

the A MAGAZINE

SOUTH AFRICA

Issue No. 13

May 2013

PERSPECTIVES
Restoring faith
in the mining
sector

INNOVATION:
Protecting our
liquid resources

**MARK
CUTIFANI**

Realising potential,
delivering value

SUSTAINABLE MINING, ON TAP



THEMBILE XINWA
Miner and eMalahleni Community Member

A MINE MAKES A GOOD
NEIGHBOUR. TO US, THAT MEANS
SHARING COMMON RESOURCES.

IN EMALAHLENI, OUR THERMAL
COAL BUSINESS PARTNERED
WITH THE MUNICIPALITY
TO BUILD A STATE-OF-THE-ART
WATER RECLAMATION PLANT
IN 2007. WE NOW PURIFY
30 MILLION LITRES OF
WATER EVERY DAY FROM
FOUR COAL MINES, WHICH
CAN SUPPLY 80 000 PEOPLE
IN THE COMMUNITY.

IT IS A SOLUTION THAT
DOES BOTH PARTIES PROUD.
AND SINCE WE KEEP GROWING,
AS A COMPANY AND A COUNTRY,
WE PLAN TO EXPAND THE
FACILITY TO CLEAN 50 MILLION
LITRES EVERY DAY BY 2013.

IT IS ANOTHER PARTNERSHIP
DEFINITELY WORTH DRINKING TO.

FIND OUT MORE AT
GETTHEFULLSTORY.CO.ZA

LOOKING AT THE BIGGER PICTURE

A key question for many mining companies navigating their way through volatile times is where to focus their efforts. Within the South African context, I believe that the answer lies in improved industry collaboration, coordinated negotiations with governments and regulators, as well as a stronger focus on corporate social responsibility and creating sustainable operations.

While past relationships between mining companies and their stakeholders have often been stormy to say the least, there are those who look beyond that and see the potential for closer partnerships and co-operative co-development. I see the tide steadily shifting in this direction, as more and more large corporations establish clear ethical standards and reach out to the communities where they have a direct impact. Pragmatic stakeholders acknowledge that we share a common interest in ensuring that local people share fully in the benefits of a mining operation in their community, and that mining investments benefit the country as a whole, not merely a selective elite.

This common interest lies at the heart of successful collaboration, along with a genuine desire to understand the underlying community development issues that mining operations in developing countries face, plus the ability to view mining operations within the larger economic and social life of the communities in which they are located.

I take heart in the fact that, despite the challenges of the past year, South Africa's mining industry, government, communities and stakeholders have pursued this collaboration and kept a constructive conversation alive – a conversation that, a decade or two ago, might not have started at all.

It is this kind of willingness to work together that will help our industry to retain its position as a driver of economic growth and an agent of change – a view that is reiterated in this edition of *A Magazine* by guest writer Gavin Keeton, associate professor at Rhodes University. He provides an overview of the current state of mining and what he believes it will take to restore faith in the sector (see page 10).

In this edition we also welcome Anglo American's new chief executive, Mark Cutifani, who, over the next few months, will be looking very closely at the Group's strategy and portfolio to establish if it is realising the full potential of its diversity, and how better to deliver on that potential. Read what Mark has to say on page 8.

Other articles of interest in this edition include the interview with Anglo American's chief medical officer, Dr Brian Brink, on page 30, which looks at health challenges in developing nations; as well as an opinion piece from acting managing director of Zimele, Dr Lia Vangelatos, who offers her perspective on the multi-faceted role of today's corporate investor (page 27).

Paging through this edition of *A Magazine* reveals that while these are indeed difficult times for the industry in South Africa, there is still a lot of good work and progress still being achieved.

I trust that you will find this as encouraging as I do.



KHANYISILE KWEYAMA

EXECUTIVE DIRECTOR,
ANGLO AMERICAN
IN SOUTH AFRICA

IN THIS ISSUE

04 FACTS, STATS & NEWS IN A NUTSHELL

Millionaire hat trick for Greenside; SEAT toolkit now publicly available; Zimele wins Drivers of Change business award; CSI Handbook rates Anglo American tops; performance results; Contractor CEO Summit; and CEO handover.

10 SPECIAL FEATURE

An industry under pressure: what it will take to restore faith in the mining sector.

12 REAL MINING

Safety and sustainable development results that count; protecting our liquid resources; up close and personal – taking a closer look at the diamond business; putting safety improvements in the hands of robotics.

20 REAL PEOPLE

Putting roofs over heads; a day in the life of an exploration geologist; managing the role of women in mining.

27 REAL DIFFERENCE

The multi-faceted role of the enterprise development investor; healthy systems make for a healthy nation; HealthSource under the global spotlight; clean bill of health for Thermal Coal; EIP graduates making an impact; local farmer grows from strength to strength; tackling fetal alcohol syndrome in South Africa; SME finds innovative cure for community; building from the foundation up.

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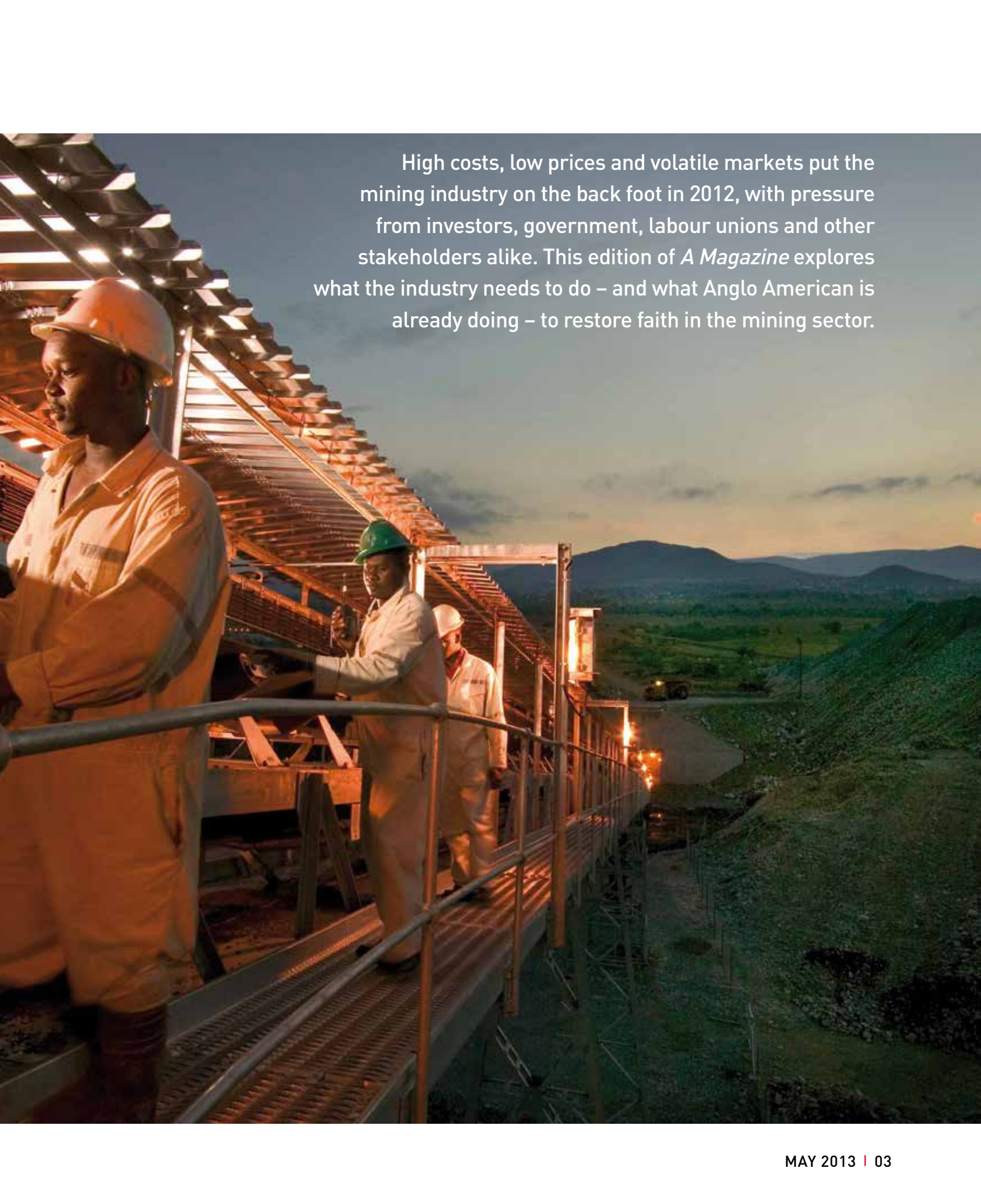
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NOTE: Please note that any rand/dollar conversions contained in this edition are based on the exchange rate on the day of going to print. All dollar amounts are US\$.



Alton Nolawu (miner), belt attendants Geoffrey Maine and Tebogo Moremong, at Platinum's Boschoek conveyor and silo system in Rustenburg.

A photograph of three mining workers in white jumpsuits and hard hats (orange, green, and white) standing on a metal walkway or conveyor belt structure. The scene is illuminated by warm, golden light, likely from the setting or rising sun, creating a dramatic silhouette effect. In the background, there are rolling green hills and a distant mountain range under a twilight sky. The structure they are on appears to be part of a large-scale mining operation, with metal railings and complex machinery visible.

High costs, low prices and volatile markets put the mining industry on the back foot in 2012, with pressure from investors, government, labour unions and other stakeholders alike. This edition of *A Magazine* explores what the industry needs to do – and what Anglo American is already doing – to restore faith in the mining sector.



Supervisor Joseph Mbangane inspects the loading of one of the coal train carts at Greenside colliery, Thermal Coal's most productive underground mine for six years running.

MILLIONAIRE'S HAT TRICK FOR GREENSIDE

Greenside colliery has a history of great productivity, having been Thermal Coal's most productive underground mine for six years running. This year, three of its sections were ranked among South Africa's top five highest producing underground continuous miner (CM) sections, according to Mining Consultancy Services (Pty) Ltd South Africa.

The operation's George section hit the magic million-tonne mark in December last year without a single recordable safety incident, followed by

Thandeka and Vumagara sections, which also ended the year without a scratch.

Vumagara is home to Africa's first flexible conveyor train, a continuous haulage system that eliminates bottlenecks from typical underground CM and shuttle car operations, allowing today's high-production CMs to operate at their maximum capacity.

In September last year, it yielded 116,708 tonnes – the highest monthly figure produced outside the United States.

IN THE FRONT SEAT

Since 2003, Anglo American's Socio-Economic Assessment Toolbox (SEAT) process has become a benchmark for improving socio-economic performance in the mining sector. The third such toolkit is now publicly available.

SEAT's positive impact is evident in the investment Anglo American ploughs back into communities. In 2012 this included:

R775 m

Our CSI spend in South Africa

R29.8 bn

Group BEE and business development spend

"A mining company's prosperity is inextricably linked to its ability to create a positive impact beyond its fence line," says executive director for Anglo American in South Africa, Khanyisile Kweyama, regarding Anglo American's SEAT process, which is increasingly being seen as best practice when it comes to driving socio-economic change.

"Real change requires a structured and defined approach to tackling issues, which results in better accountability for all its stakeholders," she says. "It is essential that building relationships and supporting local communities are factored into a company's philosophy and business strategy."

Since 2003, Anglo American has been refining the SEAT process to not only identify specific issues and impacts on communities (and even wider societal transformation), but also to enhance the Group's capacity to better address issues through the development of effective management and monitoring programmes.

"SEAT reports now form the core component of our operations' social management plans," adds Khanyisile.

Owing to its success, and significant public interest, Anglo American has made Version 3 of SEAT freely

available to enable other organisations to make similar positive impacts in their surrounding communities.

To access the latest SEAT toolkit visit www.angloamerican.com/seat

TAKE A SEAT: 7 STEPS TO SUCCESS

The SEAT process is divided into seven steps, each supported by a number of tools.

- STEP 1: Profile the Anglo American operation and the host community**
- STEP 2: Engage with stakeholders**
- STEP 3: Assess and prioritise impacts and issues**
- STEP 4: Improve social performance management – how we interact with our stakeholders**
- STEP 5: Deliver enhanced socio-economic benefits to host communities**
- STEP 6: Develop a social management plan**
- STEP 7: Prepare a SEAT report and feedback to stakeholders**



IN POLE POSITION FOR DRIVING CHANGE

Anglo American's dedicated enterprise development arm, Zimele, has won the 2012 Southern Africa Trust and Mail & Guardian Drivers of Change business award.

The award celebrates projects across southern Africa that positively impact the lives of people living in poverty, through the development and implementation of effective public policies and strategies.

