MULTI-YEAR

# Report

Ditholwana Ts'a Rena Development Trust

DITHOLWANA TSA RENA COMMUNITY Development Trust

# 2016–2024

# Contents

# About this report

**This consolidated report for 2016-2023 presents a clear, concise and balanced view of how the Ditholwana Ts'a Rena Development Trust (the Trust) creates and delivers value over time. It reflects on the Trust's performance, opportunities and risks, alongside our strategic priorities for the year ahead, as well as on our efforts to help build thriving and sustainable communities.**

## Reporting framework

Although this is not a traditional integrated annual report, we have endeavoured to follow the principles of the King IV Code on Corporate Governance (King IV) and the principles and requirements of the IFRS Foundation's International Integrated Reporting Framework where possible.

The structure and narrative of this consolidated report reflect the Trust's efforts to provide a broader context to our operations, taking into account the material matters relating to our strategy, business model and operating environment, that significantly affect our ability to create value.

## Our stakeholders

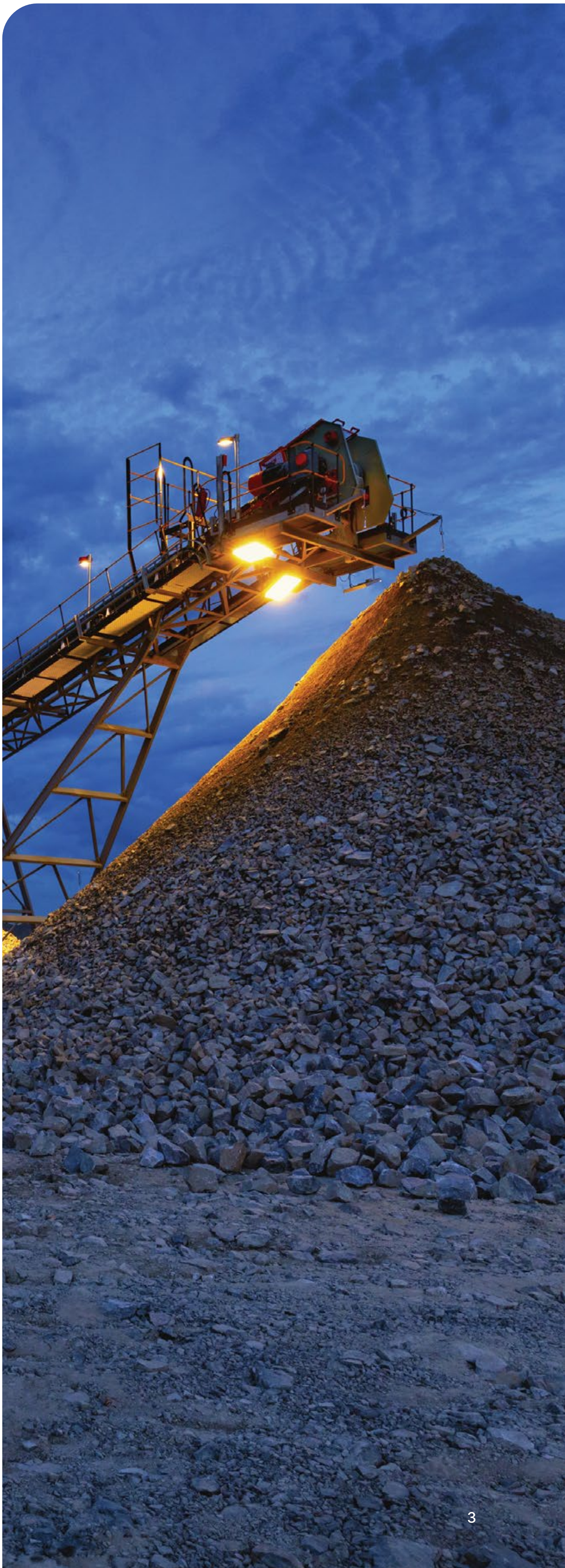
The Trust primarily serves the geographic community within a 15-kilometre radius of Anglo American Platinum's (AAP's) Mogalakwena Mine in the Waterberg District of the Limpopo Province.

Read more about our stakeholders on page 10.

## Materiality

During the period under review, as part of our risk management process, the Trust identified two matters that affect its ability to create value over time. These material matters have been ranked based on their impact and likelihood of occurring. This process helps the Board to develop mitigation measures and allocate adequate resources to do so. The resulting risk register allows us to track progress on risk, overseen by the internal auditor. Review sessions are held to evaluate the effectiveness of our risk management strategy and update the risk register where necessary, taking into account any emerging risks both internally and externally.

For more on risk, see page 16.



# Who we are

## The Trust was established in 2016 as a public benefit organisation (PBO) to serve communities surrounding Anglo American Platinum's Mogalakwena Mine in the Limpopo Province.

Ditholwana Ts'a Rena is one of five development Trusts within the Alchemy family that collectively report to an umbrella Trust, Lefa La Rona (LLR).

At the heart of Alchemy is a R3,5 billion shared equity ownership scheme aimed at creating sustained impact through transformative, integrated development within defined benefit areas. The communities surrounding Anglo American Platinum's operations and labour-sending areas are estimated to comprise over 5,2 million people in South Africa, Lesotho and Mozambique.

### The Alchemy family


Read more about our PBO function in the governance section on page 31.

## Our vision

To become the leading Trust in the Mogalakwena region by developing sustainable communities and livelihoods and by providing life-changing initiatives that are empowering and impactful.

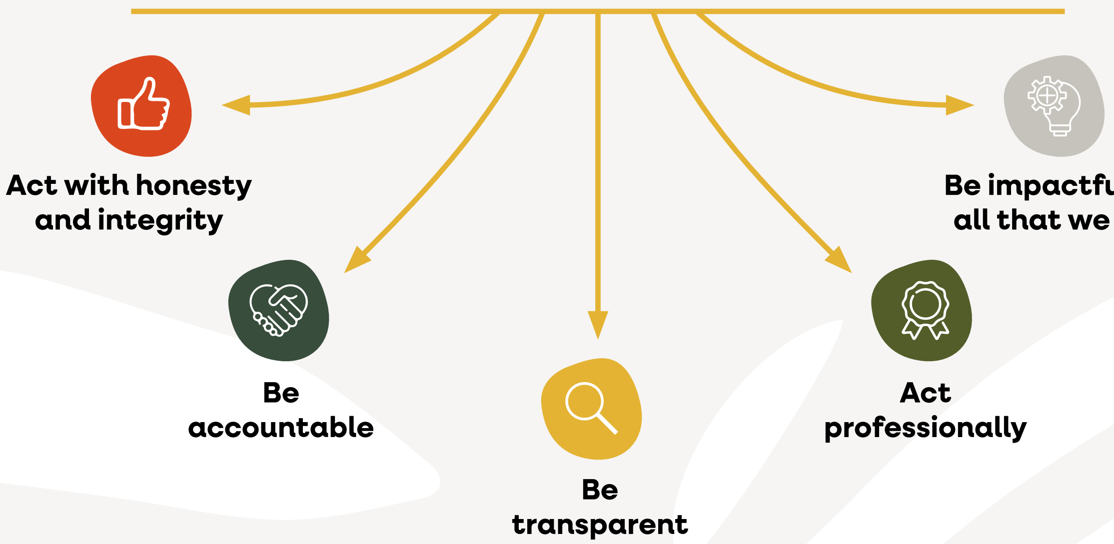
## Our mission

To become a catalyst for change in Mogalakwena by:

- **Creating value in the socio-economic development land.**
- **Offering support and access to resources for beneficiary communities that are in need and vulnerable.**
- **Sustainably transforming how we work with our funders, clients and leaders, to create positive social cohesion, influence and impact in the communities within which we operate.**

## Our values

Our values are guided by Alchemy's core principles



# Foreword by the Chairperson

**"If you want to go fast, go alone. If you want to go far, go together."**

**African proverb**

## It gives me great pleasure to present this 2016-2023 multi-year report for the Ditholwana Ts'a Rena Development Trust.

The Trust has grown and matured, adapting to changing demand and opportunities and, while it has not always been plain sailing, I believe the Trust has gone far. We have learnt a great deal during this time and have strengthened and consolidated relationships with key stakeholders, partners and the community.

We have taken heed of their input about where the Trust can do better and have restructured and reorganised ourselves accordingly. Undoubtedly, we still have a great deal of ground to cover to achieve our goals, but together we are well on our way to meeting our strategic objectives.

The next step in our evolution will be to deepen our emphasis on IBDS, incorporating this methodology into our projects more and more as it enables us to better identify and serve the long-term needs of the 62 villages that make up our benefit community, sustainably.

## We have achieved much over the years and have worked hard to reach this point. We have laid the foundations for the Trust and are now at the juncture of transitioning into an operational phase.

## Despite challenges, we have much to celebrate

We invested a substantial amount in numerous projects such as: improving community safety through the introduction of streetlights; the construction of a bridge between Ga Chaba and Mesopotamia; an eye care centre; helping with community-based organisations; community healthcare; early childhood development; and digital skills training initiatives.

Read more about our projects on page 22.

Our 2024 strategy is designed to be a catalyst for social cohesion in the community and will propel us towards delivering even better high impact, sustainable initiatives in our benefit community, underpinned by data, good governance and accountability.

Exciting times lie ahead for the Trust on the next stage of our journey to empower the communities we serve to flourish and thrive well beyond the lifespan of the Mogalakwena Platinum Mine.

