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100

YEARS OF ANGLO AMERICAN

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A century OF SHARED STORIES



A popular pamphlet distributed in mass democratic movement circles in the 1980s carried a graphic cartoon that demonstrated the influence of Anglo American on the lives of South Africans.

It showed how a worker would wake up in the morning and eat a breakfast containing ingredients supplied by an Anglo American-controlled company, get into a car, taxi or bus that contained components made by a firm in which the corporation had interests and work for a company with links to 44 Main Street. His lunch and supper would also contain elements of Anglo American, as would the beer he drank to wind down after work.

The corporation had a place in virtually every aspect of his day.

In those days, Anglo American was the stuff of myth and legend. To some, it was the face of the capitalist system that went hand in hand with apartheid. To the Afrikaner establishment, it was the face of English liberalism; an obstacle to the grand apartheid dream. To others, it was a model of how to build, grow and consolidate a business. To most, it was a place to work, innovate and achieve – a vital cog in the South African economic machine.

In his seminal book, *Anglo American and the rise of modern South Africa*, renowned academic Duncan Innes wrote: “In virtually every major sphere of mining, financial and industrial activity in the country, the name Anglo crops up as either the dominant authority ... or at least as an important influence.”

It was no coincidence, then, that one of the initiatives that began to open the door to negotiations between the ANC and the apartheid regime was spearheaded by then-Anglo American boss Gavin Relly. In defiance of then president PW Botha, Relly led a delegation of white industrialists, politicians and intellectuals to talk to the



The leadership and staff of Anglo American now reflects South Africa. Interventions in education, health, entrepreneurship and social housing have had a major impact on the development of the new society

ANC in Lusaka – at the height of the state of emergency and when war seemed inevitable. The trip served not only to undemonise the ANC leadership in the eyes of white South Africa – which infuriated the Botha inner circle – but it also opened the door for influential people within the establishment to reach out to the liberation movement.

Reporting back from the meeting, Premier Milling CEO Tony Bloom said this about the ANC delegation, which included Oliver Tambo, Chris Hani and Thabo Mbeki: “It was difficult to view the group as hardline Marxists; bloodthirsty terrorists who are interested in reducing South Africa to anarchy and seizing power, with a hatred of whites...”

He continued: “Without in any way wishing to be seduced or hypnotised by the occasion, I believe that they are people with whom serious negotiation can be undertaken and with whom a certain amount of common ground can be found.”

South Africa may have continued to

career towards conflagration after that historic meeting, but a door was opened and seeds of trust planted. That engagement was to play a major role in the detente that eventually led to our democratic breakthrough.

After 1994, Anglo American, as a focused mining giant, led the conquest of global markets following government's decision to allow South African companies to list abroad.

Anglo American has played partner to government, labour and civil society in building an inclusive, transformed and prosperous society. It has not been an easy ride – as evidenced by some of the uncomfortable and, at times, acrimonious conversations that have had to take place. But the fruits are there to see.

Anglo American was a major catalyst for the BEE project that helped to create a wave of black industrialists. The leadership and staff of Anglo American now reflects South Africa. Interventions in education, health, entrepreneurship and social housing have had a major impact on the development of the new society.

The Anglo American story is the South African story. It is a story that has traversed epochs of South African history: from colonialism and apartheid to the liberation struggle, civil uprisings and the birth of democracy to the cementing of a nonracial society. It is a story that can be told through the lens of two world wars, a cold war and civil conflict. It is also a story of a country that believed in itself; that chose peace and common nationhood above blood and division.

Our writers will take you on this incredible journey through the life of a company whose history is deeply intertwined with the history and development of the South African nation.

Enjoy the journey.

Mondli Makhanya, editor in chief

100 YEARS 1917 - 2017

OF ANGLO AMERICAN

I am very proud to be leading Anglo American at such a special moment in its history. As we celebrate our 100th birthday, it is the perfect opportunity to reflect, but also to look ahead to the future of this truly great company.

For much of our history, Anglo American has been known as the miner's miner, leading not only in groundbreaking technological advances, but also in the societal aspects of mining that are so integral to the sustainability of our business. Over the decades, we have certainly shown great resilience, expanding the business, investing in many disparate ventures and then focusing on our mining heritage and real expertise.

Since 1917, through the many social, political and economic changes the company has encountered, we have persevered and adapted, often making tough choices along the way. We have evolved, and will continue to evolve, to make sure we are fit for the future and playing to our competitive strengths. Why? Because that is what our stakeholders rightly expect of us.

As we stand here today, there is no doubt that, as an industry, we need to do things differently to find new, safe, responsible and cost-effective ways to mine the products that are demanded by a rapidly urbanising and growing global population. We are redefining the future of mining and are committed to this through our FutureSmart Mining™ approach to innovation, which applies cutting-edge technological advances and innovative thinking to address mining's major challenges, including safety, health, energy, water and community engagement.

We won't achieve this step change without being responsible and collaborative partners, and gaining the trust that society demands of us. We have set ourselves ambitious targets to renew our commitment to sustainability in critical areas such as safety, education, biodiversity, energy efficiency and job creation. Sustainability is – and will remain – at the heart of our decision-making as a business. Anglo American is well known for its longstanding work in this area and I'm incredibly proud of the progress we've made over the years to improve the lives of those



Mark Cutifani, chief executive

A WORK OF OUR PEOPLE



It is our people who have worked hard, contributed, developed, innovated, collaborated and cared, building a company that has stood the test of time. And it is our people who are helping us redefine mining today, for our new tomorrow

in and around our host communities; but we need to strive to do more.

Our focus on innovation – including across the span of sustainability – is what will also help us maintain resilience in an uncertain world. We have shown our tenacity and spirit over the past 100 years and have always strived for improvement and progress, investing with the future in mind even during tough times. We must manage our own destiny, not rely on others, and be more nimble than our competitors.

Anglo American wouldn't have reached its 100-year milestone – or be the company it is today – without the contributions of our many employees and partners. It is our people who have worked hard, contributed, developed, innovated, collaborated and cared, building a company that has stood the test of time. And it is our people who are helping us redefine mining today, for our new tomorrow.

Mark Cutifani, chief executive of Anglo American

100 years of Anglo American

1922 THE RAND REBELLION

An armed uprising after World War I, when mining companies were faced with rising costs and a fall in the price of gold



1928 PLATINUM SHINES

A key partnership with the discoverer of SA's PGM-bearing reef, Hans Merensky. The company would evolve into Anglo American Platinum

1917

1917 DOORS OPEN

Entrepreneur Ernest Oppenheimer establishes Anglo American



1927



1926 THE DIAMOND STORY BEGINS

Anglo American becomes the largest single shareholder in De Beers Consolidated Mines. Sir Ernest became chairperson of De Beers in 1929

1944 GOLD RUSH

Vaal Reefs Exploration and Mining Company is formed and has 11 shafts by the 1980s, making it the world's biggest gold mine



1937

1948 APARTHEID

The National Party comes to power under DF Malan



1938 NEW HQ

The foundations of the company's South African headquarters at 44 Main Street in Johannesburg are laid

1960 69 DEAD

The Sharpeville massacre takes place on March 21, and the ANC and PAC are banned

1950 SEGREGATION BY COLOUR

The passing of the Immorality Act and the Group Areas Act

1947

1961 FIRST GLOBAL MOVE

An investment in the Hudson Bay Mining and Smelting Company in Canada marks Anglo American's first significant mining investment beyond southern Africa

Mid 1950s BUILDING A NEW MINING TOWN

The migration of people to the new goldfield in the Orange Free State led to the establishment of a brand new town, Welkom



1974 BEFORE CSI

Anglo American Chairman's Fund is established

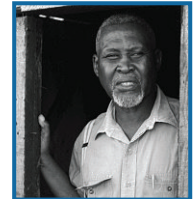
1964 RIVONIA TRIAL

Nelson Mandela and his codefendants were sentenced to life in prison after the conclusion of the Rivonia Trial

1957

1961 NOBEL PEACE PRIZE

Albert Luthuli, president of the ANC, was the first black African to be awarded the Nobel Peace Prize



1976 SOWETO UPRISING

Led by students on June 16, the protests changed the sociopolitical landscape in SA

1985 WORKERS' POWER

Anglo American becomes the first major mining company in SA to recognise black trade unions

1967



1975 SOUTH AFRICA IS AT THE FOREFRONT OF COAL

In collaboration with others, Anglo American develops the Richards Bay Coal Terminal which becomes the world's largest dedicated coal export terminal

1990 A NEW ERA BEGINS

Nelson Mandela is released from prison and the ANC is unbanned

1992 THE SOUTH AFRICAN GEM

Venetia Diamond Mine is established. It is SA's largest diamond producer with an output of about 3 million carats a year

1977

1985 STATE OF EMERGENCY

This year signalled the beginning of the end of apartheid society and governance



1986 FIGHTING HIV AND AIDS

Together with the SA Chamber of Mines, Anglo American supports the country's first HIV/Aids testing campaign

1994 FREEDOM FOR ALL

SA holds its first democratic elections on April 27



1994 HISTORICAL DEAL

Anglo American split Johannesburg Consolidated Investments (JCI) to sell Johnnic and JCI to the National Empowerment Consortium and the African Mining Group. At the time, it was the biggest black empowerment deal in SA corporate history

1987

1989 JOB CREATION FOR A SUSTAINABLE SOUTH AFRICA

Anglo America coordinates all its enterprise-development initiatives into one organisation – Zimele



2002 PEOPLE ARE THE BUSINESS

In partnership with the department of health, Anglo American becomes the first major employer to provide free antiretroviral medicine to HIV-affected employees



1997

1999 GLOBAL ANGLO AMERICAN

Anglo American SA and Minorco form Anglo American plc, with its primary listing in London on the FTSE 100 Index

2007



2017 THE MOST PRECIOUS RESOURCE

Anglo American's FutureSmart™ mining approach is working towards recycling almost all the water at its sites to become a net water contributor to surrounding communities by 2025



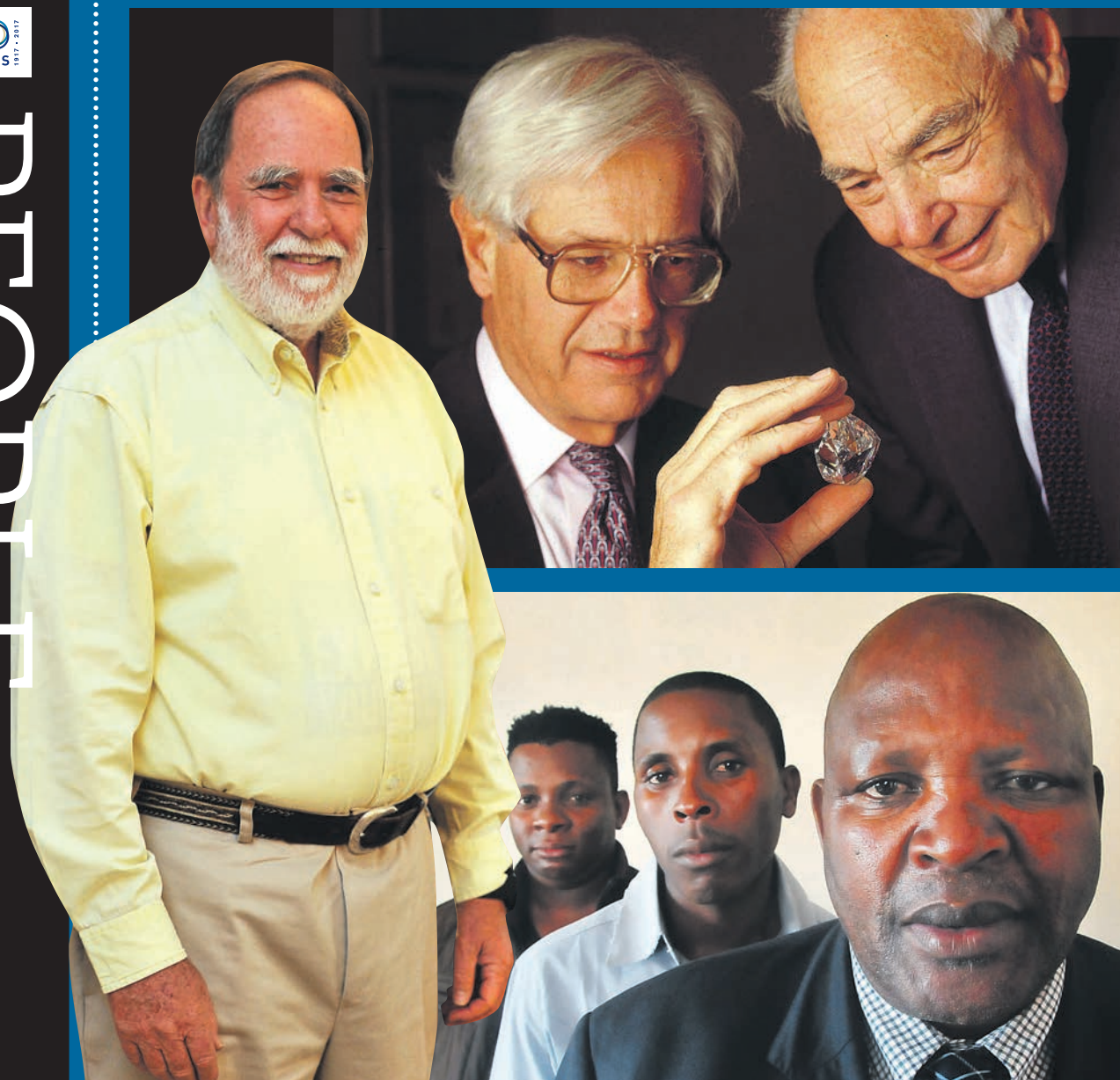
2008 A SAFER FUTURE

In partnership with government and mining trade unions, Anglo American pioneers the Tripartite Health and Safety Initiative

2017

ISABELLA MAAKE, Graphics24

PEOPLE



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- ▶ Mining: A family affair
- ▶ Mining's great shapeshifters
- ▶ Notable faces influenced by Anglo American

The aim of this group is, and will remain, to make profits for our shareholders, but to do it in such a way as to make a real and

lasting contribution to the communities in which we operate."

This statement was first made by Sir Ernest Oppenheimer back in 1953, and remains a guiding principle of the company. It also articulates the entrepreneurial spirit and socioeconomic acumen of the family that founded and dominated Anglo American for more than six decades.

"The driving philosophy of the family and, by extension, Anglo American, was that there had to be more to the business of making money than just making money. You had to have a commitment to where you operated and a moral ethic in the way you operated," says Nicky Oppenheimer.

At the time it was established in 1917, South Africa's mining industry was dominated by a handful of London-based investment houses. While understanding that access to capital would be much easier in Europe, Ernest wanted to make a valuable economic contribution to the country he had called home since 1902 – he was born in Germany in 1880 – by forming a South African mining house whose strategies would be dictated from Johannesburg.

His commitment to his adopted country was further demonstrated by his desire to call the company African American, but he was persuaded otherwise on account that Anglo American would be more investor-friendly.

"He certainly saw himself as a South African, even though he spoke English with a German accent, and formed his company to be South African and to be part of South Africa. And that was a differentiator then," says Nicky.

It is often argued that Anglo American's growth and success only really benefited the white minority, at least until 1994. But Ernest and his son Harry, who chaired the company between 1957 and 1982, drove a lot of organic growth within various sectors of the economy over the course of the 20th century, and the foundations of our current diversified economy were laid by them.

"They built businesses. Neither of them were the sort of people who thought it was appropriate or right to buy businesses. While they did buy lots of businesses, what gave them a buzz was to build things – and to create a business, create jobs and create wealth. And



Nicky Oppenheimer in his father's office – which has been preserved for posterity – at Anglo American's Johannesburg headquarters

An Oppenheimer **LEGACY**

The foundations of our current diversified economy were laid by the family, writes Jade Davenport



Three generations of Oppenheimers – Jonathan, his grandfather Harry and his father Nicky, in this 1997 photo

not just for Anglo American, but for the people who worked for the company at its widest range," says Nicky. He believes bravery in business enabled them to achieve this.

"They were not risk averse, and had a long-term vision of the business and economy. What they were prepared to do was bet the company, which is a dangerous thing to do, but always on the basis of a careful assessment of the venture's chance of success."

But the Oppenheimers also believed they had more to give. "There was a belief that, if you were lucky and privileged enough to be successful and wealthy, you needed to give

something back to society," says Nicky.

It was for that reason that Ernest and Harry became involved in politics. Harry, despite his role as chair of Anglo American, became a fierce critic of the National Party government and one of the most prominent political activists advocating for the liberalisation of South Africa's political framework during the 1960s, 1970s, and 1980s.

He also helped establish the South Africa Foundation after the Sharpeville massacre of 1961, and then, after the 1976 Soweto student uprising, the Urban Foundation, which poured millions of rands into welfare and housing schemes for black South Africans.

The Oppenheimers have been, and still are, South Africa's most benevolent and philanthropic family. Most significantly, they established the Anglo American Chairman's Fund in 1974, which largely pioneered corporate social investment in South Africa.

As Anglo American marks its centenary, Nicky believes that it is in a solid position thanks to the foundations his grandfather and father laid. His advice on looking to the next 100 years is that it is important to remember history, but never get immersed in it.

"You have got to have your eyes firmly pointed forward, but with the knowledge of what happened to get you where you are."

Mining: A FAMILY AFFAIR

Ephraim Mello worked on a mine for more than two decades and now his son, nephews and niece have taken over the baton, writes **Lucas Ledwaba**

Ephraim Mello walks into the living room smiling broadly. He is holding four certificates that he earned during his 23 years working at the biggest open-pit platinum mine in the world – Mogalakwena Platinum Mine in Limpopo.

Mello (63) qualified as an operator of some of the mine's big roaring machines: the front-end loader, excavator, surface loader and surface truck.

Mogalakwena Platinum Mine – Anglo American Platinum's flagship operation in the portfolio – is situated in the Mogalakwena Local Municipality in Limpopo's Waterberg district.

Mello started working at the mine shortly after it was established in 1993. In 2015, at the age of 61, he retired to his home village of Motlhotlo, near the mine.

But that didn't spell the end of his family's ties with the mining giant he used to work for. He lives in a spacious brick house built for him by Anglo American Platinum in Rooibokpan, a new township development about 7km from Motlhotlo. The house formed part of a relocation deal entered into by the mining company and the residents of Motlhotlo.

It doesn't end there. His son, David, is now employed at the mine as a plant operator. His nephews, Phološo and Bethuel, and niece Mamoraka have also followed in Mello's footsteps. Phološo and Bethuel work as truck operators, while Mamoraka is a plant operator. They are all the breadwinners for their respective families.

Mello worked at the gold mines in Johannesburg from the mid-1970s, but, in 1991, he was retrenched and returned home to

Limpopo. A difficult period followed, during which he could not provide for his family. Mello's wife Raesibe remembers those days with sadness.

At the time, the family lived in a ramshackle zinc shack and struggled to make ends meet – Mello had been the only breadwinner as Raesibe raised their five children and tended to the family's vegetable fields.

Raesibe says: "Life was hard before he got this job. He had looked for work for a long time. We depended on my mother sending us money, but that was not enough to raise our children".

Then, in the middle of 1993, Mello's experience on the gold mines helped him land a job at Mogalakwena mine. The Mello's lives took a turn for the better.

"With the money I earned at Anglo American Platinum, I managed to send my children to school. I managed to feed and clothe them," says Mello.

Anglo American Platinum has paid part of the tuition fees for the Mello's 23-year-old daughter Mmabatho to go to a further education and training college, where she is studying business management.

He looks back on his time creating what has become the biggest open-pit platinum mine in the world with pride.