"This acknowledgment is an honour. It demonstrates that our funding model has proved truly effective in furthering enterprise development in South Africa, and easing poverty and unemployment on a wide scale," says Dr Lia Vangelatos, acting managing director of Zimele. "We are determined to inspire others to replicate this model and adopt it as a best practice driver of positive and real change in South Africa."



Shirley Moulder, a trustee of Southern Africa Trust, with Dr Lia Vangelatos, acting managing director of Zimele, at the 2012 Drivers of Change Awards gala dinner.

ZIMELE'S WINNING STREAK

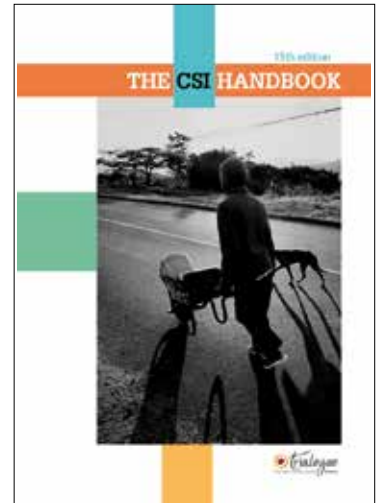
In 2012 alone, Zimele achieved the following:

- R150 million in funding
- 318 companies supported
- 500 loan transactions completed
- 6,713 people employed through funded organisations
- R1.1 billion of collective turnover

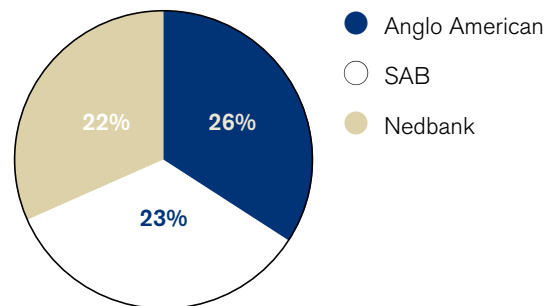
WE ARE SA'S MOST PROMINENT CSI INVESTOR

Once again, corporate companies and non-profit organisations alike have voted Anglo American as having the most influential developmental impact in the country.

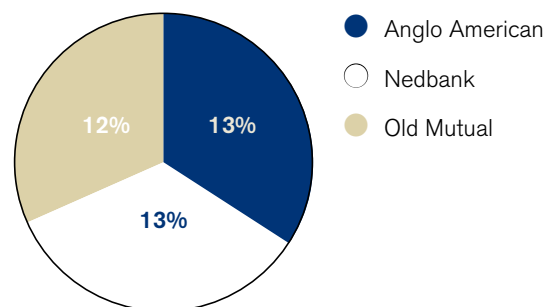
These results were published in Trialogue's 15th CSI Handbook, an invaluable resource on CSI developments in South Africa, which offers in-depth analysis and research on the industry as well as rates the industry's top donors with disclosed CSI budgets of over R10 million.



Corporate perceptions (frequency count*)



Non-profit organisation perceptions (frequency count*)



* The companies mentioned most frequently by other corporates, with reference to achieving the most development impact.

STRONG OPERATIONAL PERFORMANCE A GOOD SIGN

2012 presented numerous challenges across the industry, including a drop in prices across all commodities and increased operational costs. Despite an underlying profit decrease of 44% to \$6.2 billion, Anglo American presented a strong operational performance.

HIGHLIGHTS



17.7 Mt

— a record production of export metallurgical coal from Metallurgical Coal, up 24%.

43.1 Mt

— a record production at Kumba Iron Ore, up 4% despite the unprotected strike at Sishen, and due to the ramp-up of Kolomela.

10%

increase in copper due to the ramp-up of the Los Bronces expansion.

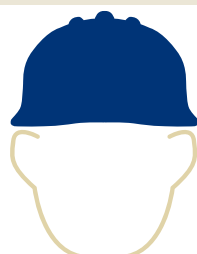


15%

increase in the final dividend to 53 US cents per share, bringing rebased total dividends for 2012 to 85 US cents per share.

2.8 bn

in underlying earnings and underlying EPS of \$2.26 billion.



48%

improvement in lost-time injury frequency rate since 2006.

NEW OPERATIONS AND EXPANSIONS RAMPING-UP



8.5 Mt

produced at Kolomela Iron Ore, currently ahead of its ramp-up schedule. On target for 9 Mt in 2013.

22,000 t

produced at Barro Alto nickel, progressing to full run rate.

5.0 Mt

produced at Thermal Coal's Zibulo colliery.

196,000 t

produced at Los Bronces copper expansion; full ramp-up achieved in August 2012.



1.2 bn

of underlying operating profit delivered in 2012.



Delegates debate safety issues during a workshop at the recent Contractor Summit.

CONTRACTED TO RETURN HOME SAFELY

Anglo American and senior leaders from its major South African suppliers gathered at a special summit to discuss the safety, health and well-being of contract employees working at Anglo American sites.

Everyone has a right to work safely, enjoy good health and return home to his or her family at the end of the day. This is equally important for employees and contractors, the latter making up a significant percentage of the workforce on some of our sites.

We therefore believe it's important that both contractors and full-time employees are provided with the same high standards of safety, health and well-being services.

The objective of the Contractor Summit was to discuss matters relating to the safety, health and welfare of the people working in our South African operations, with a special focus on occupational health and primary healthcare.

It also aimed to give contractors a clearer understanding of the

requirements of being a contractor to the Group.

"Operating safely, sustainably and responsibly is embedded in everything we do, and a core Anglo American value," says Linda Wedderburn, global sustainable responsible supply chain lead at Anglo American.

"We need to work with our contracting companies to understand what we can do together to improve the welfare of both our employees and contractors."

"At some of our operations, contractors make up as much as 50% of the workforce. Many of these people have been with us for years and have built up years of knowledge and experience. As a result, their health and well-being are extremely important to us."

VIRGINIA TYOBEKA, executive head of human resources, at Kumba Iron Ore

"This was a highly successful summit with a high level of engagement from both Anglo American and our contracting companies. All parties agree that, working together, we can improve the safety, health and welfare of workers at Anglo American sites."

DORIAN EMMETT, Group head of safety and sustainable development

"It is vital that we take seriously the health and well-being not only of our own employees but also of our contractors, as this has a direct bearing on safety and our journey to Zero Harm. It will cost money, but one cannot put a price on human life."

PHILIP FOURIE, Thermal Coal head of safety and sustainable development

REALISING POTENTIAL, DELIVERING VALUE

On 3 April 2013 Mark Cutifani took the reigns as new chief executive of Anglo American plc, bringing with him a wealth of experience that spans six continents, 25 countries and 20 commodities. Anglo American welcomes this seasoned and highly respected leader in the global mining industry to the Group.

“Throughout the mining industry, the words ‘major diversified group’ are thrown around fairly lightly, but when one looks at the dominance of iron ore across many portfolios it could be argued that some companies are not as diversified as they once were. You can’t say that for Anglo American.”

So says Mark Cutifani, new chief executive of Anglo American plc, who, over the next few months, will be looking very closely at the Group’s portfolio to establish if it is realising the full potential of its diversity, and how better to deliver on it.

Q: What are you going to be focusing on in your first few months?

I haven’t been an engineer for many years but am still quite logical in the way I think, particularly in terms of how we create value. Over the next three to four months I will be looking at the commodities we’re in – do they make sense and are they the right commodities for the future? I will look at the assets – are they competitive, are they as good as they could be, and should we be doing things differently to realise value? I will also look at the balance sheet – do we have the capacity to realise that value and are we flexible enough in the way we operate?

Q: How would you describe yourself and your role as a leader?

I have learned that the one thing that is most important in a leader is being able to deliver a leadership message with clarity and simplicity. Our job as leaders is to create value for our shareholders, our employees and all the stakeholders who are becoming so much more important to all parts of our business.

Leadership is all about people. It is about making sure that leadership messages are understood, and that people’s responsibilities and accountabilities are absolutely crystal clear. Holding people to account for delivering on their commitments ultimately defines who I am as a leader.

Q: What is your long-term view on the global economy and commodities cycle?

There is always some uncertainty – this is the world we live in and these are the things we have to deal with. That doesn’t worry me. In terms of water, energy and commodities, however, the world is short.

As a company we can create real value by being smarter and quicker than our competitors in meeting those needs in terms of the broader community, and at the same time making sure we’re doing the right thing by our local communities, our own employees and all the people who are impacted by our business.

Q: What is your current stance around Anglo American’s commitment to South Africa?

Let me say that I recognise that South Africa remains critical to our shareholder-value proposition. Likewise, we remain important to South Africa’s longer term development prospects. I am confident that we can operate more effectively in all of our key jurisdictions, recognising that our local communities and our host nations are our most important stakeholders. We must be driven by our desire to deliver value to our shareholders while being guided by our understanding of the need to deliver long-term sustainable social outcomes.

“This is a great opportunity and I feel privileged to be given the chance to lead Anglo American.”

MARK CUTIFANI, chief executive of Anglo American

Q: What lies ahead for Anglo American?

I have seen the industry go through a range of cycles. At any given point in time, with the right asset and opportunity, each strategy [to buy, sell, develop or grow] is a good one. My job as chief executive is to keep my mind open to all possibilities and to make sure that we as a team understand what value looks like for shareholders, how to see value in any one of those opportunities, and how to execute a transaction, project or deal so that we deliver on that.

That is what will enable us to create value for shareholders, employees and stakeholders, and that is what a sustainable mining business has to be all about.

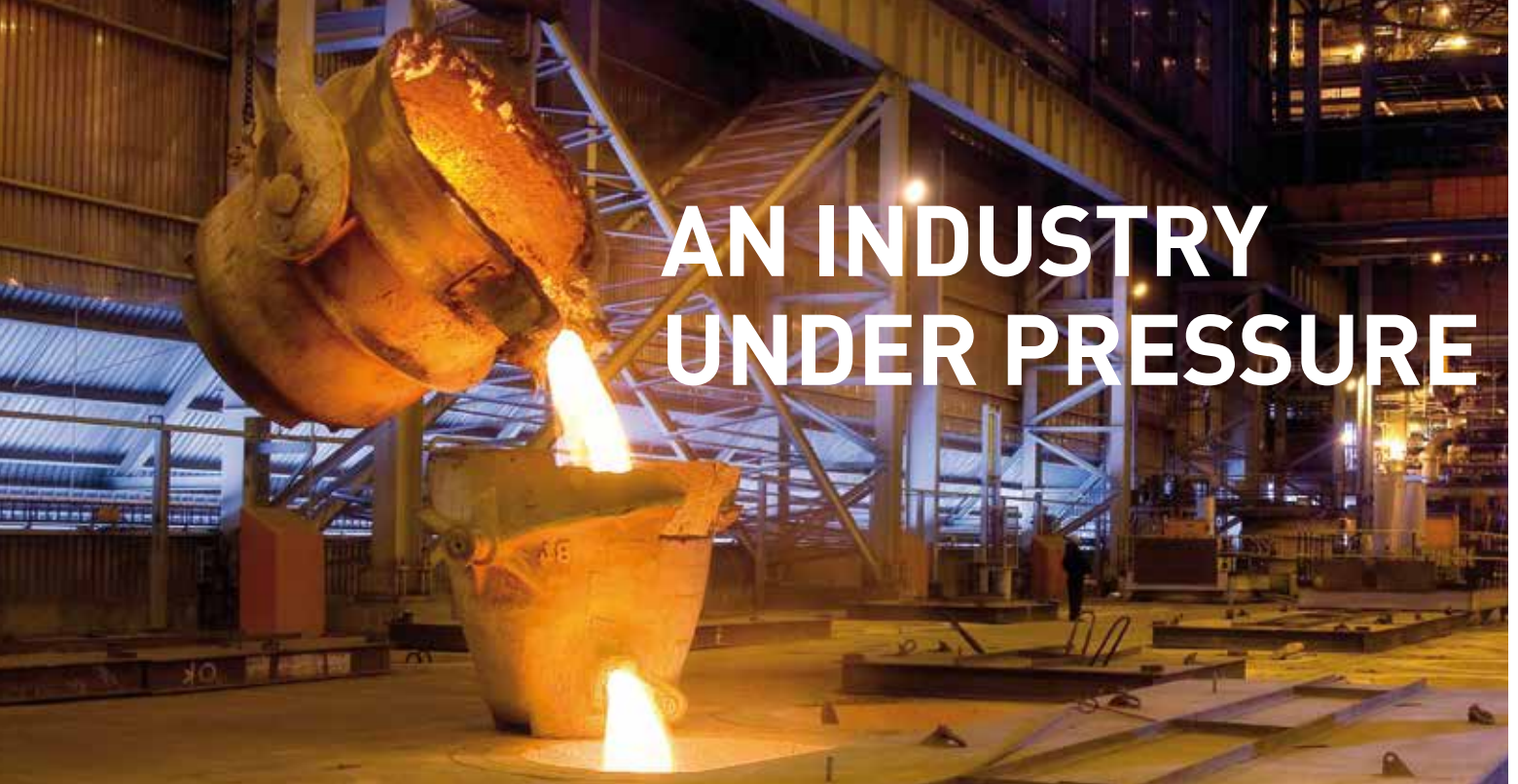
WHO IS MARK CUTIFANI?

