



FORESTRY SOUTH AFRICA

[www.forestryexplained.co.za](http://www.forestryexplained.co.za)

# IN THE HEART OF THE FOREST

## CORPORATE SOCIAL INVESTMENT PART ONE



FORESTRY EXPLAINED: OUR *HUMAN* LEGACY

# Sustainable development

## The foundation of the forestry industry

Many businesses in the forestry industry have for decades been involved in the development and wellbeing of employees, their families and communities who form an integral part of the sector. However, the achievement of democracy and the introduction of legislation like the Broad-based Black Economic Empowerment (B-BBEE) Act and the sector-specific Forest Sector Code introduced heightened and structured requirements for how these initiatives should take place throughout the industry.

To assess the industry's immense contribution to corporate social investment (CSI) and other empowerment initiatives as a whole, it is best to look at the Annual Status Report on transformation, produced by the Forest Sector Charter Council, which oversees B-BBEE in the industry. This provides a reasonable representation of the overall transformation performance of more than 24,000 timber growers in South Africa. Given the sheer number of industry-driven initiatives, it is impossible in that report to provide tangible and relatable examples of socio-economic transformation. That said, we do need some way of looking beyond the scorecard and see how these activities are making a tangible contribution to peoples' lives.

For this reason, the forestry industry was encouraged to produce this report. The report is merely a glimpse into some of the tangible benefits which citizens derive from a vibrant and committed forestry and forest products sector, active in the most rural areas where State resources are often inadequate to fully serve its citizens. This report is not intended to be comprehensive in describing activities of all of our members - there are simply too many growers who are making similar contributions.

It is also not comprehensive in describing all the empowerment initiatives, even of those growers whose contributions are showcased in this report.

The report serves to highlight just a few successful and enduring initiatives, which make a sustained contribution to the lives of people who live, work or interact with the forestry industry. You as the reader are encouraged to also think about the thousands of similar examples, albeit at a smaller scale, which are taking place on timber farms throughout the country. These unsung initiatives are making equally important contributions to the wellbeing of a great number of people in our rural areas and if space permitted, we would have listed every last one of them.

**Michael Peter,  
Executive Director, Forestry South Africa (FSA)**

*“The world is changing, and it is doing so very fast. As much as it is about technology today, we must understand that it is equally about humanity. Consequently, investments that disregard the human component will at some point fail to yield the intended results. Technology and research and development will assist, but in the end, it is the people who will make the South African Forestry sector better”.*

**Norman Dlamini,  
Business Development Director, Forestry South Africa**

# **CORPORATE SOCIAL INVESTMENT: Transforming sustainable development visions into achievable company goals**

Being an industry that works with a natural, renewable resource, the concept of sustainable development (SD) is central to almost everything we do. It has become a cornerstone of corporate policy for most forestry companies and is certainly a central feature of the certification process to which the majority of our industry subscribes.

While approaches to SD differ, the fundamental core values remain remarkably similar, with most members of FSA taking a holistic approach: *Transforming company SD visions into achievable company goals.*

For most companies their CSI programme is a way of formalising their SD visions, encapsulating SD in a series of meaningful programmes and initiatives that promote positive change.

Across the board, **eight areas** dominate the CSI programmes of FSA’s members:

1. **Education**
2. **Health and welfare**
3. **Community engagement & upliftment**
4. **Food security**
5. Enterprise & supplier development
6. Community infrastructure
7. The environment
8. Recreation

**This report - Part 1 of *In the Heart of the Forest* - focuses on the first four aspects. Part 2 deals with the remaining four areas.**

Identifying CSI programmes differs across the industry, but usually involves similar steps:

- 1: **Identification of initiatives** or individual projects that build prosperity, benefit people and protect / promote the planet.
- 2: **Prioritize CSI spend** on initiatives / projects that are in line with business objectives and serve the surrounding communities.
- 3: **Initiation** of CSI initiatives / projects, pro-actively manage and monitor them, before reporting back to ensure the pre-established SD outcomes are achieved.



## EDUCATION

**As an industry, we understand the importance of nurturing tomorrow's talent pool. This is why we invest heavily in promoting education, particularly mathematics and science skills, as well as prioritizing funding at Early Childhood Development (ECD), which has been proven to be the most effective means of building capacity in youth from our communities.**

### **MERENSKY - EDUCATIONAL SUPPORT**

Merensky lends support to various learning institutions including early learning centres (crèches and play schools), primary schools and high schools and various government programmes.

