

THEMBA MKHWANAZI

HOUSING MEDIA SITE VISIT SPEECH

13 AUGUST 2105

Good morning everyone, thank you for taking the time to join us today. A special thank you to the members of the media joining us here today. This event would not have been a success without you.

I stand here today filled with pride as we see the goals of the NDP come to life and acknowledge the progress we have made in facilitating access to improved housing for our employees.

While preparing this speech, I could not help but think of the late poet Maya Angelou, who said: "The ache for home lives in all of us. The safe place we can go as we are and not be questioned."

Because that is what today is all about. A **Home**. A concept all of us take for granted far too often. Forgetting about those who have to struggle through every day and every cold night without a roof over their heads, without a roof over their families' heads.

I recently took part in the SleepOut campaign by CEOs to raise awareness about homelessness – we spent one particularly chilly winter night under conditions that emulated what those who live the plight of homelessness every night have to endure. This experience brought me face to face with just one of the many challenges that we as a country still need to address.

I also had time to reflect on how far we have come as the mining industry in South Africa. We know the conditions in which mineworkers used to live. Many of you may have read about the migrant labour system which forced mineworkers to stay in hostels far below acceptable standards, far from their families. This is the sad history of our past which we cannot ignore.

BUT THERE IS ALWAYS AN OPPORTUNITY TO DO SOMETHING TO CORRECT THE WRONGS OF THE PAST AND ENSURE A BETTER FUTURE.

As one of the largest employers in this region, I am proud of the contribution that we are making, particularly here in the eMalahleni Local Municipality where we have five operations.

This housing program shows that we are assisting our employees with housing, but also we are reducing government's burden of providing housing. Our projects do not only look at housing in isolation but take a holistic view including community-related infrastructure like land, bulk services and roads. All of which not only benefit our employees but the wider community, because our involvement extends to assisting the municipality to deliver services as well.

As part of this, we announced a R17 million service delivery package to assist the eMalahleni Local Municipality in March this year. The package includes 20 light delivery vehicles and call centre infrastructure and switchgear. Last week Wednesday we had the privilege of handing over two heavy duty trucks to the Executive Mayor, Councillor Ntshalintshali. Over and above that, we are also supporting an R11 million capacity building programme for the municipality.

Over the past decade, we have made great strides in meeting the targets set out in the Mining Charter. Yes, it told us to improve housing and living conditions. But we did not do this to reach a target. We are not here today because we have to be, we are here because we believe it is the right of our employees and their families to lead better lives as we continue to believe in making a real difference in communities surrounding our operations.

While the Charter is by no means the perfect measure of success, it is thanks to this guideline that mining companies across the country have converted or upgraded hostels for entire families, and called for the facilitating of home-ownership options for mine workers everywhere – a good start to a great aspiration.

But it is not merely about giving out houses. It is about instilling a sense of pride and ownership in the community by helping our employees rent or buy their own homes.

At Coal South Africa, one only needs to look at our housing projects to understand the progress we have made in this regard. We have given life to our slogan: Real mining, real people, real difference. Because through real mining, we are providing the funds to make a real difference for real people... our people.

It is not just rows and rows of little boxes. We have created a range of housing options for employees to rent or buy company-owned housing stock and newly built homes.

To put it into perspective, across all of Anglo American's business units in South Africa, more than R2 billion has been spent on improving employee housing and living conditions between 2010 and 2014. For us at Coal South Africa, last year we spent R577 million on facilitating housing through the payment of housing allowances, building of 128 houses, the installation of bulk services and the sale of Company owned houses . And that was just last year. By the end of 2014, we had already built 551 houses. That is something to be incredibly proud of.

We now have the capacity to house [whole] families in our mine villages and no employees have to share single rooms at Coal South Africa. Every one of our employees that live in mine-provided accommodation are either living in flat-lets or in the mine villages and in the urban areas next to our operations where the Company owns residential properties. An inclusive community where our target of one person per room has become an amazing reality.

Together, building trust and a rewarding workplace is how we create real value, or what we call, shared value. Because our people need to feel the difference, too.

Coal South Africa is a proud partner in a number of projects one of which is the Spring Valley project at Duvha Park, which has set a benchmark in employer-assisted housing. Here we aim to enable members of our workforce to live in sustainable settlements in urban centres in close proximity to their place of work [our mining

operations]. Anglo American employees from seven (7) of our mining operations within and close to the eMalahleni municipal area have purchased houses in Duvha Park.

This development began in 2011 and will be completed in late 2016 early 2017. The development will provide around 3,200 residential units to the community including Anglo American employees who have received 272 units as part of the first phase. The majority of these homes for sale range from between R300, 000 and R600, 000 – a good foundation for any family.

Anglo American was able to invest in this development through our ground-breaking funding model where we invest in a portion of the bulk services needed for the entire development. In return, we're rewarded with significantly discounted building packages for our employees who secure a home loan through the banks

Another project in the eMalahleni area is the Kwa Mthunzi Vilakazi development. Here we invested R52m on services for the town and have provided nearly 500 serviced stands for our employees to buy and build their own houses.

Yes, housing is the goal, but it does not stop there. When we mine, we think of the broader community and as a result, this development also provides for schools, churches, crèches and retail developments, helping us partner with our employees to build sustainable communities that can grow into thriving economies.

I believe this project is the dawn of a new era for our communities and will help form the leaders of tomorrow right on our doorstep.

I thank you.