## Acknowledgements

On behalf of the Board, I would like to acknowledge Anglo American Platinum for their unwavering support. Likewise, the involvement and contributions of the provincial and local governments, the Mapela Traditional Authority, and the Mogalakwena local community structures have been instrumental in the achievements of the Trust.

I am very grateful and indebted to our current Trustees and management team for their sterling leadership in steering our organisation through our foundational phase. We are delighted to have community Trustees on board for the first time.I would also like to extend my heartfelt thanks and appreciation to our former Trustees, Gift Adriaanse, Daisy Sodumedi, Daan Breet and Ted Muhajir for your contributions.

To our staff, stakeholders and partners, my sincere appreciation for your hard work, dedication and commitment. Your contributions are the driving force behind the Trust, and we would not be where we are today without you.

**Freddy Chaba**
Independent Chairperson

# Letter of support

## We are proud of the unwavering dedication and the positive impact on communities around Mogalakwena Mine that Ditholwana Ts'a Rena continues to make.

It is with great pleasure that we acknowledge and celebrate the outstanding efforts and achievements of the Ditholwana Ts'a Rena Development Trust under the dedicated leadership and commitment of all involved. As the executive head of corporate affairs and sustainable impact at Anglo American Platinum, I am pleased to celebrate the milestone of the Trust holding its first AGM since being created in 2016.

Under the Alchemy scheme, development Trusts were formed to leverage community shareholding in Anglo American Platinum through the Lefa la Rona Trust, as well as to promote long-term sustainable development and transformative impact in host communities. These Trusts are accountable to the communities they serve.

In 2010, our collaborative effort to strengthen our relationships with our host communities led to the birth of the Alchemy initiative, emphasising sustainability and community empowerment through the participation of community Trustees.

As part of the Alchemy family, Ditholwana Ts'a Rena focuses on serving communities around Mogalakwena through the implementation of impactful initiatives for sustainable community development and improved livelihoods.

The achievements that we read about in the Trust's annual report reflect a journey that has been characterised by learning, growth and collaboration.

Some of the Trust's investments include:

- Social infrastructure;
- Provision of clean water;
- Improved community safety through the erection of streetlights;
- Building of a bridge allowing communities access to education facilities;
- Internet access to improve education, and
- Healthcare.

The Trust has made substantial strides towards fulfilling its purpose: to become the leading Trust in the Mogalakwena region by developing sustainable communities and livelihoods through providing life-changing, empowering and impactful initiatives.

The dedication to forming strategic partnerships and commitment to using technology to advance communities is a testament to the innovative and forward-thinking approach of Ditholwana Ts'a Rena in amplifying efforts to co-create meaningful social value and impact.

We are proud of the unwavering dedication and the positive impact on communities around Mogalakwena Mine that Ditholwana Ts'a Rena continues to make. Having walked this journey with you, it is important for me to make you aware of Anglo American Platinum's current complexities in our operating environment. Platinum producers are facing market challenges which include lower prices, inflation and the impact of load shedding – all of which contribute to a difficult operating environment. Despite these challenges, we remain committed to supporting the Trust and we are confident in our leadership team's ability to overcome these challenges as we have in the past.

We look forward to continued collaboration in re-imagining mining to improve people's lives.

Yvonne Mfolo

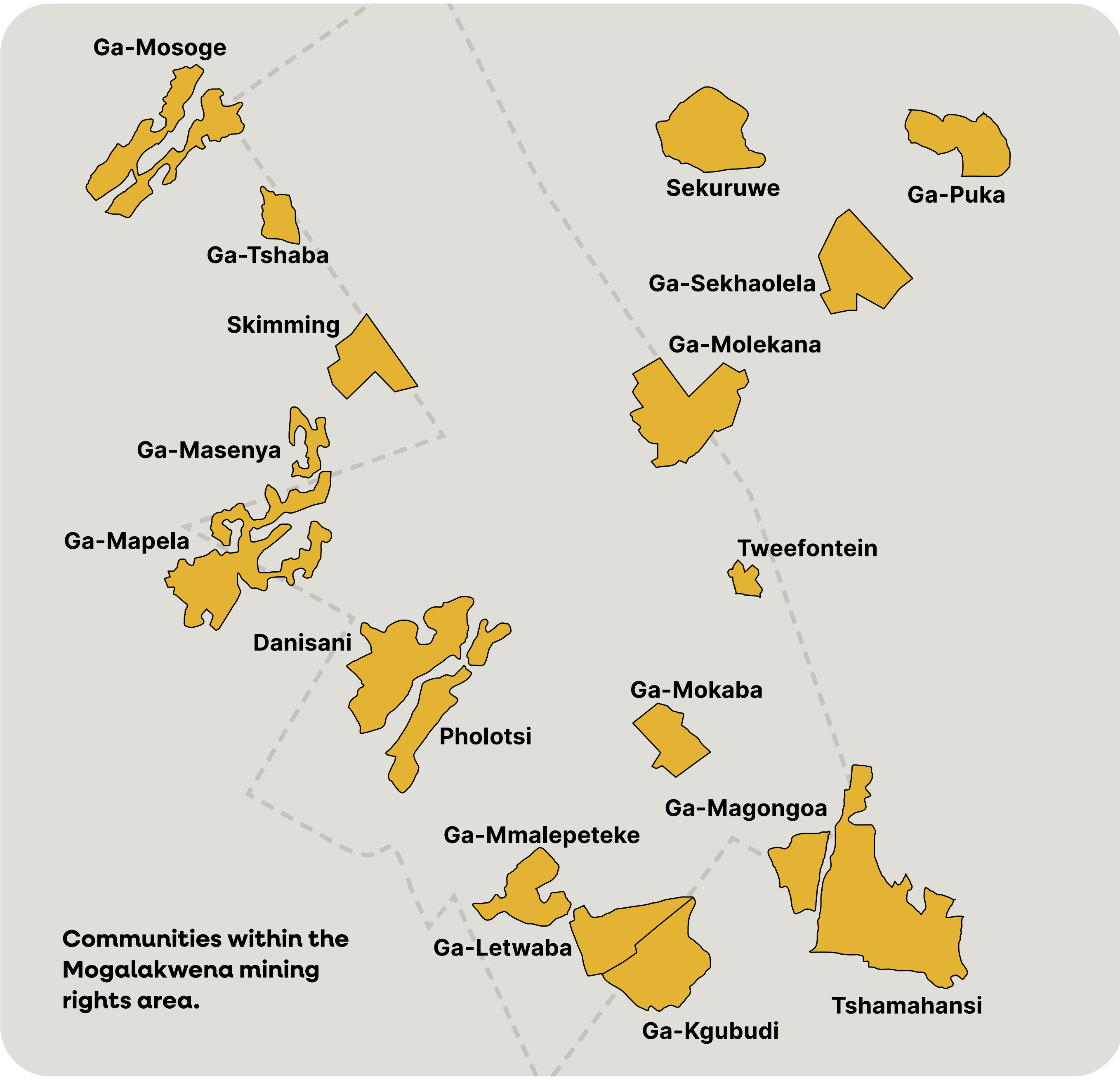
**Yvonne Mfolo**
Executive Head
Corporate Affairs and Sustainable Impact

AngloAmerican

# Our stakeholders

## Ditholwana Ts'a Rena serves specific communities within the Mogalakwena Local Municipality in the Limpopo Province.

The benefit area is set out in the Trust's Deed as an area within a 15-kilometre radius of Anglo American Platinum's Mogalakwena Mine. The area incorporates 62 villages, which form the heart of the Trust's development focus.



## Our approach

Up until 2021, the Trust relied on a task team in Mapela and Mokopane to consult with the benefit communities and other stakeholders. This approach has since evolved and multi-stakeholder forums, consisting of traditional councils, the local municipality, government departments and civil society, have been established to better inform and guide our initiatives.

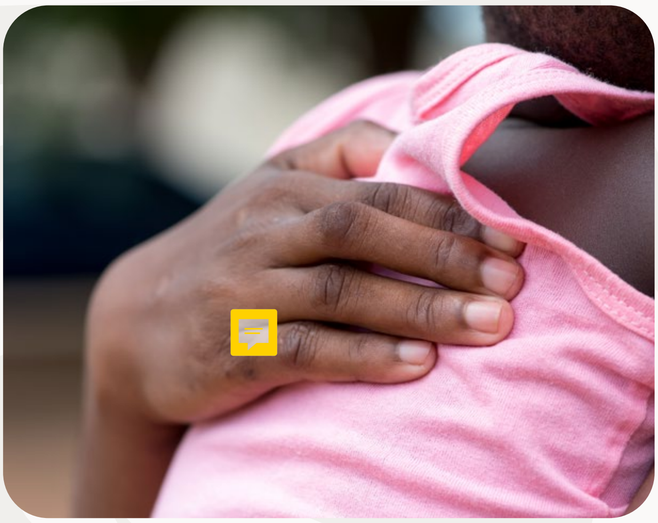
> **Building on these consultation processes, we will also work with our partners to find out directly from those affected what changes are needed and how they can best be implemented. This is part of our commitment to achieving meaningful impact.**

## The local context

In terms of its strategy development and planning obligations, the Trust is required to conduct a scientific social and economic analysis of its benefit area. This work was greatly assisted with the introduction of Interactive Community Profiles (ICPs) into the Alchemy family in 2020. These profiles organised readily available community data and research within a framework based on a community life course.

