total of 36 people from the local community.

- **Badiramogo**, a small private company formed by twelve BEE shareholders (majority owned by two of the shareholders), to fulfil the duties of the former 'tea ladies'. This business has adopted the model developed and implemented by Monontsha and is proving extremely successful.
- **Dikuno Process Solutions**, a BEE enterprise comprising 38 former Mineral Processes employees (two of whom are managing shareholders) that is responsible for operating the slag plant – a component of our Rustenburg operations' business that processes the slag and sludge from the plants.

A number of further outsourcing opportunities are currently under investigation, including road maintenance, garden services, the canteen (and general catering), and the crushers within the smelter operation. In addition, Rustenburg operations' central concentrator continues to purchase washers required by the mills that are made by learners at a blind school using cotton thread, rather than using alternative suppliers.

Marula Platinum is also involved directly in supporting a number of local BEE initiatives, and gives preference to local contractors and suppliers of goods and services. Services

valued at R10.3 million were procured from BEE companies in and around the area during this financial year.

Further details of our enterprise development programmes may be found on pages 121 to 123.

OWNERSHIP AND JOINT VENTURES

The sale of Implats' interest in Lonplats (comprising a 27.1% stake in each of Western Platinum Limited and Eastern Platinum Limited, which together comprise Lonplats) was concluded in September 2004. The transaction involved the direct sale of 9% in Lonplats to Historically Disadvantaged South Africans (HDSAs), comprising Dema Group, Andisa Capital, Vantage Capital and the Bapo Ba Magole Tribe; and the sale of the 18.1% balance to Lonmin Plc. Subsequently, the HDSA investors and Lonmin have each on-sold 9% of Lonplats to Incwala Resources (Proprietary) Limited, a newly-formed company that will be HDSA controlled. The latter earned Implats and Lonmin the coveted Dealmakers' '2005 Deal of the Year' Award.

Implats received US\$763 million on the finalisation of the transaction, of which US\$95 million has been made available by Implats as vendor finance to various BEE companies and will only be fully repaid by 2011.

The group's current HDSA holding (by own calculation and subject to verification by the DME) is approximately 9%, comprising 1.5% held by the RBN and 7.5% held in credits earned on the sale of Lonplats.

At operational level, a 20% stake in Marula Platinum has been set aside for BEE ownership and the agreement signed between Marula Platinum and the local communities on

5 August 2004 should become effective by the end of FY2006. The agreement, which concerns the formation of the Marula Community Trust (the Trust), entails an allocation of 5% to the Trust; the retention of 5% for direct investor participation in the project, such as community groupings and local business interests, from the Sekhukune district and the Limpopo province; and a 10% stake held by Mmakau Mining.

The Trust will be managed and controlled by five Trustees who will be responsible for the administration and application of the fund's finances. Trustees comprise local attorneys, business people, members of the Marula Working Committee (a representative committee set up by Marula Platinum to liaise between the local community and the mine). The Trust held its first public meetings during April 2005 in the villages around Marula Platinum. At these meetings, the local communities identified the need for water in the Greater Tubatse area as a priority over electricity and any other infrastructure development. The Marula Community Trust therefore appointed a contractor to provide borehole water to ten schools in the area, with the assistance of the Marula Platinum geologist, who assisted the contractor to identify possible water sources and advised the Trustees on water quality and quantity. The water provided to the schools will also be available to the community through the Governing Body of each school.

In addition, the Marula Community Trust has adopted community projects initiated by Marula Platinum through the ICDT. These include a home-based care vegetable garden project in Forest Hill (Ga-Kgoete) community and the informal traders around the mine. R1 million was donated to the Trust by Implats during FY2005.



The Library Project, supported by our Rustenburg operations, has led to numerous satellite libraries being established in the villages surrounding greater Rustenburg.



Implats contributes to regional and economic sustainability by supporting the development of entrepreneurial SMEs.

BENEFICIATION

As the Beneficiation Act has not yet been promulgated, Implats has appointed a representative to participate with the DME and other industry stakeholders in determining the criteria to quality for offset.

Nevertheless, in keeping with Mining Charter recommendations that companies add value beyond mining and processing in efforts to generate new economic activity, Implats supports the establishment of industries that add value to the metal and minerals mined in South Africa. Through its world-class precious and base metals refineries Implats is not only able to refine the metals to the required specifications of end users – from ingots to salts – but also offers these facilities to other producers, both locally and internationally. The platinum produced by Implats is exported either in the form of bars to jewellery manufacturers, or as a powder to automotive manufacturers. A significant proportion of the latter is supplied locally to one of the largest manufacturers of autocatalysts.

Through its agreement with A1 Specialized Services and Supplies Inc in the USA, Implats is the largest recycler of autocatalysts in the world.

