

## AMBATOVY'S SOCIAL INVESTMENT FUND

# A Contribution to Sustainable Development

In 2012, as part of its Corporate Social Responsibility (CSR) commitment, Ambatovy set up a fund of USD 25 million aimed at financing social and infrastructure projects for the benefit of the population in the regions where the company operates. This fund, called the "Social Investment Fund" (SIF), reflects Ambatovy's commitment to sustainable development in its host regions.

*"As a responsible company and a full member of the community, Ambatovy does not exclusively focus on its business performance. The company also cares about its contribution to the development of its neighboring population,"* stated Mark Plamondon, President of Ambatovy. It is from this perspective that the Ambatovy Social Investment Fund was established with a specific target: social and infrastructure projects.

To the benefit of the population of the Atsinanana and Alaotra-Mangoro Regions, the agreed projects are aimed at improving their quality of life and promoting development. In the first place, three projects were initiated with the support of the fund: the rehabilitation of the Bazar Be market in Toamasina, the establishment of a chicken farming project called "Harenasoa" in the municipalities along Ambatovy's Pipeline, as well as the removal of the ammonia stored in the former Zeren factory in Toamasina, which represents a potential safety hazard for the local population.

### Agreement

The Alaotra Mangoro Region, which hosts Ambatovy's Mine, will not be overlooked with

six additional projects recently signed with the Government. Thus, Moramanga will also benefit from a new market with the support of the Ambatovy Social Investment Fund. Part of the funds will also be used to finance the improvement of waste management in the two cities of Toamasina and Moramanga - urban waste management being a major health concern for both cities.

Furthermore, the Ambatovy Social Investment Fund will also support: the rehabilitation of a section of road in the city of Ambatondrazaka, Madagascar's rice granary; the establishment of a civil protection unit in the port city; and, a power supply project in Toamasina.

*"All these projects were selected in consultation with the involved regions and meet the aspirations and needs of the population. At the same time, they are consistent with the principles guiding the company's investment and the ICMM's fundamental framework for sustainable development, which consists of contributing to the social, economic, and institutional development of the communities where the company operates,"* stated Ambatovy's Business Development and Financial Completion Manager, Patrick Appert.

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### Voluntary

The Social Investment Fund is directly managed by Ambatovy. Contract awarding relating to the implementation of all projects complies with the company's procurement policies and procedures. All projects are to be undertaken in strict compliance with international standards and applicable to social development and infrastructure programs. Ambatovy's social commitment is not only limited to the binding commitments required by international standards, such as the International Finance Corporation standards and the Equator Principles, but also reflects its voluntary commitments based on the company's vision and values.

\*ICMM: International Council on Mining and Metals



The century-old Bazar Be market is getting a facelift with the support of the Ambatovy Social Investment Fund. A market of 5,300 m<sup>2</sup> is now being built in Toamasina. Once completed, over 750 local merchants will return to the market with new stalls. With a design specially adapted to the city's climate, the market is estimated to cost about USD 4 million. The main building will host food and manufactured goods vendors, fish vendors, and cheap eateries, while the other locations will host sedentary shops, furniture shops, handicrafts pavilions, and grocery stores.

MANGORO

# Onion Cultivation is on the Right Track

As part of its commitment to its host communities, Ambatovy undertook to support the neighboring population of the Mangoro River in Moramanga, introducing them to the culture of onions, which is both a legume and an essential condiment in almost all the recipes in the world, and which also has many medicinal properties. Thus, the company provided technical training and agricultural inputs, such as fertilizers and seeds, to the members of the Taratra Association.

*"The harvest was good, and we are ready to do even better,"* says Marcelline Fanjanirina while taking red and pink onion bulbs out from her attic to show her visitors. Another farmer, Jean Baptiste Rakotomalala, expressed the same satisfaction as he produced more than 200 kg of onions with this first test. Now that he masters the techniques, he intends to improve this first yield. These farmers from the Taratra Association are unanimous. In terms of income-generating activities, cultivating onions on the banks of the Mangoro River is a good sector to be further developed. In December 2013, they were able to proudly present their first onion harvest after six months of hard work with the support of Ambatovy.