"We worked very well with no problems. I was not the kind of person to stay away from work for no reason. I was dedicated. That is why I trained to operate different types of machines and earned these certificates," he says, smiling proudly and pointing to the documents laid out on the coffee table that are imprinted with an Anglo American logo.



He remembers a time when the landscape did not yet feature the landmarks of mining.

"You see those hills over there?" he points westwards, where the mine dumps tower over the land and cast long shadows in the late winter afternoon.

"They [mine dumps] were not there when I started working for Anglo American Platinum. I used to dump [the gravel] there. I was the best truck operator because I worked very fast. My colleagues could not understand how I managed to do so many loads in one day," he says with a smile of satisfaction.

Those days are behind him now and only memories of roaring machines remain.

The new generation of Phološo (30) and David (32) are creating their own memories.



Top: Ephraim Mello poses with his son David (far left) and nephew Phološo Makgetha, who represent the next generation of the family that is working for Anglo American Platinum. Below left, Mello stands in front of the house that was built for him by Anglo American Platinum in Rooibokpan near Mokopane, where Mello and his family of seven used to live in a tiny shack. Below right, Mello displays the certificates he earned during his 23 years of service at the Mogalakwena Platinum Mine, the world's largest producer of the valuable metal

Phološo started working at Mogalakwena in 2007 after he was spotted the previous year during Anglo American Platinum's talent identification initiative, which targeted school children with an interest in the world of science and technology.

The company put him in a learnership programme, where he studied electrical engineering and, later, water treatment and plant production management. He was eventually employed as a truck operator.

Life before he was employed by Anglo American Platinum was a never-ending struggle.

"We struggled financially at home," says Phološo, who also lived in Motlhotlo.

"When I went to high school, I had no shoes.

In winter, I would freeze because I had no warm clothing. Food was scarce and I can say that life was really hard," he says.

Now he can provide for his child and has even bought a car. He has also relocated to Rooibokpan and says life is good.

"Mining has helped us put food on the table. Life is much better than it was for us before we started working on the mine," says Phološo.

While the older generation is still nostalgic about life in Motlhotlo, where many supplemented their livelihoods through subsistence farming, Phološo's generation is more than happy with the current address.

"Life is better here. In Motlhotlo, I had to go up the hills pushing a wheelbarrow just to get water. If I didn't do that, I would have no water to wash or to drink," says Phološo.

Raesibe, who earned a stipend from Anglo American Platinum while serving on the relocation committee that facilitated talks for the relocation from Motlhotlo village to Rooibokpan, also feels like life has become much easier in the new settlement.

"We love it here. It's almost like being in a town. We have floodlights and a tarred road, and the water is right here in our yards. Where we come from, there were no roads to talk about. Cars could not move on those roads when it rained," she says.

Part of Mello still misses the old way of life in the village. But he shares his wife's views that there have been many positive developments since their relocation.

In Motlhotlo, they say, the schools that were built by the community decades ago are now in ruins. The only clinic there was dilapidated and, even though they had electricity in their homes, getting the basics such as water was a struggle.

In Rooibokpan, they say, the company has built modern, better equipped schools and paved roads, and there is a well-resourced clinic. Even churches that were flattened during the relocation have been rebuilt.

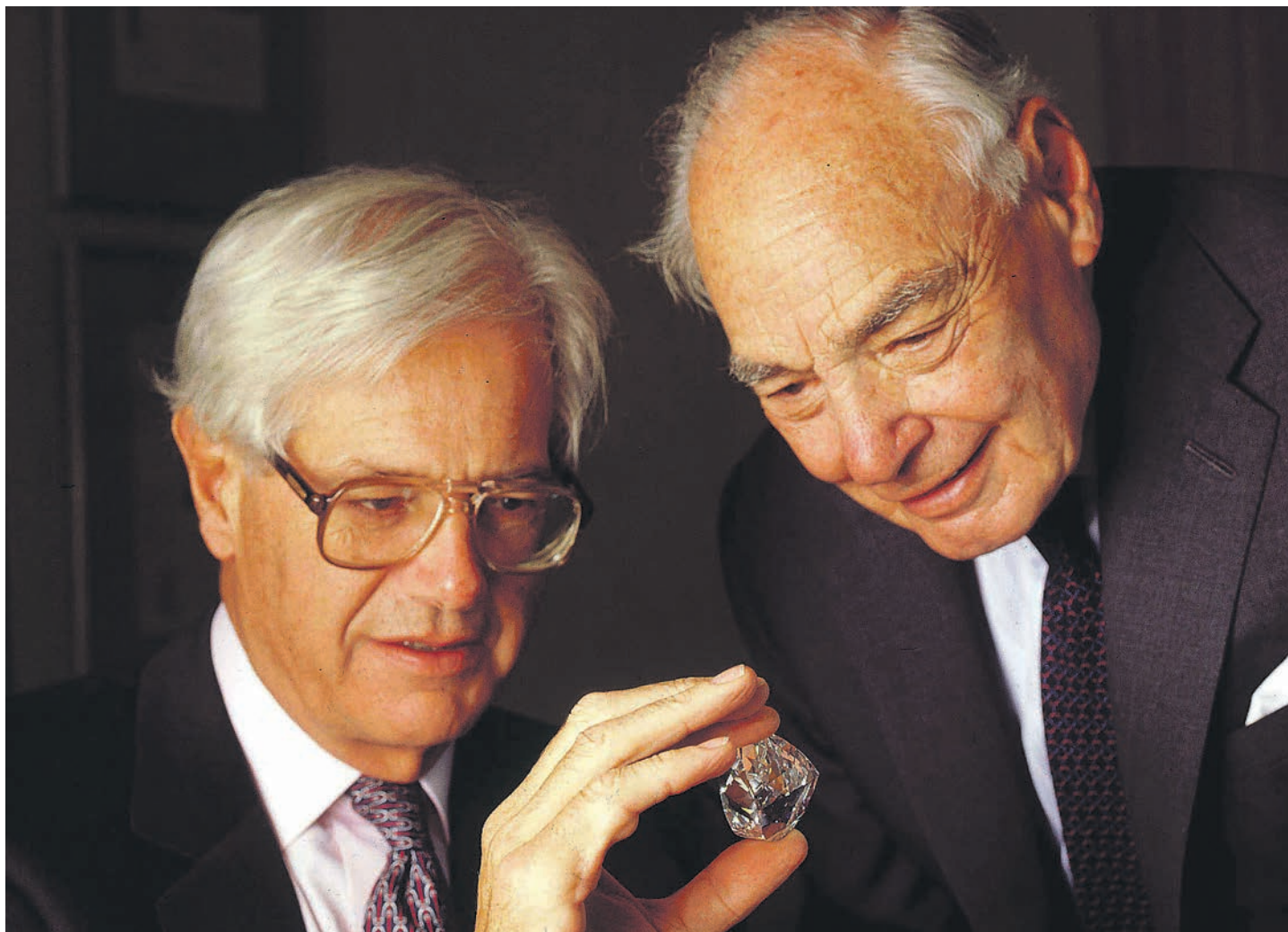
The Mello home is located on a large property that stands next to two massive and shiny water tanks that supply water to the area.

Mello's relationship with Anglo American Platinum continues on another front – he is one of several contractors who have been given the business of supplying water to residents of rural villages around the Mogalakwena mine.

But he doesn't want things to end here – he has submitted further proposals to the company through his company to provide other services that will help grow his business and help develop the community.

"The company has really helped me. I'm always filled with fear when I think of what would have become of my family if I didn't get a job there," says Mello.

"When I looked at the families of the people who were not working, I knew that my life was better. It was hard to see other people suffering. Now I'm happy that some of my family members have also been lucky enough to have been employed there," says Mello.



Julian Ogilvie Thompson and Harry Oppenheimer look at the De Beers Centenary Diamond in 1991

MINING'S great shapeshifters

From the Oppenheims to Mark Cutifani, the miner has gone from strength to strength, writes **Jade Davenport**

Anglo American has had many watersheds over the past 100 years, but there is no doubt that chief among them was the moment **Harry Oppenheimer**, son of the company's founder, **Sir Ernest Oppenheimer**, and group chairperson since 1956, officially retired in January 1983.

His relinquishing of the reins of control not only effectively brought to an end the Oppenheimer family's 65-year-long dynastic domination of Anglo American, but also altered the very nature of the company from what had been a family-run business to a more generically corporate executive-led firm.

Under Oppenheimer leadership, it had grown from a small East Rand gold mining

company into South Africa's most successful conglomerate, whose shareholding and influence spanned across the entirety of the country's economic, social and political spheres. At the time of Harry's retirement, the company was worth \$15 billion and the shares of the companies it directly controlled accounted for more than half of all shares traded on the JSE.

Leadership of such a powerful corporate force required a man of stature, vision and innate responsibility. Not only to the company's success but, given the sociopolitical context of the early 1980s, to South Africa's long-term wellbeing.

The man chosen for the task was 56-year-old **Gavin Relly**. Having started his career at Anglo American in 1949, Relly had been involved in some of the company's, and indeed South Africa's, most extraordinary expansionist endeavours, including the development of the Free State gold field, the establishment of a uranium industry, and the further growth of the steel and vanadium sector with the creation of Highveld Steel and Vanadium.

By 1977, Relly had risen the ranks to become deputy chairperson. Not only did his appointment make sense from an experience perspective, but Relly was widely regarded as highly pragmatic and fiercely opposed to international economic sanctions, two qualities that were believed necessary as the country moved ever deeper into crisis.

Relly's leadership of Anglo American spanned the tumultuous period between January 1983 and April 1990. It was a time of increasingly stringent international economic sanctions, isolationism, the growth of trade unionism and industrial action, particularly in the mining sector, social unrest, severe state oppression and, towards the end, the glimmer of political reform.

Thus, it was inevitable that Relly's role as chairperson was far more political than corporate in nature being concerned with helping to resolve the sociopolitical turmoil of the country, which he understood to be in the company's best economic interests.

Admittedly, the company had always been far more concerned with South African politics than its peers: Sir Ernest and his son had both been members of Parliament and, particularly Harry, had advocated for the liberalisation of oppressive laws.

While Harry was certainly an outspoken opponent of the apartheid regime – although not always in an altruistic fashion – Relly took political activism to a whole new level and put Anglo American firmly at the forefront of businesses' campaign for the economic liberalisation of South Africa during the late 1980s. In fact, Relly's legacy is almost wholly political with the most significant achievement being the contribution he made to the demise of apartheid.

He pursued a two-pronged approach – an aggressive public affairs and scenario-planning strategy to encourage the liberalisation of the country's political framework, and the engagement with the ANC in exile.

Throughout his chairmanship, he repeatedly spoke out against the apartheid regime and encouraged the creation of economic opportunities for the black majority.

A significant move, though, was the appointment of **Michael Spicer** and **Clem Sunter**, two executives who would have enormous influence on South Africa's



Nelson Mandela and Gavin Relly at an economic conference in 1990. Relly defied then president PW Botha and went to Lusaka to meet with the ANC in 1985



Michael Spicer

sociopolitical environment during the late 1980s and 1990s. In fact, the "high road, low road" scenario developed by Sunter fundamentally altered the public conversation from one where South Africa was inevitably heading for civil war to one where an inclusive and peaceful future could be negotiated.

Simultaneously, Relly began to engage in serious political dialogue with the ANC leadership in exile and with Nelson Mandela while he was still incarcerated in Pollsmoor Prison. The undertaking for which Relly became most renowned was his leadership of a delegation of South African businessmen, in defiance of the orders of the National Party, to meet with the exiled ANC leadership in Lusaka, Zambia, in 1985.

It was initiatives such as these that essentially signalled Anglo American's commitment to the struggle for, at least, a new non-racial economic dispensation.

Ever the pragmatist, Relly understood that the release of Mandela from prison on February 2 1990 had ushered in a new era for the country, and that the new challenges and opportunities could only be effectively embraced by a new chairperson.

Thus, just weeks after Mandela's release Relly resigned and announced that his deputy,



Clem Sunter

Julian Ogilvie Thompson, would take over.

In naming JOT, as he is familiarly known, as his successor, the company was firmly sticking to its inherent South African-British aristocratic-esque character. Born in Cape Town and the son of a former chief justice, JOT was a Rhodes scholar and an Oxford politics, philosophy and economics graduate.

He joined the company in 1957 as Harry's personal assistant, was moulded in the Oppenheimer business style, and climbed the executive ranks to become chair of the corporation's international arm, Minorco, in 1982. He became deputy chair of the company in 1983, and chair of De Beers in 1985. JOT was an Anglo-De Beers man to his core.

As was the case with Relly, the period of JOT's chairmanship of Anglo American, which spanned from April 1990 to November 2002, was a roller coaster of unprecedented social, political and economic developments in South Africa. He led the corporation through a period of intense social tension, political negotiation and reform during the early 1990s, and then reconciliation and the facilitation of a more inclusive economic framework in the latter half of the decade.

CONTINUED ON P12

He did more than just steer the company through an unprecedented peaceful revolution; JOT guided Anglo American through momentous corporate changes, not least of which included one of the first and biggest empowerment deals – the sale of Anglo American's stake in Johnnic to the National Empowerment Consortium in 1996 – the merging with Minorco, and the international listing on the London Stock Exchange.

In fact, it was under his leadership that Anglo American underwent the most significant and irrevocable corporate transformation of its history. The merger with its offshore investment arm, Minorco, in 1998 catapulted the company from a proudly South African mining group to an international industrial powerhouse that was not only valued at £13 billion, but now a member of the elite FTSE 100 Index. Given the far more global character of the company and a desire to attract international investors, it was decided to switch the company's primary listing and head office to London in 1999.

In line with its new identity as a London-listed PLC, Anglo American decided, at the turn of the millennium, to embark on a restructuring strategy to essentially strip itself down to its primary mining assets.

Once a complex industrial and financial group that spanned across more than half the country's economy, it had decided it would move into the new millennium as a solely mining-focused company, the activity believed to be its core business.

This new corporate era and restructuring strategy required fresh leadership and, so, in May 2000, **Tony Trahar** was appointed chief executive officer of the international conglomerate. Interestingly, the merger with Minorco had compelled a structural change at executive level, with the chairperson's management responsibilities being split out into a new chief executive position. Trahar would be the first to occupy that new role, while JOT continued as chairperson for another two years.

As an accountant by training, Trahar was, like his predecessors, an Anglo American career man having joined the corporation in 1974. He had risen up the ranks to head up Mondi, the corporation's paper and packaging division, before his final promotion to the top job.

The restructuring campaign of the early 2000s was unsparing in its approach and culminated in the shedding of about \$9 billion worth of noncore assets, including Anglo American's steel, paper and agricultural-aluminium businesses. More significantly, its relationship with diamonds and gold, the two resources on which Anglo American had been built and grown, was significantly altered during this period with the cutting of its stake in AngloGold Ashanti from 51% to 41%, and the elimination of the crossholding share structure between Anglo American and its long-time sister company, De Beers.

The restructuring was still under way when Trahar announced his early retirement



Cynthia Carroll



Sir John Parker

in 2006. During this time **Sir Mark Moody-Stuart** chaired Anglo American from 2002 to 2009 and played a significant role in leading the demerger of Mondi from Anglo American. To build on this, it was decided that an entirely new kind of leader would be required.

The appointment of **Cynthia Carroll** as chief executive in 2007 certainly broke the leader mould. Not only was she a woman and not a South African, she was the first external candidate appointed and the first lead executive to actually have mining-related qualifications. In an industry that barely allowed women to work underground a few decades ago, Carroll's appointment shattered the glass ceiling of international mining.

Carroll's tenure as chief executive coincided with the global financial crisis in 2008 and the volatile market swings that followed. With Chinese demand for many mined products also showing growth, she led the company to expand its presence in iron ore through an ambitious new mine in Brazil, as well as investing in new capacity in Chilean copper and Brazilian nickel. Carroll continued the restructuring that had preceded her, finally taking Anglo American out of the gold business. Also, during this time, in 2011, chairman **Sir John Parker** negotiated the buy-out of the Oppenheims' 40% shareholding in De Beers, taking Anglo American's interest



Tony Trahar



Sir Mark Moody-Stuart

to 85%. Carroll, whose tenure ended in 2012, had a fundamentally positive effect through her dedication to the improvement of health and safety standards, and her commitment to dialogue with all stakeholders.

When **Mark Cutifani**, the Australian mining engineer who had headed up AngloGold Ashanti, took over the reins in early 2013, it was remarkably different from the company that had been bequeathed by Harry Oppenheimer.

It was no longer South Africa's corporate powerhouse whose strategy was dictated by a handful of executives and shareholders, and whose influence spanned the country's sociopolitical and economic landscape.

It was now a global mining company owned by international investors whose focus was on mining large, high quality orebodies across a select number of metals and minerals.

Although continuing volatile economic conditions have led to a further reduction in the number of mining operations owned by the company, Cutifani has grown the group's production through improving productivity. He has also focused the portfolio on its most competitive assets in South Africa and around the world, thereby establishing the solid foundation from which the company can move into the future.



Mike Teke, chief executive officer of Seriti Resources

NOTABLE FACES

influenced
by Anglo
American

The company's
extensive bursary
programme in the
1980s and 1990s
produced the
corporate elite we
see in SA today,
writes **Dewald
van Rensburg**

Anglo American people are everywhere.

"Every other mining house globally, by default, has an executive who was groomed and trained by Anglo American," says **Mike Teke**, former president of the Chamber of Mines.

"It is a spectacular influence; it is amazing. Who does not come from Anglo American?"

Until the 1990s, the group, in a very real way, ran the region's economy. After the company's wholesale restructuring into a more focused mining company, those who grew up inside it can still be found throughout the corporate world in South Africa and beyond.

It is hard to overstate the role played by the company's extensive bursary programme in the 1980s and 1990s in shaping South Africa's corporate elite. Bursars run many Anglo American units, but also occupy a variety of positions outside the group.

Ben Magara, the CEO of Lonmin, has nothing but praise for Anglo American.

"I'm from Anglo American; our chief financial officer is from Anglo American; our head of project management is from Anglo American; our head of business support office is from Anglo American; a number of our general managers are from Anglo American. I did not bring them to Lonmin, I found them here – such is the impact of Anglo American.

"When I meet people who are ex-Anglo American, I expect them to do things in a certain way. I think that that certain way can benefit this whole country," says Magara.

"If you came from Anglo American, people understood your ethos and corporate governance ... Today, South Africa seems to be missing those obvious corporate citizens."

Originally from Zimbabwe, Magara was swept into his career by a bursary.

"If Anglo American sponsored you, you were one of the cream of the crop. You got a place in varsity because government (Zimbabwe) gave you a 50% bursary and a 50% loan. As you arrive, the companies flock in. They look at the list and say, 'we want to see that one or that one'. There were other companies, but if you are not called by Anglo American, you are not 'it'.

"At varsity, I promise you, the Anglo American bursars had all the money. If it wasn't for the Zimbabwean government and then Anglo American, I would never have gone to university. My parents would not have afforded it."

Magara's story is a familiar one – from the bursary to the gruelling early years in the company getting moved from position to position to learn as much as you can.

"It was also a great school ... you could learn anything in Anglo American. We used

CONTINUED ON P14, 15 AND 16

to get transferred every year or second year. It was part of your development; of testing and challenging you. I was on three mines over three years," he says.

Magara worked at Anglo American for 26 years – seven years in Zimbabwe and then another 16 at Anglo American Coal SA, where, at the age of 38, he became CEO.

Prior to becoming CEO of Lonmin, Magara was part of Anglo American Platinum's management team.

"I was wondering where I would go next ... there were two potential roles for me. One was in iron ore in Brazil and one was Anglo American Platinum," he says.

