



## A change for the AngloGold Ashanti Corporate Social Investment Fund

The year under review signalled a significant change in the way in which AngloGold Ashanti handles its corporate social investment (CSI) activities in southern Africa. Until the end of 2006 the group's CSI vehicle in southern Africa, then the AngloGold Ashanti Fund and Trust, was managed by a specialist corporate donor support agency, Tshikululu Social Investments. In 2007 the management of these functions reverted to the group with the vehicle becoming known as the AngloGold Ashanti CSI Fund.

These developments served to focus attention on the way in which corporate social investment is dealt with throughout the group and the outcome has been the reviewing of the company's CSI strategy and the implementation of a more structured and considered approach. The strategy outlines the company's recent move towards taking a more proactive approach to identifying projects in which it can be involved.

The company's South African CSI initiative is directed by the AngloGold Ashanti CSI Committee, the members of which are drawn from executives and senior management in different fields.

Administration of the CSI Fund, including the evaluation of proposals, is handled by the Corporate Affairs Department at corporate office.

During 2007 the CSI Fund contributed R14,1 million to 61 projects across southern Africa. The trend of the past few years has been to focus attention on regions in which AngloGold Ashanti has operations and the areas from which the company draws large numbers of employees. This strengthened further in 2007 with 95% of the projects supported being situated in these areas. North West Province, where the West Wits and Vaal River operations are located, benefited from 40% of the available funding. Next in terms of expenditure, at 14%, was the south-eastern part of the Eastern Cape (formerly known as Transkei) where the families of the majority of employees from this province reside. The other important labour-sending areas are the province of KwaZulu-Natal and the neighbouring countries of Lesotho and Mozambique.

Looked at in terms of sectors, education received the greatest backing (45%) followed by HIV/AIDS (22%), welfare and development (12%), and skills training and job creation (13%).

In line with AngloGold Ashanti's determination to make a difference in the communities in which it operates, in 2000 the group established local area committees in the West Wits and Vaal River regions. These committees consider requests from local organisations. If the projects are relatively small in scale, evaluations are made at this level. Bigger projects are referred to the CSI Fund.

As a way of giving employees the opportunity to become more involved and to strengthen community ties, each business unit is encouraged to embark on its own fund-raising initiatives in support of local projects. Amounts raised are matched by the CSI Fund, capped at R100,000 per business unit.

## A change for the AngloGold Ashanti Corporate Social Investment Fund *continued*



### Hospice Matlosana – North West Province

HIV/AIDS is one of the greatest challenges facing southern Africa and the AngloGold Ashanti CSI Fund has acted in response to this, supporting many initiatives down the years. This is reflected in the statistics. Expenditure on HIV/AIDS projects in 2003 amounted to 7% of the funds available. This increased to 9% in 2004, 10% in 2005, 17% in 2006 and 22% in 2007. Hospice Matlosana in North West Province is a good example of the type of holistic approach to HIV/AIDS that the CSI Fund favours.

Established in 1990 in Klerksdorp to care for patients suffering from terminal illnesses in the KOSH (Klerksdorp, Orkney, Stilfontein and Hartebeesfontein) area and the surrounding townships of Jouberton, Alabama, Kanana, Khuma and Tigane, the hospice offers a multi-faceted service to HIV/AIDS sufferers and their families. This ranges from medical treatment, including pain management and infection control, to support for orphans and vulnerable children and the supplying of food parcels and nutritional supplements.

Matlosana assists about 280 patients a month through its home-based care programme. On average, staff members make 1,000 visits a month to patients' homes. A day care programme is available in all five townships and each facility attends to some 30 patients a day. Here patients who are not bed-ridden get together once a week for treatment by a nurse, to socialise, to do handiwork which is sold to raise money for their own needs and to assist with fund-raising for Matlosana, and to listen to uplifting and informative talks.

The children of hospice patients, some of whom are infected themselves, are looked after at a palliative day care centre. There is also a community house with accommodation for

## Hospice Matlosana – North West Province continued

eight 'in transit' patients who have been discharged from hospital either because their condition is terminal or because, following treatment, they are well enough to go home.

Every year the hospice trains around 100 people from the community to care for those suffering from terminal illnesses. These community care workers assist Matlosana's professional staff.

Other activities include helping families to access social grants and forming partnerships with organisations working to break the silence and eliminate the stigma around HIV/AIDS. Counselling is also available to help patients to face death and to support families during the bereavement period.

