



# SIOC COMMUNITY DEVELOPMENT TRUST

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

## 2022 *Stakeholder Day*

December 2022





# Programme *for the day*

Time	Item	Speaker
10h00	Program Directors	Ms. Refilwe Sebogodi Head Stakeholder Relations & Communications & Mr Shimmy Macomo Manager Stakeholder Relations
10h15	Opening prayer and Lighting of Candle	Pastor Koboyapudi
10h30	Welcome Address	Cllr. Dithupa Gamagara Local Municipality
10h50	Address by SIOC-CDT Chairman	Mr Llewellyn Delport Board Chairperson
11h20	Performance Overview Presentation by SIOC-CDT CEO	Mr Vusani Malie SIOC-CDT Chief Executive Officer
12h00	Discussion – Q&A Session	Ms. Refilwe Sebogodi Head Stakeholder Relations & Communications/Mr Shimmy Macomo
12h30	Vote of Thanks	Cllr F Moagi Ga-Segonyana Local Municipality

## Our Vision



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

## Our Mandate

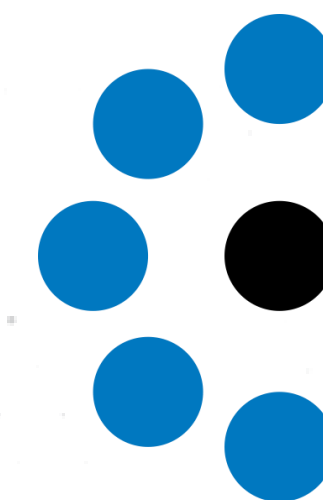


We implement sustainable socio-economic initiatives through partnering with key stakeholders.

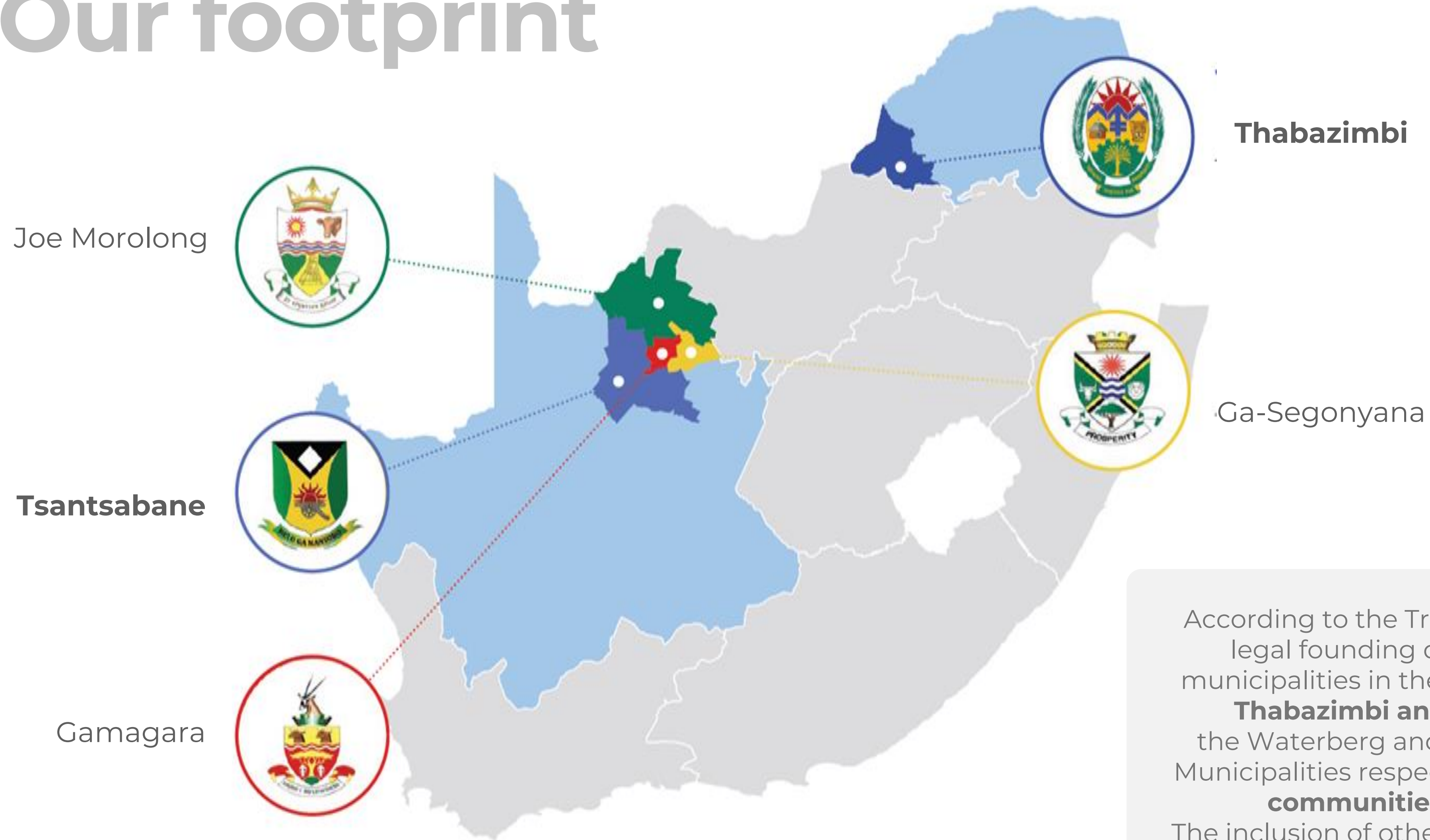
## Our Mission



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



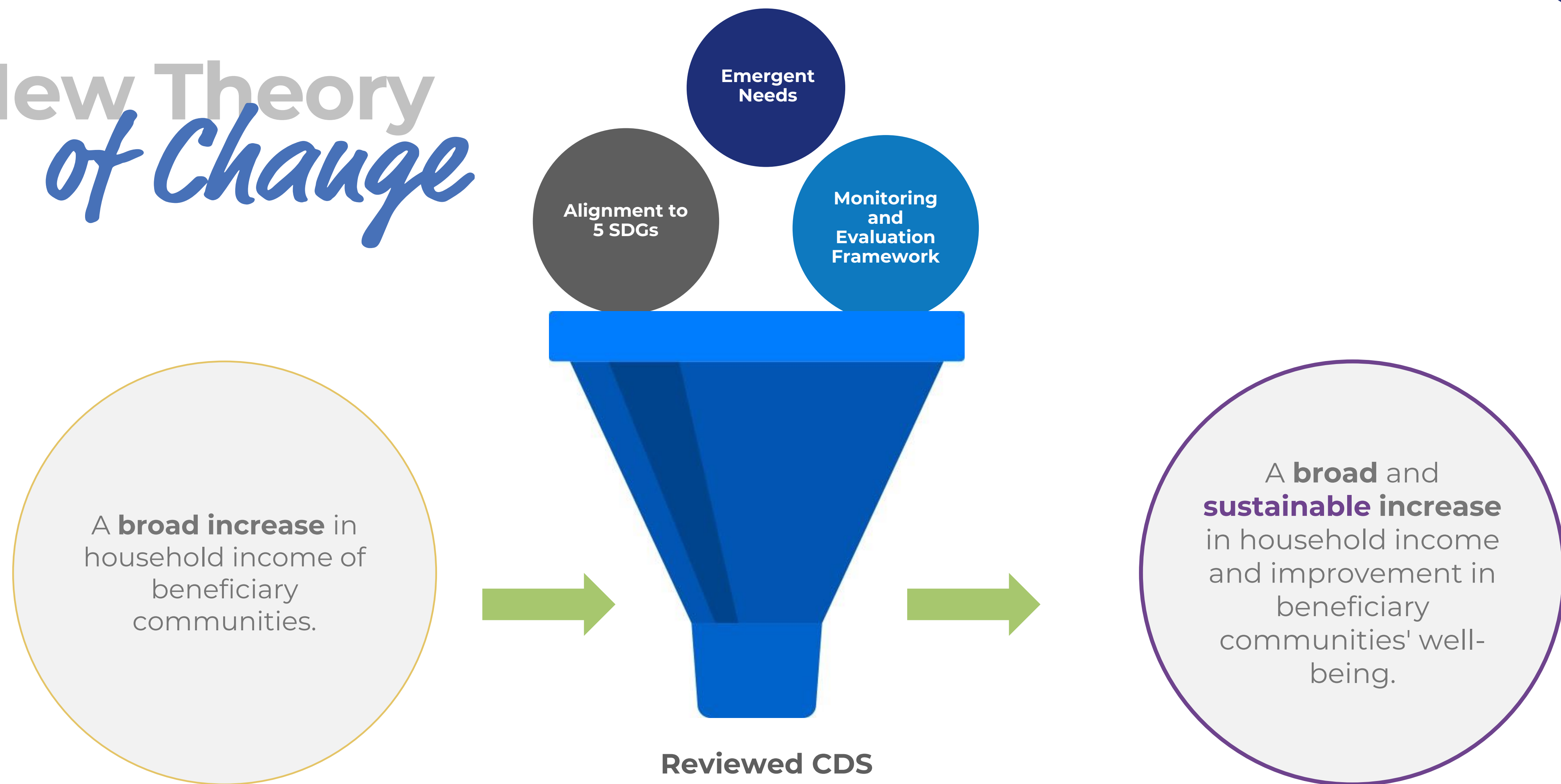
# Our footprint



According to the Trust Deed; which is our legal founding document; all local municipalities in the JTG District and **only Thabazimbi and Tsantsabane**, in the Waterberg and ZF Mgcawu District Municipalities respectively, **are beneficiary communities** of SIOC-CDT. The inclusion of other municipalities will be a violation of the trust deed.



# New Theory *of Change*



FROM OLD TO NEW



# New Theory *of Change*



The **mandate** of the Trust is different from that of Government.



- We **partner** with local and provincial Government.
- The Trust also **participates** in local municipal planning forums.
- The Trust **invests** money on projects that have positive impact on the socio-economic development of beneficiary communities.





# Our community *development strategy*



## Education, training and skills development

Education increases employability, allowing youth to participate in the local job market.

We support them by:

- boosting access to education
- providing bursaries
- promoting quality of education



## Enterprise development

Growing and sustaining local enterprises enables them to contribute to employment creation and household income generation. We therefore support small business development.



## Health and social welfare

Better care for the vulnerable empowers communities to thrive. Our social wellbeing projects include health, infrastructure, donations, and disaster relief among others.