During FY2004, Implats was part of a multi-national, multi-stakeholder venture that set up a Cape Town-based jewellery beneficiation project to produce finished and semi-finished jewellery. Silplat (Proprietary) Limited (Silplat) was established in collaboration with Silmar SPA, an Italian jewellery manufacturer (51%); Implats (17.5%), SA Link (Proprietary) Limited, a Cape Town jewellery manufacturer (14%); SANIP – the National Industrial Participation office of SAAB and British Aerospace (BAE) Systems (12%); and SA specialist corporate finance house Microfin Holdings (Proprietary) Limited (5.5%).

In addition to its equity interest in Silplat, Implats also participates in the project by way of a platinum loan,

believed to be the first of its kind in the jewellery business. Silplat's business plan includes downstream beneficiation of 25,000 ounces of platinum jewellery after five years.

The pilot project phase of the Silplat venture, which ended in February 2005, yielded sales forecasts for the remainder of the 2005 calendar year of 210kg of platinum. It is hoped that several shortcomings identified in the pilot project phase, due primarily to lack of management experience in producing quality jewellery, the current high dollar price of platinum, levelling off in the demand for platinum jewellery and the rand/dollar exchange rate, have been overcome following the appointment of new personnel to manage the project from March 2005.

In addition, Implats donated R50,000 to the Hans Merensky Platinum Jewellery Design Centre at the Tshwane University of Technology in FY2004 (see page 119 for more details).

IMPALA COMMUNITY DEVELOPMENT TRUST

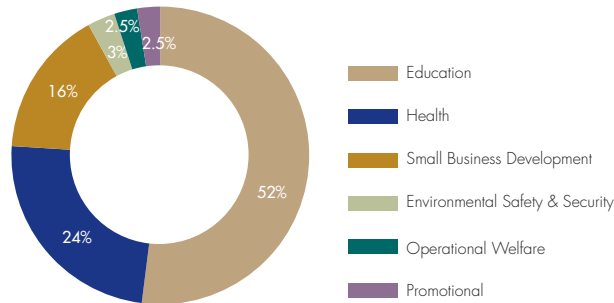
All Implats' social development activities and the funding thereof are managed by the Impala Community Development Trust (ICDT), which was established in 1998. Reflecting the concepts of corporate citizenship, the ICDT has adopted a number of key principles from the South African Grantmaking Association's (SAGA) Code of Practice. These include:

- contributing to positive social change, which supports social and economic transformation, through funding and development efforts, aimed at sustainable development programmes to bring about a just, equitable and prosperous society;
- working in partnership to create a shared development vision, founded on mutual understanding, respect, trust, responsibility and accountability in the knowledge that social and economic transformation is beyond the scope of donors alone;



Implats' CSI priorities reflect the local economic development priorities of the relevant provincial and/or local authorities.

Figure 14: ICDT funding for community development projects in FY2005 (%)



- cultivating mutual respect by acknowledging our partners' organisational visions and priorities and respecting their cultural values and practices to avoid distortion of organic development processes;
- being open and accessible so as to allow grant seekers the right to make informed choices about their funding partners, and to redress the inherent power imbalance between those we fund and those who request;
- championing accountability by establishing appropriate practices that demonstrate high standards of internal and external accountability;
- practising consistency so that potential grant partners receive fair opportunities to access funding and other resources and to ensure even-handedness and non-discrimination;
- adopting a professional and effective approach to build funding programmes that impact positively on critical social challenges and in so doing gaining respect as credible and effective development practitioners; and

- nurturing and reflecting diversity by embracing diverse perspectives and experiences to ensure relevance and effectiveness.

The policy of the ICDT is to act as facilitator rather than a sole sponsor of social investment projects. In this way the long-term sustainability of projects is encouraged, additional donors are attracted and former disadvantaged communities are empowered. By pooling its resources with those of other donors and government institutions, the impact of the ICDT's effort is significantly more than would otherwise be the case.

Wherever possible, Implats' CSI priorities reflect the local economic development priorities of the relevant provincial and/or local authorities.

The ICDT allocated funding to the value of R15.2 million to community development projects during the year under review. As in prior years, preference has been given to projects that promote education and training, health and welfare, enterprise development, environmental awareness, and safety and security.