"Anglo American used to have this practice – if you wanted to make it to the Anglo American executive, you must have at least worked on two continents and at least in two commodities. For me, Anglo American Platinum was ticking the second commodity."

Magara took that job expecting it to be a stepping stone to Anglo American. Instead, it qualified him for rival Lonmin – "school fees", as he puts it – where he took the reins in July 2013, in the wake of the historic strike in 2012 that culminated in the Marikana massacre.

July Ndlovu, the current CEO of Anglo American Coal SA, is another product of the company's scholarship programme in the 1980s.

He was 19 years old and just two weeks into his medical studies in Zimbabwe when Anglo American "pitched up" with a list of students it wanted to speak to.

"If you go back to the 80s, Anglo American was everything. In Zimbabwe, it owned mines, it had banks, it had farms, it had forestry companies and it even made bread. The Anglo American name was almost synonymous with anything you could think of as industrial in the country," he says.

"If you really wanted to end up with a fulfilling career, the place you wanted to work for was Anglo American."

So, instead of medicine, Ndlovu studied metallurgy.

"When I was growing up, a job for life was certainly what most of us aspired to. So if you found a company that offered you the breadth of career opportunities and could offer you work in other countries, you couldn't be in a better place."

Another Anglo American bursary recipient was **Chris Griffith**, CEO of Anglo American Platinum, who began his career 27 years ago as a night cleaner at Amandelbult platinum mine in Rustenburg. He rose through the ranks to become the youngest general manager during his time, ultimately becoming CEO of Anglo American Platinum, the world's largest platinum producer.

"It's unlikely you're going to retain any individual for 25 years or longer if you're unable to offer a variety of skills, experiences and work opportunities," he says.

"Although the majority of my career has been in Anglo American Platinum, I've been offered many different roles and many



Chris Griffith



These were people with seriously high integrity. If you sat across from Harry Oppenheimer, you didn't sit with a business leader, you sat with a statesman

JULY NDLOVU

different opportunities, even in Anglo American Platinum. I was also the CEO of Kumba Iron Ore."

Anglo American represented a major vein in South Africa's business culture.

Teke says: "The culture within Anglo American, from the Oppenheims, was this culture of being a corporate, corporatised business. Everything is formal, everything is systematic. Everything has policies and procedures."

Long-time insiders saw this culture change as the company reinvented itself after apartheid.

Magara says: "There were old British and colonial elements to it ... symbolic remnants. At [rival mining conglomerate] Gencor, they went to work in a Springbok shirt – you would not see that at Anglo American."

"When I got to New Denmark Colliery, everyone from shift boss level up had to go



Ben Magara

to work in a tie. When you get there, you remove it and you put on your overalls. And then you go underground."

Legends about Anglo American's historic Johannesburg headquarters – 44 Main Street – abound. In the 80s, the personal assistant cleaned bosses' hunting rifles, and the cigar room is still to be found somewhere upstairs, said a former executive.

"Especially at 44 Main, the big boys were the big boys," says Magara.

"There were even two dining halls. If you were [job grade] E2 and above, you then qualified to go to the third floor and that is where you had your lunch, so you all aspired to that."

People on the cusp of promotion were furious when the dining rooms became integrated, he jokes.

Anglo American's role in the region's economic history, particularly that of the Oppenheimer family, sometimes veers into mythology, but people who grew up inside the company think a lot of it is deserved.

"Anglo American was more than a corporation," says Ndlovu.

"In this region, if you met an Anglo American executive, it was the equivalent of meeting a president of a country. These were people with seriously high integrity – people with presence and authority. If you sat across from Harry Oppenheimer, you didn't sit with a business leader, you sat with a statesman."

Ndlovu and some other students met Harry Oppenheimer after receiving his Anglo American scholarship.

"This is another thing they did with us that I call almost conditioning," he says.

"They flew all of us to 44 Main Street to meet this legend. You sat in the same room as him and you would not eat. This guy looked so humble, but you couldn't help but



July Ndlovu

realise you were sitting in the presence of real power.

"These guys almost exuded this aura of authority and presence that, as a young person, I wanted to have."

Anglo American was a different organisation then – before waves of restructuring and divestments turned it into a focused global mining company.

"It has changed in two very dramatic ways, in my view," says Ndlovu, who rose through the ranks of the old Anglo American to become an executive in the new one.

"Our leadership today is focused more on our business. Before, it was more about society. Now both matter.

"I am a product of the Anglo American that was. But I have adapted to the Anglo American that is... There was something unique about being in the Anglo family and, by extension, the Oppenheimer family. You felt you belonged very deeply.

"Most people don't realise what it meant to be part of Anglo American – two or three generations of people who have only worked for one company. You go into these mines and people tell you about their father and grandfather who came before them," says Ndlovu. "A lot of us are deeply scripted by these generations of association."

Cornelia Holtzhausen was Anglo American's first female general manager, running Anglo American subsidiary Kumba Iron Ore's Thabazimbi Mine until it was put on care and maintenance in 2015. Today, she is a regional director in advisory for engineering consultancy Hatch, which lets this self-proclaimed "operational animal" spend her time on a variety of mines.

Holtzhausen's route into Anglo American was through acquisition when the company took over the iron assets of Iscor Mining in 2000 to create Kumba Iron Ore. The Anglo



Cornelia Holtzhausen

“In Anglo American, I attended a number of sessions where people were surprised [to see a woman]. From 2006, it was totally acceptable

CORNELIA HOLTZHAUSEN

American she encountered was already well into its transformation to a modern mining group.

"There was a change of culture," she says. "Iscor was more family oriented; Anglo American was more businesslike."

On Holtzhausen's mine, this was true.

"At Thabazimbi, we had numerous families – fathers, sons, daughters, cousins. In Iscor, we had a sense that if the leadership changes, everything changes. Iscor was state-owned. With Anglo American, there was a drive for greater accountability and higher efficiency. It was a global company."

Holtzhausen started at Iscor's Thabazimbi Mine's dense medium separation plant in 1995 as a trainee. When Anglo American entered the picture, she was already a plant manager.

Iscor was making a sincere effort to adapt to the new dispensation by recruiting

women and black South Africans, says Holtzhausen.

"In Anglo American, I attended a number of sessions where people were surprised [to see a woman]. From 2006, it was totally acceptable."

That was when Cynthia Carroll became not only the first female leader of Anglo American, but also its first CEO who had not been raised in the company – and the first non-South African to run it since Ernest Oppenheimer, who was a German immigrant.

Anglo American has lost its hierarchical bend at the top, says Holtzhausen.

"Look at the photos of the leaders at the time. Now look at Mark [Cutifani, chief executive]. He doesn't always wear a suit – he sometimes walks around in jeans."

Nompumelelo "Mpumi" Zikalala was in matric at Inkamana High School in Vryheid, KwaZulu-Natal, when an Anglo American team came around in 1995.

Today, she is senior vice-president of De Beers' Sightholder Sales, and a board member of De Beers Consolidated Mines.

"I did not know much about engineering, even though there was a coal mine nearby. I only found out way later that it was a mine associated with Anglo American," she says.

"I remember the team saying: 'Mining is a very difficult industry and we don't have many women in mining.'

"If you study engineering at varsity, it is one of the most difficult courses to study ... That is what excited me, the idea of embarking on a challenging journey."

Zikalala was appointed as the first female general manager at De Beers Kimberley Mines and later became the general manager at Voorspoed Mine before moving into the company's rough diamond trading division.

She recalls the sharp contrast between diamond mining and gold mining, based on her experience at Western Deep Level No 2 plant.

"The gold mine experience was a different experience," she says.

When Zikalala started working in the mining industry, there were few women around, and those who were there tended to be in support service roles.

"When I started working at Cullinan, although we didn't have a lot of women in mining, leadership was always supportive of driving for inclusion.

"They were also supportive in sharing learnings, and they understood what leadership stood for in their drive for inclusion.

"Although we started with fewer women in mining, we now have a lot of women in various areas of our business; this has become the new norm and there is an ongoing concerted effort to further improve this.

Zikalala recalls how the stop blocks used for mining trucks at Voorspoed Mine were initially too heavy and an engineering intervention was put in place to purchase



Nompumelelo 'Mpumi' Zikalala

lighter stop blocks without compromising on their effectiveness.

There are many other examples that exist around how other De Beers businesses have been reviewing their processes to drive inclusivity.

"We have great people. Our gender equity and inclusion journey is led by our group CEO, Bruce Cleaver, who keeps emphasising that inclusion is a business imperative.

Deshnee Naidoo, another Anglo American bursar, is now CEO of Vedanta Zinc International – a unit of Indian resources giant Vedanta with operations in South Africa, Namibia and Ireland. She is also the CEO of copper mines in Tasmania and Australia.

"Interestingly, the zinc operations were acquired by Vedanta from Anglo American in 2010," she says.

"I think the role Anglo American has played to shape the industrialists we have seen is often forgotten."

In 1994, Naidoo, who is from Phoenix in KwaZulu-Natal, got a bursary from the old JCI, which was soon to be unbundled to create Anglo American Platinum.

A reputation for hierarchy and tradition did nothing to inhibit Naidoo's very "atypical" career trajectory within the group. She arrived at her first job after graduation as a process engineer at Anglo American Platinum's Precious Metals Refinery in Rustenburg – she was 22 and newly married.

"Very soon into that first year, the distance was not working out. The first thing they tried was to bring my husband to Rustenburg, which he did not want to do," she says.

Instead, Naidoo's manager found her a job at head office in Johannesburg, where she would plan the expansion of the same refinery. This was to be the first move in a



Deshnee Naidoo



My career was a series of tailor-made solutions. I am who I am because of this journey and, in many ways, I am paying this forward in my current role

DESHNEE NAIDOO

zigzagging career.

Feeling that the pace of the refinery project was too slow, Naidoo asked for something with "more regular results", and was teamed up with another "born and bred bursar", **Leon Coetzer**, who is now CEO of Jubilee Platinum.

They created a company-wide process control engineering unit, where Naidoo says they trained neural networks to optimise milling long before artificial intelligence became popular.

"The company transcended every boundary. I took it upon myself to meet the chief financial officer of Anglo American Platinum at the time, and asked for a role in the corporate finance team."

Again, Anglo American provided her with a job doing something completely different.

In finance, Naidoo worked in a team that oversaw landmark BEE transactions,



Leon Coetzer

totalling R35 billion, that still make up a large chunk of Anglo American's scorecard.

Then came Carroll. A meeting with Carroll's then executive assistant led to an offer for another new career: being the CEO's right-hand person.

"Picture this scene. I said yes on the Wednesday. My youngest was 18 months old. I went back the next day and said: 'No, I can't take it because it would mean relocating to London,'" says Naidoo.

"Carroll, being a mother as well, loved my explanation and asked to see me."

Naidoo became the South African executive assistant to the CEO, liaising with the CEOs of subsidiaries and crafting the big boss' notes for results briefings.

"What Cynthia did for me was just incredible; you got a bird's eye view of Anglo American. What was important was to maintain relationships, to be a problem solver, and to ensure that, while you represented the CEO, you did not assume the mantle of authority.

"In many ways, the role requires that you are invisible.

"When I left, I took up the chief financial officer position at Anglo American Coal SA."

From there, Vedanta hired Naidoo.

"To the outside world, Anglo American looked like a very traditional company, so people can't believe I did all this inside it.

"I never had an uncomfortable meeting where men were shouting. It was a gentleman's environment," Naidoo says.

"This was not formal, it was not policy, but the respect and care was there so your line manager had the power to provide tailor-made solutions. My career was a series of tailor-made solutions. I am who I am because of this journey and, in many ways, I am paying this forward in my current role."

PLACES



- ▶ From nowhere to big boom
- ▶ Anglo American's Jozi
- ▶ Welkom: City of gold
- ▶ Affordable houses in Duvha Park
- ▶ Mining the future

It's just after 10pm on a wintry Friday night and, with about six patrons inside Cappello – a highly recommended night spot – it doesn't seem like it will be a vibrant night.

Waitresses patiently watch the entrance while the DJ sets up. Why does he bother? Does he expect so few people to move to his tunes?

"Wait just a little bit, you will see," says a waitress when asked if all Friday nights were this quiet.

Less than 30 minutes later, I changed my Facebook status to something much more positive – the place was packed. One would swear patrons were being bused in, but a peep outside revealed the parking lot was filling up.

As the DJ pumped up the volume, patrons swarmed the place, transforming it from a restaurant into a night club, and Kuruman in the Northern Cape came alive.

"The party never really starts until the mine boys from Kathu have come into town. It is like that. The economy of Kuruman is largely dependent on these people from the mines," says one patron.

Kathu, an iron-ore mining town, is 40km from Kuruman and 200km from Upington along the pin-straight N14, which stretches as far as the eye can see, slicing through semiarid bushveld and sandy plains dotted with camel thorn and acacia trees.

The only objects of interest along the road from Upington are the large and very social weaver nests, which resemble upturned haystacks hanging from telephone poles.

As you enter iron-ore mining country, the sandy terrain turns red, and huge mounds of red soil dug out of opencast mines come into view. The N14 also gets busier, with enormous mining trucks and bakkies swathed in the same red dust as the mining infrastructure and roads around them.

Then Kathu, which means "town under trees", appears. Signs that it is one of the fastest-growing towns in the country are evident everywhere you look. From real estate billboards advertising new stands in new estate developments, to brand new shopping centres, this small town almost has it all. RE/Max real estate is one of the biggest in the area and is selling plots on new golf estates and free-standing houses from R500 000 to just more than R2 million. Residents will tell you the town's rapid expansion is thanks to the intensification of iron-ore mining, with the closest operation now Anglo American-owned Kumba Iron Ore, which operates the Sishen mine just outside Kathu.

The 2 652km² Gamagara Local Municipality, in which Kathu is situated, has a population of 41 617 people, according to the 2011 census.

Rewind to about two weeks before Christmas in 2011, and Kumba Iron Ore workers get to go home for the festive season with fatter bank



Stefaans Bosiang



Sana van Wyk



New houses and developments have transformed Kathu

From nowhere to a **BIG** **BOOM**

What happens to a town when a number of its residents receive payouts of R500 000? **Poloko Tau goes to Kathu to find out**

accounts. The lives of scores of mine workers changed when they found themselves pocketing R500 000 in employee share ownership scheme payouts – even those who had only worked at Kumba Iron Ore for a few years shared the benefits.

One mining magazine wrote at the time: "In Kathu, there is almost one car for every thorn tree these days," adding that "money has been flowing like water" since the payouts.

There were so many cars that the town had to invest in robots. Car dealerships made a killing and several set up shop in Kathu to get closer to newly rich potential customers.

Although many mine workers from all over the country went home to enjoy their riches with their families, there are sad stories about those who resigned from Kumba to invest in businesses that failed, and of others who wasted the money and have little to show for it today.

Moshe Modise, which is not his real name, was 29 when he joined his older brother in Sishen as a mine worker. After a few years on the job, he received his payout and says he had never seen so much money in his bank account.

Modise, who is from Ganyesa in North West, doesn't want to reveal his real name because he doesn't want to be "judged" by his colleagues for



The Sishen mine outside Kathu is one of the largest open-pit mines in the world



Kumba Iron Ore built an entirely new suburb in the mining town

how he spent his money.

"It felt like a dream and I could not wait to get home, but I had to get myself a car first," he says.

"With three friends, we travelled to Kimberley and came back driving our first cars.

"It has always been my dream to build my single mother a house, and my mother is now living in a huge house equipped with almost everything she needs," he says.

"I am not proud, though, that after spending about R300 000 responsibly on the car and building the house, my life became all about partying and girls, and it is very sad now to look at my bank statement, which displays my reckless spending. But great lessons were learnt."

Another mine worker, 42-year-old Baile Sechele, who also doesn't want to reveal his real name, spent his money wisely.

"It is sad that most of my colleagues treated this money like it was lottery winnings, and they went out splurging on parties, branded clothes and sports cars. I am from a farming background and, in short, I can say I can still walk into my family kraal and put a hand on my biggest investment, which is multiplying satisfactorily – my cattle," he says.

"My first-born son completed his university studies two years ago, all thanks to the payout

that made it all painless for us. I continue to work here at the mine, but I go home to my farming life almost every weekend. I take my hat off to Kumba Iron Ore for the empowerment gift of a lifetime, which we did not anticipate."

Cappello patron Samson Moletse has a grudging respect for Kumba's mine workers, and remembers when the workers received their payouts.

"It was chaotic. Suddenly, every one of them bought a car and pursued their dreams – from establishing businesses to building homes – while others used the money to drag themselves out of debt. Kuruman, Kathu and the surrounding areas have not been the same since then," he says.

"... A lot happened, but it is a good thing that, overall, it did not end there because mining operations started picking up and so did the economic activities in all these towns around here."

Back in Kathu, while residents still often travel to Kuruman for shopping, they have access to far more than they used to. Sishen Airport offers flights to Johannesburg on weekdays, and there's a Curro private school, a private hospital, at least two shopping centres and a busy industrial zone on the outskirts of

the town.

Themba Mkwana, CEO of Kumba Iron Ore, explained that as it expanded, Kumba had to relocate residents living in Dingleton in Sishen to Kathu in a project that is still ongoing.



Themba Mkwana

"An entirely new suburb, complete with bulk supply infrastructure, new houses of all sizes, churches, shops, police stations and other amenities – all built by the mining company – has contributed to the town's growth.

"The relocation was necessary as the mining operation had begun to encroach on the designated 500m buffer zone between the mine and the residential area.

"The value of the replacement houses built is higher having increased by 11%, resulting in an increase in homeowners' net worth."

But it has not been easy for some residents.

Pensioner Stefaans Bosang agreed to move just a few years after renovating his RDP house in Dingleton. The 64-year-old lost his sight after the move, and his wife died around the same time. "Life has not been very good for me, but I must say that I am enjoying the new environment here, even though I can't see anything. My children are, however, complaining that our kitchen is very small compared with our old house because the agreement was that they would give us something similar in size to what we had," he says.

Another resident, Sana van Wyk, agrees: "The kitchen is too small and when we queried this, they said they had added a full bathroom to our house, which we did not have in our old house. But not all our furniture and appliances can fit in here. Nevertheless, the area is not bad and we're closer to town, although public transport is still a challenge."

Van Wyk's son, Sheldon, who recently matriculated, says he is grateful for the learnership programme at Kumba, where he is training to become a plant operator. "It is a good opportunity and I am hoping for a full-time job at the end of it. The only thing I'm unhappy about is that the sports facilities have not yet been completed so I can't play soccer," he says. Although Kathu may not have a lot to offer in terms of nights out, it does have some decent lunch spots.

Koning Scheepers (38), who grew up in Kathu, says he has seen the place transform from a "small dorpie" to a "town I can feel proud of".

"We're not forced to travel to Kuruman any more for everything we needed like we did 10 years ago. I can go to a private hospital right here, buy a brand new car and have it serviced right here," he says.

"Thanks to the mines, Kathu was brought to life at a time when everyone was starting to write it off. This town will start dying if mining dies, and immigrant workers who have become part of our community will pack up and leave – we hope that day won't come."



The Beggar's Prayer by Joseph Madisia (1984) is part of a collection – acquired with the help of the Anglo American Centenary Trust – that is on show at the Johannesburg Art Gallery



The Johannesburg skyline, dominated by the Carlton Centre on the right

By 1935 and with about 200 employees, Anglo American had grown out of its offices in Annercosa House on Hollard Street in Marshalltown, Johannesburg, so it was decided that new headquarters needed to be built.

The company acquired an entire block on Main Street, where one of the first discoveries of gold was made in the area, and it still featured some of the original digging operations.