# Governance of the Trust

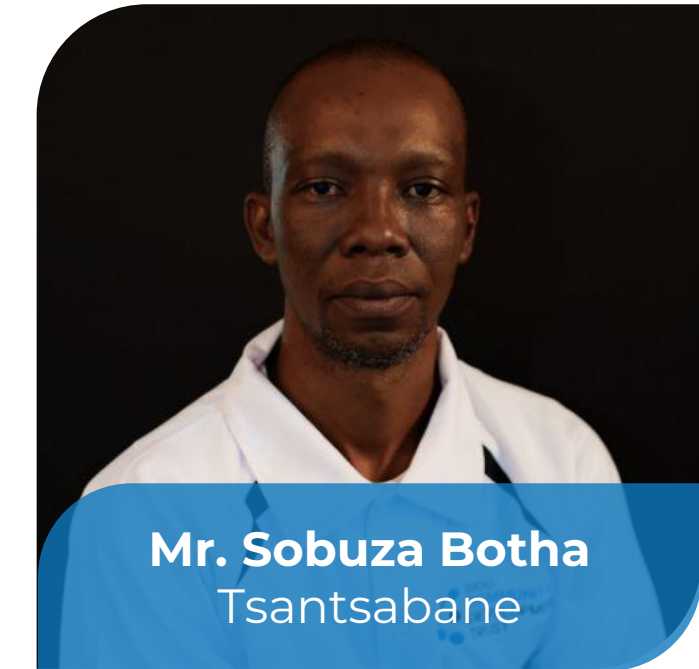
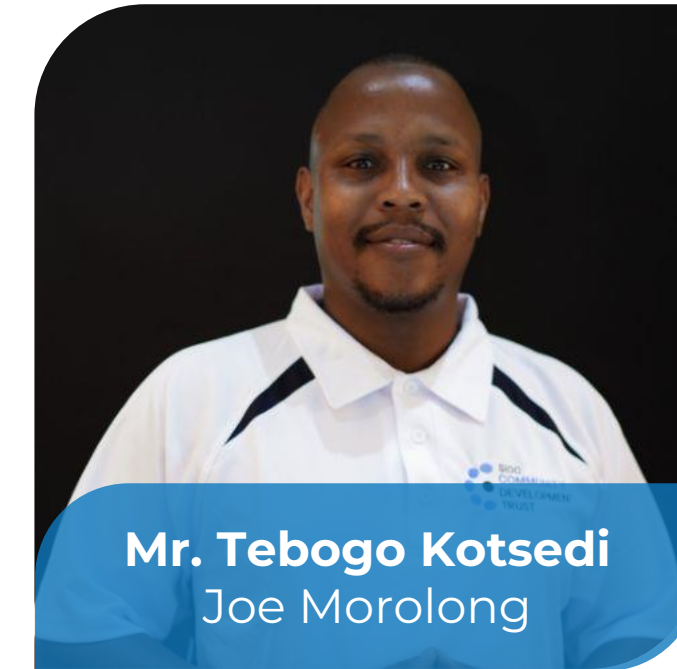
## SIOC-CDT Board

The SIOC-CDT Board comprises of thirteen (13) Trustees and an independent Chairman appointed by the Donor as per Trust Deed requirements, placing a limit on potential conflicts of interests.

Term of office for trustees is 3 years with an option to renew but cannot exceed 9 years.

1	<b>Mr. Llewelyn Delport</b>	Non-Executive and Independent (Chairman) (Donor)
2	<b>Ms. Ayanda Magoxo</b>	Non-Executive Donor Trustee (Donor)
3	<b>Mr. Mangaliso Kies</b>	Non-Executive and Independent (SIOC-CDT)
4	<b>Mr. Pranill Ramchander</b>	Non-Executive Donor Trustee (Donor)
5	<b>Ms Tracey Henry</b>	Non-Executive and Independent (Donor)
6	<b>Mr Sechaba Thole</b>	Non-Executive and Independent (SIOC-CDT)
7	<b>Mr. Kagiso Leserwane</b>	Non-Executive (Ga-Segonyana)
8	<b>Mr. Tebogo Kotsedi</b>	Non-Executive (Joe Morolong)
9	<b>Ms. Masechaba Mabilu</b>	Non-Executive and Independent (SIOC-CDT) JTG
10	<b>Mr. Pop Motsisi</b>	Non-Executive and Independent (SIOC-CDT)
11	<b>Mr. Sobuza Botha</b>	Community Representative Trustee (Tsantsabane)
12	<b>Mr. Nico Andreas</b>	Community Representative Trustee (Gamagara)
13	<b>Mr. Tumisang Pilane</b>	Community Representative Trustee (Thabazimbi)
14	<b>Mr. Vusani Malie</b>	Chief Executive Officer

**All beneficiary areas are represented by 1 (one) community representative trustee** elected by the community (no community is over-represented).

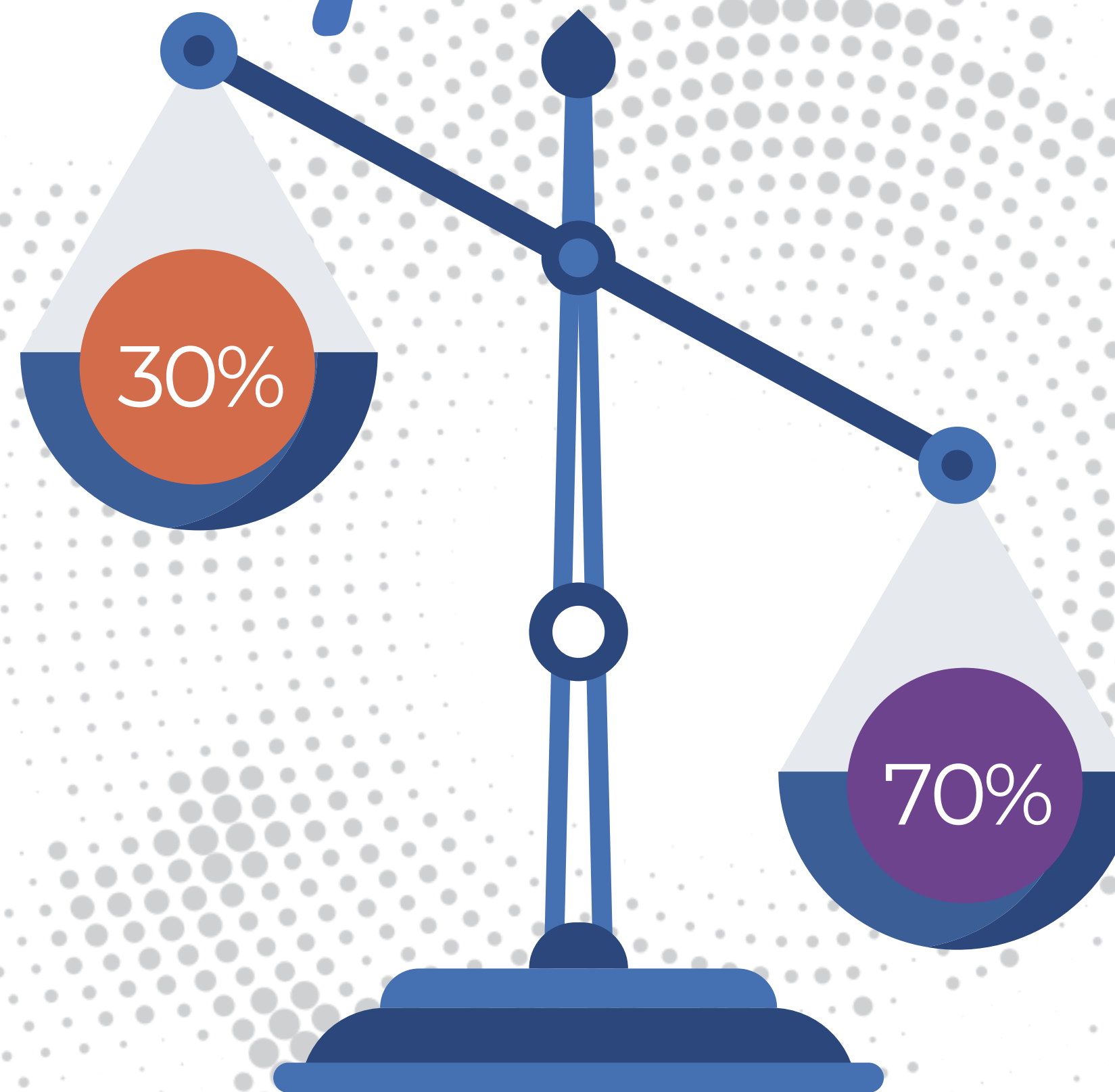




# Our spending *policy*

## 30% Investment

in a well-diversified pool of assets to augment and later replace the Kumba dividend at the mine's end of life.



## 70% Spend

on initiatives that will effect positive change and sustainable development in the beneficiary communities.