Mark Cutifani started his career in the coal and gold mining industries in Australia and has experience across a wide range of commodities.

He has a degree in mining engineering and his career in the mining industry spans 36 years.

Most recently, he was chief executive officer of AngloGold Ashanti Limited, the South Africa-based gold producer, since 2007 and led the successful restructuring and development of its business, which included operations in 10 countries on four continents. Prior to this role Mark was the chief operating officer of CVRD Inco, the Canadian nickel company. Mark is the current president of the South African Chamber of Mines.





AN INDUSTRY UNDER PRESSURE

Mining the world over is taking strain. The global economy is starting to improve but commodity prices have weakened, leading to delays in project rollouts and cutbacks on investments. South Africa's mining industry is feeling the pressure more than most, and it is a time for sober realism on all sides, says guest writer Professor Gavin Keeton.

“Platinum is South Africa's largest export earner, so it is vital that production is sustained at profitable levels. Some high-cost production and jobs will have to be shed to protect overall output and employment. The costs of getting things wrong will be enormous.”

GAVIN KEETON, associate professor of economics, Rhodes University

The recent announcement of the results of Anglo American's review of its Platinum business, and the proposal to mothball certain shafts, seemed to catch some role players unawares. But it has been obvious for some time that the platinum industry – and mining generally – is an industry in distress.

With the exception of the iron ore sector, costs have risen across the board, prices and demand have dropped, and production has been severely disrupted.

The impact on South Africa's economy is most evident in its export market: we currently face an enormous deficit on the current account of the balance of payment, which has caused the rand to come under increasing pressure. We got away with this deficit for some time because foreigners were bringing money into the country, and specifically into the local bond market, but over the last 12 months foreigners have become far more wary. We have started seeing an increase in foreign equity sales, and the situation is a lot more delicate than it was two years ago.

Equity and bond investors are now looking very closely at the South African mining industry. If production starts to rise and our deficit reduces, then those investors will be happier to invest. However, if there are further strikes or production losses, or a widening of the deficit, we could face the risk of equity and bond investors taking flight.

It is unlikely that global prices will come to the rescue,

and I suspect we will see severe labour shedding in the local industry in response to rising costs. This mirrors what happened more generally in our economy during the recession. On the whole, South Africa gave the fourth-highest real wage increases in the world during the global downturn, but it also suffered the most job losses. Within the context of the current unrest, there is therefore an urgent need for mining companies to maintain the delicate balance between preserving jobs and ensuring business sustainability.

Opportunity missed

It is essential for South Africa to have a robust and resilient mining industry in order to take advantage of the demand that will develop as global recovery picks up. For most of the last decade we have missed out on an extraordinary mining boom. This becomes clear when you compare, for example, investment in South African mining with what's happened in countries like Australia.

Where investment in South African mining doubled, in the same period in Australia it grew eightfold. While Australia continued to do relatively well throughout the recession on the back of its mining industry, in South Africa, mining production fell at a time of record prices.

Quite simply, we've missed out on enormous potential to boost our industry and economy.

There has been growth in certain areas – the iron ore industry has started to increase its production and export now that Transnet has the capacity to move greater volumes of product. Unfortunately we haven't had the same pick-up in production in other areas.

The need for stability

It will take a combination of factors to restore global investor faith – as well as the faith of local business and the population – in the mining industry.

The most critical is stability, both in terms of the 'rules' of mining and the infrastructure on which it depends. South Africa has been through more than a decade of considerable structural changes, all of which were required. But just as the broad-based black economic empowerment changes were negotiated and bedded down, then came the talk of nationalisation and speculation that government might change the rules for mining. This has raised all sorts of uncertainty, made worse by ongoing infrastructural and electricity issues.

Rapidly rising electricity costs have cut into profit margins, and consumers are being forced to fund from revenue the capital costs of Eskom's capacity expansion. The damaging effect of this punitive tariff structure is now becoming apparent right across the economy.

For power-intensive industries like mining, reliability of electricity supply is as important as price. The new supplier that is supposed to be coming on stream – Medupi Power Station in the Waterberg – is already behind schedule, with talk of further delays. Mining companies need to know there is enough electricity available in order to send their people underground safely. The industry cannot afford to repeat what it went through in 2008, when there simply was not enough power to operate.

We're not in that same situation yet, but there is a looming threat that if the issues with Medupi are not resolved soon, we could face this all over again.

All of that said, the mining industry and specifically mine management, needs to consider its own role in the current situation and take some responsibility for the sharp rise in production costs. At Anglo American's Platinum business, for example, the cost implications of mining the UG2 orebody instead of the more accessible Merensky reef (in order to meet higher production requirements) were underestimated.

Across the platinum industry aggressive growth targets doubled employment between 1998 and 2011. However, production rose just 46%. Accompanied by higher-than-inflation wage settlements, this means that in real terms,

the total wage bill rose fourfold from 1998 to 2011.

For as long as commodity prices remained high, the impact of those cost increases was not immediately problematic. However, the current lower prices have highlighted the growing pressure on margins. Coupled with lost production time as a result of temporary shaft closures – time which cannot be caught up – the cumulative result is that the platinum industry is no longer profitable.

Time to take action

South Africa is in a vulnerable position, and one cannot anticipate how soon or how quickly the situation might change. We have already seen periods of extensive investor withdrawal, hence the weak rand, which has lost 30% in value over the last 14 months. This is an obvious sign of investor concern. However there is no panic yet, and hopefully there won't be, but we do need to start taking preventative action.

One positive aspect in all of this for South African mining is the weak rand, in the sense that companies are earning more rands per dollar for their products, which provides some measure of relief.

Another aspect to feel positive about is the extent of collaboration currently taking place within the industry, between mining companies, government and various stakeholders. This wasn't always the case. There were times when government and industry were not able to talk, and while recent conversations might sometimes be fraught, at least they are taking place. At a departmental level within government I believe there is an understanding of the pressure that the industry is under and the importance of its sustainability within the broader economic context.

South African mining certainly has the potential to regain its position as a vigorous driver of economic growth, but it will require a powerful vision and great effort to put all the necessary things in place to turn the current situation around.

ABOUT PROFESSOR GAVIN KEETON

Born and educated in Grahamstown, South Africa, Gavin Keeton obtained a PhD in Economics from Rhodes University in 1984. He worked as an economist at the Development Bank of Southern Africa and then at Standard Bank Investment Corporation before joining the economics office of Anglo American in 1990. As chief economist from 2001 until March 2008 Gavin was responsible for advising the Group on developments in the global economy and financial markets, and their implications for the mining industry. In 2009 Gavin returned to Grahamstown as an associate professor in the Department of Economics and Economic History at Rhodes University. He is the author of numerous articles in the financial media on policy issues affecting South Africa.

EFFORT ADDS UP TO RE

Working safely and responsibly is as deeply embedded in our business as the coal and precious metals are in the ground that we mine.

Here are some of the highlights of the progress achieved by Anglo American's safety and sustainable development (S&SD) function during the past year:

SUSTAINABILITY INTEGRATION

- Operation reviews have delivered value opportunities of \$63 million, as well as more than 40 investment reviews, interactions and milestone plans.
- The team developed a mergers and acquisitions (M&A) due diligence recommended practice, and participated in 13 due diligence processes. It also integrated sustainability considerations into key asset optimisation projects.
- The Sustainability Valuation Approach is now mandatory across Anglo American (from April 2013). Aimed at analysing, prioritising and measuring the contribution of various sustainability initiatives, SVA is being introduced to M&A valuations and total cost of ownership initiatives in Anglo American's Supply Chain.
- The team established partnerships with the Globally Responsible Leadership Initiative (GRLI) and Rhodes University. It also developed and initiated the integration process for De Beers.

PERFORMANCE AND REPORTING

- Business in the Community (BITC) awarded Anglo American a platinum ranking in the 2012 Corporate Responsibility Index (CRI) – the UK's leading voluntary benchmark of corporate responsibility.
- Anglo American achieved the highest score in the mining industry and for excellence in sustainability in the Dow Jones Sustainability Index.
- Anglo American and its Platinum business are the only mining companies to enter the Carbon Disclosure Project's Global 500 Carbon Leadership Index, achieving scores of 94% and 96% respectively in 2012.
- The 2011 Sustainable Development report was awarded the best sustainability report by Radley Yeldar.
- The team developed Visible Felt Leadership, Global Technical Standards and Risk and Change Management self-assessment tools throughout 2012.

RISK AND ASSURANCE

- Leading risk indicators are now in place across all business units to drive performance and improve trend observation.
- Anglo American has exceeded its 2012 risk and change management target improvement with a 20% increase in the Group average, up to 73%.
- 122 audit/review reports were generated with more than 3,000 controls evaluated during 2012.
- 65 specialists assisted with the 2012 audit/review programme, which included water quality, methane and explosive dust, action management and follow up, legacy issues, global information management safety and group technical standards.

SULTS THAT COUNT

ENVIRONMENT AND ENERGY

- Anglo American is forecast to generate savings of around \$75 million in 2013 through environmental and energy efficiency projects, with a long-term goal of being able to design a carbon- and water-neutral mine by 2030.
- We are more than halfway to achieving our energy and water targets and have almost achieved our carbon target.
- We are well on the way to achieving full compliance with the Anglo American Environment Way by 2014.
- We have launched a database of all energy and carbon savings ideas and projects across the Group.
- At Sishen, a diesel energy efficiency management system is helping to improve productivity and is saving 600,000 litres of diesel per year – equivalent to taking 600 cars off the road.

HEALTH

- Occupational hygiene has come to the fore, with a new communication and engagement programme highlighting the two greatest health hazards in mining – dust and noise. All business units have conducted self-assessments and are implementing improvement plans.
- Anglo American's first Health Summit was held, representing a shift in focus to the leading indicators of good health risk management.
- Business units are putting more emphasis on good occupational health records and information systems (see article on page 30).
- More than 5,500 employees received HIV/AIDS treatment in 2012 and for the first time more than 70% of HIV-positive employees enrolled in wellness programmes.
- The Group is at the forefront of business support for global health initiatives, such as the Global Fund to fight AIDS, TB and malaria and the GAVI Alliance for vaccines and immunisations.

SUSTAINABLE DEVELOPMENT ENGAGEMENT

- A new Environment Matters educational programme was launched to assist environment managers throughout the Group on World Environment Day.
- The inaugural Global Safety Day saw more than 150,000 employees and contractors gather together to share the common vision of Zero Harm.
- Anglo American's first Health Summit saw people from around the world gather to share best practice and improve knowledge sharing.
- Health and safety representatives met at the second global Health and Safety Conference of the International Council on Mining and Metals (ICMM) to improve best practice in the industry.
- We invited leaders from South African contracting companies to collectively address safety, health and welfare challenges at our operations in South Africa at our second Contractor Summit.
- We celebrated a decade of leading the fight against HIV on World's AIDS Day.

SAFETY

- Lagging indicators improved and lost-time injury frequency rate (LTIFR) dropped from 0.64 in 2011 to 0.60 in 2012. Losses of life also improved considerably, although tragically 13 lives were lost in work-related incidents last year.
- Our Group Safety Leadership Summit examined how we work with regards to safety and looked at finding ways to make what we do more effective. Learnings from the summit helped develop our Group safety improvement plan.
- The Tripartite Safety Initiative was expanded to include health, improving the effectiveness of standards, awareness of dust and noise, and hazard identification capabilities.
- Incident investigation and reporting has improved, alongside a better understanding and classification of direct and indirect causes of incidents. The Group now has a common database for incident notifications.
- We continued our focus on operational risk management. We enhanced our understanding of risks and effective controls throughout the Group and are working towards a more integrated approach, fortifying the link between safety and business performance.



Hamanda Jansen (left) and Anita Marques, environmental engineers, measure the water height at Barro Alto dam in Brazil.

PROTECTING OUR LIQUID RESOURCES

Water security and management are two of the key issues faced by the mining industry, and while Anglo American has excellent water policies and strategies in place, its challenge – as for most companies – is how to implement these effectively. Technical Solutions, one of the Group's in-house technical resources, believes it has a solution.

Water is the world's most critical resource, with vast quantities being used daily to manufacture consumables, generate power, process and extract minerals, process food and beverages, as well as in agricultural practices. However, it is estimated that by 2030 the earth's projected eight billion people will require 25% more fresh water. It is also predicted that by the same year there will be a 17% gap between water supply and demand in South Africa, with a shortage of around 2.7 billion cubic metres.

