

the
A
MAGAZINE

SOUTH AFRICA
Issue No. 12
December 2012

**CSI: doing
good business
better**

**What mining
companies could –
and should –
be doing for SA**

**KHANYISILE KWEYAMA:
“NO MORE
BUSINESS AS
USUAL”**



MEET PHUMLANE LEROBANE.
HE IS JUST ONE OF ABOUT
18 MILLION CHILDREN WHO WILL
SOMEDAY LEAD OUR COUNTRY.

TO HELP PUT PHUMLANE
AND OTHER VULNERABLE
YOUTH ON THE RIGHT
TRACK FOR A BETTER FUTURE,
WE LOOKED FOR A PARTNER
THAT UNDERSTOOD OUR
VALUES. SO WE PARTNERED
WITH THE FIELD BAND
FOUNDATION IN 2004.

TOGETHER WE CAN GIVE
PHUMLANE, AND ANOTHER
5 376 YOUNG PEOPLE,
THE CHANCE TO DEVELOP
VALUABLE LIFE SKILLS
AND TO ACCESS POTENTIAL
JOBS AND BURSARIES,
ALL THROUGH THE JOY
OF MUSIC.

IT IS A PARTNERSHIP
THAT DOES US PROUD.

FIND OUT MORE AT
GETTHEFULLSTORY.CO.ZA

PHUMLANE LEROBANE
eMalaheni Field Band

CHILDREN SHOULD BE SEEN AND HEARD

MANY WAYS TO MAKE A REAL DIFFERENCE

It is a difficult time for our industry. Already-strained profit margins are under increasing pressure from industrial action, the need to trim budgets and the imperative to do even more with even less.

Restoring stability to the industry is a priority and it won't necessarily be quick or easy. But while it is a responsibility that weighs heavily on our collective shoulders, there are numerous aspects of our business to feel positive about. These aspects are being overshadowed by the current unrest and have perhaps not been given the depth of exposure that they should.

I speak of the broader role that mining companies play in the development of the communities, economies and environments in which we operate, and our ability and potential to contribute to the growth of our region and the country as a whole.

This idea – that building a business is also about building a country – is the theme of this edition of *A Magazine*. In these pages, you will find a series of interviews with some of the key people in the Anglo American Group who are steering our community and nation-building efforts, and which I hope will give you a fresh view on what mining companies like Anglo American can do, and are doing, to make a real difference.

Look out for the guest article from Bheki Sibiyi, CEO of the Chamber of Mines of South Africa (on page 18), which touches on the roles and responsibilities of government and mining companies and the partnership between them.

Also see the in-depth Q&A article with Norman Mbazima, chairman of Anglo American's Chairman's Fund, who talks about the strategic value of corporate social investment (see page 28). Our interview with Lia Vangelatos (see page 22) of Zimele, our enterprise development arm, offers insight into the new, more inclusive approach to enterprise development that is being practised the world over. We also hear from some of the beneficiaries of these initiatives from pages 26 to 35.

These are just a few examples of the ideas and projects to which we are committed. It is by no means a complete picture of what can and should be done, but I believe it offers a glimpse into Anglo American's dedication to making a difference, and most importantly, why it matters so much to us.

"Restoring stability to the industry is a priority and it won't necessarily be quick or easy. But it is a responsibility that weighs heavily on our collective shoulders."



KHANYISILE KWEYAMA
EXECUTIVE DIRECTOR,
ANGLO AMERICAN
IN SOUTH AFRICA

IN THIS ISSUE

04 FACTS, STATS & NEWS IN A NUTSHELL

Throwing our weight behind the 49M campaign; 10 years of top sustainability scores; Epworth Children's Home gets a touch of Mother Nature; YCA winners announced; a good start for learners gets better; partnership with Rhodes Business School; a shot in the arm for rural healthcare; first-ever global safety day; big win for small business; 2012 Applaud Award winners; Cynthia Carroll – a catalyst for change; executive changes announced.

15 SPECIAL FEATURES

Khanyisile Kweyama – no more 'business as usual'; SA Chamber of Mines' Bheki Sibiyi comments on the broader role and responsibility of mining companies.

22 ENTERPRISE DEVELOPMENT

Taking a bigger view on small business development; Ausleo Construction builds a better future; Playz O Fun founder combines passion and commitment.

28 COMMUNITY INVESTMENT

What it means to be a good neighbour; a fresh start for street kids; celebrating 60 years of health and welfare; Schools Change project update.

36 REAL DIFFERENCE

Greenside does its homework; a new safety record for Isibonelo; homegrown theatre spreads the word; reclamation plant set to double capacity; Kriel puts wetlands to work; environmental wins for Thermal Coal; coaching saves lives at Kumba Iron Ore; R4.3 million for Northern Cape school; Sishen welcomes PITs to project environment; Platinum project 'goes underground'.

The *A Magazine* is a quarterly publication of Anglo American in South Africa. For an electronic version, please visit www.angloamerican.co.za

Editorial enquiries: Rochelle de Paiva, tel +27 (0)11 638 2725
e-mail: rochelle.depaiva@angloamerican.com

The opinions expressed by contributors do not necessarily represent the views of Anglo American. Provided that permission is obtained from the editor and on condition that acknowledgement is made to *A Magazine*, articles in this magazine can be reproduced in whole or in part. © Anglo American 2012

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\$.

A team from Kutting Mpumalanga conducts hydraulic repairs on an excavator. This 24-hour mobile field service business is supported through Zimele's Supply Chain Fund. Zimele is Anglo American's dedicated enterprise development arm.



The potential for mining companies to add value to their surrounding communities extends far beyond the mere extraction of natural wealth. This edition of *A Magazine* explores how, and why, building business helps to build a country.





Alfred Douf on the waste rock dump at area G60 at Sishen mine, where grass is planted on the slopes to bind the soil together.

FINDING 49 MILLION WAYS TO SAVE

Anglo American has put its support firmly behind Eskom's 49M campaign, hosting an exhibition at its corporate office in Johannesburg earlier this year to promote awareness of the initiative. The exhibition showcased energy efficiency measures that can be implemented in the home. It was part of the 'Marshalltown commits to 49M' initiative, in which Anglo American invited neighbouring big businesses to join the campaign.

The campaign (which refers to South Africa's population of 49 million) encourages people from all walks of life to band together and save electricity by leading an energy-smart lifestyle, and encouraging others to be more energy efficient.

One example of how Anglo American is doing just this is apparent at Kumba Iron Ore's Sishen mine, where it has collaborated with Eskom to install a new dust-suppression system. This system, which uses smaller motors than the

"Anglo American will endeavour to maintain and improve on our technologies, programmes and partnerships, so that we can play our part in creating a secure energy future for the country."

GODFREY GOMWE, CEO of Anglo American's Thermal Coal business

old extraction system, is expected to reduce electricity consumption by 1.1 MW per year within the Sishen operation.

Further, the Group's internal energy and carbon dioxide management programme (ECO₂MAN) is helping it to identify efficiencies that will enable it to meet the energy-saving targets that are now in place at every Anglo American site.

AT THE TOP OF THE LOG – FOR THE TENTH TIME

For the 10th year, the Dow Jones Sustainability Index has recognised Anglo American for its excellence in sustainability, achieving the index's highest score in the mining industry.

"Sustainability is embedded in everything we do, starting at the top with our strategy and values, through the organisation to the policies and processes that underpin every aspect of our work," says Cynthia Carroll, chief executive. The index – which is externally audited – assesses economic, environmental and social performance. It also includes a review of policies and performance in corporate governance, risk management, climate change, energy consumption, health and safety, supply chain standards and workplace relations, among others.

What makes Anglo American a worthy winner:

- All operations have water, carbon and energy-efficiency targets, as well as social management plans in place.

- People are at the heart of our guiding principles; last year alone, there were more than 556,000 beneficiaries of education programmes, approximately 2.2 million beneficiaries of community development projects and we created or sustained more than 47,000 jobs through our enterprise development initiatives.

- The Group manages the largest HIV/AIDS workplace prevention, counselling, testing and treatment programme in the world, with 90% of our 100,000-strong workforce regularly checking their HIV status every year.



FAST FACTS

- Only 10% of the 2,500 companies invited to participate in the annual survey are ultimately selected to feature in the index.
- Anglo American has been part of the Dow Jones Sustainability Indices since 2003, rising to Gold Class in 2010.

IT'S IN THE CAN!

Trees, tips and tin cans were the order of the day when Anglo American employees undergoing The Achievers Programme (TAP) visited Epworth Children's Home in Germiston, Johannesburg.

Together with about 30 children from the Epworth Children's Home, employees spent the day planting trees and beautifying a communal, central garden area, while sharing tips with the children on how to conserve water and care better for the environment.

Each child was also given a branded Anglo American indigenous tree in a can, which they were encouraged to

water and grow, and eventually plant in the home's garden. Founded in 1918, the Epworth Children's Home is one of the oldest children's homes in South Africa, and provides a safe, residential haven and training ground for many abandoned, abused and neglected children.

"The communities in which we operate are crucial to our success, our licence to operate, and our ability to create shareholder value," says Hulisani Rashivhaga, media spokesperson for Anglo American in South Africa.

"We therefore believe it is imperative not only to focus on our own immediate concerns as a business, but also to help create a real difference in communities by directly providing much-needed support and education."

"The communities in which we operate are crucial to our success, our licence to operate, and our ability to create shareholder value."

HULISANI RASHIVHAGA, media spokesperson for Anglo American in South Africa.



DID YOU KNOW?

For 19 years, the YCA has helped Grade 11 and 12 pupils who do not speak English as their first language to boost their communication prowess and leadership skills. The competition is sponsored by Anglo American, and is presented in partnership with the Department of Basic Education and the *Sowetan*.

YCA winner Zinhle Novazi from St Michael's School for Girls (centre); in second place Nelisiwe Lehasa from Mariazell Senior Secondary School (right) and in third place Dithlopho Makwela from Zeerust Combined School.



They said it with style!

While public speaking is a great fear for many people, for others it's just a walk in the park. This was certainly the case for the 2012 finalists in the Young Communicators Awards (YCA), which saw nine gifted orators from across the country battle it out in South Africa's leading public speaking competition.

After months of nationwide workshops, district and provincial eliminations, the YCA crowned Zinhle Novazi as the national winner at the final in Newtown, Johannesburg, in August.

Zinhle was a shoe-in for first place with her speech entitled 'Generation Yolo' ('Yolo' meaning 'you only live once'), and won a R65,000 tertiary bursary and R15,000 for her school, St Michael's School for Girls.

In second place was Nelisiwe Lehasa from the Eastern Cape, who won a R45,000 study bursary and R10,000 for Mariazell Senior Secondary School. Third place went to Dithlopho Makwela from North West, who won a R35,000 bursary and R7,000 for Zeerust Combined School.

"It's been an amazing journey and I must thank Anglo American, the *Sowetan* and the Department of Basic Education for this crucial platform. This has definitely empowered me."

ZINHLE NOVAZI, YCA 2012 winner



The Fundinjobo Secondary School Choir, part of Penryn College's Strengthening Our Schools programme, perform at Penryn College's Founders' Day. The Chairman's Fund contributed R750,000 towards the college's newly completed Foundation Phase building.

A GOOD START JUST GOT BETTER

Grade 00 learners at Penryn College, an independent school in Mpumalanga, have a lot to look forward to. The school recently built a new Foundation Phase block with an education centre, 13 classrooms, a multimedia centre and an aftercare facility – thanks in part to a R750,000 grant from Anglo American's dedicated corporate social investment (CSI) arm, the Chairman's Fund.

The grant is well deserved: last year, the school celebrated a 100% matric pass rate, with 90% university exemption. Besides this first-rate scholastic record, the school also runs an outreach programme that has proved extremely effective in upskilling teachers from surrounding disadvantaged schools in the White River and Nelspruit areas.

"We have a valued relationship with Anglo American's Chairman's Fund, as they contributed to the funding of the initial building of our school, as well as the subsequent enhancements that we have made," says Greg Theron, Penryn College's executive headmaster.

The funds also enabled the construction of two dedicated classrooms and additional offices for the school's Penreach early childhood development (ECD) programme, which reaches out to ECD practitioners and centres in surrounding disadvantaged communities.