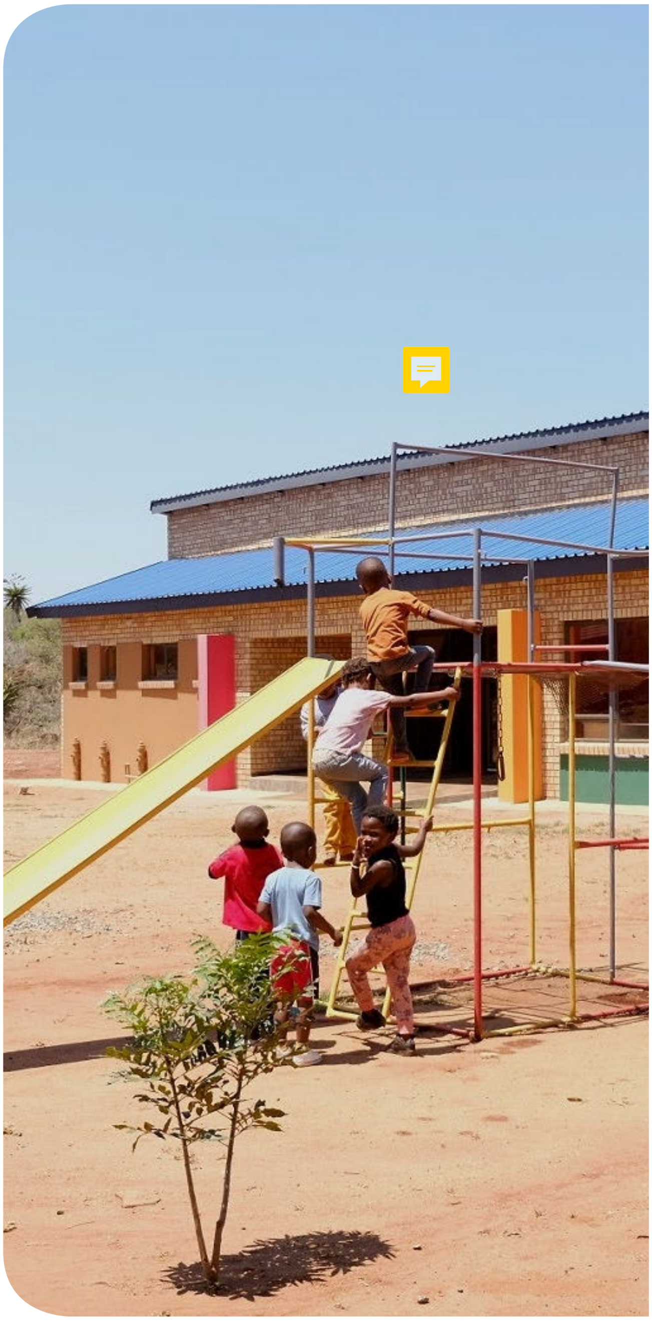
A systems approach is critical in tackling difficult-to-solve social problems as it explains how different elements of a community interact to create specific problems. By deepening this system's approach, the Trust can employ additional interactive engagement methods to collaborate with local stakeholders and strengthen factors that support a positive life course and mitigate risk.

**The advantage of this novel approach to collating and analysing community data is that it makes the nature of community problems more transparent through the application of systems thinking. This methodology also helps to achieve Alchemy's core principles of integrated development and investment at a community, rather than at an individual level.**



# A brief look at local challenges

**The Mogalakwena Local Municipality was established in 2000 following the amalgamation of three local authorities. It is one of five municipalities in the Waterberg District, and home to almost half the people in the district.**



Household income in Mogalakwena is half the Waterberg District median household income. This difference may be due to the fact that over 50% of the local population is not economically active. This is seven percentage points higher than for the district. The unemployment rate is also notably higher compared with neighbouring mining municipalities such as Thabazimbi, and may be due to the type of labour needed in the Mogalakwena area and its associated lower wages.

Almost half of the municipality's population is under the age of 20, making the municipality's median age between four and nine years lower than that of other municipalities in the district. Thus, not only is the Mogalakwena Local Municipality home to a significant percentage of young people, it also has to confront the numerous challenges young people must overcome if they are to attain secure livelihoods as adults.

The transition from school to post-school lives and employment is a critical time for these young adults, and is reflected in a key development indicator referred to as youth, not in employment, education or training (NEET).

**At 42%, the municipality has the highest NEET rate in the district, and the fifth-highest in the province.**

While the municipality has a large young population, it also has a disproportionally large population of older people – 14%, compared to 8% nationally. Limpopo is one of three provinces in South Africa with this phenomenon. Although this number may appear small, due to the legacy of apartheid and the emerging carry-through effect of an unresolved NEET problem, the majority of these people are largely dependent on limited government services, inadequate social grants, and the assistance of local organisations to sustain their daily living.

**19%**
**1 out of 5 provide own water**

**59%**
**must handle own refuse disposal**

**69%**
**two-thirds use pit toilets**

In addition to these dependencies, government service delivery to the 82 700 households in the municipality is limited. One in five (19%) households must provide their own water, and more than half (59%) have to take care of their own refuse disposal. Two-thirds (69%) of households still use pit toilets.

Health service delivery is equally concerning. A significant number of maternal deaths, sub-optimal immunisation of children, and nearly 200 children dying from acute malnutrition are still common in the district.

While school attendance up to the compulsory age of 16 is high, almost half of all children subsequently drop out due to poor learning experiences, limited subject choice, a lack of guidance to steer their post-school plans, bullying, and difficult home lives. All these factors have the potential to derail a young person's path to meaningful employment.

# How we help create change

## Our strategy

The Trust has adopted three medium-term strategies since its inception. Our 2023 strategy aims to apply our understanding of the challenges in the communities we serve to focus on creating social value through improved delivery of our founding purpose and commitments.

During this reporting period our focus has been on:

**Social infrastructure to enable more sustainable outcomes, primarily in education.**

**Capacity building of community-based organisations (CBOs) to ensure compliance with funding and PBO requirements.**

**Targeted social programmes for prioritised outcomes.**

Read more about our initiatives and partnerships on page 22.

Four cross-cutting objectives linked to delivery will underpin our strategy going forward.

- **Improve accountability** for aligning the execution of the Trust's work to its purpose.
- **Leverage technology** to help meet the expectations of internal and external stakeholders.
- **Ensure good governance**, based on ethical leadership, an organisational culture of accountability, and systems that enable the measurement of reasonable standards for delivery.
- **Promote sustained impact** by qualifying and quantifying relevant needs within the benefit community to deliver on the Trust's mandate.

## We also aim to become more responsive to our benefit communities by:

- **Promoting transparency** around the Trust's purpose, values and objectives.
- Being more **consultative**.
- **Improving communication** on how community needs are taken into account.
- **Improving communication** systems and channels to avoid redundancy and duplication.
- **Engaging with empathy** to understand stakeholders' perspectives.
- **Demonstrating our worth** as a community partner of choice to co-deliver initiatives that create meaningful social value.
- **Creating a two-way flow of information** from multiple stakeholders to help prioritise critical matters.

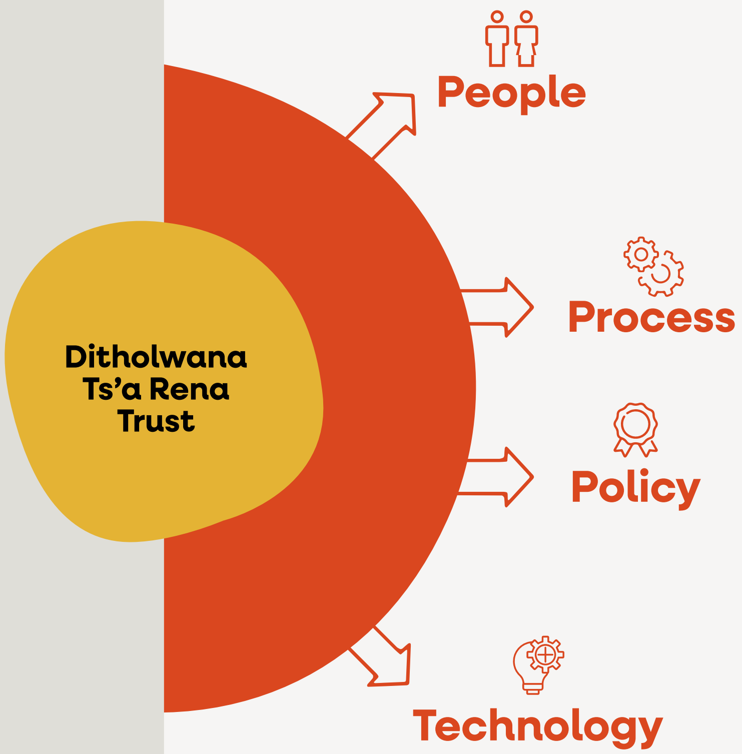
**This strategy will gain momentum in 2024 as we continue to incorporate Alchemy's Impact by Design Strategy**

Read more about levelling up with **Impact by Design** on page 18.

### Enabling the strategic objectives

A strong operating model is imperative to create:

- A well-functioning organisation.
- Structure that will bring about impact.
- and embed new skills, technologies, and processes in the organisation.
- Capabilities that are primary to meeting operational, organisational objectives.
- End-to-end processes, and identify which ones will deliver optional value.
- The right mix of capabilities and approaches.
- Partnerships with community Trustees to understand community needs.