Despite this critical role and its growing scarcity, water continues to be an undervalued resource, explains Johanita Kotze, principal hydrogeologist at Technical Solutions.

"Low confidence levels in the assurance of water supply can have serious business implications or risks," she says. "For the mining sector these include uncertain availability in water-stressed regions, higher costs, regulatory caps on usage, conflicts with communities and other water users, increased pre-treatment and

waste water treatment costs, and increased responsibility to implement community water infrastructure and watershed restoration projects, to mention a few. It is for this very reason that water security is one of our top 10 identified risks for the company."

The multi-disciplinary team at Technical Solutions has been working hard to answer the challenge of how to implement Anglo American's water management policy and strategy as a prioritised technical solution, and make it an inherent part of day-to-day mining operations. And the answer may come in the form of the Integrated Water Management Service (IWMS).

Driven by Kotze, the IWMS combines the best of Anglo American's in-house technical, scientific and engineering skills in an integrated approach that offers hands-on business support in providing water management solutions to meet the business needs of all business units and operations, from exploration to closure.

The IWMS will be rolled out in close collaboration with Anglo American's water manager, Richard Garner.

The initial phase is the implementation of key services to develop solutions to meet business needs to improve water security, pollution prevention, water efficiency and data collection.

The IWMS could, says Kotze, present the next logical step in Anglo American's comprehensive water strategy. This strategy encompasses a three-stage journey phased over 10 years, with implementation being realised in three key areas: improving operational excellence, investing in technology, and engaging and partnering with stakeholders.

Kotze points out that the value of this approach becomes evident when you consider the reputational issues associated with water management, which have become as important a factor as safety, profit and productivity.

"In fact, the success of all of these is often dependent on the management of water resources," she says. "Investors are increasingly asking more questions and are demanding more than a 'tick-box' approach to water disclosure. They want results; hard facts about how

DEVELOPING TECHNOLOGY THAT PAYS ITS OWN WAY

Preserving and protecting the world's water resource is critical, but it comes at a price – a price that, when it gets too high, affects the sustainability of a mining business.

This is why Anglo American's Technical Solutions team is committed to researching and developing sustainable technical solutions that mines can afford to implement, but that will have ongoing sustainable spin-offs for the community and environment.

The team is currently exploring a number of technologies focused on wastewater treatment that not only yields usable process water but also sellable by-products with the potential to generate new revenue streams.

"We see this research being taken to the point where water treatment becomes a business opportunity that communities can potentially take advantage of, and benefit from, long after a mine closes," explains Andre Prinsloo, water management specialist at Anglo American's Technical Solutions.

material water risks and opportunities are being practically addressed and managed; and details of what is being implemented and how well it is working."

Despite this pressure, it would seem that many companies' water reporting is inadequate. A 2010 review of water disclosure found that even for those companies operating in sectors and regions facing significant water risk, disclosure of risk and corporate water performance was surprisingly weak.

Conducted by Ceres, an independent advocate for sustainability leadership, this review included companies in eight sectors, namely beverage, chemicals, electric power, food, homebuilding, mining, oil and gas, and semi-conductors. Out of all of these, the mining sector scored the highest.

Nevertheless, says Kotze, there is still much room for improvement.

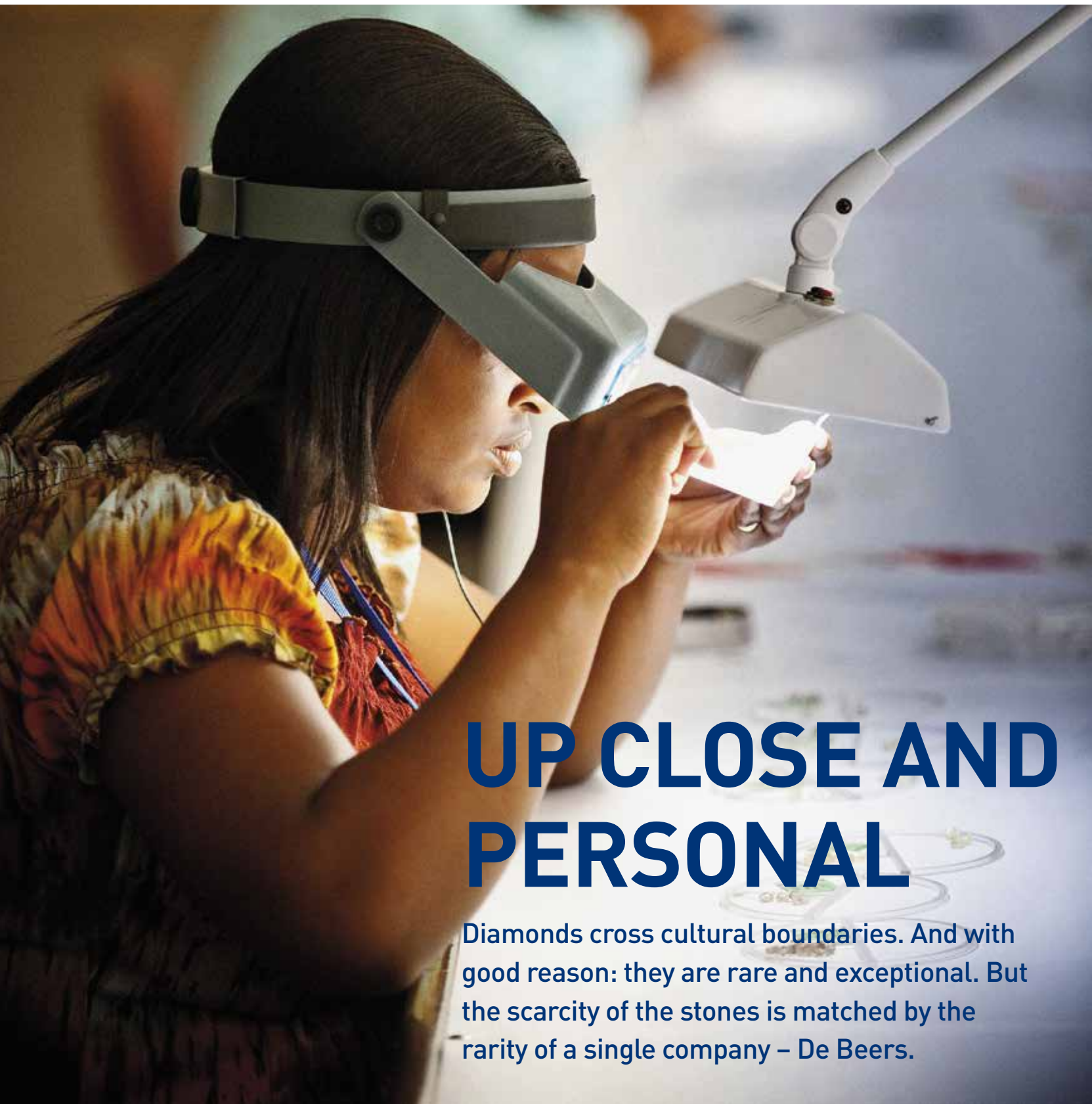
"South African businesses should be doing more and better than their international counterparts in order to safeguard their business operations," she says. "However, in many cases water is still not receiving the boardroom attention it deserves. Water management represents a strategic opportunity to improve financial and brand performance, and tools such as IWMS could be one of the ways in which we achieve that."

ABOUT TECHNICAL SOLUTIONS

Through multi-disciplinary research and development, consulting and field services the Technical Solutions team provides operational value-add to Anglo American business units to help them improve efficiency and mitigate risk and costs, by providing techno-economic solutions and services.

By drawing on expertise from a wide range of disciplines, Technical Solutions is able to provide analytical and advisory services that cover all facets of the mining lifecycle, and developing sustainable solutions that work on many different platforms and levels.

Technical Solutions is a division of Group Mining and Technology.



UP CLOSE AND PERSONAL

Diamonds cross cultural boundaries. And with good reason: they are rare and exceptional. But the scarcity of the stones is matched by the rarity of a single company – De Beers.

De Beers Consolidated Mines Limited was founded in 1888 in South Africa, and by the early 1900s accounted for the great majority of the world's diamond production and distribution.

Under the astute leadership of Sir Ernest Oppenheimer, who chaired the company from 1929 until his death in 1957, and his successors, De Beers developed its mining interests in South Africa. At the same time it expanded mining operations elsewhere on the continent in Namibia, Tanzania and Lesotho, as well as Botswana – now the most important contributor to De Beers Group diamond production – and more recently in Canada, where it has two mines in operation. And through its longstanding relationships with national governments, De Beers maintained a leading position in the trading and marketing of diamonds almost throughout the 20th century.

Early in its history, De Beers established the Sight system, whereby a select group of the world's leading diamantaires, known as Sightholders, visited De Beers' London office up to 10 times a year to buy diamonds. This system, though soon to be based at Gaborone in Botswana, is still core to De Beers' sales process.

By the 21st century, there were great shifts in the market. Ever-increasing competition in the luxury goods market, the emergence of several new products and the need to have a more sustainable and efficient basis on which to allocate its finite availability of diamonds led De Beers to sell only those diamonds produced from its own mines and to create a new, demand-driven sales strategy. Today, De Beers' share of worldwide rough diamond supply by value is around 38%.

Diamonds are for romance

The valuation of diamonds is inherently different from that of most commodities, even precious ones such as gold, which has a consistent quality and a market price. No two diamonds are alike. Even before cutting, they vary by colour, by size, by shape and by clarity. De Beers sorts diamonds according to more than 12,000 different categories and price points. Diamonds, rather than being mere commodities, are a unique luxury product.

While it was the world's leading supplier, De Beers was also investing up to \$200 million a year in generic advertising promoting diamonds. In 1947, the company struck it lucky with what is now regarded as one of the greatest advertising lines of all time – "A Diamond is Forever". And thus, in the way that Coca-Cola's red and white captured Christmas for a soft drink, De Beers' diamonds captured romantic love.

In 1939, just 10% of American brides-to-be had a diamond engagement ring. By the end of the century, the figure was more than 80%. Other markets have followed similar patterns. In Japan in the early 1960s, 6% of women had diamond engagement rings. The figure was almost 80% by the beginning of the 1990s. Now China is seeing significant demand growth – rising from around 1% in the early 1990s to more than 30% of engagements over the past two years.

This is good news for De Beers. While about 30% of the volume of world diamond production goes into gemstones – the rest goes to industry – gems account for 99% of the value.

The value chain for gem diamonds is long, and pricing surprisingly opaque. But the best margins are made at either end of the chain – in production and retail.

At the start of the 21st century, De Beers formed a retail joint venture with French luxury goods company Moët Hennessy Louis Vuitton (LVMH) called De Beers Diamond Jewellers. The first De Beers store opened in 2002 in London selling high-end diamond jewellery. There are now around 45 stores located in sought-after locations such as Fifth Avenue in New York, Printemps and Galeries Lafayette in Paris, Old Bond Street in London, The Landmark in Hong Kong, Shin Kong Place in Beijing and Ginza in Tokyo.

Diamonds are (still) forever

In response to the changing needs of the more discerning consumer, De Beers developed its own proprietary diamond brand, Forevermark. Diamonds inscribed with the Forevermark brand are carefully selected and come from sources committed to high ethical standards. They are crafted by an elite group of diamantaires, and are exclusively available in select jewellers (see article overleaf).

The fundamentals and outlook for diamonds are good. America still dominates sales of diamond jewellery, but according to US market analyst Bain, global market growth is expected to be more than 6.5% a year up to 2020, driven by demand from China, India and the Persian Gulf. Supply, on the other hand, is only forecast to increase by around 3% a year, which means diamond values are expected to continue their upward trajectory for the long term.

6.5%

Expected global
market growth
in diamond
jewellery per
year up to 2020

*Adapted from an article by Martin Beaver,
published in Optima magazine, December 2012*

De Beers has mining operations in four countries, including Botswana, where Debswana (a 50:50 joint venture between De Beers and the people of Botswana) operates the Jwaneng mine (pictured), the world's richest diamond mine. This view shows Jwaneng's Super 8 Cut Project, featuring the aquarium and plant on the left and the open pit on the right.



FAST FACTS

- Every Forevermark diamond carries an inscription of the brand icon and a unique number.
- The Forevermark is created using highly confidential and patented technology.
- At just 1/5,000th of the width of a human hair, the mark can only be seen with a special Forevermark viewer located at authorised Forevermark jewellers.
- The inscriptions are made at Forevermark diamond institutes in Belgium and the UK where security is paramount.
- Forevermark diamonds are available from around 1,000 authorised Forevermark jeweller locations worldwide.

