

## Community development

DRDGOLD is committed to contributing to the long-term economic well-being of the areas in which it operates and, through Teba Development, to those areas from where its labour is drawn. It has Local Economic Development (LED) programmes in place for all three operations. These aim to promote development that:

- is based on resources that are locally available;
- is based on the priorities and needs identified by the municipality concerned;
- uses resources economically and sustainably;
- is feasible for the operation, given its size and profitability;
- includes as many economic sectors as possible;
- provides for a diverse labour market; and
- devolves ownership of the development process to local people.

Projects for consideration are identified through formal, regular contact with local authorities: Blyvoor with the Merafong City Council; ERPM with the Ekurhuleni Municipality; and Crown with the Johannesburg and Ekurhuleni metropolitan municipalities.

With respect to both LED and corporate social investment projects, DRDGOLD consults with community leaders and organised labour.

The chief areas of focus are education, sustainable job creation, health (particularly HIV & AIDS) and housing. The same priorities apply when it comes to selecting projects for corporate social investment.

A budget is established for corporate social investment at operational level and a needs analysis is conducted with community leaders and organised labour to establish priorities.

## Ekurhuleni Business Development Academy

A major LED project supported by DRDGOLD, in conjunction with its Ergo Mining joint venture partner Mintails, is the Ekurhuleni Business Development Academy (EBDA) which opened its doors to the first batch of learners in February 2009.

The initiative will equip members of the surrounding communities and DRDGOLD's Crown, ERPM and ErgoGold employees with the skills required to pioneer much-needed enterprise development in South Africa.

Situated at the former Metallurgical Training Centre at Ergo (which was previously being utilised only for ABET), the academy incorporates both vocational and business skills training, and courses are aligned to, and accredited by, the Mining Qualifications Authority (MQA).

EBDA presents ABET courses from Level 1 to Level 4 to DRDGOLD employees as well as to about 40 learners from the surrounding community. Apart from ABET, the centre provides engineering and metallurgical training to around 90 people.

Also located on the EBDA premises, the Siyafunda centre offers computer literacy training to some 29 learners and plans are already under way to expand with the addition of a further 10 workstations.

During the period under review, in close consultation with labour and the Department of Labour, DRDGOLD started a R2.6-million re-skilling programme at the EBDA centre in an attempt to reduce the impact of the retrenchments which occurred when the company had to discontinue underground operations at ERPM.

Employees who participated in the programme completed a two-week basic business skills course, after which they could choose to do practical courses in welding, electrical, construction, motor mechanics or plumbing.

## Other LED projects

Another significant LED project in Ekurhuleni is the Khotso-Caritas Hospice which serves people affected by HIV & AIDS in the

surrounding areas. ERPM donated and renovated the building for this facility (see case study: *Supporting Ekurhuleni's HIV & AIDS affected*, on page 30).

Reef picking – the task of sorting through four rock dumps to pick out rocks with gold-bearing qualities – is one of Blyvoor's key LED projects. It was established in 2006 to provide employment for local women. Candidates are sent on a sampling/geology course to obtain the required skills. Those with high potential are sent to the processing plant to acquire further skills and experience. This paves the way for them to become permanent employees of Blyvoor and to progress into careers as smelters, surveyors and geologists. More than 100 women moved into permanent positions during the past year. Currently some 80 women are employed as reef pickers. As each person supports a number of dependants, this project, which is now self-funding, ensures a better standard of living for several hundred people in the community.

Another important LED project, which also started in 2006, is the provision of quality housing with full services for employees and their dependants at Blyvoor through the upgrading of hostel rooms. As mentioned in the Employment section of this report, 292 rooms had been converted into family units by the end of June 2009. The cost of this programme to date is R1.8 million, of which R611 168 was spent in the year under review. Gardens and recreation areas have also been upgraded over the past three years.

A third LED project, a hydroponic vegetable growing project, was launched during the year under review (see case study, *Blyvoor: planting for the future*, on page 32).

During 2009, corporate social investment activities at Blyvoor included:

- the Blyvooruitzicht Library – the mine continued to supply water and electricity at no cost;
- ongoing maintenance of the Ekuphakhameni Primary School;
- sewing school – the mine's renovation of family units made provision for an area for this facility where employees and their families can be trained; and
- community soup kitchen and vegetable growing project – Blyvoor donated the premises for this for which no rental is charged and supplied the stove and a set of pots.

### Crown encourages entrepreneurship

Crown employees who are members of the National Union of Mineworkers (NUM) approached management about creating a transport co-operative. During the 2007-08 wage negotiations it was agreed that these employees would form a committee to look into providing transport for shift workers to and from the operation's three plants (Knights, Crown, and City Deep).

Management helped these members to register Crown Logistics as a CC in order to form the Crown Transport Co-operative. The operation also ensured that the employees concerned received the appropriate training and assisted with the drawing up of a business plan. Crown Logistics CC then secured an agreement with a vehicle hire company to lease three buses.

The upshot is that the co-operative has been providing a transport service to 240 shift employees since 14 May 2009. Shop steward Charles Ryan said that the initiative was being well received. Crown pays the co-operative R70 000 a month for the provision of this transport service and the contract is for a period

of three years – the operation's life of mine. From the outset the intention has been that the co-operative should be run according to sustainable business principles.

Crown's Human Resources Manager, Jeevan Uren, said: "This has been an initiative run entirely by employees; empowerment is the cornerstone of this agreement and it is encouraging to see employees taking joint responsibility for an element such as transport. It would be great if the Crown Transport Co-operative could extend its services beyond Crown to other companies in the surrounding areas."