This will ultimately allow the school's Grade 00 to 3 learners, as well as the 1,000 teachers who are part of the ECD skills development training, to attend lessons in a central venue.

ALL 'RHODES' LEAD TO RESPONSIBLE LEADERSHIP

What will it take to develop the next generation of globally responsible leaders?

This is exactly what the Global Responsible Leadership Initiative (GRLI) aims to achieve – and Anglo American is now part of it, thanks to a partnership with the Rhodes Business School at Rhodes University in the Eastern Cape.

The GRLI is a worldwide network of companies and learning institutions through which members interact with some of the top players in the sustainability field to develop the next generation of responsible leaders. The GRLI currently has 71 partner organisations and is expanding rapidly.

"In looking for a GRLI partner, we sought an organisation that truly believes in sustainability and responsible leadership, and which adopts this across its strategy and operations," explains Leticia Greyling, senior lecturer and coordinator for sustainability integration at Rhodes Business School. "Anglo American is that organisation."

Rhodes Business School embraces the integration of sustainability considerations into the MBA programme, which is closely aligned with Anglo American's sustainable development integration focus.

Professor Owen Skae, the business school's director, says: "Our focus on teaching and researching responsible leadership, within the context of engaged business being a force for positive change in an integrated society, is delivering a very strong message. Working with a global company of Anglo American's stature is marvellous for us."



RHODES UNIVERSITY
Where leaders learn

Close-up of an oxygen gauge, installed at one of Anglo American's many healthcare clinics. The PAN project, funded by Anglo American's Chairman's Fund, could help to improve the ease with which, and conditions in which, minor surgery is conducted in rural and underprivileged areas.



FAST FACTS

- These grants will specifically allow SABRI to improve PAN therapy capacity building in medical male circumcision (MMC) sites nationally in 2012 and 2013.
- Health professionals from non-governmental organisations will receive training in the administration of PAN, in turn empowering primary healthcare centres to offer inexpensive treatments not presently available on site.

Another project pans out FOR RURAL HEALTHCARE

The South African Brain Research Institute (SABRI) has had a welcome boost to its Rural Health Capacity Building Project, with a series of donations totalling R200,000 from Anglo American's Chairman's Fund. The contributions, provided in 2011 and 2012, take SABRI a few steps closer to its goal of improving minor surgery and the initial treatment of addiction in rural and underprivileged areas through the use of psychotropic analgesic nitrous oxide (PAN).

The PAN treatment was pioneered and developed in South Africa, and is now used globally. It involves administering a dose of low-concentration nitrous oxide mixed with high concentrations of oxygen, which affects the endorphin system, effectively 'calming' the patient and reducing the need for external sources such as alcohol, drugs and cigarettes to achieve a sense of balance.

"Clinical experience by thousands of practitioners in millions of cases has shown that PAN is an ideal simple agent for relaxing patients during minor surgery," explains

Professor Mark Gillman, executive director of SABRI.

The medication has a rapid and lasting effect, and allows a patient to be fully conscious and co-operative while receiving treatment.

"Subsequently, there is no need for expensive general anaesthetics and people can be treated within communities without being hospitalised."

"We recognise that the most effective way to empower previously disadvantaged communities is to support innovative models that strengthen the healthcare system. Undoubtedly, the Rural Health Capacity Building Project will achieve this goal."

NORMAN MBAZIMA, chairman of Anglo American's Chairman's Fund



WHO'S RESPONSIBLE FOR OUR SAFETY?

We all are! This message was at the heart of Anglo American's first-ever Global Safety Day, held on 26 November 2012, which brought together employees and contractors from around the world to highlight the vital role that each individual plays in safety.

The Global Safety Day is ambitious in scale but has a simple message – 'real safety begins with me!'

The day kicked off with a specially developed video that invited people to reflect on what matters to them and to consider for themselves where real safety begins. This was followed by engagement activities tailored to the needs of individual business units and functions, and which linked this global theme more specifically to their local requirements.

"We must have a proactive approach to safety and the Global Safety Day has provided us with the opportunity, for the first time, to unite in a positive and proactive manner across the Group," says Eric Nkosi, HR manager at Anglo American's Platinum business and the project leader for Global Safety Day.

"The day has also helped us to build momentum around the safety improvement plans that are being implemented within different business units."

Butch Dudgeon, manager for safety, leadership and engagement in the Safety and Sustainable Development Unit, adds that Global Safety Day has enabled the delivery of a clear, single message to all employees and contractors about where Anglo American stands on its journey towards Zero Harm.

"Even more important is making sure that every individual understands that their personal contribution is valuable; that it's not only about their manager or their team; and that their work can make a positive difference to Zero Harm," he says.

01

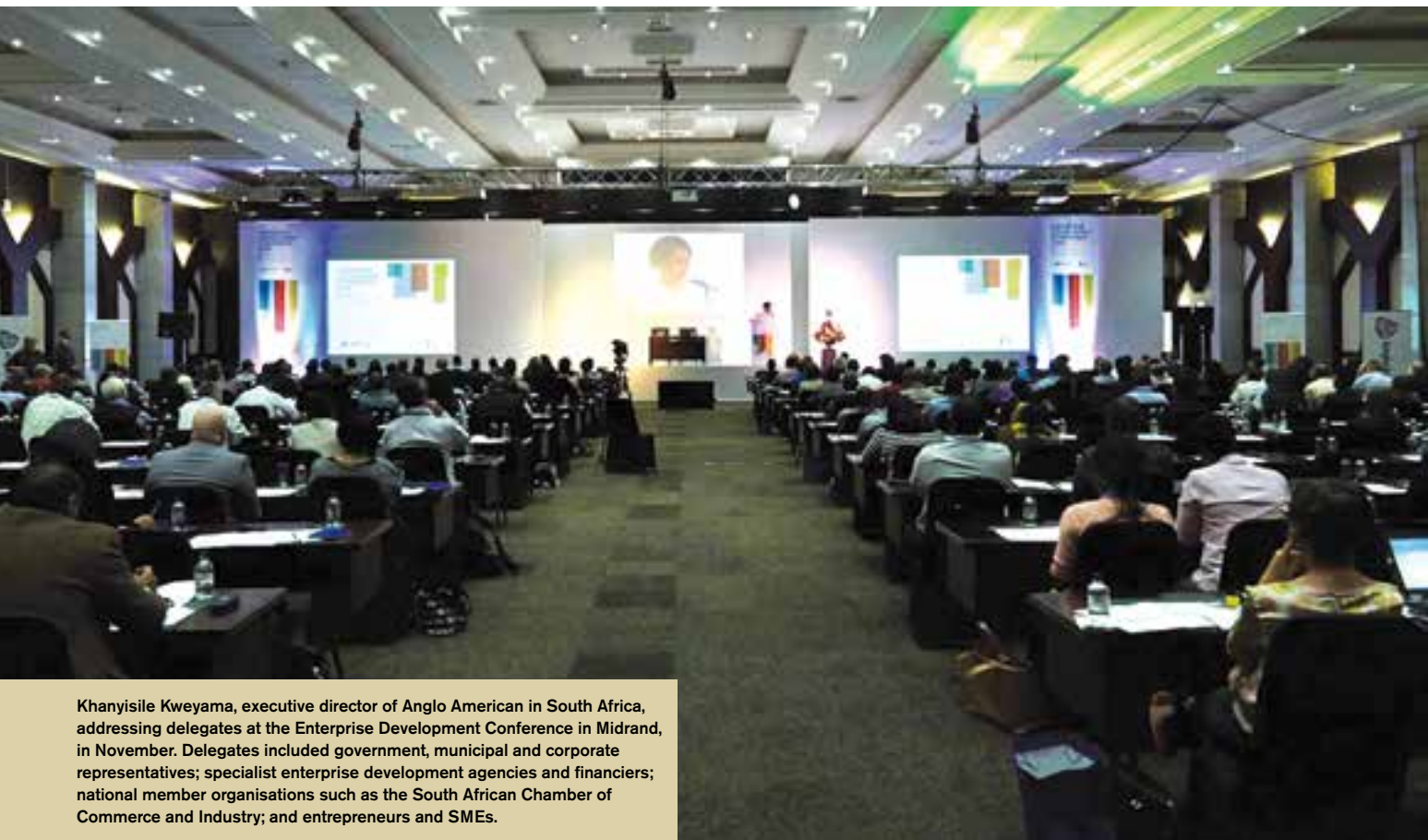


02



01 Chris Griffith, CEO of the Platinum business, discussing safety with employees. Corporate representatives and Exco members from Platinum visited 10 operations on Global Safety Day, and 44 different interactions were held with employees.

02 Kumba Iron Ore employees sign safety pledges following a visit by Exco members, who were deployed to the various operations to deliver the Global Safety Day message.



Khanyisile Kweyama, executive director of Anglo American in South Africa, addressing delegates at the Enterprise Development Conference in Midrand, in November. Delegates included government, municipal and corporate representatives; specialist enterprise development agencies and financiers; national member organisations such as the South African Chamber of Commerce and Industry; and entrepreneurs and SMEs.

IT'S A BIG WIN FOR SMALL BUSINESS

A flourishing economy depends on a vibrant small and medium enterprise (SME) sector, which in turn requires support and advice in order to grow. This is exactly what the 2012 Enterprise Development Conference aimed to provide.

Sponsored by Anglo American in partnership with the Department of Trade and Industry (the DTI), the annual Enterprise Development Conference has become a prominent feature on the corporate calendar. Now in its third year, the conference aims to showcase best practices and raise standards across the sector,

while encouraging more funding and mentorship, as well as a greater commitment to local procurement within company supply chains.

Hosted in Midrand on 7 and 8 November, around 350 conference delegates obtained first-hand advice on how best to use their resources to unleash entrepreneurial activity in South Africa's marginalised constituencies.

Speakers included enterprise development pioneers and leading authorities on transformation, who provided real-life examples of businesses that have achieved sustainable job creation at the grassroots of the economy.

“There is no better time for us to address the need for enterprise development, as the reality is that South Africa is encountering record levels of unemployment.”

KHANYISILE KWEYAMA, executive director of Anglo American in South Africa

"There is no better time for us to address the need for enterprise development, as the reality is that South Africa is encountering record levels of unemployment," said Khanyisile Kweyama, executive director of Anglo American in South Africa, in her opening address.

"This conference will enable us to share best practices and explore how we can maximise the resources at our disposal in increasing enterprise capacity and fostering skills development."

Guest speaker and deputy-director general of the DTI, Sipho Zikode, expressed his concern over the small business sector, saying that many entrepreneurs are currently in business to survive and not to exploit opportunities.

"We must develop a vibrant SME sector that will not be burdened by red tape or inefficient service delivery," he said. "South Africa's Broad-based Black Economic Empowerment Scorecard will give increasing weight to supplier development, which will help to transform our economy." He praised Anglo American for leading the way, and remarked that other multinationals should follow suit.

Also speaking at the event was Minister of Human Settlements Tokyo Sexwale, who contextualised SME development against the current state of the local and global economies, and offered encouragement to business owners. "Zimele (Anglo American's enterprise development arm) provides the catalyst for the empowerment of black business and should continue doing what it does so well."

Anglo American's sponsorship of the conference complements the work already being done by Zimele. Through a strategic blend of financial support and incubator-style mentorship, Zimele has, in the past three years, provided R567 million in funding, supported 1,085 companies, and completed 1,481 loan transactions.

Those funded businesses have employed 19,575 people and achieved a collective annual turnover of R2.4 billion.

"Our involvement in this conference is driven not only by our recognition of the importance of enterprise development in the economic spectrum, but also by Anglo American's firm commitment to wider social obligations," added Khanyisile.

"Ever since we were founded in 1917, we have strived to create a meaningful impact in wider society and build the capacity and prosperity of the communities in which we operate."

THE APPLAUD AWARD GOES TO ...



The Applaud Awards are all about celebrating excellence and rewarding people who go well beyond their everyday responsibilities. This year saw more than 1,000 nominations flooding in from business units around the world, with the finalists gathering in Florida, US, to share their stories.