MAKING OUR MARK

With its unique inscription, the De Beers Forevermark diamond demonstrates a commitment to beauty, rarity and responsible sourcing. They are the world's most carefully selected diamonds, each actively benefiting the community from which it comes.

Prior to the creation of Forevermark, amid heated debate about the provenance of some diamonds and mounting concern about trade in diamonds funding violent conflicts, De Beers commissioned research into what diamond buyers were looking for. It was work that laid out both the aesthetics and ethics of diamonds.

"In the West, we foresaw demand for a lot more assurance, confidence and comfort in buying diamonds, particularly for a product coming from the developing world," explains Stephen Lussier, CEO of Forevermark. "We knew customers needed more than just the word of the jeweller.

"Looking to the East, we saw consumers more interested in branded jewellery, so we knew we had to provide the mystique and magic inherent to powerful brands. A unique inscription on every Forevermark

diamond, achieved with our proprietary technology, would give consumers faith in the promise we were making."

Only a small number of mines in the world have been approved as Forevermark sources, emphasising the commitment to responsible sourcing. Those mines assume full responsibility for employee health and safety and they are committed to making a positive contribution to their local communities. They not only provide employee benefits and career opportunities, they work in partnership with governments to offer HIV education and medication, and implement initiatives to empower women within wider communities. They also have long-term plans to restore the land they occupy, setting aside areas of land for conservation and nature reserves.

From its initial launch into Asian markets, Forevermark has expanded into markets in America, India, Singapore, the Caribbean, Mexico, Malaysia and South Africa.

"Our goal is for Forevermark to become the world's leading diamond brand," adds Stephen.

Adapted from an article in Our World, January 2013.

DID YOU KNOW?

De Beers is the latest industry player to earn certification from the Responsible Jewellery Council (RJC), a not-for-profit organisation bringing together more than 400 member companies committed to ethical practices in a transparent and accountable manner throughout the jewellery industry.

RJC certification is a standard that is attained by meeting the ethical, social and environmental standards established by the organisation's member certification system.

De Beers is the largest diamond mining group to achieve RJC certification. Other industry heavyweights already RJC-certified include Cartier International, the Gemological Institute of America, Leo Schachter Diamonds LLC, Pandora, Rio Tinto and Tiffany & Co.

SHINING A LIGHT ON DIAMOND DESIGN

In February this year, De Beers celebrated the 10th Shining Lights Awards Diamond Design Competition, which aims to encourage and develop South African jewellery design talent and create opportunities for skills development and job creation for South Africans.

Entrants drew their inspiration from the theme “Women of Africa – your light shines”, designing jewellery that celebrates and honours African women’s strength, beauty, resilience, love, generosity, joy, forgiveness, will, spirit and courage.

Every two years, about 300 students and jewellery designers enter the competition, with an average of 10 winners each time. The competition continues to grow from strength to strength, with total entries for this year increasing to more than 500, from 363 in the period 2010-2012.

The growth and success of the awards is the result of the formidable partnerships with De Beers’ clients, tertiary institutions and the South African jewellery design sector, all of which have been unwavering ambassadors of the Shining Light Awards Competition.

“South Africa has a great opportunity to grow jewellery design and manufacturing as a strategic focus area for beneficiation,” says Faried Sallie, managing director of the Diamond Trading Company South Africa, a De Beers Group Company.

De Beers’ vision, he adds, is to demonstrate to the world the wealth of design talent that exists in southern Africa by creating a design platform through which creative artistry can be showcased using nature’s most remarkable and finest creation, the diamond.

IN SAFE ROBOTIC HANDS

A five-year agreement between Anglo American and Carnegie Mellon University in the USA could put mine safety improvements in new hands – robotics.

The ground-breaking partnership between Anglo American and Carnegie Mellon University (CMU), based in Pittsburgh, USA, will see the team developing automated technologies that could significantly reduce the dangers miners face while working underground, and considerably enhance productivity and efficiency levels within the environment.

The innovation will allow the application of robotics to underground mining tasks that are unsafe and extremely challenging for humans, and will enable operations to reach mineral deposits that cannot be economically extracted under existing methods and mine layouts. Other applications that will be explored include robotic mining equipment,

mine mapping and automated inspections.

Dave Bentley, Group head of technology at Anglo American, notes that the agreement aligns consistently with the company’s overall strategy relating to safety, technology and innovation.

“Our approach to safety is outlined in the Anglo American Safety Way, a comprehensive framework of roles and responsibilities supported by a set of safety principles and mandatory safety standards,” he says. “The Safety Way recognises that both people and systems are core elements to health and safety performance in a mining business.

“Anglo American strives to partner with other suppliers in advancing safety and technology within our own operations and in the general mining

industry, and our collaboration with CMU’s robotics institute will notably advance our strategy in this regard.

“Ultimately, automating the most difficult, costly, and dangerous mining activities will help create far more sustainable and safe working conditions for all underground operators working in the mining industry and will also increase the productivity and efficiency of Anglo American’s operations.”

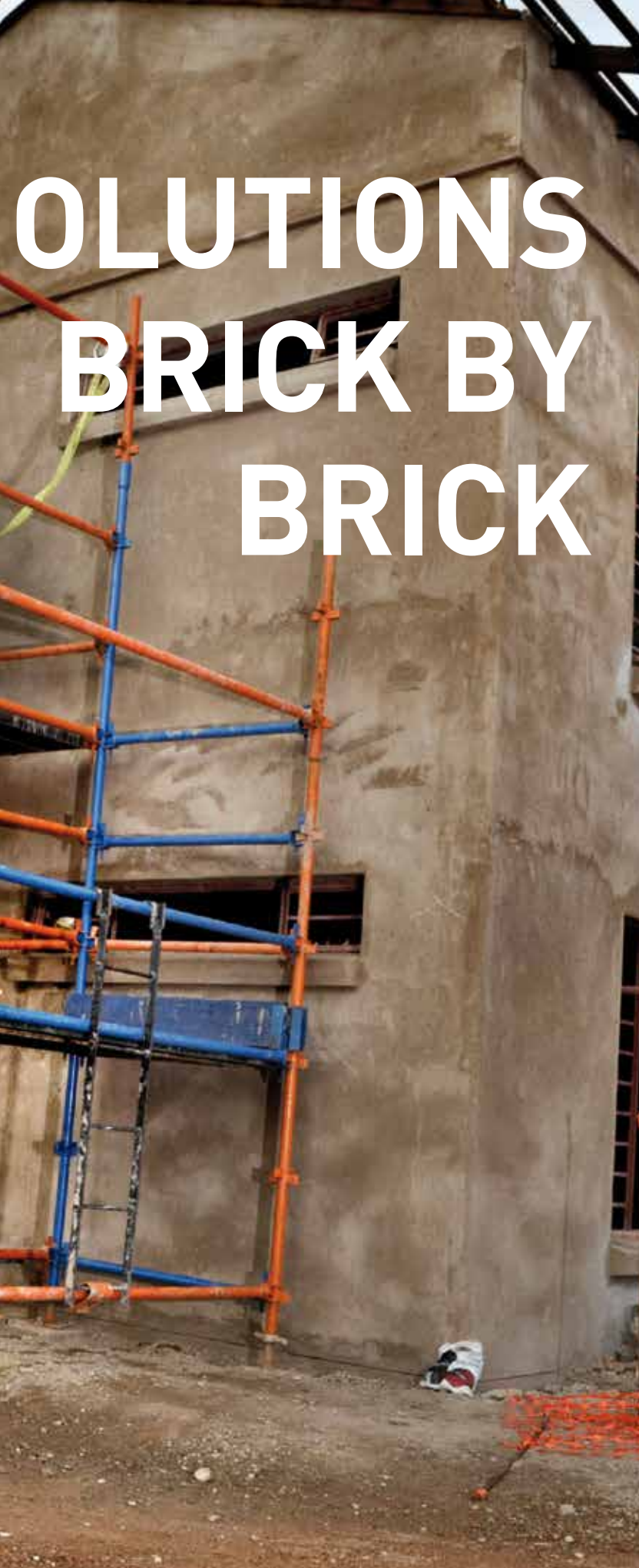
“Ultimately, automating the most difficult, costly, and dangerous mining activities will help create sustainable and safe working conditions for all underground operators working in the mining industry.”

DAVE BENTLEY, Group head of technology at Anglo American

BUILDING NEW S

A full-page photograph of two construction workers, Fillix Ngobeni and Russel Tshabangu, working on a building site. They are wearing blue uniforms, high-visibility yellow safety vests, and yellow hard hats. They are both wearing safety harnesses and are focused on a blue vertical metal pole. The worker on the right is smiling. In the background, there is a brick building under construction, surrounded by extensive orange and blue scaffolding. Other workers in similar gear are visible on different levels of the scaffolding. The sky is overcast.

Fillix Ngobeni (left) and Russel Tshabangu at the Kumba Iron Ore employee housing project in the residential area of Airfield, near Kolomela mine.

A photograph of a building under construction. The building has a light-colored, textured wall. Scaffolding made of blue and orange poles is visible on the left side of the building. The title 'SOLUTIONS BRICK BY BRICK' is overlaid in large white letters on the left side of the image.

SOLUTIONS BRICK BY BRICK

A walk through some of Anglo American's employee housing projects shows some impressive progress, and a quick look at reports to government reveals statistics well ahead of South Africa's transformation targets. But the issue of housing within mining is an extremely complex one that has a greater impact – and which requires a far broader approach – than many people realise. Lindiwe Zikhali, Anglo American's head of transformation and regulatory affairs, explains.

In the midst of the media coverage following the Marikana unrest, a newspaper printed a photograph of what it claimed to be a dwelling for a mine worker: a structure with mouldy walls, a leaking tap and broken windows. The image told a damning tale of housing conditions in the industry – and while it might not have been an accurate reflection of the industry as a whole, it certainly was a stark reminder of how much still needs to be done to shake off the stamp that the injustices of the past have left on mining.

"The industry today is very different to that of 20 years ago, but regardless of how many homes we have built and as much as we want to talk about inequality in the past tense, for as long as journalists are able to take photographs like that one, we still have work to do," says Lindiwe.

"However, the reality of providing employee housing within the South African mining context is a complex one that requires innovative thinking, ongoing engagement with stakeholders, and solutions that are as deep-rooted and multi-pronged as the problem itself."

“When we get condemned, we are condemned as an industry. Therefore, we should work as an industry.”

“It is not just about the right to have a safe place to sleep, but also the right to human dignity and privacy.”

LINDIWE ZIKHALI,
head of
transformation and
regulatory affairs at
Anglo American

Roofs vs Rands

While the industry and Anglo American in particular have made considerable progress in terms of employee housing (with three out of four business units having already surpassed Mining Charter housing targets), not all strategies work for all mining communities, and some are double-edged swords.

“For example, at our Platinum business, around 27,000 employees have chosen a living-out allowance as opposed to a home ownership allowance, primarily because their families are based in other regions and they don’t want to invest their money in a fixed property away from home,” says Lindiwe. “The type of accommodation that they opt for (with the bulk of their living-out allowance typically being used for non housing-related expenses) does not reflect the housing assistance given by the employer.

“In this way, an unintended negative consequence of the living-out allowance starts to outweigh the initial well-intended benefits. The sprouting of informal settlements around the mines is a key example of this.”

“As mining companies, we need to facilitate housing options that work for as many employees as possible. For example, this could include schemes like pension-backed loans or company guarantees, in which an organisation provides security for a loan and then diverts repayments from an employee’s salary directly to the bank. Additionally, rent-to-buy schemes would suit people who can’t afford to buy straight away.

“We also need to consider, possibly in collaboration with government and other stakeholders, the provision of houses as rental stock to address the informal settlements that are increasingly associated with mining companies.

“We need to appreciate the context of each operation and area, its differences and the unique challenges that make it tough for employees to buy their own homes. We need to ask ourselves how to deal with the issue of someone who doesn’t want to buy a house near their work, and then how to provide adequate housing for them.”

The regulatory environment has also posed some unexpected challenges around the issue of home ownership. For example, a house that can be built for R150,000 might in fact require an investment of R250,000 in order to make the land ready, because of the remote location in which a particular mining operation is situated. The irony is that employees then take ownership of a home valued at R400,000, and they are then taxed on that benefit accordingly. A valuable fringe benefit thus ends up being a financial disadvantage. Fortunately,

this does look set to change, with government having promised to review fringe benefit tax as linked to housing.

“These are just some of the many dynamics that the industry has to deal with when it comes to housing,” says Lindiwe, “and this is why Anglo American has taken a very deliberate approach to overcoming these challenges. They are part and parcel of the bigger project and our bigger responsibility.”

What you see isn’t only what you get

Creating adequate, dignified homes for employees involves far more than building walls, windows and roofs.