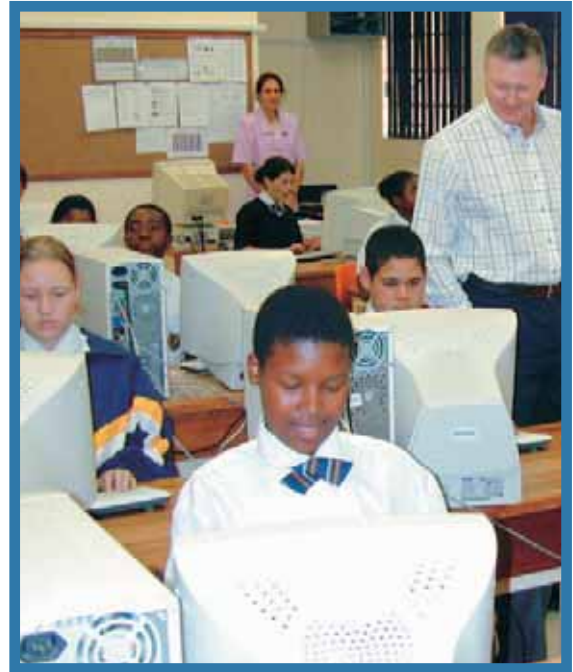


Far left: The learners at Buitengewone Onderwys Skool, Rustenburg have benefited from four additional classrooms and a swimming pool for occupational therapy sessions, sponsored by ICDT.

Left: ICDT supports projects that promote health and welfare.



Learners participating in Impala's post-matric programme.



Keith Rumble, CEO: Implats, visited Field's College, Rustenburg, during FY2005 and was impressed at the quality of education offered and the calibre of the learners.

EDUCATION AND TRAINING

In pursuit of a mission to ensure that a growing number of local and previously disadvantaged candidates aspire and/or apply for employment in the mining industry, ICDT provides funding and strategic support to the following main initiatives:

- **Edumap**, a matriculant bursary programme to attend a foundation year before enrolling at a tertiary education institution so as to improve the pass rate in engineering and other mining career orientated subjects at universities and technikons. This programme has improved the matriculation results of students in all subjects, with the average results for mathematics and science increasing by 20.4% and 14.4% respectively; and has also improved the pass rate of HDSA's following engineering degrees at universities from 33% to 92%. Participating learners are also given career planning advice (including excursions) and assistance in applying for bursary finance for tertiary education. A team of full-time dedicated staff has forged close links with the University of the Witwatersrand and tertiary education institutions in all nine provinces. By redefining the parameters of the programme, the needs of most universities and technikons are accommodated such that all the students in the Edumap programme should be admitted to the mainstream programmes of tertiary institutions or to the

sponsoring companies. ICDT has contributed financially to Edumap since its inception in 1998 and currently sponsors ten students at a cost of R39,500 per student per year. Moreover, six Edumap students sponsored by ICDT in 2000 completed their fourth year of study at university in FY2004.

- The **Impala Post-Matric Programme**, at Fields College in Rustenburg, which aims to redress the severe backlog in quality schooling for HDSA's locally, forcing learners to leave the area or accept inferior education. The ICDT has set up a post-matric programme similar to the Edumap at Fields College – to create a Centre of Educational Excellence – and has also provided educational infrastructure items such as classrooms and laboratories, science apparatus and educational materials. 20 learners matriculated from the Edumap programme at Fields College with mathematics and science on higher grade at the end of the 2004 academic year, double our target for ten learners.

Ten of these students are now studying engineering or science at a university or technikon. At least seven of them have passed all their first semester subjects in 2005, while the results of the remaining students are awaited.

- **Maths and Science Upgrading Programme**, operated through the North West Department of Education, which

aims to increase the number of learners passing mathematics and science on the higher grade. The programme includes enrichment courses for educators and learners at selected schools, bursaries for high performers, and the Dinaledi Computer Centre (one of only seven such facilities in the North West province). The programme attracted 225 mathematics and science learners to its enrichment classes on Saturdays and during school holidays in FY2005, 75 of whom were employees' children. In addition, 140 mathematics, science and English educators participated in the programme: 55 attended an NQF assessment programme; 55 attended national curriculum statement training for Grades 10, 11 and 12; and 30 attended the schools' environmental policy programme training.

Refineries also operates a **Maths and Science project** through the Star School, which aims to enhance learners' knowledge so as to increase the pass rate. Funding was provided for 200 mathematics and science learners from various disadvantaged schools within Ekurhuleni East to attend Saturday classes in FY2005 at a cost of more than R472,500.

In addition, funding of R140,000 was provided for mathematics and science educators from 14 schools in Ekurhuleni East (and their principals) to attend a **Maths, Science and Technology Teachers Development** project, which provides theoretical and practical training with a view to improving their teaching skills.

- **School Achiever Programme**, where Refineries, through ICDDT, provided funding for 200 Grade 12 mathematics and science learners to attend vacation classes in FY2005.
- **Career guidance**, where the ICDDT provides funding and strategic support to career guidance initiatives designed to attract and prepare targeted high school pupils to join the mining industry.
- **School road shows and visits**, where employees of Refineries visited 20 schools in Ekurhuleni in FY2005 to encourage Grade 9 learners to choose mathematics and science on higher grade and to consider engineering as a profession. Learners from the same schools visited Refineries to see the operations' engineers and chemists in action.
- **Infrastructural support** (through the North West Education Trust (NWET) and other initiatives) to improve the quality of education facilities in the areas of Implats' operations, particularly the rural reaches. A two-tier strategy is followed namely:

- participating in public-private partnerships to build educational infrastructure (schools, classrooms, and so on), upgrade water and sanitation services, and facilitate human resource development (training of educators and learners) at schools in the North West Province; and
- establishing new or converting facilities into community centres and helping HDSAs to run these centres to the benefit of the community.