The following five of the eight winners were South African-based projects:

- Peter Mashego launched a concerted safety campaign after Thermal Coal's announcement of the intended sale of Kleinkopje colliery, to help keep his people focused on their number one priority. Safety performance was not only maintained, but also improved.
- Kumba Iron Ore's innovative mobile media trailer project at Kolomela took safety learning directly to employees at their place of work. This helped Kolomela to achieve an unrivalled safety record of 25.5 million lost-time injury-free hours.
- The Bathopele health clinic initiative at Kumba Iron Ore deploys a fleet of mobile health clinics in rural Northern Cape. In the first month alone, almost 2,000 patients used the free services provided.
- Alrien van der Walt from Technical Solutions has brought her Rapid Results methodology to numerous operations, with outstanding results. Platinum's Mogalakwena mine, for one, has seen improvements in daily production rates, shift change performance, absenteeism and truck loading.
- A team at Kumba Iron Ore's Sishen mine developed a collision avoidance system that links a wide range of safety features in one intelligent piece of technology. Their efforts have gone well beyond compliance with safety standards.

Seen at the Applaud Awards ceremony in Florida, US, are the final winners: **Giorgio Sartorato; Peter Mashego; Werner Badenhorst; Chrisjan van Wyk and Willem Roux; Selma Fernandes; Ryan Reynolds and Anne McCormack; Rina Botha; and Alrien van der Walt.**

A CATALYST FOR CHANGE

Cynthia Carroll's decision to step down as chief executive of Anglo American plc marks the end of six years of significant achievements for the Group.



Cynthia Carroll arrived at Anglo American in 2007 as a catalyst for change, joining an organisation that, at the time, was seen to be consistently failing to realise its full potential.

From the outset, she made it clear that her priorities were to improve safety and operational performance, create a stronger, more unified global organisation, and rebuild relationships with key stakeholders, particularly the South African government, in order to re-establish trust.

The announcement of her decision on 26 October 2012 to step down marks the end of a period in which that, and more, has been achieved.

"It has been a great honour to lead Anglo American," she says. "I am extremely proud of everything we have achieved during my period as chief executive and I will always retain enormous admiration and affection for this great company and its outstanding people. It is a very difficult decision to leave, but next year I will be entering my seventh year as chief executive and I feel that the time will be right to hand over to a successor who can build further on the strong foundations we have created."

Anglo American's chairman, Sir John Parker, describes Cynthia's leadership as having had a transformational impact on Anglo American. "She developed a clear strategy, based on a highly attractive range of core commodities, and created a strong and unified culture and a streamlined organisation with a focus on operational performance."

A legacy of improvement

Between the financial years 2007 and 2011, Anglo American was the only miner in its peer group to reduce unit cash costs, and heading into the financial crisis of 2008, the Group did not need to raise new equity to shore up its balance sheet, unlike some of its competitors.

In the same period, the Group was able to exceed the targets of its asset optimisation and supply chain programmes, delivering benefits worth \$3 billion by the end of 2011. Continued investments in strategic growth projects also meant the company was able to deliver three

major projects on budget and on or ahead of schedule in the same year.

This strengthening of the Group's performance, which included record financial results in both 2008 and 2011, was supported by a leaner management structure and a clearly defined strategy, with the formation of seven focused business units with management teams based in the appropriate geographies. Cynthia's launch of the One Anglo American initiative – a comprehensive organisational and cultural change programme – coupled with a brand refresh in 2010, saw a more effective, performance-driven organisation being brought together under one name and visual identity for the first time.

Changing views on safety

Cynthia's open and inclusive approach over the years has led to a fundamental change in the way that the mining industry thinks about and engages on safety issues.

In 2007 she shut down the world's largest platinum mine, based in Rustenburg, due to safety concerns. This was the first of a number of decisive actions that have ultimately led to an industry-wide improvement in safety management. Another was Cynthia's formation of the award-winning Tripartite Safety Initiative, which brought together the government, trade unions and South African business in a way that once might have seemed impossible.

As a result, between 2007 and 2011, Anglo American reduced its fatality rate from about 2.25 per thousand employees per year to just over one per thousand. The lost-time injury frequency rate (LTIFR) dropped 45% in the same period. Cynthia's leadership in this area is recognised at all levels, from mine employees to the South African government, and internationally.

Collaboration and partnership

Cynthia's belief in the power of continual dialogue and engagement with governments and communities has enabled Anglo American to build trust with its stakeholders, which in turn has helped to secure its social licence to operate in challenging environments.

Her continued support for initiatives such as Anglo American's pioneering HIV/AIDS testing and treatment programme helped to ensure that in the past year alone, 110,000 employees, contractors and dependants were tested. Additionally, increased support for the Group's enterprise development programme has seen 32 new business hubs built and more than 47,000 jobs created around the world.

“Her legacy will include, among many other things, a step change improvement in safety, sustainability and the quality of our dialogue with governments, communities and other stakeholders. Her values represent the very best of Anglo American.”

SIR JOHN PARKER, Anglo American's chairman

As the first female chief executive of a major mining company she is also a champion of gender diversity – something that is clearly reflected in Anglo American's employee profile: since 2007, the percentage of women in our overall workforce has risen from 10.6% to 15% and, at a management level, from 15.3% to 22%.

It was no surprise, therefore, to see her named the Africa investor SRI 30 CEO of the Year in 2011, as well as being honoured by the Diamond Empowerment Fund and the China Charity Federation for her leadership and commitment to the economic and educational empowerment of people around the globe.

Cynthia has repeatedly been in the Top 10 of *Forbes* magazine's list of the 100 Most Powerful Women in the World (2007: 7th; 2008: 5th; 2009: 4th). In 2012, her safety and sustainability leadership was recognised by the University of Exeter's Camborne School of Mines, which awarded her an honorary doctorate in science.

In addition to her executive role, Cynthia is the chairman of Anglo American's Platinum business and of De Beers and she will relinquish those roles when she steps down as chief executive of Anglo American. Cynthia has agreed to continue in her current role until a successor is appointed.

The process of recruiting her successor has begun and is being led by Sir John, who will also actively support the transition when the new chief executive has been appointed.

“The board is enormously grateful to Cynthia for her dedication, her hard work and all she has achieved,” he says.

“Her legacy will include, among many other things, a step change improvement in safety, sustainability and the quality of our dialogue with governments, communities and other stakeholders,” he says. “Her values represent the very best of Anglo American.”

EXECUTIVE CHANGES

mark the next step forward for SA businesses

A number of executive management changes have taken place within the Anglo American business in South Africa:

PLATINUM: Chris Griffith is the new CEO of Anglo American Platinum Limited. He was previously CEO of Kumba Iron Ore Limited (since 2008), and prior to that worked at Platinum for 18 years.

KUMBA IRON ORE: Norman Mbazima is the new CEO of Kumba Iron Ore, having previously been CEO of the Thermal Coal business since 2009. Prior to that, he was CEO of Scaw Metals and joint acting CEO and CFO of the Platinum business.

THERMAL COAL: Godfrey Gomwe, now CEO of Anglo American's Thermal Coal business, has been executive director of Anglo American South Africa since 2009. His extensive experience across a number of Anglo

American businesses includes being CEO of operations in Zimbabwe, and he brings a deep knowledge of the Group's operations, partners and other key stakeholders in southern Africa.

ANGLO AMERICAN SOUTH AFRICA LTD: Khanyisile Kweyama is the new executive director of Anglo American in South Africa, and will work together with the CEOs of the South African-based businesses to deliver the Group's strategy in the region. Khanyisile served on the executive committee of Anglo American's Platinum business in 2011 and brings extensive commercial experience from her previous executive roles at Barloworld, Altech and BMW South Africa.

"I congratulate Chris, Norman, Godfrey and Khanyisile on their new roles – a clear demonstration of the depth of management talent within Anglo American – and welcome Khanyisile to the Anglo American executive committee," says Cynthia Carroll, chief executive of Anglo American.



Khanyisile Kweyama,
executive director of
Anglo American in South Africa.

Godfrey Gomwe,
CEO of Anglo American's
Thermal Coal business.



Norman Mbazima,
CEO of Kumba Iron Ore.

Chris Griffith,
CEO of Anglo American
Platinum Limited.



NO MORE 'BUSINESS AS USUAL'

Anglo American is known for being a cultivator of strong leaders, and the latest addition to the executive office is no exception. Khanyisile Kweyama, executive director of Anglo American in South Africa, spoke to *A Magazine* about the current unrest in the industry, her journey with the Group to date, and her priorities for the months ahead.

“The mining sector is in a state of turmoil. Since February this year, when the unrest first started, the industry has been in crisis management mode and a lot of damage has been done – an estimated R4.5 billion worth for the platinum industry alone by the first week of October, according to news reports.

“Many refer to the strikes and the response to them in terms of being a series of individual problems faced by individual companies, but ultimately it is a national crisis.”

These are decisive words from the woman at the helm of Anglo American in South Africa, but they point to an underlying problem that Khanyisile believes will require collaboration and considerable joint effort to resolve.

“There are several issues at the root of the unrest, and business leaders have been called to sit together to debate and find solutions,” she explains. “There are obviously a lot of strong feelings at play, and people wouldn’t be putting their own lives at risk if they didn’t feel they had very good reason for their actions. But I believe there is an education aspect related to this situation as well.

“There are segments of our workforce who clearly do not feel or trust the difference that we believe we are making to their lives and in their communities. As mining companies and as an industry as a whole, we therefore need to ask ourselves what we could be doing better, or more of, in order to give the average employee and community member a better understanding of the support we provide and the economic constraints under which we do so.

“We need to ask what we as management have done to develop a common vision with our community stakeholders. Have we genuinely co-crafted this vision? Are we true partners with our employees and communities?”

There is no question, adds Khanyisile, that mining companies have invested heavily in the regions in which they operate and that they continue to do so.

“But have we done this in the most collaborative way possible?” she asks. “Have we said enough about it? And have we said it properly?”

“Despite all the good work we have done – the extent of which is evident in social and labour plans and Department of Mineral Resources reporting – something is clearly still missing. Our approach and solutions need to go beyond the normal business thinking. We need to take responsibility for this breakdown in trust and appreciate that as leaders, there may be a few boxes that we have not yet ticked. We have done a lot, but have we done enough and with enough depth? The jury is still out on that.”

The Group is actively involved in discussions to establish the best way forward.

“On a broader level, we are also reaching out more to stakeholders and exploring new avenues through which to communicate and reinforce our commitment to partnering with stakeholders in all areas of our business,” says Khanyisile. “However, the one area in which we need more focus, is that of the youth. I don’t believe we understand our youth as much as we’d like to think. The youngest entrants into the workplace have their own muscle and influence, and they work to a different dynamic. We need to get closer to each other to better understand this.

“Programmes like our enterprise development initiative, Zimele, and Anglo American’s Chairman’s





Fund, do some excellent work in terms of the growth and development of the youth, but we need to start stretching this further.”

Leading by example

Khanyisile’s appointment as a top leader within Anglo American is, for her, proof of the Group’s commitment to promoting equality of opportunity within the industry.

“Cynthia Carroll is Anglo American’s diversity champion,” she says. “I don’t doubt that there were a number of very capable candidates with considerable mining experience who were suited to the position, but she was prepared to rock the boat and be different.”

She also describes this decision as a ‘big tick’ for talent development within the Group. The recent executive changes in the South African business created gaps that could have been filled by externally sourced skills, but for Khanyisile, the decision to fill the posts from within was Cynthia’s stamp of authority on developing Group talent.

“This decision tells everyone who works here that there is always an opportunity within, and that we have great home-grown talent. From an HR perspective, Cynthia’s decision has given a great boost to all our processes.”

From negotiation table to boardroom table

The view from Khanyisile’s new seat in the executive boardroom is in sharp contrast to the view she had of Anglo American as young woman in the 1990s.

At the time, she was working as the assistant to the national programmes director for the Consultative Business Movement (CBM) – the business group facilitating the negotiation process at Codesa. A deadlock in negotiations required the team to meet at Anglo American’s corporate office to try and resolve the issue. “Anglo American was very involved in the discussions,” she says.

“It was a strange feeling to walk through the ‘hallowed halls’ of a company that I had previously only seen through the eyes of a young girl who had read the sad history of a migrant labour system, and seen photographs by the late renowned photographer Ernest Cole, in a banned publication titled *House of Bondage*. I had read so much history, both good and bad. The fact that I’m now on the other side of the table says a lot about how far we have come – both as a country and company.

“Anglo American has an ingrained respect for diversity

and the ability to 'agree to disagree'. When a different view is raised, Anglo American is the kind of company that says 'let's hear it!'