# Risk management

**As part of its oversight function, the Board maintains a register to identify, mitigate and monitor risks that may impact our strategic objectives and our ability to create meaningful social value. These risks are assessed based on the likelihood that they will occur and on the severity of their potential impact.**

## Our top two material risks

### 1 Inadequate stakeholder communication and management

**Root cause**
Insufficient communication around the Trust's purpose, narrow consultation, limited co-ordination with the public sector and community politics.

**Impact on social value**
Projects are delayed or rejected, financial losses occur and, in extreme cases, the community protests to highlight their grievances.

**Mitigation**
The Trust has prioritised and set specific objectives for improving stakeholder communication and responsiveness.

See more about our strategy on page 11.

### 2 Ability to deliver quality and sustainable initiatives

**Root cause**
Initiatives are not designed to address the needs of those directly affected due to provider-led funding applications, responding to walk-in project requests, the inability of projects to deliver the desired change, and the lack of ongoing ownership to continue delivering social value.

**Impact on social value**
Wasteful and fruitless expenditure, under-utilisation of social assets and, in extreme cases, the community protests to highlight their grievances.

**Mitigation**
The Trust participates in various initiatives facilitated under Lefa La Rona Trust to improve the quality, impact and sustainability of initiatives undertaken within Alchemy. These initiatives assist the Trust to improve its operating model and systems.

Read more about levelling up with Impact by Design on page 18.

# Resource mobilisation

**In line with other Trusts in the Alchemy family, Ditholwana Ts'a Rena continuously engages with a number of partners and stakeholders to mobilise resources that help support our goals, amplify our efforts in the benefit area or advocate for critical change.**

**Looking to the future, the Trust hopes to further mobilise resources through three interlocking strategies.**

These three strategies must, however, be rooted in mobilising resources that can deliver sustained social value and measurable impact towards a clear goal. Therefore, not all partnerships will be ready-to-go opportunities to create the desired change and the Trust may be called on to encourage potential partners to better align their contributions to the specific requirements of the benefit community.

**1**

**Mobilise local and global partners**, as seen previously in collaborations with provincial, national and global partners and development agencies.

**2**

**Increase the diversity of partners** to enrich opportunities for collaboration. This will help the Trust to engage with a wide range of subject matter experts, partners with robust monitoring and evaluation skills, and partners that provide access to resources and specialised implementing partners.

**3**

**Mobilise resources** across multiple interlocking vulnerabilities in a community's life course to help promote a positive life course trajectory and mitigate negative events.

# Levelling up with Impact by Design

**Since 2019, the Trust has participated in a series of capacity-building initiatives facilitated by Lefa La Rona Trust. The aim is to refine its operating model to better realise Alchemy's bold 20-year vision of a thriving and sustainable community through and beyond mining.**

This work has focused mainly on adopting global best practices in community-led development, on defining and measuring social impact, and on facilitating transformative change to address complex social problems. The configuration of these specific positions and actions is encapsulated in various practices, known as the Impact by Design Strategy (IBDS).

## Why doing better is important

Alchemy founding principles state that its Trusts will work at a community level to deliver integrated and sustainable development through and beyond the life of mines. However, Alchemy's vision goes beyond merely serving its benefit communities; it aims to see them thrive. Its goal is to alleviate the conditions that currently render these communities vulnerable to poverty, unemployment, and inequality so that every individual – and not just a select few – can flourish and prosper.

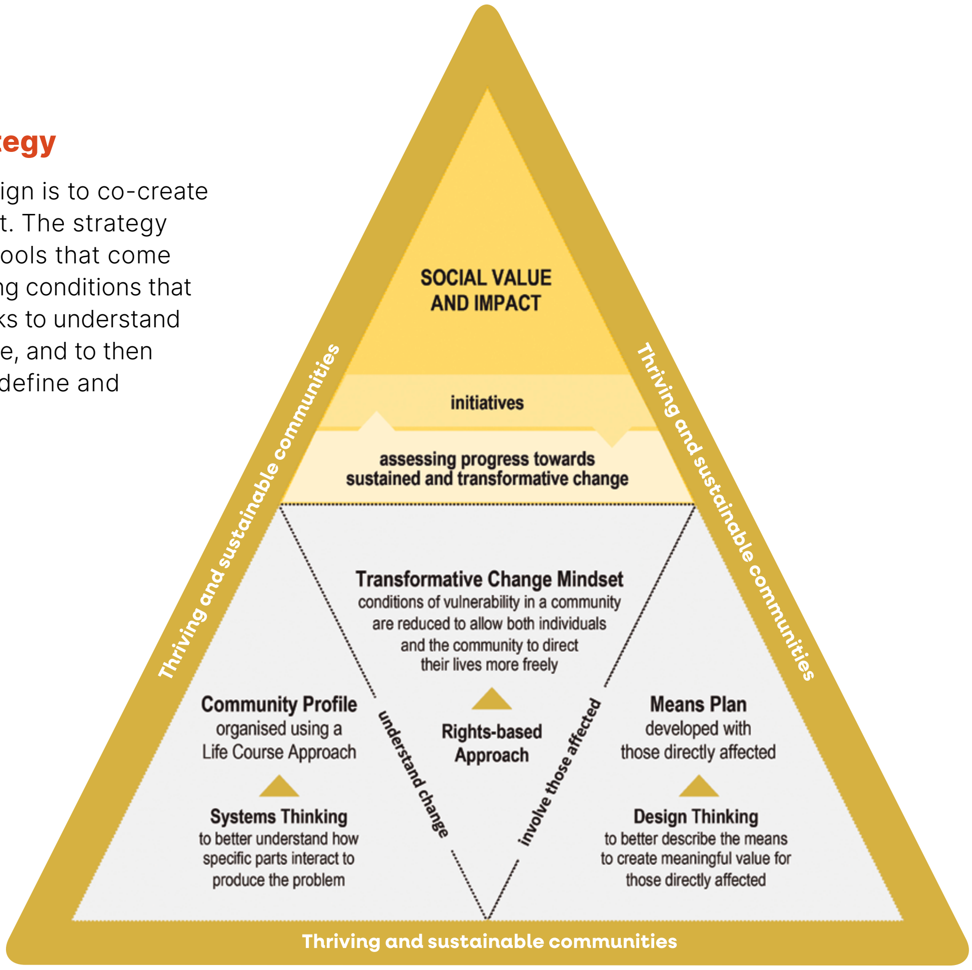
Many development funders tend to support good causes with short-term outcomes. However, these efforts are generally not geared to changing the broader conditions of vulnerability in a community, and have limited value in meeting the Trust's long-term vision. By comparison, the notion of doing better centres around actions that will provide maximum benefit to a community.

By focusing on doing better, the Trust is also implicitly strengthening a community's capacity to direct their own lives more freely, thereby helping both current and future generations to prosper.

## The Impact by Design strategy

The primary aim of Impact by Design is to co-create meaningful social value and impact. The strategy comprises various practices and tools that come together to determine the underlying conditions that give rise to a social problem. It seeks to understand what constitutes meaningful change, and to then involve those directly affected to define and steer the desired change.

> **Working systemically to change the conditions of vulnerability in a community is critical if the Trust is to deliver on its mandate to help facilitate meaningful and sustained community-level change.**




## Embeddeding IBDS in the Trust

From 2024, the Board will start integrating IBDS into its operating model and systems. This process will require some changes to assist the Trust to refine its practices and ensure meaningful progress in addressing the many difficult-to-solve social problems it faces.

IBDS follows a systems approach to understand how problems develop, coupled with human-centred design, to tailor responses to the needs of those directly affected. As outlined in our strategic objectives and risks, the Trust is determined to improve its responsiveness to stakeholders as well as the quality and impact of our initiatives.

To further facilitate integrated development at a community level, IBDS also uses a life course approach as an organising framework. This will enhance the Trust's understanding of the communities it serves, proposed interventions, and how to best mobilise community assets and additional resources. Be it for planning or assessing work done, using IBDS will enable the Trust to demonstrate the extent of the social value it creates as well as the progress made.

## Implementation milestones

In 2021, the Trust completed its first general community profile with the support of Lefa La Rona Trust. This community profile organises publicly available data and research to better understand the factors that influence the life course of those living in the Mogalakwena Local Municipality. These profiles help the Trust to understand the causes of a problem, starting with the life course that leads up to it, as well as its long-term effect. One of the most pressing concerns for the Trust is youth who are affected by the NEET phenomenon, together with its impact on them, their families and the community now and in the future.

As illustrated, while NEET is typically framed as an education issue, it is primarily the result of several problematic factors involving women, young children, early learning, health, and social services. Moreover, it triggers further situations that impact the remainder of an individual's and community's life course. Therefore, to bring about truly transformative change around the NEET phenomenon, these underlying conditions of vulnerability must also be addressed, both before the affected life stages and afterwards. The NEET trajectory also offers vital insights into the extent to which community resources must be engaged to support substantive change.

While the Trust's resources are limited, the insights gleaned from this systems approach to development is the foundation for a comprehensive resource mobilisation strategy.

