

Corporate citizenship

Companies, like private citizens, have rights and responsibilities, with the generation of wealth being only one measure of success. To an ever-increasing degree, stakeholders expect businesses to act as social, economic and environmental forces for good.

As a leading Group of companies that provide specialty products and services to customers mainly in the mining and manufacturing sectors, AECI is committed to making a positive contribution to the lives of individuals and communities in South Africa. The focus is on how the Group relates to external stakeholders, the marketplace, government and society as a whole; how it measures and manages performance in matters relating to safety, health and environmental impacts; and how it meets its obligations to help all citizens become meaningful participants in the country's economy, in particular the advancement of its employees from previously disadvantaged groups. Such matters are overseen by the corporate citizenship committee on behalf of the Board, in terms of clear guidelines.

Corporate social investment

Corporate social investment (CSI) goes far beyond the philanthropy of the past – that is, donating money to good causes. It is an ongoing responsibility that AECI's businesses accept for their environment, both human and physical. To this end, the AECI Group employs best practices so as to promote the improvement of the overall quality of life of local communities. The Company's CSI programme concentrates on assisting the communities in which it operates through investments in skills training as well as early childhood and community development.

Through its alignment with the Group's strategy and business objectives, the programme is deliberate, focused, progressive and is guided by a formal policy framework. The programme's main objective is to mutually benefit the Group and its stakeholders.

Policy

Through its CSI programme, the AECI Group is committed to empowering and uplifting disadvantaged individuals and communities in South Africa.

Specifically, AECI wishes to:

- address inequality in South Africa by making a measurable improvement in the lives and welfare of the disadvantaged communities in which it operates; and
- enhance the Company's image and reputation as a caring and responsible corporate citizen.

Efforts in this regard are long-standing and the programme's focus is demonstrated by initiatives, such as those listed below, which were supported by an investment of some R5 million in 2008:

- **The Johannesburg Youth Orchestra Company**, which has been supported by AECI for some years, is now an Associate Member of Jeunesses Musicales International, the world's largest NGO for youth music. The company runs three programmes: orchestras and ensembles, instrumental individual training as well as a schools project, and teacher training. The Orchestra also has more than 180 young learners in a project in Soweto, with instruction in wind instruments for adults being a recent addition to its offering.

- **Africa Foundation** empowers and supports community champions, enabling them to seek and participate in finding their own solutions to their local needs. Meaningful consultation with communities on issues ranging from leadership and decision-making through to implementation, remains the critical success factor in ensuring sustainability. AECl is partnering Africa Foundation in two projects: a prospering permaculture garden at Mnqobokazi in KwaZulu-Natal, as well as the Mbhedula and Welverdiend craft markets in KwaZulu-Natal and Mpumalanga respectively, where women who have been trained in certain crafts are selling their products. This project was established in 2007.
- **Project Literacy** is a non-profit organisation that runs accredited Adult Basic Education and Training (ABET) programmes. The "Run Home to Read" initiative is a successful project with some outstanding results in preparing young children for school. At the same time, children's caregivers are taught to read and/or tell them stories. This has the additional benefit of enhancing communication in families and promotes the love of reading.
- **Sparrow Educational Trust.** Sparrow Schools' Combined Vocational Skills Training Centre's skills learning programmes for carpentry, welding and motor mechanics received accreditation from the relevant Sectoral Education and Training Authorities (SETAs) in 2008 thus enabling the learners to graduate with a nationally-recognised qualification. The recognised qualification assists the youth at Sparrow Schools in their quest for economic independence.

AECl contributed to making the accreditations possible. Not only did the Company provide funding for skills programmes but it also became involved at a "hands-on" level by facilitating access to assessor training for Sparrow's educators, and by providing management support.

During the year, AECl also initiated, funded and participated in a joint assessor training programme with Sparrow Educational Trust and St. Anthony's Skills Centre. Four participants from Sparrow, two from AECl and one from St. Anthony's completed the programme successfully.

- **Business Against Crime** achieved promising results in supporting government's efforts to reduce violent organised crime and improve the criminal justice system. As a result of this government/business partnership, latest published crime statistics reflect a significantly lower rate of increase for Gauteng when compared to the rest of the country.

At local police station level, AECl became involved with the victim support unit at the Sandton Police Station by funding various counselling training courses. In addition, the Company donated technical equipment for processing fingerprint data to the Sandton Community Policing Forum.

- **Imbali.** Ten jobless crafters participated in four courses where they learnt various patchwork, quilt-making and sewing skills. It is most pleasing that six of them subsequently secured permanent employment in factories while two are proposing to set up their own businesses. The crafters were able to make 120 quilts for their community's newly-built pre-school.
- **Early childhood development.** AECl again supported the **Ntataise Trust**, a service provider operating a network of training facilities for aspiring caregivers. Through AECl's participation, the Trust's beneficiaries increased to include trainees in Tshepang, which is in Bethlehem in the Free State, and in Kelru, located in Daveyton in Gauteng. Furthermore, AECl provided funding for training skills at a new resource centre in Rammulotsi, which is also in the Free State.

The Trust launched the Masuputsela project, which is also in Rammulotsi. Masuputsela, which means "to give direction", is part of a national project exploring ways to extend early learning opportunities to disadvantaged children. A van loaded with educational toys and children's books is becoming a familiar sight in Rammulotsi and is bringing a playgroup project to the northern areas of the Free State for the first time. The interactive programme involves mothers, grandmothers and children in targeted communities, who help facilitators set up an instant playroom for the children's enjoyment and education.

