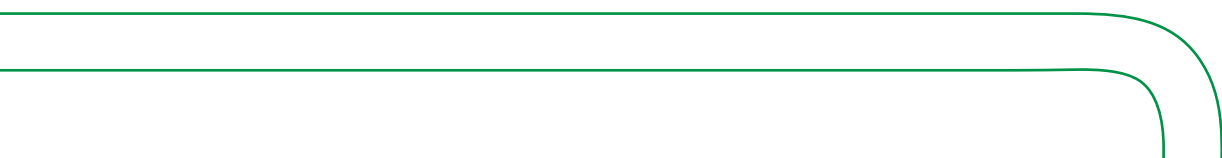


CORPORATE SOCIAL INVESTMENT
2010



Introduction

The Group's commitment to our Corporate Social Investment initiatives fall in line with our total performance mandate. Projects taken on address issues relating to the environment, and the wellbeing and empowerment of our surrounding communities.

National initiatives such as the ones stated below, along with their core messages, are communicated to Foskorites and require in-house participation.

- Casual day
- Spring day
- Secretaries day
- Take-a-girl-child-to-work day
- Heritage day
- Women's day
- World Aids day
- Cansa

Apart from the official CSI commitments, sponsorships within community and school events are given. Further sponsorship is given to crime initiatives targeting the youth. In addition to this our obligation to Foskorites and supporting the internal teams forms an integral part of our in-house strategy.

Community Development & Social Support

ARC Grain Crop Project

The establishment of more sustainable crop production systems has become imperative for many farming communities in Limpopo and Mpumalanga relying on arable land. Legumes will surely contribute not only to food security but also to more competitiveness in terms of income opportunities as well as improved resource management.

Harvesting of on-farm trials

The core activity of this period was the harvesting of on-farm trials:

- 3 x Groundnut trials, at Nokaneng, Tafelkop and Fertilis respectively
- 2 x Dry bean trials, at Fertilis and Mlondozi in Mpumalanga respectively
- 2 x Crop rotation trials, including groundnut and cowpeas

Participating farmers were actively involved in the harvesting of the trials. The harvesting stage is seen as an important learning opportunity as the final crop yield result can be observed and compared. Interaction and conversations with farmers indicated that farmers are becoming more aware of the role of legume crops in their farming systems. Based on practical experience and observation at trial plots, the following aspects appear to be of significance to farmers:

- They are aware of the nitrogen fixation advantage gained from legume crops
- Good market prices for commodities such as dry beans and groundnut.

The project aims to conduct post harvest feedback and planning sessions with farmer groups as well as planning and preparation of on-farm trials for the coming season.



Cattle Project

Taking the initiative to tackle the continuous carnage on the roads, something that affects the community at large and road users alike, is of paramount importance. On occasion, cattle stray from their herd and inadvertently cause accidents that result in loss of life to road users and cattle, which are a vital commodity to the community.

This initiative allows for cattle in the areas of main roads to be tagged with a reflective device making them more visible to road users.

Charity Golf Day

This annual event is held in both Phalaborwa and Richards Bay. Proceeds from these events are distributed to pre-screened and worthwhile causes in the surrounding communities.



Community Centre

Twenty years ago Foskor built a community centre in Namakgale. Together with local government and business, the long-term restoration and upkeep of the centre has been undertaken. The centre currently accommodates seven SMMEs within the building as well as the Department of Roads and Transport as an anchor tenant in the administration building.



Educational Support

Foskor accommodates three schools free of charge in the Foskor building – a pre-school crèche for 70 children, Kingfisher private school and the Moshate Hotel School with 30 students. This initiative offers bursary opportunities to children of Foskorites based on their individual achievements and requirements.

F21 Half Marathon

The F21 half marathon is held in both Phalaborwa and Richards Bay annually. These events have become a must in the athletics calendar, attracting both national and international athletes. Year after year the support base increases phenomenally. The surrounding communities benefit from the proceedings giving community entrepreneurs the opportunity to showcase their talents.



Graders for Schools

Graders from the Foskor sites have been made available on weekends to assist local schools in upgrading their sports grounds, making road repairs and playground construction.

Limpopo Province Progress Milling Project (Bactro)

The partnership with Progress Milling provides farm machinery to develop the capacity of small-scale farmers and increase areas cultivated, hence increasing production. This will further improve their income and ultimately reduce poverty in the area. The following were supplied through this initiative:

- 2 x tractors (Massey Ferguson 440 SE two-wheel drive 61 KW);
- 4 x disc ploughs;
- 2 x 5ton four-wheel trailers; and
- 2 x two-row maize planters.