## New Rhythm

Fanjanirina Marcelline and Jean-Baptiste Rakotomalala are among the lucky beneficiaries.



Marcelline Fanjanirina.

For them, this type of onion cultivation is a first.

*"This was something new around here, and none of us had ever tried it,"* said Marcelline Fanjanirina. The

cultivated lands in the banks of the river

itself. Ambatovy technicians taught the farmers

all the techniques and the steps to be followed for culturing this crop, from land plowing to daily maintenance, through sowing, spreading, fertilizing, and transplanting young plants.

Taking care of onion crops is not easy. *"It's quite hard,"* says Fanjanirina Marcelline, *"and people lacking determination will never make it."* For Jean-Baptiste Rakotomalala, the hardest part was getting used to the new rhythm that it requires. *"Not only is it very delicate, but it also requires daily meticulous care,"* he pointed out. Moreover, other crops had to be taken care of as well.

## "Nothing but Natural"

However, their efforts have paid off because the yield has fully met, if not exceeded, expectations. The promising results encourage the farmers, who are already getting ready for the next season. Moreover, this first experience has strongly motivated them. Jean-Baptiste Rakotomalala is particularly proud to have used only cow dung manure to achieve this result. He has no hesitation in qualifying these onions as *"organic."* *"No chemicals,"* he said, *"nothing but natural."* As for pests, *"we now know how to control them thanks to what we have learned from the technicians,"* specified this farmer.

With their new knowledge and skills, these farmers still have a challenge to face: finding outlets for their products. *"We aim for wholesale mass production. This would allow us to increase our yield,"* said Marcelline Fanjanirina.



Farmers proudly showing their onions.

## AMBOLOMARO RICEFIELDS

# Ambatovy Keeps its Promise



Demonstration ricefield in Ambolomaro.

The rehabilitation of relocation ricefields in Ambolomaro is about to be completed. During its construction phase, Ambatovy gave about 68 hectares of land in Ambolomaro to 29 families in compensation for their ricefields. These families, which are mostly from Ampitambe, cultivated rice within the current Mine area. The company agreed to be in charge of all the works until the lands become fully favorable for rice culture, a commitment that Ambatovy is fulfilling.

In October 2012, after a first visit with the landowners, who made some suggestions regarding some imperfections noticed on the site, namely the high content of sand in the soil, the existence of stumps and roots, the soil texture and structure, improvement works continued. The drainage canal intended to accelerate the drying of the ricefields was also modified to become more efficient. *"These improvements are being made in order to meet the technical conditions required for good rice production,"* explains Aina Famantanantsoa, Farming Technical Supervisor at Ambatovy. Four contractors are currently working on the site.

Ambatovy agreed with the relocated families that the official handover will only be made after all necessary works are completed.

ARBORETUM

# At the Heart of Ambatovy's Conservation Efforts

As required by its Specific Environmental Management Plan, after mining extraction, Ambatovy will reclaim the Mine in order to restore the pre-mining environment and maintain the uniqueness and diversity of the species in the Mine footprint, making the planting of native species extremely important.

Mine site rehabilitation work will commence in 2016. In order to ensure the floristic needs of the rehabilitation, extensive salvaging operations were carried out prior to clearing an area for mining. The whole plants salvaged during such operations have been meticulously transplanted to an Arboretum, located within Ambatovy's nursery of Ampangadiantrandraka, where they will be preserved until the rehabilitation of the Mine area begins.

