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Benji Frey runs a woodwork project at the Lifecraft Centre in Franschhoek. Dolls houses like these are sold to tourists and locals alike.



Our approach has been to look beyond the obvious. We look primarily for long-term projects that offer sustainable outcomes. Now we intend to more closely integrate our activities into the organisation's core business. Our objective is to move the organisation away from viewing social investment as something separate from the day-to-day functions of Old Mutual to part of what we do, everyday."

Kate Miszewski: Manager OM Foundation

Investing in Society

A snapshot of the Old Mutual Foundation

The Old Mutual Foundation is the custodian of Old Mutual's corporate social investment strategy. It was set up in 2001 to centralise the various activities that had previously been entrusted to business units, without obstructing corporate social investment initiatives that may have been sponsored by those business units.

The Foundation's efforts and strategies have won it several commendations including the Mail and Guardian Newspaper's "Investing in the Future Awards" where the Rural Economic Development Initiative and the Staff Volunteerism components received particular praise.

Last year was the final year of the Foundation's initial three-year medium-term strategy since it was established. During that period the Foundation focused on four flagship projects, summarised below, investing an average R20 million a year directly into South African communities. This three-year approach has again been adopted beginning in 2005 and the same focus areas retained. Two new initiatives are however, being researched and tested.

In summary, the Foundation's investment into society in 2004 was as follows:

Old Mutual Foundation's Investment in Society During 2004

Flagships:

Rural Economic Development Initiative (REDI)	R4.0m
Operational Expenses	R0.6m
Biz Fund	R2.0m
Community Development	R1.4m
HIV/AIDS Training (from 2003 budget)	R0.1m
AIDS Orphans Programme	R1.8m
Heartbeat (Partner)	R1.2m
Noah (Partner)	R0.4m
Other	R0.2m
Staff Volunteer Programme	R2.8m
Staff Community Builder	R2.0m
Staff Charity Fund and "Adopt" an Orphan Programme	R0.8m

General donations:

Education	R1.9m
Community Development	R1.9m
Ad hoc Funds	R0.4m

New Initiatives

Shembe School	R0.2m
"Out of the Box" Education Programme	R0.5m
OMF/Properties Business Initiative	R1.0m



These photographs shot by Themba Grootboom, a trainee photographer working on this report, capture various craftspeople and activities supported by the Old Mutual Foundation.

"Compassion and empathy are nice words, we all want people to use them when they refer to us but are we really worthy of these words? Ever since I received my official training, I have tried to change many things about myself. I have become more sensitive, more aware of others' needs and I have learned how to put the ME aside. I've been reaping excellent fruit and the rewards are great. I've been invited to schools where the tears that have been shed and the lives I have touched mean that no amount of money could equal what I felt and what was achieved. Thank you to everybody for giving me the opportunity to make a difference in someone else's life."

EUNICE JONKERS
Old Mutual Group Schemes
HIV/AIDS Peer Educator

A summary of Old Mutual Foundation activities

The Rural Economic Development Initiative (REDI)

The table below indicates the REDI investment by province, during 2004.

Rural Economic Development Initiative Investment – By Province			
	Number of Local Economic Development Projects	Number of Community Development Projects	Total Funding
Western Province	4	1	R379 866
Free State	9	15	R1 553 534
Limpopo	1	19	R539 050
Mpumalanga	Nil	8	R210 400
KwaZulu/Natal	3	3	R129 000
Eastern Cape	Nil	4	R239 150
National	1	Nil	R350 000
SUB TOTAL	18	50	R3 400 000
Operational Costs			R600 000
TOTAL			R4 000 000

The highlight of a very active year was the celebration event in Johannesburg, which was well attended by a variety of stakeholders from government and the business sector. This event marked the first time all the REDI champions have been together since the launch of REDI at the end of 2001. The champions are individuals who have taken on the challenge of developing and protecting their communities.

In the Local Economic Development activities, a significant shift in focus saw funding being allocated to fewer, but larger initiatives with the potential to impact on a greater number of people. An example of a larger initiative was the establishment of a Soya processing plant. In total, 18 new businesses received funding during the year. This brings the total of new businesses established in REDI over the past four years to 211. Of these, 123 are women-owned or managed. It is estimated that in excess of 2 000 new jobs have been provided through these businesses.

The community development component of REDI saw funding being allocated largely to HIV/AIDS and food security projects. A total of 50 individual projects received funding this year. In total, some 140 food security and/or HIV/AIDS projects have been established over the past four years.

AIDS Orphans Programme

The table on the next page indicates the allocation of funds for 2004, categorised by social partner and geographic area.

These programmes support the most vulnerable among us, those left parentless because of the HIV/AIDS pandemic. These children, over 2 000 of them, rely on us for their survival. In partnership with the proven work of the partner-projects that we have chosen, we intend to continue to support these children.



Supporting initiatives against HIV/AIDS is a key focus. Here a volunteer mans a stall during the Old Mutual AIDS Day activities.

