



Defining ourselves through **our actions**,
not our words

SOCIAL IMPACT REPORT 2019



SIOC-Community Development Trust (SIOC-CDT) was formed in 2006 to be the custodian of Trust income meant for improving our local Sishen Iron Ore Company (Pty) Ltd mining operations' beneficiary communities. These benefits must be long-term, so that communities continue reaping rewards after the mines have closed down.

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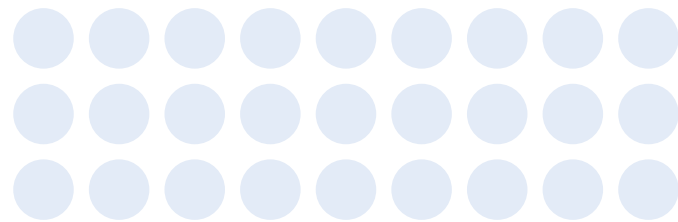
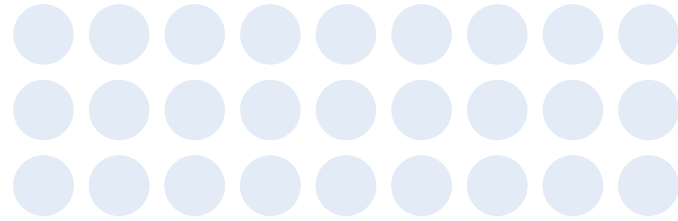
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GOVERNANCE AND MANAGEMENT

MESSAGE FROM OUR CHAIRMAN: MR CONWAY MOLUSI



How does mining create wealth for communities?

The relationship of mining companies with their host communities is a vexed one: no contribution to development is deemed sufficient. Since there are always multiple stakeholders, there is no binary beneficiary connection. In non-regulated jurisdictions, communities bear the brunt of the actions of unbridled operators in terms of being subjected to environmental degradation and social dislocation, thanks to the largely migratory patterns of mining town populations. Bridging this gap in a contested sphere is no mean feat, but it's a worthwhile endeavour.

The Sishen Iron Ore Company-Community Development Trust (SIOC-CDT) was established in 2006 by Kumba Iron Ore Limited (Kumba) to invest in host communities impacted by Kumba's mining operations. Since its founding, SIOC-CDT has consistently funded community development projects aimed at ensuring sustainability beyond life of mine. Funds are sourced mainly from annual dividends derived from the Trust's allocated 3.1% shareholding in Kumba. Depending on iron ore prices, this annual income could be bountiful or minimal. During loss-making years, the Trust may not receive any income due to Kumba opting out of paying dividends, which is normal business practice. For that reason, SIOC-CDT maintains cash reserves and has established a portfolio of investments.

How we approach sustainable community development

When evaluating potential community development initiatives, SIOC-CDT first asks how those projects will fare when the mine has closed. At present, Kumba has a projected lifespan of 10 to 15 years, but circumstances can change at any time (as COVID-19 has just proven). Programmes that will require long-term external funding and high-level support are probably unsustainable and may be disqualified.

That is why, in 2019, SIOC-CDT endorsed a community development strategy (CDS) aimed at building the capability of communities to sustain themselves.

In keeping with our new Theory of Change approach, we are tackling the core skills and shortages that underpin thriving and successful communities. Our three strategic thrusts – education, entrepreneurship and social wellbeing – are aimed at cementing the foundation stones of community prosperity.

Education and entrepreneurial development are the most effective means to overcome intergenerational poverty and provide access to resources that uplift local people from extreme deprivation. These twin focal points are proven accelerators of social and individual abundance, as is evident in Singapore and Mauritius. These island states lack South Africa's mineral wealth, yet they have rapidly built prosperous nations by educating their people and instilling the skills for them to be self-sustaining professionals and business owners.

Underpinning these twin thrusts is social wellbeing, which ramped up in urgency as COVID-19 reached our borders in 2020. To be productive and secure, communities must have reasonable access to water, power, sanitation, transport networks, internet connectivity and healthcare. While the state is the main provider of social infrastructure, South Africa's constrained fiscal position makes the attainment of these goals a bridge too far to cross. As exemplified by the Northern Cape, there remains a significant community development backlog in our host communities.

In 2020, which is beyond the scope of this report on our 2019 activities, the COVID-19 pandemic motivated the Trust to make social wellbeing our primary focus. I suspect that this aspect of our community strategy may be the dominant one well into 2021, and possibly beyond.

That is why, in 2019, SIOC-CDT endorsed a community development strategy (CDS) aimed at building the capability of communities to sustain themselves.

GOVERNANCE AND MANAGEMENT continued

Effective custodianship of our community trust

Our community development activities are governed by the following principles:

- 1 *We adopt a strategic approach:* Operational activities are linked to long-term strategic objectives and aligned with community and regional development plans.
- 2 *We ensure consultation and participation:* Local communities are actively involved in all stages of project conception, design and implementation. We encourage diverse community voices by bringing women, the vulnerable and marginalised groups into decision making.
- 3 *We work in partnership:* Synergistic working relationships with private, public, non-profit and community organisations avoid the duplication of our efforts, reduce costs and bring a wider range of skills and resources to initiatives.
- 4 *We strengthen capacity:* Strengthening community, non-governmental organisation (NGO) and government capacity is more sustainable than merely providing funds, cash or infrastructure.
- 5 *We measure and communicate:* Programmes must be measured regularly against designated indicators and targets. Community representatives should ideally be included in this process.

Corporate governance

Strong and transparent governance is fundamental to SIOC-CDT's values and ongoing sustainability. Our governance framework is based on best practice principles as outlined in the King IV Report on Corporate Governance for South Africa 2016 (King IV™). Good governance secures stakeholder confidence and guides our decision making. Regrettably, there are no short cuts to sustainability.

Our social initiatives are not a mere tick-box exercise for the sake of compliance, but are integral to SIOC-CDT's commitment to sustainable community development.

SIOC-CDT has specifically embraced the following King IV principles:

Principle 3: "Ensure that the organisation is and is seen to be a responsible corporate citizen."

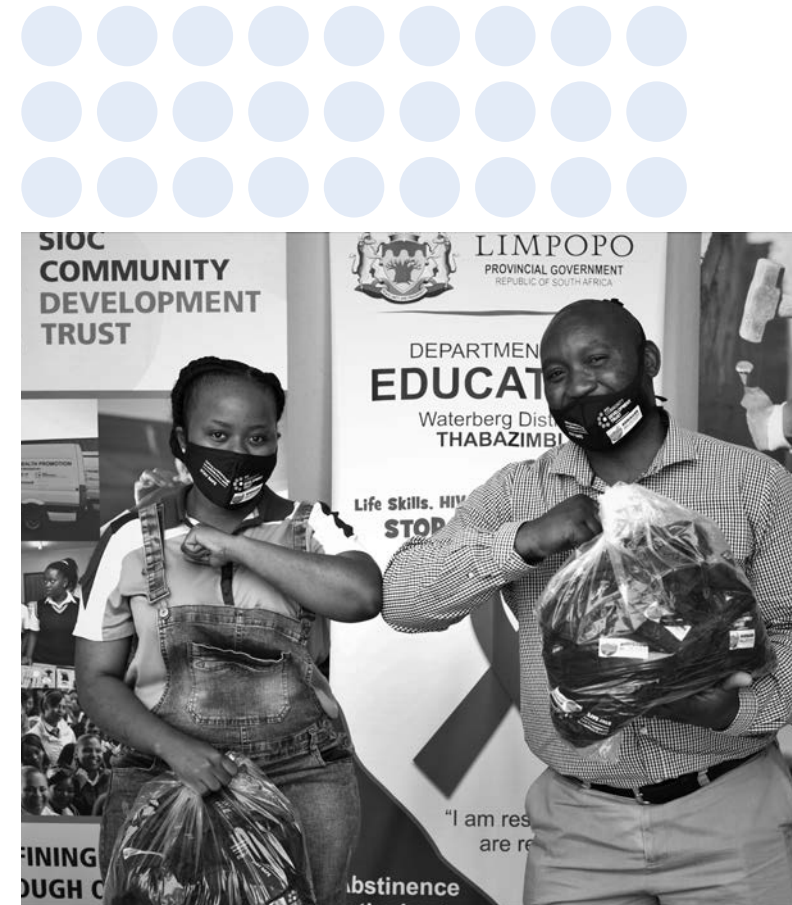
Principle 4: "Appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development, are all inseparable elements of the value-creation process."

Principle 16: "Adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time."

It gives me great pleasure to welcome three new Trustees: Masechaba Mabilo, Rev. Mooketsi Motsisi and the incoming chairman Llewellyn Delport. I hope that they will find their role and contribution to the Board of Trustees rewarding and fulfilling. I sincerely wish them well in this journey.

In conclusion and appreciation

We are here to ensure the long-term sustainability of the communities in which we operate. In doing so, we are not just helping the people who live here, but we are also empowering our people to move out of abject poverty and deprivation. Every project, every life touched is a victory. We thank our communities for being part of this journey – we are here because of you. We are also grateful to our public and private partners, who work with us to reach our beneficiaries in their homes and communities.



GOVERNANCE AND MANAGEMENT continued

CEO MESSAGE: MR VUSANI MALIE



Overview

SIOC-CDT received a significantly higher dividend payment of R607.4 million (2018: R385.3 million), thereby boosting its cash reserve position. This windfall came as a result of exceptional improvement in financial operations of the donor company. This has boosted our reserves and our ability to increase impact.

Management and the Trustees had taken an intentional position to reflect and review the operating model for both community development and investment. This work entailed conducting a baseline needs assessment incorporating community consultations and research, and culminated in the new community development strategy that was approved by the board in September 2019. It also resulted in the newly approved Investment Policy Statement that now guides the Trust's investment decisions into the future.

This review had the impact of slowing down activity levels and that slowdown, together with the windfall, resulted in a build-up of cash reserves at the Trust. PBA expenditure in the year under review of R61.2 million was therefore slightly lower than the prior year's figure of R68.3 million. Trust administration savings of R20.7 million also contributed to cash reserve build-up, thereby increasing the resource base available for PBA projects for 2020 and beyond that is aligned to the more robust development strategies.

The Trust's subsidiaries also generated revenue of R15.8 million (2018: R17.5 million), while cash holdings attracted interest income of R146.1 million (2018: R87.5 million).

Stakeholder landscape in 2019

The 2019 National general elections ushered in a new provincial administration led by Dr Zamani Saul. The new premier announced an action-oriented, "people first" approach that we and other provincial stakeholders welcomed enthusiastically.

Dr Saul announced a plan to transform our province into a modernised and growing region. Key features of this vision include:

- Caring for the vulnerable and improving the quality of their lives. Practically, this entails providing more households with access to the national power grid, water supply and adequate sanitation;
- Prioritising quality education and training for our young people, to deliver the Northern Cape to the forefront of the Fourth Industrial Revolution; and
- Improving the overall health profile of our residents.

The premier's stance ushered in renewed focus on collaboration with the provincial government, resulting in constructive engagements with the Premier and the MECs of Roads and Public Works, Education, and Health. As a result, we concluded agreements of collaboration on several initiatives. This spirit of collaboration proved invaluable in the COVID-19 crisis that would emerge in 2020.

- In Thabazimbi we encountered a significant number of challenges with our stakeholders which have slowed the pace of implementation of many of our programmes
- Despite those challenges, SIOC-CDT increased the involvement of government (in both provinces – Northern Cape and Limpopo) in terms of planning and feedback for the portfolio of development projects through permanent membership of the Portfolio Committee
- Formal schedule of alignment meetings with key government department officials to inform strategies and programme design across all priority areas
- Very close partnerships on the implementation of key programmes buttressed by MoUs to secure the sustainability of these funded programmes

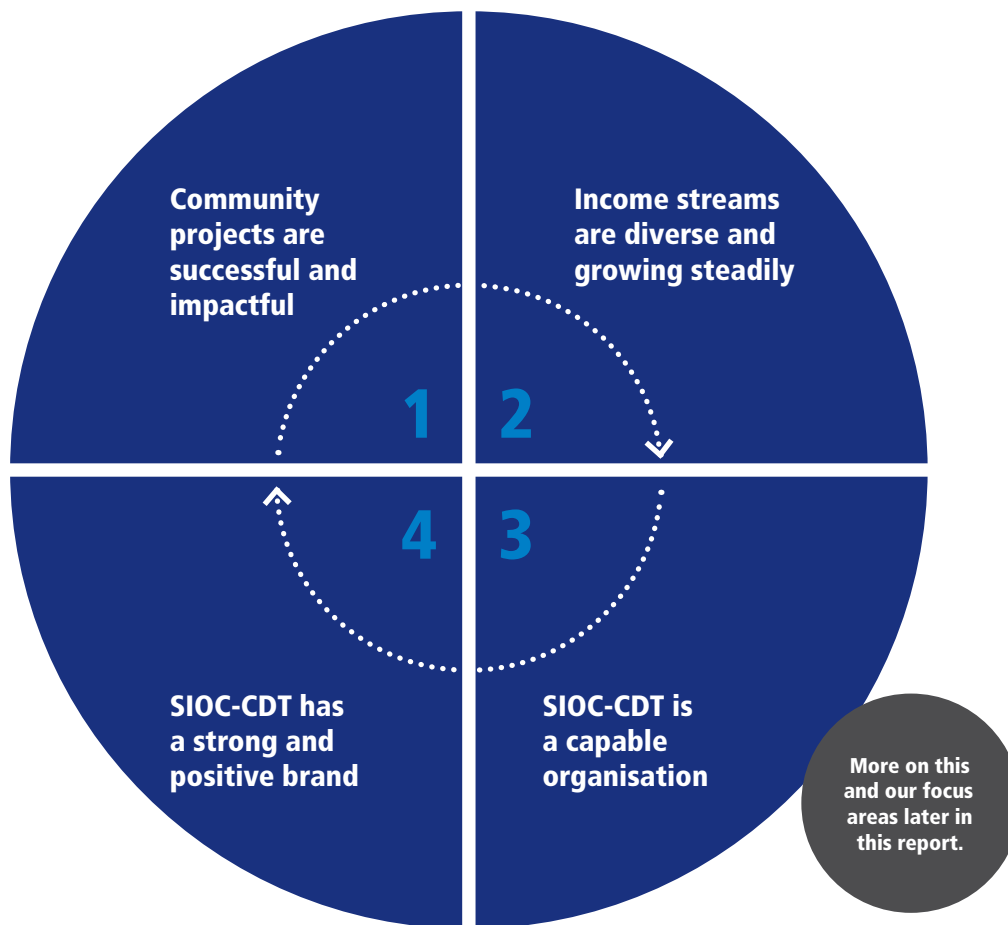
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GOVERNANCE AND MANAGEMENT continued

Strategy development

In March 2019, the SIOC-CDT board concluded a review of the Trust's strategy. This review resulted in the inclusion of the four strategic objectives that would inform the activities of SIOC-CDT for the near to medium term.

SIOC-CDT strategic objectives



1

The first strategic objective requires SIOC-CDT to conduct successful and impactful projects on behalf of our beneficiaries. To ensure that the capacity to deliver is in place, we have formulated a community development strategy (CDS) that clarifies SIOC-CDT's long-term vision and mission, articulates our Theory of Change approach, and answers the all-important question of which long-term impacts we should select and deliver on.

Based on that information, SIOC-CDT has obtained and deployed the necessary resources to fulfil this strategic objective.

2

Our second strategic intervention entailed a thorough re-evaluation of how we invest, allocate and preserve our financial resources. As a result, we overhauled our investment strategy to refocus on listed equities, bonds, private equity and offshore equities. This new approach replaces the direct investment policy of previous years. While we still own the hotel and office park we acquired, along with shares in a solar park and an airline, among others, our new investment strategy prioritises long-term, stable growth ahead of opportunistic investing.

3

The third strategic imperative requires maintaining SIOC-CDT as a capable organisation able to fulfil its mandate. To this end, we only appoint employees following a rigorous recruitment and appraisal process, while strictly assessing potential partners for the right fit with our ethics and objectives. The organisation's capability and capacity to deliver are kept on point implementing operational excellence by the uncompromising application of sound corporate governance.

4

Our fourth strategic imperative entails developing a strong and positive brand for SIOC-CDT as a trusted and "can do" community partner. We are building the brand through ongoing stakeholder engagement and feedback, and by constantly proving to our communities and beneficiary households that SIOC-CDT delivers consistently on its undertakings.

GOVERNANCE AND MANAGEMENT continued

Community impact highlights

The Trust reached up to 300 patients monthly through the **Re A Fola health programme**. This initiative provides free extractions of diseased teeth, conducts pap smears and prescribes eyeglasses for the visually impaired. SIOC-CDT arranged for four HIV-positive patients to be co-opted to the government treatment programme to receive free medication, and we procured a new mobile clinic with state-of-the-art equipment to provide healthcare in our Thabazimbi and Tsantsabane communities.