According to The Heritage Portal, the company acquired the whole block because it didn't want to be crowded by other buildings. The new headquarters had to be "quiet, dignified and monumental in design", and also large enough to accommodate existing staff, as well as allow for growth.

There was another prerequisite: all the offices had to look out on to the gardens.

The company's directors appointed a London-based firm of architects – Sir John Burnet, Tait & Lorne – to design the building, and construction began in 1939.

When the staff moved into 44 Main Street that year, the Sunday Times reported that it set "a new trend in commercial architecture in South Africa".

The architects, The Heritage Portal reported, described the building as "entirely without mannerisms of any sort and therefore will not become dated".

Fast forward 34 years, and another Anglo American-built building became a landmark in the city.

This time, an American firm of architects



Sir Ernest Oppenheimer lays the foundation stone for the company's headquarters in 1938

Anglo American's **JOZI**

The 100-year-old company has strong architectural, social and cultural roots in the City of Gold, where it all began, writes **S'thembile Cele**

was hired to design the building that has been Africa's tallest office block since 1973. Construction began on the 223m-high, 50-storey Carlton Centre in 1967. The building, which cost R88 million to construct, was opened in 1973, though it took a further year to complete.

While Anglo American staff no longer occupy the Carlton Centre – the corporation sold it to state-owned company Transnet in 1999 – they still work from 44 Main. The company avoided the flight to Sandton undertaken by many other companies in the late 1990s.

Anglo American still maintains significant links with the city that was its first home. In 1986, to mark the city's 100 years of existence, the corporation formed the Anglo American Johannesburg Centenary Trust to support the Johannesburg Art Gallery. The trust funded an extension that more than doubled the gallery's size and enabled it to house its permanent collection of South African art.

The trust, which began with a R4 million donation, now has R120 million in its coffers, says trust chairperson Michael Murray.



Mould Empower Serve in Hillbrow is a beacon of light in a troubled community that cares for 130 children



Anglo American's Johannesburg headquarters at 44 Main Street

The trust acquires prominent works by South African artists and brings them to the Johannesburg Art Gallery.

Currently on show at the gallery is an exhibition titled *A Labour of Love*. Curator Gabi Ngcobo describes the exhibition of work of South African artists produced in the 1980s as an important one. The collection of about 150 works was acquired from the Welkulturen Museum in Frankfurt, Germany. They were used at the time to raise awareness about the apartheid regime in South Africa and raise

support for the anti-apartheid movement. However, the collection was only exhibited once before being locked away in storage.

Ngcobo says it was important to bring the collection home so South Africans could see it.

Murray says: "We are very proud of our partnership with the Johannesburg Art Gallery. Through the work of the Anglo American Centenary Trust we have realised immense value from supporting the gallery and its initiatives over the years, a value which reflects a real partnership between business and the

arts. Our support is guided by our desire to partner for best effect in everything we do, whether it be mining activities, social causes or cultural initiatives."

Anglo American is also involved in the lives of the city's residents in other ways. Three blocks away from the gallery lies Claim Street in Hillbrow, home to the headquarters of Mould Empower Serve (MES), an organisation that offers financial and social support to poor and homeless people in the area.

The Anglo American Chairman's Fund began assisting MES in 1996, when it helped acquire one of its first buildings for a training centre. MES started as a feeding scheme, but now acts as a halfway house, allowing people to stay there as long as they can prove they are working towards becoming self-sufficient.

The organisation's services include social workers, who help residents come up with plans on how to rebuild their lives, and a day-care centre that looks after 130 children. The project also builds relationships with inner-city landlords and helps refurbish dilapidated buildings in the area.

The Anglo American Chairman's Fund has also supported the Witkoppen Health and Welfare centre, about 30km north of the inner city, which began in the 1960s as a clinic for farm workers on land donated by then chairperson Hank Slack.

Today, it provides residents of informal settlements such as Diepsloot with services that include an emergency room, HIV treatment, laboratory services and, with additional funding from the Anglo American Chairman's Fund, a dentist.



Patients at the Ernest Oppenheimer Hospital play wheelchair netball in 1956



Oppenheimer Park Golf Club in Welkom

As the money for his drilling and prospecting ran out, Allan Roberts sat in a hotel in Odendaalsrus one night in 1935, still convinced that a significant amount of gold would be discovered there.

Roberts, who founded the Wit Extension Company with three other men, sank his first borehole in 1933.

But Roberts probably needed a much bigger drink 11 years later, when one of the boreholes he sank was drilled a further 122m deeper. In 1946, that borehole, known as Geduld 697, yielded one of the richest gold ore bodies in the world, according to a history of the town compiled by Welkom estate agency Barbour & Thorne.

In 1947, Sir Ernest Oppenheimer and Anglo American approached the administrators of the then farming town of Odendaalsrus to tell them that a large town was going to be established there. When they didn't believe it and resisted development, Anglo American bought a farm called Welkom from the De Kok family, and set about establishing a new town to meet the needs of the new mines.

Oppenheimer tasked urban planner William Backhouse to design Welkom, with the brief that it should be a modern town that residents could be proud of, and where they could enjoy a modern lifestyle. So Backhouse gave Welkom wide streets and plenty of traffic circles to prevent congestion, according to Barbour & Thorne.

In its heyday, Welkom produced 21% of the world's gold. It was proclaimed a city in 1967, an occasion celebrated by the opening of the



Sir Ernest Oppenheimer (third from left) at the official opening of the Welkom train station on June 7 1948

WELKOM

City of gold

S'thembile Cele revisits the history of the town that Ernest Oppenheimer built 70 years ago



A well-known landmark in Welkom – the historic clock tower and the town hall, which houses the Ernest Oppenheimer Theatre

Ernest Oppenheimer Civic Centre Complex.

Other structures bearing Oppenheimer's name include a theatre, hospital, golf course and Ernest Oppenheimer Park, the first residential suburb for black mine workers.

Now, with the closure of many mines in the area, Welkom is a shadow of its former self.

Roberts, however, is remembered in Allanridge, a town 35km away, which bears his name.

Affordable houses in **DUVHA PARK**



Spring Valley is a housing estate in Emalahleni that is being built by a private property development company and Anglo American Coal SA to provide housing for employees

Spring Valley is a new housing development in Emalahleni that would ordinarily not have been affordable for those who live there. Had it not been for Anglo American's conception of the project, the company's lower- and middle-income employees would be renting space in back rooms or contributing to the ever mushrooming informal settlements in the Mpumalanga area.

Now, 272 Anglo American Coal SA employees live in Duvha Park, in which Spring Valley is situated, outside Emalahleni, with amenities such as schools, churches, creches and shops.

Anglo American decided to start a funding model that would entail the business investing in a portion of the bulk services for the whole development. This R1.35 billion investment gave Anglo American Coal SA employees the ability to buy houses at a significant discount when they secured home loans through commercial banks. This model has been successfully introduced in similar housing developments in other parts of Emalahleni, as well as in Middelburg.

Anglo American Coal SA chief executive July Ndlovu says: "The housing programme enables the establishment of sustainable communities located in urban centres close to the company's operations. It sets a new industry benchmark in terms of providing affordable employer-assisted housing. Anglo American and its South African business units have invested more than R5 billion since 2010 to improve employee housing and living conditions by offering a range of housing options that cater to the diverse circumstances and needs of employees.

"The housing programme gives eligible employees the opportunity to purchase their own homes," he says.

The company's coal business, Ndlovu says, has invested more than R2 billion in housing over the past five years. Between 2010 and 2014, 414 houses were built.

"We want our employees to enjoy quality housing and living conditions, and we believe that offering attractive housing is key to attracting and retaining vital skills," he says.

Anglo American built hundreds of homes to provide employees with housing, writes Sizwe Sama Yende

Recycling mine water for drinking

Welcome to Mpumalanga's Highveld region, where, if all the pending mine permits and licenses were to be granted, 80% of the surface would be taken up by coal mines.

Currently, 60 mines operate on 13% of the region's river catchment areas and productive farms, posing a threat to water resources and food security because of acid mine drainage.

Anglo American has come up with a solution to clean and recycle used mine water. Its Emalahleni Water Reclamation Plant purifies used mine water to potable quality by reverse osmosis, and then pipes it for reuse to Anglo American's mines and to the Emalahleni Local Municipality's reticulation system.

The plant, says Anglo American Coal SA chief executive July Ndlovu, supplies 16 million litres a day to the municipality's reticulation system – 12% of the city's water requirements. The plant was the only mining initiative endorsed by the UN Momentum for Change initiative at COP 17 in 2011.

"In coal mining specifically, water supply is fundamental, particularly to keep dust levels down. With nine of Anglo American Coal SA's 10 collieries situated in the Mpumalanga coalfields, the company has implemented a range of initiatives to preserve this critical resource," Ndlovu says.

Since the plant was commissioned in 2007, it has treated more than 49 billion litres of contaminated underground mine water, 34 billion litres of which was supplied to the Emalahleni municipality.

Anglo American's success with the plant has allowed it to sell water treatment services to South32, which owns a coal mine in the area. Although this mine is now closed, the acid mine drainage there requires similar treatment.

"The additional revenue generated through the agreement with South32, plus the revenue from the sale of water to the local municipality, offsets 60% of the cost of operating the plant", Ndlovu says. – Sizwe Sama Yende

Ndlovu says the benefits of promoting employee home ownership are two-fold – it supports the community, and the municipality also benefits from improved infrastructure.

"For us, housing is a partnership for the future. It helps us make the necessary changes to benefit our people, and to ultimately bring this benefit back into our business. It's a win-win solution," he says.

The Spring Valley Housing Project was also

funded in part by International Housing Solutions and the SA Workforce Housing Fund.

This fund was launched six years ago in South Africa and includes funding from North American and southern African organisations, including Citibank, the Development Bank of Southern Africa, the Public Investment Corporation on behalf of the Government Employees Pension Fund, and the Overseas Private Investment Corporation.

Mining the **FUTURE**

Mogalakwena Platinum Mine, Limpopo

Across South Africa, Anglo American has made its mark not only on the history of the country, but on the economy. It is also an integral part of the landscape. With 24 operations in southern Africa, the company mines iron ore, coal, platinum and diamonds in South Africa. In other parts of the world, the company has nickel and copper operations. The company employs 87 000 people in its operations around the globe. Here are some of those operations and joint ventures in South Africa and around the world, and some of the people who make them a success



The town of Amandelbult, Limpopo



Bafokeng Rasimone Platinum Mine, N West



Modikwa Platinum Mine, Limpopo



Venetia Diamond Mine, Limpopo



Kolomela Iron Ore Mine, Northern Cape



Sishen Iron Ore Mine, Northern Cape



Goedehoop Colliery, Mpumalanga



Greenside Colliery, Mpumalanga



Mafube Colliery, Mpumalanga



Khwezela Colliery, Mpumalanga



Grosvenor Coal Mine, Australia



Barro Alto Nickel Mine, Brazil



Gahcho Kué Diamond Mine, Canada



Los Bronces Copper Mine, Chile



Zibulo Colliery, Mpumalanga



Jwaneng Diamond Mine, Botswana



Voorspoed Diamond Mine, Free State



Twickenham Platinum Project, Limpopo



Minas-Rio Iron Ore Mine, Brazil



Ferronickel, an alloy created from nickel and iron



Mototolo Platinum Mine, Limpopo

PARTNERSHIPS



- ▶ How the company spread it
- ▶ How Mr Coal was born
- ▶ The fight against Aids
- ▶ Building an economic legacy
- ▶ Greenman and the good roads
- ▶ Getting girls into science
- ▶ No power, no problem



The National Empowerment Consortium's chief negotiator, Cyril Ramaphosa, and the then deputy chairperson of Anglo American, Nicky Oppenheimer, after signing the Johnnic deal in August 1996

The rise of Anglo American was a central feature of South Africa's economy in the 20th century. A hundred years after its creation, the evolution of this once towering behemoth continues to define the corporate landscape of the new century.

The country's major black-owned and black-run mining companies are rooted in Anglo American assets.

Patrice Motsepe's African Rainbow Minerals has its origins in Anglo American's disposal, in 1998, of a number of short-life gold shafts, followed by more divestments in 2001 and 2003. Exxaro, the major black mining group in South Africa today, was born out of a combination of coal mines from Anglo American and rival BHP Billiton to create Eyesizwe Coal in 2001. Eyesizwe later took on the coal assets of what was then Iscor Mining, as well as more Anglo American assets in iron, mineral sands and zinc, to become Exxaro.

Sipho Nkosi, the founding CEO of Exxaro, says: "So, Anglo American and Billiton created Eyesizwe as a junior mining company, and then Anglo American came back and said we can still make a bigger one. We'll add coal, mineral sands, zinc and all those things."

In 2008, Royal Bafokeng Platinum, controlled by the Bafokeng nation, took control of the Bafokeng Rasimone Platinum Mine – an improvement on a joint venture with Anglo American dating from 2002.

Anglo American is this year busy consummating new deals in the coal and platinum sectors. Anglo American Platinum is selling its Union Mine to Siyanda Resources, while Seriti Resources, headed by former

How the company **SPREAD IT**

Century-old mining colossus paved the way for major BEE deals in SA, writes **Dewald van Rensburg**

Chamber of Mines president Mike Teke, will take over Anglo American's Eskom-supplying thermal coal mines in a R23 billion transaction.

Teke says: "Every time I walk into 44 Main Street, Johannesburg, and I see that big portrait of Harry Oppenheimer, it is a story of legacy. For me, that is exactly what I am doing now."

"Nowhere else will you come across such an influential transaction. We will effectively be supplying Eskom with a quarter of its coal."

Anglo American's approach to BEE has been multifaceted, he says.

"It is not just disposal of assets. I love Anglo American's Zimele model. It shows the company will help young entrepreneurs. It has done fantastic work."

Zimele, Anglo American's small and medium-sized enterprise funding and mentoring arm, was founded in 1989 and supports a broad base of small companies. Between 2008 and last year, it channelled R1.8 billion to 2 306 companies.

"They have done their best to ensure that they bring in the best leadership at the top," says Teke, citing Anglo American's famous bursary schemes, which put a large part of the company's leadership, and the leadership of many other companies, through university in the 1980s and 1990s. Black people have been brought into the mainstream of the economy, and Anglo American has been extremely supportive in that area," says Teke.

"Look at Sipho Nkosi – he has had the opportunity to build a beautiful company called Eyesizwe, then Exxaro. He became a successful businessman and entrepreneur."

"Young people look up to Sipho Nkosi and Patrice Motsepe, and say they want to be like those people because they have done well."

"Our economy is about emancipation ... The reality of the matter is that Anglo American has

CONTINUED ON PAGES 30 AND 31

been a catalyst in creating black capital that has played a role in being part of the stock exchange, has contributed to gross domestic product and is creating jobs for the country.”

Anglo American itself counts at least R67 billion in BEE deals since 1994, some far predating the advent of formal black economic empowerment. Anglo American's four major units in South Africa – iron ore, platinum, coal and diamonds – each estimate that black shareholders have acquired at least 30% in its business since 1994. This exceeds the target set out in Mining Charter II.

In terms of value created, Exxaro is the crowning achievement with a calculated R33 billion in capital growth and dividends accruing to its owners by 2014, according to Anglo American's calculations for its Mining Charter scorecard. Anglo American Platinum has caused the widest dispersion of assets among new players, with eight deals. It transferred ownership of 28% of its business.

Anglo American's BEE deals have also provided major lessons for the ongoing transformation project. The first landmark deals of the post-apartheid era accompanied the rationalisation of the labyrinth-like corporate structure Anglo had developed over the decades.

Johannesburg Consolidated Investments (JCI) was one of the original gold mining “houses” in South Africa, founded in 1889 by Barney Barnato. In time, it fell under Anglo American's control and, in 1996, it was the site of one of the original BEE deals.

JCI's non-mining assets were held in Johnnic, and, in 1996, 35% of Johnnic was sold to the National Empowerment Consortium, led by now Deputy President Cyril Ramaphosa, for R2.6 billion – roughly R8 billion in 2017 terms.

Johnnic's assets spanned everything from property and publishing to beer and mobile telephony. The deal made headlines internationally and an iconic photo of Ramaphosa shaking hands with Nicky Oppenheimer led the New York Times to editorialise that “both sides got a bargain”.

“Blacks bought a big share of the nation's best-known company at 11% below market price. Anglo American hopes it bought a shield against the potential hostility of a new black government,” the newspaper said.

A year later, 30% of the simplified JCI, containing gold and other mining assets, was sold to the African Mining Group, a consortium led by Mzi Khumalo. The JCI deal was an early victim of a problem that resurfaced in 2009 to undermine a number of second-generation BEE deals. The deal was financed on the basis of gold prices at the time, but then the price plummeted.

A series of corporate conflicts sealed the fate of JCI, not least the involvement of Brett Kebble, whose plundering of the company took many years to unfold – and more years to be uncovered and understood. JCI faced onerous debt and was sold off in bits and pieces.

The BEE learning curve has been about the collision of cyclical markets and funding structures designed in a historic upswing of commodity prices. Deshnee Naidoo, currently the CEO of Vedanta Zinc International, was in a



Tokyo Sexwale

team that oversaw major Anglo American BEE deals when she worked in Anglo American Platinum's finance department, which managed R35 billion worth of these deals.

Like BEE deals in the rest of the mining industry, several Anglo American deals ran into trouble when the so-called supercycle in commodity prices turned in 2008. Many landmark Anglo American BEE deals like those of other mining companies ended up needing to be refinanced, says Naidoo. The Anoorag/Atlatsa deal involving 51% of Anglo American Platinum's Bokoni project needed extensive support of R4.6 billion between 2009 and 2017.

The Lefa la Rona Community Trust acquired a 23% equivalent stake in Anglo American Platinum, which the company reports has not created value due to falling share prices.

“If you look at the market, all of these deals were done at the top of the cycle. If that didn't happen, it would have been totally different. We



Mzi Khumalo

would be writing a different story,” says Naidoo.

Like failures, successes often required lucky timing. One of the most spectacular payouts in the history of broad-based BEE was the Envision Employee Share Ownership Programme at Anglo American subsidiary Kumba Iron Ore. Employees shared in a R2.6 billion windfall based on the capital growth of their collective 3% in the Sishen Mine. They each received about R500 000 in cash.

The scheme matured last year, resulting in a zero payout, underscoring the difficulty of BEE being subject to otherwise normal business risks.

The controversy around the 2017 Mining Charter has particular relevance to this history. Envision's payout on maturity meant a reduction of black shareholding in Kumba. Landmark deals, such as Tokyo Sexwale's Mvelaphanda Resources' R4.2 billion deal with Anglo American Platinum for a stake in Northam Platinum have been fully unwound and Ramaphosa's Shanduka also no

The Royal Marang Hotel owned by the Royal Bafokeng nation



Resources managed by royalty

The vast reserves of platinum that lie beneath their feet have helped the Bafokeng nation to become a beacon on South Africa's platinum belt.

Royal Bafokeng Platinum (RBPlat) was created after a joint venture between Anglo American Platinum and Royal Bafokeng Holdings, known as the Bafokeng Rasimone Platinum Mine Joint Venture (BRPM).

RBPlat, in which Royal Bafokeng Holdings has a 52% shareholding, is the only community-owned company listed on the JSE, the company says. RBPlat owns 67% of BRPM.

The company's annual report states that, by the end of last year, RBPlat employed 7 400 people, 93.5% of whom are black. More than half of the company's board is black, as is 55.6% of its senior management team.

The company has also spent R493 million on employee training and development since it was formed in 2010, and has invested R251.1 million in its employee home ownership scheme.

The nation's Royal Bafokeng Holdings began with Royal Bafokeng Resources, established in 2002, to oversee the nation's mining interests.