The availability of this farm equipment during the 2009/10 season revolutionised agricultural activities in the selected villages in Limpopo Province. The 12 villages identified all form part of the Aganang municipality in the Capricorn district of Limpopo province.

Approximately 1 917 hectares belonging to more than 200 small-scale farmers was cultivated through a tractor-hire service arrangement. This ensured that there was sufficient revenue generated to keep the equipment serviced and in good working order.

Ntambanana Project

In Richards Bay a housing project for five widow and orphan families in the Ntambanana community has broken ground. Five houses will be completed and furnished to assist one of the poorest communities in the country. Although Foskor is a principle sponsor, it has partnered with relevant stakeholders to ensure the success of this project.

Their roles are as follows:

Habitat for Humanity

- Costing for the housing
- Scope of work for the housing plan

Uthungulu District

- To provide water tanks as well as water for five families during the construction of the houses
- Recruitment of volunteers to participate in construction of the houses

Ntambanana Municipality

- Provide land for the building of five houses
- Cover transportation fees for orphans who attend courses at Umfolozi College

Correctional Services and Business Against Crime

- Ten inmates volunteered for the building project



Department of Social Welfare

- Identify widows and orphans
- Assistance with obtaining grants for the orphans

Umfolozi College

- Lecturers to assess and monitor students on site

Khazimula Investment

- Sponsored food for the 100 volunteers for a six-day period

The Foskor Open Pit Race

Each year the Phalaborwa open pit comes to a halt to mark the beginning of the 2010 Open Pit Race. This is one of the most unique races in the South African athletics calendar. The race starts at the bottom of the Foskor Open Pit, with a gruelling three kilometre climb out of the pit. For the rest, the race is moderately undulating as it skirts the north-west side of Phalaborwa.

Foskor does not make any profit from this race. The profit is offset against the operating costs of hosting the marathon. This expense forms part of the contribution that promotes support and awareness of running as a sport. This event is further utilised as a brand awareness initiative, which offers the local community the opportunity of seeing and exploring the pit.



Traditional Beading

Joining forces with the Department of Arts & Culture, a training and skills development programme for traditional beading has been created with our external stakeholders who form an important part of the surrounding communities.

This continuous programme provides a way for the rural communities to be more self sufficient, hence reducing the levels of poverty.

Last year the Mandlanzini community began with phase one, which consisted of basic beadwork used when making Aids pins, necklaces, bangles, keyrings and earrings. Following that they will advance to traditional beadwork and mentoring, forming part of phase two, which is currently in process.



Traditional Leaders

Local traditional leaders form an integral part of our stakeholders. Funds are set aside each year for these leaders to form worthy initiatives within the surrounding communities.

Community Health

HIV/Aids

With the worldwide growing pandemic, supporting Foskopites inflicted with HIV/Aids is of paramount importance. These services are available at all our sites and the following issues are addressed :

- Nursing sister managing HIV/Aids;
- Condom distribution;
- Counselling;
- Nutritional supplement distribution;
- Continuous monitoring and evaluation of the effectiveness of the project;
- Training of home-based care-givers;
- Establishment and monitoring of support groups;
- Ongoing establishment of new projects as the needs arise;
- Overall coordination of the HIV/Aids project in the surrounding communities



Huis Maroela

A four-bedroom house owned by Foskor is leased to the Women's Federation as a shelter for abused women.



Education & Skills Development

Bursaries

Bursaries are granted to students who are already receiving tertiary education as well as matriculants who have achieved in excess of 60% for both higher grade mathematics and science. Those with a keen interest in studying towards a degree in various engineering disciplines would qualify.

The bursary covers:

- Institution registration fees
- Class fees
- Prescribed materials

The following engineering fields form part of the bursary selection:

- Mechanical engineering
- Metallurgical engineering
- Electrical engineering
- Industrial engineering
- Chemical engineering
- Instrumentation engineering
- Mining engineering



Career Expo

With a firm belief that the future of our country lies with the learners of today, a careers day exhibition is set up annually in conjunction with other companies in the surrounding area. Both parents and learners get the opportunity to be properly informed of every opportunity afforded to them, assisting them in making a well calculated decision when choosing a career path.

Together with other corporate companies, the Foskor brand is showcased in the form of an exhibit with information relating to bursaries, study loans and various facilities, as well as study and work experience required by the various institutions involved.