# Performance *review*

FINANCE &  
INVESTMENT



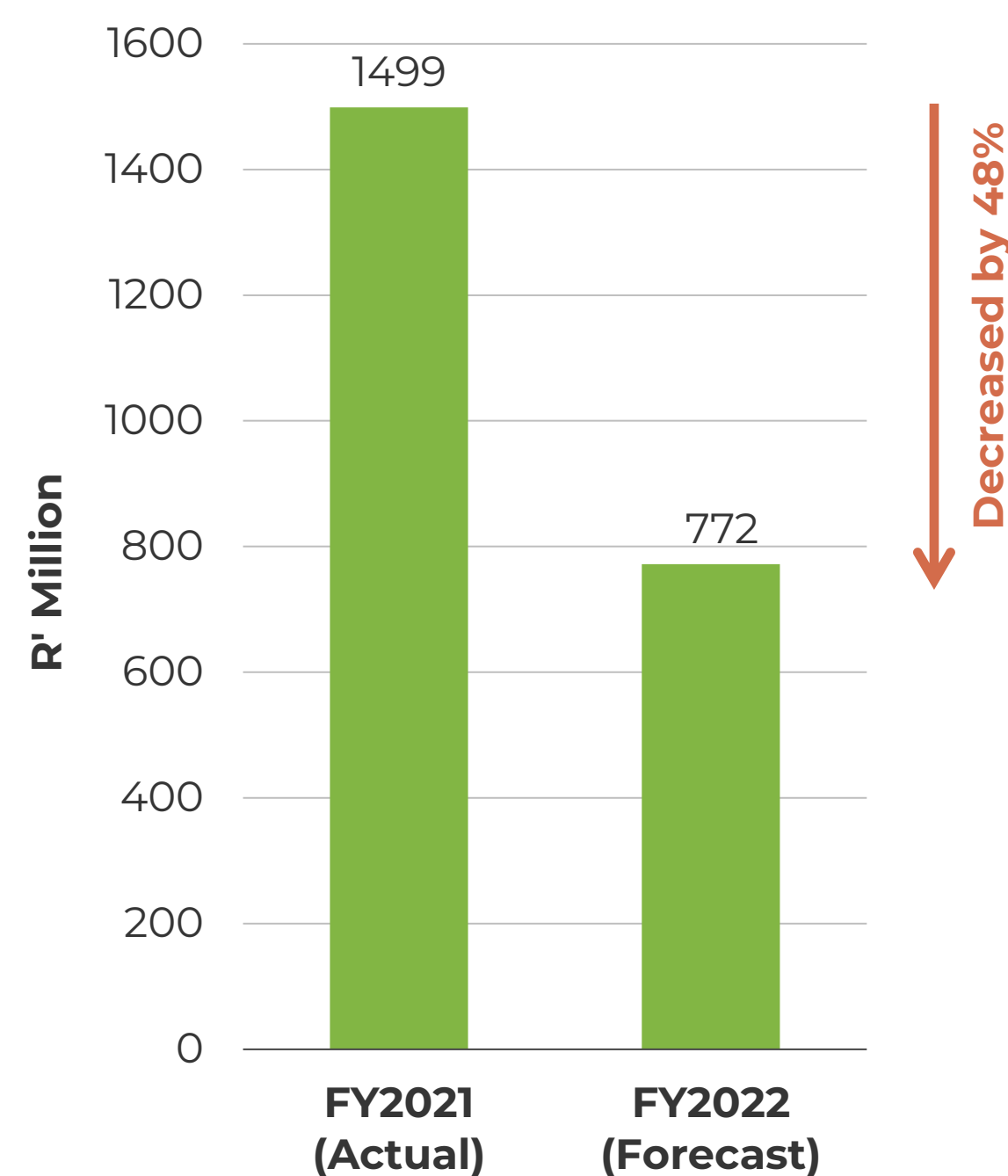


# Income analysis

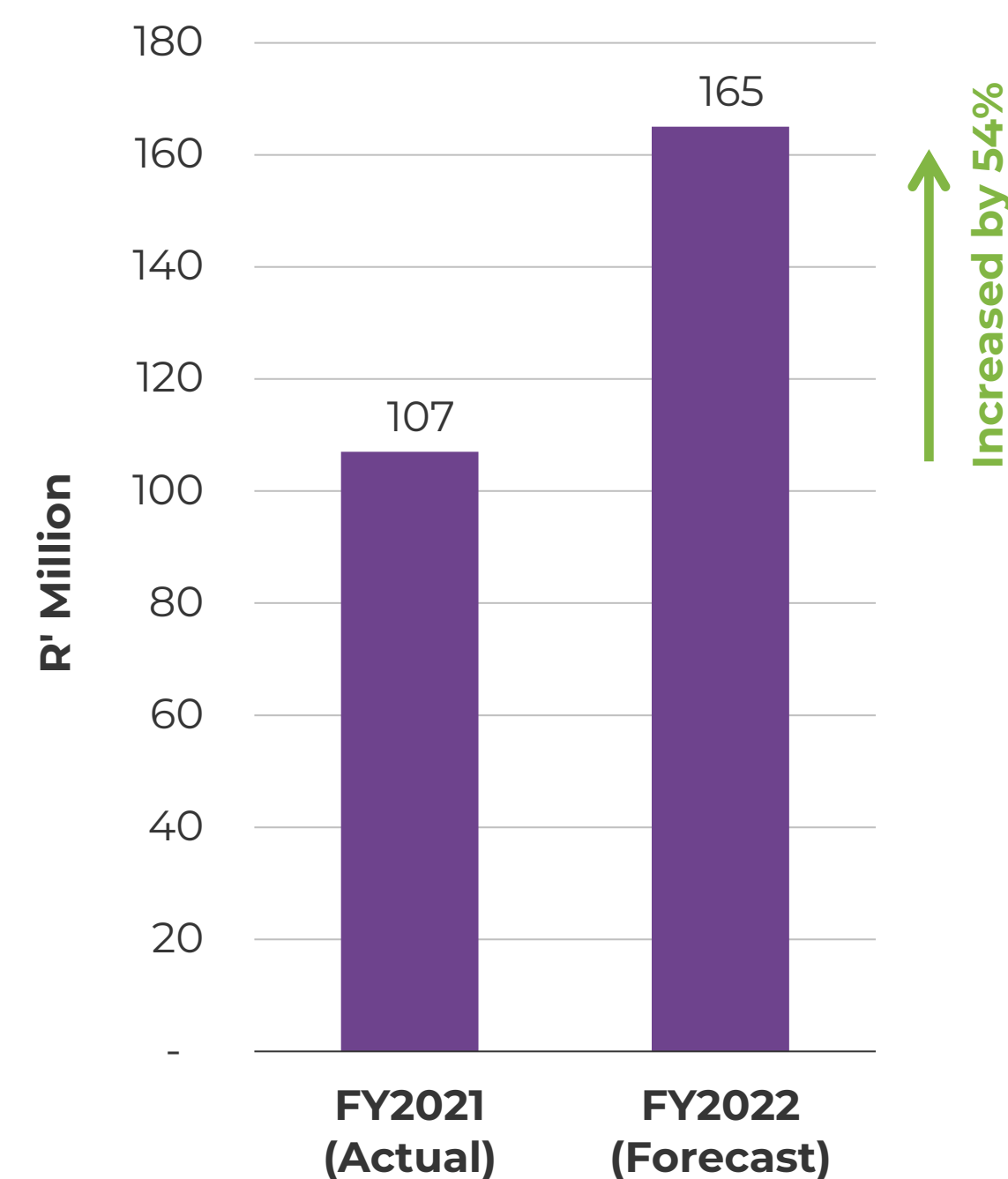
Interest income is forecasted at **R165 million** for the 2022 financial year.

Investment income from subsidiaries is forecasted at R51 million for the 2022 financial year. (The decrease is as a result of the reduced shareholders loan to KSP and the resultant decrease in interest.)

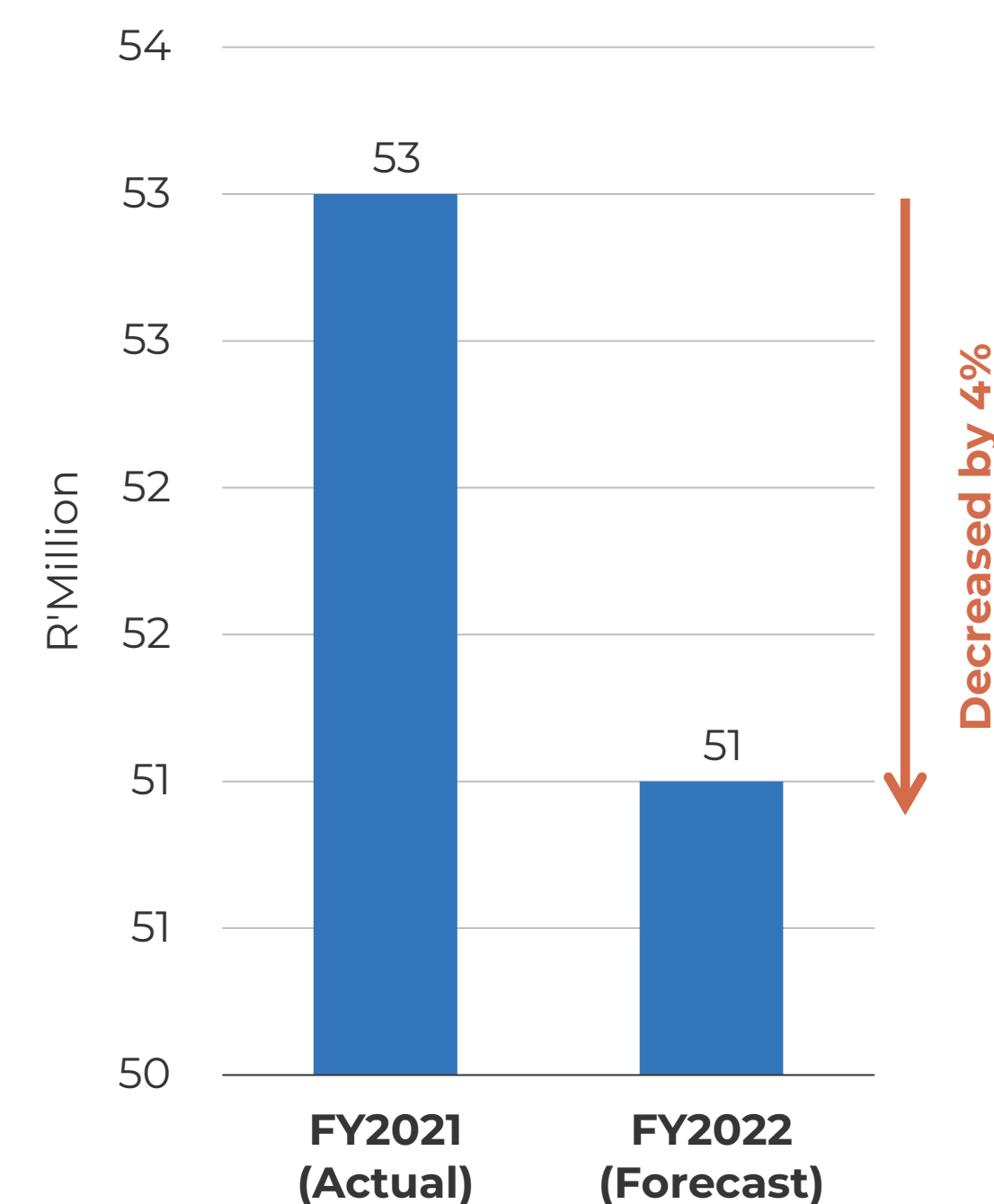
## Dividends received from SIOC (Pty) Ltd