## Connectivity

The transplantation process was initiated in 2008. The Ambatovy Arboretum covers an area of approximately two hectares and shelters 109 species of concern (SOCs), which are rare species, known only from the Mine Site and a maximum of two other locations in Madagascar. Out of these 109 species, four are classified as endangered, one as critically endangered and one as vulnerable according to the 2012 IUCN Classification. Until used for the future rehabilitation of the Mine, all of these species are monitored to check for the effectiveness of their transplantation. "The plants and trees in the Arboretum will be used for the rehabilitation of the Mine footprint in order to restore the floristic wealth of the Mine



Ambatovy's arboretum covers an area of two hectares.

at the end of operations. This contributes to the objective of rehabilitation, which is to restore the ecological function and forest connectivity, ensure the long-term physical and chemical stability of the soils, and restore the pre-mining land capabilities," explained Angelo Razafimamonjy, Ambatovy's Rehabilitation Supervisor. The Arboretum also provides useful information for the rehabilitation program, as to the optimal cultivation methods and conditions for successful plant production.

starting in 2016, Ambatovy constructed a research and production nursery, with an annual production of 250,000 seedlings," stated Angelo Razafimamonjy. Additionally, Ambatovy contributed to the construction of five village nurseries, providing them with inputs (including seeds, fertilizer, mulches, etc.) to ensure a source of income to the neighbouring communities and to foster local involvement in environmental protection. The company will purchase seedlings from these nurseries to add to the seedlings produced at its own production and research nursery.

## Village Nurseries

Ambatovy's reclamation program aims to rehabilitate the Mine footprint. The reclamation process will require more plants than those conserved in the Arboretum. "To meet the objective of restoring 24 ha of forest annually

## 170,000 Seedlings

Ambatovy's rehabilitation activities will be conducted in phases and will follow the progress of mining. Ambatovy's conservation program is not only limited to whole-plant salvaging to the Arboretum, but also includes micro-propagation (Ambatovy supports a laboratory with the capacity to propagate approximately 50 species at the University of Antananarivo's Department of Plant Biology and Ecology), seed collection, and development of living collections.

In order to obtain additional biodiversity gains, Ambatovy also implements a reforestation program and has established three village nurseries, respectively in Anivorano Est, Ampasimpotsy and Ambavaniasy. This program has been proven to be very successful because in 2013, seedling production at the three nurseries exceeded their planned objectives by an average of 22%. During the same year, the nurseries distributed over 170,000 seedlings to different individuals and entities for reforestation initiatives.

As a reminder, Ambatovy received its environmental permit from the Malagasy Government in 2006, after filing its Environmental and Social Impact Assessment. The company's environmental and social compliance is monitored annually by the Technical Assessment Committee, a group composed of technicians from several ministries, and by the National Environment Office (ONE).

## ORCHIDS

### About 250 Species in Ambatovy

Orchids are one of the most symbolic plant families of Madagascar. There are about 1,000 known species on the island, 90% of which are found nowhere else on earth. The rarity of the orchids makes them a family of flora that demands conservation and protection. To date, the total number of known orchid species discovered in Ambatovy's Mine footprint and surrounding forests is around 250, or roughly 25% of all of Madagascar's orchid species.



*Bulbophyllum oxycalyx*, one of the orchids found within Ambatovy's surrounding forests.

Photo : Philippe Martin

At the beginning of its planning and construction phase, Ambatovy's Environment Department undertook extensive salvaging, seed collection, and plant propagation, and developed living collections of rare and endangered flora species found within the Mine footprint. An orchidarium and two orchid parks were established to nurture salvaged and transplanted orchids. With the support of the Missouri Botanical Garden, orchids are being scientifically and taxonomically researched and identified as well as acclimated at the orchidarium before being transferred to a conservation zone. Since 2008, nearly 15,000 individual orchids have been salvaged and transferred to the orchid parks and conservation zone; almost 100 species have been acclimated and have flowered at the orchidarium, allowing for species identification.

TALENT MANAGEMENT

## An Essential Tool for Business Development

Talent management aims to guide employees towards higher positions within the organization depending on their identified skills. Promotion is one of the main drivers of employee motivation. Ambatovy's philosophy is to give its employees a chance to exercise and develop their talents. Therefore, several employees have been promoted in various departments in recognition of their skills and motivation to advance within the organization.