Two high schools, two junior schools and two of the crèches are located on Merensky properties, where they operate rent-free with the buildings maintained by Merensky. These learning institutions are typically located in close proximity to the Merensky operations and are attended by dependants of employees and local communities.

In addition, Merensky provides funding and administrative services for bursaries to the amount of some R300,000 awarded annually through the Community Trust to the neighbouring communities. This is over and above the company bursary schemes for employees and their dependants.

## **MERENSKY - INTERNSHIPS AND ARTISANS PROGRAMME CULMINATING IN PERMANENT EMPLOYMENT**

Every year Merensky awards internships and apprenticeships, and wherever possible, the learners are absorbed into the organization once training is completed. In 2017, 29 internships were awarded, and 30 apprentices were provided with the opportunity for training. Only eight apprentices managed to complete their course and four of them were employed by Merensky and three interns were recruited for permanent employment.

## **MONDI - EDUCATION FOR ALL AGES**

Mondi's approach to education is that no-one should be left out which is why they fund a wide range of educational bursaries that ensure learners of all ages are able to pursue an education.

- Funding Early Childhood Education (ECE) by reaching 60 EDC centres that cater for 2,196 children under the age of five years through training, infrastructure, equipment or other donations.
- Funding ECE in partnership with NGO's and the National Department of Social Development (DSD), by reaching non-centre based ECD that cater for 1,275 children under the age of five years in 75 different groups by providing a meal a day or piloting the "toy library model".
- 194 learners have received bursaries for tertiary studies since 2012. The fields of study range from medicine to forestry to arts and culture, and social sciences, all recruited from a pool of 98 high schools.
- Mondi Mkhondo Education Centre provides career guidance, education, and training to local people to 62,000 learners, educators and other visitors every year.
- Various Adult Basic Education and Training programmes to improve literacy and English language skills for its diverse workforce.
- The funding of the Mondi Professor for Forest Protection at FABI (Forestry and Agriculture Biotechnology Institute).

## **MTO FORESTRY - THE KHULA'NAM PROJECT**

Khula'Nam means 'growing with me. This two-decade strong joint initiative with the Wilderness Leadership School has been the driving force behind the creation of a new curriculum-based approach to environmental education. The aim is to create awareness of the natural environment and commercial forestry amongst the communities surrounding MTO's plantations throughout the Southern Cape. The initiative targets grade seven pupils and reaches 1,000 people every year.

MTO spends more than R5 million yearly, on direct skills development. In 2017 about R450,000 of that was spent on non-MTO employees, supporting bursaries and internships. MTO's commitment to investing in black youth, and black women especially in the context of transformation and employment equity targets, has resulted in an increasing number of black female learners supported since 2015.

### **NCT FORESTRY - CHAMPIONING RURAL SCHOOLS**

NCT Forestry members champion eight rural schools across KZN, supporting a wide range of learners including some with physical and mental challenges. They provide resources, learning support, training for educators and basic assistance for these schools, as well as supporting other education-based programmes like the Midland Meander Education Programme that facilitates learning at these schools. Schools supported in 2017 include: Harding Special School for physically & mentally-challenged learners, Curry's Post, Focus on iThemba, Isiqukwane, Ozwathini, Peter Pan special, Stepping Stones, Victory Missionary Primary schools. Six creches and pre-schools taking care of a total of some 200 children are also supported under the same programme.

### **NCT FORESTRY – SPECIAL NEEDS SCHOOLS**

Apart from supporting mainstream rural schools over the years, NCT has paid particular attention to supporting special needs schools like the Harding Special School, the Stepping Stones School (for cerebral palsy children) and Peter Pan School (for learners with intellectual disability). With the aim of improving the quality of inclusive education, NCT introduced iPad technology at Harding Special School to improve the education learning ability of learners with special needs (autism, dyslexia, visual impairment, hard of hearing, cerebral palsy and other motor dysfunctions). The One Billion application package of the iPad technology has a step-by-step numeracy programme which helps children learn foundation numeracy skills like matching and sorting.

NCT has also supported the Cerebral Palsy Association's Stepping Stones School and Peter Pan school with outdoor therapy and outdoor excursions. Aqua therapy (swimming) and hippo therapy (horse riding) have recognized benefits allowing the children to play, exercise and interact with a new environment.