The Old Mutual AIDS Orphans Programme – A Summary

Programme Partner/Project	No of children	Funding
Heart Beat:		
Katlehong (Gauteng)	477	R350 000
Tembisa (Gauteng)	183	R322 000
Botshabelo (Free State)	451	R258 000
Pieter Swart (Free State)	209	R270 000
Noah:		
Trust Feeds (KwaZulu/Natal)	469	R400 000
Living Hope Hospice (Western Cape)	58	R100 000
SOS Children's Village: (Western Cape)		
Outreach programme	200	R100 000
TOTAL	2 047	R1 800 000



Products from Foundation-supported projects.

Staff Volunteer Programme

Established in 1993, and now under the patronage of the managing director, the Staff Community Builder Programme financially assists those of our staff members who volunteer their services to their communities. The Programme also includes an “Adopt” an Orphan component, and a Staff Charity Fund.

The “Adopt” an Orphan component invites staff to voluntarily contribute to the support of orphans through deductions from their salaries that are matched on a Rand-for-Rand basis by the Foundation. The Staff Charity Fund focuses on support funding for abused women and children, the elderly, and animals.

The table below indicates the investment per business unit and the provincial breakdown of the Staff Community Builder Programme.

The Old Mutual Staff Community Builder Programme – A Summary

Business Unit	No of Projects	Spend	Province	No of Projects	Spend
Group Schemes	44	R777 000	Eastern Cape	11	R159 000
Client Services	20	R320 042	Free State	0	Nil
PFA	17	R300 000	Gauteng	14	R252 000
Private Wealth	2	R40 000	KwaZulu/Natal	12	R217 079
OMAM	2	R40 000	Limpopo	32	R607 000
Group Finance	2	R26 000	Mpumalanga	1	R20 000
H R	1	R20 000	North West	2	R26 000
EB	1	R20 000	Northern Cape	0	Nil
Fairbairn Capital	1	R6 000	Western Cape	41	R452 042
Group Direct Sales	1	R20 000			
Broker Distribution	1	R20 000			
Unit Trusts	1	R6 000			
Services	5	R101 000			
Individual Life	2	R31 079			
Health Care	1	R6 000			
TOTAL	101	R1 733 121			

The staff charity and payroll giving schemes have not attracted the level of new support in 2004 that they have in previous years and actions are under way to significantly enhance staff member involvement in both the “Adopt” an Orphan and Staff Charity Fund components. A new enrolment campaign is being planned and will be launched in March 2005.

Nevertheless, the Fund has 543 staff members committing funds on a regular basis throughout the year. It is gratifying that an average of R100 000 is paid out to various charities and “adopted” orphans on a monthly basis. This includes the Foundation’s matching contribution.

An ongoing challenge to the trustees of the Staff Volunteer Programme is to find registered Public Benefit Organisations to work with as many organisations are not yet aware that they have to first be registered to receive funding. This is especially evident with regard to organisations working with HIV/AIDS and abused children.

The provincial breakdown of our general donations between 1 January and end-December 2004 is as follows:

Provincial breakdown of General Donations					
Province	Educational Projects	Community Development Projects	Ad Hoc Donations	Total Projects	Spend
National	5	2	1	8	R1 125 000
Eastern Cape	3	3	2	8	R268 091
Free State	–	2	–	2	R100 000
Gauteng	4	13	2	19	R648 000
KwaZulu-Natal	3	4	–	7	R235 000
Limpopo	4	2	–	6	R160 000
Mpumalanga	–	1	–	1	R50 000
North West	–	1	–	1	R30 000
Northern Cape	1	1	–	2	R52 000
Western Cape	6	13	7	26	R1 460 489
TOTAL	26	42	12	80	R4 128 580

The focus of the educational donations has been on mathematics and science education at primary school level, and on teacher development and training. Community development, on the other hand, has a bias towards supporting AIDS orphans through the establishment of food gardens and other food security programmes. Also classified under *ad hoc* donations are disaster relief efforts and donations to the arts and culture.

New initiatives

“Out of the Box” Environmental Education Programme

A total amount of R0.5m has been spent developing materials and teacher workshops for the “Out of the Box” programme that aims to demonstrate to both learners and educators the interdependence of mathematics, science and the environment, and their role in our daily lives.

The project has been piloted in 20 primary schools in Gauteng. Workshops and classroom visits started at the end of the third term in 2004. There are 165 teachers currently on the programme and it is impacting on approximately 6 600 learners.

Plans are in place to extend the programme with the Old Mutual Foundation looking at implementing “Out of the Box” in a new cluster of schools in Jeppestown in Gauteng.

Old Mutual Business Hive

The Hive will seek to broker deals between community ventures and business and/or individual customers. The focus is on leveraging the Old Mutual Properties infrastructure, specifically their shopping centres, and the Old Mutual Foundation’s focus areas to create opportunities for communities to get their products to markets. In addition, the initiative will provide vital training to community entrepreneurs, eventually benefiting both sellers and buyers.



Invited teachers discussing the Environmental Diary which is a part of the "Out of the Box" Environmental Education Programme. An introductory workshop was held at the Old Mutual Business School.

