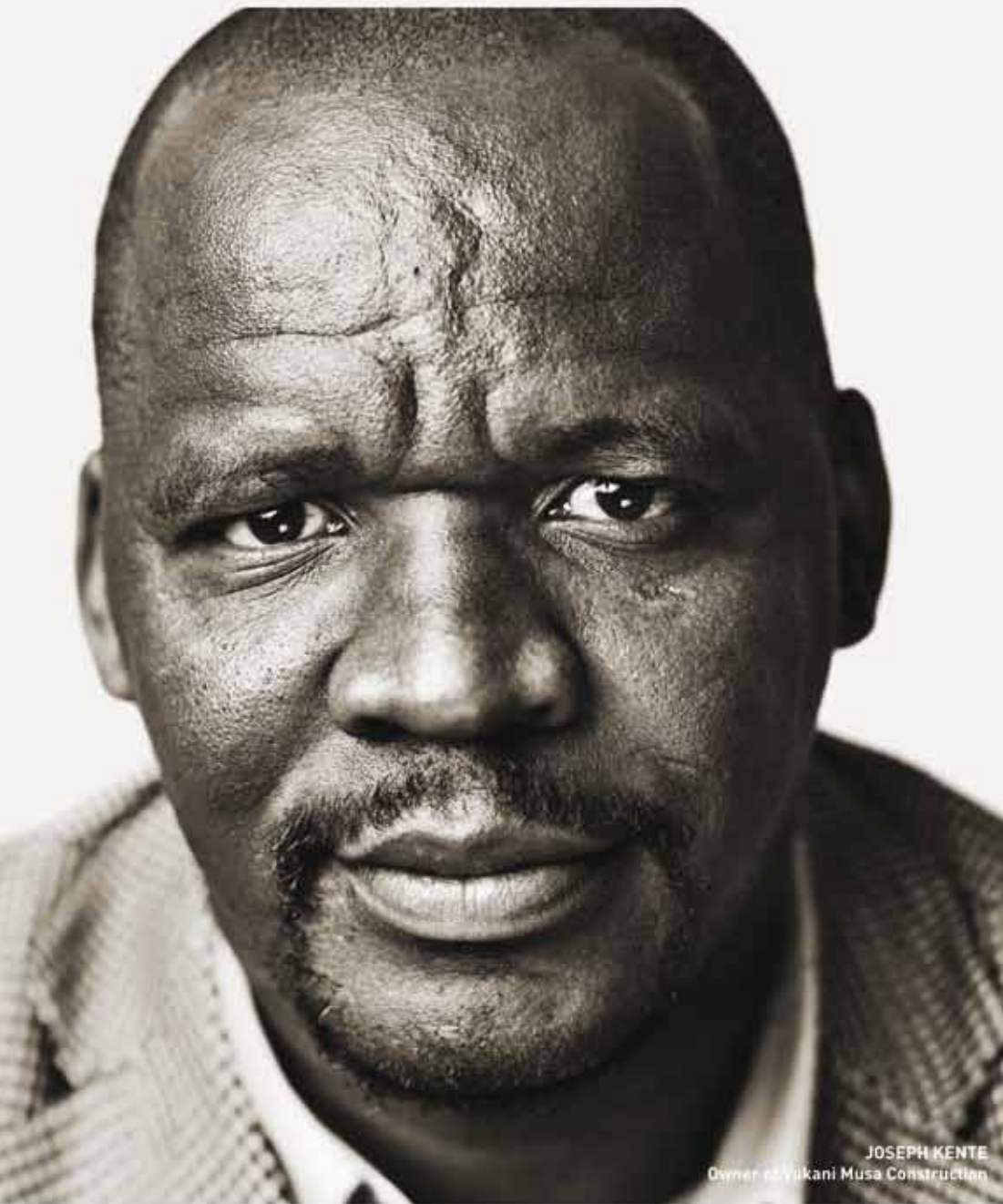


# the A MAGAZINE

SOUTH AFRICA  
Issue No. 10  
April 2012

**VISIBLE FELT  
LEADERSHIP:  
Building a truly  
sustainable  
safety culture**

# STRONGER THAN IRON: THE HUMAN WILL



JOSEPH KENTE  
Owner of Vukani 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 VUKANI MUSA CONSTRUCTION IN 2008. TODAY HE EMPLOYS 54 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](http://GETTHEFULLSTORY.CO.ZA)

# 2012 – A YEAR OF CHANGE

The turbulence of 2011 wasn't only confined to world economies and the financial markets. From Tahrir Square to Times Square and from Damascus to St Paul's Cathedral, the voice of protest was loud, if not always clear, in many parts of the world. A consistent theme was the desire of people to have their say and to play a more active role in the political, social and economic decisions that affect their lives.