Knowing that the platinum wouldn't last forever, the 800-year-old nation's 36th monarch, Kgosi Leruo Molotlegi, began diversifying their investments. Royal Bafokeng Finance was established in 2004 for this purpose and, two years later, Royal Bafokeng Holdings was established. Today, only 15% of the nation's investment portfolio is in mining assets.

Molotlegi, the president of the Mineral Rights Association of Indigenous People of SA, has a degree in architecture and urban planning from the University of KwaZulu-Natal. He and the Royal Bafokeng Supreme Council, with whom he makes all the important decisions that affect his people, have been on a mission to create a self-sufficient community by 2020.

The nation now boasts assets that are the envy of the rest of the country. The Royal Bafokeng Sports Palace in Phokeng, near Rustenburg, is a football, rugby and athletics stadium that became the talk of the international football community when it made its debut as the England team's base during the soccer World Cup in 2010. The stadium is also Platinum Stars' home base.

The nation also has its own five-star hotel – the Royal Marang Hotel – as well as its own private school, Lebone II College of the Royal Bafokeng, where teachers provide mentoring and support to other schools in the area. Many talented children who cannot afford the fees receive bursaries. – **Nicki Gules**



Barney Barnato

longer exists, begging the perennial "once empowered" question.

Among Anglo American's BEE deals, Mvelaphanda represents the largest chunk of value creation for black partners after Exxaro – more than R8 billion by 2014 – but government's new proposed rules would discount it entirely.

The story is far from over as Anglo American is again working on major divestments. The Seriti deal is one; the sale of the Union Mine is another. Many people, however, point out that Anglo American's first empowerment deal actually occurred decades earlier with the creation of Gencor in the 1960s out of the Afrikaner-controlled Federale Mynbou and General Mining.

Exxaro's Nkosi says: "They (Gencor) were, in today's language, an empowerment company for Anglo American. If you look at the laws of apartheid – the ways they ravaged the black community – there was always a feeling that



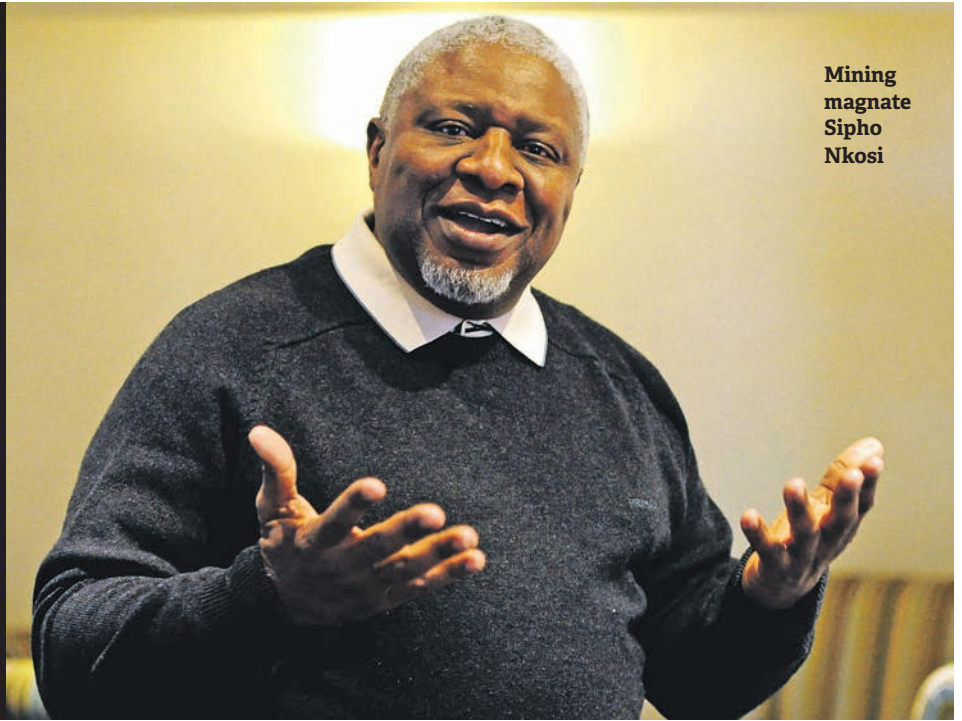
Patrice Motsepe

corporate South Africa, particularly Anglo American, benefited from apartheid. You can see the pictures of how they were treated; the hostels; the whole migrant system," says Nkosi.

July Ndlovu, CEO of Anglo American Coal SA, says the group's history often subjects it to criticism that is not the current reality.

"I hear the criticism about hostels and people mention Anglo American's name. Anglo American was at the forefront of abolishing hostels. People forget this. Anglo American undertook transformation not because the law required it. Our name probably comes with a disproportionate expectation in this country and the region than our size warrants, and that is because of our history. When people criticise the mining industry in this country, the criticism is synonymous with criticising Anglo American. Sometimes it is about accepting what you did wrong, but it's also about playing your part in putting it right."

HOW MR COAL WAS BORN



Mining magnate
Sipho
Nkosi

When a young MBA graduate returned from the US 30 years ago, he was snapped up by Anglo American – and so began his life in coal, writes **Dewald van Rensburg**

Sipho Nkosi grew up around the coal mines near Vryheid in KwaZulu-Natal. However, when he joined Anglo American's coal division as a junior manager in 1986, he knew nothing about the mineral that would dominate the next 30 years of his life.

These days, Nkosi knows everything about coal.

Last year, he stepped down after seven years as founder-CEO of Exxaro, South Africa's major black-owned presence in the mining sector. The R30 billion company he helped create has interests in mineral sands, zinc and renewable energy. Above all else, it has coal.

"My journey at Anglo American was quite interesting. Coming in with that kind of lack of knowledge – it was critical for me to learn as much as possible," he recalls. "I had no clue about how coal worked. It was not an easy time."

In 1986, Anglo American recruited him when he returned from the US with a brand new MBA – a rarity in the country then, not least for a black South African.

"Coal was something I never thought I would work in," says Nkosi. "I think that Anglo American has always been a company that could read the signs of change in each and every country. It understood that things were changing."

"If you fast forward, most managers in South Africa post-1994 have been influenced by the company; worked for it; had been supported by it; had a bursary from Anglo American..."

Nkosi's first job was actually at Ford Motors SA and he was set on a career in the automotive sector. Instead, he got put straight back to school by James Campbell, then the managing director of Anglo American Coal.

"He said I could not attend management meetings because I knew nothing about the coal business," Nkosi said. "You come in with a MBA, which was rare at the time, and you think you're a somebody. Then people tell you that, actually, you know nothing."

Nkosi recalls his training for his full first year: he shadowed geologists and metallurgists, then finance people – taking notes and reading. Only then did he go to the mines.

Campbell taught him another direct lesson.

"One of my immediate bosses became ill and I was doing his job. I was so chuffed when he came back. I went to him and said: 'Look, sir, I have been doing your job'. He said well done, but James did not think that way. He called me in and said: 'If you continue with that kind of attitude, you will remain a junior manager. You were supposed to say, this is now my job. You were abdicating your responsibility by not taking charge.'"

"Campbell was a very direct human being."

Nkosi's job lasted for five years, after which he became head of strategy at Southern Life. Like an astonishing array of South African companies across all sectors at the time, the insurer was part-owned by Anglo American.

"It has always been a dominant force in South Africa. Because it could not grow beyond the borders of the country, it owned almost anything in South Africa," he says.

"When you were interacting with the big

bosses, you knew you were interacting with South Africa."

But, culturally, Anglo American at the time was "so steeped in English tradition, as far as I was concerned".

"And hierarchy, respecting hierarchy, was very important – in the way you dressed, the dining areas you ate at, the people you interacted with. All those things were part of the culture of Anglo American," Nkosi said.

Two years later, in 1994, he returned to coal when he was recruited by what was then Trans-Natal, part of the second major South African mining conglomerate at the time, Gencor. This would be merged with Randcoal to create Ingwe, where Nkosi would be part of the international marketing team.

"The culture there was more relaxed. It was an organisation where I could go without a tie. You could approach anyone ... it was an easy organisation."

The new era of empowerment deals and corporate restructuring was in full swing and Anglo American led the way with gold spin-offs in the 1990s. At the turn of the century, Anglo American and Gencor, which became Billiton, were putting together a deal.

Nkosi had, meanwhile, moved on to ABB Alstom and was the managing director of power generation in South Africa.

"That completed my training loop – all the way from coal to power stations," he says. "Anglo American and Billiton knew me well, as did Eskom. It was a no-brainer for me to form Eyesizwe," he says.

That company became the foundation of Exxaro. The rest, as they say, is history.

A healthy workforce is linked to high levels of productivity and a business' positive bottom-line performance. Several studies have shown this, but they also found that healthy employees are happier and raise healthier families.

This is why Anglo American has one of the fastest-growing private sector employee HIV and Aids prevention, care and treatment programmes. The company has been at the forefront of the fight against HIV and Aids for more than 30 years.

Andile Sangqu, executive head of Anglo American SA, says it's been a long and challenging – but worthwhile – journey.

"We cannot say we are there yet, but we are certainly encouraged by the results of this programme. Many of our employees know their HIV status today, and those who are positive have been put on treatment together with their dependents, if they also have this disease," he says.

"This, for us, is a good achievement because our employees are our business. They are a core component of delivering our strategy."

Anglo American started this journey in 1986, four years after the first HIV case was reported in South Africa. Concerned about the virus' rapid spread, the company commissioned the first workplace study in the country to assess HIV prevalence in the mining workforce.

The study was conducted by its former chief medical officer, Dr Brian Brink, who worked with Professor Reuben Sher and Dr Lavinia Clausen. They concluded that the mining workforce would be at high risk of HIV infection due to migrant labour and reports of high HIV prevalence in central Africa.

Tens of thousands of mine workers participated in the survey and out of 18 450 South African mine workers tested for HIV, only four (0.02%) were HIV-positive, while 119 (3.76%) of Malawian mine workers were HIV-positive and only 0.34% from Botswana tested positive. By the early 1990s, the HIV infection rate in the mining industry in South Africa had increased to 1%, and rose to 25% by 2000.

At the time, antiretroviral treatment (ARV) was only available to those who could afford to spend more than R1 000 a month on it, which meant mine workers were being ravaged by the virus with no hope of receiving treatment.

Realising the potential catastrophe, Anglo American started offering free antiretroviral treatment to workers in 2002. Today, thousands of its employees are benefiting, as are "their dependents and also the communities where Anglo American is operating", Sangqu says.

"Preventing and treating HIV and Aids only for our employees would not be enough because they rely on their dependents for support and, if their dependents are taken off treatment, our employees would be affected."

One example of Anglo American's work in this area is the Ulysses Gogi Modise Wellness Clinic in Kathu in the Northern Cape. The clinic, the brainchild of Anglo American's



Sister Jackie Schoeman checks a patient at the Ulysses Gogi Modise Wellness Clinic in Kathu. Opened in December 2007, the clinic services the needs of more than 35 000 people in the local catchment area



The fight AGAINST AIDS

Thanks to a proactive approach, thousands of mine workers' lives have been saved, writes **Zinhle Mapumulo**

Kumba Iron Ore, started with only 15 patients in 2007. Today, it doesn't only cater for Anglo American employees, but provides free and voluntary HIV testing, counselling and treatment for their dependents, contractors and the residents of the Gamagara Local Municipality. Now, more than 1 500 people receive their ARVs from this clinic.

Last year, Anglo American made it possible for almost 90% of its employees to know their HIV status, and 75 804 employees and contractors were counselled and tested. It also partnered with UNAIDS in support of its #ProTEST HIV global campaign, a concept that promotes the importance of voluntary HIV testing. While the effect of the campaign is yet to be seen, Sangqu says figures are showing

that their efforts are yielding positive results.

"It shows you that when you provide a space for people to take responsibility for their health and lives, they do it."

But there have been challenges along the way from which, Sangqu says, the company continues to learn.

"What we know now is that, for our programme to be sustainable, we need to continually evolve using evidence from the latest research," he says.

"HIV testing alone is not enough. A well-structured intervention in the workplace is a journey. Testing is the start of this journey, followed by treatment and care of HIV-positive employees. Continually educating employees about prevention is part of the bigger journey."

A mine's lifespan is finite, but what happens to the people left behind after the last piece of ore is processed? Ghost towns may soon be a thing of the past with Anglo American Platinum's Project Alchemy, which has resulted in the creation of the Lefa La Rona Community Trust, a blueprint to help communities build a sustainable future for themselves.

Alchemy is the process whereby value is added to minerals – but it's also seen as a seemingly magical process of transformation. And this is what Lefa La Rona is intent on doing: applying a spark of chemistry to create something extraordinary for mine workers, their families and their neighbours.

Programme manager Werner Grundling says Lefa La Rona was set up to benefit communities surrounding Anglo American Platinum mines – as well as for people in labour-sending areas such as the Eastern Cape. This legacy scheme uses Anglo American Platinum shares and corporate social investment (CSI) funding to help mining communities become self-sustaining.

It originated as an idea that would go beyond BEE by delivering meaningful, long-lasting results.

"It was intended as a vehicle that would address real needs and deliver a sustainable future to our mining communities, instead of just ticking boxes," Grundling says.

Since Lefa La Rona began, initiatives have included building or refurbishing clinics and schools, repairing water infrastructure, helping vulnerable children, the elderly and the disabled, and setting up sports, education and food security programmes.

Enterprise and skills development has included training teachers in maths, science and early childhood development, helping communal wool farmers improve production, and showing subsistence farmers how to profit from their produce – creating sustainable jobs that go beyond mining.

Launched in 2009, the project saw Lefa La Rona set up to administer the funds. About R3.5 billion worth of Anglo American Platinum share value was transferred into this "umbrella" trust, making it the third largest shareholder in the platinum mining giant.

It receives dividends based on Anglo American Platinum's share performance, but, if no dividend is declared in a given year, Grundling says R20 million is still paid into the trust, as is a further R3 million from the company's CSI budget.

"This ensures a constant flow of funding and project continuity," he explains.

The funds then go to four development trusts centred around mining operations, and to one nonprofit company for its labour-sending areas. Independent trustees – who are not public office bearers or members of traditional leadership structures – are elected by residents to decide which projects to fund. Two Anglo American Platinum representatives also serve on each trust board.



The Mhaleshoek food security programme in the Eastern Cape, which is part of the Lefa La Rona Community Trust, benefits 720 households

Building an economic LECACY

A future-scaping scheme gives back to workers and communities living around Anglo American Platinum's mines, writes **Christina Kennedy**

About R250 million has been transferred into these community development trusts to date, of which about R170 million has already been allocated to various projects.

It's been a lengthy process to set up the trusts and start identifying projects that meet the criteria of long-term sustainable investments, says Grundling, but about 17 public benefit projects have been completed and a dozen more are in the works.

The community development trusts cover the Twickenham, Amandelbult (Tumela/Dishaba), Mogalakwena and Rustenburg mining operations. The first trust – the Dikuno Tsa Sechaba Development Trust – was established in 2010 Limpopo's Waterberg district. This includes the Zenzele Itereleng nonprofit company, which allocates funds to areas where much of the mines' migrant labour originates, such as the Eastern Cape, Mozambique, Lesotho and Taung, North West.

Grundling says that the beauty of the project is that, even in areas where Anglo American

Platinum has divested, such as Rustenburg (it sold its operations there in 2016), the community still benefits through the shareholding.

"This means we are still investing in the Rustenburg area, even though we no longer mine there."

Anyone living within a 15km radius of each mine's headgear is considered to be a beneficiary, regardless of whether they worked for the mine or not.

"One of the key distinguishing features of these trusts is their inclusivity," he says.

Altogether, between 600 000 and 800 000 people will reap rewards from Lefa La Rona.

The communities will benefit through this scheme for several decades. After 10 years, the trusts will be able to start trading in a portion of their shares if they wish to as operations gradually scale down with a view to the trusts becoming autonomous after 30 years.

With a vision to build "sustainable community futures beyond mining, through mining", the trust is working hard to live up to its promise.

“

The community must help look after itself. We can't wait for government all the time

**GREENMAN
NGOBENI**

Motorists slow down and hoot as they approach a speed hump on the D4180 road. Some open their windows and shout excitedly at the man in green overalls who is walking around the freshly painted hump.

“Seat belt! Put on your seat belt!” the man in green warns through a megaphone that hangs from his shoulder.

“Hey, Ngoben! Ngoben!” motorists call out in admiration of the man, who doesn't smile.

“Your car has seat belts for a reason! Use them! Put them on!” his voice rises above the noise of the lazy mid-morning traffic in rural Limpopo.

“They call me Greenman,” he says after finishing his work.

He prefers this nickname to his real name, which he is reluctant to divulge.

Greenman Ngoben came to Atok back in 1983 to work at Bokoni Platinum Mine, a joint-venture between Atlatza Resources and Anglo American Platinum, which has recently been placed on care and maintenance. He remembers the D4180 as a little gravel road that caused a lot of dust and made travelling, especially during the rainy season, daunting and dangerous.

The road cuts through the village of Sefateng towards Atok near the mine. It is an important artery that connects the villages in this part of the Sekhukhune district to the main R37, which, in turn, connects Limpopo to the eastern part of the country, including Mpumalanga and Mozambique.

Last year, Anglo American Platinum signed a memorandum of agreement with Roads Agency Limpopo (RAL) to collaborate on the development of road infrastructure. The RAL is a state-owned entity that was formed by the Limpopo department of public works, roads and infrastructure to help fund the development of roads in the province.

Anglo American Platinum allocated R46.8 million towards the design and construction of the D4180, while the RAL committed to providing funding for the completion of the project.

The mining company says it believes in playing an active role in understanding and supporting the Limpopo government's development plans, which are aimed at improving the local economy and the livelihoods of residents, and that such

Greenman Ngoben is a community safety officer near the Bokoni Platinum Mine, a joint venture between Anglo American Platinum and Atlatza Resources



AND THE GOOD ROADS

Mining giant partners with local government to make travelling safer and easier, writes **Lucas Ledwaba**

partnerships ensure that it is aligned and works collaboratively to create value for the communities in which it operates.

The initiative also forms part of its commitment to sustainable community development, and to improving the standard of living in communities neighbouring its mining operations through its social and labour plans.

Ngoben retired from Bokoni a few years ago, but found life at home in Sefateng too boring. So he decided to impart the knowledge he learnt about safety on the mines, and soon the community and Bokoni asked him to be their official community

safety officer.

He teaches pedestrians to observe road rules and tells motorists not to speed. He's even placed green suggestion boxes at strategic locations so the community can report faults and hazards, and offer advice.

On the morning we met, he was painting one of the speed humps on the D4180 after motorists raised concerns that it was not clearly visible from a distance. Greenman didn't waste time – he organised some paint and brushes, and got to work.

“The community must help look after itself. We can't wait for government all the time,” he says.



Pupils are hard at work in the science centre at Parktown High School for Girls

Getting girls into SCIENCE

Modern labs ensure pupils find a passion for careers
in male-dominated sectors, writes **Msindisi Fengu**

A science laboratory at a top public school in Johannesburg is doing its bit to encourage girls to choose a career in science, with the support of the Anglo American Chairman's Fund.

Parktown High School for Girls principal Tracey Megom says the school's science centre, which consists of two laboratories across two floors, will encourage more girls to seek careers in traditionally male-dominated sectors.

"I think it's important for girls' schools to produce young women who can take up positions in engineering and medicine, which is maybe not the opportunity they will get in co-ed schools," Megom says.

"So we have a responsibility here to produce pupils who are really good at science, and I think a facility like this will help us to do that."