Dinaledi Maths & Science Project

This project recognises schools that excel in maths and science and promote their abilities to help obtain potential funding from the private sector. Our objective for the project is to develop a sustainable CSI venture that assists the Department of Education in addressing the current skills shortage in maths and science.

Two schools within the Limpopo and KwaZulu-Natal regions have been adopted. These Dinaledi schools are dedicated to significantly contributing to the number of learners passing higher grade maths and science in Grade 12. These schools are set to become centres of excellence whereby the teaching methods enhance their overall performance. This is central to meeting the objectives of the strategy for maths, science and technology (MST) education.



Foskor Primary School

Foskor Primary School first opened its doors in 1988 with 65 learners attending. The school is situated next to the Foskor community centre in Namakgale and 90% of the learners attending the school are children of Foskorites.

Funding is provided to ensure the upkeep of the school and continuous maintenance thereof.

The core objectives are as follows :

- Secure resources for the school;
- Promote quality teaching and learning;
- Encourage increased participation and outstanding performance in maths and science; and
- Ensure sustainable development in the field of education.



Homestead Food Gardens Project Makes Progress.

The Homestead Food Gardens project was established to uplift and empower economic development with the surrounding communities. It incorporates the amalgamation of a community garden with traditional crops, fruit, nuts, herbs and muti plants. To ensure its success, the following was implemented:

- The training of 400 households in sustainable organic agriculture and the principles of perm culture as well as supplying them with tools and seeds required for each to establish a productive organic home food garden.
- The training of farmers to produce nutritious vegetables, fruit and medicinal herbs that can be consumed by their family.
- With the simple concept of water harvesting in mind, families are trained to address water conservation and maximisation in areas that do not have running water.
- The promotion of traditional medicinal systems like basic muti planting and using natural herbal remedies.
- To promote the message of the protection of natural water purification filters such as wetlands.
- The establishment of a hardy indigenous seed source for vegetable crops, including maize, cucumbers, pumpkins, spinach, onions, tomatoes, etc.
- Training farmers how to promote nutritional awareness in food selection, preparation, preservation, hygiene as well as dealing with the elderly, sickly and children who have different nutritional needs.
- The tools and equipment were presented in a Foskor branded bag.



The final part of the project was a market day held in Umhlathuze, which gave the farmers the unique opportunities to sell their produce.

These are the communities that benefit from this project:

- Dub Village (100 households)
- Nseleni (50)
- Ngwelezane (50)
- Mzingazi (50)
- Dukuduku (100)
- Port Durnford (50)



Media Centre

There is a media centre at each of our sites. They offer the following services:

- Phalaborwa This facility is a resource centre for local schools and operates within the Foskor Community Centre in Namakgale. It provides administrative back-up for 75 local schools. Foskor provides the venue, funds the rental of the equipment and employs temporary staff to manage the facility.
- Richards Bay In partnership with Zululand Chamber of Businesses Foundation (ZCBF) and the Department of Education, the centre was founded in 2003. The centre provides a broad spectrum of administrative support services to 46 schools, including photo and risography copying, document binding, faxing, printing and laminating. In addition, it supplies both revamped and new textbooks for the library. The centre was founded specifically to contribute to the success of Zululand educators by providing them with reasonable and affordable access to the resources and facilities they need.



Partnering with Business Against Crime

As a high percentage of criminals re-offend due to lack of skills available to find gainful employment, it is imperative that this reoccurring statistic is addressed.

Together with the Department of Correctional Services, BAC and Umfolozi College, this positive initiative contributes to the rehabilitation of prisoners and assists parolees in receiving specialised skills training that can be utilised in future employment.



Protec

Since 2005, together with the Palabora Mining Company and Sasol Nitro, the funding of the Technological Careers (Protec) programme has been ongoing with phenomenal success.

The objective is to provide dedicated and quality learners to companies and industries within the Phalaborwa region. The identified learners are enrolled into the programme during their Grade 10 year for a period of three years. Their eligibility for the programme is dependant on their academic achievements in mathematics, English and physical science.

The programme offers learners extra lessons in the afternoons and during school holidays to help prepare them for their future career in the scientific and technological fields. Industrial site visits to local industries form part of the curriculum. During their second year they attend a one-week environmental leadership camp in July.

To date, more than 50% of these learners have gone on to study engineering, sciences and accountancy at tertiary institutions.

Skills Development Training Programme

The tools were provided for 14 orphans from the Ntambanana community to be educated in bricklaying, plumbing and plastering through a three-month training course held at the Umfolozi College.