## The NEET trajectory: risk and protective factors

Examples of risk factors

**Conception to birth**

Risk factors:
- Early pregnancy
- Health service access and quality
- Women-headed household
- Unemployment
- IPV and GBV

Protective factors:
- Sexual and reproductive health service access
- Antenatal services access
- Social grants
- Children after 24 years

**First 2 years**

Risk factors:
- Health service access and quality
- Malnutritiom
- Repeated diarrheal disease and pneumonia
- Low growth

Protective factors:
- Early stimulation
- Child grant
- WASH
- On-time immunisation and growth monitoring

**Young child** (2-6 years)

Risk factors:
- Malnutrion
- Low growth/stunting
- Repeated illness
- Heouseholdand community violence

Protective factors:
- Household nutrition programmes
- Access to services for maltreatment
- Access to Early Childhood Development services

**Older child** (7-10 years)

Risk factors:
- Low attainment in reading and maths skills (Gr3 gap)
- Malnutrion/stunting
- Interpersonal violence and bullying

Protective factors:
- Teacher development and teaching resources
- Active parent/guardian
- School nutrition
- Safe school environments

**Early adolescence** (10-15 years)

Risk factors:
- Widening reading and Maths gap from Gr3
- Intimate Partner Violence
- Early sexual debut
- Early pregnancy

Protective factors:
- Access to sexual and reproductive health
- School-based IPV and GBV programmes

NEET

**Late adolescence** (16-18 years)

Risk factors:
- Limited subject choices due to Gr9 gap
- "Culling" by schools
- Exiting school early
- Sexually active
- Early pregnancy

Protective factors:
- School drop-out mitigation
- Sound career guidance
- Entrepreneurship development at school
- Access to mental health services

**Early adulthood** (19-24 years)

Risk factors:
- Limited access to post-school education
- No path to employment
- Childcare limiting education and sustaining unemployment

Protective factors:
- Many pathways to waged and self-employment
- Education to work support
- Venture creation support
- Access to digital enablers

**Mid to late adulthood** (26-59 years)

Risk factors:
- Prolonged unemployment
- Dependency on inadequate social grants
- Sustaining employment as job market shifts towards 4IR

Protective factors:
- Opportunities offering adequate income
- Access to on-going learning opportunities
- Unemployment exiting support for older adults

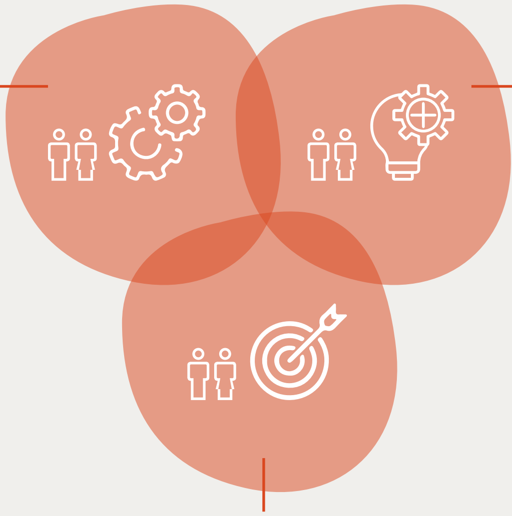
**Older adults** (>60 years)

Risk factors:
- High dependency on State for income and services
- Children left in the care of older parents/relatives
- Households with unemployed adults

Protective factors:
- Access to acceptable services tailored to older persons
- Support in care of children
- Support of households with unemployed adults

Examples of protective factors

# Our performance



**Investing in social infrastructure to enable more sustainable outcomes**

Goal: enable more sustainable outcomes

**Investing in community-based organisations to improve access to critical services**

Goal: improve access to critical services

**Investing in targeted social programmes for prioritised outcomes**

Goal: prioritised outcomes

## Initiatives and their impact

### Lessons learnt

Initially, in its foundation phase, the Trust assumed responsibility for projects conceptualised and started by others and, as we matured, we began to establish our own strategies and initiatives. Throughout this time, the Trust has consistently reflected on its processes and outcomes.

A critical lesson across the Alchemy family has been the importance of better understanding the purpose of the five development Trusts.

**While many organisations provide short-term funding for good causes, Alchemy was founded with the unambiguous intent to facilitate truly transformative long-term change within clearly defined benefit communities.**

Compared to the customary approach of providing funding through periodic grants, being a facilitator of meaningful development is a significantly harder task. That said, the Trust is fully committed to answering this call through critical self-reflection, applying global practices, and supporting more conducive conditions to achieve its vision of a thriving and sustainable benefit community.

In reviewing the Trust's activities since 2017, the importance of community involvement in both conceptualising, and owning, an initiative becomes evident. Similarly, there needs to be an upfront understanding of the limitations of smaller implementing partners, such as their ability to be paid for their work in arrears. Lessons in contract management and enforcement with larger providers have also been invaluable.

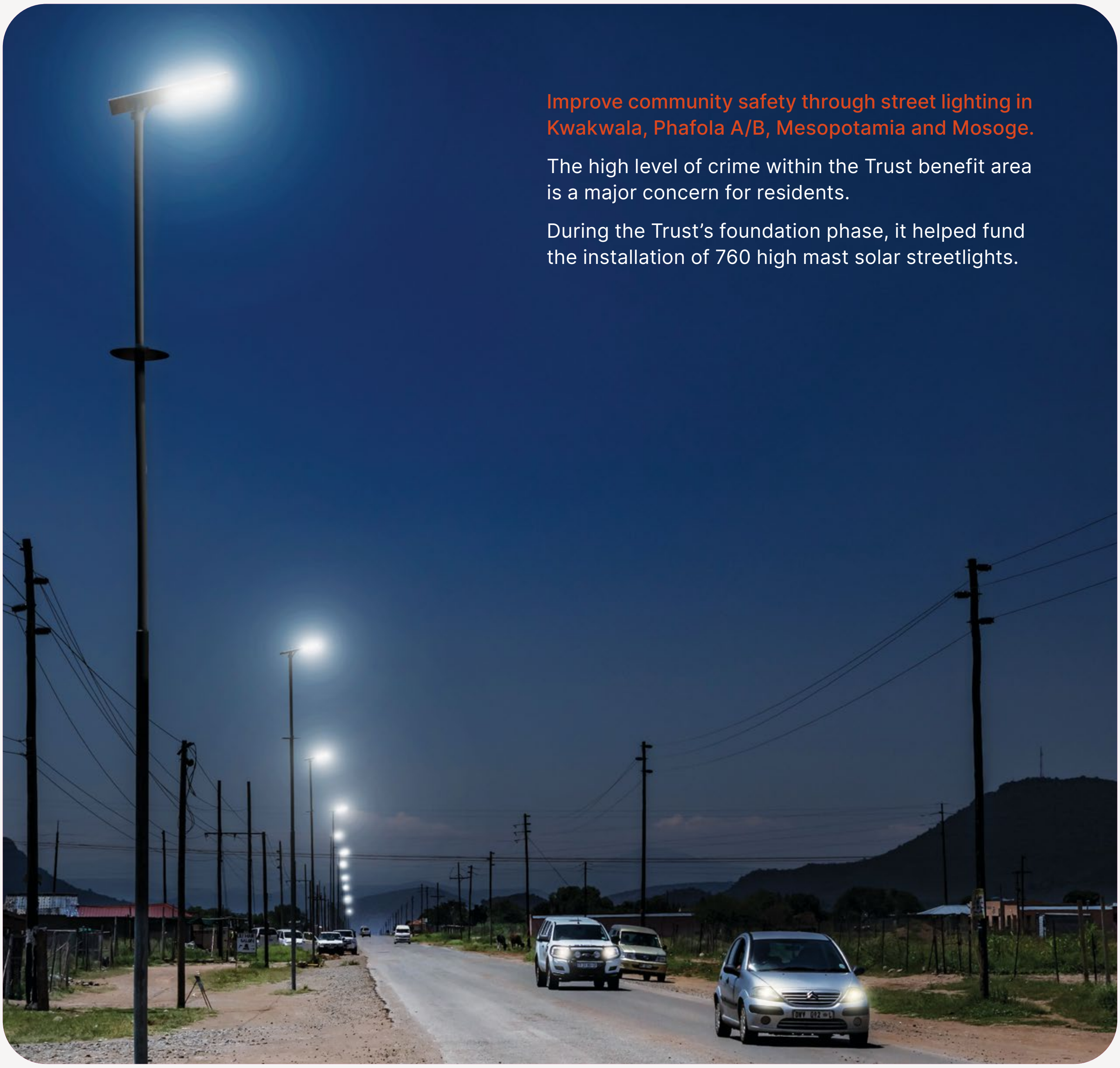
The Trust is grateful for the opportunities to learn from the other Alchemy Development Trusts as they too strengthened their operating models and impact assessments.

## Our initiatives and partnerships

**Since 2017, the Trust has been working to create positive change and, as we transition deeper into an operational phase, we will continue to refine our focus to strengthen our integrated development model and amplify our social impact.**

We recognise that critical community outcomes cannot be achieved without material investment in the development of much-needed social infrastructure and with this in mind we have invested resources across three thematic areas.

### Investing in social infrastructure to enable more sustainable outcomes



### Improved sanitation at schools

The crisis around poor sanitation at schools in Limpopo is well known. With WASH being a core focus area for the Trust, it partnered with the Limpopo Department of Education to construct toilet blocks in five secondary and six primary schools within its benefit area.

### Early Childhood Development Centres

To improve access to early learning within the benefit-community the Trust invested in three new ECD centres in the villages of Danisani, Rauwele and Chokwe.