Established in 1998, NWET provides private sector donors with a vehicle to contribute (on a 50/50 basis with government) towards improved educational capacity in the North West province. The NWET has proved to be one of the most successful, cost-effective and sustainable public-private partnerships in South Africa: classrooms, water and toilets valued in excess of R137.4 million have been provided by the donors to the Trust since its establishment. In recognition of the group's contribution to the success of NWET, Implats has received a certificate of appreciation from the North West Department of Education.

Other infrastructural support projects supported by the ICDDT during FY2005 included the following:

- The **ablution facilities were refurbished** by the Refineries at two schools in Ekurhuleni East at a cost of more than R160,700.



High school learners receive career guidance at Rustenburg operations' Career Exhibition Centre.



Infrastructural support is provided to improve the education facilities in the areas of Implats' operations.



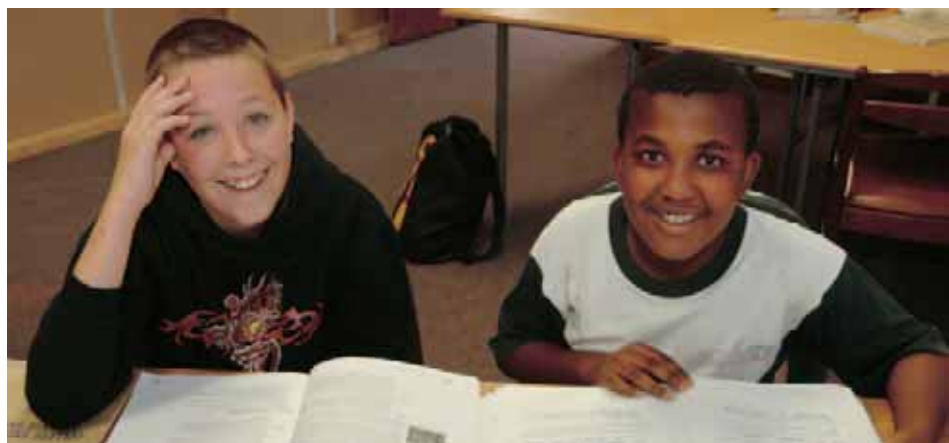
One of the learners at Buitengewone Onderwys Skool, Rustenburg, which received extensive support from the ICDT during FY2005.

- **Tshelofelo Community College**, which was established in the informal settlement of Boitekong in 1993 is currently experiencing financial difficulty. The college housed both academic and technical faculties, covering subjects such as engineering, commerce, early learning, Grade 10 to matriculation, skills training, computers, entrepreneurship, adult basic education and blasting certification. Financial and leadership support was offered by Impala to find a solution acceptable to all stakeholders.
- **Rustenburg Community Development Centre (CDC) for Lifelong Learning**, which was established by converting a vacant shopping centre into an educational centre. Implats has sponsored the centre since its inception. The facility is currently used as a private school, college, community centre for life-long learning, a computer and telemetric learning centre and a commercial examination centre. The Rustenburg CDC has also provides affordable and accessible education facilities to the lower-end of the market. For example, during 2005:
 - The facility included an ABET Centre attended by 125 students from the community.
 - The Bokone Bophirima Ambulance Training College, situated at the Rustenburg CDC, has been operational since 1999 and offers a one-month course in Basic Ambulance Assistance and First Aid. Twenty students are trained per session.
 - Students from Grade 1 to 12 attend Meridian College – a private school that has rented premises at the Rustenburg CDC since 2000.
- Kele Primary and Secondary School is another of Rustenburg CDC's success stories. The school started in a private house in 1996 and provides education for 765 learners from pre-school to Grade 12. Kele's first group of Grade 12 learners wrote their final exams with the North West Department of Education in October 2004.
- The Freedom Net Centre and Future Kids, which together with the ISETT SETA present a one-year course in Technical Support at the centre to groups of 150 students.
- The **Bakerton ABET Centre**, Springs, which provides literacy and numeracy training to adults from historically disadvantaged communities in the area (primarily Slovo Park and Everest), is sponsored by Impala in the form of facilitator wages, learning materials and furniture. More than R236,257 has been invested in this project.
- **Matshidiso Special School**, a facility where disabled children are taught practical skills such as gardening, baking, sewing and welding, received gardening tools and a bakery machine from Refineries. The equipment will enhance the school's ability to generate funds from vegetables grown in the gardens and loaves of bread baked on the premises. More than R56,522 has been spent on these projects.