Education is one of our major focus areas. The Trust sponsored **68 early childhood development (ECD) practitioners** working toward their NQF Level 4 or 5 qualifications, all of whom should complete the course during 2020. At least 72 teachers from JTG and Tsantsabane communities also benefitted with sponsorship to attain the B.Ed. degrees at Rhodes University focusing on Maths, English and Foundation Phase. This is important to formalise the qualifications of practising teachers in beneficiary communities. An additional 85 qualified teachers benefitted with sponsorship to acquire an Advanced Diploma in Education at Stellenbosch University with a focus on Maths and Science so as to improve their content knowledge and teaching practice.

We commenced 2019 with 73 bursary students registered in various institutions of higher learning, with 12 qualifying during the year. The Board has already approved funding and 60 additional students were approved for 2020.

SIOC-CDT sponsored supplementary classes for Grade 12 learners in 23 schools in Thabazimbi, Joe Morolong, Tsantsabane and Gamagara. As a result, 1 263 students wrote the 2019 NSC exam with results improving overall by 10%, with Bachelor pass rates increasing 66% to 35.28%.

The SciMathUS programme introduced during the year yielded excellent results. All 14 students who participated improved their maths and physical science results, with all 14 learners qualifying for STEM-related programmes in higher education. Most applied for National Student Financial Aid Scheme (NSFAS) bursaries for 2020, while four were awarded 2020 SIOC-CDT bursaries.

Another of our long-term focus areas is enterprise development, with an emphasis on youth development. 27 entrepreneurs opened their businesses in Thabazimbi towards the end of 2019. This was part of the 'Bizniz in a Box' project that allows them to start, trade and become profitable in the retail, entertainment and related sectors.

In partnership with loveLife, the Trust reached out to 1 133 youths in Dibeng to provide services that promote healthy lifestyles while supporting job readiness. This project also provides connectivity to the Internet, computer and printing services, while creating temporary employment for 30 youths. The project has already assisted 20 young people to secure learner-driver licences.

The Trust created 25 temporary and still ongoing jobs at Northam Clinic, mainly for local youths. A total of 7 local SMMEs also benefitted by participating in various work packages within the project.

In partnership with the Northern Cape Department of Health, we cleared the official backlog of mobility devices for children with disabilities by distributing 152 devices across the Northern Cape. The Trust identified another 50 children to receive their devices during 2020. Our health initiative also entailed centralising the clinical training of therapists across the Northern Cape, conducting outreach programmes and providing assessment and training at 18 ECD centres (6 of which are from JTG Tsantsane) hosting children with disabilities.

Outlook

For 2020 we had plans to ramp up operations as follows:

- to continue sponsoring teachers in practice (72 B.Ed. at RU, 85 ADE at SU, and add two cohorts of Advanced Diploma in Education in Maths and Science – SU; and leadership and management respectively – NWU). Due to Covid-19 these have now been postponed to 2021. Another cohort to sponsor B.Ed. Honours at SPU was also planned for, that has now enrolled during 2020
- refine the Trust's support for supplementary education to align with DoE's own plans and introduce virtual schooling. This has now been achieved in collaboration with other funders from the Trust's beneficiary communities
- the plan to enrol an additional 115 primary school teachers and ECD practitioners at RU, Custoda College and Waterberg TVET college was supported by the board and continued in a blended model even through the lockdown
- the annual career expo was planned for the year to benefit about 300 Grade 12s in Thabazimbi as well as a second cohort of the SciMathUS (second chance) programme would be funded again in 2020. While the expo had to be cancelled due to the national lockdown, the 2020 SciMathUS programme continued in a blended model i.e. online and face to face

- the Trust managed to increase its annual intake into the matric bursary scheme by 60 new beneficiaries from all 5 communities. Because the bursary is comprehensive package, including ICT equipment, SIOC-CDT beneficiaries were able to smoothly transition to online learning when universities resumed classes online
- a number of new projects were planned for local SMMEs in line with the newly approved ED strategy including funding, Kuruman business hub construction, establishment of an online procurement portal
- also planned to continue with our primary healthcare outreaches with Northern Cape Department of Health in Tsantsabane and JTG as well as screening for patients with cataracts together with the South African National Council for the Blind with a view to eliminate all cataracts and restore people's vision i.e. in elderly people, in addition to clearing the backlog for mobility devices for children with disability mostly in SIOC-CDT's beneficiary communities but also covering some parts of the NC province
- 6 infrastructure projects were expected to come online in addition to the upgrading of Northam Clinic which would be concluded during the year 2020

The outbreak of the COVID-19 pandemic in 2020 motivated us to revisit our community health and wellbeing focus area and question whether we could do more to shield our communities from food insecurity and health issues. As a result, our COVID-19 response focused primarily on providing assistance to our partner, the Department of Health, to improve capacity across the province to manage the pandemic. The Trust's outreach was consequently realigned to provide people with access to basic health services.

While our community enterprise initiatives were restricted by the various stages of national lockdown, we redirected SIOC-CDT's enterprise development strategy to support up to 351 small, medium and micro enterprises (SMMEs) with grants and loans in partnership with the National Empowerment Fund (NEF). We look forward to the positive impact these should have on the Northern Cape's small and medium enterprise (SME) sector.

GOVERNANCE AND MANAGEMENT continued

GOVERNANCE AND MANAGEMENT STRUCTURE

The Sishen Iron Ore Company Community Development Trust (SIOC-CDT) is governed by a Trust Deed which sets out our mandate and objectives, as well as the powers and duties of its trustees. The Board of Trustees is ultimately responsible for governing SIOC-CDT and for guiding its strategic direction.

The Board

- The Board delegates certain functions to the Committees without abandoning its own responsibility;
- Board committees comprise of mainly members of the board of Trustees, external parties, such as paid advisers, may be present at committee meetings by invitation.
- The Board committees formally constitute an important element of the governance process with clearly agreed reporting procedures and a written scope of authority.
- All Committees have terms of reference approved by the Board setting out their mandate and extent of their powers/authority.

Committees

- Committees in SIOC-CDT are appropriately constituted, taking into account any relevant legislation and the objectives of the company.
- The rationale for the establishment of the Committee at SIOC-CDT is informed by audit findings, risk assessment, current control deficiencies, reported/observed governance breaches in specific areas, current Board workload, etc.
- SIOC-CDT has an approved delegation of authority framework and the specific authority to be delegated to each Committee by the Board;
- The appointment of Committee members, including Chairpersons of Committees is informed by the skills mix and experience of the current Board members;
- The framework for reporting to the Board as Committees do not have approval authority and can only recommend and the Board remains the ultimate approval authority;
- Management support to the Committee and a key executive to drive and ensure the mandate of each Committee established and the specific activities required by the Committee from management.

Current Board Committees



Audit and Risk Committee



Projects Review Committee



Remunerations Committee



Nominations Committee



Social and Ethics Committee



Investments Review Committee



GOVERNANCE AND MANAGEMENT continued

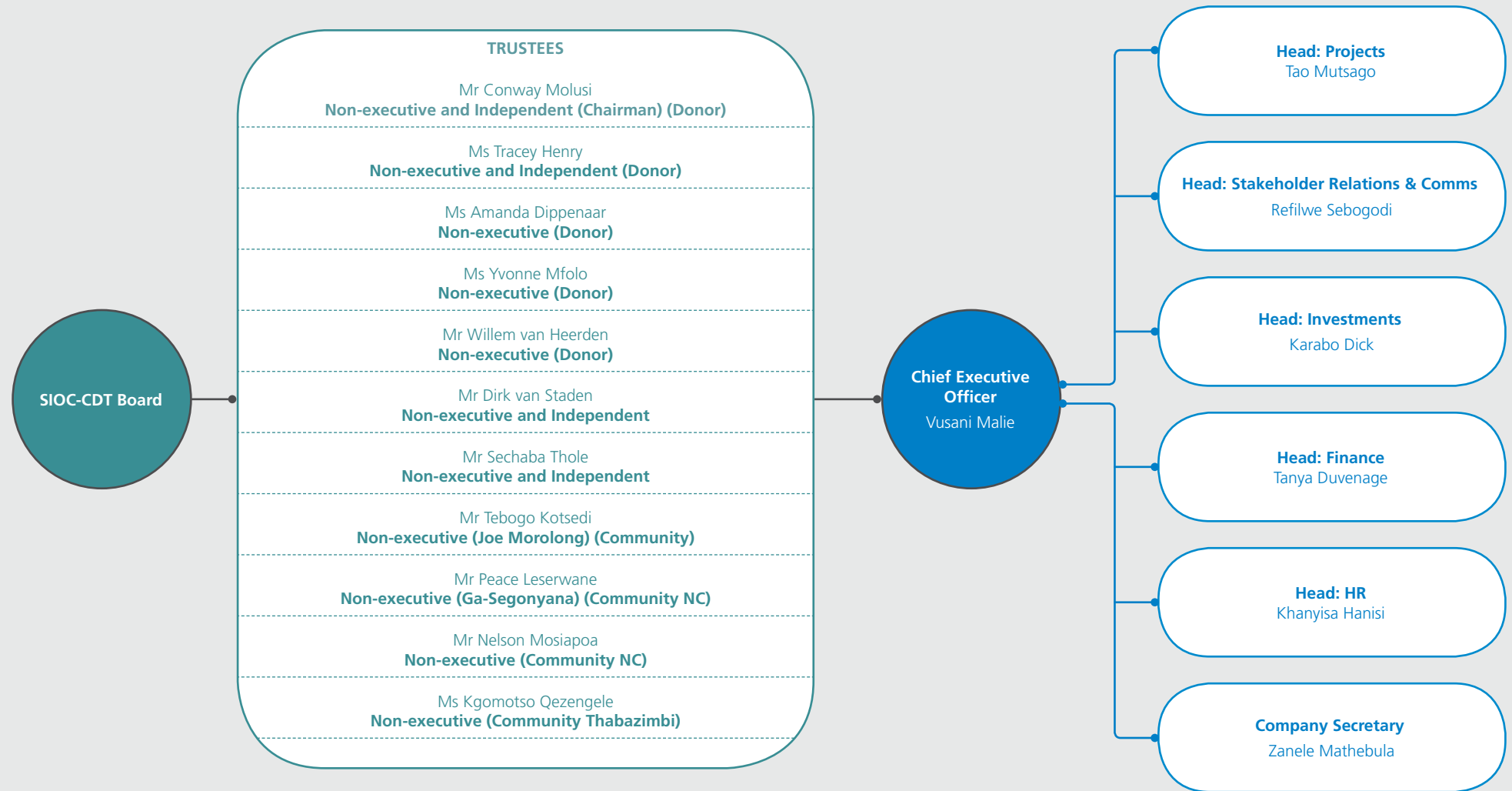
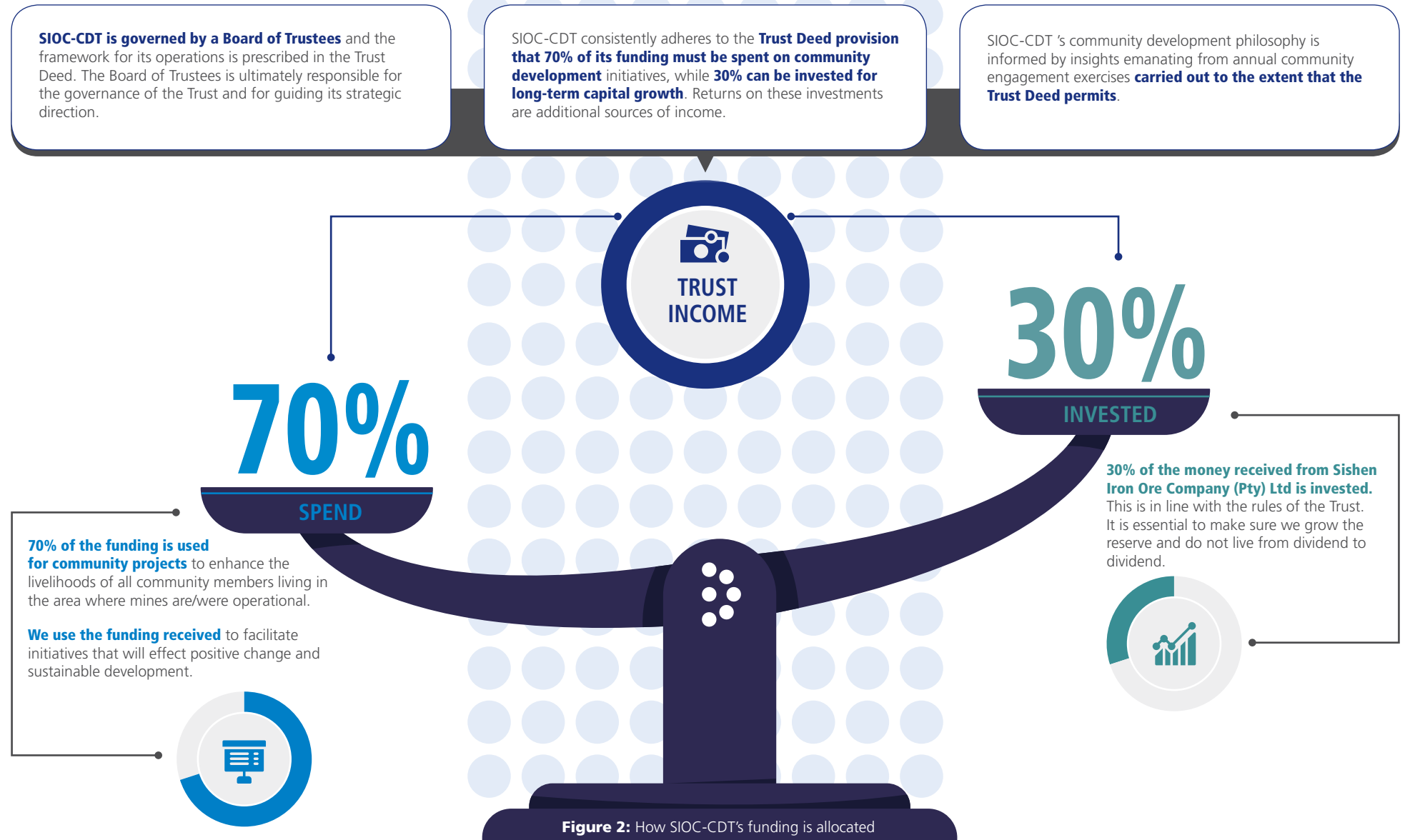


Figure 1: Governance and Management Structure

GOVERNANCE AND MANAGEMENT continued

Summary of SIOC-CDT management principles



WHO WE ARE

OUR PRIMARY PURPOSES ARE TO:

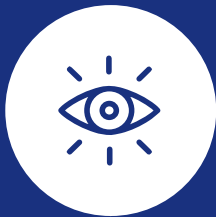
1

Plan and carry out projects to uplift beneficiary communities



2

Invest a portion of Trust income to ensure that the Trust's pool of funds grows over time and to ensure income to sustain the upliftment of the communities even after the life of the mine



Our Vision

Beneficiary communities have sustainable income and are empowered to thrive beyond the lifespan of the mine



Our Mission

We implement sustainable socio-economic initiatives through partnering with key stakeholders



Our Mandate

To manage, invest and disburse funds that uplift our beneficiary communities in accordance with Board guidelines and as prescribed by the Trust Deed.



Our Values

- We are committed to building **healthy, trustworthy relationships**
- We are **inclusive** and **transparent** in decision making
- We are **accountable** to our stakeholders
- We are **compassionate** towards our beneficiaries

OUR BENEFICIARY COMMUNITIES

The Trust focuses primarily on beneficiary communities residing in the areas adjacent to SIOC's mining activities.

These beneficiary communities are located in some of the poorest and most underdeveloped regions of South Africa. Each community faces different socio-economic challenges, including lack of basic infrastructure, poor schooling facilities and limited youth development opportunities. All our projects are therefore critically screened to ensure that they have a lasting impact on communities.

GA-SEGONYANA LOCAL MUNICIPALITY

John Taolo Gaetsewe District
Northern Cape Province



JOE MOROLONG LOCAL MUNICIPALITY

John Taolo Gaetsewe District
Northern Cape Province



GAMAGARA LOCAL MUNICIPALITY

John Taolo Gaetsewe District
Northern Cape Province



THABAZIMBI LOCAL MUNICIPALITY

Waterberg District
Limpopo Province



TSANTSABANE LOCAL MUNICIPALITY

ZF Mgcawu District
Northern Cape Province



The current SIOC-CDT mandate extends to

±600 000

people living in our beneficiary communities.