## Investment income – Interest Income on cash reserves

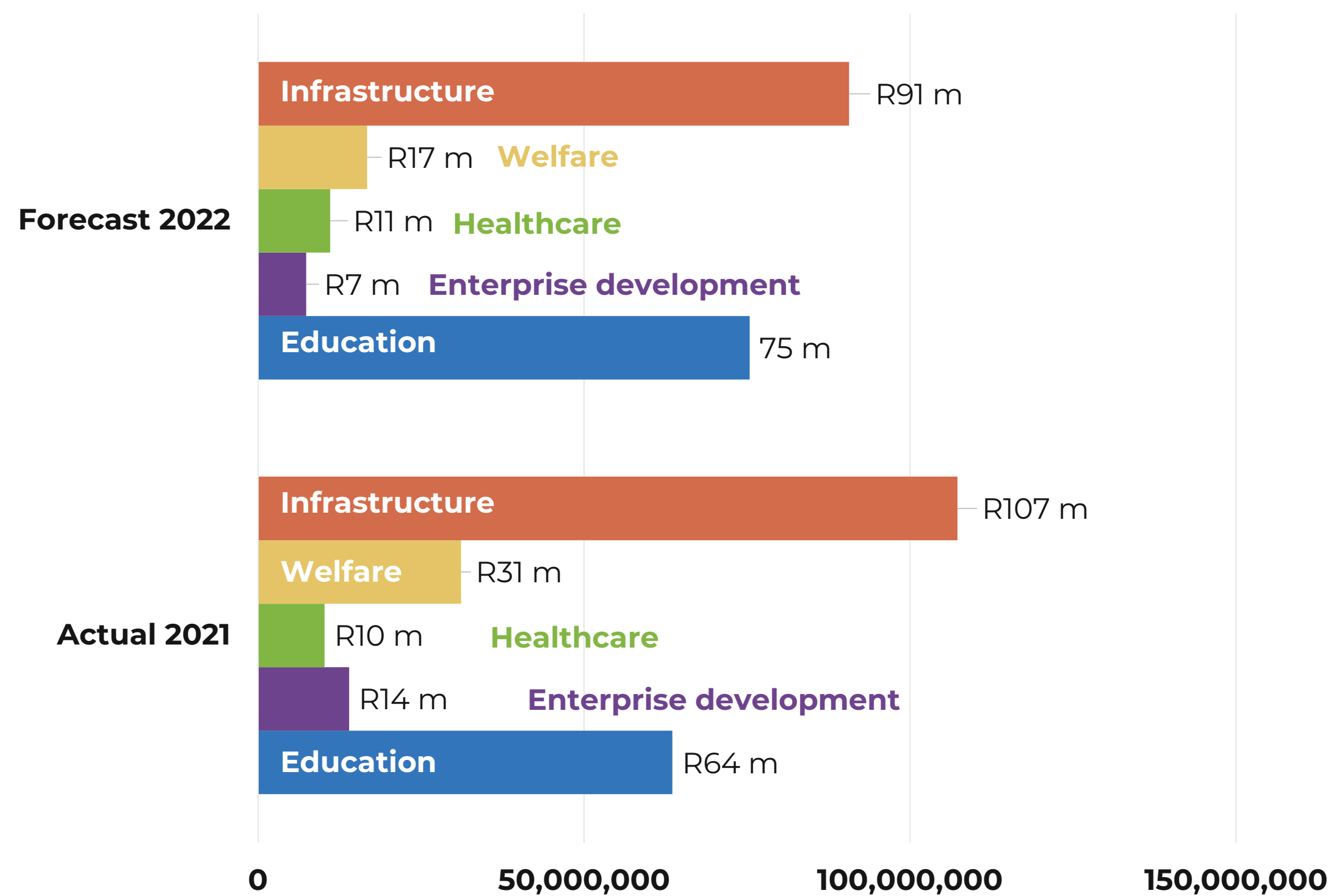


## Investment income – Subsidiaries

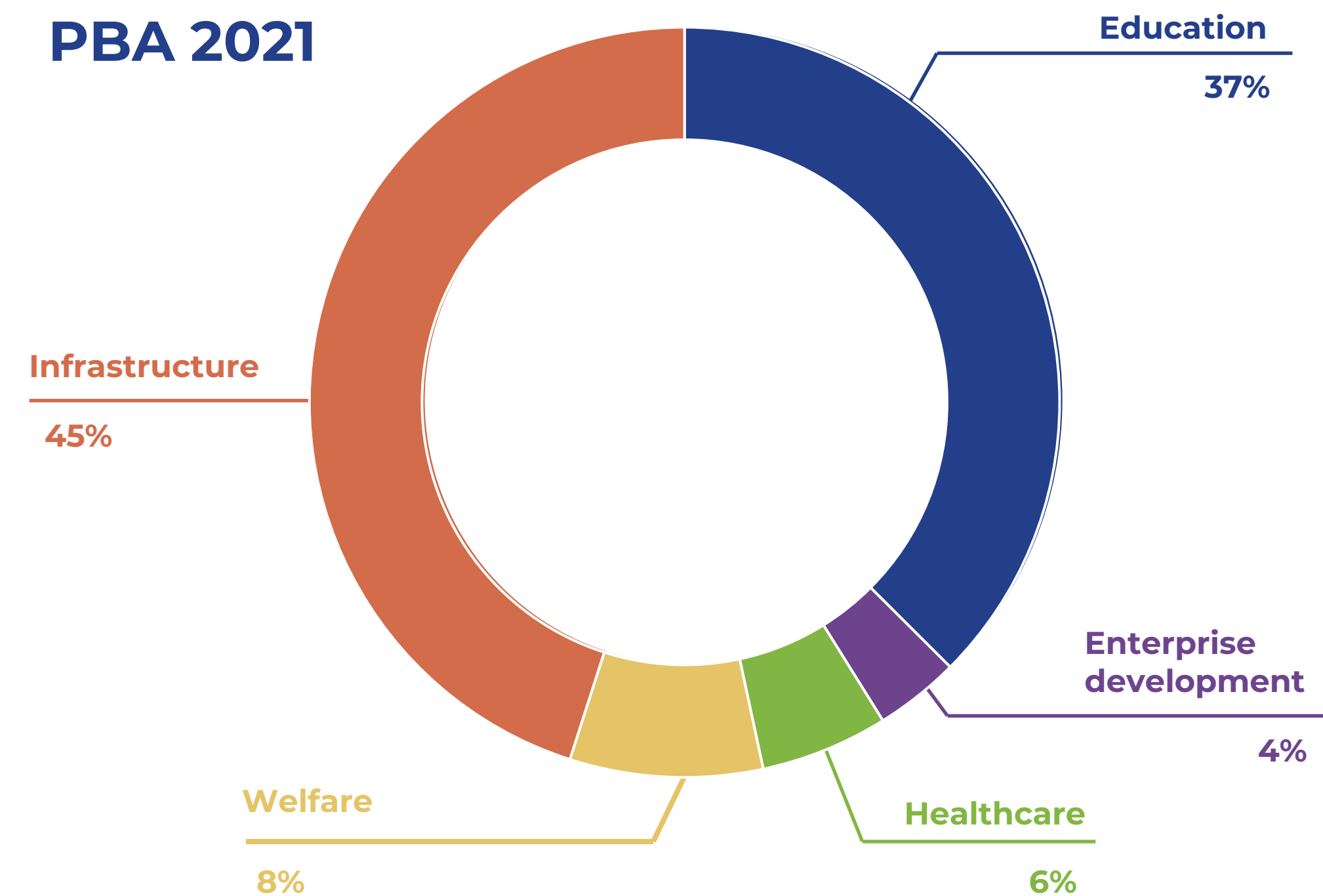


# Breakdown of project expenditure

## Public Benefit Activities (PBA) Spend



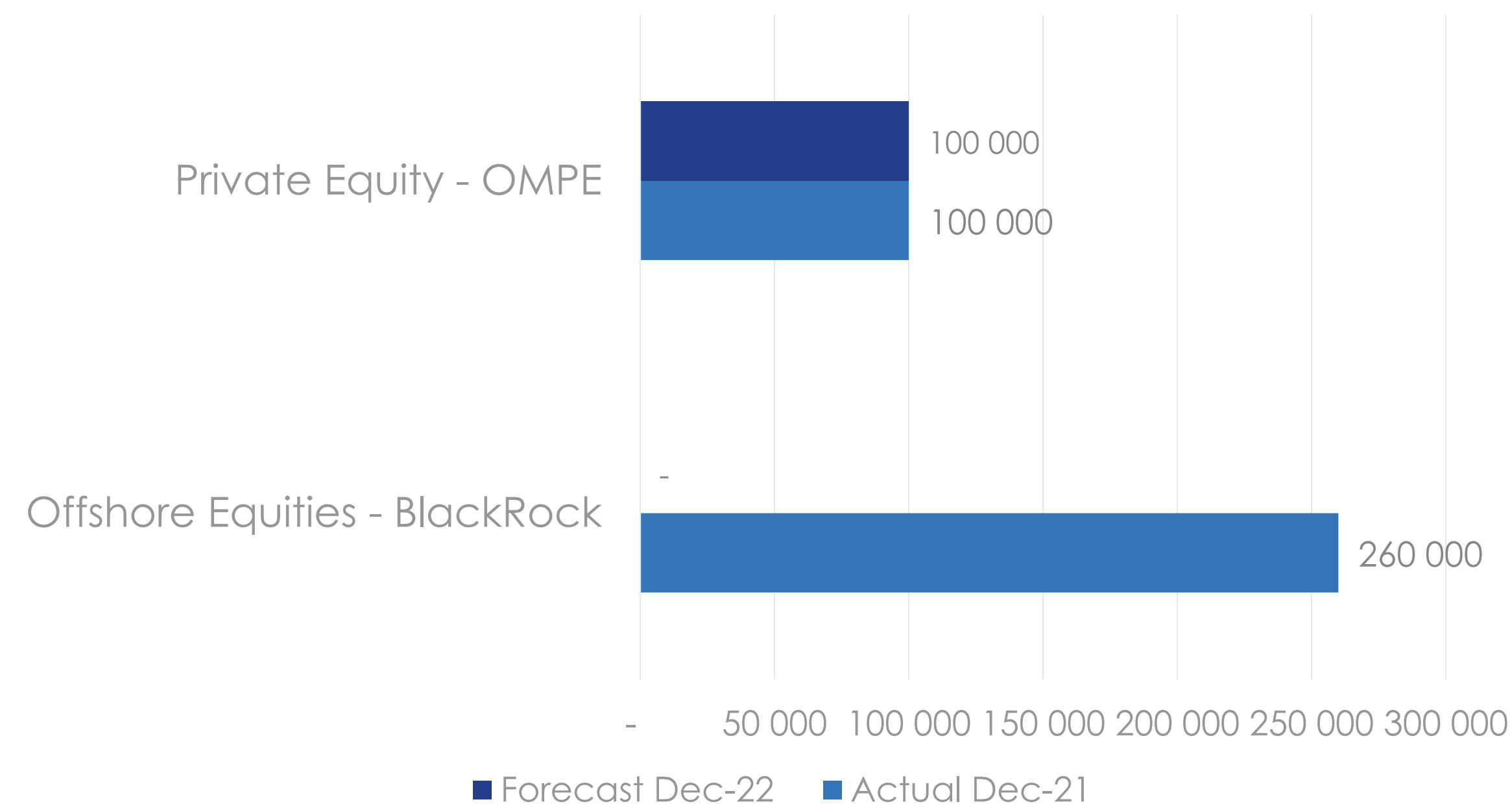
## PBA 2021





# Investments made

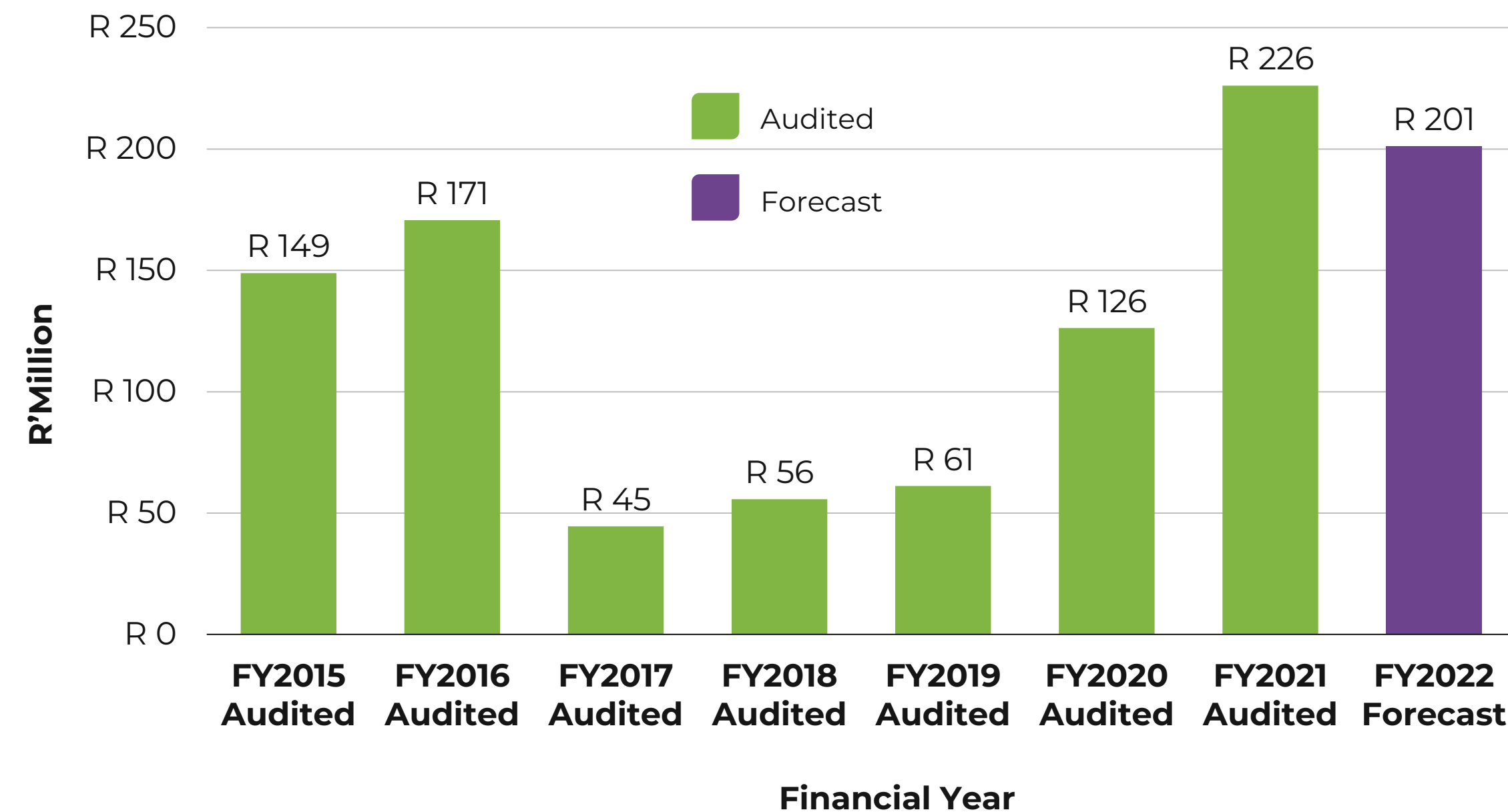
Investments made 2021/2022



A **total investment of R200m was made** in a R6 billion Private Equity Fund, OMPE Fund V, in June 2021 and June 2022. **Another R260m was invested in an global equity fund, BlackRock Index Fund**, domiciled in Ireland. These investments enable the investment company to **pursue its strategic asset allocation target** to ensure the Trust's operations after life of mine.