- Two schools for physically and mentally disabled children in the Rustenburg area received funding during March 2005, namely **Iteko School** (Tlhabane) and **Buitengewone Onderwys Skool** (Rustenburg). The latter facility received four classrooms and a swimming pool for occupational therapy sessions.
- **The Library Project**, whereby satellite libraries have been established in the villages surrounding Rustenburg. The project, which was launched by the Mayor of Bojanala District Municipality in North West Province in FY2005, will be handed over to the respective communities once the libraries are established. Implats is one of three mining houses that have funded the project and invested R900,000 over a period of three years.
- Impala donated a further 42 computers to a Springs-based **Teachers Training Centre**, which is dedicated to providing educators from local schools with computer skills. More than R82,853 has been invested in the project.
- Financial support of R50,000 was also given to the **Royal Bafokeng Administration (RBA) Thuto Thebe Education Trust**, which provides financial assistance to secondary and tertiary level learners from indigent families, and to educators wishing to upgrade their skills. The trust also funds support groups that assist illiterate parents attend ABET courses so as to help their children with their homework.
- The **Career Exhibition** at our Rustenburg operations aims to educate learners and educators about possible careers within Implats, as well as the group bursary scheme. Two schools visit the Career Exhibition each

month, each visit comprising approximately 40 learners and educators. A total of 880 people visited the exhibition in FY2005.

- The **Hans Merensky Platinum Jewellery Design Centre** at the Tshwane University of Technology receives financial support from Implats. The platinum manufacturing course offered by the Centre focuses on the theoretical aspects of platinum jewellery manufacture and forms part of the jewellery programme in the Fine and Applied Arts Department (offered in the third-year and B-Tech students' syllabus). The Centre's facilitator and its students are also engaged in two of the University of Cape Town's platinum research projects. Three B.Tech students, who have specialised in platinum manufacturing, completed their degrees in the 2004 academic year.
- **Olympia Park School** in Kwa-Thema, a special school for children with learning difficulties, received a range of practical teaching aids from Refineries, including a car engine, fully-stocked tool boxes and steel tables.
- **Lefaragatlhe Primary** and **Moremogolo Primary School** in Phokeng each received donations of English books from the Rustenburg operations.
- **Ekurhuleni East College** has received process control and electrical equipment to the value of more than R47,800 from Impala. This equipment will help improve the standard of engineering education at the college.
- Approximately US\$79,000 was donated from the **Zimplats Chairman's Fund** to schools, universities and charitable organisations.



Through NWET, Impala has contributed significantly to improving the educational capacity of the North West Province.

- Impala donated R1 million to the Marula Community Trust and the board of Trustees received training in various aspects of managing a community trust.

Mimosa supported several education-related community projects during FY2005, notably:

- painting a classroom block at Zvishavane Primary School;
- donating books to schools in Zvishavane District;
- constructing a Blair toilet block at Bungwe Primary School;
- sponsoring under-privileged pupils at the above school;
- a donation of cement to the Better Schools Programme; and
- providing Zvishavane Police Library Equipment.

HEALTH AND WELFARE

In addition to accepting responsibility for the healthcare of our employees. Implats is also concerned about the health and wellbeing of people living in the communities where we operate.

HIV/AIDS remains a key focus area for all communities in South Africa. Accordingly, community HIV/AIDS programmes continued to receive support from ICDT during the year. In addition to financial support, we have shared and incorporated the key learning points from our successful employee HIV/AIDS programmes into these community programmes.

- **Sexually Transmitted Infections (STIs)**, where ICDT funds the treatment of all STIs in the Freedom Park clinic operated by St Joseph's Mission.
- **Access to Voluntary Testing and Counselling (VCT)** is a vital element to any HIV programme and we have provided funding for VCT at the STI Clinic.

- ICDT has funded the **Tapologo Counselling Clinic** in Phokeng, which provides counselling to individuals and families already affected by AIDS.

- **Home-based Care (HBC)** is another important and under resourced requirement for managing the HIV epidemic in South Africa. As such, ICDT has funded and supported a number of home-based care initiatives for families coping with terminally ill individuals living at home. These include the Tapologo HBC operating in the Phokeng/Rustenburg area, Reatlegile HBC in Taung, Kopano Women Project in Morokweng, and Eben-Ezer Care in Ganyesa. All of these projects enjoy support from Impala and the Department of Health.

- Many AIDS patients eventually require **Hospice care** in spite of the availability of HBC Programmes. ICDT has continued to support the Tapologo Hospice during the year.

- An increase in the number of orphans in South Africa is a direct result of the HIV/AIDS epidemic. ICDT recognises the needs of this very vulnerable sector of society. We provided financial support to the **Botho Jwa Rona, Bana Bakgotso** and **Tshireletso** care centres which provide shelter and care for these children.

ICDT, in conjunction with the Department of Social Development, also provides support to orphans who are living with their extended families while they are waiting for the processing of their official child support grants. This support assists their foster families to provide the necessary care, support and schooling to the children.