Ntataise Trust's contribution to uplifting the people of South Africa was recognised via two awards in 2008: a "Good Practice in Skills Development" award from the Department of Labour and the Mail & Guardian's "Investing in the Future" award for education.

- **PROTEC.** Recent media reports on Outcomes-Based Education and the general state of education in South Africa highlighted the importance of organisations such as PROTEC and the opportunities that they provide for students. PROTEC aims to uplift maths and science competencies so as to increase the number of young people with the ability and interest to pursue careers in technology, engineering and science. The success of the programme is measured by matric examination results and post-school placements.

PROTEC at Umbogintwini is one of eight branches operating in KwaZulu-Natal. Since its inception, the Umbogintwini branch has been running a Learner Excellence Programme for students attending high schools in surrounding areas, which are under-resourced, with few adequately qualified teachers and limited learning materials and facilities.

The programme caters for 40 underprivileged black learners in grades 10, 11 and 12. The matriculants of 2008 once again demonstrated the programme's worth by achieving a 100 per cent pass rate, and 71 per cent receiving university exemption.

- **Food and Trees for Africa.** The Serema School Permaculture Project, near Mokopane in Limpopo, is the only source of naturally grown fresh fruit, vegetables and herbs for the local community. Ten, trained project members generate year-round income through the sale of produce in excess of their own requirements. Going forward, it is planned that the project will be expanded to contribute to feeding schemes for HIV-infected members of the community.

In AECI's mining solutions business, the **Tiso AEL Development Trust**, a shareholder in AEL, and the AEL social investment committee directed contributions totalling about R1 million to support the following initiatives:

- R400 000 to four primary schools and four high schools in Tembisa, Gauteng. The assistance focused on upgrading the standard of maths and science education, largely under the auspices of the Maths Centre – an NGO that specialises in the teaching of Maths in schools. The programme is receiving good feedback.
- AEL remains involved with 11 students pursuing degrees in business at CIDA. In addition to funding their fees and subsistence, the company has also allocated mentors to them. Some former students have been absorbed into AEL's internship programme, which places qualified young people into positions at AEL. The objective is to provide them with experience, thereby enhancing their employability. Seven interns were placed in 2008.
- Nurturing the Orphans of Aids for Humanity in Ivory Park, Gauteng, received R150 000 towards its running costs and a further R150 000 for initiating the construction of a new branch.

In the year, **Chemserve** invested R2 million in community development projects, charitable organisations and educational institutions.

A fully equipped science laboratory was handed over to Bokamoso Secondary School, in Tembisa. To ensure maximum sustainability and utilisation of this facility, the Chemserve group pledged to fund the upgrading of science educators' qualifications.

Chemserve is also funding an outreach programme in Hoedspruit, Limpopo, coordinated by a nature-based schooling system. The programme includes environmental education, maths, science, technology and computer literacy. It is targeted at educators from rural disadvantaged communities in the area.

Bursaries continued to be awarded to students who are selected on academic merit, with an emphasis on candidates from previously disadvantaged backgrounds.

Furthermore, Chemserve is participating in the "Ikusasa Lami" project coordinated by Edit Works Africa, which works in partnership with the Gauteng Department of Education to identify best performing and talented grade 12 learners with the view to selecting potential bursary students.

Via **Heartland Properties** at Modderfontein, a key site for AECI's property activities, the AECI Group continued to build on its long-standing relationship with the on-site Nobel Primary School, which caters for 1 000 learners, by investing financial and planning resources towards the development of a new entrance, parking and security infrastructure for the school.

Skills development: learnerships and training

As in previous years, AEL provided training for the National Certificate in Chemical Operations for both employed and unemployed learners. These groups were trained on levels 1 and 2 of the qualification in the manufacturing sector. Selected operators also attended NTC 2 and 3 courses via Ekurhuleni West College.

78 learners from AEL registered for engineering and chemical operations learnerships in the following disciplines: Engineering Electrical, Engineering Instrumentation, Engineering Mechanical Fitting, and Chemical Operations.

In the field of engineering training, AEL expanded its artisan development programme to meet the higher technology needs of its new manufacturing plants. Eleven new learner artisans were recruited and are at various stages of training between the Technical Training Centre, at Modderfontein, and AEL's plants.

Many employees undertook operator multi-skilling training throughout the year. AEL intends continuing with this initiative, again with an emphasis on the company's automation process.

At the annual graduation function, 83 learners graduated in NQF 1 and 2, NTC 2 and 3, ABET 4, procurement, and proficiency in software packages.

Chemserve's training and development initiatives are aligned to skills acquisition and employment equity goals. Over and above skills training, some of the interventions implemented include:

- the Chemserve Leadership Development Programme, launched in 2007, is proving to be a resounding success, with more than 100 participants making good progress;
- eight senior employees attended the Programme for Management Development at the University of Cape Town. In an attempt to consolidate and broaden leadership capacity in the Chemserve group, an additional 10 senior employees are participating in a process known as Nine Conversations in Leadership guided by a management consultant;
- Chemserve continued to offer in-service training to students from various universities of technology, primarily in the chemical engineering, analytical chemistry and polymer technology disciplines;
- 25 artisan and chemical operations learnership agreements were entered into with employees as well as unemployed learners. In addition, there are six learnership agreements through the Chartered Institute for Management Accountants;
- over 50 supervisors and potential supervisors have undergone the competency-enhancing Super Management Programme; and
- Chemserve took over the Sasol Polymers' Training Centre (chemical operations) at Umbogintwini. Registration with the Chemical Industries Education and Training Authority (CHIETA) is underway with the training centre intended to become operational in the second quarter of 2009.