# Breakdown *of project expenditure*

## PBA Spend history

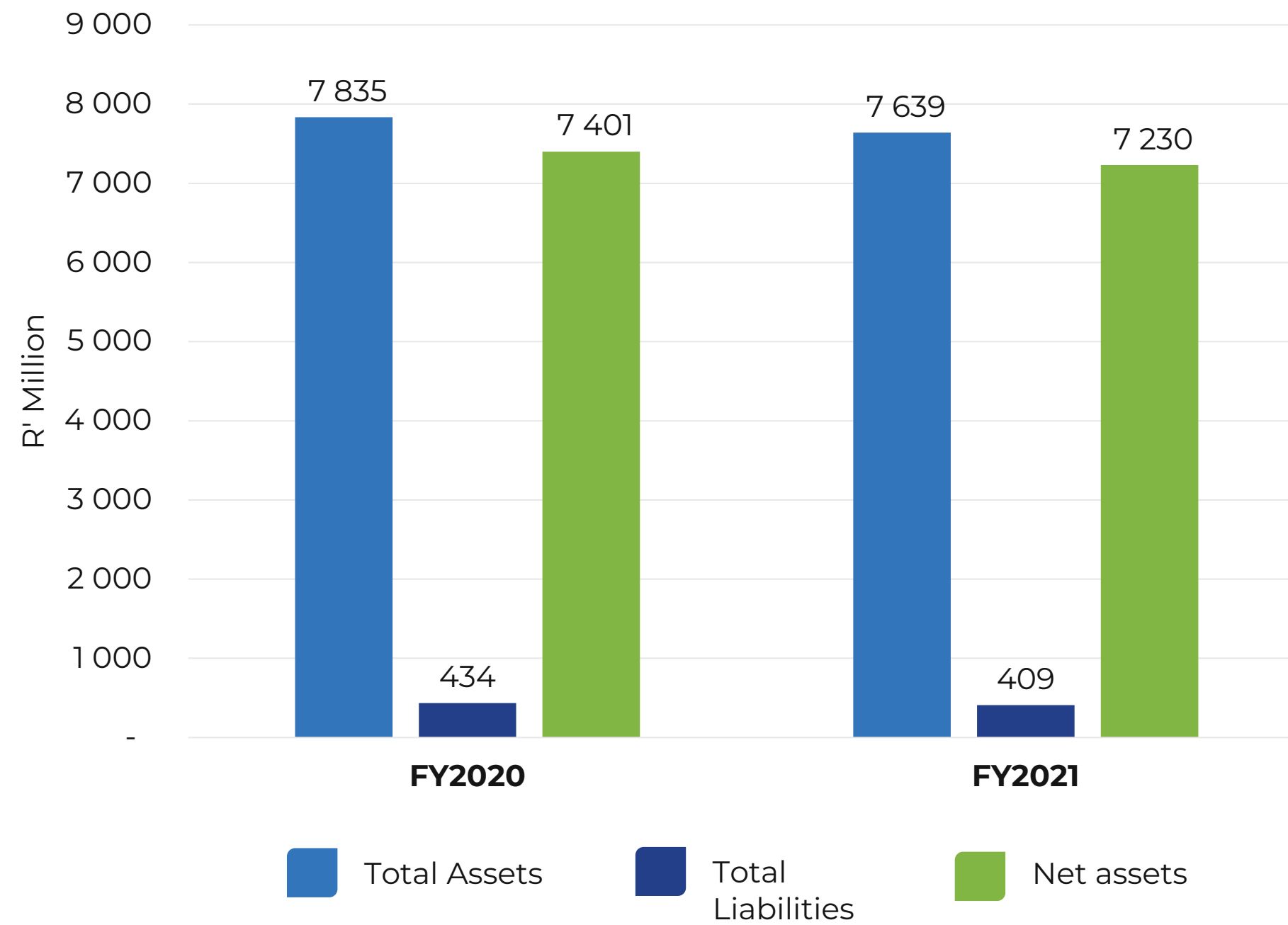


The PBA spend for 2022 is **expected to decrease slightly** in comparison to FY2021 (12% expected decrease), due to a board resolution to postpone implementation of some construction projects to the next financial year to allow for sufficient planning and front-end loading.



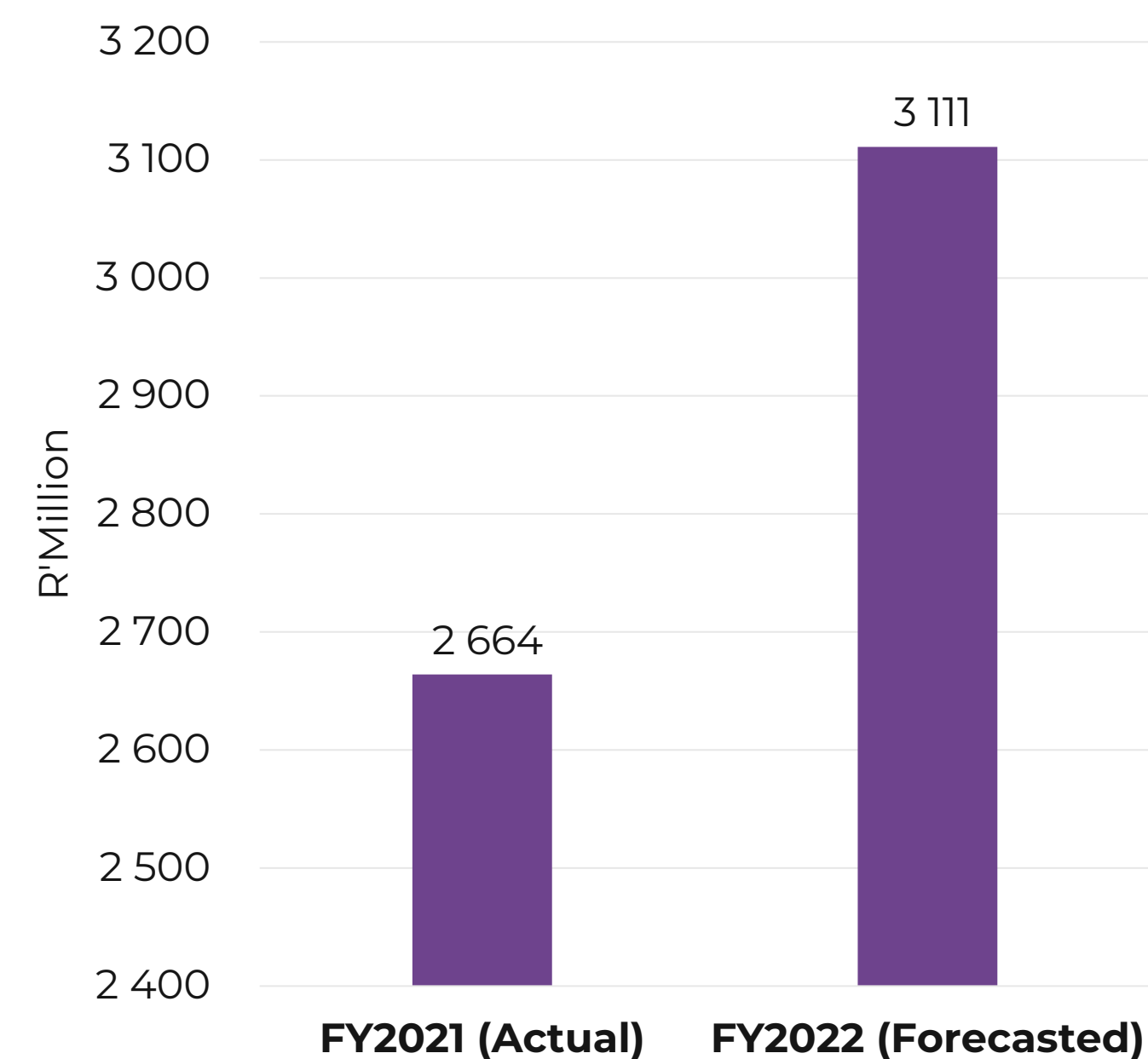
# Summary of *Statement of Financial Position*

## Net asset growth





# Cash reserves



**Group cash holdings** increased, largely due to the dividends received from SIOC.

Available cash forecasted for the 2022 financial year, is estimated at **R3,1 Billion.**





# SIOC-CDT *investment portfolio*

## SIOC-CDT Office Park

100% owned by InvestCo

Built to house SIOC-CDT employees, but demand for quality office space led to SIOC-CDT renting out unused space.



**Aha Kathu Hotel**  
100% owned by InvestCo

Purchased to increase business tourism in the region



**SA Airlink**  
33.5% owned by InvestCo

Offers daily flights to Kathu and is pivotal to stimulating the local economy



**BlackRock Asset Management**

InvestCo invested R260m into an emerging markets (R78m) and developed markets (R182m) funds in Ireland.

This gives InvestCo a hedge against the Rand and the local economy.

**FUTUREGROWTH**  
/ ASSET MANAGEMENT

**Futuregrowth Asset Management**

InvestCo invested R84m in the Core Bond portfolio



**M&G Investments (Prudential)**

InvestCo invested R124m in the Core Equity portfolio



**Kathu Solar Park**  
12.5% owned by InvestCo

KSP is a 100MW Concentrated Solar Park just outside Kathu


Commissioned in 2019. KSP can power up to 179 000 South African homes during peak times



**Old Mutual Private Equity Fund**

This fund aims to raise R5bn to purchase mid-sized enterprises in Southern Africa.

InvestCo committed R200m as a limited partner,

 100% owned

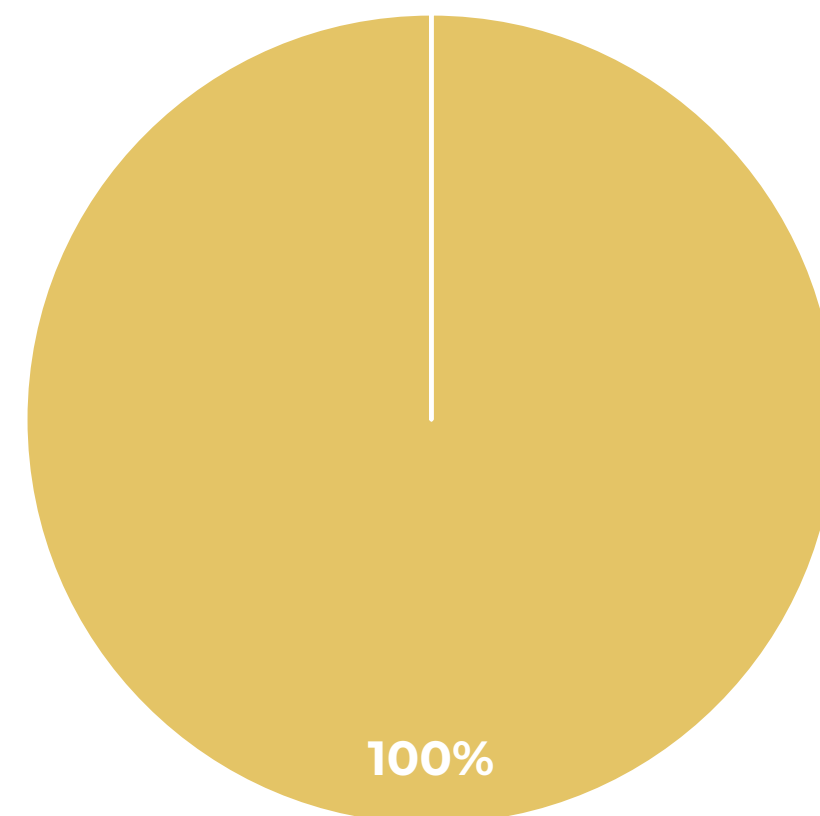
 Minority holding

 Investment fund



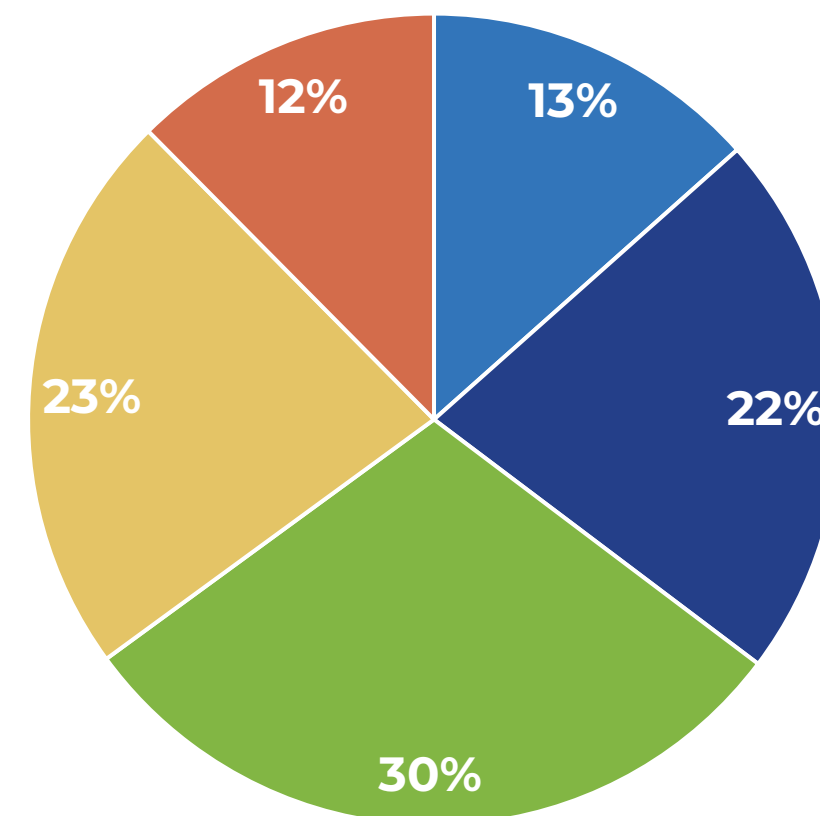
# Investments: Strategic *Asset Allocation*