To this end, Crown will support the co-operative by assisting with business plans and proposals whenever approaches are made to other companies for transport contracts.

When Crown closes, the plan is that the co-operative will be based at ErgoGold, where it is estimated that the provision of a transport service to employees should result in a contract worth around R1.2 million a year.

## Community development *(continued)*



### Supporting Ekurhuleni's HIV & AIDS affected

DRDGOLD has supported the Khotso-Caritas Hospice which provides care and assistance to employees and members of the community infected and affected by HIV & AIDS since 2002. The Hospice, established by Dr Khotso Ncholo, currently runs three programmes which include palliative care to terminally ill patients, anti-retroviral treatment (ART), and a children's day care centre which provides care to 66 children between the ages of three and six from the surrounding communities.

The Khotso-Caritas Hospice operates from premises donated and recently renovated by ERPM. DRDGOLD also covers the cost of utilities, including water and electricity, and maintenance costs on a monthly basis.

The palliative care admission ward is capable of accommodating 18 patients at any given time and has been supported and funded by PFG Building Glass in Springs since 2007. During 2008, 363 patients were admitted and treated which came to an average of 31 patients a month.

Through support from the Aurum Institute which is funded by the United States President's Emergency Plan for Aids Relief (PEPFAR), the hospice is able to provide free ART to those affected. The hospice is currently in the process of applying for full membership of the Hospice Palliative Care Association (HPCA), which will allow opportunities to network with other affiliated organisations as well as better training opportunities for medical staff.

Realising that HIV & AIDS does not discriminate against its victims, the Khotso-Caritas Hospice has established a children's day-care centre which provides care to children infected and affected by HIV & AIDS. Children between the ages of three and six are collected from their homes every morning and returned in the afternoon once their caregivers return home from their workplaces. The centre provides them with anti-retroviral therapy, education and three nutritious meals a day. Once the children graduate from the day-care centre, they continue to receive treatment at the centre and their well-being is monitored on a regular basis.

In total, the Khotso-Caritas Hospice employs 36 people responsible for tending to the needs of patients. At present Dr Ncholo is assisted by two part-time doctors, a nursing staff of 14, four counsellors, four caregivers and 16 employees responsible for preparing meals, administration and maintenance duties.

In May 2009, the Khotso-Caritas Hospice appointed a board of representatives to oversee and assist with the activities of the hospice. Buti Biloane, Human Resources Manager at ERPM and Ergo, was appointed

as chairman of the board. "The hospice survives by means of donations from various organisations. With the various skills and talent serving on the board and Dr Ncholo's vast experience, we hope to ensure that the Khotso-Caritas Hospice achieves its strategic objectives," he said.

The Khotso-Caritas Hospice is strengthening every year in terms of skill and capacity, but the challenges grow each year as well. "Having worked in public hospitals and experienced the lack of resources, I now believe that we cannot turn a blind eye to the current situation. As a non-profit organisation, we are dependent on the generosity of donors in the private sector and we also rely greatly on the assistance of volunteers because we provide our service to the community free of charge. I do believe, however, that we are making a significant contribution," says Dr Ncholo.

The plan for the coming year is for the hospice to start a vegetable farming project to include conventional and hydroponic methods. ERPM, which has allocated R132 000 to the project, will donate the land and pay the water costs. The operation is partnering with the Carnival City Complex in Brakpan in this venture.

Thirty people have been recruited of whom 10 are former employees of ERPM, 10 are members of the community and 10 are patients. The training programme started in August 2009 at Khotso-Caritas and will run until the end of the year. During this time the members of the group are receiving a stipend of R1 200 per month. At the end of this period, the 10 most promising candidates will be sent to Magaliesburg to take a week-long course in hydroponic vegetable growing.

It is envisaged that the first batch of produce will be ready by the end of the December thus putting the project on the road towards achieving self-sustainability. Carnival City will buy some of the produce; some will be used to feed patients of Khotso-Caritas; and the remainder will be sold to local retailers or directly to the public.

## Community development *(continued)*



### Blyvoor: planting for the future

As part of its commitment to promoting job creation and skills development in the local community, DRDGOLD launched the Morogo hydroponic vegetable growing project at Blyvoor during 2009.

The Morogo project is situated on a section of mine property which has been cleared and zoned for farming activities. Apart from the land, DRDGOLD has contributed R1 million towards initial start-up costs and will continue to support the project until it has reached a level of self-sustainability.

Currently equipped with five hydroponic tunnels measuring 30 by 10 metres each, the project will supply the mine hostels and the community surrounding Merafong City with reasonably priced seasonal salad staples, including tomatoes, cucumbers and sweet peppers.

Merafong councillors have been actively involved in the process of developing this project and will continue to visit the site on a monthly basis to promote community participation.

Head of DRDGOLD's Properties Division Louis Lamsley, who oversees the project, says that 11 community members are currently employed. They have all received theoretical and practical training in hydroponics and plant production at the Dicla agricultural training centre which is close to Mogale City (Krugersdorp).

"The participating community members have been equipped with the necessary skills to operate and maintain irrigation systems and maintain the basic water quality as well as perform basic routine operations in a defined hydroponics context during the different growing periods of the vegetables," he said.

Plans are in place to ensure that the project progresses into a self-sustainable venture. "Once the hydroponic farming has been fully established, we will embark on open field cabbage and spinach farming," he explained.

The first vegetable seeds will be planted in September 2009, with the first produce expected in October. This will then be sold to members of the surrounding communities and local supermarkets.

Louis summed up the hopes and aspirations of all concerned. "Even though the Morogo project is still in its germination stage, we believe that it has the potential to grow. After all, even a mighty oak tree was once a tiny seed."