The idea for the centre was born 15 years ago, but the school initially struggled to come up with the money to build it, so parents started fundraising and looking for partners.

Anglo American, through its Chairman's Fund, came up with the balance of about R2 million in January 2015.

"Without that funding, it might have taken us another three to four years to complete the project," Megom says.

Construction began in 2015, and the building was

officially opened in November 2016 to the school's 1 100 pupils. Now pupils in grades eight and nine, who used to be taught science in normal classrooms, are taught in a laboratory environment. The effect of the science centre was almost immediate – 30% more Grade 9 girls chose the sciences as matric subjects.

Although life science has always been a popular subject, more pupils are now taking physical science.

"We've got close to half of our senior classes – more or less 100 pupils per grade – doing physical science. It is benefiting an enormous number of girls in the school," Megom says.

The spacious laboratories were designed in two sections – the first half is a classroom with chairs, desks and smartboards, and the second is fitted with laboratory equipment that pupils use to conduct experiments.

This year's matric class will be the first to benefit, but Megom says it's too soon to tell whether the laboratories will contribute to their final exam results.

"But it will have an effect in the future ... There will be more children doing science and, obviously, having access to a nice facility encourages them to work hard. It empowers girls," she says.

The school, founded in 1923, has a consistent 100% matric pass rate, a 97% bachelor degree entrance rate and has been acknowledged by Wits University as one of its top feeder schools.

Success in early learning

The lives of 135 mothers running early childhood development centres (ECDs) in Middelburg have been changed for the better thanks to an intervention by Anglo American.

The women were registered with Unisa to learn how to teach better, develop school admission policies and learn financial management.

Graduate Lindiwe Vilakazi, now the principal of IK Makuse Early Learning Centre, says the programme has changed many lives.

"Now I can produce a training certificate, and I know how to run an ECD centre and look after children properly ... I can also continue with my studies," she says.

Lindiwe Legabi, the assistant director for special programmes at Steve Tshwete Local Municipality, says they did an analysis of the qualifications of local ECD practitioners after the announcement that more Grade R teachers were needed.

"We realised that most people in previously disadvantaged areas did not have qualifications, even though they spent 10 to 15 years working in these centres," she says.

Legabi says they started looking for funding and Anglo American Coal SA's Goedeheop colliery assisted. The course ran for a year and 135 of the 137 practitioners graduated.

"The children are no longer in ECDs to just eat and sleep – they are stimulated and learn from a young age," says Legabi.

One of the contributing factors to poor matric results is a lack of ECD.

The Cofimvaba Schools District Technology Project is starting to bear fruit in three schools that are using hydrogen fuel cell energy as a backup for their electricity supply.

The project – a joint initiative by the departments of science and technology, basic education and the provincial education department – has targeted schools in the Eastern Cape district to pilot its effectiveness in a bid to improve the quality of education in rural schools.

The project also includes the installation and provision of communication tools such as unlimited WiFi, tablets and content servers for the schools, which are underfunded and lack basic infrastructure.

To make sure that all these facilities function without interruption, electricity generated by the hydrogen fuel cells kicks in and supplies power when there is an outage at the school, so pupils continue to learn without interruption.

Anglo American Platinum sponsored three platinum-based fuel cell systems, which it installed and continues to maintain.

A company called Air Products supplies the hydrogen fuel requirements, while Clean Energy Investments – a company co-owned by Anglo American Platinum and the department of science and technology – commissioned the fuel cells to bring backup power to Arthur Mfebe Senior Secondary School, and Mvuzo and St Marks junior secondary schools.

Lwando Rwayi, the principal at Arthur Mfebe in St Marks Mission, Cofimvaba, which has 356 pupils from grades 8 to 12, says the school has benefited enormously from the project.

“We got 300 tablets for pupils. But our challenge was that the electricity was unreliable,” he says.

“We also expanded the school, which meant the power we had could not supply the demand. This situation meant that we could



Lwando Rwayi, the principal of Arthur Mfebe Senior Secondary School, and Amahle Nduna, a Grade 12 pupil who has been inspired by the project

No power, no PROBLEM

Class disruptions a thing of the past as backup system brings light to rural schools, writes Lubabalo Ngcukana

not get a consistent power supply.

“But, after they installed the fuel cells as a backup to take over when the power was off, we could continue with the business of the school uninterrupted. Even when the whole village has no electricity, we remain functioning as a school, which means teaching and learning can continue.”

Matric pupil Amahle Nduna (17) says the project has inspired her to study electromechanical engineering next year. She loves physical science and maths, which are taught using the technology installed at the

school and using tablets that contain educational apps.

“When there is a power outage, we do not have to worry about exam papers being delayed because the photocopy machine is not working – as was the case before. There is now always electricity at school,” she says.

“Previously, if there was no electricity, people would have to go all the way to town to photocopy the papers, which caused lot of delays. It will be great if this project can be introduced at other schools as it has so many benefits.”

The nonracial school the company built

MSINDISI FENGU

The legacy of a school in Durban that Anglo American helped build is continuing long after the institution shut its doors.

Opened in 1987, Uthongathi-A New Era Trust School was one of the first interracial schools in the country. It also had boarding facilities that were shared by children of all races.

However, soon after 1994, the school was closed because its donors lacked funds. The property was bought by Crawford College and has operated as Uthongathi College since the late 1990s.

Then deputy principal and history and isiZulu teacher Ricky



Actor Ben Voss' alter ego, Beauty Ramapelepele
PHOTO: FACEBOOK

Nyasulu said the school started with about 500 pupils from Grade 7 to Grade 12.

“It was a nonracial as opposed to a multiracial school,” he said, adding that multiracial schools were subjected to apartheid laws that stipulated what percentage of black and white pupils could be admitted to access government subsidies.

The school, he said, was the brainchild of the New Era Schools Trust.

“Its philosophy was a 25% representation of the population. We had Indian, coloured, white and black pupils,” he said.

The children were equally academically talented, and bursaries for those who could not afford fees were provided by Anglo American and other donors.

Anglo American also built the classrooms and boarding facilities on land provided by Tongaat Hulett.

Nyasulu said successful past pupils include University of Cape Town politics lecturer Dr Zwelethu Jolobe, architect Siya Mbanjwa, actor Ben Voss and SAA pilot Marvin Oliver.



Dr Zwelethu Jolobe

PHOTO: UCT

‘When an employee comes to work, they come as a whole person. They are a mother, a father, a brother, a sister – they have other responsibilities and worries,” says Lorato Mogaki, executive head of HR at Anglo American Platinum.

This understanding led to the formation of the Nkululeko employee indebtedness programme. Due to various socioeconomic stresses, including a high financial dependency ratio that sees workers support up to 10 family members, the company found that employees across all income levels were showing high levels of indebtedness.

“We would see employees earning R10 000 a month, but only taking home R100 because of garnishee orders,” says Mogaki.

When the company hired Summit Financial Partners to review the finances of employees, it found that credit lenders were charging interest rates as high as 60% and were processing illegal garnishee orders.

Since cleaning out the irregular orders, the number of garnishees reduced from 5 877 to just 230, saving employees R1.5 million.

“We now take an active interest in understanding the terms of the garnishees issued, and only allow them for maintenance orders,” says Mogaki.

However, illegal garnishees are just a symptom of a much wider South African problem – people have too much debt. The company is hoping that, by offering financial education and ongoing support for its employees, it will have a meaningful effect on their lives and the way they manage money. Since its inception three years ago, 26 442 employees have been through the Nkululeko programme and 2 484 have signed up for debt relief solutions or had their garnishees audited, which has resulted in R38 million saved on reduced interest rates.

“It was a challenge to get people to come forward – we did a lot of work to destigmatise the programme and to let people know that it is not only lower income earners who have financial difficulties, it is all the way to senior level.”

Employees who have been through the programme become its greatest ambassadors as their peers can see how it has changed their lives. Awareness about the programme has been extended to family members.

“We often find that it is the employee’s family that encourages them to undergo the programme as it benefits the whole family. Suddenly, there is money available that was not there before.”

Mogaki says that financial stress can lead to physical endangerment.

“When you are working on a mine, you have to be alert and present. If you are worried about your finances and being plagued by loan sharks, it is difficult to remain focused, which is dangerous.”

However, Mogaki says the challenge now is keeping people from going back into debt.



Lorato Mogaki is the executive head of HR at Anglo American Platinum

From debt-laden to **DEBT FREE**

An indebtedness programme helps workers keep money in their pockets, writes **Maya Fisher-French**

60%

THE INTEREST RATES
SOME LENDERS WERE
CHARGING MINE WORKERS

5 877

THE NUMBER OF GARNISHEE
ORDERS ANGLO AMERICAN
PLATINUM CHALLENGED ON
BEHALF OF WORKERS

26 442

THE NUMBER OF EMPLOYEES
WHO HAVE BEEN THROUGH
THE NKULULEKO FINANCIAL
WELLNESS PROGRAMME

2 484

THE NUMBER OF EMPLOYEES
WHO HAVE SIGNED UP FOR
DEBT RELIEF OR HAD THEIR
GARNISHEES AUDITED

R38m

THE AMOUNT THOSE
WORKERS SAVED IN
REDUCED INTEREST RATES

TAKE CONTROL
of your wallet

When 32-year-old truck operator Paul Mahlaela found out he was going to become a father, he decided it was time to take control of the debt that was leaving him impoverished.

With debt repayments consuming 80% of his take-home pay, there was barely enough money to make ends meet, let alone provide for a child.

“I needed to find a way to pay off my debts so that I could have enough money each month to provide for a newborn,” says Paul about his decision to join the Nkululeko programme.

Paul had previously tried debt consolidation, but found that he just got further into debt. He admits that it was a tough decision to commit to debt counselling because he had to give up access to credit during the estimated five years of debt review, yet it has changed his life more than he expected.

By negotiating with his creditors, Nkululeko reduced his monthly debt repayments, leaving him with 50% of his salary as take-home pay.

“Nkululeko deducts the money from my salary so I know the money in my bank account is actually mine to spend,” says Paul.

“We are so happy not to access debt. It is a freedom not to owe anything to anyone. It was a bold move and it meant taking responsibility. It also helps that I have a partner who supports me in this decision because sometimes we have to do without some luxuries, but we are both much happier not living on credit.”

PROSPECTS



- ▶ The potential of platinum
- ▶ A glittering new market
- ▶ Empowerment before BEE
- ▶ Giving back to the workers
- ▶ More sparkle as mine expands
- ▶ No barrier she can't break
- ▶ Fixing mining's health legacy
- ▶ Mining goes green
- ▶ The soapie that everyone's tuned to
- ▶ The labour legacy
- ▶ New rules, new challenges



Anglo American Platinum's fuel cell installation at Naledi Trust supplied power to 34 homes in the village, pictured in the background

The potential of PLATINUM

An efficient, low-carbon trial project lit up a rural community after residents spent five years off the grid, writes **Poloko Tau**

The potholed road from Kroonstad to Maokeng township in the Free State gets worse each year. As you approach the Naledi Trust community of 34 homes on the other side of the township, you see a creaky windmill standing in a field, blades whirring. The pump it is connected to last worked years ago.

Unemployed Mpho Kopele sits at home with his laptop, listening to his House music – something he couldn't do before. His elderly neighbour, Leah Mabitle, stands in her kitchen doorway watching her grandchildren play. On the other side of the village, the smell of breakfast still hangs in the air outside pensioner Mohau Motingoe's kitchen.

In this community, life has gone from "depressing" to "normal", thanks to an initiative by Anglo American Platinum, which uses platinum as a catalyst in methanol fuel cells to generate electricity.

Before that, Naledi Trust "was nothing more than a forgotten and hopeless community".

Motingoe said they were taken off the grid for five years in 2010 because they were unable to pay.

"[It] was the worst time of our lives – especially for our children and the young people, who started spending most of their time loitering in the streets and doing bad things because they were bored," he said.

When Anglo American Platinum went looking for an off-the-grid neighbourhood to pilot its fuel cell technology, Naledi Trust was perfect. The technology was developed by Ballard Power Systems, which Anglo American Platinum invested in to develop markets for platinum group metals.

This trial project, a world first, which ended in 2016 proved how fuel cell technology could be used to

electrify communities. Anglo American Platinum's head of market development for precious metals Kleantha Pillay said the system "offers an efficient, low-carbon option when comparing it with supplying rural communities with power from diesel generators".

"Unlike other green alternatives such as wind power, these fuel cells can produce power whenever the demand exists," she said.



Mohau Motingoe

At Naledi Trust, Anglo American Platinum installed a 14 000 litre tank that was filled with methanol fuel every month, as well as three fuel cells and four steel containers housing a battery bank, converter and an inverter control. These were connected to produce 15 kilowatts of fuel cell-generated power – enough to supply the 34 households with electricity. The same system can supply peak power demands of 60 kilowatts with electricity stored in its batteries.

Motingoe said: "After five years of living in the dark, we have learnt to appreciate electricity and use it sparingly."

Each household was given a few low-consumption appliances, including a fridge, iron, kettle, two-plate stove and six compact fluorescent lights.

Kopele said before he had to walk 5km to charge his phone and laptop. The trial period for the pilot project came to an end in 2016, and Naledi Trust residents were switched back to Eskom's grid.

Anglo American Platinum engineering consultant Clive Seymour said the trial exceeded their expectations: "When we started, we had no idea what the demand pattern would be – we really overestimated the demand. With the same equipment, we can provide 70 homes with power."

HOW PLATINUM POWER WORKS

Unlike petrol and diesel, hydrogen is fast emerging as a clean alternative source of fuel for power generation. At Naledi Trust, it was on trial for just over two years in a system consisting of three 5 kilowatts methanol fuel cell systems integrated with batteries.

THIS IS HOW IT WORKS:

1 The electrochemical process starts in the 14 000 litre steel tank containing a mixture of methanol (also known as methyl alcohol) and water;

2 The heated methanol-water mixture produces hydrogen and carbon dioxide;

3 The gases are then passed through a palladium membrane to separate the hydrogen from the carbon dioxide;

4 The hydrogen is then channelled to the fuel cell stacks, where an electrochemical process, facilitated by platinum-coated electrodes, produces direct current (DC) electricity, as well as water;

5 This electricity is then transferred into the two-room container – one housing batteries and the other inverters, as well as control and safety systems;

6 Here, the electricity is either stored in batteries or fed to an inverter, where it is converted to alternative current (AC) electricity, which is suitable for distribution to households via a microgrid;

7 Batteries store the power, providing additional supply to the 15 kilowatts produced by the three fuel cells, during peak times.

Inset: The 2016 PlatAfrica winner – a bracelet created using platinum, silver and stones by Sylvester Louw

Competitions are usually about recognising and rewarding entrants for

pushing boundaries and doing what others couldn't.

But for the PlatAfrica competition, it's more than that – it's about growing local jewellery design and manufacturing skills while increasing the demand for platinum jewellery.

For the past 17 years, Anglo American Platinum, in association with Platinum Guild International (PGI) India and Metal Concentrators, has sponsored the PlatAfrica competition. It has unearthed some of the greatest talents in the industry, and some designs from the competition were showcased by finalists in the Miss SA pageant this year.

When the competition was launched in 2000, the quality was good, but Kleantha Pillay, the head of market development for precious metals at Anglo American Platinum, says it has become better.

"In the years that I have been involved in this competition, I have seen the increase in terms of innovation and technical expertise in the design of platinum jewellery. The professionals get better each year, and the quality and standard among students is also increasing each year," she says.

And the judges agree.

Pallavi Sharma, director of consumer insights and marketing for PGI India, says: "The participating students and professionals are really stretching thinking and exploring forms that are new and innovative.

"The entries are well crafted and there is a lot of exploration on techniques, surface treatment and newer materials that are being combined with platinum to bring in new design thinking. Also, the participants are very focused on the theme and bring forth strong design stories that work cohesively to amplify quality and creativity seen at PlatAfrica every year."

Veronica Anderson, who runs a jewellery outfit in The Firs, Rosebank, says that she is often so impressed with the designs that she wants to keep them for herself.

"What always impresses the most is something that offers a new take or slant. For example, last year the two pieces that really took my fancy were the Isiphandla Spear of Time bracelet with goatskin and platinum – for its high-impact attitude – and then the enchanting Izinyembezi necklace, a simply beautiful necklace showing platinum at its finest," she says.

For many participants, particularly the students, the PlatAfrica competition has opened doors to jobs at jewellery companies. But it also gives them the opportunity to work with a precious metal they would otherwise not have access to until they become professionals.

Pillay says students don't generally have access to precious metals such as platinum.

"What makes us happy is when we see entrants draw, design and manufacture platinum jewellery pieces that are wearable and can be sold because that can help increase demand for platinum jewellery in this country."

Platinum jewellery accounts for 3% of the platinum market in South Africa. The largest market for platinum jewellery in the world is China, followed by the US. India is also

among the largest emerging markets – about 60% of its market consists of wedding-related platinum jewellery purchases – and that is where Anglo American Platinum, though the PlatAfrica competition, is hoping to score the most.

Last year's three winners – Sylvester Louw, Jepta Mtole and Alexandre Antoine Thomy Vencatasawmy – were invited to attend PGI India's design sourcing workshops earlier this year. They were exposed to the international consumer, the retail jewellery market, and had the opportunity to interact with some of the biggest jewellery designers and manufacturers.

"They got to understand the kind of jewellery design that the global market is looking for, and gained insights and skills that would help them to tap into that market," she says.

PGI India has challenged the winners to design jewellery that will appeal to the Indian market. Should they be successful, their designs could be selected to feature in retail stores in India as part of the Evava Platinum Blessings collection, which places platinum at the heart of the wedding ceremony.



Models showcase the innovative pieces created out of platinum by the finalists for last year's PlatAfrica competition

A glittering new **MARKET**

Anglo American Platinum challenges designers to create masterpieces with the precious metal, writes **Zinhle Mapumulo**

Growing businesses

Anthony Mpati



It was South Africa's load-shedding crisis that inspired Anthony Mpati to start his engineering company, 115 Electrical Solutions.

Mpati spotted a need to provide power services to consumers and "knew immediately that this was going to be a definite opportunity for me".

"This was a real need ... and it needed to be satisfied as soon as possible," he says.

Always a go-getter, Mpati, who was born and raised in Seshego, Limpopo, got himself a bursary to study electrical engineering at the University of Cape Town.

Once he graduated and began working as an engineer, it didn't take long for him to start his own firm. Although he knew about Zimele, he didn't apply to Zimele's

former Enterprise Internship Programme (EIP) until a friend sent him a link.

The EIP hones the skills of high-potential entrepreneurs to create sustainable businesses that can create jobs. Mpati received business support and some useful connections from the programme.

Since he graduated from the EIP, Mpati has focused on "projects that will have an impact on the communities we work in".

"In five years' time, I want the company to be a multidisciplinary business that is a one-stop shop for engineering services," he says.

Starting with two employees, 115 Electrical Solutions now has 43. Mpati is also mentoring other entrepreneurs.

"I support them and give them practical advice," he says.

EMPOWERMENT

before BEE

In 1989, while Anglo American executive Clem Sunter was out delivering his "high road, low road" scenarios for the country, the corporation's chairperson, Gavin Relly, wanted to do something practical.

Relly liked the Japanese concept whereby big business was linked with small business, and he decided Anglo American would procure goods and services from small, black-owned businesses.

So he turned to his personal assistant Philip Baum (who later became CEO of Anglo American SA and the executive member responsible for the Ferrous Metals division) to come up with something the company could implement itself – fast.

Relly went abroad and made a speech in which he announced that Anglo American would henceforth spend 10% of its centralised procurement spend with small black businesses. This was a John F Kennedy "land a man on the moon in a decade" type of statement made before Nelson Mandela was even out of prison.