This trend has been evident for some time in the mineral resources industry (specifically in the realm of community relations and stakeholder management), where there is growing insistence from people on the ground who feel they have the right to be integrated into any solutions developed. It is a trend that businesses aren't, and shouldn't be, immune to.

At Anglo American in South Africa we embrace the spirit of this change, and are encouraged by the fact that more companies are developing strategies that talk to the benefit of their stakeholders on a very real-life level. Particularly in Africa, where such tremendous natural wealth lies below the surface, but where such need for development exists above it, mining companies have both the potential and responsibility to significantly influence the fiscal health of a country. We also have the potential, and responsibility, to do it in a way that contributes to the cultural and social fabric of the land.

This is why, at Anglo American, every operation we build, every investment we make and every partnership we pursue is based on the conviction that it is sound, sustainable and in the best long-term interests of the society we serve.

This theme runs through many of the articles covered in this issue of *A Magazine*, starting with our well-documented commitment to the environment, which we had the pleasure of showcasing at last year's 17th Conference of the Parties (COP17).

The global media have given the South African government a strong vote of confidence regarding the hosting and running of the event, which provided a solid platform for meaningful climate change negotiations, and developments of real consequence. The conference achieved some important outcomes that will certainly give impetus to the role of big business and government in tackling climate change. Read more about these outcomes, and Anglo American's activities at COP17, on page 6.

Also in this edition are the highlights of this year's Mining Indaba (page 8), as well as a special feature on a topic that continues to dominate industry debate: that is, visible felt leadership (VFL) and its potential to create a safer, more productive mining environment. On page 10 we look at how VFL, and extended VFL, is being implemented at Anglo American, and how its benefits are now being felt well beyond the area of safety.

We also touch on some of the many other development and community achievements of the past year, including the Anglo American Khula Mining Fund's very successful Meruka Mining project (page 14), the launch of Kumba Iron Ore's Kolomela mine (page 21), the Envision empowerment scheme that grabbed the headlines in 2011 (page 22), as well as the ever-growing range of community, education and social projects that are supported by Anglo American's Chairman's Fund and operations around the country.

Without a doubt, 2012 is going to be a year of change for many businesses, industries and countries, and Anglo American is already well out of the starting blocks.



**GODFREY GOMWE**  
EXECUTIVE DIRECTOR  
ANGLO AMERICAN  
SOUTH AFRICA LTD

**Cover:** Shift leader at Platinum's Waterval Smelter, Jason Moeng (right), busy with safety coaching as part of the Visible Felt Leadership programme. To his left is Lebusho Lebusho, a processor at the smelter.

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

Miners receiving safety instructions underground at the Goedehoop colliery.

**What does it take to build a truly sustainable safety culture that is embedded into the very fabric of the business? This edition of *A Magazine* finds out.**





# TRUSTY WORKHORSE PUT OUT TO (CONCRETE) PASTURE

The latest item of 'furniture' on the streets of Johannesburg's city centre weighs a whopping 125 tonnes. It recently went into retirement after more than 20 years of faithful service at Sishen mine, part of Anglo American's iron ore business.

## FAST FACT

The South Western Improvement District (SWID) is one of Johannesburg's improvement districts managed by Urban Genesis Management. Its aim is to create a clean and safe environment for visitors, shoppers, businesses and residents, and to foster a new identity for the area.



Eighteen months ago, the board of Johannesburg's South Western Improvement District (SWID) was presented with a question: "Why isn't there any street furniture in the SWID that speaks to mining in the present?". The answer came in the form of the massive donation from Anglo American and the Chamber of Mines, of a Lectra Haul 125-tonne workhorse known as a Unit Rig Mark 36 haul truck.

It took six days to transport the Unit Rig on two trucks from Kumba Iron Ore's Sishen mine, to the SWID. Once in Johannesburg the trucks were escorted by the Johannesburg Metropolitan Police Department to the haul truck's new resting place. It was officially handed over on 25 January this year.

This Unit Rig was deployed in 1989 at Sishen along with 31 other stable mates of the same kind. At the time they were considered state-of-the-art and were the biggest trucks of their kind, with a payload of 170 tonnes. At the start of every shift, these faithful mechanical giants would either haul the mine's valuable iron ore to the crusher or help clear waste from the site.

The Unit Rig Mark 36 haul truck had an estimated life of 10 years. However, following a rebuild, this robust dynamo gave Sishen more than 20 years of steadfast service. It was subsequently taken out of commission to make way for bigger, more advanced models with capacities of as much as 350 tonnes.



## LET'S GET SOCIAL

As of January, you can find Anglo American on Facebook, Twitter, YouTube, SlideShare and Flickr. It's all part of the Group's strategy to use social media to manage its reputation more effectively, improve stakeholder engagement, enhance its ability to communicate in a crisis, and attract new employees.