AngloGold Ashanti's relationship with Hospice Matlosana goes back to 2001 when the first grant was given, followed by a further grant in 2002. The involvement deepened in 2004 when the then AngloGold Ashanti Fund voted R900,000 (R300,000 a year over a three-year period ending in March 2007) to provide salaries for a professional nurse, a social worker and a community care worker as well as towards meeting the costs of palliative drug supplies related to infection control and pain relief.

AngloGold Ashanti Group Social Investment Fund manager Sipho Mahlangu explained the background. "We were sympathetic to this appeal as we recognised the growing need for the hospice to improve and extend programmes. A single professional nurse enables five community workers to be supervised, allowing the hospice to attend to an additional 150 to 200 patients a month.

"At this stage we were also becoming increasingly aware of the need for care workers to have access to drugs for pain relief. What was happening was that patients were being given drugs while they were mobile and able to get to see a nurse, but were unable to obtain these once they became bed-bound and were being attended to by a community care giver," he said.

And the Fund's support of Matlosana did not come to an end in 2007. During the year the hospice was granted R176,000 for the purchase and renovation of a house in Kanana for a day care centre from which community outreach programmes are being run.

Sipho summed up the Fund's view on Matlosana: "This is the kind of project that we are happy to support. The hospice, which has been running successfully for a number of years, is situated in one of our operating areas. It is rooted in the community and is providing an excellent all-round service to HIV/AIDS sufferers and their families."



## A change for the AngloGold Ashanti Corporate Social Investment Fund *continued*

### The Molteno Project

The Molteno Project is a South African non-profit organisation, committed to unlocking potential through the provision of high quality literacy education. Funded by a grant from the Molteno Brothers' Trust, it was founded in 1974 and based at Rhodes University's Institute for the Study of English in Africa.

In 1994 the project left Rhodes University and registered as a section 21 company. Its headquarters are in Johannesburg.



### Ergo model goes to the Eastern Cape

When AngloGold Ashanti began planning for the closure of its Ergo operation (to the east of Johannesburg), in 2005, the AngloGold Ashanti CSI Fund embarked on a three-year project to improve teaching skills and the literacy of children in 34 schools in the two townships most affected by the closure: Tsakane and Kwa-Thema. *(See case study in the Report to Society 2004: Ergo programmes focuses on maths and science education.)*

Following this intervention, the Fund introduced similar programmes to schools in the regions of the company's Vaal River and West Wits operations in 2006. *(See case study in the Report to Society 2006: AngloGold Ashanti Fund and Trust empowering people.)*

The next step was to look at establishing a similar project in a major labour-sending area.

#### Addressing illiteracy in a labour-sending area

The manager of the AngloGold Ashanti CSI Fund, Siphso Mahlangu, explains: "When we began the Ergo project we did so with the intention of developing a model that could be replicated in other areas. This country faces a huge challenge when it comes to lack of skills and it starts with literacy because this affects the performance of learners in other subjects including maths, science and technology. We want to address this problem at its roots, by getting involved at the early stages of children's education."

When it came to selecting a labour-sending area, the Eastern Cape was a natural choice because large numbers of employees are drawn from here and because of this province's high rate of illiteracy.

## Ergo model goes to the Eastern Cape continued

After a thorough investigation the Fund settled on the Cofimvaba District, one of the poorest and most neglected areas of the Eastern Cape and met officials from the district's education department for discussions. AngloGold Ashanti's wish to become involved in improving literacy levels in the district was favourably received and representatives of the department and the Fund set about selecting 20 schools.

In mid-2007 two courses offered by the Molteno Project (see accompanying box) started in Cofimvaba – Breakthrough to Literacy and Bridge to English. The AngloGold Ashanti CSI Fund approved a grant of R1,832,307 over a period of three years.

Both programmes provide training sessions for teachers who also receive follow-up support in their classrooms. "By focusing on the teachers we hope that these interventions will make a difference down the years. The Molteno Project courses bring new and innovative methodologies to the teaching of literacy," Siphso said.

### Breakthrough to Literacy

An evaluation carried out by the Molteno Project many years ago showed that learners were failing to read in English largely because they were not able to read in their mother tongue. Furthermore the research demonstrated that children who are taught in their mother tongue for a lengthy period will learn another language far more easily.