COMMUNITY DEVELOPMENT STRATEGY

Overview: Our strategy: the steps we took



Figure 3: Our key stakeholder engagement points (2018 to 2020)

Establishing priority development needs

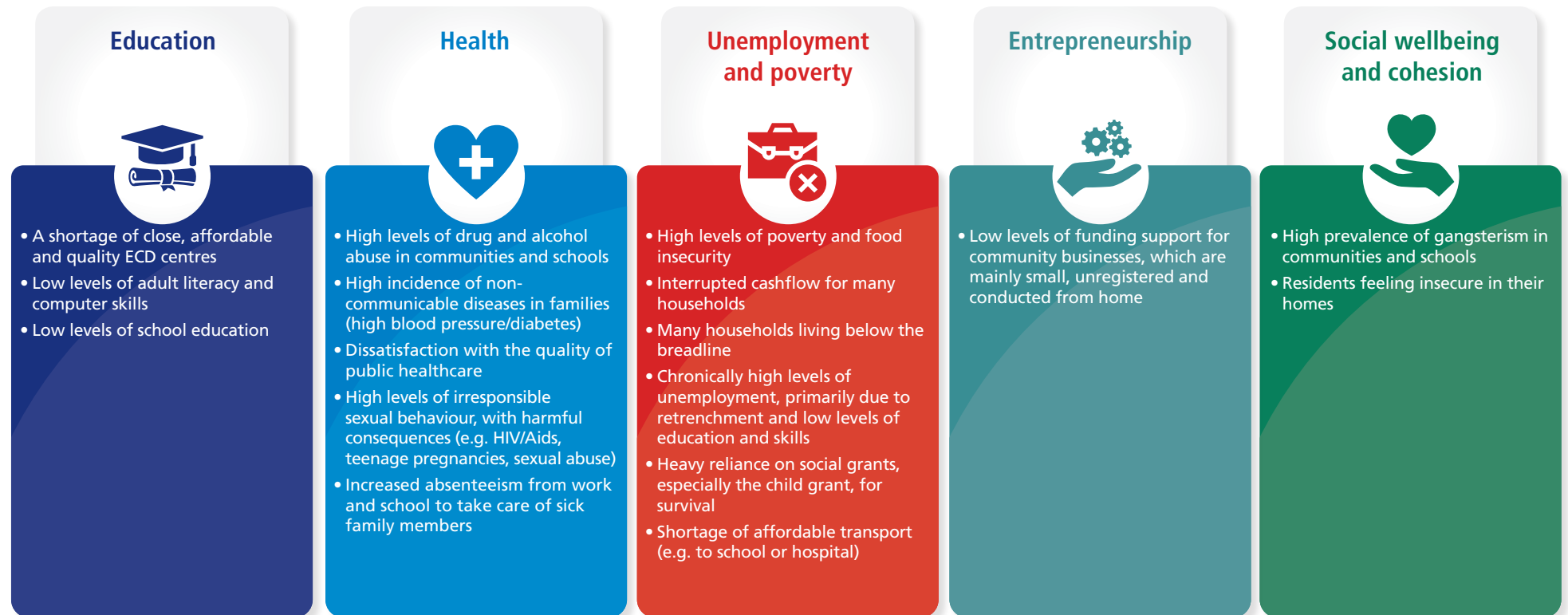
Stakeholder engagement underpins our development strategies. In 2018, we reinvestigated the full spectrum of socio-economic needs across our five communities, reviewing our community development strategy to adapt to the communities' needs. A comprehensive research study – which included roadshows, home visits, consultations with community leaders and experts, and a study group – served to inform our strategy for 2019 and beyond.



COMMUNITY DEVELOPMENT STRATEGY continued

The challenges our communities face

The needs of our five communities are complex, interrelated and ever-changing. Addressing one need will also impact other needs. These are some of the greatest concerns in our communities:



Typically, communities are sustained by various sources of income that include salaries, remittances, pensions and social grants. A large portion of our communities rely heavily on social grants and pensions, which are insufficient to get themselves out of poverty.

A renewed Community Development Strategy

In line with the Theory of Change model*, and armed with a deep understanding of our communities' challenges, we identified three key focus areas: education, entrepreneurship and community health and wellbeing.

*Theory of Change

Theory of Change is a specific type of methodology for planning, participation and evaluation that is used in companies, philanthropy, not-for-profit and government sectors to promote social change. Theory of Change defines long-term goals and then maps backward to identify necessary preconditions.

COMMUNITY DEVELOPMENT STRATEGY continued

Our strategic priorities



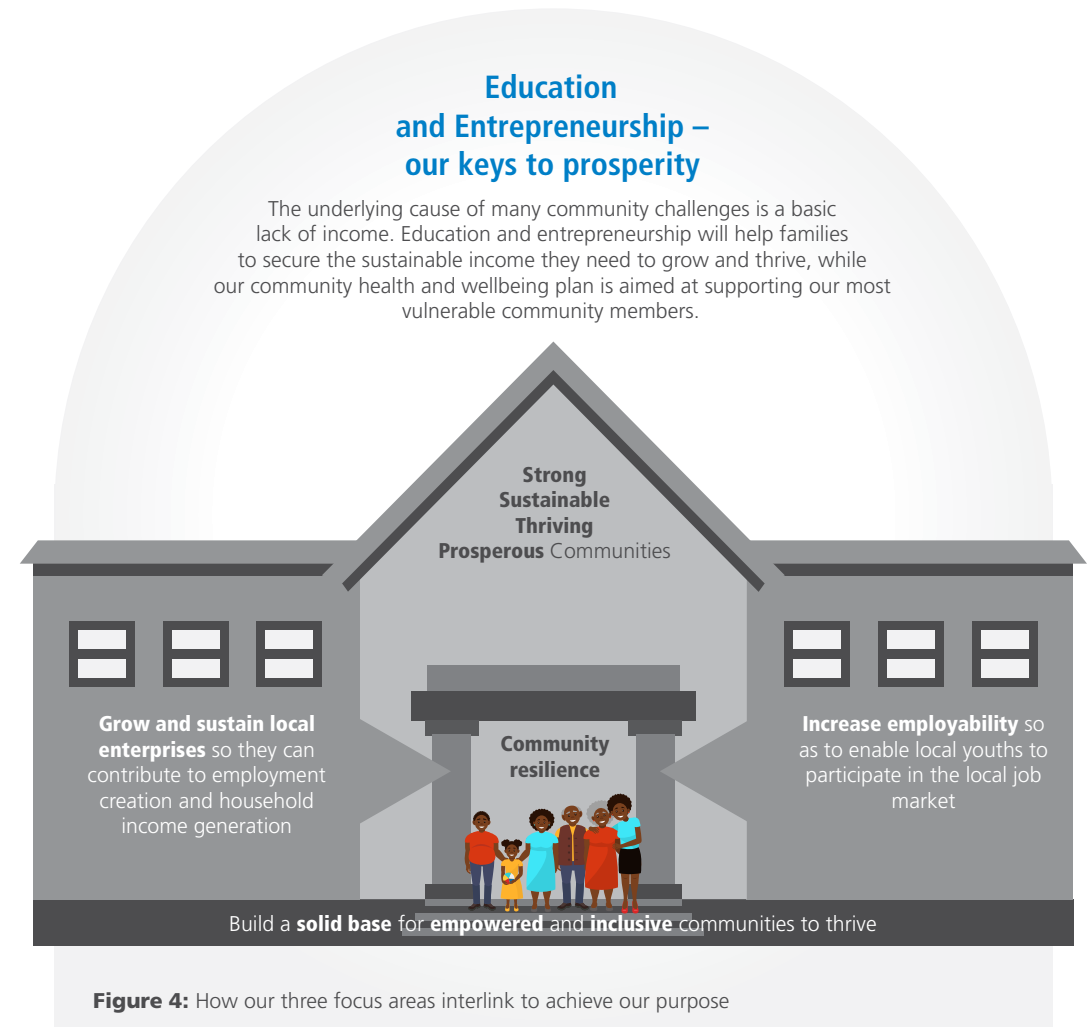
Where we are going

Anchored in organisational strategy

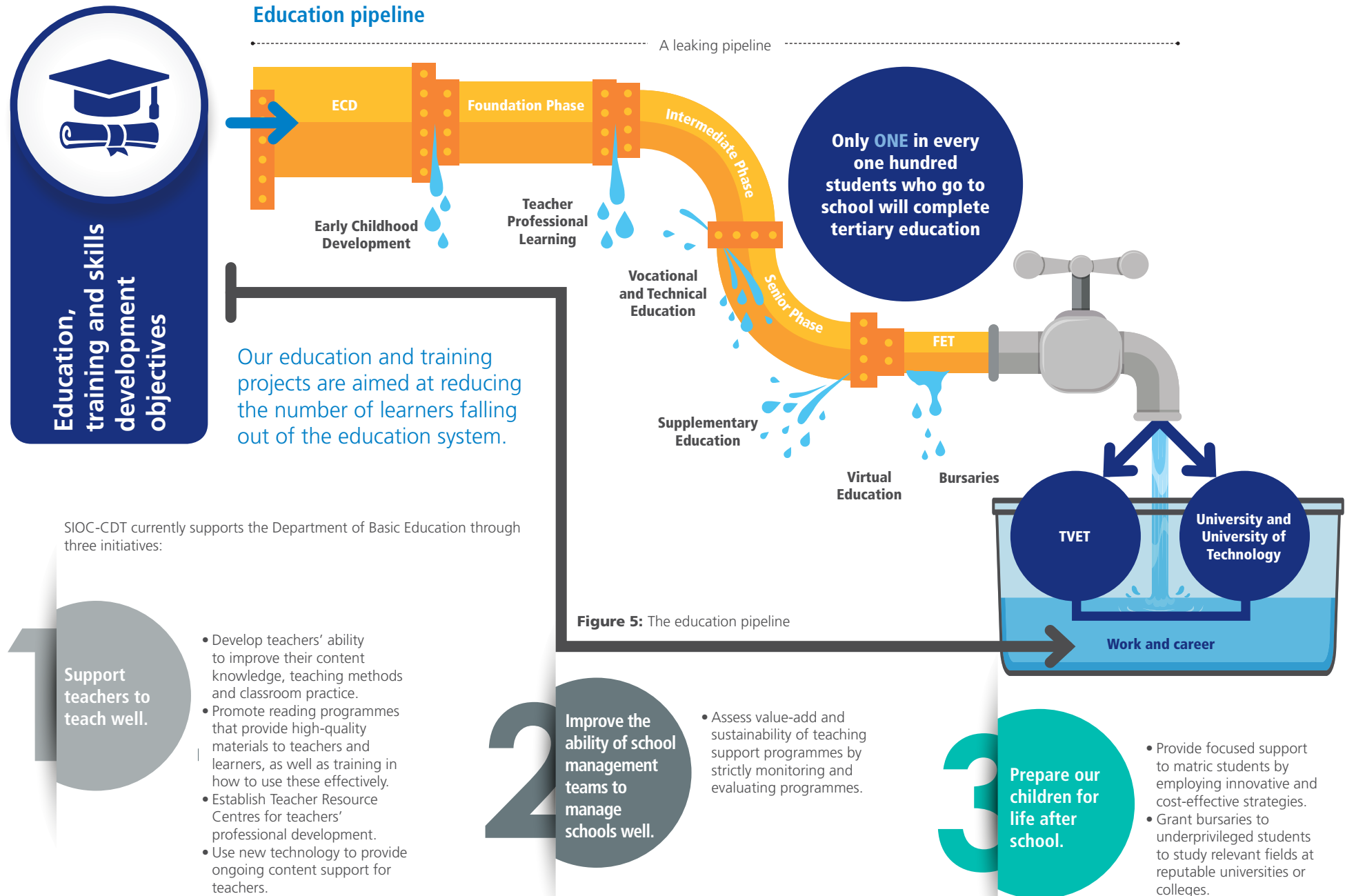
For SIOC-CDT to realise our mandate of providing economic benefit for beneficiaries, our organisational strategy is geared to achieve the following strategic outcomes:

- | | | | |
|---|--|---|---|
| <h3>1</h3> <p>Community projects that are successful, with genuine impact.</p> | <h3>2</h3> <p>Diversified income streams that are steadily growing.</p> | <h3>3</h3> <p>A capable organisation able to effectively fulfil its mandate.</p> | <h3>4</h3> <p>A strong and positive brand grounded in its social impact.</p> |
|---|--|---|---|

All potential projects must contribute towards strong, self-reliant communities in the future. Projects are identified for their potential to empower communities beyond the life of the mine.



COMMUNITY DEVELOPMENT STRATEGY continued



COMMUNITY DEVELOPMENT STRATEGY continued

What we intend to achieve under education, training and skills development



Early Childhood Development

- The training of ECD teachers (paying special attention to literacy and numeracy)
- Providing infrastructure for ECD Centres
- Reading programmes have also been implemented in collaboration with Northern Cape and Limpopo Departments of Education



Teacher professional learning

- Strengthen the teacher pipelines
- Improve teachers' qualifications
- Improve teachers' content and pedagogical knowledge (with the key focus on mathematics and science) and
- Enhance management and leadership capacity



Vocation and technical education including bursary scheme

- Continuously identify Training and Skills Development opportunities
- Develop a sound database of eligible young people
- Develop a sound database of Training and Skills Development Providers
- Guide potential candidates towards existing opportunities
- Liaise with partners to identify training and skills development needs



Supplementary education

- Northern Cape Education Department and the Limpopo Education Department divide the NSC cohort in three groups for supplementary education at holiday schools: lower, middle (60-70%), top achievers (70% and more)
- Top achievers from SIOC beneficiary areas join Department of Science and Technology: Talent Development Programme in Kimberley and Polokwane (a national programme)
- SIOC-CDT is funding supplementary school for middle achievers in the SIOC-CDT beneficiary areas JTG and Tsantsabane (150 learners)
- Holiday schools for rest of the cohort is funded by Northern Cape and Limpopo Education Departments

SIOC-CDT's Early Childhood Development (ECD) practitioners and Advanced Diploma in Education (ADE) projects are both ongoing.



COMMUNITY DEVELOPMENT STRATEGY continued



Enterprise development is a tool to address the socio-economic issues confronting communities. Our entrepreneurship projects promote new ideas and establish new businesses while supporting existing ones.

SIOC-CDT works with partners to help SMMEs establish, expand and improve their businesses. This contribution includes empowering modest and informal income-generating activities that can contribute to the local economy.

During 2019, our Enterprise and Supplier Development strategy was refined in line with four focus areas:

1 Localisation

Developing a comprehensive local supply base.

2 Business development support

Support initiatives to ensure the growth and sustainability of enterprises e.g. training, mentorship, offices, accounting and other shared services.

3 Procurement transformation

Growth and expansion through procurement and support mechanisms.

4 Start-up capacity building

Business skills development.

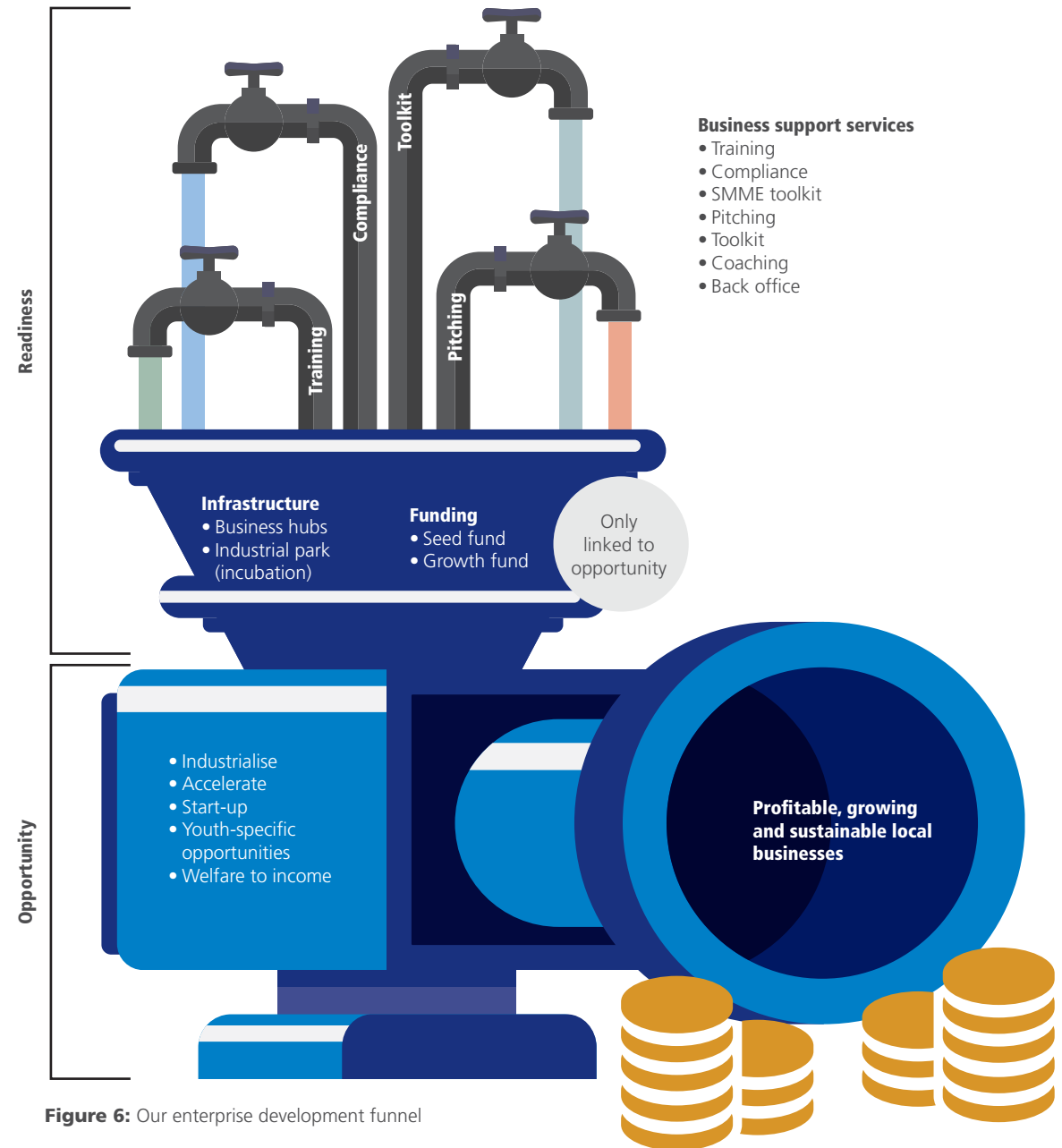


Figure 6: Our enterprise development funnel

COMMUNITY DEVELOPMENT STRATEGY continued

What we intend to achieve under enterprise development

- 1** Create an **enabling environment** for SMMEs to grow and thrive
- 2** Provide **business development support** so that SMMEs can innovate and upgrade for growth
- 3** Be a **catalyst** and an enabler of income-generating **opportunities** for enterprises
- 4** Strengthen **strategic partnerships** for sustainable and impactful programmes