“What people generally don’t see is the investment and development that has to take place first to ensure that land is available, proclaimed and correctly zoned, and that water, electricity and adequate infrastructure are in place in order to make it possible and comfortable for people to live in the houses you build. As a responsible industry leader, we can’t afford to wait around if that infrastructure isn’t in place, or if certain municipal deliverables are delayed.

“The housing issue cannot be reduced to a waiting game, which it will be if we allow ourselves to be constrained or frustrated by delays or lack of capacity by some stakeholders to meet certain milestones. The real foundations of our housing initiatives are therefore laid long before any concrete is poured.”

Ongoing engagement is key

An example of how this approach is yielding results is the ground-breaking memorandum of understanding (MOU) between Platinum and government, which will help to facilitate the provision of integrated housing for employees.

Another example of proactive management can be seen at Kumba Iron Ore, which provides a home ownership allowance to first-time home owners for the initial five-year period – the time in which purchasers are most likely to default on their loans as a result of obligations that they were not aware of or struggle to manage.

But are all of these efforts enough to make a serious dent in the housing backlog?

“We can tick off a lot on our list of transformation targets and achievements, but we need to look beyond this list, beyond our company gates, and to industry as a whole,” says Lindiwe.

“Without effective peer pressure, nothing that we do as an individual organisation is going to lead to real, widespread transformation. We need to explore what kind of structures we have in the industry that could be used



Work progressing on Platinum's Northam Extension 6 Housing Project.

to help enforce certain standards and obligations, and to hold each other accountable."

Rarely is criticism of mining directed at a specific company, she adds. "When we get condemned we are condemned as an industry. And therefore we should work as an industry. We spend a lot of time defending ourselves or trying to undo stalemates between mining and the regulator. I'd like to see an industry with rules of engagement – which incorporate transformation in its broadest sense – and with a robust, rigorous peer review system plugged into that."

When is 'good', good enough?

For Lindiwe, the issue of housing remains inextricably linked to basic human rights.

"A number of clauses in our Constitution relate in some way to housing, as it touches so many aspects of our lives," she says. "It is not just about the right to have a safe place to sleep, but also the right to human dignity and privacy."

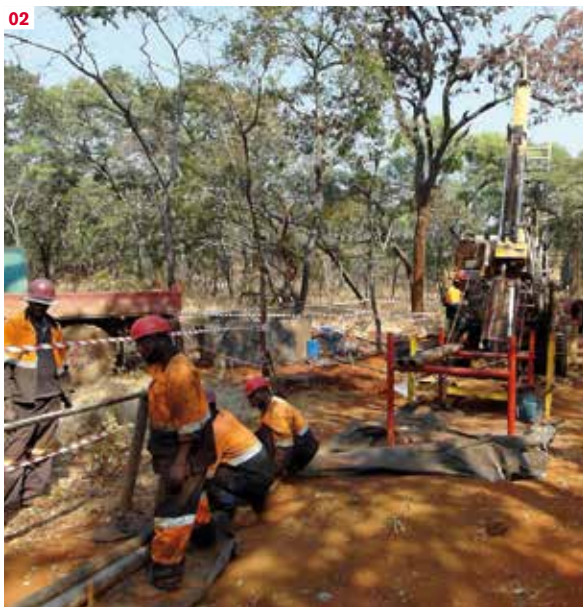
"Never mind the theory, tick boxes or targets, we need to look at the qualitative aspects of what we're providing our employees, and ask 'would this be good enough for me? Would I eat, drink and sleep here, and would I be

proud and comfortable to live here, to open the door for a friend, a journalist or the Minister?"

"When we can honestly answer yes, then and only then, will what we've done be good enough for our employees."

HOUSING PROGRESS

- Anglo American is on track to meet the Mining Charter's target occupancy rate of one person per room by 2014.
- Thermal Coal completed all necessary hostel conversions before 2010 and is now focused on facilitating home ownership options for all mine employees.
- Kumba Iron Ore has embarked on a drive to single unit accommodation. To date, all hostel units have been converted into bachelor flats and/or two-bedroom detached family units.
- All of Platinum's hostels have been converted into single accommodation villages, while our Rustenburg mines have met the 2012 target of 50% of employees not sharing rooms. The focus now is developing family units within communities close to the operations.
- There are no hostels at any of the three De Beers South African operations.



A RARE COMMODITY

He describes himself as a “Jack of all trades”, but as a senior project geologist at Anglo American, Percy Siaga’s technical skills and considerable experience make him a much sought-after resource.

In five years Percy Siaga has lived in more remote spots in Africa and lived out of more suitcases than many seasoned travellers would do in a lifetime.

Since 2008 he has been working way off the beaten track helping to identify new potential areas for the exploration group as they expand their footprint in Africa.

"I think people hear the word 'geologist' and picture a fancy job full of computer screens and hi-tech gadgets, but that's not entirely true," he says. "This job is all about field work, being passionate and being adventurous. When it comes to exploration, you need to have your feet on the ground and your sleeves rolled up!"

Currently based in the Democratic Republic of Congo (DRC), Percy spends 70% of his time in the field overseeing general activities and keeping the logistical, financial and technical aspects of each project running smoothly.

"Geology is critical to mineral and hydrocarbon exploration," he says. "All the major world-class deposits started as a discovery, based on the advice of a geologist. Our work is what helps to transform a hitherto undiscovered mineral resource into something that could become the lifeblood of a country's economy."

"Geologists are also an essential cog in the business sustainability machine. Once a deposit is depleted it is the work of the exploration geologists and their teams that helps to find new deposits and keep the supply going."

A typical day for Percy starts with a safety toolbox meeting with the entire team to remind field workers and contractors from local communities of the safety principles, followed by planning the operational activities for the day and week.

"Safety is challenging in that local contractors don't always embrace safety the way we do, and it takes some time for them to fully understand why we need to do it in a particular way," he says. "With safety being one of my key performance areas, I always find ways and means of instilling a 'safety culture' in our operations. This requires good leadership skills, particularly holding people accountable for their actions while showing some care and respect."

To some, the work may sound straightforward and perhaps a little mundane, but some of Percy's experiences would raise the hair on the neck of even the most intrepid explorer.

He has come head to head with dangerous animals in the middle of the jungle, and was even held hostage for a day by a rebel group in Central African Republic, in the years before joining the Anglo American team.

"At the time we were supervising a drill rig and were not sure what was happening – I couldn't speak French. We were eventually freed around midnight, after government intervention. The incident nearly put me off exploration, but I guess it's in my blood."

"Exploration is all about adventure – for the individual, the team and the business."

For Percy, an excellent day in the field is one that is incident-free, and where daily targets are met.

"In many regions we have a very short field season because of rain and you have to work very hard to squeeze as much as possible into each day," he says.

"Typically, this involves identifying potential areas, delineating them and then drilling to see if the ground yields what you expect."

A bad day is one that involves equipment breakdown, as replacement parts often have to be brought in from hundreds if not thousands of kilometres away. "Therefore we strive to ensure each contractor has the right support base, with a mechanic on site to fix minor breakdowns."

It could be described as treasure-hunting with a high-tech advantage, but exploration is as much about community as it is about finding 'new frontiers', says Percy. "Projects with huge potential can fail to take off if you don't start by establishing a good relationship with the local community."

"You have to sit down with all the stakeholders before you start, identify who owns which pieces of ground, what local tensions or disagreements are in play and what it will take to properly communicate the company's intentions."

Besides the DRC, Anglo American's exploration team is currently active in Zambia and Liberia, with potential in Mozambique, exploring for iron ore, coal, nickel, copper and platinum group metal deposits. But it's a footprint that Percy hopes will grow dramatically.

"This is a continent with an outstanding endowment in mineral resources and massive unexplored areas. I feel Africa has huge potential and a lot to offer."

"However, each country's leadership could make or break this potential, and governments need to understand what they have in the way of natural resources, and learn from the mistakes of the past."

"For example, in South Africa we still don't do enough beneficiation. It is lessons like this that Africa's leadership must take to heart in order to retain natural wealth and process it in a way that significantly contributes to the economic growth of the entire continent."

01 Core logging at Maina camp in the DRC (Percy Siaga, front right in the green shirt).

02 Diamond drilling at Gunji Prospect.

03 An Ambase exploration convoy to Maina camp, about 270 km from Lubumbashi.

04 Camp set-up.



Tshepi Itumeleng (left), mining operator trainee, and Gloria Rooifontein, mining operator. Gloria has been with Kolomela mine since inception in 2009.

THEY'VE GOT WHAT IT TAKES

On the journey to create high-performance teams throughout its mining operations, Kumba Iron Ore knows that the best teams are inclusive and committed to achieving the best results. That's why the company recognises the driving force of women and the important role they have to play.

"I have access to state-of-the-art technology which has empowered me to be the best electrician. Now all I want to do is have the opportunity to show that there are no obstacles when it comes to women working in careers that have been traditionally reserved for men."

CLAUDINE CLARKE,
Kolomela's first
female artisan

"Despite the challenges associated with employing a diverse workforce, we realise that it's about more than just adhering to the Mining Charter, it's the right thing to do," says Norman Mbazima, CEO Kumba Iron Ore.

While the Mining Charter stipulates that 10% of the core-mining workforce should be female, Kumba has increased its female workforce to 19% at management level, 13% in core and 17% of the total workforce. "We are committed to doing even better than this," says Virginia Tyobeka, executive head of human resources at Kumba, who says she would like to see 23% of women at management level and 22% of the overall workforce by 2014.

Historically the mining industry has not been an obvious career choice for women, but times have changed.

"We believe that women bring diversity to the business while allowing us to contribute to the rest of the country in terms of socio-economical aspects," says Cornelia Holtzhausen, general manager of Kumba's Thabazimbi mine.

Kumba is not only determined to integrate women into all positions in the workforce, but encourages all employees to

participate in transforming the industry. Yet, transformation of any kind presents challenges, and opportunities and female integration into a traditionally male-dominated environment is no different. There are issues around safety, and protection, infrastructure including accommodation and other facilities, creating policies and the right leadership that supports a gender-diverse company. "We have been told by our female staff that we need to put more focus on actions that prepare mining for women, such as working with men to receive women in the mining environment and to prevent sexual harassment, all of which has informed our Women in Mining (WIM) strategy," says Virginia.

Part of this strategy was the establishment of our WIM Steering Committee that was tasked with the responsibility to execute the strategy for all Kumba operations.

"Gender transformation is not about being pro-female but rather about having the interests of the company in mind through the development of high-performing teams," says Norman. "This is where we are going, and it's not going to change."

ENTERPRISE DEVELOPMENT: THE MULTI-FACETED ROLE OF TODAY'S CORPORATE INVESTOR

More and more companies are investing in enterprise development programmes in recognition of the inextricable link between economic prosperity and a robust Small and Medium Enterprise (SME) sector. A Magazine spoke to Dr Lia Vangelatos, acting managing director of Zimele, about the changing role of the corporate investor in this field.

Enterprise Development (ED) is rapidly emerging as one of the most important facets of the South African economy, with growing recognition of the tangible benefits, spinoffs and synergies that will accrue from heightened involvement in this sector. Undoubtedly, increased and effective ED has a high correlation to improved economic growth, reduced unemployment and poverty, and national prosperity.

"The immense potential offered by this sector is the driving element behind the multi-faceted investor role that companies are gradually starting to undertake," says Dr Lia Vangelatos, acting managing director of Zimele, the enterprise development arm of Anglo American. "The implementation of successful, inclusive ED business models generates win-win situations for all parties, by not only fostering a widespread socio-economic difference, but also by facilitating and furthering core company objectives."

Dr Vangelatos adds that besides the public goodwill that will be generated, companies can substantially bolster their capabilities and efficiency by linking ED programmes to their core business, and procuring locally in terms of activities such as repairs and maintenance, transport and catering.

"However, before engaging in any ED programmes, corporate investors should be aware that it is far more prudent to structure these programmes as value-adding initiatives aimed at achieving meaningful and measurable outcomes, rather than as philanthropic or corporate social investment proposals. ED should be viewed as a critical part of doing business, with the central driving element of creating long-term sustainability built on commercial objectives. Knowing upfront what, where, when and how the funds will be used, as well as targeted outcomes and benefits, are all essential aspects and provide a suitable base to increase the scale and reach of an ED programme.

"Accelerated engagement in ED will boost the creation of sustainable SMEs, jobs and entrepreneurial activity ... This will ultimately result in a positive and real difference being made within South African communities for many years to come."

DR LIA VANGELATOS, acting managing director of Zimele

"It is also vital to determine associated costs as well as any service provider costs, and refer to accreditation agencies' requirements in order to ensure that expenditure is duly recognised. While the size, scale and objectives of the programme are important factors for consideration, any initial funding amount can always be increased once it has been verified that the programme is successful and achieving its intended outcomes."