Three Tractors Farming Project

A second consignment of tractors and implements presented at Nkandla is intended to help alleviate poverty within rural communities. iNkandla is one of the most impoverished communities within the KwaZulu-Natal area.

The tractors assist the community to work their vast land and plant crops. This initiative gives the community the tools to provide enough food to feed their families. The excess crops harvested through this initiative should be sold on, providing the means to educate their children.



University of Fort Hare Foundation (UFH)

Foskor entered into a two year agreement to make funds available to UFH for deserving students in the faculty of science and agriculture. Each recipient was awarded a bursary on the basis of dire financial constraints and a satisfactory academic record. In 2009, 10 students benefited from this funding with a further 10 for the 2010 academic year. All students obtained pass marks in their academic disciplines, achieving at least three distinctions each.

Environmental

Coastal Cleanup

For more than a quarter of a century the international coastal cleanup initiative has been active within our coastal areas. Partnering with KwaZulu-Natal Wildlife and the Department of Environment, this initiative sees the communities join forces to clean up all coastal areas within their region.

The litter collected consists mainly of plastic, glass bottles, polystyrene cups, take-away boxes and tins. It is all brought to a central point where it is separated, sorted and weighed. The total amount of litter collected during the 2010 cleanup weighed 16 500 kilograms! The materials are then distributed to various sites and where possible, recycled and utilised as a new product.

Environmental Awareness Forum

The inaugural biannual environmental community forum is a platform for the community to voice any concerns they might have regarding the impact of local industry on the environment. The forum consists of the three large industries within the area; namely Foskor, Palabora Mining Company and Sasol Nitro. Representatives who attend are from the community at large, farmers from outlying areas, as well as local commerce and industry.

Greening Limpopo

Together with the Limpopo government, Foskor is committed to the resuscitation of the environment. The specifics of this programme are to educate and encourage Limpopo residents to improve their surrounding environment. One of the core messages is the importance of assisting in the reduction of global warming by growing indigenous trees in and around places of residence. One of the benefits of this project is the potential to create necessary employment, which in turn will contribute to the Expanded Public Works Programme (EPWP), by boosting provincial job creation figures.



Johan Horn, VP in Phalaborwa, has become an ambassador for this project, which sees our commitment to the project written in stone.

Rehabilitation of landfill sites

The community of Ba-Phalaborwa municipality enjoy the inherent benefits that can be found in the responsible rehabilitation of the landfill sites in Namakgale, Lulekani and Phalaborwa.

The overall objective of waste minimisation and recycling is saving valuable landfill site space by promoting various ways of managing waste with an integrated waste management approach.

Wetland

Partnering with the Department of Environmental Affairs and other local business, the message highlighting environment day is relayed to the community. This is done in the form of a road show with the emphasis on wetland sanitation and how to care for the environment.

Local Economic Development (LED)

LED Partnerships

Partnering with the Ba-Phalaborwa municipality, a commitment to five projects as laid out in the 2009/2010 Integrated Development Plan has been made. The following will be implemented within the next four years:

- Street paving and storm water drainage
- Rehabilitation of streets in the Phalaborwa town
- Rehabilitation of landfill sites (Namakgale, Lulekani and Phalaborwa)
- Upgrade of sports precinct (Lulekani)
- Bollanoto infrastructure development hub



There are specific commitments from Foskor with regards to these local economic development interventions. In addition, there are a number of other areas whereby we assist by virtue of the equipment and skills available within the company.

CORPORATE SOCIAL INVESTMENT POLICY

POLICY STATEMENT

Foskor is committed to the practice of good corporate citizenship. We believe that commercial enterprises like ours have a responsibility to build sustainable opportunity in the communities where we have business operations and from where we draw our human and mineral resources. We are an integral part of society and can only thrive in the long-term if the people in those communities and the environment thrive too. We achieve this by forging cooperative relationships with community stakeholders including companies, schools, faith-based organisations municipalities, ngo's, small businesses, sports bodies, development groups, health groups, orphanages, and others. We will balance the objectives of business with care for the communities. We embrace this challenge with enthusiasm.

OBJECTIVES

This Corporate Social Investment Policy is intended to achieve the following:

- Build a positive reputation in the local community.
- Initiate CSI initiatives with long term development potential.
- Receive business benefits for Foskor from the CSI investment.
- To promote strong relationships with, and enhance the capacity of the local communities (including our employees).
- To contribute to sustainable social and economic development of communities living in and around our operations.
- To be recognised as the good corporate citizen in corporate social investment.
- To form strategic partnerships with relevant stakeholders in social development.

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