### **SAPPI – EARLY CHILDHOOD DEVELOPMENT – PARTNERING WITH TREE**

Given the strong link between paper and learning, Sappi has for many years prioritized literacy and education in terms of its Corporate Social Responsibility support.

In partnership with a KZN-based NPO TREE - Training and Resources in Early Education - this support was expanded to include the Sappi Forests ECD programme, based on a growing body of evidence that language and cognitive development are especially important during the first six months to three years of life. The more stimulating the early environment, the more a child develops and learns.

In 2014, Sappi and TREE trained 23 women across KZN as ECD practitioners. These candidates were selected from communities adjacent to Sappi Forests' plantations. They have now completed their three-year training course and have graduated with NQF Level 4 Accreditation as fully-fledged and qualified ECD practitioners. In 2016, Sappi trained a further 36 trainees: 18 crèche workers and 18 workers that were in charge of informal playgroups; also from forest communities.

These practitioners are taught to implement programmes at each of their sites that will promote the child's holistic development, which includes attention to their physical health by providing improved daily care, early learning and stimulation through structured playgroup programmes, improving parental support and facilitating grant funding from the government. They are also taught how to use the material and resources that they have at hand (paper, wood, fabric etc.) and turn it into useful educational toys and teaching aids.

Sappi believes that the way to make a real difference for the better in communities is to do this in the very earliest years of the lives of the children; and partnering with TREE has offered the complete solution.

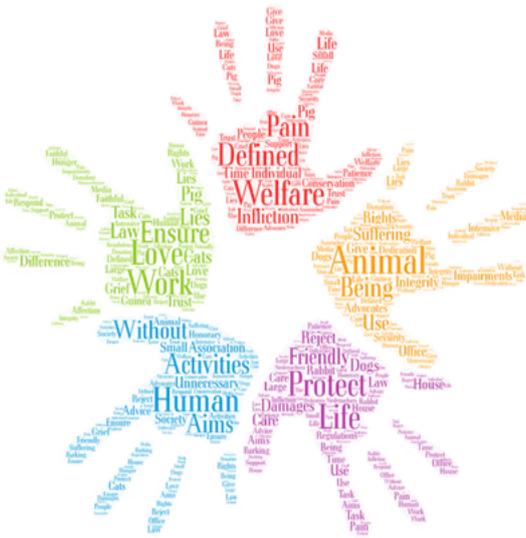
### **YORK TIMBERS - PROGRESSIVE DEVELOPMENT**

York Timbers, in partnership with several organisations such as Sasol and Sabie Miracle Foundation, has touched people's everyday lives through the many projects aimed at schools within communities surrounding its operations.

Several schools and day-care centres have been positively impacted through initiatives including:

- The supply of school desks and chairs
- Major infrastructure projects including, replacement of broken windows, repaired ceilings, renovation of ablution facilities, kitchen and floors as well as fencing.
- The provision of water to schools through the donation of Jojo tanks and delivering drinking water.
- The eco-schools project aimed at the creation and maintenance of vegetable gardens. The produce is used for student meals. Syngas stoves were provided as environmentally friendly cooking facilities.
- Donation of furniture, including desks and chairs, books as well as skills programmes aimed at the educators as well as the students.
- Donation of timber to schools including Kaleidescope, the institute for the blind, where students are trained in the carpentry industry.

# HEALTH AND WELFARE



The health and welfare of communities - the home base of our workforce and plantation neighbours - is high on all FSA member agendas. HIV and Aids in particular, takes a huge toll on communities, with the negative impacts associated with the disease stretching far beyond those living with the disease to their families, neighbours and the community at large. As an industry HIV/Aids awareness programmes are at the top of the list, with many FSA members running their own programmes to help raise awareness and manage this life-altering disease.

## **MERENSKY - CLINICAL SUPPORT**

Merensky supports and maintains four clinics - Weza, Singisi, Langeni and Mhlalane clinics. Managed by government, these clinics serve all the surrounding communities with a staff complement of 47. No rent is collected and Merensky also houses the clinic employees free of charge.

## **MONDI - DELIVERING HEALTHCARE TO REMOTE COMMUNITIES**

In collaboration with key partners, Mondi provides seven mobile clinics delivering primary healthcare services to contractor employees and communities within the Mondi footprint. These mobiles venture out once a month, reaching 241 visiting points across 11 local municipalities.