**Historic Asset Allocation (2018)**



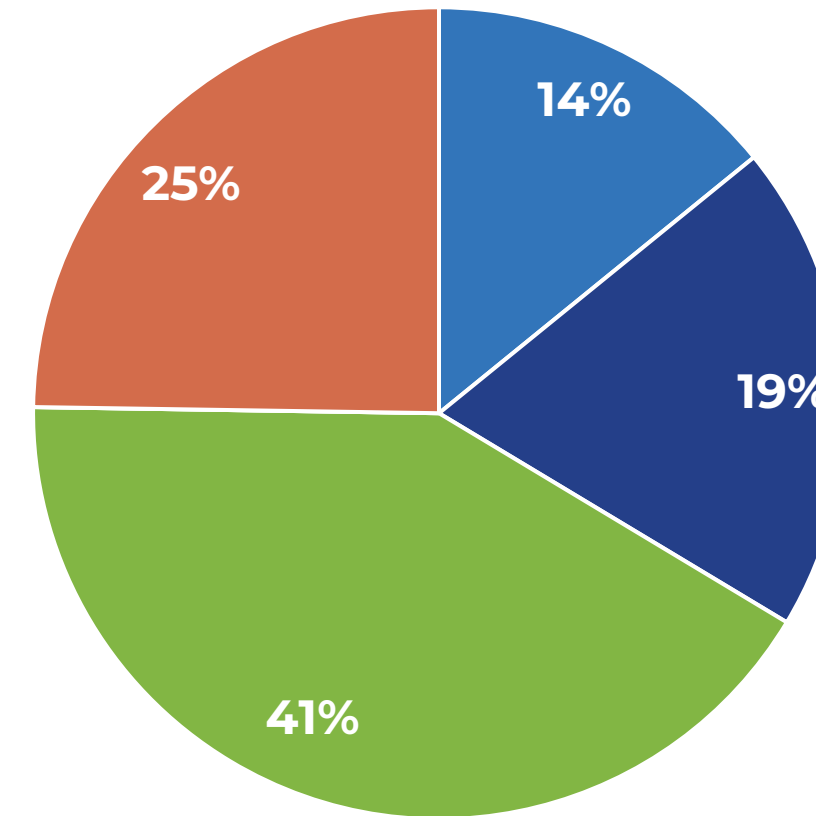
- Private Equity
- Listed Equities - Local
- Listed Equities - Offshore
- Legacy Investments
- Local Bonds

**Current Asset Allocation (2022)**



- Private Equity
- Listed Equities - Local
- Listed Equities - Offshore
- Legacy Investments
- Local Bonds

**Long-Term SAA (Target)**



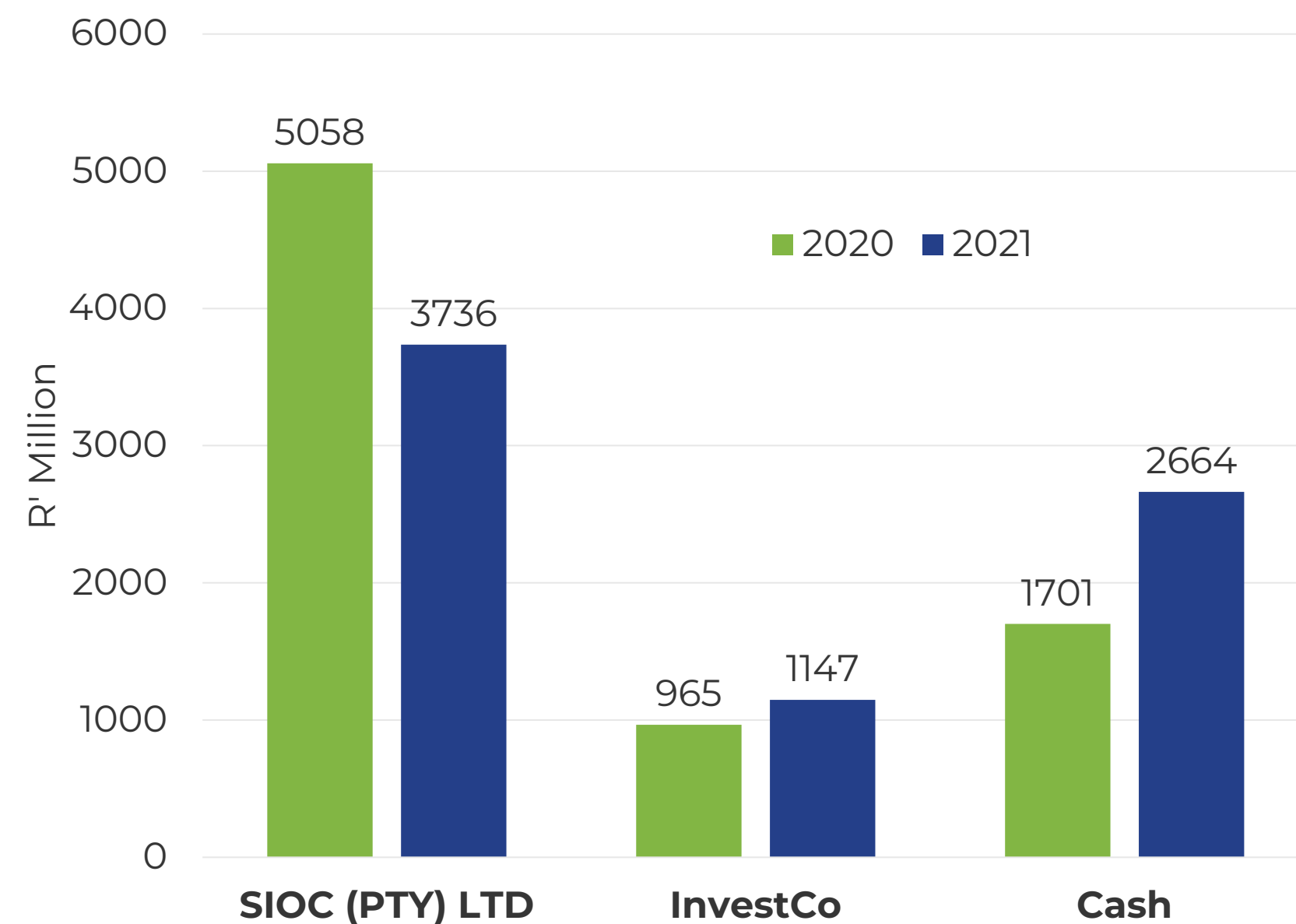
- Private Equity
- Listed Equities - Local
- Listed Equities - Offshore
- Legacy Investments
- Local Bonds

- The current asset allocation is **highly dependent on Kumba** (listed shares)
- Management seeks **to reduce this reliance** in the long run by:
  - Reducing legacy investments
  - Investing globally
  - Invest in Private Equity and Bonds
- This is a **long-term process** of value creation
- **The goal is to achieve above inflation returns** so the Trust can survive beyond life of mine



# Investment *report*

## Portfolio values



**The fair value of the investment** in SIOC (Pty) Ltd decreased by R1.3 billion (26% decrease) due to decrease in iron ore price from December 2020 and slowing growth in China.

**InvestCo investments include new investments** made in 2021, including Offshore Equities with BlackRock in Ireland and Private Equity investment with Old Mutual. Cash mandates were moved from Nedbank to Taquanta Asset Managers and Futuregrowth Asset Management.

**Record dividends of R1.5bn** (2020 final and 2021 interim) were received in 2021, boosting the cash reserves of the Trust to R2.6bn.



# Programmes & Projects

Education, Training and Skills  
Development, Enterprise Development,  
Community Health and Welfare







## Education, training & skills development

### What are we solving?

- A shortage of close, affordable and quality ECD centres.
- Low levels of adult literacy and computer skills.
- Low levels of school education.
- Lack of access to education and other opportunities to disabled children and the youth.





## Education, training & skills development

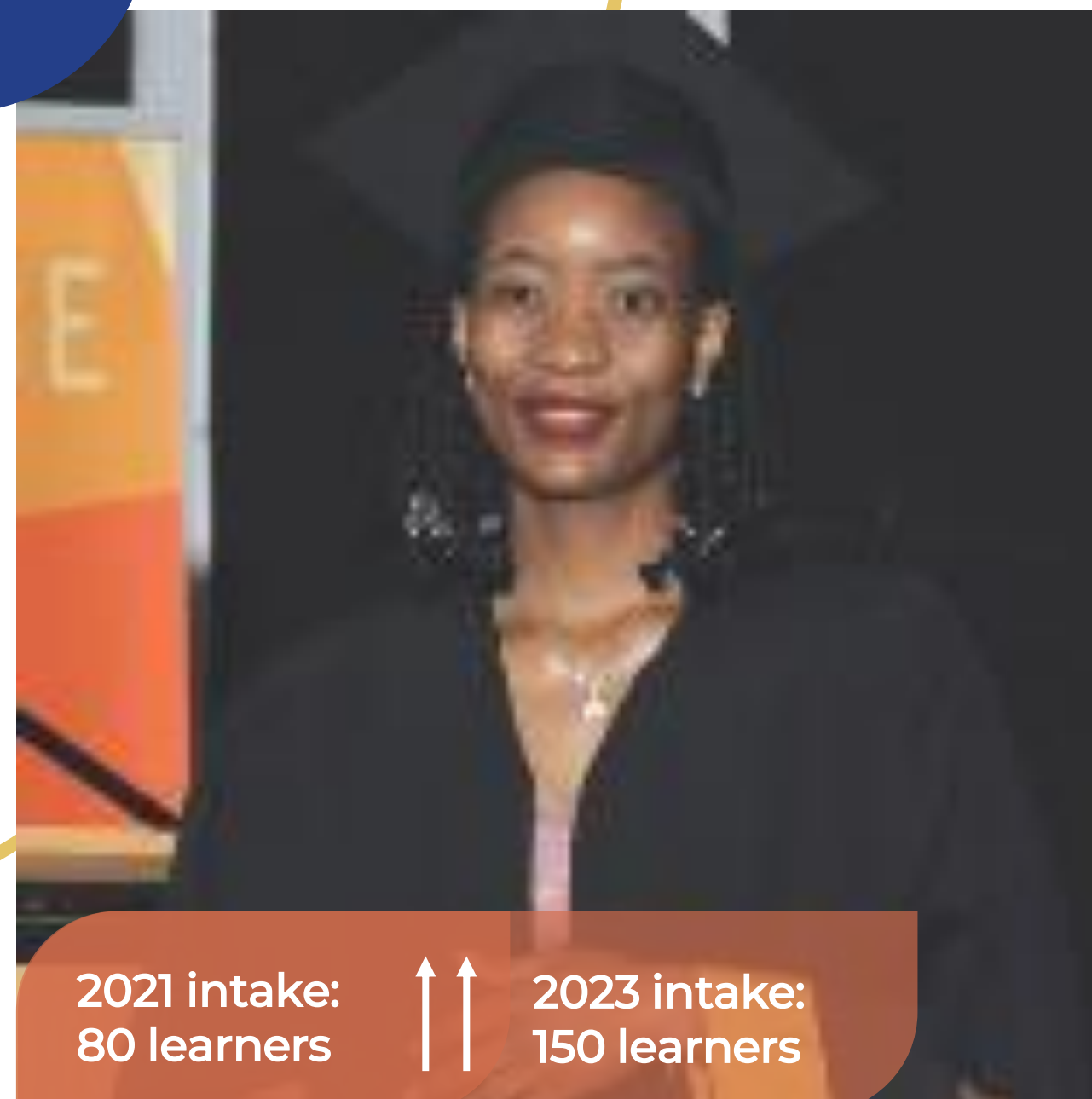


SciMathUs & Access to Success

### 100% Throughput across all our bridging programmes

The SciMathUs bridging programme is a collaboration with Stellenbosch University **for matriculants wanting to further their studies in STEM fields** but who need to improve their matric math and science results to be accepted into those programmes at university.