### Mokopane Traditional Authority office upgrade

The Trust benefit area includes areas under the auspices of the Mokopane Traditional Authority. This authority play a significant role in consulting the benefit community and facilitating the Trust's work. To assist the Authority in fulfilling this role the Trust invested in upgrading their offices.

## Ga-Chaba Bridge

The lack of a bridge between Ga-Chaba and Mesopotamia was a significant hindrance to the local community, particularly for children attending the Tlakana Primary School. The Trust provided funding for the construction of this vital bridge.

## Eyecare centre at George Masebe Hospital

Rural and poor communities are disproportionately affected by preventable blindness. While screening is an important step in prevention, so too is the ability to refer patients for corrective treatment.

The Trust therefore partnered with the Department of Health and Grace Vision to establish a referral centre at George Masebe Hospital at a cost of R9,6 million.

This centre will provide 250 cataract surgeries a year. This centre will dovetail with the plan for 13 000 screenings per year and provisioning of at least 1 200 corrective glasses.

## Upgrading school facilities

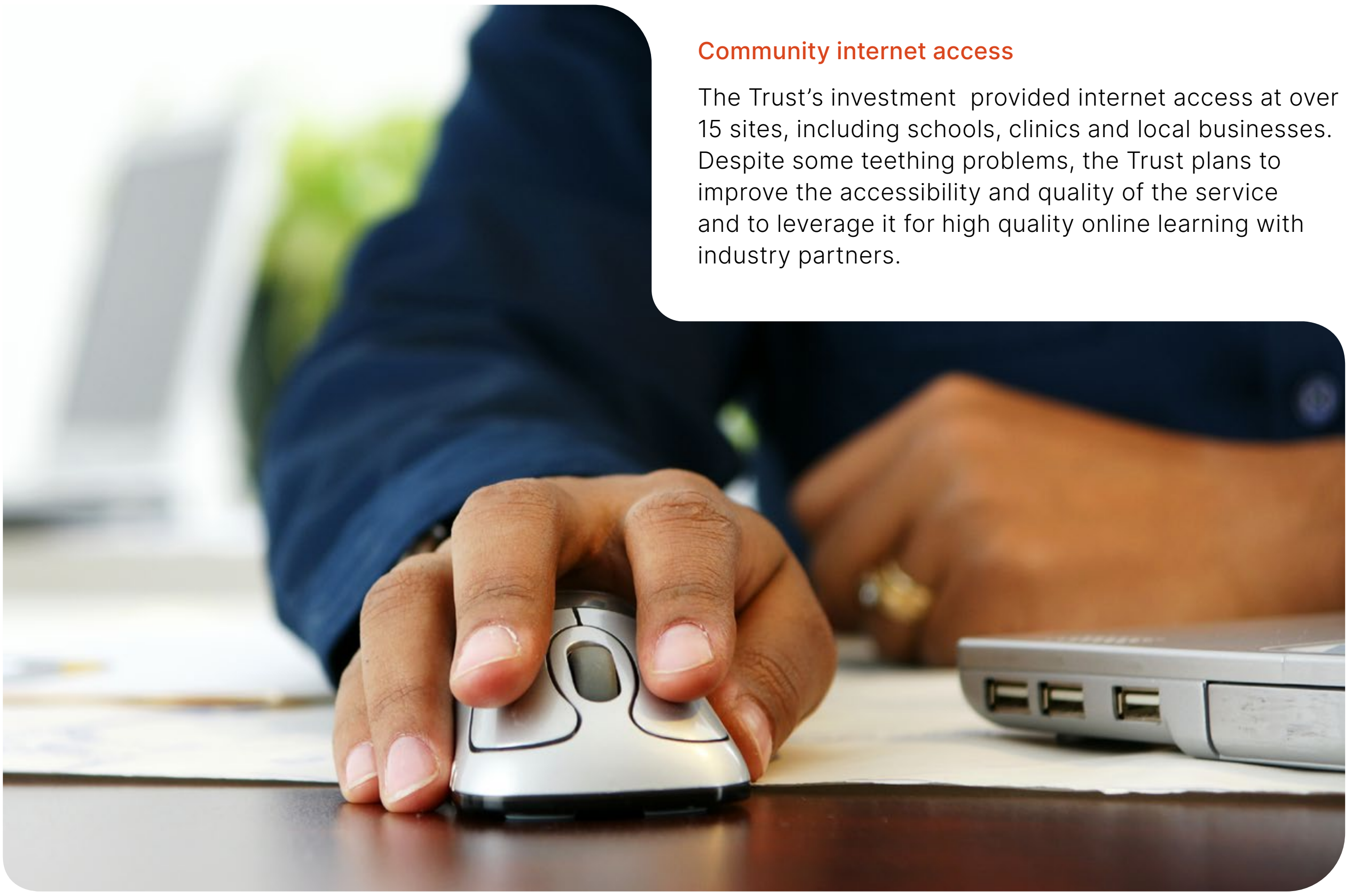
To help underpin the basic requirement for quality learning, the Trust invested in building new as well as renovating existing classrooms.

The Trust also invested in a novel WASH initiative at Mmantutule Secondary School, which provide water purification and storage under an artificial turf football pitch.

## Ditholwana water relief

Access to adequate clean drinking water is a critical component of water, sanitation and hygiene (WASH).

The Trust helped to provide at least 50 litres of clean water to 4 200 people living in more than 1 000 households in Sekuruwe, Millenium Park, Ga-Pila, Mosesetsane and Mabusela.



## Community internet access

The Trust's investment  provided internet access at over 15 sites, including schools, clinics and local businesses. Despite some teething problems, the Trust plans to improve the accessibility and quality of the service and to leverage it for high quality online learning with industry partners.

## Investing in community-based organisations to improve access to critical services

A tiered small grants programme supporting 11 community-based organisations (CBOs) were registered as non-governmental organisations.

The Trust's investment supported access to the following services:

- Improving access to victim support linked to crime and abuse.
- Primary prevention of gender-based violence.
- Assisting women to make their livelihoods more secure.
- Care and support of older persons within the benefit-community.
- Assisting people with visual disabilities.
- Assisting youth with subsistence and income generating activities.
- Assisting youth to learn new skills in the use of digital technologies.
- Drop-in centres for children out-of-school.
- Primary prevention of substance abuse.

**Building the capacity of the 11 community-based organisations to improve their sustainability and impact.**

The Trust required the 11 organisations funded to complete a comprehensive capacity development programme that included mentoring.

**Improving the competencies and skills of existing community health workers.**

Based within NGOs, CHWs play an important role in accessing primary health care as set out by the Department of Health. The Trust's involvement assisted CHWs within its benefit area improve their knowledge and skills to perform their vital work.

## Investing in community-based organisations to improve access to critical services

**Ensuring ECD practitioners in the benefit community are qualified and registered with the South African Council for Educators.**

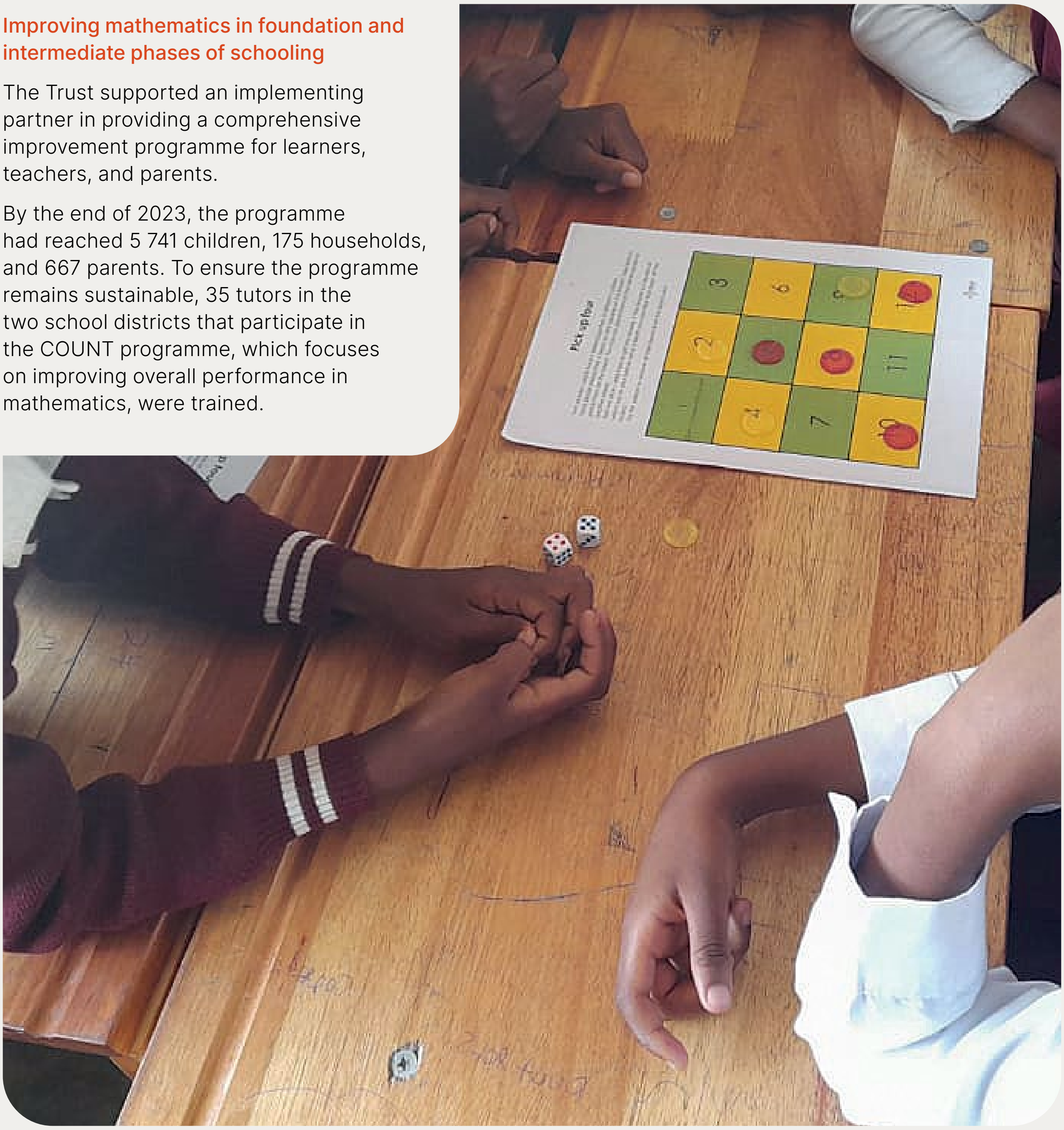
The Trust supported an implementing partner to help 63 ECD practitioners attain the NQF Level 5 Higher Certificate in Early Childhood Development qualification.