In the past 10 years the programme has received more than 300,000 visits and has identified valuable lessons on structuring partnerships and measuring impact. The impact of these services is felt across six District Municipalities including Harry Gwala, uMgungundlovu, uMzinyathi, Ugu, King Cetshwayo and uMkhanyakude in KwaZulu-Natal. Mondi also reaches the Mkhondo Local Municipality within the Gert Sibande District Municipality, where the HIV infection rate among pregnant women is the highest in the country at 46%.

Health services include maternal and postnatal care, HIV counselling and testing, management of TB, sexually transmitted diseases and non-communicable diseases such as diabetes, epilepsy, mental health and asthma. These clinics also provide vaccinations for children from the surrounding communities, spreading the benefits beyond Mondi's workforce.

## **NCT FORESTRY - RELIEF TO ORPHANS**

NCT established and supports Assist orphanages in Pietermaritzburg and Izulu Orphan Projects in Empangeni to care for abandoned and abused babies, teenage mothers and their babies. Child and grandmother-headed homes are also equipped through training in these centres to set-up home-based crèches .

## **PG BISON - A DIVISION OF KAP DIVERSIFIED INDUSTRIAL - HIV/AIDS AWARENESS**

The Isihlahla Sempilo (Tree of Life) HIV/Aids programme - established in 2007 - is independently managed by Right to Care and provides education, awareness, and training to PG Bison's employees, in particular on the prevention of mother-to-child transmission.

Along with voluntary counselling, testing and wellness screening on site and a 24-hour medical call centre. It also facilitates treatment, via the use of pre-HAART (Highly Active Antiretroviral Treatment).

## **SAFCOL (KOMATILAND FORESTS) - LUSIKISIKI MEDICAL CENTRE**

Established in 2011, the medical centre at Lusikisiki was built in partnership with the MMI Foundation to provide formerly under-served communities with the medical provisions they desperately need.

## **SAPPI – CLINICS FOR EMPLOYEES AND CONTRACTORS**

Sappi Forests has put in place Occupational and Primary health care clinics for the use of their employees and contractor employees at the sites with the highest volume of employees. These clinics are manned by trained specialist staff to assist with day-to-day acute healthcare issues and chronic disease management.

Employees are provided with healthcare, through initiatives driven in collaboration with private and state institutions. These include HIV- and TB testing, dental, vision and mental assessments, pap-smears, vaccinations and circumcision campaigns. These are run on site, which increases the uptake of the testing, and improves long term management of conditions which require ongoing monitoring and care.

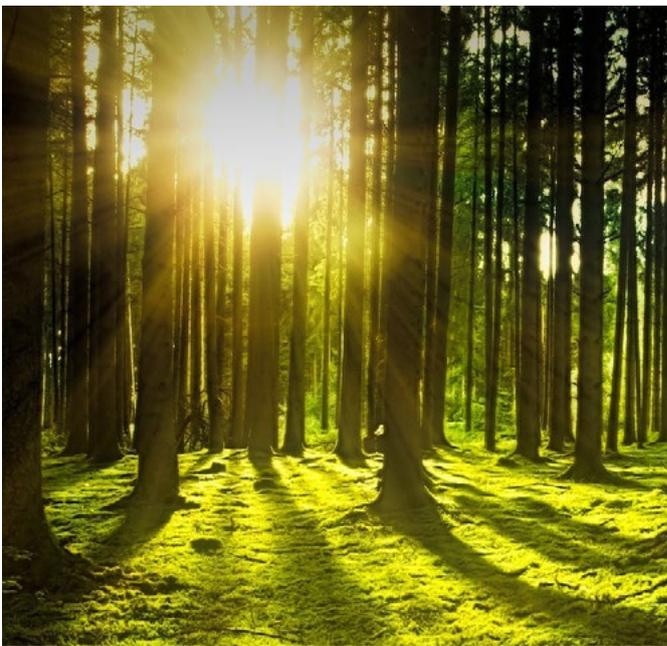
The collaborative service with government institutions has reduced the cost to Sappi for the provision of HIV medication, but Sappi covers the cost of the pathology testing and provides the results back to the overstretched local services, saving them both servicing time, administration and costs.

Sappi also annually support many ad hoc health campaigns aimed at community awareness.

## **YORK TIMBERS - BRINGING CLINICS TO COMMUNITIES**

York employees have access to free primary healthcare and medicine dispensed by professionally qualified nursing staff at all its company sites.