Khanyisile describes her history with Anglo American to date as a "fast swimming journey". She joined the Platinum business in 2011 as executive head of HR, starting several weeks earlier than expected in order to accompany Cynthia Carroll and the team on a visible felt leadership (VFL) exercise following an incident at Bathopele mine that resulted in the death of drill rig operator, Mbanja Ntanta.

Khanyisile was, quite literally, thrown in the deep end, as she headed underground for the first time in her life while juggling interactions with the Group chief executive, then-Platinum CEO, Neville Nicolau, mine employees and union representatives all at once and on her first day at the company.

This was immediately followed by a trip to London where Khanyisile joined the human resource leadership team quarterly meeting, a meeting of all the executive heads of HR from the Group's operations across the globe.

"There was no time to ease into things, so the *Anglo American Way* quickly became entrenched into my way of thinking," she explains.

And it didn't stop there. Khanyisile returned from London and headed straight from the airport to the negotiation table to join Platinum's wage discussions. "The labour unions were demanding double-digit

increases, and the nationalisation debate was starting to bubble. It seemed tough then, but little did we know that a year later we'd be dealing with what we are now."

A balanced approach

Every leader brings a unique style and energy to the mix, especially in a company that has a culture as strong and well established as Anglo American's. Khanyisile's approach reflects her belief that every partner in a team, on a project or around a table, has a valuable contribution to make.

"My role is to have vision that sets the goal and tone, and then to help guide each person's contribution towards that," she says. "I want to make a difference, and I can't make that on my own. Every good leader needs to be surrounded by a healthy mix of different skills – technical expertise, financial expertise, logistical skills and more. I certainly have that at Anglo American. My role is to pull it all together and make sure it stays on track."

Khanyisile brings a very different perspective to the Anglo American mix. Prior to joining Platinum in 2011, she held executive roles in marketing (at BMW South Africa) and in HR and corporate affairs (at Barloworld and Altech).

This different perspective is one that she believes could add real value over a Group that has changed fundamentally over the past decade. "Our industry has changed, and South Africa has changed. There's no more 'business as usual'"

"Every good leader needs to be surrounded by a healthy mix of different skills – technical expertise, financial expertise, logistical skills and more. I certainly have that at Anglo American."

KHANYISILE KWEYAMA,
executive director
of Anglo American
in South Africa

KHANYISILE: A PERSONAL PERSPECTIVE

- **One day I want to:** "... take martial arts classes – probably karate – because I'd like to master the art of being prepared for the unexpected. Sometimes I go to bed wondering how something happened and why I did not see it coming. Karate teaches you to be ready to respond to that element of surprise."
- **I am currently reading:** "... Deepak Chopra's *The Seven Spiritual Laws of Superheroes: Harnessing Our Power to Change the World*."
- **If I could invite any three people in the world to dinner they would be:** "... Mother Theresa, Martin Luther King and Nelson Mandela, because they all stood for what they believed in; they wanted to make the world a better place; and they were willing to sacrifice their lives for it."
- **My ideal holiday would be:** "... a long overdue trip to the carnival in Rio, in Brazil. My next choice would be to climb a high mountain, probably by myself, and stay up there for a while."

BUILDING AN INDUSTRY, BUILDING A COUNTRY

The mining sector currently accounts for about 18% of South Africa's gross domestic product, but its impact on growth and development extends far beyond that, argues Bheki Sibiyi, CEO of the Chamber of Mines of South Africa. In this article, he explores the broader responsibility of mining companies to the environment in which they operate, and the role they should be playing over and above the extraction of natural resources.



Besides being financially responsible to shareholders for generating profits, mining companies have both the potential and the responsibility to make a significant impact in sectors that could help to turn the economy and country around.

One such area is education. According to Operation Upgrade, the oldest non-governmental literacy organisation in South Africa, there are 28 million illiterate adults in Southern African Development Community (SADC) countries alone. A report released in 2011 by the United Nations Development Programme reveals that around 4.7 million adults in South Africa have never had a day's schooling in their lives. A further 4.9 million never completed primary schooling and are therefore considered functionally illiterate.

One would not expect to find illiterate and semi-literate employees in office environments – and yet you do, which is why employers have such an important

“The challenges that we face in our industry should be seen as ‘South African’ challenges; they should be well articulated and we should address them as partners, focusing on how to fix each issue, rather than whose fault it is.”

**BHEKI SIBIYA, CEO of the
Chamber of Mines of South Africa**



role to play in tackling this challenge. One cannot force people to learn and study, but simply providing the opportunity – for example, through free adult basic education and training courses – isn't always enough. For many, especially those who feel ashamed of their illiteracy or who feel they are 'too old to learn', the barriers to entry are significant. As the largest employer in the country, after the state, the mining sector therefore has a duty to encourage its people to improve the quality and standard of their education through the many free resources that mining makes available, and to create supportive, empathetic environments in which they can do so.

Other areas where mining companies can and are having a significant impact are health (with the migrant labour system comes family destabilisation and the associated challenges of HIV/AIDS and sexually transmitted diseases), and housing (even when companies provide grants to migrant labourers to ensure they are appropriately housed, some prefer to send this money home so that their families can benefit. They then opt to live in cheap and often poor conditions close to where they work).

In both cases, the very nature of mining in South Africa has contributed to this state of affairs, which is why we need to make a concerted effort to deal with it and to create environments in which people are as healthy

as possible. A number of mining companies, Anglo American included, have really stepped up to the plate in this regard.

Working in partnership

Government's overarching responsibility is to safeguard the welfare of its people, and this can only be done by partnering with businesses in general and mining companies specifically.

This partnership has to start with the acceptance, at a very deep level, that there is a high price to be paid for extracting South Africa's mineral deposits – a cost that increases as those deposits become harder to find and extract. We need to operate according to the adage of 'waste not, want not'. Ensuring that financial support is appropriately allocated and spent means having a clear understanding of each other's respective stakeholders and their needs.

For government, this refers to its electorate, while for mining companies it includes their investors and stakeholders. In my opinion, we need to put much more focus on developing a more in-depth understanding of each other's stakeholders. This will enrich the partnership immeasurably. Once we understand where one's moccasins are pinching, so to speak, we can then work together with more empathy.

Consultations with families in the community of Dingleton in the Northern Cape, near Kumba Iron Ore's Sishen mine. Kumba Iron Ore is relocating this community to Kathu to make way for mining of the area beneath the town.

Mandla Mnisi carries out specialised HIV tests in the laboratory at the Bhubezi Community Health Centre in Bushbuckridge, Mpumalanga. The facility was established in 2007 when Thermal Coal, Virgin Unite and the US Government joined hands to provide rural people with access to primary healthcare facilities.



Having said that, these partnerships should not be demand-driven; each partner, in each situation, should come to the table with some form of offer or positive contribution. For example, in tackling the question of housing, more could be done to build on the opportunities and capacity that already exists, for instance, by working through the Department of Human Settlements to establish which mining employees qualify for low-cost housing, and then accommodating them through this channel instead.

In terms of infrastructure, such as roads, clinics and basic services, we should be examining how government and mining houses interact with each other in order to ensure that integrated development plans are drawn up in consultation with each other, and are mutually supportive.

The challenges that we face in our industry should be seen as 'South African' challenges; they should be well articulated and we should address them as partners, taking all stakeholder needs into account and focusing on how to fix each issue, rather than whose fault it is.

All parties need to look at all situations and be brutally honest with themselves about what part they have played, whether by contribution or omission. Only then can we ask what we, as South Africa, as a country, are going to do about it.

Doing business better

The South African mining industry has had an imperfect past, one of which we cannot be fully proud. We have

about 5,000 ownerless and derelict mines – a figure that may have been much higher in the past. Mining and mine dumping has, historically, not always been done well and this has created a legacy that we will be paying for and working very hard to rectify, for some time to come. In some cases (such as that of acid mine drainage), 80% to 90% of the problem is linked to a historical cause rather than a current practice. This particular situation is a difficult one, and one in which the principle of 'the polluter pays' is not always enforced strictly enough.

However, there are also areas where the cause of a problem (for example, in the field of rehabilitation) might be not historical, and is something that needs to be fixed quickly and completely. How do we ensure that we rehabilitate areas properly? How do we ensure that we do business without doing any harm? These are the issues that should be keeping us awake at night.

The value of good corporate citizenship

Companies like Anglo American have long espoused the belief that being a good corporate citizen is about more than compliance – it's about 'doing the right thing' because it is 'the right thing to do'. There is much to be gained from this approach.

I believe the most important gain lies in reputational integrity. This is something we often take for granted, but when it is lost, it is a serious loss.

As we move into a knowledge-based economy, we are becoming increasingly aware of how much value



Rose Kgoete, Zimele hub manager in Burgersfort (right), with Dr Lorna Maphuthuma. Lorna is a medical practitioner who runs a practice built with the help of seed capital from Zimele.

is embedded in company brands. Public trust can be what carries a company through its toughest times, and therefore one must safeguard against events, actions or responses that are incompatible with your underlying values and which might erode public trust.

When companies don't pay careful attention to good governance, and don't hold firm to their principles of good corporate citizenship, their reputation and brand value is put at very real risk.

The ethics of sustainability

Ethical business is essential to long-term sustainability. If a business is found to have been unethical, the consumers of its products or services won't stick around. Even if they don't move to the competition, they will certainly look for and find substitutes.

An ethical company is one that sticks to its promises, and again, this is achieved through the power of partnership. Partnership, and the mutual understanding that comes with it, is essential in that it helps to provide a more balanced perspective and a more mutually supportive solution.

For example, any mining company typically has two 'host communities' that it has to think about: the immediate surrounding community on which the mine depends in order to operate, and the labour-sending areas from which many of these employees come. Inappropriately, some companies focus on the immediate mining communities at the expense of the labour-sending communities.

Working in partnership with these communities, and better understanding their needs and contributions, would go a long way towards preventing this.

Getting the balance right

Company leaders constantly have to balance their long-term business vision with the short-term, quick-return thinking of bankers and shareholders. The question is whether we are getting it right in South Africa. I'm not sure that we are.

We are an industry that works with resources that have limited life – whether that is 10, 15 or 300 years. What will the backbone of our economy be once we have fully utilised our mineral resources?

I think we should be doing more research into how the economy will shift, and putting more effort into diversifying it. Ultimately the responsibility for this lies with government, but as the mining industry we need to induce that effort. Are we? I don't think so, not in the real long term.

We need to get behind South Africa's National Development Plan, buy into the government's Vision 2030, and then push the vision beyond that.

I believe there is always room for improvement and a need for a higher level of CSI and good citizenship, but it needs to happen as a collective, working in partnership, and fixing situations together. It certainly won't be easy, but it is how this industry will take our economy and country forward.

“Companies like Anglo American have long espoused the belief that being a good corporate citizen is about more than compliance – it's about ‘doing the right thing’ because it is ‘the right thing to do’. There is much to be gained from this approach.”

BHEKI SIBIYA,
CEO of the
Chamber
of Mines of
South Africa



TAKING A BIGGER VIEW ON SMALL BUSINESS DEVELOPMENT

In examining the broader impact of business on South Africa, one uncovers many 'spin-off' benefits that arise as the result of initiatives such as Zimele, Anglo American's enterprise development arm. These initiatives are answering a need that exists not only in South Africa, but right across the world, says Lia Vangelatos, managing director of Zimele.

The world's population has reached the seven billion mark. Of that, the World Bank estimates that around two billion people live on less than \$2 a day. This is the global context for the United Nations' millennium development goals, one of which is to eradicate extreme poverty and hunger by 2015. And how? Through inclusive business models and sustainable business solutions that

focus on, among other things, job creation.

"This echoes Anglo American's own strategy, which, through our partnership with Business Call to Action (BCtA), has set a target of creating and sustaining 25,000 jobs by 2015," explains Lia.

"Although we are well on our way to achieving this, with 19,575 jobs already secured by December 2011,

02



making a meaningful difference in job creation means letting go of some of the traditional models of enterprise development and CSI, to make room for the new. It means working smarter and in collaboration across all boundaries and geographies.”