The Old Mutual Foundation piloted this project in Nelspruit, in collaboration with Ecolink, a local Non-Governmental Organisation (NGO). Ecolink focuses on empowering community groups and individuals towards independence and renewed self-esteem, through creating opportunities for self-development, education and training.

The Foundation has provided Ecolink with R56 000 to set up a silk screening workshop where unemployed rural women have been trained to manufacture products to sell at a profit to various business and government departments. The women are being paid per item successfully manufactured.

Old Mutual Properties has agreed to the Foundation hiring a "barrow" at The Riverside Mall in Nelspruit, on behalf of Ecolink, where the same women now sell articles manufactured at their silk screening workshop. Old Mutual Properties staff have become involved in the programme, providing retail training to Ecolink, and assisting in the painting and preparation of the barrow, which was launched on 1 October 2004.

Several meetings with Old Mutual Properties have already taken place to secure a piece of land in Washington Square, Khayelitsha that is suitable for the training component of the project. Using one hectare of land for six months will enable the project to train 12 people to not only grow organic vegetables, but also to market and sell their produce. Once the land is secured, the project will commence beyond the pilot phase.



Sponsoring communities and people

The Old Mutual Sponsorships management team focuses its energies on three areas: sports sponsorships, community sponsorships and financial education initiatives.

The major sports sponsorships are:

- The Soweto Marathon;
- The Two Oceans Marathon;
- The “Om die Dam” Marathon;
- The World of Endurance website; and
- The Old Mutual Soccer Academy.

The Old Mutual Two Oceans Marathon was voted the best ultra marathon in the country at the Powerade/Runner’s World Race of the Year Awards. Athletes and Runner’s World have in fact voted the race as the best (over any distance) in South Africa for three years running. It continues to attract strong fields and an increasing number of international entrants.

The sponsorship strategy includes an emphasis on encouraging new, young talent so, for instance, there are a number of satellite races run in association with the Soweto Marathon. These heighten the interest of the community, and play a role in showcasing athletics to the young. The Old Mutual Soccer Academy enables the coaching in high-standard facilities of the best young soccer talent in the Western Cape particularly as the Academy has links with Manchester United, as a “feeder” club.

More teachers being introduced to the “Out of the Box” Environmental Education Programme.



Consistently voted one of the best ultra marathons in the world, the Old Mutual Two Oceans Marathon is characterised by a strong sense of adventure, endurance and comradeship.

Community sponsorships include the highly visible:

- Old Mutual/Telkom National Choir Festival;
- The SABC/Sowetan/Old Mutual Community Builder of the Year Award;
- The Old Mutual/Nedbank Budget Speech of the Year Competition; and
- Soul City.

All the community sponsorships have a national focus, and all are concerned with attracting the participation of South Africans in positive, nation-building activities. Soul City, for instance, is a multimedia programme that aims to alert society to the benefits of positive lifestyle changes. The Budget Speech competition is an initiative that requires very close work with the National Treasury, and includes the close co-operation of the Minister of Finance. The competition itself is presided over by a panel of experts, and requires of economics students around the company to submit their arguments, on a theme, for judging. The winner traditionally has won a scholarship to a prominent University.

The third focus of the sponsorship team is on financial education where Old Mutual sponsors slots on 10 vernacular, community radio stations. The Money Management Handbooks are read by an average 250 000 customers of Old Mutual and Peoples Bank. In addition, financial education workshops are regularly held with national and regional government personnel and representatives. Finally, the company sponsors regular money management articles in the Sowetan newspaper, which has a readership of more than 1.5 million per daily issue.



Other sponsorships include:

- Together with the City of Cape Town, the South African entry to the Chelsea Flower Show;
- Gold medals for the top MBA students at each of the country's Graduate Schools of Business; and
- The South African team entry to the Homeless World Cup, an event that draws attention to the plight of the homeless, and to the effects of poverty.

Old Mutual is a founder sponsor of the Proudly South African initiative that aims to promote the sale of locally manufactured goods, thereby creating employment.

During 2004 Old Mutual invested R19.6 million in sponsorships.

Old Mutual Managing Director, Roddy Sparks (far right), in the company of (left to right): Tom Boardman (Chief Executive, Nedcor); Rick Menell (Deputy Chairman, African Rainbow Minerals); Maria Ramos (Group Chief Executive, Transnet); Minister of Finance, Trevor Manuel; Pravin Gordhan (Commissioner, South African Revenue Services); Bulelani Ngcuka (Chairman, Amabubesi Holdings); Advocate Dinesh Ghiwala and Dr Danisa Baloyi (Executive Director of National Black Business Caucus and Chair of the National Skills Authority). All were at the Nedbank/Old Mutual Budget Speech Competition Awards Banquet.

A Summary of Old Mutual Investments into Society

	2004	2003	2002	2001
Investments through the Old Mutual Foundation	R14.5 mil	R20 mil	R20 mil	R20 mil
Investments through community sponsorships	R19.6 mil	R22.4 mil	R20 mil	R18 mil