



THE HUMAN ELEMENT

The success of a business is intertwined with the success of a community, says Keith Mathole, general manager of Palabora Copper's corporate affairs department

By Miriam Mannak

It was in 2010 that Palabora Mining Company (PMC) founded Palabora Copper, a new firm of which 26% was given to local communities, employees and black entrepreneurs. However, the company's BEE game plan goes much further than just 'ownership'.

'Palabora Copper has prioritised skills training and development for our staff members through the so-called Workplace Skills Plan,' says Keith Mathole, general manager of the Palabora Copper corporate affairs department. 'We focus on the training in, and development of, priority skills that are in high demand within the mining industry. These include engineering, rock drilling, and artisan training.'

Mathole notes that this is good for the company and its personnel, as well as the community. 'We operate in Phalaborwa, a remote area of Limpopo, far away from the usual business hubs such as Cape Town and Gauteng. In this part of the world, unemployment is high and the skills gap very large.'

A small mining town in Mopani District, halfway up along the Kruger National Park's western border, Phalaborwa – and its surrounds – are severely affected by rampant poverty and joblessness. Census 2011 shows that Limpopo has the lowest average annual household income of the whole of SA (R57 000 per year), compared to R156 000 in Gauteng. At 38.9%, Limpopo province has the highest unemployment rate nationwide.

Besides stimulating black ownership and boosting skills development training, Palabora Copper's empowerment approach is, to a large extent, driven by preferential procurement. 'We have a preferential procurement policy in place that has the objective of ensuring compliance and proper governance on the company's part, as well as on that of our suppliers and partners,' says Mathole.

'We basically try to encourage our larger suppliers to partner up and create joint ventures with smaller, local entities from the area. This enables the transfer of core skills to local businesses. This empowers them and allows them to grow.'

'Because we have been operating in Phalaborwa for such a long time – since 1956 – we know the local companies in the area, what they do, and what their strengths are,' he says. 'This puts us in a position to link these smaller entities to business opportunities and give them access to the mining supply chain.'

The ultimate goal would be for these smaller companies to start creating employment opportunities. In a region where more than 35% of the workforce are unemployed, job creation is crucial. 'So far, some 600 jobs including 200 indirect work opportunities have been created due to our and our stakeholders' efforts,' says Mathole. 'This might not seem many, but one has to remember that every person who has found work is supporting a number of dependents who are benefiting too.'

'Because we have been operating in Phalaborwa since 1956, we know the local companies in the area, what they do, and what their strengths are'

Palabora Copper's CSR initiatives touch the lives of 5 000 to 8 000 people

Census 2011 shows that the average household in Mopani District comprises 3.6 individuals, so the 600 extra jobs that Palabora Copper has helped create are touching the lives of nearly 2 200 people.

Mathole stresses that the concept of BEE is very important to Palabora Copper. 'It is vital, both from a humanitarian and a business point of view,' he says. 'The humanitarian aspect revolves around redressing the impact and aftermath of the inhumane apartheid system while providing the majority of South Africans with proper education, skills and jobs. It is imperative for our business to focus on BEE, because by doing so we choose to manage the risks posed by poverty and unemployment while meeting our customers' demand.'

Economic empowerment objectives aside, Palabora Copper has given way to an elaborate and ambitious Corporate Social Responsibility (CSR) programme. 'When it comes to CSR, we have an impressive track record. In 1986, PMC established the Palabora Foundation, which has focused on four spheres since: education, community health, skills and community development, and economic development,' says Mathole.

'Our education strategy is divided into early childhood, primary and high school,' he says, noting that Palabora Copper's educational support to various primary and high schools in the area has paid off.

'When you look at the matric pass rates obtained at the schools we support, you will see that 95% of matriculants pass their final exams. Apart from that, 99% of these youngsters leave high school with university-entrance grades. Our schools are outperforming many others in Limpopo as well as in other provinces. In other words, our educational achievements are not just about quantity, but also about quality.'

These are significant achievements – Limpopo has the highest proportions of people aged 20 years and older with no schooling (17.3% in the 2011 census). 'We are not just focusing on helping children and youngsters to improve their academic achievements,' says Mathole. 'We are supporting their teachers too, for instance, in helping them better their skills in the fields of maths and science.'

Community health is another important focus of Palabora Copper's CSR programme. While the company's health policies used to focus mainly on HIV prevention and awareness, there have been changes over time. 'Today, we offer comprehensive health services to our staff and community members which are not just aimed at HIV,' says Mathole. 'Our third pillar, skills development, has the objective of teaching community members skills that can help them make a living. We currently focus predominantly on brick laying, carpentry, sowing, and food preparation.'

Palabora Copper's CSR initiatives touch the lives of 5 000 to 8 000 people, says Mathole. CSR is of great importance to his employer. 'We see the success of our business intertwined with the success of our community. A developed community goes hand in hand with a vibrant environment in which people are skilled and have resources. This provides us as a company with a viable and buoyant business environment. Our immediate community is an important part of who we are as a company. This means we can't stand idle when it comes to extending our goodwill to the community.' 