Dr Vangelatos points out that while a corporate investor should be fairly hands-on in their involvement in the ED programme, this participation should be defined within set parameters in order to guarantee its success. The kind of qualitative and quantitative support that each SME needs varies from business to business, and taking cognisance of this can assist in the launch and longevity of the SME.

For many years, Anglo American has recognised the significant role that companies can play in ensuring that ED is maximised in terms of the positive impact it can have on the country. Since 1989, long before black economic empowerment (BEE) was legislated, the Group has made a significant difference in the development of emerging black business through Zimele.

"Zimele has helped to build numerous sustainable, commercially viable enterprises, and has empowered entrepreneurs to operate in the mainstream economy through a strategic blend of financial support and mentorship," says Dr Vangelatos. "This ensures that the companies we invest in are able to stand on their own feet and to grow."

Anglo American has strived to share its best practice ED model with many corporates, government and interested parties, not only to raise the profile of ED, but also to create enhanced dialogue around the issues at hand and to encourage more such successful initiatives.

A notable feature of this model is that when Zimele-supported SMEs tender for contracts at Anglo American, the process is conducted at arm's length and Zimele has no involvement whatsoever.

This commitment and desire to actively encourage the development of ED has enabled Zimele to create a notable difference in the communities near its operations. From 2008 to 2012, its four funds have provided R708 million in funding, supported 1,393 companies, and completed 1,972 loan transactions. Additionally, funded businesses have employed 25,364 people, and achieved a collective annual turnover of R3.47 billion.

"Committing to a comprehensive role as an ED investor should be a top priority for companies in South Africa," says Dr Vangelatos.

"Accelerated engagement in ED ... will boost the creation of sustainable SMEs, jobs and entrepreneurial activity, while contributing to more favourable investor perceptions. This will ultimately result in a positive and real difference being made within South African communities for many years to come."

Eunice Khosa, owner of Ebukhosini Fast Food in Phola Township outside Witbank, with her brother and employee Aaron Khosa. Ebukhosini Fast Food is one of the many businesses supported by Zimele's Community Fund.

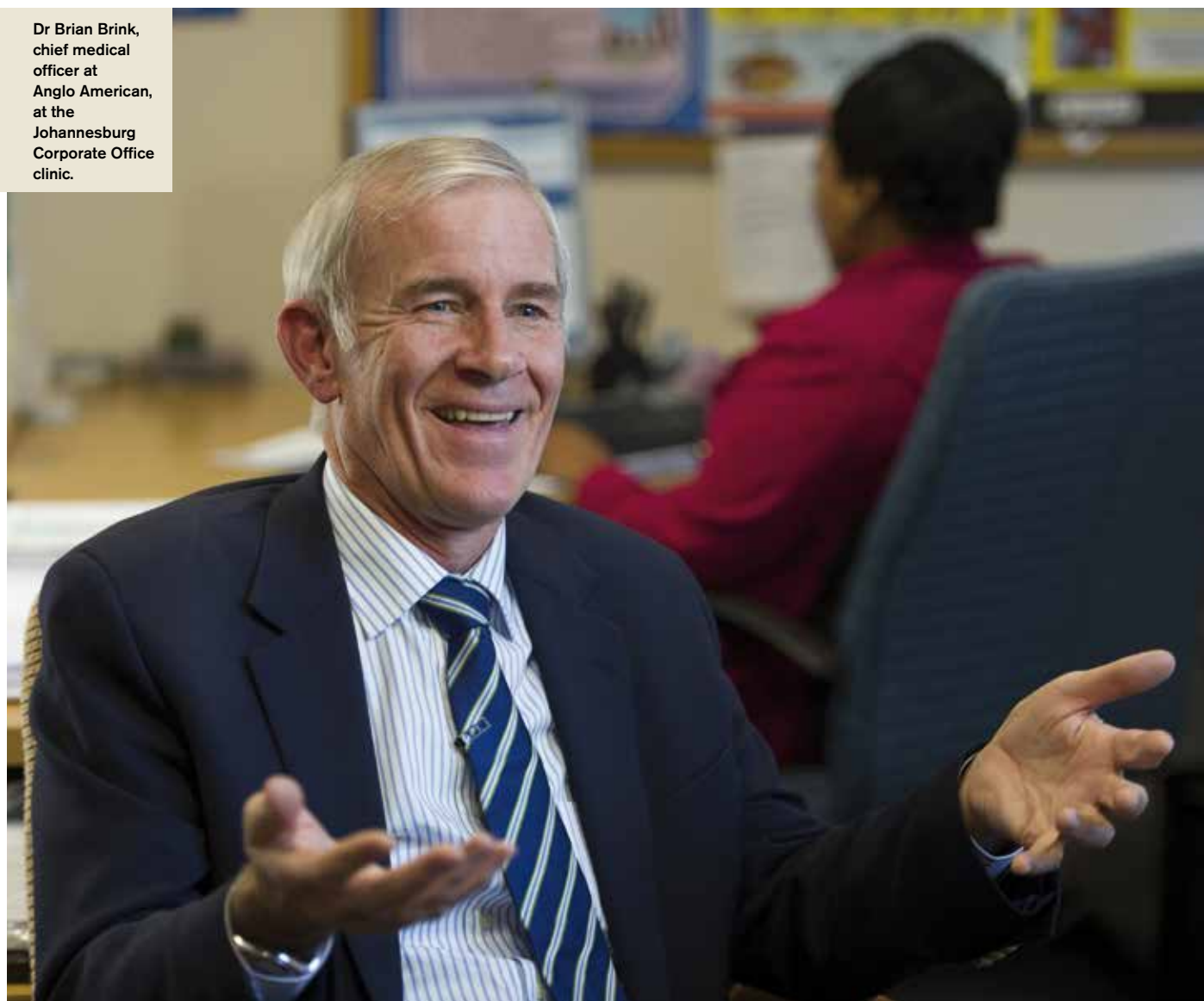




“Zimele has helped to build numerous sustainable, commercially viable enterprises, and has empowered entrepreneurs to operate in the mainstream economy through a strategic blend of financial support and mentorship, ensuring that the companies we invest in are able to stand on their own feet and to grow.”

DR LIA VANGELATOS,
acting managing director
of Zimele

Dr Brian Brink,
chief medical
officer at
Anglo American,
at the
Johannesburg
Corporate Office
clinic.



HEALTHY SYSTEMS MAKE FOR A HEALTHY NATION

Inadequate health systems have a disproportionate and crippling effect on the growth of developing nations. And yet the solution is within closer reach than many realise, says Dr Brian Brink, chief medical officer of Anglo American.

A robust health system lies at the heart of building a country that has a healthy population, healthy society and healthy economy. The irony is that the countries that need those healthcare systems the most, are paying the heaviest price.

"The true cost of disease to a developing nation lies not so much in the cost of the infrastructure or medication that they need in order to treat it, but rather in the many-fold cost of not having it – in other words, the cost of a compromised working population that is neither healthy nor happy enough to keep communities functioning and the wheels of the economy turning," says Dr Brink.

"Developing countries are the most susceptible to, and least equipped to deal with, the burden of diseases such as malaria, tuberculosis and HIV/AIDS. To tackle those effectively you need to know who has which disease. You need to be sure that those people are correctly diagnosed, put on the right treatment at the right time, and adhere to treatment guidelines. Not being able to do that, whether through a lack of health facilities, information or adequate management, is how a normally preventable, manageable health condition can run rife through a population and incapacitate the people upon which its society and economy depend."

An example is that of Ethiopia, where, according to a 2007 case study published by Population Action International, 80% of morbidity is due to preventable communicable and nutritional diseases. One in 14 Ethiopian women faces the risk of death during pregnancy and childbirth, and one in eight Ethiopian children dies before the age of five. The culprit? Weak healthcare systems and infrastructure.

"The World Health Organization defines health as a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity," says Dr Brink. "A population that is not physically, mentally and socially strong cannot be competent, energetic or hard-working.

"For example, a miner who has an ill or undernourished family cannot work to his best ability and therefore compromises the productivity and safety of those around him. Similarly, a community that isn't mentally and physically healthy can't sustain itself, support the businesses that operate around it, or contribute to the economy."

As an organisation that has more than two-thirds of its workforce based in developing nations, Anglo American has experienced this first-hand.

"Health systems are grounded in the human right to the highest attainable standard of health. Healthcare might not be a company's core business, or a core part of a country's GDP. But it is core *to* it."

DR BRIAN BRINK, chief medical officer of Anglo American

"Over the years we have witnessed the burden of widespread disease, not only in terms of the impact on business generally, but also the impact it has on socio-economic conditions and the welfare of people," says Dr Brink. "It puts a massive constraint on development. Tackling the burden of this disease by strengthening community-wide healthcare systems will unshackle communities, if not the population as a whole, to achieve much more."

Dr Brink believes that achieving this ideal is within closer reach than many people realise, in that much of the skills and expertise needed to establish and support sound health systems in any given country already exists within its business environment.

"A health system should be run like a business, with the right tools and training, a properly functioning procurement and supply chain, proper financial and human resource management, good governance, monitoring and evaluation, and sound information systems."

One example of how these skills can be extended to communities with great effect is Anglo American's partnership with the Department of Health (DoH) in South Africa's Eastern Cape province. The company has sponsored the writing of a business plan to revitalise the funding and delivery of primary healthcare in four provincial sub-districts, and is now focusing on the implementation of that plan in one of the districts most directly associated with the families of its employees. Once in place, the DoH will be able to replicate this new model for primary healthcare delivery throughout the province.

"Health systems are grounded in the human right to the highest attainable standard of health. Healthcare might not be a company's core business, or a core part of a country's GDP. But it is core *to* it."

THE HEALTHSOURCE ATTR

The HealthSource, Thermal Coal's advanced electronic health record solution, is attracting widespread attention for the important role it could play beyond this business unit's own operations.



Since its implementation at Thermal Coal's Highveld Hospital and mine-based medical centres in 2007, the system has brought about increased efficiency and accuracy within Thermal Coal's health service. It also has a vital role to play in how Anglo American manages HIV/AIDS and tuberculosis (TB).

"The HealthSource has put Thermal Coal in a position where it can measure the rate of new HIV infections for the first time ever. And as a result, the business has been able to progressively bring the rate of infection down," says Anglo American chief medical officer Dr Brian Brink.

The concept was developed by Thermal Coal regional medical manager Dr Jan Pienaar and in-house IT specialists Julia Denton and Thia Grobler, after realising that the old paper-based system fell hopelessly short in managing medical records belonging to thousands of employees, their dependants, contractors and members of our host communities.

"People in our industry are highly mobile and formal methods of identification are not always available," says Dr Pienaar.

The HealthSource identifies clients using biometric fingerprints and builds a database of secure, accurate electronic health records. One of its most significant features is that it tracks a person's medical

ACTS GLOBAL ATTENTION

history. As a result, medical professionals are able to monitor the health of mine workers throughout their careers, and accurately track the progression of illnesses.

The solution has been demonstrated to the Department of Health, and a number of mining organisations have expressed a strong interest in implementing it at their own businesses.

The HealthSource has transcended from being an advanced method of record-keeping to becoming an agent for improved healthcare in its own right. "We set out to make something that would improve our mining business. We ended up with something that could improve health around the world," says Dr Brink.



THERMAL COAL CELEBRATES A DECADE OF HEALTH AND HOPE

In August last year, Thermal Coal celebrated the 10th anniversary of the decision to provide employees with anti-retroviral treatment (ART) – a huge source of hope in a country where more than 310,000 South Africans die of AIDS-related illnesses every year.

According to Thermal Coal regional medical manager Dr Jan Pienaar, at least 10 of the original employees who received ART are still healthy and productive members of the Thermal Coal workforce and enjoy an average CD4 count of 460, compared with 145 when their treatment began.

Thermal Coal took the lead in 2002 by becoming the first business unit in Anglo American to make ART available to employees.

"The days before ART were extremely depressing for health workers because we could offer no hope. We could try to prevent and treat opportunistic infections but there wasn't much else to offer. ART changed everything and we have seen a significant decline in the number of people who are immune compromised," he says.

A study conducted by the Aurum Institute – an internationally recognised research and health systems management organisation – confirms that Thermal Coal's ART programme is responsible for keeping an estimated minimum of 240 people alive. This includes 229 current employees who almost certainly would have died or been incapacitated were it not for the programme.

01 Nurses Mable Mabatane and Beauty Ntombizowa use the HealthSource in the men's ward at Thermal Coal's Highveld Hospital.
02 Evelyn Makola and family, using the HealthSource biometric identification system.



01 Pharmacist Elmien Bothma, and assistant Evelyn Stokes, at the Thermal Coal Highveld Hospital dispensary.
02 Audio-metric testing at the Goedeheoop clinic.