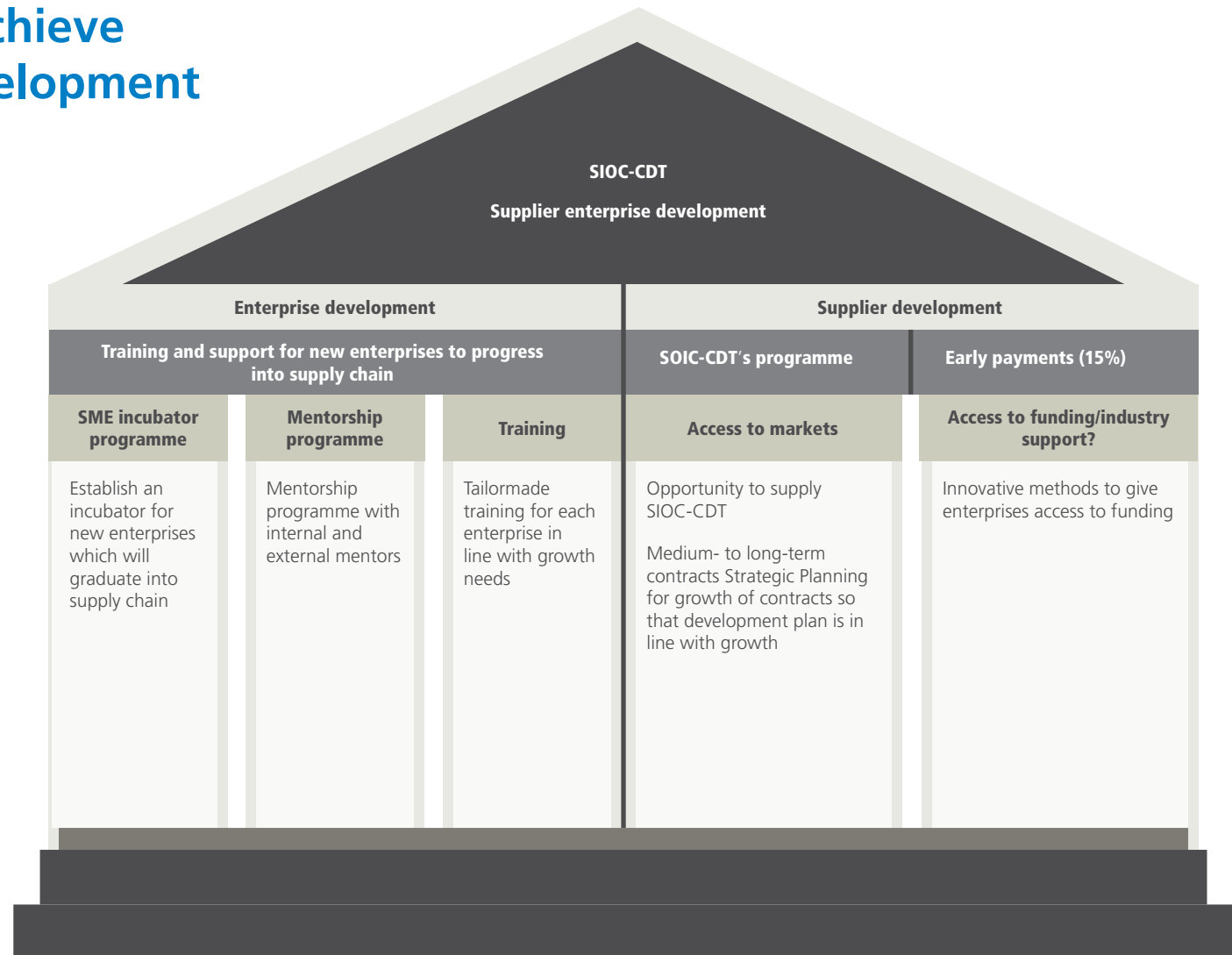


Figure 7: The enterprise development initiatives

COMMUNITY DEVELOPMENT STRATEGY continued

What we intend to achieve under enterprise development continued

Short-term objectives: Build momentum



ESD Training

Establish an Enterprise and Supplier Development (ESD) programme to help develop and train SMEs. This will comprise:

- Business Training
- Mentorship
- Networking
- Marketing & Branding
- Industry Workshops



SMME Relief Fund

The Fund has been established to support SIOC-CDT community-based SMMEs. It is intended to assist SMMEs hindered by a lack of income-generating opportunities during lock down; and will return to a seed or start-up fund at a later stage as initially planned.

Medium-term objectives: Accelerate



Procurement portal setup

Develop an SMME Portal with Business Development Support (BDS) components to make the system an interactive platform. The procurement portal provides access opportunities, network and access funding. It will also enable entrepreneurs to market their products and services.



Bizniz in a Box

A youth enterprise programme aimed at the empowerment of unemployed youth in townships and rural areas. The programme, in collaboration with Coca-Cola Beverages South Africa (CCBSA), looks to establish youth-owned SMMEs in the retail sector. The programme targets start-ups with the aim of assisting small businesses to generate income.

Long-term objectives: Sustain



Partnership Model

Access to export markets:
This highlights the need to formalise partnerships with corporates or the private sector to enable SMMEs to gain access to markets.



Infrastructure

The establishment of business hubs with a co-location model in both Thabazimbi and the Northern Cape will provide access to products, services and facilities that will assist local businesses to grow. These hubs will be an ecosystem of BDS services, providing easy access for small businesses.



The Kathu Industrial Park

This project is in partnership with Kumba Iron Ore, Assmang, the Industrial Development Corporation (IDC) and South 32. It is an industrial park in Kathu and its primary objective is to create positive and sustainable socio-economic impact through job creation, community and SMME development, and economic growth – leaving a long-term legacy for the region, well beyond the life of mining operations.



Growth Fund

The Growth Fund is intended to target better-established SMMEs for participation in various supply chain opportunities. This self-sustaining fund will grow in value and increase the number of SMMEs it supports. The assumption is that the SMMEs looking to accelerate and industrialise would benefit from the fund.



COMMUNITY DEVELOPMENT STRATEGY continued








The Trust continually builds the base for our education and enterprise development goals by executing community health and wellbeing projects for our most vulnerable community members, including the elderly and people living with disability, and the unemployed.

Our community health and wellbeing initiatives cover a wide scope of community upliftment projects, such as:

- 1** Health
- 2** Wellbeing
- 3** Infrastructure improvements
- 4** Emergency assistance*

Many of our community health and wellbeing projects are commitments made prior to refreshing our strategy in 2018. For example, we invested in primary healthcare services and facilities. This broadened access for remote communities, who would otherwise have had to travel far distances for life-saving treatment.

Our preventive and lifestyle initiatives are intervention programmes that complement the National Department of Health's efforts to educate communities about healthy lifestyles, staying in good health and managing chronic conditions. These interventions are designed to promote:

-  Hygienic and safe environments
-  Public awareness of alcoholism and drug dependency, sexual health, and nutrition
-  Immunisation with, for example, new malaria medication
-  Healthy family relationships
-  Infrastructural and clinical equipment support

What we intend to achieve

At present, our intention is to complete the existing projects that SIOC-CDT initiated prior to refreshing the Trust's strategy.

- 1** Re A Fola in Tsantsabane is expected to be completed in March 2020
- 2** Capacity building was approved in August 2018 and will be completed in August 2021
- 3** Dibeng Youth Centre was approved in 2018 and will be completed in 2021

SIOC-CDT is currently in the process of developing and approving a formalised Social Wellbeing strategy.

* Provision is made annually for ad hoc needs such as dealing with emergencies, disasters and unforeseen challenges within communities.



STAKEHOLDER ENGAGEMENT

Overview and highlights

During 2018, we launched an intensive stakeholder engagement process involving community roadshows, surveys and interviews. Our community engagement continued apace during 2019 and included business forums and meetings with traditional and municipal leaders.

The new community development programme was also discussed with relevant authorities, including municipal councils and the Northern Cape Members of Executive Councils (MECs) for Health and Education, respectively. Our refreshed strategy was well received, and we formed several partnerships with government councils and departments.



Grassroots engagement

Stakeholder engagement is ongoing and we remain committed to community feedback through roadshows and report-backs. Stakeholders are regularly invited to participate through adverts, pamphlets, notices, community invitations and, in some instances, on-the-ground mobilisation such as loudhailing. We also aired regular adverts on the local community radio station in the Northern Cape, Kurara FM.

We are committed to engaging with stakeholders and we have continued to do so in 2019 through conducting ward-based visits; quarterly focus groups engagements with the business community, youth and traditional leaders; and giving feedback to local municipal councils and working groups. We also hold project-specific engagements with government departments, including a monthly meeting with the Project Steering Committee (PSC).



Stakeholder Day 2019

Our annual Stakeholder Day took place on 3 December 2019 in the Ga-Segonyana Local Municipality. This event was hosted as part of our continued efforts to be visible and build relations with beneficiary communities. The event saw the trustees and the executive management of SIOC-CDT come together with representatives of provincial and local government, development partners, community groups and civil society, all of us having the common goal of advancing sustainable community development.

The Stakeholders Day served as a platform for SIOC-CDT's leadership to respond to comments made and concerns raised by beneficiaries during the year. We also shared our new strategy and approach to development.

During the event, the CEO presented SIOC-CDT's activities for the year and their impact. Our honest reporting, which acknowledged our shortcomings during the year, was well received by the community.



Community representatives' elections

In response to suggestions by communities during the 2018 stakeholder consultations, we filled three vacancies for community representatives to serve on the SIOC-CDT Board of Trustees. We are pleased to welcome Peace Lesewane, Tebogo Kotsedi and Clement Itumeleng to the Board of Trustees. Tragically, a month after Clement Itumeleng was appointed, he passed away.

Elections took place on 16 November 2019, at 19 polling stations across the John Taolo Gaetsewe (JTG) and Gamagara districts. The Independent Electoral Commission provided support and oversight of the process, ensuring transparency, impartiality and integrity.

To ensure the transparency and accuracy of the results, oversight body the Independent Elections Facilitators of Southern Africa was appointed to facilitate the voting process.



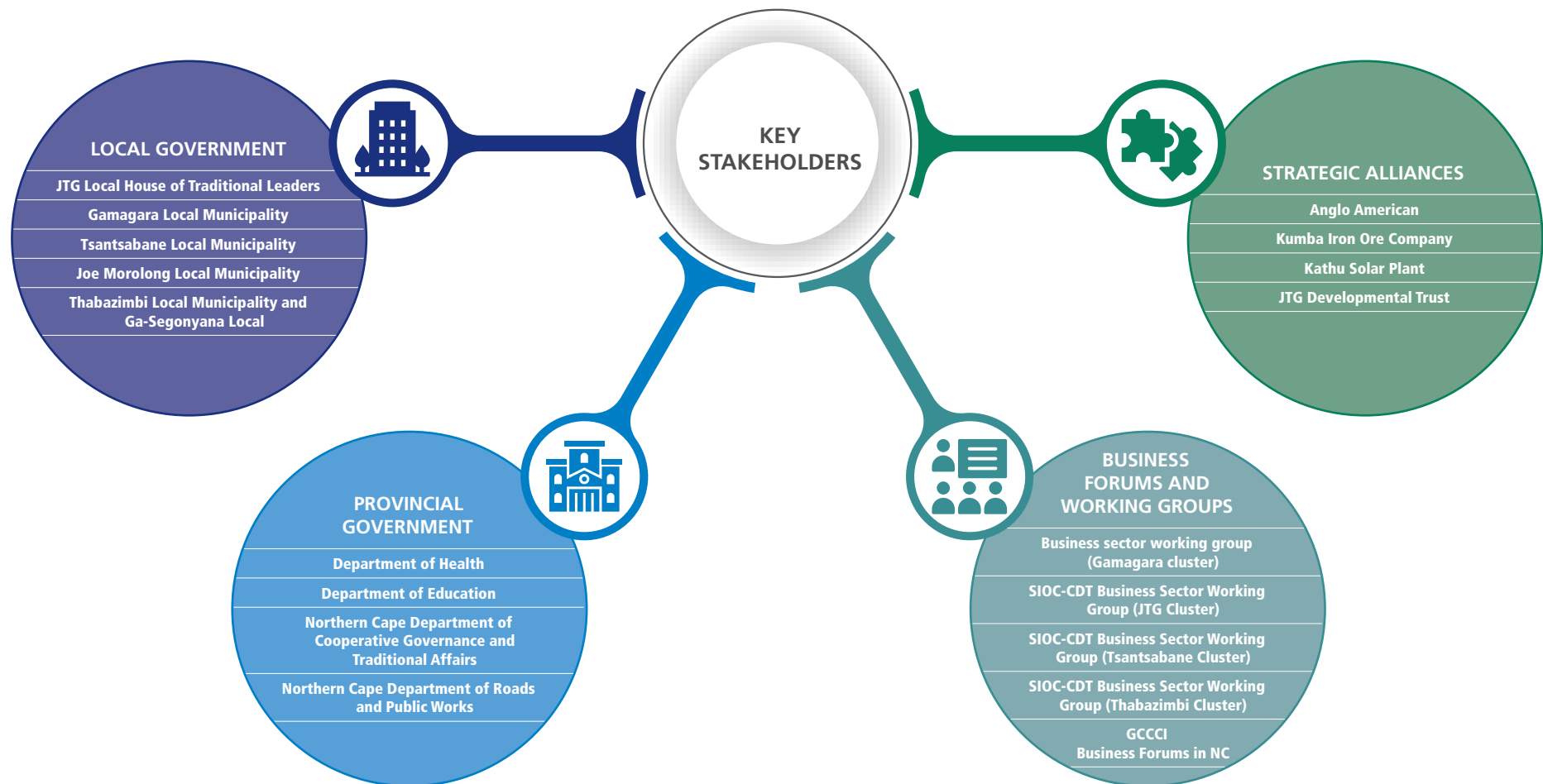
Improving brand perception

We are pleased to report that communities are becoming increasingly aware of and familiar with SIOC-CDT. Community members generally approve of our strategies and SIOC-CDT aims to be a respectful, considerate and accessible organisation.

We are gaining a reputation for defining ourselves through our actions, and not just our words.