Lia points out that the inclusive models that are currently ‘in vogue’ in the business environment have emerged from the growing emphasis on leveraging one’s core business rather than adopting a ‘hand-out’ approach. Philanthropy is no longer enough; effective corporate funding must have structure to it that includes regular interaction with all relevant stakeholders for the mutual benefit of everybody. This is how you ensure that any money given to a cause generates real outcomes in terms of things like youth employment and better health, among others.

“At Anglo American, and specifically Zimele, our approach is a developmental one rather than that of a typical venture capitalist, the latter being focused on financial returns and profit,” she says. “We believe in widening the scope of funding and effectively ‘spreading the load’ by providing training and advice and forming partnerships around that funding. Social returns might not come immediately or in high amounts at first, but when

they do, they will be sustainable. This ‘patient investing’ is therefore a way of addressing social problems in a commercial viable manner.”

Locally there is a lot of emphasis being put on creating an enabling environment for small business development and therefore job creation, and this depends heavily on building symbiotic relationships, not only between government and private business, but also between large and small businesses. This is something that Anglo American has been doing for the past 20 years, says Lia. “Small and big business can co-exist and offer each other products and services in a commercially viable way, and Anglo American has proven this through the success of the various funding mechanisms that operate with Zimele.”

Local statistics

Unemployment in South Africa’s formal sector is around 24%, and in the informal sector it is far higher. We have around 2.8 million youth (between 18 and 35 years old). Of those aged between 25 and 34 years, 50% do not have jobs. Currently, more than a third of households in South Africa receive the bulk of their income from welfare.

01 An employee from Impenthana Projects and Maintenance, at the Zimele Philippi Hub in Cape Town.

02 Employees of Kohler Signs, an SME at Zimele’s Philippi Hub in Cape Town.

DID YOU KNOW?

- Only two out of every 100 South African SMEs have been running their business for more than three years.
- In China, the number is 15.
- In Uganda, it is 27, and in Ghana, 35.

This is one of the reasons why, in many South African communities, there is an average dependency ratio of 10:1. In other words, for each salary earned, 10 people rely on it.

Small and medium enterprises (SMEs) currently employ around 60% of South Africa's labour force and generate about 40% of GDP, and there is enough growth potential in this sector to make a serious dent in this dependency ratio. In order to do this, what South Africa needs now, more than anything else, are qualified entrepreneurs who have the building blocks of life (that is, basic education and literacy) in place. Government has recognised the SME sector as the engine room for

“Enterprise development is not an arm’s length process, and there is no magic wand. It requires support, involvement and patience.”

LIA VANGELATOS, managing director of Zimele

economic growth. However, the irony is that local labour legislation and the regulatory environment inhibits this growth.

“For example, it takes nearly a month to get a company in South African off the ground, compared to 24 hours in some other countries in the world,” says Lia. “It is no surprise then that South African currently ranks 34th on the global list of ease of doing business.”

The situation is exacerbated in part by ignorance. Many SME owners do not register their businesses because they don't know how to. “This means they operate with no proper structure and build up no track record – and without these, they are not even at the starting gate.”

What are the challenges?

Besides the constraints mentioned above, there is a lack of consolidated support for SMEs in South Africa. Access to finance remains their biggest challenge: financing requirements are onerous, institutions are reluctant to provide funds to people who don't have collateral, and interest rates are high. Very few funders assist or focus on start-ups, as they have no assurance or track record.

In evaluating the likely success of a venture (and therefore whether it should qualify for funding or not), aspects like entrepreneurial capability, focus and passion are critical, but often underplayed.

Lia points out that while there are a large number of micro-finance companies, many of them charge exorbitant rates and don't provide any level of business mentoring or advice – despite the fact that local SMEs are hungry for knowledge.

Government policy and particularly labour legislation are also obstacles. Education and training are limited in the SME space, and the lack of basic education means there is no pool of entrepreneurs to draw from.

South Africa needs to equip its entrepreneurs with basic skills, and then add layers of education on top – such as how to operate and grow, run and market a business. Besides securing the sustainability of SMEs themselves, this also helps to build up a workforce that SMEs can draw from when in need.

What is needed is therefore a more holistic approach; one that combines loans with very competitive interest rates, coupled with mentoring and support. This is where Zimele comes in.

“Currently, Zimele's rates are the lowest in the industry, from 6% per annum on unsecured loans,” says Lia. “The support it provides includes assistance with compliance and management issues through to helping SMEs to

A BEST-PRACTICE EXAMPLE

Established in 1989, Zimele has grown to become one of the most successful corporate enterprise development programmes in the world. It currently operates four funds:

- 1. The Supply Chain Fund focuses on procurement and business development opportunities for black-owned and black-managed SMEs within our supply chain.**
- 2. The Anglo American Khula Mining Fund manages mining-related investments as a joint initiative with Khula Enterprise Finance Limited, a government-owned entity that promotes SME development.**
- 3. The Community Fund supports entrepreneurs and small businesses in the communities in which we operate. This is achieved by means of loan finance and hands-on guidance and support from our network of small business hubs.**
- 4. The Green Fund targets investment opportunities that specifically play a role in mitigating environmental risks and improving the long-term environmental welfare of communities. Initiatives that receive funding from the Green Fund could contribute to sustainable development by means such as reducing carbon emissions, reducing energy and water consumption, or improving waste and emissions management.**



A Zimele beneficiary displays her handmade clothing and accessories at Zimele's Philippi Hub in Cape Town.

FAST FACT

It is estimated that every rand spent in a community has a seven-fold multiplier effect.

become registered vendors. It's a formula that works, and works well, and as a result it is today regarded as best practice in the enterprise development field."

Much of the time, Zimele operates in environments where the streets have no names or numbers – quite literally. The truth is that even the smallest of micro enterprises has the potential to grow, but they need more than just finance.

"Enterprise development is not an arm's length process, and there is no magic wand," says Lia. "It requires support, involvement and patience, and this is what initiatives like Zimele provide.

"We are breaking barriers in terms of all these constraints, but it requires all players to work together. That's why we share our model with everyone who wants

it, so that they too can become the champions of change and make a difference."

The value of partnerships – both outside and within Anglo American's Group – cannot be over-emphasised.

"The right partnerships allow growth in scale without having to reinvent the wheel," says Lia.

"This includes, for example, ring-fencing certain areas for local procurement and working very closely with our supply chain to give SMEs much-needed access to markets. In this way, the businesses we fund and help grow will ultimately become valuable contributors to our own bottom line.

It is easy to form an SME, but not easy to grow one. But for Anglo American, achieving just this is part of the legacy it intends to build for this country.



50%

Half of South Africa's youth between the ages of 25 and 34 years do not have jobs.

BUILDING FOR A BETTER FUTURE

DID YOU KNOW?

SMEs contribute to the economy by:

- increasing productivity
- creating employment, especially for unskilled labour
- helping to reduce poverty
- contributing between 52% and 57% of South Africa's GDP
- providing 61% of South Africa's employment.

Following the rapid growth of Ausleo Construction, Zimele awarded Greg Austin an additional loan to purchase a Timbercity franchise. Seen from left are André de Jager, Greg Austin, Lenie Awotin (a director of Ausleo Timbercity), John Seretsi and Percie Oliver. John, from Kumba Iron Ore, assisted with the paperwork for the financing, while André and Percie are consultants who work with Timbercity franchisees.

SMEs play an increasingly important role in South Africa's economy. Entrepreneur Greg Austin has seen first hand the positive impact that his business has had on the community.

Greg is a well-known cabinetmaker and craftsman in Kuruman, Northern Cape. He has been expertly carving wood for over 26 years and "there is literally nothing I can't make", he says. "Ausleo Construction is my life, my passion and, most of all, my pride."

Ausleo Construction makes custom-made display and kitchen units, built-in cupboards, wall units, bars, counters and more for the surrounding mines, businesses and home construction industry. "We use the latest interior design software to determine the exact material needed on a project, which is a huge benefit to the client. With this technology I can ensure that there won't be any waste and therefore keep the price competitive," he says.

When Greg started his business four years ago, he was working in his backyard with a few employees. He first applied for funding from Zimele in 2010 and again

in 2012 for just over R1.2 million collectively. Both times, funds have been used to buy more machinery and raw materials to grow the company.

"I now employ 15 people full time and am looking to increase this. It's sometimes challenging finding skilled labourers, so I offer on-site training and mentoring," explains Greg, who adds that through this approach, he is sharing his knowledge with the local community. "This is the difference I want to make – I want to share what I know so that people can learn and grow."

But the best lesson that Greg can teach is that starting a business takes effort. "I can't emphasise enough that it takes hard work to start and keep a business going," stresses Greg. "Nothing comes for free. You have to work 24/7 at your business to make it work and if you don't believe in yourself, then no one will."



"I now employ 15 people full time and am looking to increase this as we expand the business. It's sometimes challenging finding skilled labourers, so I offer on-site training and mentoring."

GREG AUSTIN, Ausleo Construction

Zimele takes particular pride in the work it does to provide empowerment opportunities for previously disadvantaged South Africans through the creation and development of commercially viable and sustainable SMEs. This is particularly the case when the recipients of the funding are passionate about what they do. Magauta Mosia is one such recipient.

PUTTING PASSION INTO COMMITMENT

Magauta Mosia, founder of Playz O Fun, an after-school childcare facility based in Vanderbijlpark, is someone whose passion and commitment to her dream has resulted in the successful growth of her business over the last two years.

A full-time corporate-employed mother of two, Magauta was searching for an opportunity that would allow her to spend more time with her children. "I've always been passionate about children, and one day it dawned on me that I can turn this passion into a business and meet the needs of a working mom."

Playz O Fun offers a complete value-added service that includes a fully supervised school pick-up and aftercare facility, heated swimming pool, indoor play and activity zones for children up to the age of 11, and party venue hire. Children are encouraged to play, explore and, above all, have fun. There is also a restaurant and a massage salon for moms who need some time to themselves, and can spend it knowing that their children are being well looked after.

A tribute to her success is the fact that Magauta's main marketing tool has been through word-of-mouth and her recently acquired branded Quantum minibus. The Quantum was the result of a R270,000 loan from the Zimele Community Fund, which supports entrepreneurs and SMEs. Throughout the application process, Magauta (who used her own car before hiring taxis to transport kids from surrounding schools to the centre), found the financial knowledge and hands-on guidance and support from the Fund hugely helpful. "I was delighted with the loan and the manner in which I was treated by

the Fund. Through their professional assistance and encouragement, I was really able to take the next step in growing my business and increasing my service offering. I am forever grateful!"



Thanks to the exposure created by her branded vehicle, Playz O Fun founder Magauta Mosia's business has grown, and she will soon be the 100% owner of the branded vehicle.

FAST FACT

Magauta's main marketing tool has been through word-of-mouth and, more recently, her newly acquired branded Quantum minibus. The Quantum was bought with a R270,000 loan from the Zimele Community Fund.

What it means to be A GOOD NEIGHBOUR

A Magazine speaks to Norman Mbazima, chairman of Anglo American's Chairman's Fund, about the strategic value of CSI for mining companies, and the true meaning of good corporate citizenship.



Q: Why should businesses in general, and mining companies in particular, take care of more than just their labour force?

Mining companies usually generate the bulk of the GDP in the areas in which they operate – a GDP that is several times or several thousand times larger than it was before mining operations began. Everyone associated with the area is in some way part of that GDP and is therefore entitled to a portion of it. Some is paid to government in the form of taxes, some to employees in the form of salaries and some to suppliers in the form of payment for operational goods and equipment. Who is left after this? The communities.

Generally speaking, there is no law to dictate what a mining company should do for a community, but its members are affected by and have an interest in the operation, and so their participation in what goes on is essential. We refer to this as part of our social 'licence to operate' – a phrase that is not always well understood. As a mining company and a responsible corporate citizen, our legitimacy and ability to operate in an area depends on making our neighbours part of the activity that's taking place. And this is what CSI is about. It is not charity. Rather, it is the right thing to do in order for us to do business and do it well.

There is legislation that gives clarity as to how community investment should play out, but this varies between countries and still requires a level of proactive involvement from mining companies. In Colombia, for example, where some of Anglo American's Thermal Coal operations are based, there is a law regarding how royalties are fed back into communities. But to ensure that the law works the way it is intended to, Anglo American has had to work with surrounding communities to educate them on their rights and the processes involved. This is all part of building the community.