"A company's excellence necessarily depends on the skills of both its male and female staffs," says Evelyne Cebrant, Human Resources Manager at Ambatovy. Ambatovy strongly relies on employee development in order to achieve its business objectives. A talent management program has recently been implemented to better identify and develop the talents within the company. This program aims to develop, with the help of each department, a mapping of employees' skills and overall performance. This approach helps identify the existing potential staff and allows them to grow within the organization through "on the job training," which is more consistent with developing their job capacity, coaching, as well as with training programs like the Ambatovy Leadership Development Program (ALDP) and / or Skillmine.

### Skills Transfer

During 2013, 179 national employees were promoted within the company. "After completing the supervisor training organized by the company, I acquired the necessary skills to lead a team. Thus, when there was a supervisor position vacancy in our department, I applied and became a Day Supervisor at the Plant," explains Clauzel Ferrand Intara. Razafintzialonina Bakoarisoa, another Ambatovy employee, explains: "I was hired as an accountant in 2009, and my career

has evolved since then. I was recently promoted Chief Accountant after having held the positions of Senior Accountant and Supervisor. When you are working for Ambatovy, all of your fears are fading away as the company somehow pushes you to be responsible. Foreign executives also help us every day, in addition to the training offered by the company."

### Development Opportunities

Ambatovy strives to be an employer of choice in Madagascar and primarily aims for excellence in order to successfully fulfill its mission, which is to be a leader in the sustainable production of high quality nickel and cobalt for the global market. "Employees are major assets for the company and we endeavour to develop them to the fullest of their capacity," asserts Evelyne Cebrant, Ambatovy Human Resources Manager. Manjaka Rakotomanandray, Ambatovy's Senior Payroll Supervisor shares this point of view: "Career development opportunities truly exist at Ambatovy. It is important for employees to have visibility for development within the company where they are working. Here, if you have the will, courage, and passion for your work, you can go very far." This talent management program also helps the company retain its employees. As proof, Ambatovy's employee turn-over rate was less than 2% for the year 2013.

#### Manjaka Rakotomanandray, Senior Payroll Supervisor:

"Ambatovy is characterized by its youthfulness, diversity, and variety. Ambatovy instill a sense of belonging that leads to tangible results in terms of human resources management"



#### Clauzel Ferrand Intara, Day Supervisor:

"I have learned a lot from my expatriate colleagues. This is what makes the difference at Ambatovy; there is room for professional development because the company relies heavily on training and skills transfer from foreigners. I have never seen that in any of the other companies where I've worked before."



#### Razafintzialonina Bakoarisoa, Chief Accountant:

"Skills transfer is a key at Ambatovy. The expatriates bring their competencies and you have to know how to get something out of it. You also need to invest in your job."



### OPEN DOORS IN MORAMANGA

## Over 11,500 visitors

11,519 visitors visited the Open Door sessions organized by Ambatovy in Moramanga, from February 26 to March 1. These Open Door events give concrete expression to Ambatovy's commitment to transparency towards the Malagasy population regarding its activities and contributions.

Open Doors sessions provide an opportunity for everyone to learn more about the company and its current situation on both national and international levels, and also to directly discuss the various questions posed by the visitors. Issues discussed during Open Door sessions include Ambatovy's economic contributions and tax related matters. Various Ambatovy departments, including Corporate Social Responsibility, Human Resources, Supply Chain Management and Communication, displayed their projects and activities to the benefit of the communities. Demonstrations of the nickel and cobalt extraction and refining process were displayed to the public as well.

It is clear that the population is interested by such Open Door events, as they provide both organizers and visitors an opportunity to better understand each other and to freely and transparently interact. Another event in being planned for Antananarivo in the coming months.



Four-day Open Doors in Moramanga.

# Banjina

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