This investment included assisting this group of practitioners to attain the precursor qualification at NQF Level 4. Practitioners with the Higher Certificate will be able to register with the South African Council for Educators and may work in ECD centres as well as in schools offering Grades R and RR.

## Improving mathematics in foundation and intermediate phases of schooling

The Trust supported an implementing partner in providing a comprehensive improvement programme for learners, teachers, and parents.

By the end of 2023, the programme had reached 5 741 children, 175 households, and 667 parents. To ensure the programme remains sustainable, 35 tutors in the two school districts that participate in the COUNT programme, which focuses on improving overall performance in mathematics, were trained.



## Securing livelihoods through the commercial farming of Boer Goats

Intensive Boer Goat farming has been shown to provide significant income to small-scale commercial farmers. During its foundation phase, the Trust invested in a pilot project supporting 10 farming co-operatives in its benefit area.

Approximately half the emerging farmers were able to maintain their herds, with two showing significant success. Infectious diseases, access to water, the need for supplemental feed and the lacklustre support of provincial departments profoundly hampered this initiative.

## Promoting environmental sustainability to address climate change and adverse weather

The Trust is concerned about the threat of climate change and the associated impact of adverse weather, particular droughts, in its benefit area.

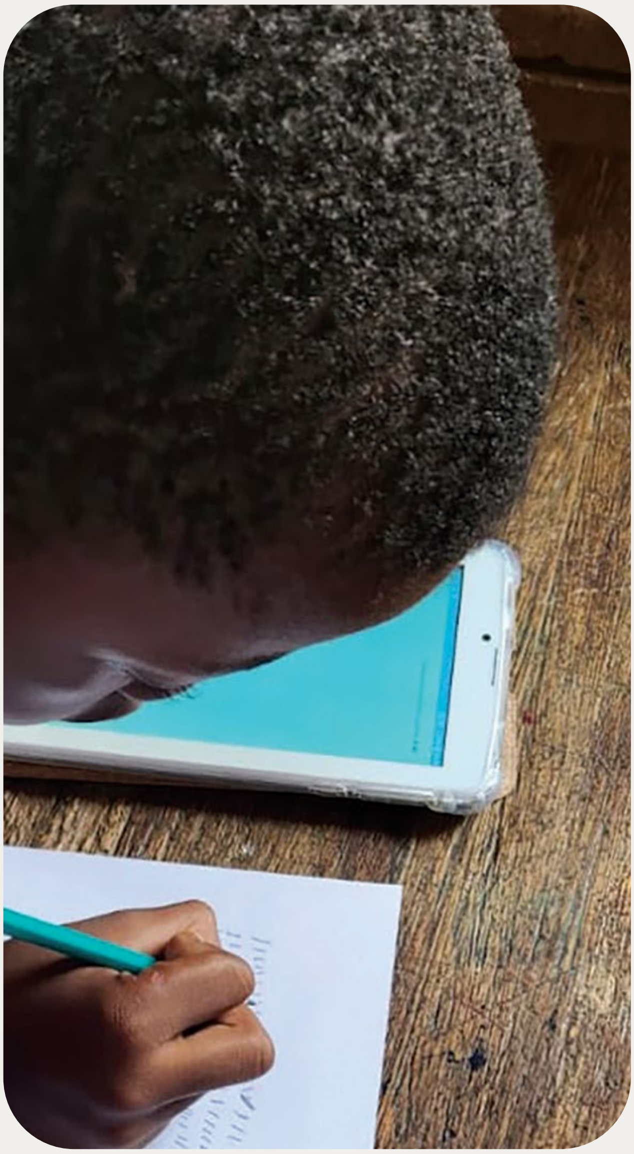
The younger generation will be most affected and, with this in mind, the Trust helped to boost environmental knowledge and understanding in 18 schools.

Six Eco Clubs were subsequently established in the participating schools, while 12 learners from four schools took part in the National Science Expo.

## Training in coding, cloud computing, artificial intelligence, and robotics

Compared to their urban peers, rural youth face significant barriers in accessing new learning opportunities for careers in digital technologies.

Given the exceptional demand for these skills in South Africa, the Trust invested in digital skills training for 148 youth.



## Masenya/Tswelelopele Information Centre

The Trust helped to construct a fully-equipped ICT centre as a local skills hub.

# Governance

## The Trust is committed to good corporate governance to ensure the transparent and accountable use of its resources to create both material and transformative value for all within our benefit community.

### Why doing better is important

The Trust was formed in 2017 for the purpose of funding, developing, implementing, administering, and furthering the Trust's objectives. While it is currently registered as a public benefit organisation (PBO), the Board has the option to have it formally recognised as a non-profit organisation (NPO) in the future.

The Trust is governed by the Trust Deed, which sets out the mandate and duties of the Trustees, who serve a five-year term.

The Trust and Trust Fund are controlled and administered by the Trustees, whose duties are set out in the Deed and encompass maintaining the Trust as a PBO, complying with relevant legislation and regulations, maintaining proper accounting and records, and developing a five-year development plan and 20-year sustainable development vision for the benefit areas. The Trustees are also responsible for identifying, developing, and formulating proposals for projects that fulfil the social and economic development needs of the beneficiaries.

Additionally, the Trustees are required to conduct periodic reviews of policies and procedures and to notify the Lefa La Rona Trust of any material irregularities. The financial statements of the Trust comply with the International Financial Reporting Standards (IFRS) and, in accordance with those standards, fairly present the state of affairs of the Trust and its net income and cash flows for the period under review.

One of the key implementation imperatives is for the Trust to ensure that it exerts a resounding impact in the lives of the benefit community it serves.

### A public benefit organisation

To realise Anglo American Platinum's vision for Alchemy, all its development Trusts were established as registered public benefit organisations (PBOs). It operates as a not-for-profit organisation to promote the well-being and welfare of others through:

- **Socio-economic development**
- **Enterprise development**
- **Education and skills development**
- **Job creation**
- **Healthcare**
- **Safety and security**

The Trust must be widely accessible to the general public and may not serve the interests of a small or exclusive group. None of the Trustees in a PBO may benefit economically from its work, other than receiving reasonable compensation for their contributions.

## Governance structure

### Board of Trustees
Responsible for governing and guiding the strategic direction of BBR

### Board Committees

**Planning, Monitoring and Evaluation Committee**

Provides strategic direction, monitors implementation and reporting on the work of the Board.

**Audit and Risk Committee**

Provides the organisation with an assurance that its audit universe, risks and inspections are properly addresses tot he satisfaction of stakeholders. This committee is headed by SNG Grant Thornton.

**Resources Management Committee**

Assists the Board with budgeting and expenditure, human resource, facilities, labour relations and ICT management activities.

### Administrative and Implementation Support Structure
The provisions of the Deed Trust stipulate the need for an administrator and project manager. These support functions require adequate operational budget to fulfil their roles.