"Participating in social media gives us the opportunity to communicate in a different way," says Cynthia

Carroll, Anglo American's chief executive. "We will be able to have conversations directly with our stakeholders about who we are, what we do and the difference we bring. I am very excited about the possibilities social media brings, and I encourage all of you to engage with us."

The Corporate Communications team will manage all social media

### Join the conversation

[www.facebook.com/angloamerican](http://www.facebook.com/angloamerican)

[www.twitter.com/angloamerican](http://www.twitter.com/angloamerican)

[www.youtube.com/angloamerican](http://www.youtube.com/angloamerican)

[www.flickr.com/angloamerican](http://www.flickr.com/angloamerican)

[www.slideshare.com/angloamerican](http://www.slideshare.com/angloamerican)

pages, and only authorised spokespeople are allowed to post on behalf of the Group.

**For information or queries, email [socialmedia@angloamerican.com](mailto:socialmedia@angloamerican.com)**



**Anglo American's newly launched Entrepreneur Internship Programme (EIP) provides highly driven individuals who have strong entrepreneurial skills or experience, with the unique opportunity to become 'supplier partners' in niche and strategic high-growth areas that add value to Anglo American.**

This initiative aims to create an accelerated, customised, experiential learning and business development framework that acts as a stepping stone for highly qualified entrepreneurs, especially historically disadvantaged South Africans

who are interested in developing or growing a business, but who do not have access to the requisite skills, industry knowledge, business networks or support. The EIP is closely aligned to Anglo American's Supply Chain local procurement initiatives and the Group's enterprise development arm, Zimele.

Launched in 2011, the EIP programme has attracted 364 applicants to date, who were evaluated using a combination of psychometric testing, in-depth one-on-one interviews and panel interviews. Of the 40 shortlisted candidates, 78% were black, 72%

## OPENING MORE DOORS FOR SMALL BUSINESS

were from Gauteng, and 22% are current Anglo American employees.

The first group, which consists of five interns, started in March this year, and all are expected to establish a sustainable business within the 12-month duration of the EIP. The EIP includes a stipend to cover basic subsistence, exposure to Anglo American business operations, access to experts and networks relevant to specific business opportunities, and mentorship from experienced Anglo American managers. Zimele will also be involved in considering these businesses for funding.

**01** Unit Rig Mark 36 haul truck stands proudly on the corner of Ntomo Piliso and Hall Streets in Johannesburg, as testimony to man's mechanical genius and to the glorious abundance of minerals found throughout South Africa.

**02** Employees of Mvelo Mining, a cleaning services company and one of the many small businesses supported by Anglo American.



## WATER RECLAMATION PLANT GETS A GLOBAL 'THUMBS UP'

**The United Nations Framework Convention on Climate Change (UNFCCC) has given Anglo American's eMalahleni water reclamation plant its official endorsement. Announced at COP17 last year as part of the UNFCCC's Momentum for Change Initiative, eMalahleni is the only mining project to have received this accolade to date.**

"Since eMalahleni was commissioned in 2007 it has created far-reaching benefits for the environment, the local community and its feeder collieries, and has received

widespread endorsement as a best practice model," says Peter Gunther, Anglo American's head of sustainable development for the Other Mining and Industrial Business Unit.

"Ultimately the plant will help to address long-term climate adaptation risks and promote a sustainable future for the region, providing better flexibility and self-sufficiency in terms of water usage."

eMalahleni is a public-private partnership between Anglo American's Thermal Coal business, BHP Billiton Energy Coal South Africa (BECSA) and the eMalahleni

local municipality. The plant uses the latest water purification technology to desalinate water from the Landau, Greenside and Kleinkopje collieries, as well as from BECSA's disused South Witbank mine. The majority of the treated water is then pumped directly into the local municipality's reservoirs, meeting 20% of the daily water requirements of the region. To date, eMalahleni has treated 30 billion litres of water, operating at a 99% water recovery rate. Its ultimate goal is to be a zero waste facility through the 100% utilisation of its by-products.

### DID YOU KNOW?

**The Thermal Coal business is about to embark on phase two of the eMalahleni water reclamation plant, which will see the facility desalinate 50 megalitres of water per day with a maximum peaking capacity of 60 megalitres per day.**



01

# PREPARING FOR CHANGE

## FAST FACTS

- The 17th annual meeting of the Conference of the Parties (COP17) was a United Nations meeting between 193 countries from all over the world, aimed at finding solutions to the global threat of climate change.
- The United Nations Framework Convention on Climate Change (UNFCCC) is an international agreement that aims to stabilise greenhouse gas emissions and minimise their impact on the earth's climate.

From 28 November to 9 December last year, Durban played host to one of the most significant events on the global climate change calendar: COP17. This opportunity was a privilege for South Africa and an important milestone in the African response to climate change initiatives.