50 learners enrolled in SciMathUS in 2021. All of them completed the programme and were able to apply for university entrance in STEM academic fields.



2021 intake:  
80 learners



2023 intake:  
150 learners

### 87% Throughput in the bursary programme

- **169 students from the 5 (five) beneficiary communities are enrolled** at various universities and universities of technology through the SIOC-CDT bursary programme.
- Most graduates elect to do post-graduate studies or enter the labour market.

## HIGHLIGHTS OF 2021/22



2786  
Learners supported

### Learner support

- Mathematics & Science Saturday classes
- Tutors subject clinics
- Top Achievers camp





## Education, training & skills development



433 teachers supported

### Teacher professional learning

**9 Teacher development programmes** which include B.Ed- (Foundation Phase, Mathematics and English); Advanced Diploma School Leadership and Management

## HIGHLIGHTS OF 2021/22



65 practitioners graduated July 2022

96 to graduate in 2023

140 currently enrolled

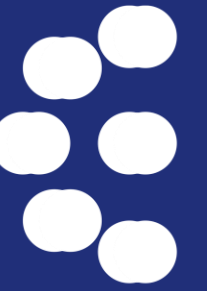
### NQF 5 ECD Practitioners graduation

- The **programme started in 2020** with 50 ECD practitioners enrolling for NQF 4.
- **94 ECD practitioners are still enrolled** into the programme and are expected to graduate in 2023.
- 3 Cohorts passed ECD Level 4&5
- **46 ECD practitioners graduated** with the NQF level 5 qualification in 2022.





## Community Health and Welfare



### What are we solving?

- High levels of drug and alcohol abuse in communities and schools.
- Dissatisfaction with the quality of public healthcare.
- Limited capacity of local clinics to meet community needs, which puts pressure on district hospitals.
- High prevalence of gangsterism in communities and schools.







## Community Health and Welfare



R8,2 m  
budget



1 200  
Patients helped

### Comprehensive Eye Care

Programme runs over 3 years.



R4,1 m value  
of donation



1 000 patients  
helped per year



### Donation of Ophthalmology Equipment to Robert M Sobukwe Hospital

- **SIOC-CDT runs a comprehensive eye care programme** in collaboration with the South African Council for Blind (SACB).
- Patients who go through the programme and require surgery are referred to the Robert Mangaliso Sobukwe Hospital in Kimberley. The Robert M Sobukwe Hospital has a backlog of surgeries due to shortages of equipment.





## Community Health and Welfare



R39,8 m  
budget



33 304 young  
patients helped

### Youth Centres (Thabazimbi, Tsantsabane, Deben and Olifantshoek)

- Olifantshoek YC was recently refurbished and opened. Due to non-occupation of the youth centre and community unrests, the building was vandalised and needed repairs.
- Tsantsabane YC is a partnership between SIOC-CDT, Kolomela Mine Municipality (MOU Outstanding).
- Deben YC contract has been extended.

## HIGHLIGHTS OF 2021/22



### Capacity building for children living with disability (Thabazimbi)

Programme runs over 3 years

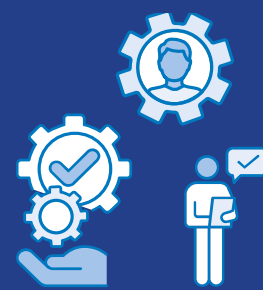


R13,1 m  
budget



4 353 lives to be  
touched





## Enterprise development

### What are we solving?

- Low levels of funding support for informal businesses, which are mainly small, unregistered and conducted from home.
- Lack of business development support services to help small business grow.
- Red tape faced by small businesses when looking for funding and procurement opportunities.
- Lack of conducive environment to start and scale strong businesses in our communities, leading to businesses which do not grow and expand.





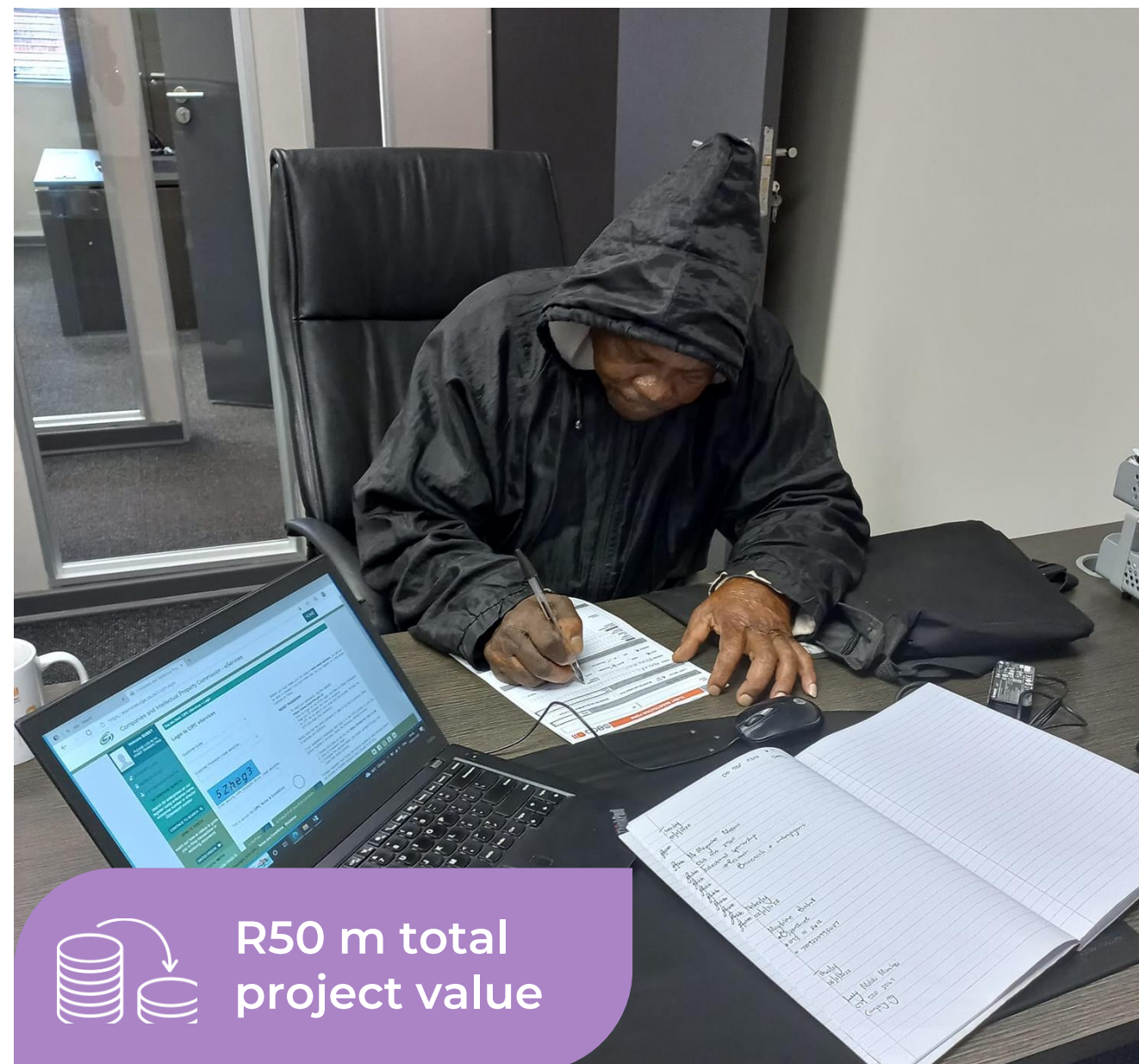
## Enterprise development

### Kgodiso Project Launch

- Aims to support 50 SMMEs across all 5 (five) beneficiary areas.
- R50 million has been set aside to assist 50 SMMEs with their growth and expansion plans by buying them equipment and machinery, stock and providing working capital
- Start-ups are also encouraged to apply for assistance through Project Kgodiso
- Women and youth will receive priority.



R3,5 m  
budget (2022)



R50 m total  
project value

## HIGHLIGHTS OF 2021/22



SIOC-CDT STAKEHOLDER DAY 2022





## Enterprise development



R2,2 m  
budget



270  
SMEs helped

### SMME Portal Registration Drive

- A **One-Stop Shop** for Marketplace and Support. An online based platform which means accessibility from anywhere at any time.
- Enables growth targeted opportunities to mature SMMEs.
- Includes all procurement opportunities over and above the mining industries.
- SIOC-CDT went on a drive across beneficiary communities to **help SMMEs register** on the portal for them to access business opportunities.

## HIGHLIGHTS OF 2021/22



R8,5 m  
disbursed



125  
SMEs helped

### Completion of COVID-19 Relief Fund disbursements

- The COVID\_19 Relief Fund was set up to assist SMMEs in SIOC-CDT's beneficiary communities who were in business distress due to the COVID-19 pandemic.
- The fund was a collaboration between SIOC-CDT and the National Empowerment Fund (NEF).
- After delays in the system all COVID-19 Relief Fund Disbursements have been completed.





## Enterprise development



R2,6 m  
budget



Target no.  
SMEs: 100

### Thabazimbi Business Hub

Business hub for SMMEs to access information, opportunities and training.

	Targets	Actual
Funding referrals	30	9
Walk-in enquiries	250	207
Business Development Support	50	9
Outreach Programmes	6	4
Registration of businesses	30	12
Incubation Programmes	2	0

## HIGHLIGHTS OF 2021/22



### Honey production and Beekeepers project

Agri-business project targeting women and youth with access to land.



R4,6 m  
budget

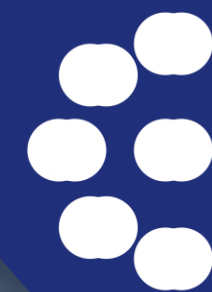


Target no.  
SMEs: 30





## Infrastructure projects



### What are we solving?

Infrastructure projects are implemented in line with our three main focus areas







## Infrastructure projects

## HIGHLIGHTS OF 2021/22

### Completion of Northam Clinic Project

- The objective of the project was to support the Limpopo Department of Health to **provide quality healthcare** for the fast-growing Northam mining town and to ease pressure on the Thabazimbi Hospital.
- **Improvement of the capacity of the maternity unit** by increasing the number of neonatal and postnatal rooms at the clinic and procure medical equipment and furniture for the extended part of the clinic.
- The project for the upgrade of Northam Clinic was a partnership between SIOC-CDT and Dikuno Tsa Setshaba Trust.
- The upgraded Northam Clinic was launched by Limpopo MEC of Health on Dr. Phophi Ramathuba on **11 November 2022**.







## Infrastructure projects



R58,1 m  
budget



90 households  
helped

### Infill Housing (Dibeng and Olifantshoek)

- Completed, with owners taking occupation and signing handover certificates.
- Only 1 (one) house is remaining.
- During the project 9 local subcontractors were appointed and taken through the contractor development programme to improve their CIDB grading.

## HIGHLIGHTS OF 2021/22



R25,1 m  
budget



600 households  
helped



### Babatas CPA Bulk Water Supply and Reticulation

- The bulk water supply is for 600 houses, only 300 are connected in this phase.
- Project nearing completion.





## Infrastructure projects



R27,1 m  
budget



700 learners  
helped

### Construction of Mabogopedi Senior Secondary School Multipurpose Centre

- Project due for completion by end of 2022.

## HIGHLIGHTS OF 2021/22



R5,1 m  
budget



250 learners  
helped

### Langberg High School – Equipment donation

- Donated equipment was installed and commissioned.
- A mini substation had to be installed to run high voltage equipment.