While HIV/AIDS has received considerable attention and funding, because of the scale of the epidemic, ICDT has also contributed to a number of other Community Health Programmes, namely:

- **Care for the Disabled** – The Spes Bona home for the disabled and the Bessie Mpelele Newana Care Centres both received ICDT funding during the year.



Impala has established several clinics within the local community.

- **Community Hospital** – The Rustenburg Provincial Intensive Care Unit was equipped with an air-conditioning unit and equipment for arterial catheterisation.
- The **Rustenburg CANSA Association** provides an invaluable service to cancer sufferers in our community and ICDT continued to give support to the organisation.
- The **Rustenburg Hospice** not only provides direct hospice care to our community but has also assisted us by sharing their skills and knowledge with other organisations that we support who provide care to the terminally ill.
- **Rustenburg Life Line** provides counselling and telephonic assistance to any members of our community who are faced with personal or family crisis and the very experienced Life Line Counsellors are available 24-hours-a-day. Life Line has also shared their counselling knowledge and training with many of the other projects which require these skills.

The ICDT has also supported several health and welfare projects through the group's other operations during the year, including:

- Building a structure for **Nigel Caring Community**, a home-based care NGO in Duduza that provides support to end-stage cancer and HIV/AIDS patients who can no longer take care of themselves. More than R476,200 has been invested in the project this financial year.
- Ongoing support for **Oasis Rover Crew** and **New Image Rover Crew**, two HIV/AIDS home-based care initiatives for which ICDT purchased houses in FY2004.
- Providing support for **Child Welfare** in the greater Springs area, which enables better facilities to be provided for approximately 100 children each year.
- Mimosa provided equipment to Mhondongori Clinic.

ENTERPRISE DEVELOPMENT

Implats has launched with the Springs Chamber of Commerce a regionally-focused Business Linkage Centres (BLCs), which developed a methodology to stimulate economic growth in the area by supporting the development of the SME sector. Two BLCs have been launched to date:

- The **Springs BLC** was established in 2000 and is affiliated to the Springs Chamber of Commerce and Industry. Local SME's have been encouraged to join the BLC where their details are logged and forwarded to the sponsoring companies of the BLC. The sponsoring companies, of which there are 14, then try and allocate work to an SME where possible as well as endeavouring to mentor and develop them into a viable business.

Having identified a lack of essential business skills, Refineries in conjunction with the BLC approached the Ekurhuleni East College to assist and formulate business related training modules. These twelve training modules and courses aim to assist SME's improve their business skills. In addition successful "Tendering" workshops have been held during the past year, attended by more than 250 SME's.

To accelerate SME business development and procurement, several other modules are to be introduced, namely: financial and project management, tendering, costing, health and safety, as well introduction to computers. More than 350 SME's have attended the training, which takes place every Saturday morning at the Kwa-Thema campus, Kwa-Thema, Springs.

The SMEs trained through the above initiative have been invited to tender on Impala Platinum Refineries Corporate Social Responsibility programme where services that they are able to provide are utilised. The total that Impala has spent to date on this initiative is in excess of R250,000, R149,300 of which was invested during FY2005.



Far Left: ICDT, in conjunction with the Department of Social Services, provides support to orphans.

Left: ICDT has provided funding to the Tapologo Counselling Clinic in Phokeng, which provides counselling to individuals and families already affected by AIDS.



The Marang Women in Agriculture project, near our Rustenburg operations, supplies vegetables and honey to the local market and has begun skills training in the community.

Impala remains committed to this programme and has, with the BLC, targeted groups for training in other areas, namely youth groups in Kwa-Thema, Germiston Chamber of Commerce and staff of ERGO.

The response and attendance from participating SME's has always been positive which has proved both to Impala and the BLC that the training and development of SME's is vital to the success of small business.

- **Sekhukhune BLC**, established near Marula Platinum, which provides Safety, Health and Environment, Labour Relations and Business Skills training, is experiencing financial difficulty. However, representatives of SMEs are offered tender training courses on how to cost and price effectively; tender advice; business and UIF registration; workmen's compensation; business profile development and business information through a Marula Platinum support programme.

Other enterprise development projects supported by the ICDDT during FY2005 included:

- **Hawkers Project**, which aims to commercialise the hawking business at the Rustenburg operations' No. 6 hostel, by building 90 formal stalls. This joint venture project between Impala and the RBN will commence once the project's administration is finalised.
- **Marang Women in Agriculture**, where 20 jobs have been created in hydroponic and bee-farming projects. The organisation supplies vegetables and honey to the local market, and has begun skills training in the community. Plans are in place to supply larger volumes of fresh produce to the canteen at our Rustenburg



A new, entrepreneurial project undertaken by the RBN to supply chickens to the local market has received the support of our Rustenburg operations by way of a contract to supply chickens to the operations' canteen.

operations, which will create more than 30 additional jobs. A business plan is to be developed and finalised.