As a major player in the South African mining industry, Anglo American was actively involved in supporting the South African government to deliver a successful COP, while at the same time showcasing its own environmental practices and key climate change achievements. Praised by the global media for being well organised, but criticised by environmentalists for 'not quite delivering', COP17 nevertheless achieved a number of positive steps forward.

"One of the biggest issues on the agenda was the future of the Kyoto Protocol – a treaty that was put in place by the United Nations

Framework Convention on Climate Change (UNFCCC), and which sets binding targets for 37 industrialised countries and the European community for reducing greenhouse gas emissions," explains Stan Pillay, Group manager of climate change and energy. It was widely assumed that the Kyoto Protocol in its current format would not be extended beyond 2012, and it was hoped that COP17 would lead to the formation of a modified or new treaty – one that included developing nations but allowed them to participate without hampering their own economic growth.

The result is somewhat muted. "Member countries have agreed to

work on a new international treaty, which will have legal force," says Pillay. "However, the details of how this will work will only be finalised by 2015, with a view to implementing the treaty from 2020."

### Other COP17 outcomes include the following:

Some of the details of how the Clean Development Mechanism concept will be implemented, were finalised. Member countries also agreed that carbon capture and storage (CCS) technology will form part of it. This will make the implementation of CCS projects in developing countries more viable.

The Green Climate Fund – designed to channel funds to poorer countries to help them cut emissions and adapt to climate change – is now operational.

There was agreement on the formation of a Technology Executive Committee and the terms of reference for the Climate Technology Centre and Network. However no progress was made on issues around the cost/ access to intellectual property rights for climate technologies.

It was agreed to establish an Adaptation Committee, which will help to share information and coordinate responses to climate change-related loss and damage in vulnerable countries.



Praised by the global media for being well organised, but criticised by environmentalists for 'not quite delivering', COP17 nevertheless achieved a number of positive steps forward.



### Implications for Anglo American

COP17 is likely to produce an increasing number of 'bottom-up' mechanisms for achieving carbon reduction, including carbon pricing. This will require a greater awareness of and engagement with climate change-related policy developments, particularly for our operating regions.

To deal with the lack of international consistency in carbon pricing, Anglo American has embarked on a study to help establish the merits and design of an internal system for buying and selling carbon allowances, with the aim of reducing the Group's overall cost of compliance.

Over the longer term, land use and forestry related projects linked to REDD+ (Reducing Emissions from Deforestation and forest Degradation) are likely to gain in prominence. They may in the future offer a way of integrating carbon savings with local community development, while offsetting carbon compliance costs across regions.

## PUTTING PRINCIPLES INTO PRACTICE

Anglo American was a prominent participant at COP17, exposing more than 12,000 government delegates, observer organisations, and journalists to some of its key strategies, partnerships and projects.

A highlight was being able to showcase the role of platinum in enabling low-carbon technology and curbing climate change. Government was able to witness the impact of this technology first hand when Deputy President, Kgalema Motlanthe, and the Minister of Mineral Resources, Susan Shabangu, visited a fuel cell demonstration at the Greyville Race Course. Anglo American's Platinum business set up this platinum-based 150 kilowatt fuel cell ahead of the conference to supply emission-free power directly into the local grid.

The minister commended Anglo American for being "a company that contributes to the evolution of the mining industry. A precedent has now been set for all other mining companies."

The Group also hosted a large exhibition stand at the Climate Change Response Expo, and sponsored a number of keynote events. These included the official opening of COP17 by the Department of International Relations and Cooperation (DIRCO), and a networking cocktail event, hosted by the World Business Council for Sustainable Development (WBCSD).

Additionally, Anglo American's groundbreaking eMalahleni water reclamation plant was recognised at the UNFCCC's Momentum for Change Initiative. It was the only mining project to be endorsed by the UNFCCC.

**01** Promoting biodiversity and heritage – Egrets nesting at Platinum's Union mine's dam.

**02** Karim Kassan, business development director of Ballard (left), and Krish Pillay, Platinum's head of engineering (right), explain the fuel cell technology to South Africa's Deputy President Kgalema Motlanthe (centre). Platinum set up the 150 kilowatt fuel cell ahead of COP17 to supply emission-free power directly into the local grid.

**01** An additional 20-30 exhibitors were added to this year's Mining Indaba. In the past three years, delegate numbers at this event have almost doubled.

**02** Minister of Mineral Resources, Susan Shabangu.

**03** Executive director for Anglo American South Africa, Godfrey Gomwe, and Group director of human resources and communications, Mervyn Walker, with the Anglo American vehicles that were branded as part of the Mining Indaba sponsorship.



01

## MINING INDABA 2012

# SA IS 'OPEN FOR BUSINESS'

"We think South Africa is a very good place to be. I'm very proud of what we've achieved here."

**CYNTHIA CARROLL,**  
Anglo American  
chief executive



This was the message to the more than 7,000 delegates who gathered at the opening of this year's Mining Indaba (6-9 February), Africa's premier mining conference and one of the largest gatherings of mining stakeholders and decision-makers vested in Africa.