THERMAL COAL GETS A(NOTHER) CLEAN BILL OF HEALTH

Thermal Coal's Highveld Hospital and four mine-based health centres have been re-certified by the Council for Health Service Accreditation of Southern Africa (COHSASA), making this business unit one of the southern hemisphere's longest-serving COHSASA members.

“COHSASA status is difficult to achieve, and even more difficult to maintain,” explains CEO Stuart Whittaker. “As an internationally accredited council, we assist medical facilities – both public and private – to meet and maintain rigorous global quality standards. These accreditation awards give the public evidence of safe, quality care.”

Thermal Coal's eMalahleni-based hospital and satellite health centres at Goedeheoop, Kriel, New Denmark and New Vaal collieries were assessed on more than 3,700 elements.



NEW R26 M HEALTH CENTRE IN THE PIPELINE

New Denmark colliery has started the construction of a R26 million community health centre that will improve the quality of life of people living in Rooikoppen, a township southwest of Standerton, Mpumalanga.

The newly established area is home to approximately 2,400 households with limited access to a number of essential services, including medical care.

"The people living here are required to travel long distances to visit healthcare facilities," says mine community development superintendent Mbulelo Yoli. "The Lekwa local municipality identified the need for such a centre in its Integrated Development Plan, and as one of our corporate social investment focus areas is healthcare, we decided that this was a project we wanted to get involved in."

After almost three decades in business, the centre represents the colliery's largest single community upliftment project to date.

Apart from offering a full range of primary healthcare services, the 24-hour facility will be equipped with a pharmacy, six consulting rooms for social workers, pre- and postnatal care and dental facilities. Between 70 and 100 jobs have been created for local people during the construction phase. Work is expected to be complete late in 2013.



03

MULTI-PURPOSE CENTRE BRINGS MULTIPLE BENEFITS

Construction of a community centre near New Vaal colliery in the Free State is nearly complete,

which means the people of the Metsimaholo local municipality will soon have access to a range of

social and business services that they have previously had to travel many kilometres to obtain.

Named in honour of the memory of the late activist, the Harry Gwala Multi-Purpose Community Centre includes a satellite branch of the South African Police Services, a post office, conference rooms, vendor facilities, tele-centres and a gymnasium, as well as its own sports fields.

Community development superintendent Khulani Mthembu explains that this R23 million development has been built on land provided by the municipality.

"Construction is being managed by a 100% black empowered Free State-based company, and has created short-term local employment opportunities for surrounding communities," he adds.

03 The Rooikoppen township in Standerton, Mpumalanga, where New Denmark colliery has begun construction on a new community health centre.

04 Construction of the multi-purpose centre near New Vaal colliery, under way.



04

Graduation entrepreneurs (from left) Mkhokheli Mlilo of Sakhizwe Engineering, Dr Renier Dreyer founder of Crunchyard and Sejako Morejwane from SPM Engineering together with Anglo American's Bernd Schultz, learning manager (back right) and Tijen Diraz, people development manager from the Supply Chain division.



A STEPPING STONE TO REAL ECONOMIC CHANGE IN SOUTH AFRICA

It is only a year old but already Anglo American's Entrepreneur Internship Programme (EIP) is proving to be highly successful in accelerating real and sustainable economic development amongst promising entrepreneurs and business owners.

The EIP, which is hosted by Anglo American's Supply Chain, is a focused 12-month internship that intends to accelerate the ability of high potential entrepreneurs to start or further develop their own company and create employment. The EIP achieves this goal by combining experiential learning with industry exposure, mentoring and networking.

Essentially, the programme provides a stepping stone for entrepreneurs who are interested in developing

or growing a business, but do not have access to the requisite skills, industry knowledge, business networks or support.

The entrepreneurs in the programme are exposed to Anglo American's business with a view to start a new local company or expand an existing one, and supply goods or services back to Anglo American.

Godfrey Gomwe, chief executive of Anglo American's Thermal Coal business remarks that the EIP is helping to create a real difference in South Africa's economic future.

"Anglo American's imperatives as a business are not confined to our own operational concerns, but extend to promoting social and economic development that will create a sustained and tangible change for South African citizens. In particular, our company is committed to supporting the national priority of enhanced job creation by 2015, in line with government's goals.

"We are therefore delighted with the EIP programme's success achieved thus far, and by the fact that participants have already established viable, productive and active businesses that are contributing to job creation. Ultimately, the EIP will help to create sustainable businesses that will contribute towards meaningful social and economic transformation in the country."

EIP SUCCESS STORIES

Five entrepreneurs who recently graduated from the first programme are now equipped with a market-ready business plan that is implementable, and will provide them with the foundation to run a successful business with strong growth opportunities.

The five entrepreneurial interns are all trading in their newly established businesses. The graduates from the programme include Thembelani Ngulube who owns Amon Pumps, Mkhokheli Mlilo of Sakhizwe Engineering, Sejako Morejwane from SPM Engineering, Dr Renier Dreyer who owns Crunchyard, and Lynne Scullard from Scully Scooters.

The EIP has also helped create employment with a total of 60 additional people already being employed by the new businesses.

LOCAL FARMER GROWS FROM STRENGTH TO STRENGTH

When Mercy Rambuda paid her final loan instalment to the De Beers Zimele Venetia business hub, it symbolised a double victory: not only was she the first entrepreneur at that hub to repay her loan ahead of time, but she had also just been named the '2012 Female Farmer of the Year' by the Local Musina Municipality.

Mercy explains that a R110 000 business loan from the Venetia Business Hub allowed her to buy fertilisers and pesticides, and provided four months of working capital at a critical time for her business. This helped to preserve five jobs, which otherwise would have been lost, and created an

additional five permanent positions as well as 10 temporary positions during harvest season. Today, Sithagu Farm in Nwanedi village in Limpopo province, is recognised as harvesting the best produce in the Musina Municipality.

"I am living proof that being illiterate does not stop you from

achieving your goals," she says, speaking in her Venda vernacular. "I cannot read or write and I cannot speak English and yet I have been empowered by the De Beers Zimele Venetia Business Hub to change my life, and to make a difference in the lives of my family and my community."

Musina's 2012 Farmer of the Year Mercy Rambuda with her team – proud beneficiaries of the De Beers Zimele Venetia business hub.





GIVING BIRTH TO NEW HOPE FOR MOTHERS-TO-BE

South Africa has one of the highest rates of Fetal Alcohol Syndrome (FAS) – a completely preventable form of intellectual disability – in the world. With no cure for the damage caused to unborn babies by their mothers' alcohol use, intervention is needed to protect the children at risk.

South Africa has one of the highest incidences of FAS globally, with the greatest prevalence reported in rural areas in the Northern and Western Cape. The only thing standing in the way of a generation of children being born healthy is education.

The Foundation for Alcohol Related-Research (FARR) is the leading NGO source of research and information on Fetal Alcohol Spectrum Disorders (FASD) and the most severe form of this disorder, namely Fetal Alcohol Syndrome (FAS), in South Africa.

Supported by Anglo American's Chairman's Fund, FARR has been dedicated to building positive futures in South African communities since 1997, by equipping women in their child-bearing years to make informed choices, thus enabling them to protect their unborn babies from the devastating effects of alcohol consumption during pregnancy and, in so

doing, to reduce the prevalence of FAS. Drinking while pregnant can cause permanent brain and organ damage. It can seriously impair a child's ability to function in society and achieve their full potential. FAS is more prevalent in areas prone to alcohol abuse and often linked to unemployment, poverty, low educational level, disempowerment and lack of recreational activities.

FARR has become a hub for experts, community workers and everyday South Africans who are determined to improve the lives of those affected by FAS, their families and caregivers.

They offer a range of interventions that ensure that mothers receive support and health education throughout their pregnancy.

The Anglo American's Chairman's Fund is very proud to support this valuable organisation and is a firm believer in the benefit of education and health initiatives at grassroots level.



SME FINDS INNOVATIVE CURE FOR COMMUNITY ILLS

A small company in Benoni, Gauteng, has given local community healthcare a much-needed shot in the arm by providing easy access to medical equipment and disposables.

In 2011 and 2012, Thulane Mangele and Sfiso Mncube secured loans of R278,521 and R439,974 (repaid in full) from Zimele to purchase equipment and stock for their company, Theo-Philus Trading and Projects.

Today, this flourishing SME distributes medical equipment and disposables that meet the stringent expectations of specialist physicians, clinics and hospitals, throughout Benoni and certain areas in Rustenburg.

"Getting proper medical equipment and consumables is a challenge for most people in these areas," explains Sfiso. "However, thanks to Zimele's support, we have been able to contribute to the improvement of this situation."

Besides financial support, Zimele has also helped the company to gain critical business acumen, which its owners say has ultimately enabled them to launch and keep their operational systems on par with international standards.

"Zimele constantly endeavours to help businesses such as this one reach their full potential, and have the necessary resources to make a positive difference to their community," says Dr Lia Vangelatos, acting managing director of Zimele. "We are extremely proud of Theo-Philus Trading and Projects' achievements."



01 International FASD day on 9 September every year.

02 Professor Viljoen examining one of the nine-month-old babies in the project.

03 Bonding and stimulation session with pregnant mothers.

04 A mother-to-be's personal protest against alcohol during pregnancy.

BUILDING FROM THE FOUNDATION UP

The Iona Convent, which was founded on the outskirts of Pretoria in 1923, provides educational opportunities for 500 learners per year, from Grade 0 to matric. Thanks to a R2 million donation from Anglo American's Chairman's Fund, the convent is now able to expand its facilities to include more underprivileged foundation-phase learners from the surrounding townships.



01 School next year will be fun.
02 To our future – up, up and away



“The Chairman's Fund is completely dedicated to creating a real socio-economic difference in the lives of South Africans.”

A R2 million grant from Anglo American's dedicated Corporate Social Investment (CSI) arm, the Chairman's Fund, towards the construction of a classroom block at the Iona Convent School in Pretoria, is set to substantially improve the learning environment of underprivileged learners from in and around Pretoria. This forms part of the expansion plan at the convent to include more learners from the surrounding areas and gradually build the numbers of learners at the school.

This latest grant is consistent with the continued funding that the Chairman's Fund has provided to the Sisters of Mercy Educational Trust for over 32 years. Overall, the Fund has donated more than R9 million to assist with building projects, classroom programmes, science and mathematics programmes as well as cultural projects in Soweto, Johannesburg, Pretoria, Mmakau and Winterveldt.

The school is renowned for its scholastic excellence having obtained and maintained a 100% matric pass rate for many years, and being ranked as the top school in the Tshwane North District.

Sisters of Mercy's Sister St. John Enright notes that the Chairman's Fund's long term and holistic support of these initiatives is helping to create a real difference in people's

lives: “The Fund has had an enormous impact on the lives of thousands of people who participate in the projects managed by the Sisters of Mercy, and its support is testimony to what can be achieved when civil society and businesses work together for the development of people.”

The religious congregation of the Sisters of Mercy was established in 1831 by Catherine McAuley. Through its Mercy Philosophy of Education, the organisation is committed to holistic development and helping the students achieve their full potential, particularly those who are disadvantaged and marginalised.

Chairman's Fund chairman Norman Mbazima says that the Fund's support of Sisters of Mercy is consistent with its overarching philosophy.

“The Chairman's Fund is completely dedicated to creating a real socio-economic difference in the lives of South Africans, and one of the fundamental ways in which we engender this change is by supporting meaningful and effective educational initiatives.

“It is this commitment that has guided our consistent support of Sisters of Mercy, and we are proud to help enable its core objectives of affording a new generation of South Africans the skills and expertise required to advance our country's development.”

A BIG JOB FOR A SMALL BUSINESS



BRIAN MLABA
Director of AEF Mining Services

WE RELY ON BRIAN MLABA
AND HIS 26 EMPLOYEES
TO HELP KEEP OUR SISHEN
IRON ORE MINE RUNNING –
NO SMALL FEAT.

BUT AEF MINING SERVICES
IS NO ORDINARY SMALL
BUSINESS. FUNDED BY
ZIMELE, OUR ENTERPRISE
DEVELOPMENT INITIATIVE,
AND SUCCESSFULLY RUN
BY BRIAN, THE COMPANY
REPAIRS OUR MINING
EQUIPMENT TO TOP
WORKING CONDITION.

WITH A REPORTED GROWTH
OF 39% LAST YEAR,
BRIAN'S COMPANY IS JUST
ONE OF OVER 1393* PROFITABLE
BUSINESSES SUPPORTED
BY ZIMELE, AND ANOTHER
BEE PARTNERSHIP HELPING
OUR COUNTRY TO GROW.

FIND OUT MORE AT
GETTHEFULLSTORY.CO.ZA

*FIGURES AS AT 31 DECEMBER 2012



Cover: Mark Cutifani,
Anglo American CEO