- **Poultry Project**, an entrepreneurial initiative undertaken in a joint venture with the RBN supplying chickens to the local market, which has generated 30 jobs. The canteen at the Rustenburg operations has placed a perpetual contract for the supply of chickens through the project. Together, the Marang Women in Agriculture Project and the Poultry Project have created 50 jobs for people from the Phokeng and Luka communities (near our Rustenburg operations).
- **Road-building and Maintenance Job-creation Project**, where 30 students from Kanana (15) and Sunrise Park (15) received training during FY2004 in supervisory skills, setting out, basic concrete skills, barrier kerbs, block paving, re-install base course (eroded by potholes) and hand-binder sprayer. Practical sessions were conducted in Kanana (kerbs and paving) while the Department of Water and Sanitation provided the materials required for pipe laying. The project, which ultimately aims to provide 100 people with jobs every year, led to just twelve jobs being created in Kanana during FY2005, largely due to budgetary constraints.

- Impala also contributes funding to the **Greater Rustenburg Community Foundation (GRCF)**, a local grantmaker that mobilises resources for projects that build capacity in local service providers, collect data for research purposes, and facilitate a joint vision to develop a prosperous local community. The GRCF is dependent on corporate donations and, in return, supplies donors (such as Impala) with initiatives that are aligned with their respective corporate social investment positioning. Twenty local community organisations benefited from donations made by Impala in FY2005.
- **Capacity-building Project**, where the Rustenburg operations helped to enhance the business skills of 23 NGOs and community-based organisations (CBOs) during FY2005.

ENVIRONMENTAL AWARENESS

The ICDT works with Impala's Environmental Steering Committee to increase awareness in the community regarding environmental constraints and opportunities. At corporate level, this includes providing support for NGOs involved with specific environmental awareness programmes – such as Africa Foundation, Honorary Rangers, Grootvalley Bosbokspruit Conservation and the John Volker Bird Book Fund.

At operations level, the following projects received ICDT support during FY2005:

- **Schools Envirocare Project**, a two-phased initiative that aims to raise awareness of the environment among the local community through education and, in doing so, exceeds the Department of Education's requirements regarding the development of environmental management skills among learners. The project encourages educators and learners to take remedial action against environmental problems by raising overall awareness of every individual's responsibility toward the environment. In the second phase, the schools are required to implement the Environmental Policy and Action Plan that they had developed during phase 1, using equipment supplied by Impala – thereby taking remedial action against the environmental challenges confronting the respective schools. Since its inception in 2002, 167 primary and middle schools and 334 educators have benefited from the project, of which 137 schools have completed both phases. Our target to involve 25 primary and middle schools in the project during FY2005 was exceeded, as 30 schools participated actively in the initiative.
- **Environmental Awareness and Waste Management**, a joint venture between Impala and Bojanala Platinum District Municipality, which aims to educate the community in classifying waste, encourage good housekeeping, raise environmental awareness and



Learners and educators from Vastrap Primary School, which won the first phase of the Schools Envirocare Project hosted by our Rustenburg operations.



Proud learners and educators of LD Matshego Primary School, the winning school in the second phase of the Schools Envirocare Project.



Members of the Kanana village community participated in a clean-up campaign, which served simultaneously to raise awareness of the environment and promote recycling.



Our Rustenburg operations hosted 50 children from local schools to a Water Awareness Programme workshop in February 2005.

promote recycling. 62 people from Kanana village took part in the project during FY2004, which included a clean-up campaign. All have pledged to help schools and the community become involved in recycling. The project was implemented in other villages around our Rustenburg operations during FY2005.

- **Recycling Project**, where twelve people from Thlabane have been trained to use recyclable materials such as glass and paper, as well as in safety, first aid and diversity management.
- A group of **students and staff members from two local universities** pursuing degree programmes in the environmental field visited SMC for guided study visits aimed at exposing them to environmental management in practice.
- Zimplats' **attachment programme for university students** pursuing studies in the environmental field continued with one student being attached for a full year.
- Through the SAMPPF, Impala jointly supported a **study on HDSA supplier development** in the area where mining companies operate.
- To foster a mutually beneficial relationship with the surrounding community, Mimosas sells scrap items such as drums, plastic containers and bulk bags to local residents and employees. These items are cleaned thoroughly and are declared safe before they are sold.
- Marula Platinum, in a joint venture with major mining companies in the Sekukhune area (the **Steelpoort Valley**

Producers Forum), plans and promotes cost-effective and sustainable infrastructure services that are essential to meet our growing production targets, while addressing the needs of surrounding communities for the most basic services. District and local municipalities lack the capacity to provide these basic services. R12.5 million was commissioned by the donors to date to ensure that mining expansion in the area is handled responsibly and appropriately.