STAKEHOLDER ENGAGEMENT FY2019 continued

While our beneficiary communities are our most important stakeholder groups, SIOC-CDT maintains relations with several partners, local and provincial government organisations, and community groups to fulfil our mandate effectively. SIOC-CDT engaged with the following key stakeholders during the 2019 financial year:



COMMUNITY DEVELOPMENT PERFORMANCE SA MAP

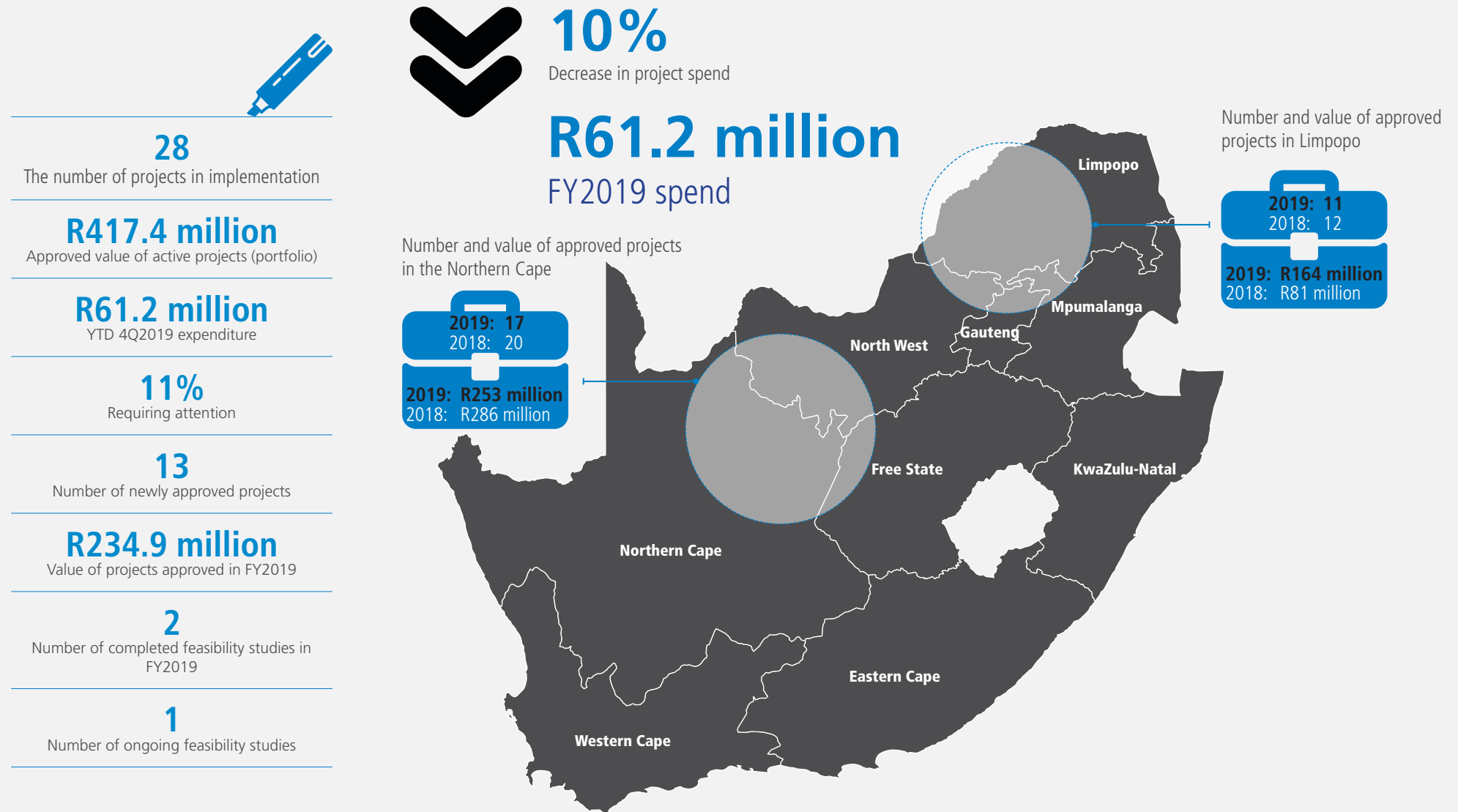


Figure 8 An overview of SIOC-CDT's community development projects and spending

PROJECT HIGHLIGHTS



Grade 12 Enrichment Classes – Thabazimbi and Tsantsabane



PROBLEM

Prior to 2017, National Senior Certificate (NSC) results for the six schools offering Grade 12 were very poor. Some schools, like Mabogopedi, averaged a 35% pass rate with no learners eligible for Bachelor's enrolment.



PROJECT OBJECTIVES

To fund school holiday camps for enrichment classes for all Grade 12 learners in the beneficiary communities, coordinated by the best teachers in the communities over a two-year period. Career exhibitions were also included. The project aimed to:

- Improve the low end-of-the-year examination of Grade 12 in the identified schools in Thabazimbi and Tsantsabane circuits and the Langberg High School in Olifantshoek
- Increase the learners' access to higher education and the job market
- Benefit approximately 567 school learners by enabling them to grasp concepts missed during formal classes in the term so that they can approach the final exams with confidence, and by giving them access to the best teachers in the district.



OUTCOMES ACHIEVED

1 263 learners

from mostly Q1-3 schools wrote exams with confidence

Matric pass rates improved by 10%

to an average of 76.54% among the 24 schools supported

Bachelor passes among these schools also improved significantly

by 35.28% to 65.7%

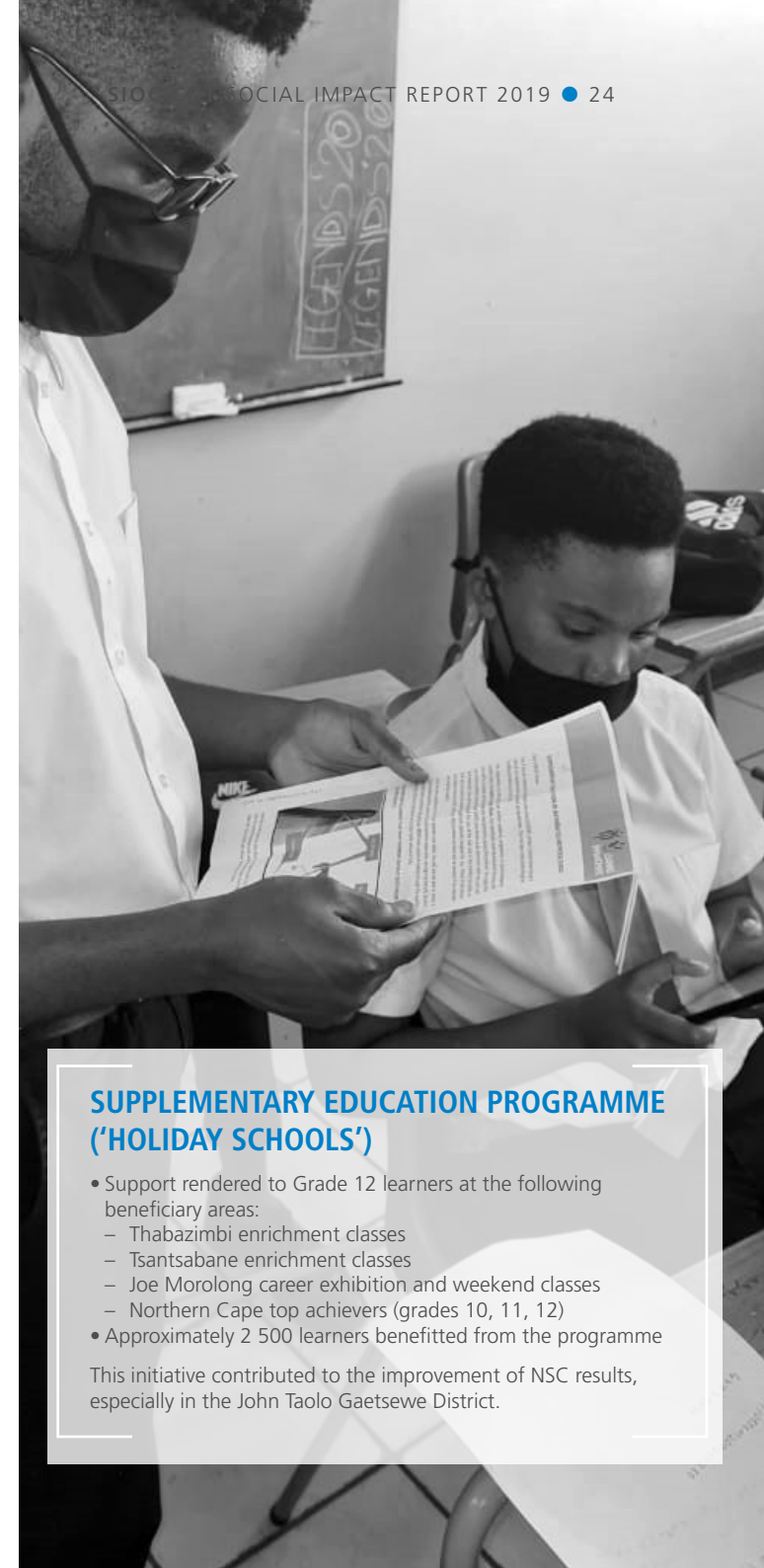
The most significant improvement was seen in the 13 Joe Morolong schools supported for the first time:

The pass rate improved by 16.41% to 77.58% and Bachelor pass rates increased by 119.83% to 37.5%

SUPPLEMENTARY EDUCATION PROGRAMME ('HOLIDAY SCHOOLS')

- Support rendered to Grade 12 learners at the following beneficiary areas:
 - Thabazimbi enrichment classes
 - Tsantsabane enrichment classes
 - Joe Morolong career exhibition and weekend classes
 - Northern Cape top achievers (grades 10, 11, 12)
- Approximately 2 500 learners benefitted from the programme

This initiative contributed to the improvement of NSC results, especially in the John Taolo Gaetsewe District.



PROJECT HIGHLIGHTS continued

Joe Morolong Career Exhibition



PROBLEM

The Grade 12 career exhibition is an initiative to provide much-needed information about post-school careers and employment opportunities, as well as to make information available to learners so they can plan their careers in a better way.



PROJECT OBJECTIVES

- To increase the number of skilled, marketable youth, which will see a decrease in unemployment in beneficiary communities
- To offer learners the opportunity to consider their future and interact with various avenues of employment, training and further education



OUTCOMES ACHIEVED

Of the 24 schools (1 263 Grade 12s – mostly Quintile 1 – 3) we supported:

10% increase

overall pass rate to 76.54%

65.7% increase

in average bachelor pass rate to 35.28% across all communities

Biggest improvement

experienced with the 13 Joe Morolong schools (mostly rural)

Joe Morolong weekend classes



Objective

To support approximately 811 learners from 12 schools in Joe Morolong Local Municipality over two years.



Outcomes

Increased matric pass rate, increased enrolment in higher education and increased learner confidence



PROJECT HIGHLIGHTS continued

Early Childhood Development Support Project



PROBLEM

The underdevelopment of children, resulting from the learning environment at home and in the community, leads to children entering the mainstream education system unprepared. Early Childhood Development (ECD) has been identified as a key priority to resolve this crisis. In the John Taolo Gaetsewe District, the main cause of the crisis is the lack of qualified ECD practitioners.



PROJECT OBJECTIVES

- To ensure that 40 ECD practitioners obtain a Level 4 qualification with the Custoda Trust
- To ensure that 28 ECD practitioners obtain a Level 5 qualification from North-West University
- To improve learners' educational outcomes in the Thabazimbi circuit. Ten schools and associated ECD sites have been identified as SIOC-CDT supported schools
- To equip skilled ECD practitioners to work at safe and conducive ECD sites
- To ensure that educators are motivated, competent and effective
- To have 60 competent graduates in 24 months



OUTCOMES ACHIEVED

Management assessment

of all ECD centres for work done since the inception of the project

Advocacy

for teacher assessments

Curriculum workshop

for school principals

Competent and qualified
practitioners

Increased numbers

of children attending ECD centres, thereby increasing numeracy and literacy skills

Personnel who are able to implement the
ECD curriculum

Health and safety

compliance

We started this programme with
40
practitioners,
of whom
39
are expected to graduate in 2020.



PROJECT HIGHLIGHTS continued

Bursary Project



OVERALL PROJECT OBJECTIVES

- Empower financially disadvantaged youth from the SIOC-CDT beneficiary communities by providing them with the opportunity to obtain a qualification at a higher education institution (HEI).
- Provide bursary beneficiaries with financial and psycho-social support to unlock and maximise their potential, enabling them to complete their qualification.
- Pull together and set aside resources to maximise and ensure the sustainability of the scheme and the continuous development of local skills in SIOC-CDT beneficiary communities.
- Strengthen linkages between secondary schools and HEIs, influencing the academic curricula to be aligned to the requirements of the local labour market within the SIOC-CDT beneficiary communities.
- Address skills shortages, as identified in the annual Sector Skills Planning reports, by increasing the pool of young talent.



PROJECT PROGRESS

We commenced 2019 with 73 bursary students registered in various institutions of higher learning, with 12 qualifying during the year. Of the 73 students, 32 were recruited for the 2019 cohort. The Board has approved funding for 60 additional students in 2020.

The SIOC-CDT Bursary scheme made provision for:

- Full registration and tuition fees
- Accommodation
- Books
- Laptops, backpacks and a Microsoft Office licence for each student
- A monthly stipend



OUTCOMES ACHIEVED

12 students graduated

during the 2019 academic year

3 of the graduates are qualified educators

employed in the SIOC-CDT beneficiary communities

1 of the graduates is enrolled for BCom Accounting Honours

(sponsored by SIOC-CDT) for the 2020 academic year



PROJECT OUTCOMES

Increased

awareness and knowledge of tertiary opportunities

Increased

number of students enrolling at institutions of higher education

Increased

number of students who complete their studies in a timely manner

PROJECT HIGHLIGHTS continued

SciMathUS Programme



OBJECTIVE

The main objective of the SciMathUS programme is to create a second opportunity for educationally disadvantaged learners to enter higher education studies in mathematics-, science- and commerce-related fields. The year-long programme allows students to improve their NSC marks, enabling them to reapply for admission into HEIs. The programme encompasses a holistic, intensive academic programme and includes a mentorship programme. It provides academic literacy and psycho-social support to bridge the gap between school and university, preparing them for study success.



PROJECT OUTCOMES

All 14 students

who participated improved their maths and physical science results

All 14 learners

qualified for STEM-related programmes in higher education

Most applied for National Student Financial Aid Scheme bursaries for 2020, while

four were awarded 2020 SIOC-CDT bursaries



PROJECT HIGHLIGHTS continued

Teacher Professional Programmes



PROBLEM

Year on year, various reports rate South African learners as being the weakest in mathematics. This point is further highlighted by global comparisons, such as the World Economic Forum's *Global Information Technology Report* (2014), which ranked the quality of mathematics and science education in South Africa in last place (148th) out of all the countries ranked; and the quality of South Africa's overall education system at 146th out of 148 countries.

Nationally, low scores achieved in mathematics and science are of ongoing concern. As shown in the Annual National Assessments (ANA) results (Table 1), Grade 9 mathematics scores are particularly low, and this grade serves as an entry point to the Further Education and Training (FET) phase (grades 10 to 12).



PROJECT OBJECTIVES

- Identify 85 senior and FET phase teachers from all five communities willing to get sponsorship of the Advanced Diploma in Education in Maths and Science take up one of the following programmes:
 - ECD level 4 & Grade R diploma.
 - To continue to sponsor 72 teachers to attain a B.Ed. Degree in Mathematics, English and Foundation at Rhodes University and complete their final year.
- Enhance the subject content knowledge so that teachers are competent in their delivery of the curriculum.
- Develop an understanding of the essence of the critical outcomes in the teaching and learning of mathematics and physical sciences, as outlined in the Curriculum Assessment Policy Statement (CAPS).
- Support both the competence and confidence of teachers to effectively teach mathematics and physical sciences by enhancing content knowledge and pedagogical knowledge.
- Incorporate e-learning technologies in the classroom.



OUTCOMES ACHIEVED

Contact sessions

throughout the year

Enhanced pedagogical

content knowledge within all content areas

An improved ability

to plan and implement quality learning strategies, activities and assessments to improve teaching and learning

An improved ability

to monitor and evaluate the teaching and learning to ensure quality learning

Our target was to recruit

85

students and

83

have successfully joined the programme so far. Of these,

80

teachers are expected to graduate in 2020.

PROJECT HIGHLIGHTS continued



Thabazimbi Business Hub



PROBLEM

When Kumba Iron Ore's mining operations in Thabazimbi came to an end in 2015, we understood that this would have dire social and economic consequences in the community. The impacts we foresaw included major job losses and the migration of technical skills from Thabazimbi as a result of workers leaving the community to seek job opportunities.

Business clusters are important for both entrepreneurs and the businesses they lead. Aside from bringing people together, which can accelerate innovation and growth, the clusters also encourage a diverse mix of ideas and opinions. The Thabazimbi Business Hub affords local SMMEs the opportunity to access various developmental interventions through collaborative and coordinated Business Development Support (BDS) services.

By partnering with select anchor companies, such as Anglo Platinum, Microsoft and the Youth Employment Service (YES), the Thabazimbi Business Hub has the potential to take on a life of its own – especially in light of the opportunities available to them to collaborate with sector-based incubators looking to produce the next unicorn companies. This select group of incubation programmes act as magnets that can redefine an area or even create a whole new cluster with a new wave of affiliated businesses. The result will be the birth of new industries in the community with high job-creation potential.



PROJECT OBJECTIVES

To set up a business hub in Thabazimbi to promote Enterprise Development initiatives for SMMEs over a period of five years.

The Thabazimbi Business Hub is a one-stop shop for SMMEs. It offers access to computers, the internet, business facilities, a boardroom, business support, workshops, funding, networking and much more.

The hub provides support to emerging entrepreneurs, small business owners and individuals starting their own businesses, who are residents of Thabazimbi. The hub can also link entrepreneurs with the National Youth Development Agency (NYDA), the Small Enterprise Development Agency (SEDA), and the Small Enterprise Finance Agency (SEFA).