Q: The mining industry is uniquely positioned to add value to national growth, for example, by providing infrastructure that rural communities lack and which the mine needs in order to operate. Should this be seen as a privilege, or a responsibility?

It's more about working with the various stakeholders to establish what is needed and what each party is best able to contribute. In some cases, for example, a prospective mine might have the potential to uplift an entire area, but the basic infrastructure that has to be implemented (such as roads, water and electricity) makes the development financially unviable. If, however, government is prepared to carry some of that cost in return for the improved quality of life that the mine could create for that community, then it makes sense to work together towards that common goal.

There is also a type of infrastructure that I call 'voluntary', such as side roads or sewerage systems for the community. These might not be directly necessary for mining operations, but they make a substantial difference to the residents and are therefore part of how you can be a 'good neighbour'.

We look at all aspects of infrastructure issues to determine the ideal level of involvement from all stakeholders. We don't need to build all of it, but we do need to be involved in all of it.

Q: In your view, where does a mining company's responsibility to its surrounding communities start and end?

To answer that, we need to go back a few steps and consider what expectations you build up in the community beforehand. You have to be honest and clearly explain what you are planning, at what stage of the process you are, and what is needed from all sides in order to make a positive or negative decision. You should never be in a position where the people of the community are caught by surprise. This requires scenario sketching and a constant process of communication and understanding, so that even if a proposed development cannot go ahead, it won't come as a shock. You must create a positive legacy of honesty and investment, and be able to leave that community in such a way that you can come back to it later if the situation changes. Responsible engagement starts long before any holes are dug.

This responsibility also means understanding the community properly, what they need, and what impact any changes will have on them. Mining companies have



“We have learnt a great deal over the years, one thing being that every project is built from scratch. You can learn the best processes to use, how best to reach a good solution, and which process will get you there quickest. But you never ‘learn’ the solution.”

NORMAN MBAZIMA, chairman of Anglo American's Chairman's Fund



01 Enlighten Education Trust facilitator Shelly Aronstam and John Muzewa (teacher) with pupils at Lukhanyo Primary School, in Hermanus, Western Cape.

The Trust is one of the projects supported by Anglo American's Chairman's Fund.

02 A patient beads HIV/AIDS awareness ribbons at Johannesburg's Leratong Hospice, which is supported by Anglo American's Chairman's Fund.

a duty to build that understanding. Remember that the community won't have done this sort of thing before – we have. I think it is extremely important for us to educate them on both the positive and potential negative aspects, and how to manage both.

Q: What happens when well-intentioned CSI projects fail – either through lack of funds or poor management? Is it the end of a dream for that community, or is the damage more widespread?

Good CSI requires good governance. If a project fails, we have to go back and find out why. Perhaps it was not properly conceived, or it did not meet the real needs of the community, bearing in mind that initial perceived needs are not always the right ones.

“You should never be in a position where the people of the community are caught unawares ... Responsible engagement starts long before any holes are dug.”

If we can establish what it would take for that CSI project to succeed, I believe we then have a responsibility to go back and make that happen. Every mining company has one or more community projects that have failed – it's what you do in the face of that failure that counts.

Q: Has the mining industry's approach to CSI changed in the last few decades, and if so how?

The size of CSI departments has grown exponentially, but the biggest shift has been in the level of effort that companies are now putting into understanding the needs of the community. Instead of merely asking how to build a school, we now look at why the school is needed, what size it needs to be, how it will link to the national curriculum and where the teachers will come from.

The level of community involvement has also changed. In the past, implementation often took place without the community truly having bought into the idea, and therefore they didn't always feel the sense of ownership that is needed to ensure long-term sustainability. Today, we make sure that the people of a community believe, appreciate and accept that a particular project is what they need before we give it the green light. That's a big change.



03

We've come a long way in terms of providing investments that communities feel they own and will look after, and which we are confident will last. For example, a new manufacturing development might promise new jobs and income streams for a community, but it requires capital, land, an entrepreneur and a market. If you can't find that in the community in question, then the project won't work. Therefore we consider things like where the project will be in 10 or 30 years from now, how it will operate and how the community will develop the skills in order to manage it.

We do a lot more of this level of planning and 'front-end loading' than used to be done in the past.

Q: How does Anglo American's CSI work compare with other mining organisations, both in South Africa and around the world?

I'd say we compare favourably. We do it for the right reasons. It is self-serving to say 'we care', but the truth is that we have the systems in place to ensure that we don't just 'build and run'. Our approach gets us right into the communities so that we are partners in the project, not just the funders of it. Money is money – it's how you make

“Every mining company has one or more community projects that have failed – it's what you do in the face of that failure that counts.”

that money work that makes a real difference.

The intricacies of community structures and how they operate make this a difficult area to work in at times. There are varying layers of authority, chiefs, local laws and customs, and levels of representation, and one isn't always sure what legitimacy the spokesperson you are dealing with actually has in the community. In the CSI space, this remains a very sensitive area.

We have learnt a great deal over the years, one thing being that every project is built from scratch. You can learn the best processes to use, how best to reach a good solution, and which process will get you there quickest. But you never 'learn' the solution.

Every community is different, and what works in one might not work in another. Sound CSI is about finding custom-built solutions for each community, and it is an area in which we still need to do a lot more work.

03 Members of the Tsantsabane Field Band from Postmasburg, which is under the wing of Kumba Iron Ore. The Field Band is one of the initiatives supported by Anglo American's Chairman's Fund.



LIFE ON THE STREETS

There are no accurate statistics on how many of South Africa's children live on the streets. Children find their way on to the streets because of poverty, overcrowding, abuse, neglect, family disintegration and HIV/AIDS. Studies maintain that the average age of street children is between 13 and 16 years of age.

- Street children are usually broken down into two broad groups:
1. Children who are forced to work on the street to support their families' income. They return 'home' to sleep and return to the street the next day. They are children 'on' the street.
 2. Children 'of' the street. They sleep, eat and live on the streets of major cities across the globe.

From shelter, food and education to fun, companionship and life skills training, Kids Haven in Benoni provides more than 180 homeless children with support and care. For the past eight years Kids Haven has been supported by the Anglo American's Chairman's Fund.

A FRESH START FOR STREET KIDS

The streets are no place for children, but many have nowhere else to go. Kids Haven is one of the few options left for those whom society has deemed 'a lost cause', as it offers them a safe environment in which to reclaim their childhoods, and which they can call home.

Kids Haven opened in 1992 to help homeless children and children in crisis in the Ekurhuleni district. Located in Benoni, the haven aims to reintegrate children into their communities so that they may take their rightful place in society, ideally within a safe and loving home environment.

"Kids Haven will work with 'last chance' children who nobody else wants to work with," says Susan Daly, fundraising coordinator at Kids Haven. "We practise everything we do under the guiding principle of 'what is good for our own children is good enough for every child'. Therefore we strive to provide the very best care to everyone here."

Kids Haven focuses on three areas:

- Pre-care includes early intervention activities to prevent the breakdown of the family unit and to strengthen community support and involvement. These activities include a drop-in programme, community pre-school and outreach to street children.
- The in-care facilities look after 180 children, providing them with shelter, education, life skills and meals. Susan explains: "When children find themselves on the streets or without parental care, Kids Haven steps in to provide everything that these children need, including psychosocial support and inclusion in education." There is also a family reunification team that makes every effort to trace and find out more about the child's family life before making a reunion possible. If this is unsuccessful, they identify possible foster families or consider looking after the children on a permanent basis.

- Last is the after-care arm, which provides ongoing support following the reintegration of a child into his or her family and community.

Over the last eight years, Anglo American's Chairman's Fund has donated R1.77 million to Kids Haven, mostly to support care and rehabilitation programmes for the children.

"The funding from Anglo American supplements the state funding and allows for additional programmes that offer holistic care," says Susan.

"It is not good enough simply to house and feed the children. Kids Haven therefore uses as many life skills, sport and education programmes as possible in order to inspire and develop them.

"Our successful relationship with the Fund is not only because we are aligned in terms of caring for vulnerable children, but also because we have always provided the Fund with comprehensive reports that reflect our successes and our challenges. We are proud of what we do and glad to share it."

As a final commitment to its 'last chance' children, Kids Haven continues to lobby for the rights of street children through a meticulously managed data-collecting system that accurately reflects the positive changes that its programme can have.

The Chairman's Fund honours the commitment and determination of best-practice organisations such as this one, knowing full well that an investment in our children is an investment in our future.

FAST FACT

Street children remain a largely forgotten and marginalised group. As a result, many projects and organisations struggle to develop sustainable funding that allows them to grow and to develop models of care and prevention that can really make a difference.



14.8 m

The number of AIDS orphans living in sub-Saharan Africa in 2010, according to UNAIDS.

THOUSANDS BENEFIT FROM HOLISTIC MEDICAL CARE

01



For more than 60 years the Witkoppen Health and Welfare Centre has been an established centre of medical excellence, providing comprehensive, preventative and curative health and welfare services to Johannesburg's northern communities.

Since its establishment as a non-profit organisation by two local doctors in 1946, the Witkoppen Health and Welfare Centre (WHWC) has seen phenomenal growth, receiving between 350 and 400 patients every day – totalling more than 95,000 patient visits per year.

The patients who visit the clinic are some of Johannesburg's poorest and most vulnerable. Many of them are immigrants and almost half are unemployed. They live primarily in the informal settlement areas of Diepsloot, Kya Sands and Lion Park, and experience great difficulty in accessing medical or social services.

“Our objective is to ensure that those indigent communities surrounding our clinic have access to high-quality comprehensive medical care as well as social services,” says executive director Dr Jean Bassett.

WHY ANGLO AMERICAN CARES ABOUT HEALTHCARE

Healthcare is a human right that should not depend on how rich we are or where we live. The right of access to healthcare services is one of the indivisible and interdependent rights entrenched in the South African Constitution.

40%

The percentage that the state contributes to all expenditure on health. And yet the public health sector is under pressure to deliver services to about 80% of South Africa's population.

0.77

The estimated doctor-to-population ratio per 1,000 in South Africa. However, the majority of GPs – 73% – work in the private sector, which means there is just one practising doctor for every 4,219 people.

“What sets us apart is that we have a 130-strong multi-disciplinary team of health workers who are dedicated to treating the patient and his or her family as a whole and, in so doing, ensuring the physical, mental and social well-being of individuals and families.”

Due to the ever-increasing demands on the organisation, the WHWC applied for funding from Anglo American's Chairman's Fund in September 2009, to refurbish an existing hall. The centre received R1.14 million for this capital expansion project as well as a further R4,500 for the opening event in 2011.

Dr Bassett explains: “We believed that funding for the hall was in line with the Chairman's Fund's mission of applying resources at its disposal in support of practical interventions that address urgent social needs.

“We officially opened the hall on 24 May 2011 and named it Tshwaranang, which means ‘joining hands’. The hall provides an additional 450 m² of much-needed space, increasing our capacity by 15%, more than doubling the size of our ER from two beds to five, and adding a procedure room, TB screening room, staff rooms, additional offices and a dental unit.”

Additional services at the centre include: adult and paediatric acute, curative and chronic disease management services; HIV counselling, testing, care and treatment; antenatal and post-natal services; immunisations; family planning and a Well Woman Clinic. There is also an in-house pharmacy and a registered dietician plus social welfare services, including care of mothers and vulnerable children, foster care and adoption, and other related community projects.

CHANGE WHERE IT COUNTS

Not yet two years old, the Schools Change project is still in its infancy.

But by the end of 2012 it will have helped two years' worth of matric students in the Free State to ‘sharpen their pencils’ in preparation for a successful university career.

In partnership with Anglo American's Chairman's Fund, the University of the Free State's (UFS) Schools Change project provides intensive support to more than 20 secondary schools in and around Bloemfontein.

The project provides mostly retired teachers and principals, who already form part of the university's current knowledge network, to mentor disadvantaged schools' management and leadership teams, principals and teachers. With a strong focus on maths, science, English and accounting, this mentorship aims to improve learners' results so that they can go on to further their studies at tertiary level.

Says founder of the project and vice chancellor and rector of UFS, Professor Jonathan Jansen: “Anglo American, with its refined sense of how schools change, understands that the UFS model of intervention can bring sustainable reforms to the poorest schools in central South Africa.