It galvanised the team to get to work for what became Anglo American Zimele, the company's enterprise development arm. It set an initial target to award R100 million in contracts with black-owned businesses within five years.

They met their target in three.

Zimele managing director Hlonela Lupuwana-Pemba, says that, last year alone,

Setting a precedent, Anglo American partnered with black-owned businesses long before it was law, writes Nicki Gules

Anglo American Zimele concluded 204 transactions and provided R121 million in funding for 110 businesses that collectively employed 3 992 people and generated turnover of R692 million.

Zimele's founding vision was based on three parameters that still exist today, Baum says. The first was that the contracts themselves be reduced from long, complicated documents to just more than two pages.

Anglo American also understood that small businesses couldn't buy raw materials as cheaply as their larger counterparts, so the company bought supplies on their behalf and passed on the discounts. Lastly, Anglo American paid the small businesses promptly – as fast as 18 days, and not more than 30.

It also helped the smaller companies raise finance and compile operational plans, and paired them with skilled companies to help them learn the ropes.

"It was BEE decades before BEE," says Baum. Nearly 30 years later, Zimele has been recognised around the world as a best practice model in supporting small and medium enterprises.

Lupuwana-Pemba says the company's three funds include the Community Fund, which is managed through 22 small business hubs around the country which entrepreneurs can go to and apply for funding and other support; the Supply Chain Fund, which helps procurement departments at Anglo American's operations find small businesses that can supply products or services; and the Sebenza Fund, a R500 million partnership with Treasury that "aims to provide new and sustainable employment focused primarily in mining communities and labour sending areas".

"Through these funds, Anglo American Zimele aims to create a strong platform for job creation within and outside the mining value chains," Lupuwana-Pemba says.

A group of men and women huddle around a broken-down tractor in the middle of a mealie field, which lies next to the road in Dithini, near Khonjwayo village, Lambasi, near Lusikisiki in the Eastern Cape.

They need to get the tractor going so they can load 98 tons of yellow maize onto trucks. This is the Fundirite agricultural collective's second successful harvest.

Some of the mealies, sold in offset agreements with Farmwise Grains, will end up with a cereal producer and then in your breakfast bowl.

The tractor engine catches. A stream of golden kernels flows out of the augur attached to it and into the truck bed. The workers cheer. They are part of a group of 490 small farmers who fall under Lambasi Farms, a mechanised agricultural project sponsored by Anglo American Zimele – the mining company's enterprise development arm – in partnership with the National Treasury's Jobs Fund.

The farmers get a share in the profits from the sale of the mealies, along with R700 per hectare for the use of their land.

The project, which was set up two years ago, covers 900ha that was once used for subsistence farming. Using R14 million provided by Anglo American, farming and marketing expertise is provided by agricultural nongovernmental organisation TechnoServe.

Hlonela Lupuwana-Pemba, the managing director of Anglo American Zimele, says: "Through the Lambasi initiative, we wanted to build a model to demonstrate that socioeconomic development is possible even in depressed areas. Conscious stimulation of supply and demand for enterprises, through agriculture in particular, contributes to rural development.

"South Africa's agricultural sector has the potential to create 1 million jobs by 2030. To achieve this goal, we need to replicate sustainable community-based projects like Lambasi. It is only through partnerships – with other private sector players, government and communities – that we will be able to achieve this."

A board of directors, which includes local chief Mthuthuzeli Mkwedini, runs the project.

TechnoServe will pull out in four years, and the community will take full control of production and marketing.

Sthembele Phaqa (25), Fundirite's youngest director, says that, at harvest time, each member of the collective receives a dividend and seven bags of mealie meal – a great help as each family has an average of 10 mouths to feed. Phaqa, who matriculated in KwaZulu-Natal, joined the collective because he always dreamed of becoming a commercial farmer.

"This project allows us to develop our area, to feed ourselves and to contribute to the economy. It is something we are very proud of," he says.

Mkwedini joins the cheering when the tractor's engine starts. At 40 years old, Lambasi's youngest chief in history says the project is hugely important for the 7 000-strong community that lives in the six villages in the Lambasi



Simbongile Mzimeli holds out a handful of the mealies that have given him financial stability, allowing him to send his children to university

Giving back to the **WORKERS**

In rural Lusikisiki, small farmers' lives have changed as their hard work sees them reap the rewards, writes **Paddy Harper**

area: "There are no jobs. There has been no progress. This project is providing an income to 490 families who did not have one before."

Mkwedini, a director of Fundirite, believes that, with proper support, Lambasi can become a highly productive breadbasket in the Eastern Cape.

"The soil is very rich here and contains a lot of nutrients. Pondoland has great potential as an area for agriculture on a large scale. There is a lot of land that has not been used," he says.

Mkwedini is upbeat about the future of the project.

"The funding Anglo American has provided has made this project possible. This is an example of what can be done when a community is provided with the right support.

"There is a lot more land available that we can use for agriculture if we get more funding. We need to look at developing storage facilities here for mealies, and start thinking about mov-

ing into agriculture production."

Over the years, Anglo American SA has attracted most of its labour force from this part of the Eastern Cape. This project represents the company's commitment to giving back to the families of its workers.

Eastern Cape Agriculture MEC Mlibo Qoboshiyane says the project is a "success story" that illustrates how traditional leadership, government and the private sector can work together with a community to produce good outcomes.

"I witness a well-run, community-based rural industrialisation programme, firm commitment by big business to conclude offtake agreements and impressive commitment by community benefici-

aries, who stand to benefit from both the profit and sustainable food," he says.

"The skills transfer and direct involvement of women and young people will help this project survive."



Novuyile Dukuza, a mother of four, says the project has made it possible for her family to eat

NO BARRIER SHE CAN'T BREAK

When Nkhensani Malongete saw an advert for a plant monitor at Venetia Diamond Mine in Limpopo, she thought they were looking for someone to tend to trees.

Back in 2006, she was pursuing her dream of becoming a fashion designer.

A friend who already worked at Venetia encouraged her to apply for the job, so she did some research and was shocked to learn that being a plant monitor had nothing to do with botany.

Now, Malongete is the first female senior metallurgical foreman within Venetia's ore processing department.

Metallurgy is defined as the art of extracting minerals from ore, and it is essential to the mining process.

Born and raised in Valdezia, a rural village in Limpopo's Vhembe district, she joined



Nkhensani Malongete

Venetia in 2007 as a plant monitor.

"Mining has a reputation for being rough, remote and one of the most male-dominated industries in the world," says Malongete.

"For me, the biggest challenge is physical strength as I weigh 49kg. Carrying heavy tools at the plant is a challenge, but, through proper planning and putting my mind to it, this is easily solved."

Many women such as Malongete now work in the mining sector, and De Beers prides itself on its diverse workforce.

"I'm very humbled by the support that my male colleagues give me," says Malongete, who leads a team of men.

"It's not every day that you find men being supportive while led by a woman. My mentors also make it easy for me to cope."

Her advice to prospective female mine workers is this: "Don't be afraid to get your hands dirty. Think like a woman, act like a woman and execute your job... There is absolutely nothing we cannot do."



Venetia diamond mine, which yields about 3 million carats a year

More sparkle as mine **EXPANDS**

Venetia set to begin underground diamond excavations, extending its lifespan to 2046, writes **Lucas Ledwaba**

When engineers developed plans for the Venetia Diamond Mine in Limpopo more than two decades ago, they may not have anticipated it would one day require a further \$2 billion (R26 billion) investment to extend its lifespan.

The open-pit mine, situated about 80km west of Musina, is now being extended into an underground mine where operations are set to begin in 2021.

Phillip Barton, CEO of De Beers Consolidated Mines, says they are on track to meet the deadline.

Venetia, which began operations in 1992, is the largest diamond mine in South Africa.

De Beers Group made a R1.1 billion investment when it commenced operations 25 years ago. Now it has set aside more than R20 billion for the development of the underground mine which will extend its lifespan to 2046, with the potential to produce 94 million carats of diamonds.

"It is our belief that mining has a crucial role to play in laying the foundations for communities to develop and prosper, especially in rural and remote areas where they would otherwise have few opportunities."

Barton says the underground project will sustain jobs through mining activities and supply chain opportunities.

"More importantly, this investment will have benefits across society through enterprise development, training and upskilling."

Venetia is situated in the Musina Local Municipality, which, according to Stats SA's 2011

census, has an unemployment rate of 18.7% and a youth unemployment rate of 22.5%.

The mine is located in an environmentally sensitive area near the Mapungubwe National Park, which was granted World Heritage Site status by the UN Educational, Scientific and Cultural Organisation in 2003. It is also surrounded by the 36 000-hectare Venetia Limpopo Nature Reserve.

But, says Barton, Venetia "has always strived for a balance between diamond mining and limiting its environmental impact".

"Since inception, the mine has always ensured that environmental legal and reputational requirements receive the highest level of attention. Some practices are truly unique to the mine's location, such as the management of game within the

mine's boundary and the relocation of more than 50 full-grown baobab trees."

The mine is part of the Greater Mapungubwe Network, "a vehicle for proactive engagement and knowledge-sharing" among stakeholders.

Barton says that, prior to the commencement of the underground project, numerous specialist studies were undertaken as part of an environmental impact assessment process, and there are continuing studies to assess future environmental risks and opportunities. "Examples of this include Venetia mine's climate change adaptation study, as well as Project Minera, which looks at reducing the mine's carbon footprint through carbon sequestration... The enhancement of environmental performance remains a non-negotiable standard for Venetia."



Phillip Barton



Fixing mining's **HEALTH** LEGACY

Mining giant wants to help families affected by silicosis, a disease historically contracted by many mine workers, writes **Anglo American**

There's no way to discuss the mining sector without including the effects of silicosis on former mine workers and their families. While the past cannot be erased, Anglo American is working on addressing the challenges associated with silicosis. Andile Sangqu, the executive head of Anglo American SA, says it's a process that began with the company accepting that the past cannot be changed, but "we want to be part of providing healing to families and communities".

In March last year, Anglo American and AngloGold Ashanti concluded an agreement that resolved 4 400 stand-alone silicosis claims, the first of which were instituted in 2012. Included in these claims were about 1 200 separate claims instituted against AngloGold Ashanti.

In terms of the agreement, Anglo American and AngloGold Ashanti will pay up to R464 million to the Qhubeka Trust, an independent body tasked with paying compensation to sick former mine workers. The trust determines eligibility and then compensates claimants with the funds. So far, the trust has assessed about 2 000 claimants and paid about 300 of them, with another 300 in the pipeline for payment.

Sangqu says: "We are very concerned about those mine workers who have contracted silicosis, and we fully support initiatives by the mining industry, labour and government to ensure that sufferers of silicosis receive the proper care, support and treatment where indicated, as well as statutory compensation."

Anglo American, along with five other mining companies, formed the Occupational Lung Disease Working Group in 2014, to address legacy compensation issues, and work on future legal frameworks that are fair to past, current and future mine workers.

“ We fully support initiatives by the mining industry, labour and government to ensure that sufferers receive proper care

ANDILE SANGQU

Through a tripartite collaboration between the Medical Bureau for Occupational Disease, the department of health and mining companies, one-stop service centres have been opened in Carletonville and Mthatha to provide medical support to former mine workers.

The working group is collaborating with lawyers representing claimants in the class action law suit to establish a legacy fund that will pay additional compensation to supplement people's statutory entitlements. It is also working with the compensation commissioner to improve the administration of the statutory compensation fund, and with government so that future employees can be covered by the Compensation for Occupational Injuries and Diseases Act.

To ensure the health of mine workers is protected, Anglo American invested R15 million over five years in a new research chair in occupational hygiene at the University of the Witwatersrand School of Public Health. The chair focuses on the development of occupational hygiene skills, and conducts research with the aim to decrease employee exposure to dust, noise and other health hazards in mining and other industries.

Silicosis class action timeline **August 2012**

The Abrahams class application: Three separate applications against AngloGold Ashanti, Gold Fields, Harmony and their respective subsidiaries were instituted in the Johannesburg High Court by applicants represented by law firm Abrahams Kiewitz, which represents 6 000 claimants and is supported in these applications by US law firm Hausfeld.

December 2012

The Spoor class application: Mine workers, represented by Richard Spoor Attorneys on behalf of 23 000 claimants and supported by US law firm Motley Rice, instituted a class certification application in the high court against 30 mining companies.

March 2013

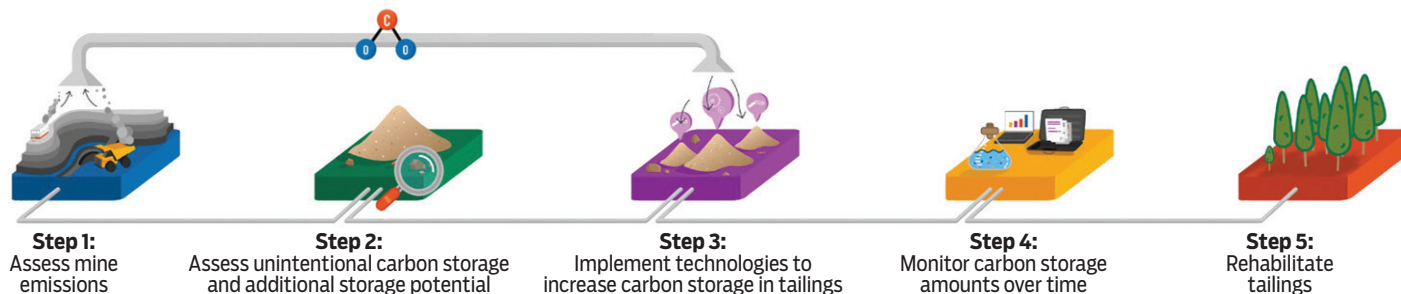
The LRC class application: 13 mine workers, represented by the Legal Resources Centre, Garratt Mbuyisa Neale Attorneys, Legal Aid SA and British law firm Leigh Day, instituted a class certification application against Anglo American SA in the high court.

August 2013

The Abrahams, Spoor and LRC class applications were consolidated into a single class application against 32 mining companies.

The applicants want two classes to be certified: a silicosis class consisting of current and former mine workers who have contracted silicosis and the dependants of those who have died from the disease; and a tuberculosis class consisting of current and former mine workers who have contracted pulmonary tuberculosis and the dependants of others who have died of the disease.

The 32 mining companies are all opposing the class application. However, they continue to negotiate a settlement with the claimants' lawyers.



It's not science fiction: there's a very real possibility that De Beers could be operating at least one carbon-neutral mine within the next 10 years.

And, if successful, the technology could revolutionise the mining industry by safely trapping harmful carbon dioxide emissions in rock, thereby dramatically reducing its carbon footprint.

Dr Evelyn Mervine is leading a sustainable development research project for De Beers that's testing the viability of capturing and storing greenhouse gases in the waste kimberlite ore tailings found at diamond mines.

"We think it's quite realistic because the potential of kimberlite is huge," says Mervine. "It's potentially a very cost-effective way to reduce carbon emissions. The technology exists – now it's a matter of finding out how best to modify it to work on mining sites."

This research was prompted by a natural process called mineral carbonation, whereby surface rocks interact with carbon dioxide in the atmosphere and lock it away in solid form. This happens more quickly in ultramafic rocks such as the kimberlite from which diamonds are extracted, but still too slowly to offset man-made carbon emissions.

De Beers is now looking at ways to accelerate this natural process to safely store the carbon dioxide released as a byproduct from mining operations in tailings dams containing previously mined waste rock. Kimberlite tailings turn into a solid compound when mixed with carbon dioxide, effectively trapping the gas in rock.

Mervine says academics have been looking at the potential of mineral carbonation for years, but De Beers has now given the green light to scientists to start exploring this process in depth.

With her team's desktop research completed, assessments will be carried out at two De Beers sites – the Venetia mine near Musina in Limpopo and the Gahcho Kué open-pit mine in Canada's Northwest Territories – to gauge the potential of their kimberlite tailings for carbon storage.

Tests will also begin in Botswana next year, Mervine says, explaining that it's vital to assess different sites because "kimberlite varies in composition and there are subtle differences in mineralogy".

The process will entail laboratory experiments, conducted in association with Anglo American's Technical team, the University of British Columbia in Canada and other research partners.

"We are targeting early 2019 to have a small-

MINING goes green

De Beers sets out to offset carbon emissions by trapping them in rock, writes **Christina Kennedy**



Dr Evelyn Mervine is testing the viability of capturing and storing harmful greenhouse gases produced during the mining process

2019

THE YEAR WHEN DE BEERS PLANS TO HAVE A SMALL-SCALE CARBON CAPTURE PILOT PROJECT AT VENETIA MINE IN LIMPOPO AND GAHCHO KUÉ IN CANADA

R135 - R270

THE ESTIMATED PRICE PER TON OF STORED CARBON DIOXIDE IN KIMBERLITE ROCK TAILINGS

1 000 000s

THE NUMBER OF YEARS CARBON DIOXIDE COULD BE LOCKED AWAY IN KIMBERLITE

scale pilot on a mine site in Venetia and/or Gahcho Kué," she says. "We hope to find a solution to suit both environments."

The De Beers-funded research comes amid revised emissions targets set in the Paris Climate Agreement, and the moral and social imperative for mines to increasingly "green" their operations. It also comes when several countries (including South Africa and Canada) are implementing carbon pricing to charge companies a tax for each ton of greenhouse gas emitted.

The De Beers researchers are looking at three possible technologies: spreading the waste tailings more thinly to increase carbon extraction from the atmosphere; injecting carbon dioxide into the rock; or adding microbes to the tailings to accelerate the mineral carbonation process.

Mervine says it's possible that the carbon-storage technology could be extended to other types of mining.

"Mineral carbonation occurs in other ultramafic rocks and the potential for carbon storage there is enormous."

She says past research on carbonating ultramafic rocks has focused on storing the carbon dioxide off site, which is expensive.

"Now, the research is shifting to seeing what technologies work to do this in situ in a tailings pile or rock outcrop. This method will work out much cheaper – as low as \$10 (R135) to \$20 per ton of carbon dioxide stored."

When carbon pricing is factored in, such technology makes good economic sense for mining operations. Mervine says carbon dioxide can be locked away in kimberlite for "thousands to millions of years".

It makes sense to invest in a greener product.

"It's really exciting. It's important to reduce our social and environmental footprint, but I think it will also position De Beers as a leader in reducing carbon emissions."

To communicate effectively with your workers – to talk with them, not to them or at them – you need to show them that you are respectful and engage them on matters they care about. This simple principle underscored the creation of Anglo American's award-winning community radio series Makarapa City.

A compelling snapshot of a fictional mining community, this addictive radio soapie helped Anglo American build a closer relationship with its workforce and others living in the vicinity of its operations, showing empathy with their everyday concerns while guiding them towards solutions, says Dr Pranill Ramchander, the company's head of corporate communications in South Africa.

"We wanted to find a more effective way to communicate with the communities in which Anglo American operates, and unpack the social issues and challenges they face," he says.

"This meant moving away from traditional communications towards a more authentic and engaging approach. Radio was identified as a highly effective channel to reach people in their home language and spark conversations about the topical issues affecting them."

And so Makarapa City was born. Now entering its third season, the radio drama draws about 9 million listeners with its storyline about a mining community and the real issues residents face on and away from the mines.