PROJECT HIGHLIGHTS continued



OUTCOMES ACHIEVED

15 women-owned businesses

were supported with business equipment worth R600 000 through the SEDA Integrated Medium Enterprise Development Programme (IMEDP)

Funding facilitation through the Business Hub:

6 SMMEs

funded via grant and loan funding



Business training and outreach programmes in 2019 hosted and facilitated by the hub

Training programmes	Number of attendees	Impact reported
SEDA (IMEDP)	180 women-owned businesses (formal and informal)	15 businesses received equipment to the value of R680 000
Small Business Seminar (transport industry)	69 businesses	The seminar was hosted by the taxi industry. The aim was to find collaborative efforts with government to grow the taxi industry and make it a more inclusive environment for youth and women to participate in
NYDA SYB training	60 youth-owned SMMEs attended over four quarters	Training focused on development of commercial business plans
Bizniz in a Box Pitch	83 youth-owned SMEs pitched their concept	27 businesses were offered start-up funding and equipment to launch small businesses
SEDA costing and pricing training	20 SMEs	Companies selected from the Godisang/ SIOC-CDT database
Google and digital skills training	25 SMEs	Programme hosted by Microsoft to offer NQF Level 2 ICT training
CIPC / CIDB Workshop	43 emerging contractors	Workshop on grading and contract financing
Total number of SMEs trained in 2019		480 SMEs

Companies assisted with business registration and compliance in 2019

Type of assistance	Number of entities
Business registration	49 SMEs
	35 were from the Bizniz in a Box programme
BBBEE registration	12 SMEs
SARS/Tax compliance	3 SMEs
Total number of SMEs assisted	64

PROJECT HIGHLIGHTS continued

Bizniz in a Box



PROBLEM

Given the current economic landscape, prospects for growth and development are limited. Through the Bizniz in a Box programme, young adults are given an opportunity to sustain themselves through self-employment, thereby securing their livelihoods and the wellbeing of their families.

Exposure to the programme offers an opportunity for growth and development, as well as a chance to own a micro-business. Youths are encouraged to start thinking differently about other opportunities outside their spaza shop, such as opening up a franchised business.



PROJECT OBJECTIVE

To establish 30 youth-owned SMMEs operating in the retail sector.

The Bizniz in a Box Youth Empowerment Programme was approved in SIOC-CDT at the end of 2017 and is currently being implemented in Thabazimbi. The aim is to promote the development of self-driven young people, creating access to the mainstream economy – not as job seekers, but as job creators.

By running these spaza shops, young entrepreneurs can contribute directly to the development of their communities through the growth of their respective businesses. Their success will ultimately determine the success of the programme and will enable the prosperity of others following in their footsteps.

There are various components needed to make the programme and enterprises sustainable i.e. distribution, credit facility for restocking, banking solution, connectivity, and business development support. We are currently working closely with Coca-Cola Beverages South Africa as a funding partner, though there is scope for bringing more partners on board.

Start-up package



PROJECT HIGHLIGHTS continued



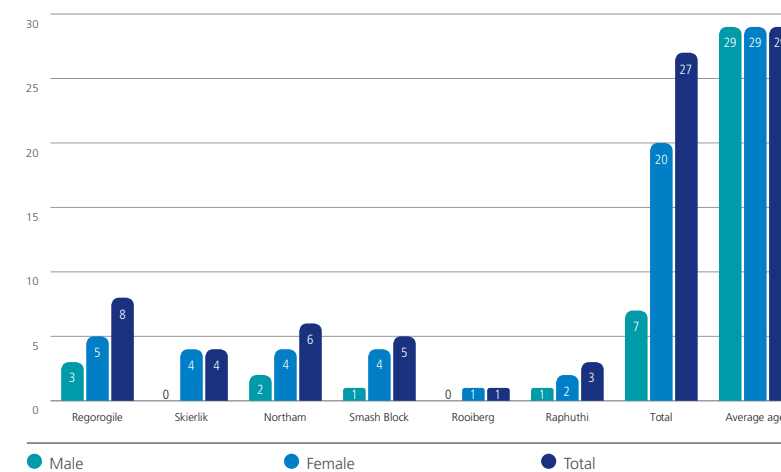
OUTCOMES ACHIEVED

In 2019,
18 outlets were operating,
with each trader supported through various business development services.

Funder	Type of business	Number of beneficiaries	Type of fund	Value of total funds
NYDA	Youth-owned Enterprises	4 SMMEs	Grant funding	R680 000 across four enterprises
SEFA	Water manufacturing and bottling business	1 owner 3 workers	Loan funding	R275 000
Andrew & Lowu (Private lender)	Trucking and logistics	1 owner	Contract financing	R1.6 million
Total funding facilitated through the hub in 2019				R2 280 275



Project performance: YEP candidates per area



Trade rollout record:

	Completed	Underway	Outstanding
Concrete slab	18	9	0
Container	16	2	9
Electricity	2	14	11
Alarm	2	14	11
Insurance	16	0	11
Equipment	16	0	11
Trading stock	15	1	11
Mentorship	0	15	12

PROJECT HIGHLIGHTS continued



Re A Fola – 2019/20

Tsantsabane



PROBLEM

SIOC-CDT funded the Re A Fola project in response to the growing need for access to healthcare facilities in the Tsantsabane district.



PROJECT OBJECTIVE

The goal of the Re A Fola health promotion project is to improve the health status of the five remote locations and three clinic facilities within the Tsantsabane local municipality, with special focus on the vulnerable, the elderly and children. In doing so, we aim to reduce common causes of death. A decreasing mortality rate, increasing general awareness of health status, and a decrease in lifestyle diseases are some of the indicators of the impact and effectiveness of the project.

The multi-disciplinary Re A Fola team, provided by the Department of Health, comprises an optometrist, a dietician, dental practitioners, professional nurses, an occupational therapist, a speech therapist and a community healthcare worker. They provide dentistry, ophthalmology, cervical screenings, HIV testing and counselling services, and lifestyle diseases screening.

For our flagship Re A Fola project in **Thabazimbi** we procured a lens-cutting machine with lenses and frames. Optometrists are able to cut the lenses and fit these into the frames after the refraction.

Re A Fola Thabazimbi issued 862 spectacles in 2019.



PROJECT HIGHLIGHTS continued



OUTCOMES ACHIEVED

Handover of a much-needed
dental chair

Equipping of a mobile clinic

(optometry, dental and general)

Rendering of
optometrist services,

with spectacles issued to patients

Promotion of health campaign

conducted in five villages at the Tsantsabane Local Municipality, including eye and dental screening, Pap smear and HIV counselling and testing (HCT)

- The first visit was conducted from 15 to 19 July, and 133 dental screenings, 17 eye screenings and 33 HIV & Counselling (HCT) tests took place
- The second visits were conducted from 19 to 22 August
- The third visits were conducted from 16 to 20 September

Use of mobile clinics

to provide logistical support for ZF Mgcawu District visits by the Department of Health to remote Tsantsabane

The first Re A Fola initiative closed out on 14 August 2019

Re A Fola statistics for 2019			Total
#	Category	Description	To date (2.0)
1	Dental	Dental screening	640
		Extraction done (primary and secondary)	572
		Consultation for exfoliating teeth	3
		Referrals to Upington	41
2	Eye screening	Total tested	255
		Require glasses	147
		Cataracts	48
		Conjunctivitis	6
		Allergic conjunctivitis	0
		Corneal dystrophy	0
		Myopia	0
		Glaucoma	53
3	Pap smear done		19
4	HCT tested	Total tested	89
		Negative	87
		Positive	2

PROJECT HIGHLIGHTS continued

Capacity Building for Children with a Disability (CABDIC)



PROBLEM

Most schools in the Northern Cape are unable to cater for children with disabilities. Capacity building of people with disabilities (PWL) can make the difference between isolation and exclusion from every aspect of life, and to them becoming agents of change.

PROJECT OBJECTIVES

The project focuses on early intervention among children with a disability and on capacity building in the community through self-help initiatives and awareness raising. CABDIC aims to empower PWD and their family members by using existing resources in the community to improve their capacity to participate in society.



Project goals include:

- Procuring mobility devices and a special equipped van
- Training and mentoring across two clusters covering 18 sites
- Conducting disability campaigns and improving awareness for communities and NGOs
- Mapping a disability resource and referral pathway
- Providing inclusive ECD centre caregiver training and on-site mentorship



OUTCOMES ACHIEVED

There were a number of patients on backlog who required wheelchairs. Our goal was to clear the backlog and to capacitate therapists with skills for seating children with disabilities and fixing the old devices. The service provider mentored the university students studying to be therapists who were providing community services.

Purchasing equipment for a

customised mobile wheelchair

repair workshop

Production of

50 wheelchairs

during 2019

Restoration of

71 wheelchairs

Conducting various

campaigns and awareness drives

for communities and NGOs, including

- Kings and Priest – De Aar – Ndinogona Training – Phase 2 – 7 and October
- Emmanuel DCC – Kuruman – Ndinogona Training – Phase 3 – 14 and 15 October
- Emmanuel DCC – Kuruman – Let's talk disability – 16 October
- Emmanuel DCC – Kuruman – Parent Day – 19 October
- Learamele SS – Mothibistad – Ndinogona Training – Phase 3 – 17 and 18 October

KANAKO SOCIAL RESPONSIBILITY

While the organisational strategy focuses on interventions that are most likely to reduce poverty levels in the long term, Kanako Social Responsibility and Sponsorship (SR&S) looks at immediate remedies or solutions to socio-economic issues faced by our communities, especially vulnerable groups.

Kanako's strategy avoids duplicating efforts made by existing programmes, aiming instead to augment them and close gaps. SR&S considers and implements short-term interventions, including responding to disaster and other life-threatening issues, providing emergency ad hoc support for vulnerable community members, and responding to other material issues, which can be addressed at a lower budget and smaller scope.

SR&S initiatives frequently support SIOC-CDT's brand-building goals through the work we do, over and above our stakeholder engagement activities and long-term projects, thereby showing responsiveness to some of the issues raised during community engagements.

Kanako SR&S funding is guided by strict criteria, including:

- 1 The beneficiaries of the project/request should be **residents of SIOC-CDT beneficiary communities**
- 2 Projects must have a developmental approach that cushions our beneficiaries on a **short-term** basis while long-term solutions are underway
- 3 Projects should take an affirmative approach bias to **women, the disabled, youth** and the socially destitute
- 4 The funding cannot be channelled to individuals. Rather, funding **must benefit a wider community or groups (at least more than 20 people)** with common objectives and purpose.

KANAKO SOCIAL RESPONSIBILITY continued

Our project highlights 2019

Mandela Day: Emanuel Day Care Centre

As part of the SIOC-CDT culture, we honour the charitable spirit of Nelson Mandela each year in July. In FY2019 we focused our Kanako resources on refurbishing a dilapidated Day Care Centre in Ga-Segonyana.

The Emmanuel Day Care Centre is a disability centre and creche situated in Kuruman-Wrenchville. It caters for 11 children between 7 and 13 years old and 21 creche children aged 0 — 6. The centre has 3 trained practitioners, 2 caregivers, as well as a cook, a gardener and a cleaner. In March 2018, the centre was burned down by fire caused by lighting, as confirmed by forensics report. They had received toy donations and a structure, but the structure was incomplete and still needed doors, plastering, windows, along with the installation of frames, ceiling and flooring.

We designated a builder to complete the initial construction and major installations prior to Mandela Day 2019, with SIOC-CDT employees assisting with final touch-ups on 18 July. On-site activities undertaken by the SIOC-CDT team included painting, cleaning, and installing doors and glass under the builder's supervision. Our Centurion and Kathu based employees participated in the initiative.

Sanitary towel drive

Millions of South African schoolgirls do not have access to sanitary pads, because they cannot afford them. For many girls from impoverished backgrounds, the onset of puberty marks a sharp decline in school attendance, even resulting in dropping out of school completely, due to the lack of sanitary towels. Girls often use unhygienic alternatives to sanitary towels, including newspapers, which puts them at high risk of infection.

SIOC-CDT therefore established the Sanitary Towel Drive to focus on the provision of sanitary pads to female learners in the Joe Morolong and the Tsantsabane Local Municipalities. The sanitary towel drive was launched on 22 August 2018. The campaign aimed to provide of sanitary towels to 765 female learners in identified schools in the Tsantsabane Local Municipality and the JTG District.

SIOC-CDT consulted the John Taolo Gaetsewe (JTG) and ZF Mgcawu Districts' Departments of Education to identify schools that require such a programme and do not have other sponsors or sanitary towel drives.

Back-to-school shoe drive

Not having school shoes impacts in thousands of children's school attendance in South Africa. SIOC-CDT's school shoe drive aims to reduce learner absence by providing school shoes to those who do not have.

The first round of this annual programme will benefit 335 learners across the Tsantsabane and JTG municipalities, particularly the Joe Morolong area.

To identify schools who would benefit the most from this drive, and to avoid duplication of efforts, SIOC-CDT worked closely with local and national government, as well as other development partners. The Trust also considers funding requests from communities verified by the Department of Education. SIOC-CDT will continue to monitor and measure where this drive can have the greatest impact as the project unfolds.



R300 000.00
was secured for Sanitary Towel Drive under Kabonako Social Responsibility. A Request for Quotations (RFQ) was submitted to various suppliers based in the communities in which the sanitary towel drive took place, to which 24 service providers responded.

PROJECT TESTIMONIALS



Focus on Education

Bursary

1



Carlo Greyling



Thabazimbi



First National Bank



Information Technology

I am currently a Software Engineer / Java Developer for a large South African company.

SIOC-CDT provided me with the necessary funds needed in order to study a degree at university. It made a huge difference in my life since I would not have been able to study otherwise.

// I am very grateful to SIOC-CDT for providing me with the opportunity to study and to acquire my degree.

Bursary

2



Lecholo Nametsegang



Dithakong Village



Motshwarakgole Intermediate School



Education

I was born and bred in Dithakong. I went to Sol Plaatje University and SIOC-CDT funded me on my third year. They made the burden less heavy on my financial side. They paid for my studies, stationery and also the laptop. They also checked on our emotional well-being. I was happy because my mother no longer had to send money for my basic needs and other essentials. I was able to also assist at home.

I have seen blankets for the older people. I have seen masks here at our school. This shows that SIOC-CDT assists in most aspects. I am a happy SIOC-CDT beneficiary.

PROJECT TESTIMONIALS continued



Location



Organisation



SIOC-CDT focus area

Bursary

3



Jonedine van der Merwe



Kathu



North-West University



Chemical Engineering

I am currently in my first year of my master's degree at North-West University. I am majoring in Chemical engineering and intend to finish my studies in 2021. After finishing my postgraduate studies, I am planning to go back to Kathu and work at the mine while contributing to my community. Thanks to you, I am one step closer to reaching my education and career goals.

SIOC-CDT helped me financially by funding my undergraduate studies that entailed tuition fees, monthly stipends, housing and handbook fees.

Receiving the bursary meant a lot to me. In matric, I worked very hard to obtain a bursary since my parents told me they would not be able to help me financially to pursue my

education the following year. I applied for a variety of bursary programs all over South Africa and one after the other turned me down. I tried to stay positive and decided to apply to the North-west University even though I did not have a bursary yet at that stage. The University accepted me and luckily SIOC-CDT awarded me a bursary. That was truly the best day of my life. Without their help I would not have completed my undergraduate studies nor have been able to continue with my postgraduate studies. I am so grateful to them.

// Dear SIOC-CDT, my lifelong dream of attending University is moving forward, thanks to generous educational bursarships like yours. Since being named one of the recipients of the SIOC-CDT Bursarship, my dream became a reality at the Northwest University Potchefstroom campus. The bursary allowed me to earn skills that will serve the engineering, research and mining industry following my graduation. Thank you personally for your generosity: I am committed to my education and my field of study, and one step closer to becoming a successful engineer.

PROJECT TESTIMONIALS continued



Location



Organisation



SIOC-CDT focus area

Bursary

4



Dr Cerenus Pfeiffer (Manager: Teacher Professional Learning Mathematics facilitator)



Stellenbosch University



SUNCEP (Centre for Pedagogy at Stellenbosch University)



Education

SUNCEP offers full qualifications and accredited short courses to in-service teachers in Mathematics, Natural and Physical and Life Sciences, as well as different management courses to school leaders and district officials. We offer the ADE programme to teachers in SIOC-CDT's beneficiary areas of Northern Cape and Thabazimbi. Some teachers' content and pedagogical knowledge is low, and the Advanced Diplomas strengthen and enhance their existing specialisation in Mathematics and Science.