“We hope to prove that change can be accomplished in these schools, while developing a better affinity between the university and its feeder schools and achieving a powerful learning ethos at secondary school level.”

Backed by a three-year grant totalling R1.65 million, the Schools Change project serves as a long-term example of both Anglo American's and the university's commitment to improving the standard of education in South Africa.



FAST FACTS

- 70.2% of the matriculants who sat for the 2011 National Senior Certificate examinations at South Africa's state schools passed their exams – a 2.4% increase on the previous year's pass rate of 67.8%.
- Of the 496,090 matric students in 2011, a total of 96,441 passed physical science – 1% increase from 2010 – while 104,033 or 46.3% (compared to 2010's 47.4%) passed maths.

01 Dr Jean Bassett of the Witkoppen Health and Welfare Centre.

GREENSIDE DOES ITS HOMEWORK



Greenside colliery is once again extending a helping hand to a local school in distress – this time the Khayaletu Combined School in Lynnville near Witbank, 30 kilometres from the mine.

400

The number of pupils and teachers who are looking forward to their 'new home' at Khayaletu Combined School.

According to community development superintendent Glanrose Shimusi, Khayaletu Combined School is a particularly deserving cause as it has struggled to educate local children under the most challenging conditions from the outset.

"Construction of the school wasn't yet completed when a fire destroyed an entire block of classrooms. However, the situation went from bad to worse as the damage caused by the blaze encouraged vandalism and several parents withdrew their children," says Glanrose.

Khayaletu means 'our home' in isiZulu and the school's 400 pupils and their teachers work under what can only be described as strained circumstances. Windows are without glass, there are classrooms without doors and electrical power is both limited and unreliable.

Events took a turn for the better when principal Thandazile Maseko, who was aware of Greenside's long-standing partnership with Edward Matyeka Primary

School, approached the mine's community development department for assistance.

Having seen what has been achieved at Edward Matyeka, which Greenside colliery adopted in 2008 as part of its sustainable development programme, the colliery team decided that Khayaletu Combined School should also be part of this programme.

Greenside general manager Frank Glaeser and his team visited the school earlier this year to pledge their help. Their immediate vision for the school includes renovating floors and ceilings, glazing, fitting doors, painting and installing electrical connections and lighting in all classrooms and the staff room.

Next on the list are the supply of clean water, ablution facilities and a kitchen that will provide a daily meal to underprivileged learners.

As the colliery team has shown, whether it's homework or community work, every bit counts.

SEVEN FATALITY-FREE YEARS AND COUNTING



After more than seven years of safe, solid production, Thermal Coal's Isibonelo colliery lit a torch on 3 July this year to celebrate achieving 5,000 fatality-free production shifts, worked over a seven-year period.

This Olympian accomplishment proves that zero harm is indeed achievable, and was celebrated at a special function at the colliery in the presence of friends, colleagues and Olympic gold medallist Ryk Neethling.

"This milestone is thanks to the dedicated and sustained effort of one and all involved," said Dirk Miller, Isibonelo's general manager. "Our employees and

contractors are not only well trained but they also have a winning mindset"

Ryk, who won a gold medal in the 4x100 metre freestyle relay at the 2004 Olympics, shared his views, quoting the words of a fellow Olympic medallist, who said: "You must train to be a champion, even on your worst day."

And Isibonelo has done just that. Philip Fourie, Thermal Coal's head of safety and sustainable development, describes the mine as Thermal Coal's "king of safety", evidenced by the fact that it won the team safety category of Anglo American's internal Applaud Awards last year.



01



02

COUNT THESE ON ONE HAND

The five pillars of the HIV/AIDS and TB programme are:

1. knowing your status
2. awareness, education and prevention
3. care, treatment and support
4. partnerships
5. commitment to Anglo American's six guiding values.

ACTIONS SPEAK LOUDER THAN WORDS, SAYS HOMEGROWN THEATRE TEAM

A talented troupe of actors from eMalahleni's KwaGuqa township conducted a two-month tour of 10 Thermal Coal sites, delivering a lively piece of industrial theatre that was guaranteed to educate and entertain. The objective? To change behaviour.

Their production formed part of Thermal Coal's strong focus on HIV/AIDS and tuberculosis (TB) awareness and was aptly titled *Thula Msindo!* – the isiZulu and isiXhosa expression for 'be quiet and listen'.

"There is so much talent right here that we thought that it would be an ideal opportunity to create jobs by using actors from one of our local communities," says Thermal Coal's HIV/AIDS coordinator Sonto Mahaye.

What's more, the play was written by one of Thermal Coal's own employees – Tshepang Mothibi, an instrument technician based at Goedeheop colliery – with the help of

AIDS champion at Anglo American, John Standish-White. "Tshepang has incorporated the challenges we face as a company on our AIDS journey and highlights what many employees think but don't often say," says John.

While the production often had the audience in stitches, it was thought-provoking and delivered some very serious messages, such as the importance of knowing your status and consistently practising safe sex. It also urged audience members to use the same Stop-Look-Assess-Manage approach they adopt at work in their private lives.

The show, which was heavily supported by Thermal Coal's most senior leaders, ran until the end of August, and gave employees and contractors the opportunity to undergo voluntary counselling and testing (VCT) after each performance.

01 A scene from *Thula Msindo!* ('Be quiet and listen!').

02 The talented cast of actors with writer and Goedeheop employee Tshepang Mothibi (front right).

FAST FACT

Thermal Coal has expanded its award-winning HIV/AIDS workplace initiative to include contractors in its VCT programme at no cost. So far, 86% of employees, including the entire executive committee and their spouses, have been tested this year.

RECLAMATION PLANT READIES TO DOUBLE CAPACITY

Construction on the second phase of the eMalahleni Water Reclamation Plant (EWRP) is moving swiftly ahead as the plant prepares to double its capacity by the end of November 2013.

FAST FACT

The expansion of the plant will see it increase capacity from 30 million litres per day (MI/day) to 50 MI/day, with a peaking capacity of 60 MI/day. Negotiations are underway with the eMalahleni Local Municipality for the further uptake of water.

Maintenance aid Philemon Khumbane makes adjustments to the reverse osmosis filters at the eMalahleni Water Reclamation Plant, which is partly funded by Anglo American and is gearing up to double its capacity by this time next year.



The expansion of this world-class project – a joint initiative between Thermal Coal, BHP Billiton Energy Coal South Africa and the eMalahleni Municipality – couldn't come at a better time. It will accommodate the expansion of Thermal Coal's Landau colliery and at the same time address its post-closure water needs.

According to Thubendran Naidu, hydrology manager at Thermal Coal, work is progressing well.

"There has also been a significant turnaround in the safety culture of the contracting team, following the recent roll-out of an intensive Safety Improvement Plan for the site," he says. "With almost 600 contractors on site during the construction period, we remain vigilant to ensure that this trend continues."

The expansion project includes laying a 23-kilometre pipeline that will feed water from Landau's Kromdraai opencast operation to the plant for desalination. This pipeline will cross sections of municipal and state-owned property and it will become important to manage the interface between members of the public and construction activities.

Environmental and stakeholder manager Alvaro Canales, will manage any community, labour and environmental concerns that may arise during the project, and a robust communication plan is in place.

"eMalahleni is a growth node for the region and we are strategically positioned to provide the area with access to a clean, reliable source of water," says Thubendran. "Water is directly related to growth and development – without it neither industry nor communities can grow."



Wilhelm van Zyl,
environmental
coordinator: rehabilitation
at Thermal Coal's Kriel
colliery.

PUTTING WETLANDS TO WORK IN WATER PURIFICATION

Establishing a large wetland system could be the best way to purify water from rehabilitated mine land. It's also a solution that promises to offer far more than just water treatment.

According to Wilhelm van Zyl, environmental coordinator: rehabilitation at Thermal Coal's Kriel colliery, using a wetland as a biofilter to remove pollutants from surface and ingress water has been successfully used in the US and Europe. The colliery is now considering implementing a similar project at its own operation.

"Rather than using a plant to eliminate the risk of pollution, we hope to use passive remediation, an engineering intervention that prevents, diminishes and treats polluted water at source," says Wilhelm.

He explains that there are naturally occurring biogeochemical processes within wetland systems that remove pollutants and restore the water's pH balance. "At Kriel, such a wetland would serve to alleviate a significant post-closure liability – that is, water that potentially drains from spoils or tailings and is contaminated

by dissolved metals," he says. "Besides acting as a natural filtration system, it also creates an ecosystem for bird and animal species that are threatened by the encroachment of humans on their habitat."

There are already three wetlands situated in rehabilitated areas around Kriel as a result of mining, and it is anticipated that these will feed into one another through the creation of drainage paths. If this is done, the wetland will extend over a distance of 100 hectares.

The team is currently doing a survey of the soil, vegetation and species in the area, which should be completed by the end of the year. Depending on the outcomes of that survey, work on linking the wetlands can then begin.

"Kriel is the forerunner of an initiative that could see a shift in how we manage one of our industry's scarcest resources."

JURIE HUMAN, Thermal Coal rehabilitation manager

WHY A WETLAND?

- Wetlands are a primary habitat for hundreds of species of waterfowl, other birds, fish, mammals and insects.
- Wetlands filter and recharge the water that later comes out of our taps downstream.
- They act like giant sponges, slowing the flow of surface water and reducing the impact of flooding.
- Wetlands also prevent soil erosion and buffer water bodies from potentially damaging land-use activities such as agriculture.
- They can remove and store greenhouse gases from the earth's atmosphere, slowing the onset of climate change.

HERE COMES COAL ... IN EVERY COLOUR BUT BLACK

From a green light to a yellow fish and a safe haven for species that might otherwise wind up on a 'red' list, Thermal Coal is proving that sometimes this natural resource wears a coat of many colours.

A NEW WAY FORWARD

New Vaal colliery's biodiversity park, which was declared a conservation area in 2009, has become a hotspot for wildlife and may pave the way for how we nurture biodiversity on rehabilitated land in the future.

The area – which was restored following opencast mining – is largely untouched and, as a result, is proving to be a hospitable environment for a wide range of species that are migrating to this newly formed landscape.

Larger mammals have been joined by an increasing

number of animals including serval, porcupine, duiker and black-backed jackal as well as bird, insect and aquatic life.

And according to Gareth Corbett, the colliery's rehabilitation and biodiversity superintendent, the team plans to slowly introduce other endemic fauna and flora that are listed as 'vulnerable' by the International Commission on Zoological Nomenclature.

Sustainable ecosystem

Thermal Coal rehabilitation manager Jurie Human explains that motion-sensitive cameras have been

SAFE HAVEN FOR THREATENED SPECIES

Situated on the banks of the Vaal river, New Vaal colliery has earned a reputation for its commitment to nature conservation. It is now turning its attention to the preservation of the small and largemouth yellowfish as well as the rare rock catlet, three species that are indigenous to the Orange Vaal system, and which have all but disappeared from many areas along the river.

"Yellowfish are an important indicator species in that they give biologists early warnings of river health and environmental conditions, including the outbreak of disease, pollution, species competition and climate change," says Gareth Corbett, New Vaal rehabilitation and biodiversity superintendent.

He adds that the project includes building a breeding dam in the colliery's biodiversity park to create a safe habitat that is uncontaminated by invasive exotic species like bass and carp.

The project is aligned with government's regional and national biodiversity strategy and will be a

valuable step forward in yellowfish conservation, science and research. Partners include the Department of Environmental Affairs, the University of the North West under the leadership of aquatic ecologist Gordon O'Brien, and ILCA Engineering.



introduced at feeding sites in the park to help monitor the interaction between the different species. Wildlife corridors are being established, for example, to encourage grassland and riverine species from the banks of the nearby Vaal river to migrate between areas of natural habitat.

Additionally, black wildebeest – a species native to the area – have now replaced the site's original blue wildebeest population.

"These techniques will lead to an evolution in the Thermal Coal rehabilitation process from simple land restoration to the re-establishment of sensitive and complex ecosystems," he says.

Operating in a threatened biome

The significance of this should not be underestimated, as the colliery is pioneering rehabilitation methods in one of South Africa's most endangered biomes – the Highveld grasslands that do not exist anywhere else in the world.

"More than 30% of this biome has been irrevocably damaged and only 2% has been formally conserved," adds Jurie. "The lessons learned at New Vaal will provide invaluable points of reference in the replacement and development of these ecosystems."