York's clinics provide primary healthcare, including the dispensing of medication, counselling, and education as well as HIV testing. These high-quality healthcare facilities are well utilized by listed family dependants of York employees, contractor staff, and community members. The clinics treat over 14,000 patients a year.



## **UPLIFTMENT AND ENGAGEMENT**

**The industry plays a major economic role in many rural communities, with these communities looking to FSA members for support, guidance, and engagement on a broad spectrum of projects and initiatives, that aid in the development and growth of their communities. These projects build ties between communities, the private sector and government and will ultimately build stronger communities for future generations.**

## **MONDI - MONDI ZIMELE**

For small companies, the opportunity to learn from brand leaders is often a dream that is never realised. This is not the case for businesses which are part of the Mondi value chain. Under the Zimele programme, small business entrepreneurs have access to business plan development; performance boosting Zimele toolkits; entrepreneur development support; networking events and market access; industry knowledge and specialists to assist. Zimele also grants equity and loan financing at up to prime minus 5%. In 2013 Zimele supported over 40 community small businesses and 18 supply projects, with a collective turnover in excess of R300 million and an employment footprint of 2,500 people.

## **NCT FORESTRY - PROJECT REGENERATION**

NCT Forestry has a development services department dedicated to assisting members in rural areas and new entrants such as land reform beneficiaries.

Financing is a key part of Project Regeneration, which also provides members with advice and improved planting material for the re-establishment of their plantations and fields after harvesting. NCT provide bridging loans, to assist communities who have

been given land, while they wait for the government grants to which they are entitled and which can take a long time to materialise.

In combination with their ongoing mentorship programmes, Project Regeneration ensures small-scale growers have access to all the elements required to run sustainable tree farming operations.

### **SAFCOL (KOMATILAND FORESTS) - BUSY BEES**

Two co-operatives have been formed from one very successful bee-keeping project. These co-operatives have expanded and now provide pollination services to neighbouring farmers. The project has been so successful that SAFCOL (in partnership with the DBSA) is looking to roll out the project to Mpumalanga, KwaZulu-Natal and the Northwest Province.

### **SAPPI – MEANINGFUL CHANGE TO COMMUNITIES FROM WITHIN**

Sappi has spearheaded a community development initiative to involve the rural communities living in and around Sappi's operations in taking responsibility for their own futures; instead of waiting for work or development to arrive from outside. The Abashintshi Social Mobilisation programme deals with bringing community change from within, and it is achieved by the 'changers' or 'Abashintshi' in IsiZulu - youngsters from various communities neighbouring Sappi all over KwaZulu-Natal, who are tasked with being facilitators of change within their communities.

Before the Abashintshi start working in their communities, they undergo a selection process that identifies youngsters who have successfully completed their high school studies and also have leadership potential. They then embark on week-long training courses which are held every month where they concentrate on life skills and self-development. Here they are introduced to a concept called Asset-Based Community Development (ABCD). The programme runs for a period of two years, and during this time programme partners, DevCom, make sure that the Abashintshi are well equipped to face challenges they might face during the process of developing their communities. After training, the Abashintshi return home and impart their knowledge to members of their communities.

This has brought about real social mobilisation and change for the better in their communities. Since 2015, this programme has grown from only 18 young people based in communities in southern KwaZulu-Natal, to 115 trainees from 45 different communities.

## **YORK TIMBERS - QHUBEKA BUFFALO BICYCLE PROGRAMME**

Qhubeka is an Nguni word that means to “move forward” or “progress”. The Qhubeka Buffalo bicycle is a robust bicycle engineered specifically for the African terrain and load requirements. It was designed by World Bicycle Relief in Chicago, USA. The bicycles are assembled and tested in South Africa with close attention to end-user feedback and rigorous quality control. Furthermore, the Buffalo Bicycles are compatible with locally available spare parts, ensuring that with proper maintenance they can last for many years. York subsidizes its employees when purchasing these bicycles. Since the commencement of the project in 2015, a total of 800 Qhubeka bicycles have been handed over to communities surrounding York. The handover of these bicycles is part of the events building up to the popular York Enduro.