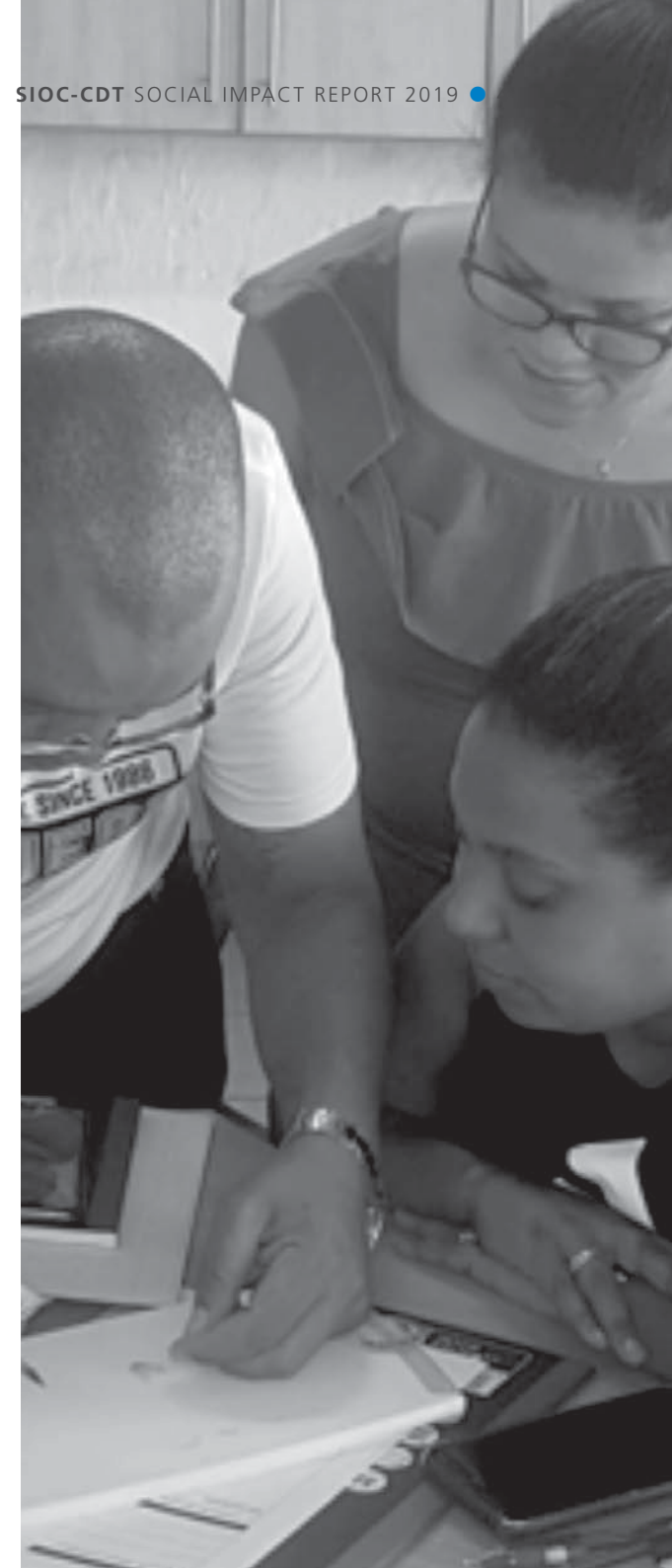
SIOC-CDT fully funded 79 teachers in 3 ADE programmes for 2019 and 2020:

- Advanced Diploma in Education: Senior Phase Mathematics Teaching

- Advanced Diploma in Education: Further Education And Training Phase Mathematics Teaching
- Advanced Diploma in Education: Senior Phase Natural Science Teaching

From a survey conducted by our unit with the beneficiaries of this project at the end of 2019, initial findings indicate that all the respondents perceive the course to be beneficial to their content and pedagogical needs. Many have already begun to implement their new knowledge and pedagogies into their teaching and have noted the positive change in their confidence and ability to teach the content to their learners. They also report on the positive behaviour and improved learning among their learners.

// Thank you for funding these teachers. We can see how they grew. Continue funding projects of this nature.



PROJECT TESTIMONIALS continued

 Location
  Organisation
  SIOC-CDT focus area

Focus on Entrepreneurship

Bizniz in a Box

1



Mahadi Marylouis Hlalele



Northam



Technimo Enterprise



Enterprise Development

I studied Business Management at Sedibeng College in Vanderbijlpark, and due to lack of employment I applied for SIOC-CDT's Bizniz in a Box youth empowerment project, where I was selected. I have chosen an internet café, since I saw an opportunity in my community.

They founded our programme/business. It made my business easier because I was provided with all the equipment I needed. I was overwhelmed, since I wanted to be an entrepreneur.

Thank you for giving us the opportunity as youth. It means a lot and may you continue to change people's life.

Bizniz in a Box

2



Patricia Mokwena



Thabazimbi



Trading & Projects



Enterprise Development

Phenyoentle Trading & Projects mainly focuses on the sale of fast food. We sell ready prepared meals such as kota, plates and chips. SIOC-CDT provided us with a container to operate from, which means that we have a stable location to operate from.

We appreciate the assistance we receive from the organisation. Keep on doing it for others.

PROJECT TESTIMONIALS continued



Location



Organisation



SIOC-CDT focus area



Focus on Community Health and Wellbeing

loveLife

1



Nick Floyd Mpolokeng



Deben Youth Centre



loveLife



Community Health and Wellbeing: Youth Development

My name is Floyd Mpolokeng, born in Ritchie (a small town 35 km next to Kimberly). I am working for loveLife, serving as a centre manager for the Deben Youth Centre – a project funded by SIOC-CDT.

Youth within Deben are facing certain social ills, including alcohol and drug abuse, which lead to a high school drop-out rate, unplanned pregnancies amongst teenagers, social crime amongst youth, and unemployment. SIOC-CDT heeded to the call from the municipality to address these social ills faced by the youth of Deben.

I was then selected and given an opportunity to be at the forefront of managing the loveLife programmes through the Youth Centre to address all

these social ills. Being entrusted as a manager came with a lot of responsibility, especially if it is linked at making a change within the society of Deben. I felt overwhelming as young person that was entrusted with this wonderful opportunity. The position awakened my interest on furthering my studies in management.

The activeness of the centre as a hub that promotes youth health and skills development led to SIOC-CDT and Gamagara Municipality proposing to extend the Youth Centre programmes to Olifantshoek and Mapoteng communities. The adequate financial support we receive on a monthly and quarterly basis showcase that SIOC-CDT really cares about future of our youth.

// On behalf of the Youth of Deben and loveLife, I just want to thank SIOC-CDT for allowing me an opportunity to inspire change and promote a healthy and active lifestyle amongst young people. I also want to thank them for their continuous support and involvement in community development. I can truly say that they have defined themselves through their actions and not just words. Thank you, SIOC-CDT.

PROJECT TESTIMONIALS continued



Location



Organisation



SIOC-CDT focus area

Re A Fola

2



Otsilegomang Maroro



Maramane, Lohathlha



Personal



Re A Fola

My name is Otsilegomang Maroro. I live my wife here in Maramane and my children are attending school in Kuruman. I'm working for Almenta logistics for four to five years now.

SIOC-CDT helped me with eyeglasses. SIOC-CDT and Re A Fola made it possible to get a prescription glasses. I was extremely happy when I get the news that I'm one the beneficiaries of SIOC-CDT and Re A Fola. My job was under threat because more often I was failing eye tests at work, but since I receive glasses I have a clear vision and I'm happy.

My wife also had toothache that was so painful, but through Re A Fola the bad teeth have been removed and she got medicine.

" I personally want to thank SIOC-CDT, and Re A Fola, and I wish they could have a permanent office in Maramane to continue to help our community on a daily basis.

Re A Fola

3



Malebo Motshumi



Maramane, Lohathlha



Personal



Re A Fola

My name is Malebo Motshumi. I live with my children and grandchildren in Maramane. I own a small bottle store that I use for an income.

SIOC-CDT helped me to get eyeglasses. I was able to get prescription glasses through SIOC-CDT and Re A Fola. I was very happy because I was unable to see well and I could not assist my children with their homework. I could not see the television clear or count money correctly.

SIOC-CDT and Re A Fola also helped me with my child when she had a toothache. They were able to give her medicine and remove the bad teeth.

" I would like to thank SIOC-CDT very much and to ask them to continue helping us and to build a permanent clinic that can assist us every day.

PROJECT TESTIMONIALS continued



Location



Organisation



SIOC-CDT focus area

Thabazimbi Hospital

4



Bele Khathu



Thabazimbi Hospital (Allied section)



Government



Health

I am an optometrist working for Thabazimbi Hospital since 2011.

SIOC-CDT bought a cutting lens machine which is really helping the hospital and surrounding district hospitals. Having our own cutting lens machine makes our patients not to wait for a long time for their spectacles since we do them here. We were using one lab for the whole province.

// I feel so much happy that my patients are happy too. The machine is making a serious difference since they don't wait to get their spectacles long. Thank you so much for doing this for us, we really appreciate it.



PROJECT TESTIMONIALS continued



Location



Organisation



SIOC-CDT focus area



Focus on Kanako Social Responsibility

School uniforms and shoes, and sanitary towels



Molebogeng Lekgoba



Kagung village



Vlakfontein Intermediate School



Education

I am Molebogeng Lekgoba, a teacher at Vlakfontein Intermediate School in Kagung. I joined the school five years ago and have been serving in various committees, including health and safety, wellness and learner support. I enjoy working and helping learners who are having challenges that can be a barrier to their development and learning. I am very much interested in their progress. I believe shaping up a child is better when it is done while they are still very young (Lore lo ojwa le sa le metsi).

Vlakfontein Intermediate School has an enrolment of 982 learners and has won trophies in music, cricket, athletics, netball and soccer.

As the school there are challenges that we face on a daily basis and this is affecting them negatively and disturb their academic performance.

School uniform and shoes

Experience taught us that when a child lacks shoes or uniform, he / she feels like they don't belong and this makes them lose school spirit. With uniform on no one can tell the status of your home. They often feel like they are not part of the school and they end up forming gangs or end up bunking school. Sometimes they become bullies to prevent being laughed by others.

// It is not just a pair of shoes but a way of saying, 'You are not alone and there is someone out there who cares and believes in you. You are not alone in this journey, we can walk together.'

For sanitary towels we can say that SIOC-CDT restored the confidence and pride in our growing girls. They will be able handle themselves better during menstruation knowing they are prepared and have essentials. The self-esteem of our girls has been restored.

PROJECT TESTIMONIALS continued

Most of the time being in uniform encourages discipline. A uniform teaches our learners that they are equal and have equal opportunities to succeed.

Sanitary towels

The other challenge we had was sanitary pads for girls. Girls would come and ask permission to go home because they were menstruating and we can imagine if it is something that has to happen every month how many days they will lose in a year only for being in periods. Female teachers would try to help from their pockets there and then, but it was not enough as there were those who were embarrassed to even ask for help. I remember our principal asking me to make a pads donation box where teachers would drop in pads to help with the problem. The painful experience of having to deal with the changes in your body, and the situation at home not assisting, was making it difficult for some girls to cope.

How SIOC-CDT helped

SIOC-CDT helped the school a lot when they donated shoes and sanitary towels to our learners. We don't have many absentees that are related to not having shoes or girls asking to leave early due to menstruation. Bad behaviour and formation of gangs decreased as more of learners now start to feel as part of the school.

A message for SIOC-CDT

Thank you so much for giving our school shoes and sanitary pads. Let it be the start of a brighter future for the community. Keep on doing the good job because as you help the kids, you are building the future nation that will know you are not wasting when you plough back to the community. Uplifting and supporting through education is the best way of investing.



PROJECT TESTIMONIALS continued

Rebuilding the Emmanuel Day Care of Disability and Crèche



Lena Moos



Wrenchville, Kuruman



Emmanuel Day Care of Disability and Crèche



Education

Emmanuel started in 2006 with two children, growing to 22 children over the years. We provide skills and engage them in activities that promotes wellbeing as part of the Ocean of Love programme. Other parents from different communities joined this adventure in order to help their kids to be part of a schooling system.

The centre was originally built with corrugated iron plates and wood poles. After it burned down in

2018, SIOC-CDT helped us with funding to rebuild the centre with bricks. SIOC-CDT also made funds available to train practitioners. The centre sent three practitioners to Custoda where they did their NQF Level 4 training with the help of SIOC-CDT.

We are an NGO that only relies on donations and funding.

// We are very grateful for the funding that SIOC-CDT gave us, which made a huge impact at the Centre for Children with Disabilities and the crèche. It will always be in our minds what they have done for us. With the help of SIOC-CDT the centre is going from strength to strength.



Location



Organisation



SIOC-CDT focus area





INVESTING IN OUR FUTURE

ABOUT INVESTCO

InvestCo was founded in 2011 as a Public Benefit Organisation (PBO) by SIOC-CDT, with the purpose of finding and managing suitable investments for the Trust. Each year, SIOC-CDT allocates 30% of its Sishen annual dividend to InvestCo for the purpose of keeping the Trust sustainable beyond Sishen's end-of-mine closure.

InvestCo's mission is to ensure that SIOC-CDT can operate indefinitely from investment income, for the ongoing benefit of its communities.

An updated investment strategy

During 2019, SIOC-CDT's trustees approved a revised Investment strategy that takes into account the likely end of mining at Sishen between the years 2038 and 2040. With this timespan in mind, InvestCo will invest in listed equities, bonds, private equity, and offshore equities. These will balance our current direct investments in physical assets.

This revised strategy offers a lower risk, and a tested approach to creating sufficient liquid reserves by the mid-2030s.

Funds received in 2019

SIOC-CDT's 3% shareholding in Sishen Iron Ore Company (Pty) Ltd delivered a total dividend of **R607 million** for the 2019 financial year.

In line with SIOC-CDT's mandate, 70% of these funds are invested into community projects and the remaining 30% into InvestCo managed investments.

What safeguards protect SIOC-CDT's funds from fraud or corruption?

SIOC-CDT has a zero-tolerance policy towards fraud, bribery and corruption. SIOC-CDT has a fraud hotline for whistleblowers and encourages all stakeholders to report any suspicious activities. We will relentlessly take disciplinary and/or legal action against anyone who commits, attempt to commit, or assists anyone committing fraud or any other improper activities relating to SIOC-CDT.

INVESTMENT IMPACTS AND HIGHLIGHTS



Kathu Solar Park

Kathu Solar Park is a 100 MW greenfield Concentrated Solar Power (CSP) project situated just outside of Kathu. It is one of South Africa's largest renewable energy projects and intended to relieve regional power shortages.

**SIOC-CDT owns
12.5%
of Kathu Solar Park**

Commissioned in January 2019, Kathu Solar Park has only operated at up to 85% of its capacity due to its ramping up phase, but it still generated a modest income stream to SIOC-CDT during the year. When fully operational, the Kathu project will be able to supply over 179 000 South African homes reliably during peak demand periods.

Kathu Solar Park will save an estimated six million tons of CO₂ over 20 years and will significantly enhance the local economy.



Urban Hotel Kathu

Aha Kathu Hotel is
**100% owned
by SIOC-CDT**

We purchased the hotel to increase business tourism in the region. Demand for suitable accommodation is high due to mining activities around the town, in particular the Sishen and Kolomela mines.

The Aha Hotel Kathu underwent a successful refurbishment in 2019 which transformed the business into an upmarket destination for business travellers. The project was completed on time and within budget on 30 June 2019. As a result of the shorter trading period, the hotel traded below optimal levels during the year.



Kathu Office Park

**The 100%
Trust-owned**

Kathu Office Park was built to house SIOC-CDT,

but demand for quality office space in the municipality prompted the Trust to lease out its unused space. An independent property manager was appointed in late 2019 and we anticipate earning profits from leases during 2020.



Sishen Iron Ore Company (Pty) Ltd

**SIOC-CDT owns
3%
of SIOC (Pty) Ltd**

As part of the unbundling of KIO, SIOC-CDT was established from a 3% allocation to the trust in 2006. The allocation was financed via a R400 million preference scheme which was fully redeemed in 2010.

The investment is the primary source of funding for all SIOC-CDT projects, having generated close to R4 billion to date.



Airlink

**InvestCo acquired a
32.51%
equity stake in Airlink**

in 2012 to promote increased corporate travel to the region and earn revenue from its consistently profitable operations. Offering daily flights to Kathu, Airlink is vital to stimulating local economic growth.

SA Airlink has consistently provided positive capital and earnings growth. This was disrupted by the voluntary business rescue of its major affiliate, South African Airways (SAA) in December 2019. SA Airlink was hard-hit by a lack of payment from SAA for fares booked through its online platform. This loss was substantial and unlikely to be recovered.

Nevertheless, SA Airlink's business model is well proven and we expect this vital regional air service to recover fully in coming years.

EXPENDITURE AND INVESTMENTS

FINANCIAL MANAGEMENT

Group revenue increased

from the previous financial year due to higher dividends declared by Sishen Iron Ore Company (Pty)Ltd, received through SIOC Community Development SPV (Pty) Ltd.

Group revenue amounted to

R623 201 593 (2018: R402 788 731)

Investment income

consisted mainly of interest received on cash investments amounting to

R146 119 468 (2018: R87 537 676),

pending deployment to trust activities.

Group expenditure amounted to

R129 217 229 (2018: R143 681 022)

This year-on-year decrease is mainly due to a decrease in public benefit project activity and a general decrease in other operational expenses during 2019.

Group cash holdings increased by

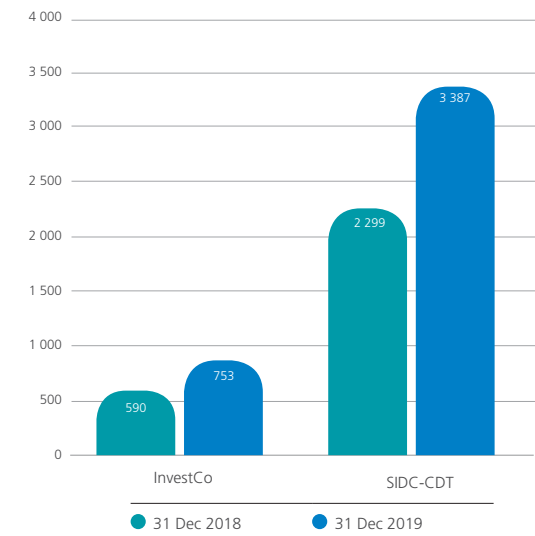
R374 330 006,

mainly due to the higher dividend received from Sishen Iron Ore Company (Pty) Ltd to the value of

R607 436 757 (2018: R385 327 990)



Portfolio values (R'million)



Investment in SIOC (Pty) Ltd increased by 47% to R3.4 billion as at 31 December 2019.