### Board Sub-Committees
The sub-committees meet four times a year.

**Stakeholder Engagement**

Mary Machoga (Chairperson)
Freddy Chaba
Lindokuhle Khuzwayo

**HR/Finance/Risk**

Lindokuhle Khuzwayo (Chairperson)
Tsakani Pila

**Projects**

Grace Ngobeni (Chairperson)
Freddy Chaba

## Our Board of Trustees

**Freddy Chaba**
Independent Trustee and Chair

Sector specialist – Mining, Limpopo Economic Development Agency

**Mary Machoga**
Community Trustee

Founder and Programme Manager, Aletuke Community Care Centre

**Grace Ngobeni**
Community Trustee

Community Activist

**Tsakane Pila**
Community Trustee

CEO – Protech Training

**Lindokuhle Khuzwayo**
Founder Trustee

Strategic Engagement Principal, Anglo American Platinum

## Our management

**Jane Bodiba**
Operations Manager

**Administrator and Company Secretariat**
Provided by PMKTladi & Associates

**Finance Management**
Provided by Siyameng Consultants

**Project Development and Implementation**
Provided by TEBA Pty (Ltd)

## Initial Trustees on establishment of the Trust

**Linda Yanta**
Independent Trustee and Chair
CASA, Independent Consultant
2017-2020

**Nkaro Mateta**
Independent Trustee
Head of IEC Limpopo
2017-2023

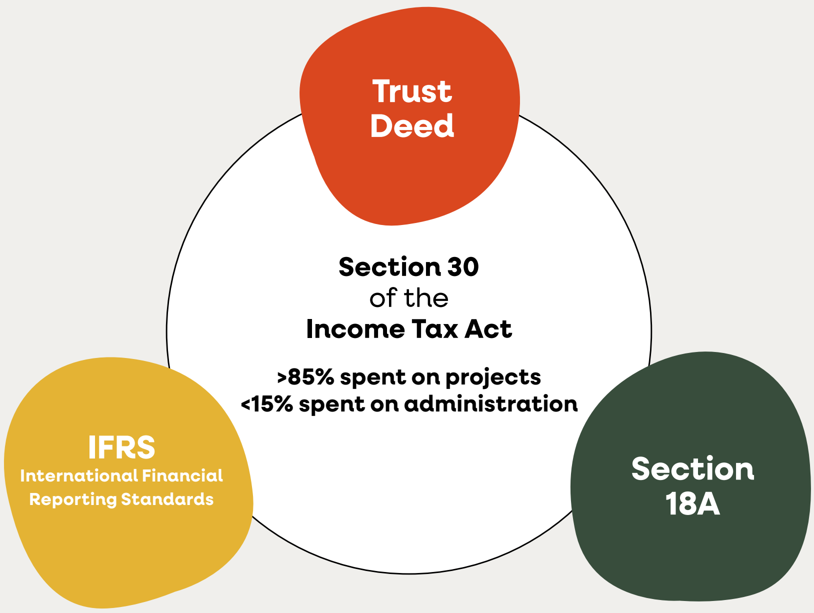
**Freddy Chaba**
Independent Trustee
Sector Specialist – Mining, Limpopo Economic Development Agency
2017 to date

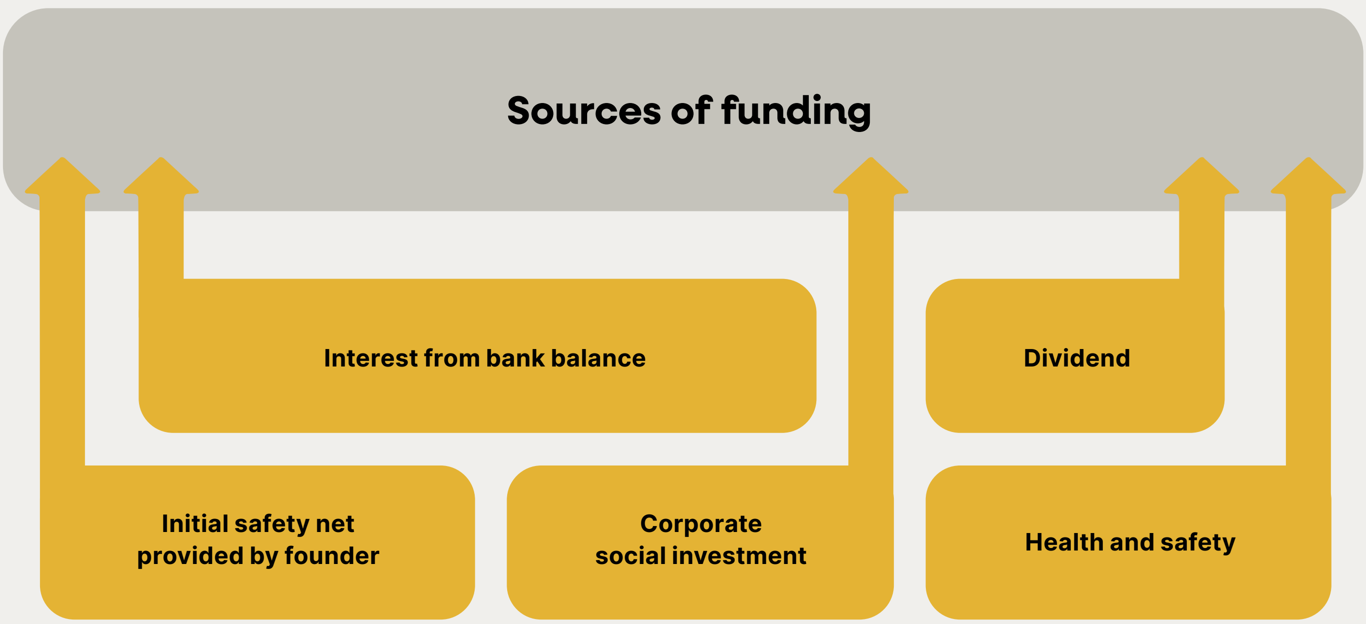
**Richard Cox**
Founder Trustee
General Manager, Mogalakwena Mine, Anglo American Platinum
2017-2021

**Ted Muhajir**
Founder Trustee
Head of Social Performance
Anglo American Platinum
2021-2022

# Financial overview

## Basis of financial governance



## Historical financial information

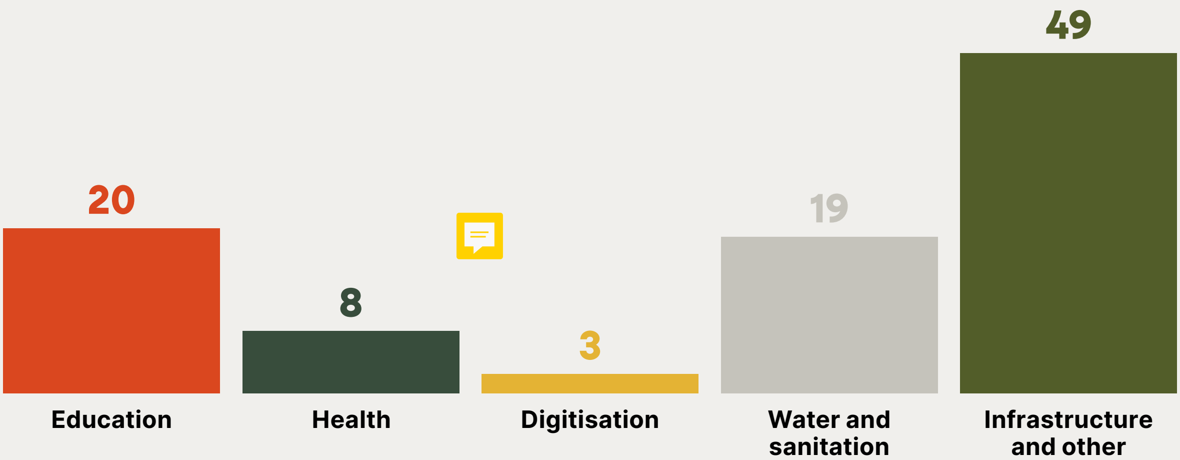
**Income stream**
R303.5 million

**Project expenditure**
R264.2 million

**Administration costs**
R39.3million

**Available balance: Projects**
R118.4 million

**Available balance: Administration**
R18 million

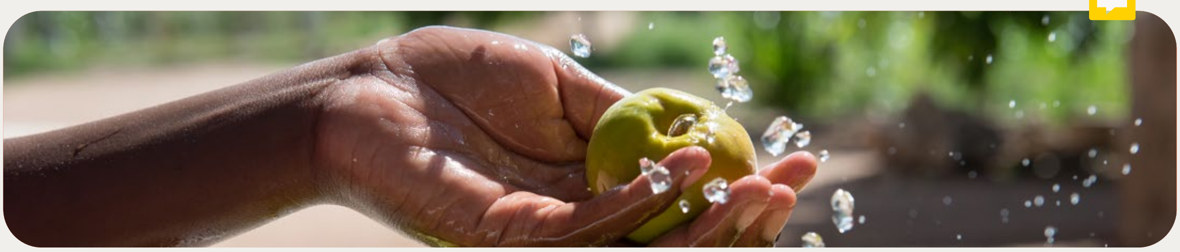



**Education**
R24.2 million

**Digitisation and infrastructure**
R24 million

**Health**
R9.9 million

**Water and sanitation**
R58.5 million



# Independent auditor's report

## Opinion

We have audited the annual financial statements of Ditholwana Tsa Rena Trust (the Trust) which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Ditholwana Tsa Rena Trust as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Trust Property Control Act 57 of 1988.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report.

We are independent of the Trust in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

The Trustees are responsible for the other information. The other information comprises the information included in the document titled "Ditholwana Tsa Rena Trust Annual Financial Statements for the year ended 31 December 2022", which includes the Trustees' Report as required by the Trust Property Control Act 57 of 1988.

The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.
In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Trustees for the Annual Financial Statements

The Trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards, and the requirements of the Trust Property Control Act 57 of 1988, and for such internal control as the Trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Trustees are responsible for assessing the group's ability to continue as a
going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**PKF Octagon Inc.**
**Director: D Rabinarain**
Registered Auditor
26 June 2023
Johannesburg

PKF
Octagon

124 Silverfern Office Park
Thabo Mbeki Street
Mokopane
0610

www.ditholwana.org.za
info@ditholwanatrust.co.za

Contact number: 063 045 6868

## Acknowledgements

The Ditholwana Ts'a Rena Community Development Trust wishes to acknowledge the following organisations for their ongoing support:

*All images of people in this document are used with permission and consent to store and transmit digitally.*

DITHOLWANA TSA RENA COMMUNITY
Development Trust