In addition, the Rustenburg operations hosted approximately 50 children from local schools to a **Water Awareness Programme** workshop in February 2005. Presented by Batho-Pele Tsunami, a company dealing with water awareness issues, the workshop equipped attendees with an understanding of pumps, pump repair and other plumbing-related matters.

SAFETY AND SECURITY

The ICDDT supports projects that have the potential to enhance the safety and security of the communities serving Implats' operations. These include:

- **Safety at Schools**, where Impala, in partnership with Bojanala West Department of Education, has helped several schools in the Rustenburg area improve the physical safety component of their safety programmes by hosting Safety at Schools workshops.
- The revamped **Daveyton Police Station**, which was sponsored through Refineries, was unveiled in February 2005. The two-phased project, which started in 2003,

comprised the refurbishment of the training room, offices, client service centre, magistrate's court and prisoners' cells. The former guards' room was converted into a trauma centre, where victims of violence and abuse can be attended to in confidence.

- The surveillance cameras that were donated by Refineries to the Springs Chamber of Commerce to help create a secure environment for the community were upgraded in FY2005 at a cost in excess of R34,300.

POLITICAL CONTRIBUTIONS

Implats encourages the personal participation of its employees in the political process and respects their right to absolute privacy with regard to their personal political activity. The group does not provide funding to any political party for administrative or campaign purposes.



Together, the Marang Women in Agriculture project and the Poultry project have created 50 jobs for people from the Phokeng and Luka communities near our Rustenburg operations.



The new landfill site, established at our Rustenburg operations for the disposal of domestic waste, is now fully operational.



The revamped Daveyton Police Station, sponsored by the ICDDT through Refineries, was unveiled in February 2005.

SOCIO-ECONOMIC DEVELOPMENT OBJECTIVES

Mine community and rural development

- Complete WCI pilot study at Marula Platinum in readiness for implementation at Rustenburg operations and Refineries in FY2007.
- Continue engaging with stakeholders in the local communities and labour-sending areas to ensure appropriateness of IDPs.

Procurement

- Raise HDSA spend to 33% on discretionary spend across the group.

Ownership

- Place 6% of Implats in HDSA hands by the end of FY2006.
- Finalise the agreements regarding the placement of 20% of Marula Platinum in HDSA hands during FY2006.

Corporate social investment (ICDT)

IMPALA

Rustenburg operations

- 50 mathematics, science and English educators to participate in our education programmes.
- 20 Implats-selected candidates to matriculate through the post-matric programme with mathematics and science on higher grade.
- 75 higher grade mathematics and science learners to attend holiday school enrichment programmes.
- 50 primary schools and middle schools in the Bojanala District to participate in phase two of the schools environment project.
- Create 15 jobs through an agricultural small business in Phokeng (i.e. the poultry project).
- Create 50 jobs through small business at Mineral Processes.
- Build capacity in 20 NGO's, CBO's and small business in the Rustenburg area.
- Build a new primary school at Freedom Park.
- Partner with Anglo American Trust to build a high school at Fields College in Rustenburg.
- Set up a vegetable garden at Phokeng Village.
- Donate 100 computers to NGO's, CBO's and schools and also provide training.
- Extend partnership relations with Labour Sending Areas by participating in their integrated development plans.
- Set up a satellite police Station at Freedom Park.

Refineries

- Train 120 SMEs on Business Management/Tendering Skills.
- Award CSI projects to ten SMEs.
- Employ 20 local facilitators/teachers for ABET and mathematics and science programmes.
- Have 200 Grade 11 and 12 higher grade mathematics and science learners attend the mathematics and science incubator programme.
- Have 200 Grade 11 and 12 higher grade mathematics and science learners attend the school achiever programme.
- Have 50 Grade 10 learners attend the Junior Achiever Programme.
- Train 70 mathematics and science teachers in Advanced Learning Techniques.
- Have 50 community members attend ABET Classes.
- Upgrade the ablution facilities at three local schools.
- Reach 2,400 Grade 9 learners from 20 schools through mathematics and science school road shows and visits to Refineries.
- Set up a structure or buy a house for one NGO dealing with HIV/AIDS.
- Support the three previously sponsored HIV/AIDS NGOs in Kwa-Thema and Duduza.
- Install two CCTV cameras in the Springs CBD.

MARULA PLATINUM

- Train two or three high school educators in mathematics and science teaching skills.
- Assist two or three high schools develop computer skills.
- Implement an HIV/AIDS programme on the mine and extend this to the broader community.
- Implement a road safety awareness campaign in the neighbouring schools and community.
- Provide five boreholes to schools (through the Marula Community Trust).
- Establish a woodchip project.

MIMOSA

- Promote environmental awareness in the community surrounding Mimosa through informal training sessions.
- Use the local community at Mimosa to rehabilitate previously polluted areas and to repair the strip road.