This year's event saw delegates debating a range of new and ongoing issues, such as the competitiveness of South Africa's mining sector and the sustainability of the industry, as well as the much talked-about ANC task team's State Intervention in the Mining Sector (SIMS) report. The paper rejects the nationalisation of mines as a viable concept, and contains a number of proposals including a 50% tax on the sale of mining rights, a windfall tax of up to 50% on super profits, and a super-ministry to oversee minerals governance.

Deputy Mineral Resources Minister Godfrey Oliphant set the tone for the four-day event by bringing home the message that nationalisation is off the table, and

02

that South Africa is open for business<sup>1</sup>: “As we speak, nationalisation is not a policy of the government or ANC,” he said, at a precursor roundtable discussion the day before the official start of the conference.

Recurring positive comments throughout the week came in the form of various government ministers’ commitments to boosting the growth of the local mining industry. National Planning Minister, Trevor Manuel, spoke of the need for the sector to be positioned as a catalyst for growth, while Minister of Mineral Resources, Susan Shabangu, assured audiences that nationalisation was not the policy of the South African government.

Manuel also took the opportunity to reassure investors that any changes to taxes or ownership would only be made after extensive consultation with industry. Speaking on the ANC task team report on nationalisation, he said: “It doesn’t call for nationalisation; it calls for new partnerships. Given the long lead times, the industry deserves policy certainty.” With reference to taxes, he added, “If there is to be change, I’m pretty sure that the finance minister and Department of Mineral Resources will take a long-term view.”

Coupled to President Jacob Zuma’s commitment to a massive infrastructure development drive, as highlighted in his State of the Nation address on 9 February, these statements support the South African government’s stated position that it is serious about the mining industry’s growth and about making it more internationally competitive.

“I welcome the fact that the (ANC task team’s) report on nationalisation has reinforced the ANC’s earlier decisions that nationalisation is not a viable policy for South Africa. The ANC will adopt a policy position on this issue that is in the best interests of South Africa.”

**SUSAN SHABANGU, Minister of Mineral Resources**

## THE LIFEBLOOD OF THE 21ST CENTURY ECONOMY

In his opening address to Mining Indaba delegates, executive director for Anglo American South Africa, Godfrey Gomwe, used the theme of good corporate citizenship in a changing global economy to address the numerous uncertainties currently facing the industry. He highlighted the mining sector’s role in contributing to society: “We have said it before and I will say it again – mining is the lifeblood of the 21st century economy”.

In outlining Anglo American’s numerous partnerships with people and government, Gomwe illustrated how Anglo American has helped to make a difference in the communities and countries in which it mines. He also emphasised the responsibility of governments to ensure the rule of law, and touched on the need to resolve the nationalisation debate in South Africa.



03

**“As an industry we must face up to the reality that, in the long run, there will be consequences in extracting mineral wealth from areas in which communities are bypassed. Maintaining trust is a somewhat easier task if we can demonstrate that the corporate sector does indeed add value beyond the bottom line. I would like to see a situation where a mining company comes into a community and starts to sow the seeds of sustainability from the initial exploration phase right through to the eventual and inevitable mine closure.”**

**DR MAMPHELE RAMPHELE, Anglo American non-executive director**

*<sup>1</sup> From an article published on [www.mg.co.za](http://www.mg.co.za), by Sharda Naidoo, on 6 February 2012.*

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A Magazine speaks to Dave Morris, Anglo American's global head of safety, about the role that our leaders play in our journey towards zero harm.

# VISIBLE FELT LEADERSHIP IT'S ABOUT YOU ...



Visible Felt Leadership (VFL) is recognised as an effective technique for engaging a workforce and encouraging positive change in both behaviour and attitude. It has found popularity and relevance as a useful tool for promoting more effective interaction between people within mining – an industry that has traditionally been autocratic and hierarchical in character. Moving away from these characteristics towards a more empowered and engaging organisation is seen as an essential step in transforming the safety performance of the industry. Having leaders engage firsthand with employees from all parts of an organisation gives them an opportunity to hear and feel organisational dynamics while also making a personal impact on their teams. At the same time, it reinforces the genuine concern they feel for employees' wellbeing and safety.

When implemented properly, the result of VFL is a broad process that can influence natural, genuine behaviours, which support a culture of safety and business improvement that is embedded in every aspect of our work.

"By definition, leaders influence people to move in a certain direction," says Dave Morris, Anglo American's global head of safety.

"Safety is not something that you read, hear or see, it's something you live. VFL provides you with the tools to make this real. It focuses on positive reinforcement. Problem areas – and how to fix them – are discussed and agreed upon together, leaving the individuals with a positive, clearly understood way to do what they do, even better."