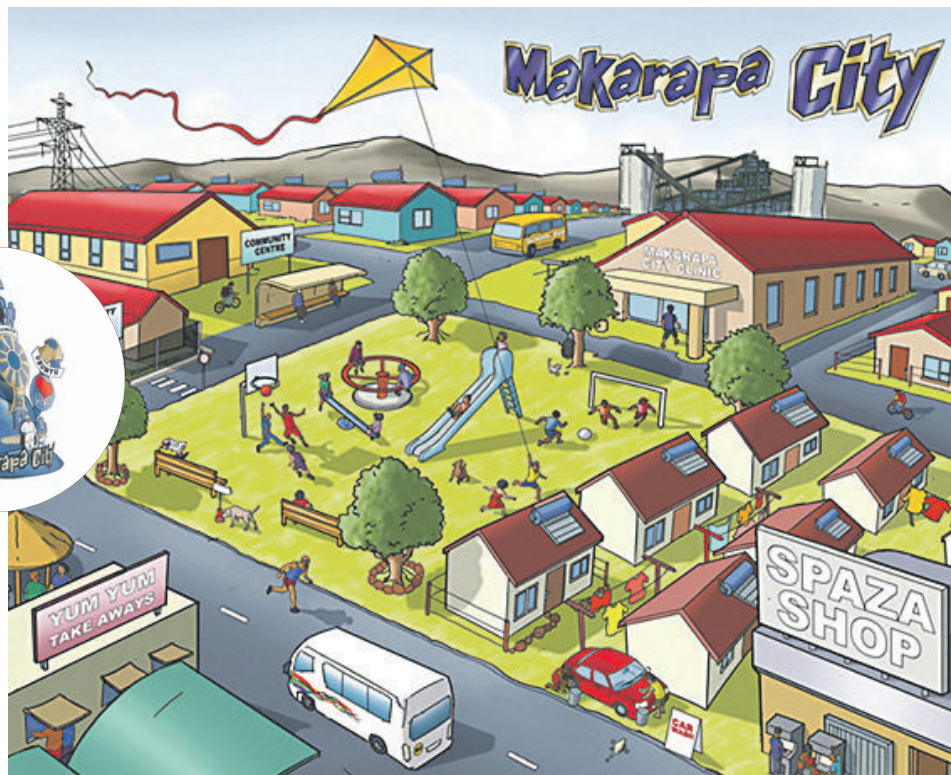
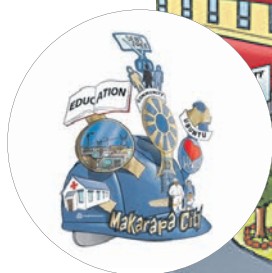
Its central pivot is a feuding mining family caught between the old times and the modern world as the storyline explores the dynamics of love, money, wellbeing, debt, corruption and economically motivated relationships.

Ramchander says this edutainment initiative was approached in a creative way to stir listeners' emotions and drive connections. The aim was to build trust in a business that uplifts the lives of its community and drives positive behaviour change, while, of course, entertaining listeners with a compelling storyline and relatable characters.

"One of the intentions is to break down stereotypes and raise awareness of issues such as commercial sex work, HIV and indebtedness, and stimulate debate on matters such as people having multiple sexual partners. But it also touches on Anglo American community initiatives such as enterprise development, mobile health clinics and bursary schemes that employees can access."

Each episode features a strong "call to action" to engage with Anglo American's projects in each community, and each character is associated with a specific learning outcome. For example, JB the mine supervisor finds himself at the mercy of loan sharks, while a subplot about his illegitimate son, mine worker Ma Rayzor, deals with youth violence.

Importantly, the series weaves in vital



The artwork for the award-winning community radio series Makarapa City

THE SOAPIE

that everyone's tuned to

Radio soap draws audience in with relatable characters and a compelling storyline, writes **Christina Kennedy**

conversations about female empowerment, reflecting the changing role of women in families and communities as they embrace entrepreneurship and take control of their health and education needs.

Makarapa City has been translated from English into six languages for broadcast across six SABC regional radio stations.

Radio presenters have been trained to introduce each episode with a recap and then summarise its key themes and take-outs afterwards, and listeners often call in.

The title of the radio series is drawn from the word 'makarapa', a mine worker's hard hat. It can also be seen in various colourful guises and forms during local soccer matches, and was a prominent feature of the 2010 Fifa World Cup, adding to its symbolism as an entrenched cultural reference.

Makarapa City has won a number of awards, the most recent of which was a Gold Quill of Excellence award in the community relations category at the International Association of Business Communicators Conference in Washington in June.

The radio play is not only a quality product, it has also proved effective in the targeted communities. Research conducted by Millward Brown showed that the campaign scored high on respondents' understanding and enjoyment of its storyline, and they found it credible.

The effect on brand trust was significant – 87% changed their perceptions about the company, and most said Anglo American provided them "with new information and a different thought process, therefore triggering an overwhelmingly better impression of the company and its role in South African communities".

Makarapa City is also poised to feature in community newspapers, bringing the same characters to life in print and extending its reach.

"We've found that the series has resonated strongly with workers," says Ramchander.

"They've been educated and their perceptions have been challenged and, often, changed. It's very powerful and it grips a person – when you listen to the story, you want to know more."

It might soon slip from memory that Anglo American was, until fairly recently, the largest single private sector employer in the country. Its gold mines alone employed 200 000 people in the late 1980s.

However, the latest wave of divestments and restructuring it announced in recent years, means that Anglo American's position at the centre of new developments on the mining labour front has changed.

For much of the 20th century, the mining industry was central to South Africa's migrant labour system, organised around far-flung "labour sending areas" and hostel compounds on the mines.

It was a system premised on low wages for black workers on short-term annual contracts, who lived in hostels and faced extreme danger underground.

The proportion of non-South African migrant workers in South Africa's mines reached a high of 80% in 1973.

Since the 1970s, Anglo American has been a pioneer in dismantling that system. By the end of 2014, the company had fully converted all traditional mining hostels into single or family units. The labour force that remains in South Africa is also biased towards mechanised mining. But before this structural shift, Anglo American did a lot to clean up the industry's legacy.

In the mining industry, it is widely believed that the National Union of Mineworkers (NUM) would not have become such a formidable force in the 1980s if not for Anglo American's then noteworthy decision to allow unionists access to the group's hostels.

To paraphrase historian Dunbar Moodie, in the 1980s, the South African mining houses split into identifiable groups, with Anglo American leading a relatively liberal approach to the new black trade unions of the time, while certain rivals were associated with a harsher strategy of containment and exclusion.

Managers at the rock face were not always receptive to the spirit that had taken hold at Anglo American's headquarters at 44 Main Street, which was personified by two people in particular – Alex Boraine and Bobby Godsell, who advocated for the right to organise, bargain and strike.

When about 300 000 mine workers participated in the historic 1987 strike, Anglo American mines were the centre of gravity.

The company would stay central to major labour events in the democratic era.

Anglo American Platinum hostels became the site of a now largely forgotten union war in the late 1990s involving the Mouthpiece Workers' Union, which brutally usurped the NUM for a brief period.

In 2014, the same company was at the centre of the largest strike of the democratic era when most of the platinum industry ground to a halt for five months in the first show of strength by the new force in the union world, the Association of Mineworkers



Mine workers wait to board a lift to take them underground at an Anglo American Platinum mine in Rustenburg three years ago. At the time, South Africa's platinum industry was hit hard by a five-month-long strike in the sector organised by the Association of Mineworkers and Construction Union

The labour **LEGACY**

Anglo American has been central to major labour events in South Africa, writes Dewald van Rensburg

and Construction Union (Amcu).

To better manage the mining industry's safety record, in 2008, through a partnership between Anglo American, labour organisations and the department of mineral resources, the Tripartite Health and Safety Initiative was launched.

With its central position in the mining labour system now ceded, Anglo American is still central to continuing the unwinding of its legacies. Recently, Anglo American and AngloGold Ashanti jointly made a settlement with former workers suffering from lung diseases, agreeing to a R460 million deal with workers represented by a British law firm.

A settlement to cover current and former gold mine workers who have contracted lung diseases, as well as their dependants, continues to be negotiated.

The company no longer has any interests in the gold sector after divesting what is now AngloGold Ashanti in 2004.

Anglo American has nonetheless set aside a provision for settling this long-externalised

cost of production – a provisional R1.3 billion.

This follows one of Anglo American's most universally celebrated decisions to provide antiretrovirals to all HIV-positive employees in 2002 – two years before the government finally abandoned its denialist stance.

Another distinctive feature of mine labour has been the pidgin language Fanagalo, which has long served as the lingua franca on gold mines, where it allowed functional communication between a white management and a black labour force.

Anglo American was the first mining group to announce its intention to phase out Fanagalo back in the 1980s. This project continues on mines that have since been divested.

While Anglo American is sometimes said to have "built" modern South Africa through investment and wealth creation, its historical role will largely have been through the hundreds of thousands of men who travelled the well-worn paths to the Witwatersrand from across South Africa and beyond.

New rules, NEW CHALLENGES

Anglo American determined to help find a resolution to the current regulatory impasse, writes **Jade Davenport**



The mining sector in South Africa is being marred by an unprecedented state of regulatory uncertainty, which is not only forcing it to question its short- to medium-term investment decisions, but, more significantly, is jeopardising the very investible future of the broader mining industry.

At the heart of this uncertainty is the question of how best to empower black South Africans in an industry that is still seen to be owned and operated by the white minority.

Since the middle of June, the department of mineral resources has been attempting to force an empowerment structure where every company with an existing mining right is required to have at least a 30% black shareholding.

However, if Anglo American's empowerment legacy has demonstrated anything over the past 20 years, it is that a one-size-fits-all approach cannot work. South Africa's mining industry is highly complex – from the nature and financing of the assets to the communities within which an operation is situated – so every empowerment transaction has to be nuanced.

Norman Mbazima, Anglo American's deputy chair for South Africa, has played a key role in the company's empowerment initiatives since 2003.

"When we started undertaking these transactions in the 1990s, there were no guidelines stipulating what empowerment should look like. We had to pioneer the process, not only from the perspective of structure and implementation, but also by determining what the fundamental spirit of empowerment should be," he says.

Since negotiating one of South Africa's first empowerment deals in 1996 – the sale of Anglo American's stake in Johnnic to the National Empowerment Consortium – the company has



Anglo American wants to be part of the success of a country because that engenders the success of the company itself. You cannot be successful in the middle of chaos

completed more than R67 billion worth of empowerment transactions. In achieving this, Anglo American has pursued six different strategies – each of which have suited the particular time, environment and situation.

As South Africa's largest holder of mineral rights and assets, Anglo American, from the early 2000s, relinquished control of some major mining rights to empowered companies to facilitate their participation in the mining space. It has also actively financed the development of a range of small mines for black individuals and companies, an example being the Imbani Coal operation in KwaZulu-Natal.

The company has entered into joint ventures with empowered companies such as African Rainbow Minerals to run operations in a 50-50 partnership. It has also relinquished majority shareholding in some key assets, which has facilitated the emergence of powerful empowered companies such as Exxaro.

Conversely, empowered companies, such as Inyosi Coal, have invested in the company to increase its level of empowerment.

In every commodity in which Anglo American is involved, it has implemented employee share

ownership schemes and facilitated community participation.

"Some of these ventures have been more successful than others, although this has mostly been determined by the underlying success of the asset," says Mbazima.

While Anglo American has also transformed its board and management to more accurately reflect South Africa's demographics, it has focused most of its effort on external empowerment strategies to help historically disadvantaged black people get a leg up in the mining industry.

"It is for that reason that it is very difficult for us to ever be seen as an empowered company. Despite all that Anglo American has achieved, its image is still very historically entrenched," says Mbazima.

Dealing with this conundrum requires Anglo American to apply its resources to assisting the resolution of the current regulatory impasse in which the industry finds itself.

Mbazima believes that at the heart of this impasse is the fact that, at no time, has anyone envisioned what South Africa's mining landscape should look like once empowerment has been completed.

"We need to be able to say our country will be successful and happy if the mining industry looks like this. But we are not there yet."

He says that Anglo American is presently applying its mind to this fundamental question.

"Mining Charter III is not the end state for the industry. So we are in the process of determining what that end state should be and how best we can contribute to that process."

Driving this approach is the company's century-old philosophy to be a profitable and good corporate citizen.

"Anglo American wants to be part of the success of a country because that engenders the success of the company itself. You cannot be successful in the middle of chaos."

A century of stories: Did you know?



1 The foundation of Anglo American in 1917 was facilitated by **Herbert Hoover**, the man who became the United States' 31st president in 1929. At the time, Hoover was a mining engineer who was interested in assisting American capital obtain a foothold in South Africa's lucrative mining industry. So, after meeting with Ernest Oppenheimer, he arranged American participation in the new venture through Newmont Mining Corporation, its bankers JP Morgan and the London merchant bankers Moran Grenfell.



2 **Sir Ernest Oppenheimer** wanted to name the company African American to emphasise the company's roots in South Africa and to acknowledge the American investment that had made the company's establishment a reality. The name was vetoed by the American investors because the words in the United States referred to "our dark-skinned fellow countrymen", which could "possibly result in ridicule".



3 It was for his financial contributions to World War 1, as well as his leading role in the recruitment of combatants and labourers for various fronts, that Ernest Oppenheimer was knighted in 1921 by **King George V**, the grandfather of Queen Elizabeth II.



4 In 1959, the large sum of £300 000 was donated by the Sir Ernest Oppenheimer Memorial Trust to improve the appalling living conditions in the townships around Johannesburg. To acknowledge that contribution, it was proposed that the township to the south-west of the city, which had not been formally named, be christened Opahama, the name by which Africans throughout the subcontinent had known Sir Ernest. But the idea of naming an African settlement after the great enemy of Afrikaanerdom could not find favour with the Nationalists. In the end, the Johannesburg city fathers adopted a simple abbreviation for the name they had used all along – **Soweto**.



6 In the mining world, 1940 to 1970 is considered the golden age of shaft sinking. In 1959, Vaal Reefs captured the world **shaft-sinking record** – sinking No 2 shaft 300m in a 30-day month. A decade later, that record had been bettered many times, with Ukraine's Bis mine's shaft sunk to 401m.



5 In 1947, a New York copywriter at NW Ayer created the tagline: **A Diamond is Forever**. The advertising campaign that supported it created the market for the diamond engagement ring as an eternal symbol of love and commitment. The copywriter died in 1999, but, by then, the percentage of first-time brides who had a diamond engagement ring had grown from 10% in the 1940s to 80% in 1990.



7 In 1964, the **Rockeater**, a deep-water mineral prospecting vessel, was chartered by De Beers off the Atlantic coast of then South West Africa, creating a new frontier in diamond discovery. In 1990, new methods of deep-sea diamond mining 200m below the ocean's surface off the Namibian coast strengthened that country's diamond future.



8 Anglo American's **Employee Shareholder Scheme** was started in 1988 and, by the end of that year, 133 000 employees owned a direct stake in the company. Anglo American has 87 000 employees and contractors worldwide, and has 37 assets on four continents, 24 of which are in southern Africa. Of the world's platinum, 40% is mined by Anglo American and the company also mines copper, nickel, manganese and iron ore, as well as coal and diamonds.



9 The **CommunityMark award** is awarded to Anglo American in 2010. It is the first time the prestigious award is presented to a mining company for responsible business practices, and a focus on social and environmental needs.

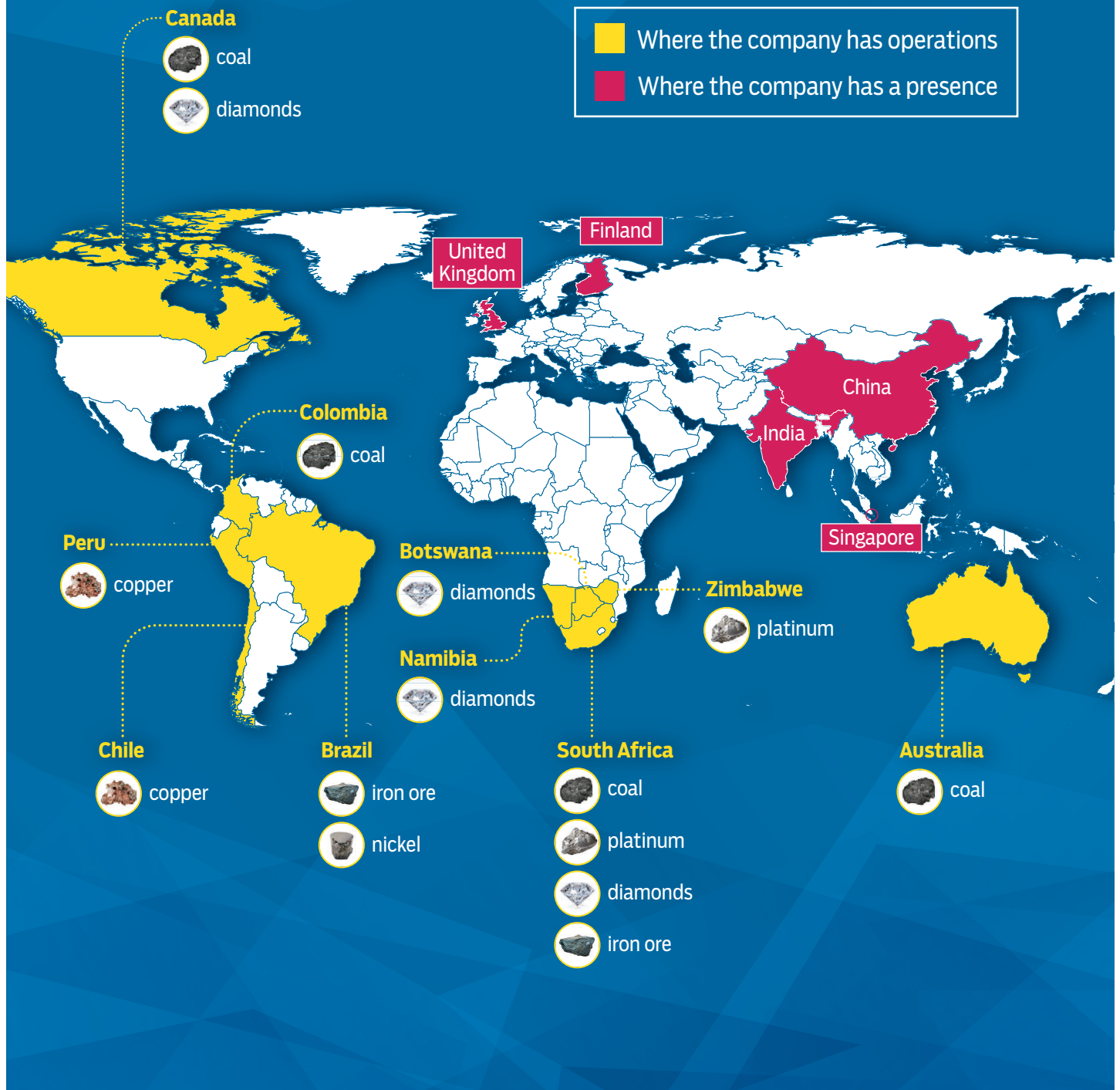


10 The **68-carat Taylor-Burton diamond** became famous when bought by Richard Burton in 1969 as an engagement present for Elizabeth Taylor. Discovered in South Africa's Premier mine just three years earlier, it was originally set into a ring – though Elizabeth Taylor had it recast into a necklace after she found the rock too heavy to wear. Taylor sold the diamond a decade later after the couple's second divorce for a figure believed to be \$3 million, which she used to fund the construction of a hospital in Botswana.

Sources: Anglo American, The Atlantic, The Telegraph, Republic of Mining



Where in the world is Anglo American?





100
YEARS
1917 - 2017

TOGETHER, WE MAKE A REAL DIFFERENCE. THANK YOU.

This year we're celebrating 100 years of community partnerships. From schools and houses to clinics and community centres, together we've built stronger communities. Thank you for being our partners in South Africa. Here's to the next 100 years of making a better future possible.

Together, we build our future.