

# Social capital table reference (SD report page 71)

## South Africa

Please see below for the detail that is referred to on page 71 of the Sustainable Development Report 2011

### 1. ACCOMMODATION

Housing is the cornerstone of our transformation strategy as it supports skills retention initiatives, procurement and enterprise development initiatives as well as community development in the areas in which we operate.

Our housing strategy embraces our human capital vision that employees should be able to reside in decent accommodation with their families. It encourages home ownership and aims to build sustainable communities.

For those employees who cannot access funding for home ownership, or who do not wish to purchase a home, decent mine accommodation is provided as part of our strategy to improve their living conditions and retain their skills. This approach to home ownership encourages family cohabitation and contributes towards the eradication of informal settlements.

Since the inception of this strategy, the following key achievements have been attained:

- 1 500 home ownership units completed in Sunrise View – Rustenburg
- Established 5 300 single residential units
- Established 264 family residential units
- Rejuvenated 701 rental units in Rustenburg
- Upgraded 100 rental units in Rustenburg
- Created 1 100 jobs through infrastructure/housing projects
- Established and/or assisted 25 new local contracting companies

### 2. MBADANGO JUNIOR SECONDARY SCHOOL

Impala Platinum committed to upgrade schools in labour sending areas as part of its social and labour plan. The company agreed with the Eastern Cape Department of Education to renovate Mbandango Junior Secondary School

located within OR Tambo District Municipality. Impala's total contribution up of 50% amounted to R3,5 million. The upgrade cost was shared equally between the parties.

Mbandango Junior Secondary School is located near Flagstaff, Eastern Cape with 384 learners in grades R to 9. Prior to the refurbishments the school did not have sufficient classrooms, ablution or administration facilities. Some classrooms were in such a dilapidated state that they were demolished as part of the refurbishment of the school.

Impala Platinum funded the design of the school and the construction work was done by the local SMME. The new classrooms, administration and ablution blocks were completed to a high standard and handed over to the Eastern Cape Department of Education in May 2011.

### 3. KWANYATHI LIBRARY

The libraries project is an initiative driven by the OR Tambo District Municipality to provide library facilities in historically disadvantaged areas. Impala Platinum contributed to three libraries in the district: Lusikisiki Public Library, Flagstaff Public Library and KwaNyathi Community Library. All three have been provided with books, equipment, computer facilities and furniture. The ongoing costs of the libraries are funded by the local municipalities.

KwaNyathi village has a population of approximately 1 300 people within Port St Johns Local Municipality in the Eastern Cape. The library has, in a short time, demonstrated the benefits of a library and community resource centre in a previously disadvantaged area. It employs three people (a qualified librarian, a computer teacher and a cleaner/administrator) and provides computer courses, reading groups and book lending services for community members and schools in KwaNyathi and surrounding villages. The library also accommodates a temporary health clinic on a bi-weekly basis. It is a busy centre that is

recognised as a place for learning, reading and community services.

There are plans in place to expand the KwaNyathi Community Library and transform it into a community resource centre including a health centre, Home Affairs office and other government department offices.

#### **4. ESSENTIAL OILS**

The essential oils project near Mthatha in the Eastern Cape involves cultivating and processing high-quality organic rose geranium, tea tree and other essential oils to sell to organic medical and cosmetic markets. The long-term objective is to create a sustainable, labour-intensive business, directly benefiting the rural communities of OR Tambo District, King Sabata Dalindyebo Local Municipality and Ncise no1 Traditional Authority through skills development and job creation.

Following a full feasibility study, small farms near Mthatha dam were identified for the 40 hectare project. Site establishment began in March 2009 and the project is now in year three of its five-year plan. The harvest of the first rose geranium started in March 2011. The first oil was produced and sold to international and local clients. The second harvest was in November 2011 and this should put us in a position to evaluate actual yields and future prospects.

The project is set up as a trust made up of 10 members of the community including the local chief. In total, 45 individuals from the local communities are employed to care for plants, run farming operations, maintain infrastructure, and run the distillation facility.