**MARTIN DIMOND**, engineering manager,  
Thermal Coal

## VFL DEFINED:

Visible Felt Leadership (VFL) describes a natural, social process that managers and supervisors should carry out as a normal part of their jobs. While VFL is one of the most important contributors to sustained and improved safety performance, it goes beyond safety and touches on other general elements of leadership, such as caring, communicating, connecting and coaching. In short, VFL is a characteristic of good management. VFL is not a process that comes naturally to most people. It has to be learnt and practised. Importantly, it has to be part of a system that

ensures that managers put the interaction to constructive use. Part of implementing VFL relates to how leaders and employees interact in the workplace. Typically this interaction involves a one-on-one conversation that focuses on recognising people for doing the right thing, and then helps them to do it all the time. This interaction provides a way to improve safety from a position of care and respect, while obtaining valuable information from the people who know it best.

# SHIP:



Shift leader at Platinum's Waterval Smelter, Jason Moeng, busy with safety coaching as part of the Visible Felt Leadership programme. To his left is Lebuso Lebusho, a processor at the smelter.

## IN PARTNERSHIP:

“Visible Felt Leadership in the workplace is one of the most powerful tools that leaders can use to interact with employees,” says Leigh McMaster, SHE practitioner, Solidarity Legal Department.

“The messages of zero harm, risk management, care and respect are more powerfully communicated when all stakeholders act as messengers, as employees receive

similar messages from multiple sources. Reinforcement and collaboration are the key elements of success in safety communication. VFL empowers both leaders and their subordinates to engage one another in a positive and meaningful manner, to build relationships and focus on safety improvement. For this reason, VFL interactions by corporate as well as union leadership should be encouraged.”

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# ... AND WHAT YOU DO

“They play a pivotal role in changing and entrenching a particular mindset within an organisation.

“VFL is a valuable approach that supports the building of trust and increasing safety consciousness among employees. This resonates strongly with Anglo American because it is built upon our guiding values of safety, care and respect, accountability and collaboration.”

The logic of how and why VFL works so effectively can be better understood by examining a common business leadership approach known as the 4C model. In this model, a leader demonstrates genuine empathy and caring (the first C), before connecting (the second C) with people through communication that builds an emotional bond. The third C – coaching – involves advising, teaching, guiding and helping to develop one’s employees to their full potential. If the right emphasis is placed on these three elements, then the fourth C – commitment – should come almost automatically. According to leadership guru John Maxwell, “You can’t move people to action unless you first move them with emotions. The heart comes before the head”.

VFL blends leadership elements into a framework that highlights why leaders at all levels of our business are so crucial to creating a safer, more effective working environment.

## **Embedding VFL in our skills set**

Anglo American has put its own stamp on how VFL is implemented within its leadership team and in the mining

industry in general, by establishing a VFL workstream within the Anglo American Tripartite Health and Safety initiative.

Butch Dudgeon, manager: safety leadership and engagement at Anglo American, explains that while the broader principles of VFL address the operational aspect of safety, the Tripartite VFL workstream addresses the partnership aspect and how people and key stakeholders can engage with each other to implement those principles.

Launched four years ago, this workstream has a two-pronged approach that shows teams at site level how and why VFL works, and provides tools, guidelines and a formal standardised approach for implementing it effectively. These tools include a printed booklet, best practice guidelines, and animated audio-visual clips that contain step-by-step examples of how to start and manage safety interactions and interventions in the work place. They are increasingly being used throughout the Group with the aim of making VFL an embedded part of the skills set of all managers and supervisors.

“Because VFL does not come naturally to most people, these tools provide guidelines for triggering discussions between employees and their supervisors around how individuals can contribute to make their work place safer and how management can support them,” says Dudgeon. “This includes tips on how to approach employees, how to give praise in situations where procedures are being followed properly, how to resolve situations in which they are not, and how to get input on why things are being done in certain ways. In other words, people now have a practical structure for talking about safety, and for connecting with and mentoring each other in a non-confrontational and genuinely helpful manner. These tools will help everyone to implement VFL more consistently.”

Locally, the Tripartite’s VFL teams are conducting site visits across South Africa to share their learnings on VFL and how VFL interactions take place. It is a national working example of how all the major stakeholders have come together to address safety issues.

## **In practice**

New Vaal colliery is an excellent example of Visible Felt Leadership in practice. This operation has been using VFL for three to four years now, which – according to general manager, Johan van Schalkwyk – has led to a major shift in culture and interaction at all levels.

“VFL is something we use to reach the hearts and minds of our people by showing that we genuinely care about them and that we want to achieve real safety

“For me, VFL is about evolving from the old, autocratic way of working safely, to one that understands that people have a voice, and which is based on the principle of ‘tell me and I’ll forget; show me and I’ll remember; involve me and I’m committed’. VFL is not just about safety. It is about our entire operation and everything that runs in it.”