WET STONE DUSTING GETS THE GREEN LIGHT

It's all systems go for the wet stone dusting project at Thermal Coal, following extensive tests at the Council for Scientific and Industrial Research's (CSIR) Kloppersbos facility.

Stone dusting, one of the most important safety protocols in underground coal mining, involves spraying finely ground dolomite or limestone onto the walls and floors of sections and roads. This blends with ever-present coal dust, rendering it inert in the event of a methane explosion.

The downside is that spraying must be done daily, using a blower, which causes a dust cloud that halts production. This will now be a thing of the past.

Derek Laing, asset optimisation manager for continuous mining improvement, explains that while wet stone dusting solves one problem, there have been questions around how easily the hardened slurry would revert back to the required powder form in the event of an explosion.

The solution comes in the form of a substance developed by an Australian company, which – when added to the slurry and aerated correctly – prevents

STRIVING FOR THE SMALLEST FOOTPRINT OF ALL

By putting its waste to constructive use rather than consigning it to landfill, the eMalahleni Water Reclamation Plant (EWRP) has found yet another way of treading lightly on our environment.

The plant is continually searching for ways to achieve its target of becoming a zero waste facility. Its latest initiative not only brings it closer to that goal, but also provides a shot in the arm for local business.

According to environmental and stakeholder manager Alvaro Canales, the plant generates a substantial amount of plastic waste in the form of polyvinyl chloride (PVC) piping from the replacement of the ultra-filtration membranes that are used in its processes.

"These have a working life of three to four years," he says. "By November last year, we had accumulated around five tonnes of this material, which previously would have gone to a landfill site."

Instead, the environmental team made contact with Plasticomp CC, which will now collect this waste from EWRP at its own cost, for recycling. The PVC will be granulated into chips and then pulverised into powder, before being used to produce a host of plastic building materials, such as borehole casings, sewer pipes and cable sleeve piping. It's a winning solution that works for both parties.

the caking of the dry product. Teams can spray without having to evacuate work sections, which will save about one hour of production time per section per day.

The process is a first in South Africa, and is expected to be in full operation by the end of the year.



The green light for wet stone dusting follows months of testing at the CSIR, including numerous controlled explosions in the Kloppersbos 200-metre test tunnel.

INNOVATIVE COACHING SAVES LIVES

At first, it might seem odd to see groups of workers watching a TV in a trailer, but look a little closer and you will find a world-class safety initiative in full swing.

The project team at Kumba Iron Ore has appointed several safety coaches who, together with four media trailers, are becoming a regular feature on all Kumba project sites. These specialists aim to nurture excellent safety behaviour in all project environments and are responsible for implementing the 'learning from incidents' standards that worked so well on the Kolomela project.

The media trailers provide a platform for project safety coaches to promote project safety awareness, and communicate incidents, risks and other safety issues through high potential incidents (HPIs) and lost-time injuries (LTI) videos and safety presentations. Because the trailers are mobile, even teams in the most remote areas of the mines can be reached.

The initiative is widely used to educate contract workers who are not used to working in the mining environment and are unaware of the stringent safety procedures. In addition to showing the videos, the safety coaches encourage discussions and interaction with the audience in local languages, sometimes even with the use of industrial theatre groups, ultimately ensuring that the message is well understood at the 'shop floor' level.



One of Kumba's safety innovations is a customised mobile safety trailer. The trailer is moved to contractors' or employees' place of work, thereby eliminating the need for them to travel. Safety information is conveyed via a 'toolbox' talk and a video demonstration.

A R4.3 MILLION FOUNDATION FOR THE FUTURE

Kumba Iron Ore has committed R4.3 million towards a Grade R facility at Asmandia Primary School in the Northern Cape as part of its commitment to community development. The result is quality Foundation Phase education for about 60 learners around the age of five, and 14 new jobs for teachers and carers. The facility was officially handed over in August.

The handover ceremony was attended by (seen in the photo, from left) George Benjamin, sustainable development manager at Kolomela mine; Raosenye Ramonnye, circuit manager at the Department of Education; Elroy Phete, mayor of Tsantsabane; Pako Moroeng from Eagle Sun; Keaobaka Matilo, LED practitioner at Kolomela; and Gaby Dames, the principal of Asmandia Primary School.





Siyasanga Yawa, project manager (foreground) and his project team on site at the DY warehouse construction project at Sishen mine. From left are Johnny Shcee; Clive Matthews; Rudy Skei; Anthony Hoormpip; Greg Spenser, foreman; Rocco Matthews, foreman; Thomas van Vuuren, site manager; and Vaughn Adams.

Professionals In Training, NOW PROFESSIONALS AT WORK

Siyasanga Yawa is one of the first Professionals In Training (PIT) to work in the project environment at Kumba Iron Ore. He started the graduate development programme in May 2011 and now manages projects that form part of the Stay In Business (SIB) initiative at Sishen mine.

"My fellow PITs and I have been very fortunate and feel privileged to be pioneers of the first PIT programme that has been customised to fit the projects environment," says Siyasanga.

"Sishen has given us a great platform on which to gain experience and grow."

The PIT programme that is in place at Kumba Iron Ore seeks to develop young talent into competent professionals by empowering and equipping them with the necessary skills to achieve this goal. "We are given maximum exposure to multidisciplinary projects in various sections as well as offered professional and personal support. With so much support, one can only be successful."

While the programme is challenging and pushes candidates to the limit, the results are evident, with construction on Sishen's warehouse project almost complete. "This is one of the best-looking sites around Sishen," says Siyasanga proudly.

FAST FACT

The PIT programme at Kumba Iron Ore seeks to develop young talent into competent professionals by empowering and equipping them with the necessary skills to achieve this goal.



From left: Bathopele miner Sydney Mabale explains the safety marking system to LHD operator Phillemon Molemi, sweeper Kenneth Xhantini, and LHD operators Petrick Semalkhe and Annanias Makgala. The mine has put a new underground transportation system in place to move the emulsion that is used in the explosives process.

PROJECT 'GOES UNDERGROUND'

Following a two-year viability study that started in 2009, a project team at Bathopele platinum mine has moved its entire emulsion transport system underground. Some 480 tonnes of emulsion, which was previously delivered in bowsers (a type of tanker) on the surface and transported to 20 tonne holding tanks 212 metres underground, is now being piped directly.

Way to save

The cost and time saving is significant: each surface trip took around two hours and the wear and tear on the tankers meant high maintenance costs. Thanks to the underground system:

- fewer refuelling trips to the surface are required
- fewer vehicles are being used
- material, transport and operating costs are far lower.

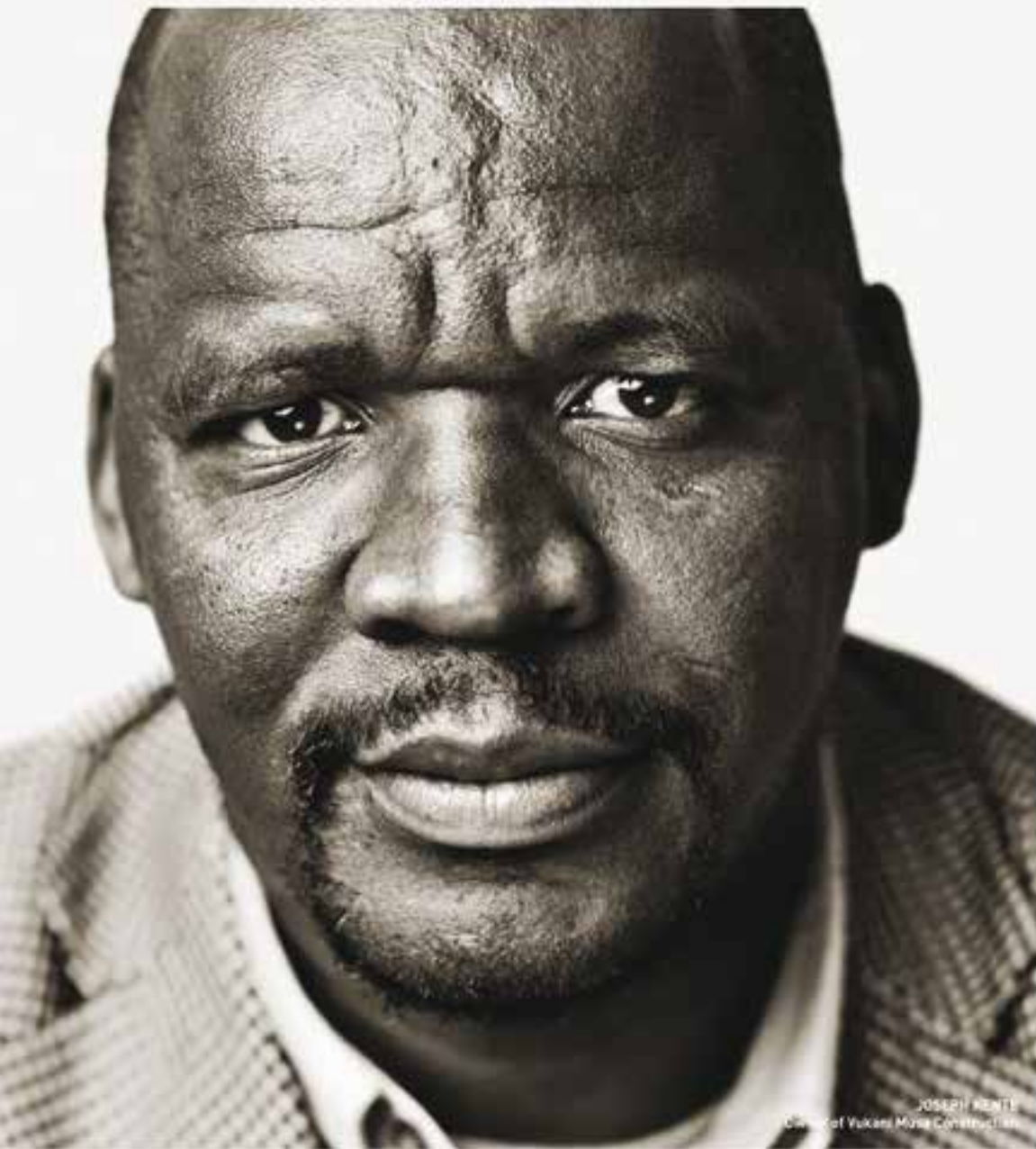
The team is now in the process of quantifying these

savings more specifically, as well as any spin-off benefits. The study was done in consultation with RSV Engineers, AEL, rheology specialists from the Cape Peninsula University of Technology, Anglo American Explosives Division, and the North West's Department of Mineral Resources and chief inspector of explosives.

THE CHALLENGE

The objective of the study was to ensure that the chemical composition of the emulsion would not be compromised during piping. To that end, flow rates, temperatures, pressure, pipe sizes and many other factors had to be investigated. The findings indicated a viable plan and construction started at the end of 2011.

STRONGER THAN IRON: THE HUMAN WILL



JOSEPH KENTE
Owner of Yukezi Musa Construction

EACH PERSON HAS INDIVIDUAL STRENGTHS, AND IT IS OUR DUTY TO ENCOURAGE THEM.

TAKE JOSEPH KENTE. FORCED TO LEAVE SCHOOL EARLY, HE LATER JOINED KUMBA IRON ORE, A BUSINESS UNIT OF ANGLO AMERICAN, AS A GENERAL WORKER. WITH OUR SUPPORT, HE PASSED MATRIC AND STUDIED PROJECT MANAGEMENT.

WITH FUNDING FROM OUR ENTERPRISE DEVELOPMENT INITIATIVE, ZIMELE, JOSEPH STARTED YUKANI MUSA CONSTRUCTION IN 2008. TODAY HE EMPLOYS 107 PEOPLE WHO BUILD LOCAL MINE HOUSES AND SCHOOLS.

IT IS OUR PARTNERSHIPS WITH PEOPLE LIKE JOSEPH THAT DEMONSTRATE A MINE CAN SHAPE MUCH MORE THAN A LANDSCAPE.

FIND OUT MORE AT GETTHEFULLSTORY.CO.ZA AND VISIT OUR EXHIBITION STAND AT THE MINING INDABA, BETWEEN 7-9 FEBRUARY 2013.



Cover: Khanyisile Kweyama, executive
director of Anglo American in South Africa.