Breakthrough to Literacy is a first-year literacy course for schools, based on learner-centred and language-experience approaches. It uses the oral/aural skills the child brings from home into the classroom as the foundation for learning to read and write.

### Bridge to English

This course follows Breakthrough to Literacy. It is a comprehensive English additional language course which has been designed to develop oral and writing skills, building on the language skills developed in Breakthrough to Literacy.

A series of systematic courses, Bridge to English addresses the listening, speaking, reading and writing needs of learners from grades 1 to 7. It focuses on language across the curriculum, thus preparing children for effective learning in all subjects through the medium of English.



## A change for the AngloGold Ashanti Corporate Social Investment Fund *continued*

### Lesotho Water Project – AngloGold Ashanti CSI Fund sponsors second phase

Lesotho is one of AngloGold Ashanti's main labour-sending areas with some 20% of employees at its South African operations coming from this neighbouring country. In line with its commitment to supporting development in communities where the families of its workers live, AngloGold Ashanti CSI Fund has been sponsoring the Lesotho Water Project which has been run by Teba Development since 2001 (*see case study in Report to Society 2004*). Teba Development is a not-for-profit company which undertakes development projects in rural labour-sending areas on behalf of the South African mining industry.

#### Background

Many years ago the government of Lesotho provided villages in the lowland areas with boreholes fitted with hand-operated pumps. Maintenance of these pumps has dropped to near-zero and research has indicated that there are many areas where these hand pumps are no longer working. Apart from the inconvenience of not having access to a reliable supply of clean water, the situation poses a health hazard to the affected communities.

After examining the problem, Teba Development took the view that a simple strategy of facilitating community ownership and involvement and the maintaining of infrastructure was the most effective solution.

The outcome was the establishment of a programme, in partnership with Mngcunube Development and sponsored by the AngloGold Ashanti CSI Fund, to repair and maintain boreholes in villages in the Mafeteng District.

#### How the project works

The repair work is done by a 'water team' which comprises experienced people and trainees who are provided with trailers containing all the tools and materials they require. Pumps in need of major repairs are taken to a fully equipped workshop.

The mentoring of trainees, who are former mineworkers, forms an important part of this project. Not only does this provide employment opportunities, but it ensures that the initiative can be sustained in the long term.

Teba Development facilitates the setting up of local committees in the villages where water pumps are being repaired and these committees are trained in pump maintenance. They then assume responsibility for the ongoing maintenance of the refurbished pumps, appointing a member of the committee to supervise the use of every pump. They also

## Lesotho Water Project – AngloGold Ashanti CSI Fund sponsors second phase continued

collect funds from the communities on a monthly basis and this money is held at the local branch of Teba Bank to meet the costs of repairs in the future.

Soon after the project started it became apparent that it was not possible to keep to a schedule that was too rigid and to confine services to the planned villages only. One day a week is set aside for emergency response and for other problems identified by Lesotho's Department of Rural Water Supply, with which government agency the project has a strong co-operative relationship.

### Achievements

From the inception of the project to the end of December 2007, 907 water points across 174 villages had been repaired, providing about 36,280 households with reliable access to safe water. Put a different way, 10% of the villages in Lesotho that depend on boreholes for their water supply had been assisted. During this period an average of five pumps a month were substantially rebuilt in the workshop. At present there are two 'water mentors', one of whom started as a trainee and two trainees are competent to work independently. The project cannot employ all the people who are trained. In view of this the Department of Rural Water Supply has been approached and has agreed in principle to engage people trained by the project as contractors.

By the end of 2007, a total of R3.7 million had been spent on the project since inception, of which the AngloGold Ashanti CSI Fund had contributed R2.3 million.

### Second phase

The project entered a second phase in late 2006 when it acquired a second equipped trailer and tool set. This meant that the target for refurbishing boreholes and pumps could be raised from an average of 21 a month to 25 or more, and the number of pumps rebuilt in the workshop increased from five to six or seven. In 2007 the AngloGold Ashanti CSI Fund granted R540,000 to cover the repair of 50 boreholes.

AngloGold Ashanti Community and Social Development Manager for South Africa Butiki Loliwe commented: "We had no hesitation in giving this project further support because it is making a difference to the lives of so many families of our employees. The fact that it has been running for a number of years demonstrates that this project is sustainable. We are particularly pleased that local people are being trained and given the opportunity to start up their own businesses."