**TONY STRACHAN**, mining manager at New Vaal colliery

improvements,” he says. “It is the tool we use to engage with people, get their input, and leave them with the assurance that they have the respect of their supervisors, and that each interaction is a constructive step forward to better performance. The more we use it the easier it gets.”

Van Schalkwyk explains that in the past, employees have often seemed reluctant to connect and engage in conversations about safety procedures and improving the working environment. This is one of the things that VFL has helped to address. “Now, people are far more comfortable and willing to approach management to tell us what their impressions are. They are not scared to make recommendations. The contribution they are making is significant.”

This change in attitude has done the same for New Vaal’s safety results: since 2008, the operation has seen a 70% to 80% drop in total injuries, something that Tony Strachan, New Vaal’s mining manager, firmly believes would not have been possible without VFL as an essential supporting tool.

“VFL has brought the different working levels of our mine closer together,” he says. “Our managers and supervisors are more ‘on the dance floor’, so to speak, and this is strengthening the teamwork we have here. We don’t see VFL as a stand-alone technique; we see it as the way we do business. We use this concept and principles in everything we do.”

And the results, adds Tony, are just as widespread. “Innovation and collaboration have flourished throughout the mine. People regularly invite management to their departments to showcase their innovations and ideas, and to share advice on how to implement them at other departments and mines.”

## WALK THE TALK

Insights from the New Vaal colliery management team:

- “To make VFL a success, we’ve learned to listen – really listen – to people. Most importantly, we’ve learned to give feedback. Discussion, commitment and agreement is the first step, and feedback is critical.”
- “VFL interaction is a commitment, not a sideline. We schedule time for it, plan properly, and DO IT. Once you make this decision, become used to it and make it a way of doing business, then VFL becomes easy.”
- “VFL is something you cannot do from an office chair, and it is not a tool you get into very easily, but it works. Safety is what mining is all about – it is part of our work. We just get up, go out there and do it.”
- “It is very difficult to put in words what it means to people when you’re out there at 2 am in the morning, sharing their very real work experience ... It’s also difficult to describe how hard these people are prepared to cooperate and work with you as a result. VFL isn’t done when the sun is shining, it’s done whenever and wherever your people are working.”
- “VFL is a personal experience – not a checklist exercise.”



## EVERYONE’S A LEADER

Real safety begins with each individual, and therefore office-based employees also have a role to play. Corporate environments carry their own types of risk, and office-based leaders are expected to practise VFL regardless of what form a particular risk might take.

These leaders also have the opportunity – and responsibility – to practise VFL by spending time on the shop floor whenever their work takes them to a site. Talking to teams, asking questions and finding out more about what they are doing and why, not only helps to start and keep safety conversations flowing, it demonstrates the

interest and enthusiasm that office-based employees have for the work and people who are at the heart of day-to-day mining operations.

Following a successful pilot programme at the Johannesburg office in November 2011, Anglo American is launching a series of VFL training courses at the Johannesburg campus and in London to reinforce and improve understanding of the VFL process.

These courses will help to familiarise office-bound employees with the correct approach for applying VFL techniques and tools.

# MERUKA MINING: A HOMEGROWN SUCCESS STORY

Exploration is a risky business: it is common knowledge among geologists that out of every 1,000 exploration prospects brought to light, ultimately only a handful ever become commercial mines. This makes it tough to break into the industry and even tougher to find project finance. But one new junior exploration company is bucking the trend.

Formed just two years ago, Meruka Mining is well on its way to joining a growing number of homespun South African junior exploration businesses. Born out of a partnership between black-owned LeRaMa Resources and the Anglo American Khula Mining Fund (AAKMF), Meruka's lofty ideals – and early successes – have made it one of AAKMF's flagship projects.

With the help of an initial R2.4 million investment from Zimele's AAKMF, Meruka has targeted the Bushveld Complex as a location where elusive Iron Oxide-Copper-Gold (IOCG) mineral deposits can be found.

"The size, diversity and relatively high grade of IOCG deposits (the best-known of which is the giant Olympic Dam deposit of South Australia) can produce extremely profitable mines," explains Mxolisi Kota, AAKMF fund manager. "While they are known in other parts of the world, they have not yet been commercially developed in South Africa."

Until now, that is. Meruka recently completed the first phase of drilling at a site north east of the town of Marble Hall, alongside the Limpopo-Mpumalanga provincial boundary. And – contrary to all typical exploration odds –

**01 & 02** Meruka mining's first phase of drilling, north-east of Marble Hall, alongside the Limpopo-Mpumalanga provincial boundary.