York also gave high school students the opportunity to own a Qhubeka Buffalo Bicycle by simply signing up and completing 40 hours of voluntary community service under the supervision of one of the selected non-profit organisations. Two hundred students from schools including Panorama Secondary School in Graskop, Pilgrims Rest City Secondary School, Memezile Secondary School, and Lindani Primary School in Simile, Harmony Hill Primary School, Angels Park Academy and Sybrand van Niekerk High School in Sabie, each received a Qhubeka Buffalo Bicycle in the presence of their peers, educators, family and community members.



## **FOOD SECURITY**

**Sadly, food security is still a major issue in rural South Africa with adults and children still going to bed hungry at night. Hunger negatively impacts performance both at work and at school, their quality of life and long-term health. A number of companies run a variety of initiatives that look to address food security in rural communities.**

## **MERENSKY – LAND USE THAT BENEFITS ALL**

Merensky have mutually-beneficial agreements with four neighbouring communities regarding land use, which enables the communities to harvest honey, graze cattle as well as grow vegetables, oranges, and peach orchards to promote healthy nutrition.

## **MERENSKY – FOOD SECURITY AWARENESS PROGRAMME**

Vegetable seedlings are grown at in a nursery by agriculture-interns and are donated to the schools in the programme, who then plant them in the school vegetable gardens. In addition, Merensky provided garden implements, seed and watering cans to all of the schools. A number of in-house competitions were also supported to encourage learner participation.

## **MTO – FOOD GARDENS**

MTO's Grabouw Forest Station has a food garden in operation under the leadership of the Sithemba Woman Co-operative. They utilize the land free of charge to grow fresh produce for sale in the local community. The company has similar food gardens in Philippeville, and Sonskyn.

## **PG BISON - A DIVISION OF KAP DIVERSIFIED INDUSTRIAL – EXTENDED FAMILY PROGRAMME**

PG Bison's Extended Family Programme contributes financial support for just over 200 children aged between two and 18 living in Soweto. This contribution allows for food, school fees, clothes, after-school care and where necessary ARV treatment. Volunteers and assistants who grew up as beneficiaries of the project assist with after-school care, home visits, and holiday programmes.

## **SAPPI – LEARNING TO MAKE MONEY FROM HONEY**

The African Honey Bee (AHB) project is a partnership between Sappi and African Honey Bee, which sponsors the training of community members and small-scale timber growers in Northern Zululand in bee-farming. The project provides training in honey collection and bee-keeping, the capturing of wild swarms in catch boxes and using environmentally sustainable bee-keeping methods.

As honey production is seasonal, participants also learn the basics of vegetable and poultry production, so that they can generate income and sustainable food production for personal consumption, throughout the year. The hives are sponsored by Sappi, and the community members are taught how to make bee-keeping equipment, chicken coops and garden structures, using recyclable waste materials from around their homes. They are also taught to make the protective clothing for the bee-keeping from old clothing. This approach is in keeping with the ABCD concept, where community members are encouraged to make use of their existing assets; a concept which Sappi strongly supports.

This programme, partly funded by Sappi, is doing an excellent job in encouraging rural entrepreneurship, alleviating poverty, curbing fires and providing additional financial resources for local timber farmers.

## **YORK TIMBERS - FEEDING SCHEME**

As part of York's upliftment and community assistance projects, donations of fresh vegetables have been distributed. In particular, the Sitabogogo and Siyathuthuka groups of elderly individuals in the communities have benefited from this gesture. Some of the elderly women have the responsibility of raising the youth and taking care of their grandchildren, which adds financial pressure that they cannot afford. The vegetable bags provided by York Timbers ensured that there was a supply of healthy food for the family. In addition the community vegetable gardens provide a continuous supply of fresh vegetables.



# FINAL THOUGHT

*“The South African forestry industry has gone beyond normal corporate social responsibility or mere philanthropy. It is about generating economic benefit in a way that also creates value for society and communities neighbouring its plantations and processing plants. This has been achieved by addressing the needs and challenges of communities. The industry has re-engineered its markets, products, and the entire value chain to benefit local economic development by creating new businesses owned and managed by locals. These contributions are part of a social and economic subsidy, which would otherwise have had to be carried by the State. The mindset of shared value has focused forestry companies on the profits that create societal benefits whilst at the same time nurturing the environment rather than harming it.”*

Norman Dlamini

For more information on the forestry sector as well as case studies on a variety of aspects, visit

**[www.forestryexplained.co.za](http://www.forestryexplained.co.za)**

 **Follow us @forestry\_explained**