Other investments increased by 28% to R753 million as at 31 December 2019, with additional investments to the value of R211 million made into equity and bonds.

EXPENDITURE continued



Total income

Increase in income
from 2018 to 2019

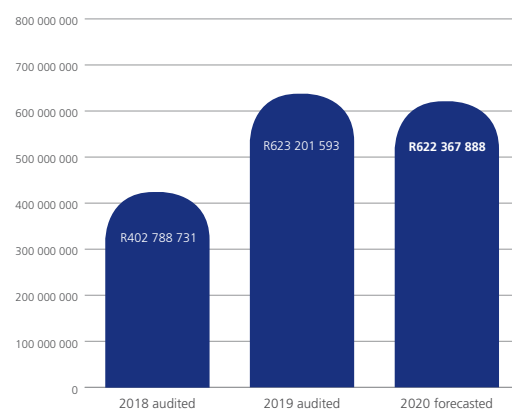
55%

Dividend income

R607.4 million

Investment income

R146.1 million



Cash available

Increase in cash available
from 2018 to 2019

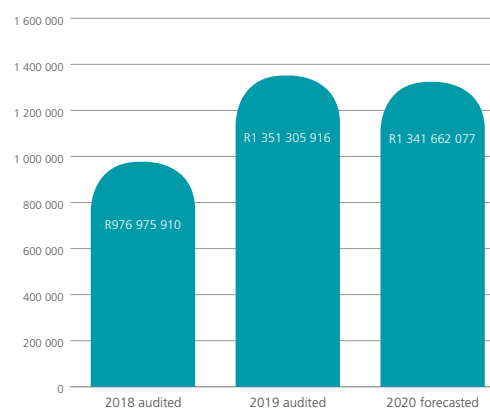
38%

The cash available
as at 31 December

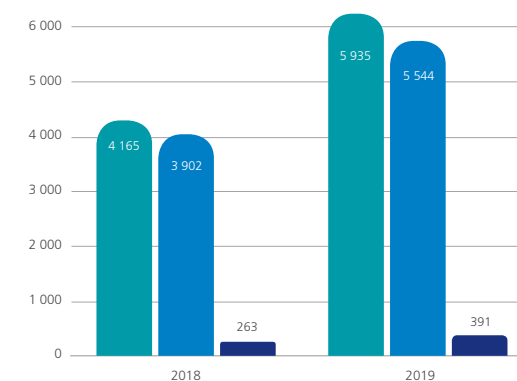
R1.4 billion

The cash available balance at
31 December 2020 is forecasted at

R1.3 billion



Net assets growth (R'million)



● Total assets ● Net assets ● Total liabilities

EXPENDITURE continued

BREAKDOWN OF PROJECT EXPENDITURE

Project expenditure relating to 2019 public benefit activities in the Northern Cape and Limpopo Provinces amounted to **R61 157 300** (2018: R68 325 827), consisting of project disbursements to the value of **R58,657 630** (2018: R63 327 010) and administration disbursements to the value of **R2 499 670** (2018: R4 998 817)

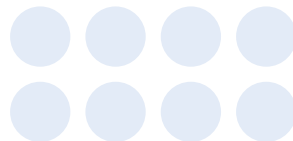
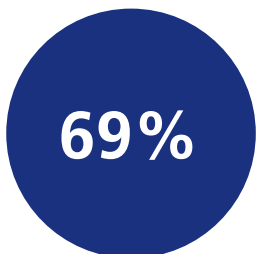
R61 157 300

PBA DEVELOPMENT FOCUS AREAS



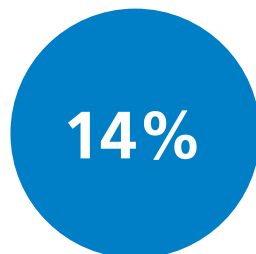
EDUCATION

R42 410 866



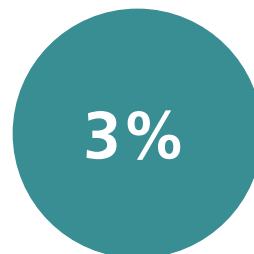
HEALTHCARE

R8 619 345



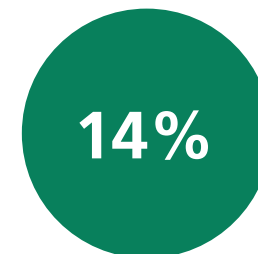
ENTERPRISE
DEVELOPMENT

R1 730 598



SOCIAL WELLBEING

R8 396 491



EXPENDITURE continued



Education Projects

PBA Projects	Amount
Education	42 410 866
Thabazimbi Career Expo	129 605
Enrichment Classes – Tsantsabane and Thabazimbi	3 859 466
Whole School Improvement and Early Childhood Development Programme	5 393 495
Matric Bursary 2019	2 934 253
Matric Stem First Opportunity	2 066 997
SciMathsUS (second chance)	1 319 659
Teacher Bursary ADE	3 789 001
Mabogopedi School Hall	1 420 910
JTG ECD Practitioner Project	2 281 209
Rhodes University – 3rd Cohort Teacher Bursary	7 579 584
Matric Bursary Project 2018	3 571 003
Career Expo Thabazimbi	445 993
Thabazimbi ECD Practitioner Training	550 342
Enrichment Classes and Career Exhibition (Joe Morolong)	3 244 178
Additional Classrooms at Chrome Mine School	1 144 018
Langberg High School Hostel	493 340
Rehabilitation of Groenvlei School	1 697 356
Contribution to needs baseline assessment	490 458



Enterprise Development

PBA Projects	Amount
Enterprise Development	1 730 598
Thabazimbi Business Hub	527 471
Kuruman Business Hub Feasibility Study	680 000
Enterprise Development Strategy	287 700
Consulting Fees for Enterprise Development	215 414
Contribution to needs baseline assessment	20 013



Healthcare

PBA Projects	Amount
Healthcare	8 619 345
Re A Fola Thabazimbi	3 757 986
Upgrading of Northam Clinic	3 102 101
Thabazimbi Water Tanker	198 550
Re A Fola Tsantsabane	1 008 808
Variation: Olifantshoek Hospital	10 822
Re A Fola Health Promotion (Tsantsabane)	441 400
Contribution to needs baseline assessment	99 678



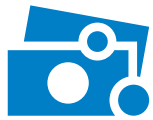
Community wellbeing

PBA Projects	Amount
Community wellbeing	8 396 491
Dibeng Youth Centre	2 425 929
Capacity Building for children with disabilities	4 666 529
Mapoteng Multi-Purpose Centre	597 625
Infill Housing Project Feasibility Study	609 306
Contribution to needs baseline assessment	97 102

TOTAL PBA
R61 157 300

EXPENDITURE continued

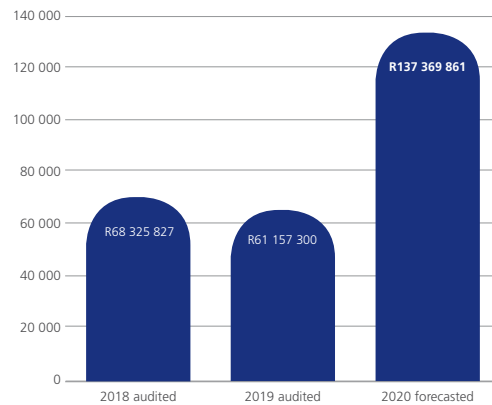
Projects in 2019



Project expenditure decreased in 2019 by 10% in comparison to the 2018 financial year.

There was an actual project spend of R61.2 million in 2019.

The forecasted project spend for 2020 is R137.4 million.



Factors influencing timeous project implementation

Annual PBA spending was R61.2 million. In addition to a deliberate decision to pause and reflect on the formula to determine choice of programmes, the PBA projects delivery environment was characterised by a number of challenges. These challenges mostly included stakeholder relations alignment issues in Thabazimbi.

As a result of the Covid-19 pandemic, project implementation was delayed and project spend for the 2020 financial year is forecasted at R137.4 million.

Supply Chain Management Transformation

During the course of the 2019 financial year, SIOC-CDT underwent a Supply Chain Management transformation process, whereby a supply chain strategy was approved. It focused primarily on cost savings, centralising all procurement activities, ensuring robust evaluation processes and enhancing local procurement spend. For this purpose the Supply Chain Management Policy was revised and approved in 3Q2019 for implementation in 1Q2020.



ASSURANCE

During 2019, SIOC-CDT commenced planning a Retrospective Evaluation Report to gain assurance regarding 16 Social Investment projects implemented across its beneficiary communities over the period 2015 to 2018.

This retrospective evaluation, conducted by Decipher Data Consortium, serves as the basis for the overall evaluation process, since it seeks to evaluate how SIOC-CDT implemented projects and the impact these interventions have achieved. The evaluation also administered a stakeholder engagement process, whereby those who benefitted from the 16 interventions were given an opportunity to reflect on their experiences.

The analysis and conclusions of this evaluation are based on the patterns and general trends observed in the selection of case studies.

Conclusions

Overall, this retrospective evaluation found that the projects were responding to communities' needs and were deemed as relevant. The project close-out reports demonstrate that, for the most part, projects were implemented, and beneficiaries had either benefitted from them already or would begin to benefit in the near future.

Anecdotal evidence from these reports, key informant interviews, and beneficiary surveys demonstrate that a strategic alteration of core functions within the SIOC-CDT is necessary in order to execute interventions more effectively. This will ultimately result in increased impact potential of SIOC-CDT's Community Development efforts.

However, there are a number of recommendations related to project management and implementation that must be addressed for more efficient delivery of services. In particular, while there was high-level agreement of what the projects were about, the respective theories of change could be strengthened to better report on project outputs, outcomes, and impact. Strengthening the monitoring and evaluation systems of the project management teams is a crucial step in improved project performance and the SIOC-CDT team is already addressing this recommendation.

Summary

The Retrospective Evaluation Report shows that SIOC-CDT's overall influence of the social investment initiatives was positive, and many lives in the community were positively impacted. However, this impact was only moderate. Through strategic repositioning, it can be anticipated that future interventions will be more impactful.

The evaluation further uncovered strong evidence suggesting that SIOC-CDT as an organisation that has embarked on an organisational transformation process to strengthen its Governance, Monitoring and Evaluation systems.

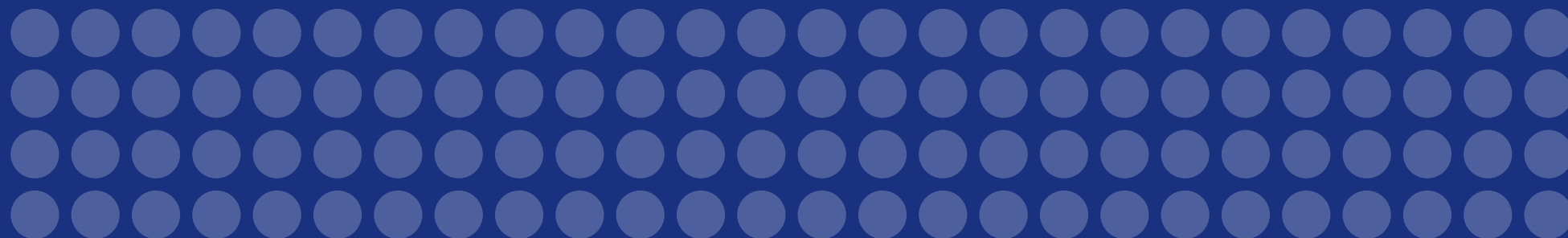
A copy of the Retrospective Evaluation Report is available upon request from stakeholder@sioc-cdt.co.za

ACRONYMS

ADE	Advanced Diploma in Education	NQF	National Qualifications Framework
ANA	Annual National Assessments	NSC	National Senior Certificate
BBBEE	Broad-based black economic empowerment	NSFAS	National Student Financial Aid Scheme
BDS	Business Development Support	NYDA	National Youth Development Agency
CABDIC	Capacity Building of People with Disability in the Community	PBA	Public Benefit Activity
CAPS	Curriculum Assessment Policy Statement	PSC	Project Steering Committee
CCBSA	Coca-Cola Beverages South Africa	PWD	People with Disabilities
CDS	Community development strategy	Q&A	Questions and answers
CEO	Chief Executive Officer	SARS	South African Revenue Service
CIDB	Construction Industry Development Board	SCM	Supply Chain Management
CIPC	Companies and Intellectual Property Commission	SEDA	Small Enterprise Development Agency
CO₂	Carbon dioxide	SEFA	Small Enterprise Finance Agency
CSP	Concentrated Solar Power	SIOC	Sishen Iron Ore Company (Pty) Ltd.
ECD	Early Childhood Development	SME	Small and medium enterprise
ESD	Enterprise and Supplier Development	SMME	Small, medium and micro enterprise
FET	Further Education and Training	SIOC-CDT	Sishen Iron Ore Company Community Development Trust
HCT	HIV and Counselling Tests	KSR&S	Kanako Social Responsibility and Sponsorship
HEI	Higher Education Institution	STEM	Science, technology, engineering and mathematics
IMEDP	Integrated Medium Enterprise Development Programme	SUNCEP	Centre for Pedagogy at Stellenbosch University
JTG	John Taolo Gaetsewe District	SYB	Seminar for Youth in Business
KSR	Kanako Social Responsibility	TVET	Technical and Vocational Education and Training
MEC	Member of the Executive Council (provincial government)	YEP	Youth Employment Programme
NEF	National Empowerment Fund		
NGO	Non-governmental Organisation		

GLOSSARY OF TERMS

Advocacy	The act of pleading or arguing in favour of something, such as a cause, idea or policy; active support	Lifestyle diseases	Lifestyle diseases are commonly caused by lack of physical activity, unhealthy eating, alcohol, drugs and smoking, which lead to heart disease, stroke, obesity, type II diabetes and lung cancer
Assurance	A statement or indication that inspires confidence; a guarantee or pledge	loveLife	A non-profit organisation promoting social activism for healthy living, active lifestyles and HIV consciousness among young people
Baseline outcomes	Data that forms the basis for comparison of results in future	Net assets	In accounting, the value of a company's total assets less its total liabilities and intangible assets. Put another way, the book value is the shareholders' equity, or how much the company would be worth if it paid off all of its debts and liquidated immediately
Beneficiary	A person who gains or benefits in some way from something	Ophthalmology	The branch of medicine that deals with the diagnosis and treatment of diseases and disorders of the eye
Capacity	The ability to do, make or accomplish something	Optometrist	One who examines eyes and measures vision
Catalyst	A person or thing that causes a change	Pedagogy	The art or profession of teaching/Preparatory training or instruction
COVID-19	A contagious viral disease causing severe acute respiratory syndrome	Procurement	The act of buying
Custodian	A guardian or keeper	Re A Fola	Mobile bus clinics rendering primary healthcare services to communities in the JTG District and the Tsantsabane Local Municipality
Diversified	To distribute (investments) among different companies or securities in order to limit losses in the event of a fall in a particular market or industry	Revenue	The gross income from a business enterprise, investment, property, etc
E-learning	Education – an internet-based teaching system	Roadshow	Any occasion when an organisation attracts publicity while touring or visiting
Entrepreneur	One who organises and manages an enterprise; one who owns and runs his own business	Sanitary towel	An absorbent pad worn externally by women during menstruation to absorb the menstrual flow
Equities	Ownership interest in a corporation, property or other holding	SciMathUS programme	Programme offering learners who have already passed Grade 12 but who do not qualify for higher education a second opportunity to improve their national senior certificate (NSC) results in specific subjects to enable them to re-apply for university programmes
Exhibition	A large-scale public showing of objects	Spaza shop	An informal convenience shop, or 'tuck shop' business in South Africa, usually run from home
Expenditure	Something that is paid for – an expense	Testimonial	A statement in support of a particular truth, fact or claim
Feasible	Capable of being accomplished or brought about; possible	Theory of Change	Theory of Change is a specific type of methodology for planning, participation and evaluation that is used in companies, in philanthropy and in not-for-profit and government sectors to promote social change
Franchise	The right or licence granted to an individual or group to market a company's goods or services in a particular territory	Trust	An institution or organisation directed by trustees
Incubator programme	A programme that helps start-ups to scale and grow their business by stimulating innovation	Trustee	A member of a board elected or appointed to direct the funds and policy of a Trust
Infrastructure	The basic facilities, services, and installations needed for the functioning of a community or society, such as transportation and communications systems, water and power lines, and public institutions		
Intervention	The systematic process of assessment and planning employed to remediate or prevent a problem		
InvestCo	A private company founded by SIOC-CDT, with the purpose of finding and managing suitable investments for the Trust		
Impact	To have a strong effect (on)		
King IV™	The King Code™ contains both principles and recommended practices aimed at achieving good corporate governance outcomes		



Defining ourselves through **our actions**,
not our words

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