#### **5. ROAD CONSTRUCTION - CHANENG ROAD**

In April 2010, Impala Platinum completed a one kilometre stretch of paved road across the Blairgowrie section of Chaneng village, linking to the Boshhoek and Sun City access road. The road is a two-way, two lane road with storm drainage called Raphokobyane Road. This

project was initiated in consultation with the Royal Bafokeng Administration and the local community and to replace the existing dirt road.

The road was constructed by a Chaneng-based joint venture company which is 90% black-owned. The project created 32 temporary jobs during construction, of which 50% was sourced locally. The Service Level Agreement with the contractor included R15 000 for training purposes which allowed six local labourers to be trained in concrete placing and finishing (construction of the concrete edge beams) and construction of block paving (surfacing the road with concrete block paving).

#### **6. BRICK MAKING**

4 Com Brickworks Production was established in July 2009 as part of Marula Platinum's Social and Labour Plan (SLP). Its objectives include poverty alleviation, job creation, skills development, and sustainable economic development in the Greater Tubatse Municipality. Marula Platinum has provided R3 million to date for equipment, supplies and a BEE-accredited service provider to manage and administer the project.

The enterprise manufactures four types of bricks: block, stock, maxi/RDP, and paving bricks. It has the capacity to manufacture around 3 000 maxi bricks per day. Its customers include Marula Mine, local builders and individuals from the local community. The business employs 18 full-time staff and at times an additional 10 casual labourers.

The project will be handed over to the Marula Community Development Agency (MCDA) to manage it for the benefit of the local communities.

#### **7. MAKGAMATHU AND MOHLALA-MORUDI HIGH SCHOOLS – MARULA**

As part of its social and labour plan (SLP), in 2006 Marula Platinum agreed to improve the infrastructure of Makgamathu and Mohlala-Morudi secondary schools within Tubatse Local

Municipality in a matched fund partnership with the Limpopo Department of Education. Both schools are in the communities surrounding Marula Platinum. The total Marula contribution to the renovation of both schools was R4,8 million.

The project was funded jointly by Implats and the Limpopo Department of Education. The project started in September 2010 and was completed in April 2011. The design and plans for the refurbishments were determined by the Limpopo Department of Works. Contractors were secured using approved DoE lists of contractors. The two, 100% women-owned, companies which were supported by the Marula Enterprise Development Centre (also funded by Marula Platinum) were used to refurbish the schools. The Makgamathu school renovations included the construction of three new blocks: one administration block, one ablution block and one classroom block (four classrooms). It also included the renovation of three existing classroom blocks (made up of nine classrooms) and the demolition of one derelict classroom block. The Mohlala-Morudi High School renovation included the construction of three new blocks: one administration block, one ablution block and one classroom block (four classrooms). It also included the renovation of four existing classroom blocks consisting of 13 classrooms and the conversion of one classroom block into a school hall.

#### **8. CHROME PROJECT – MARULA COMMUNITY CHROME**

Working closely with leaders of local communities, Marula Community Chrome was established in the 2011 financial year for

communities to benefit from the chrome around Marula Platinum. A chrome extraction plant has been established to recover chrome from the tailings generated by the Marula concentrator plant. Impala Platinum invested almost R50 million to plan and construct the chrome processing plant for Makgomo Chrome, the operating company, in return for a 30% shareholding. Makgomo Chrome is owned by Impala Platinum (30%), Marula Platinum (20%) and Marula Community Chrome (50%). Marula Community Chrome is 95% owned by the six local communities and community members in the area around Marula Platinum. The construction of the chrome plant employed 63 individuals and Makgomo Chrome employs 35 people, with the majority of whom are members of the local communities.

A suitable institutional framework was created to manage the business as well as the community shareholding. The plant began operating in October 2010 and Makgomo Chrome paid out dividends of R20 million within the first year of operation. R10 million of the total dividends was paid to Marula Community Chrome. Plans are now being made by the local communities to invest the dividends in local community development projects. In addition to that, the 20% Marula portion of the dividends will also be spent on various community projects.

This project's success, specifically the exceptional profits and yields on investment is in sharp contrast with traditional income generating projects. We are convinced that this project will make a substantial, long lasting and sustainable impact on the local community.