## Infrastructure projects



R77,2 m  
budget



89 530 lives  
touched



### Upgrading of MR947 Road – Phase 3

- The project is implemented by the NC Roads Department with SIOC-CDT financing part of the project.

## HIGHLIGHTS OF 2021/22



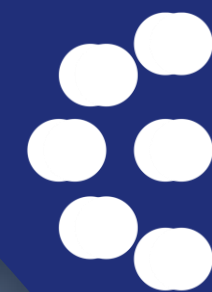
R 35,9 m  
budget

### Upgrading and refurbishment of Groenvlei Senior Secondary

- Groenvlei Senior Secondary School is a boarding school in the northern parts of the Thabazimbi municipality.
- The population of the area and that of the school has been growing over the years, causing overcrowding in classes.
- The school building is quite old and was also starting to deteriorate.
- **SIOC-CDT allocated an amount of R 35,9 million (Incl. VAT)** To build extra classroom facilities, refurbish the administration block and the hostel kitchen, construct a water supply and sewer system for the hostels.
- The project is completed in 2022, there are plans to do phase 2 of the school upgrade due to the fact that the school has been identified to participate in SIOC-CDTs schools of excellence programme.





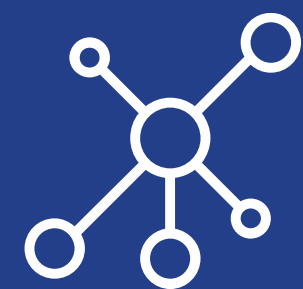


## What are we solving?

Kanako Social Responsibility implements programmes which address the immediate needs of communities which are not addressed through our main focus areas.







## Kanako Social Responsibility

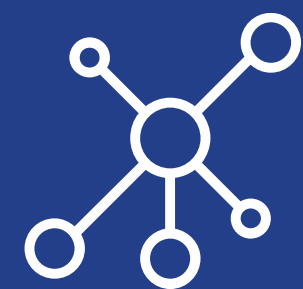
KRS implements programmes which address the immediate needs of communities which are not addressed through our main focus areas.

### Sanitary towels

- Donated sanitary towels to **2010 school-girls** across **15 schools**.
- Continuously receive positive feedback from educators and parents on learners' school attendance and confidence.
- Offered period education to demystify that menstruation is not a curse in the community.







## Kanakanak Social Responsibility

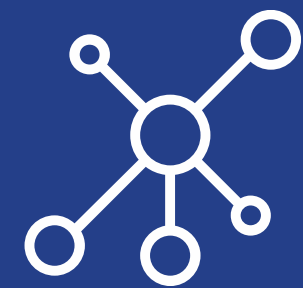
KRS implements programmes which address the immediate needs of communities which are not addressed through our main focus areas.

### School Uniforms

- Donated uniform to **474 children across 18 schools.**
- Continuously receive positive feedback from educators and parents on learners' school attendance and confidence.







## Kanakanak Social Responsibility

KRS implements programmes which address the immediate needs of communities which are not addressed through our main focus areas.

### Mandela Day

- Offered assistance to **6 community building initiatives** across all beneficiaries.
- A total of **231 lives** (including elderly citizens and children living with disability) were touched.







## Tsantsabane disaster relief

SIOC-CDT responded to the disaster in Tsantsabane municipality which was caused by heavy storms. SIOC-CDT worked collaboratively with the Department of Social Development, the Tsantsabane local municipality and local NGOs to implement relief efforts. Lessons learned will be used to guide SIOC-CDT strategies on climate change issues and other disasters.

### Humanitarian relief

- Donated food parcel vouchers and blankets for the **76 affected** families.
- Donated groceries and gas cyclinders to **3 soup kitchens** which were providing meals to the affected households.

### Restoration and repairs

- Roof, ceiling and other repairs at Wouter Kabouter ECD Centre in Postdene.
- Repairing 9 houses which were damaged by the storm.
- Re-gravelled 5,98 km road at Boichoko, Newtown and White City for proper storm water drainage.



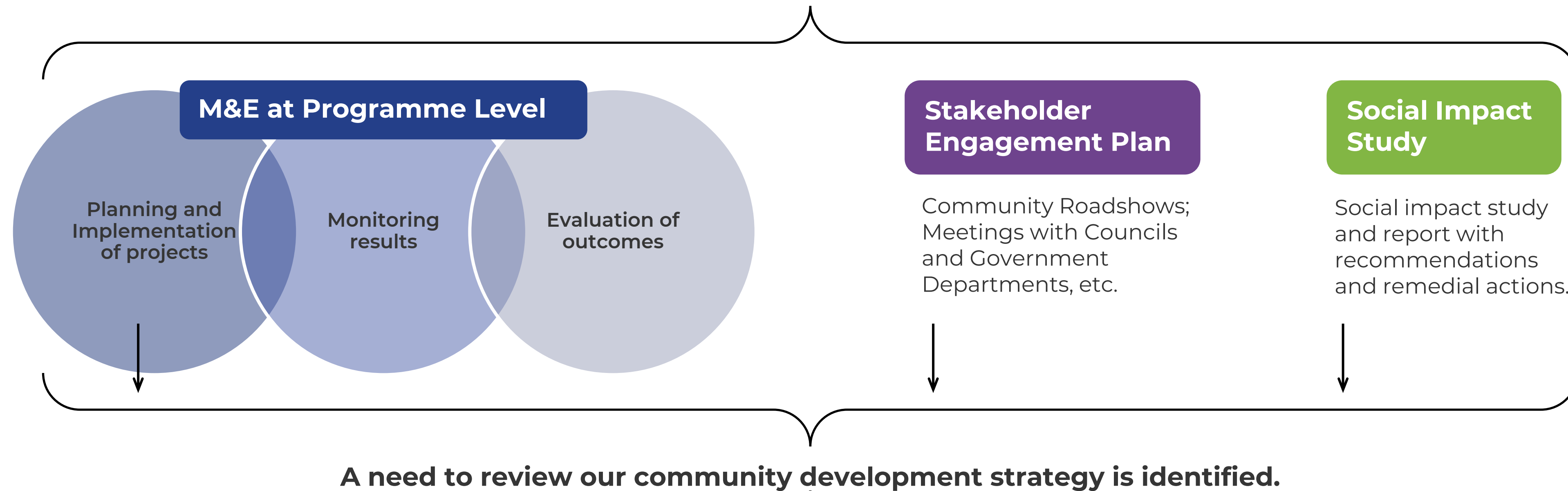


# Community development *Strategy*

Our key challenges and  
how we respond to them.



# Strategy review *process*

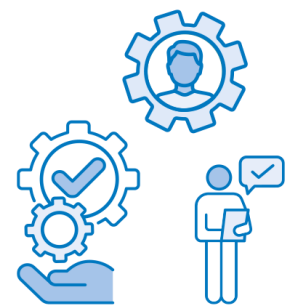




# Board of trustees *Vision 2030*

## Emergent needs

- Food security
- Infrastructure – funding roads, water and sanitation.
- Connectivity/WiFi
- Agriculture
- Climate Change (preparedness)
- Social Well-Being



## Enterprise development and job creation

- Easy for people to start a business
- Businesses receive support & tools to succeed.
- Connectivity/WiFi.
- Established, thriving businesses
- More women and youth in ED



## Health and social welfare

- Accessible, effective healthcare
- Focus on Primary healthcare
- Provision made for human dignity
- More nurses and doctors.
- Tech enhance delivery

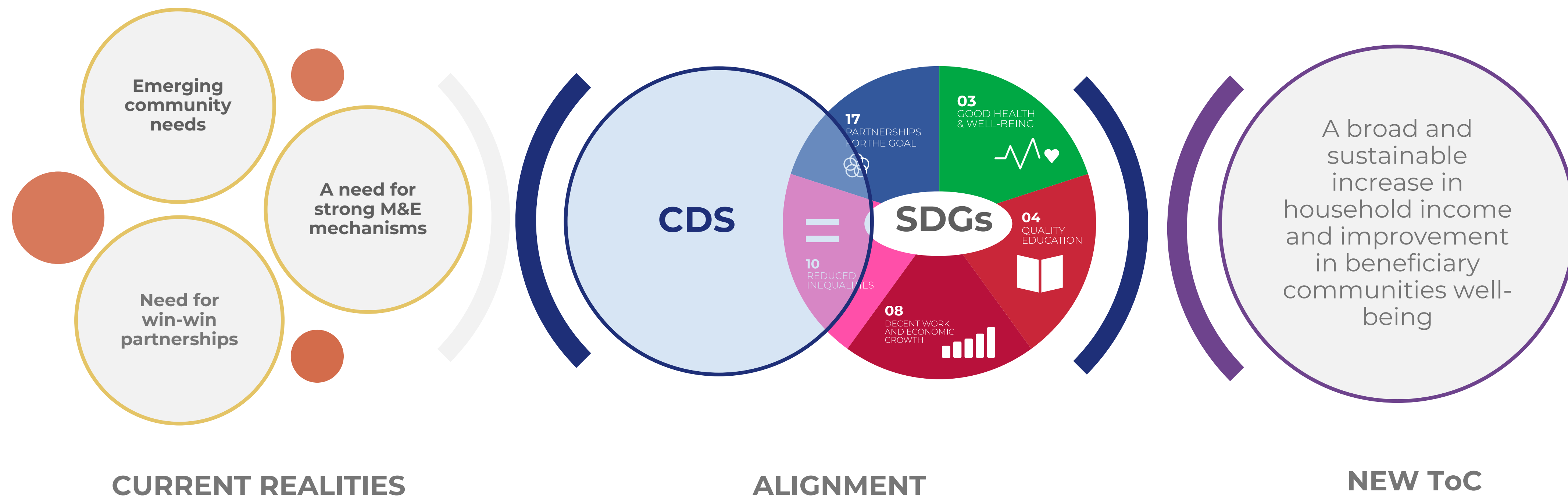


## Education, training and skills development

- Well trained teachers
- High functioning schools
- Multi-facility schools
- ECD to Grade 12
- Co-labour with authorities.
- Kids prepared for future.



# New ToC vs SDGs and Emergent Needs (FA)





# Challenges

- **Capacity to manage external forces** and community dynamics in infrastructure projects execution.
- **Alignment with key stakeholders** on developmental priorities.
- **Climate change response** mechanism by relevant institutions and need for SIOC-CDT intervention.



# Challenges vs *Solutions*

- **New approach to project execution** which takes into consideration all material issues.
- **Commitment** to engage all material stakeholders.
- Introduction of **a focus area to address emergent needs**, to create conducive conditions for the main focus areas (Education, Health and ED).
- **Monitoring and Evaluation framework** to assess indicator and measure impact.
- **Partnerships to increase scalability** and broaden the impact.







# Pipeline Projects *and Initiatives*

## **Growth Fund**

A contract finance to assist business with valid contracts from any of the mines, minimum amount of R250k – maximum R2,5m, 0% interest rate. Fund to be launched in the 1<sup>st</sup> quarter of 2023.

## **Kuruman Business Hub**

A stop-Shop enterprise development hub to host Dfis and other SMME support agency for easy access to opportunities by communities.

## **High Performing Schools (Principal led schools of excellence)**

Supporting schools in the beneficiary communities through innovative programmes for targeting school management; educators and learners, towards being institutions of excellence.

## **SMME's Mobile Outreach for increased access**

Mobile outreach vehicle to augment the Kuruman Hub by going to the rural communities to provide services, saving community members the cost of traveling to Kuruman to access services.

## **Postdene Asbestos Roofing**

Response to the request by the Tsantsabane municipality, to remove asbestos roofs of more 400 houses in Postdene, to deal with harmful exposure to asbestosis for community members.

## **Groenvlei Secondary School – Phase 2**

Upgrade the school facilities to ensure compliance to the minimum norms and standards for public -school infrastructure for effective and optimum learning environment for learners and school of excellence.



# Question & *answer session*





Thank you!  
*Re a Leboga!*