## ABOUT THE ANGLO AMERICAN KHULA MINING FUND

Formed as part of Zimele in 2003 through a joint venture between Anglo American and Khula Enterprise Finance Ltd, the Anglo American Khula Mining Fund (AAKMF) seeks to provide funding, combined with professional, experienced support, to create new commercially viable junior exploration and mining opportunities in South Africa. Managed by Zimele – Anglo American’s enterprise development arm – AAKMF aims to create and sustain jobs, promote skills transfer, contribute to the true transformation of the mining sector and bring about meaningful BBEE enterprises, in line with national imperatives. To date, the fund has invested R164 million in 20 ventures, which collectively turn over R462 million per annum and employ 1,014 people.

the team hit the jackpot on the first drill hole. The results of their work, done in late 2010 and early 2011, together with existing information obtained by other companies since the 1970s, confirm that a significant polymetallic orebody exists on the farm. The mineralised footprint in this northern zone is at least 1,000 m long by 300 m wide, with mineralisation extending to at least 200 m in depth. In simple terms, that’s a potentially very healthy resource and a business opportunity that could catapult this junior exploration venture into the big league.

Meruka is now moving into the second phase of drilling to establish a better idea of what is in the ground and what the development potential is for the region from an environmental, social and economic perspective. Depending on the results, by early 2013 the Meruka team will be ready to embark on pre-feasibility studies to confirm the viability of mining this deposit.

For Meruka, this is the opportunity that its founding members have been working towards for the past six years. For AAKMF, it is proof of the power of partnerships at every level: a flourishing big business/small business collaboration is giving life to a black empowerment company in a way that is helping to build a strong new contender in the mining industry, with potentially very positive social and economic spin-offs for the regions within which they explore.

The Marble Hall area, for example, is home to several large settlements that could benefit from the job creation and skills development that an environmentally sustainable mining operation would bring.

## A WINNING COMBINATION

For Meruka shareholder and qualified geologist Michele Robertson, being part of this fledgling venture is about far more than being one of relatively few South African women to work at the helm of an exploration company.

“Prospecting projects are a bit of a treasure hunt, guided by a map where ‘x’ marks the spot,” she says. “It is common for you to be disappointed – but in Meruka’s case, we found exactly what we were looking for, at the grades we expected, and with lots of potential. We are extremely excited about this project.

“However, for an exploration company to be successful it needs more than just a few solid projects. It also needs technical know-how and corporate experience to carry the company through. Meruka’s directors have decades of both, combined with very strong empowerment credentials.”

For Robertson, this is one of Meruka’s strong points: “As a consultant I have worked with many companies, all of which are strong supporters of transformation, but Meruka is one company where it is truly working.”

Coupled to this is the support that Meruka receives through their partnership with AAKMF – something that Robertson describes as a much-valued contribution to their business. “Our partnership with Anglo American Khula Mining Fund isn’t only about money and motivation to produce. It also comes with guidance on corporate governance, marketing, technical and strategic issues, as well as a strong belief and interest in the project. For a small company like ours, this is invaluable.”

Chairman of the Meruka board, Archie Rantao, says that the partnership with AAKMF has done well for Meruka, both because of the financial muscle that AAKMF’s funding has given them, and because of the expertise that came with it.

“A lot of investors don’t want to go into greenfield projects, but the team at AAKMF were bold enough to embark on this journey with us,” says Rantao. “The value curve of the project is going steadily upwards but,

## FAST FACT

LeRaMa Resources, the holding company of Meruka Mining, was formed in 2007 by three colleagues with little background in mining, but who were nevertheless interested in pursuing the opportunities that BEE legislation offered. They approached Laurence Robb, then Professor of Economic Geology at Wits, who helped them set up LeRaMa Resources. Robb, now a shareholder, identified the Bushveld as a potential host for IOCG-style targets with little or no competition from established companies. “The opportunity of moving from an academic background to that of playing a meaningful role in setting up an exploration venture, which at the same time creates the opportunities for growth and development of rural areas, has been a rewarding challenge,” he says.

without our investor, we probably wouldn't even be out of the starting blocks.

"Now, we look forward to Meruka reaching the pre-feasibility study stage, and – in the longer term – becoming the first black-owned IOCG exploration company to list on the Johannesburg Stock Exchange."

Rantao points out that, as a team, Meruka has an advantage in that several of its directors are experienced geologists. "We also did our research very thoroughly beforehand, in terms of the properties and prospects that were available," he says. "This helped us to identify potentially good projects more accurately, removing some of the risk typically associated with exploration."

AAKMF's Mxolisi Kota agrees: "High-tech, high-growth ventures in this field differ from traditional SME start-ups. They require different market analysis, strategic planning, a carefully staged investment approach and a different type of financial investor who is not necessarily looking for short-term returns. At AAKMF we see ourselves as a strategic value-adding investor – one who supports the long-term development of black-empowered exploration and mining companies, by providing a mix of financial, strategic and technical support."

As the Meruka project embarks on the second phase of drilling, negotiations are under way between LeRaMa and AAKMF to collaborate in the evaluation of a second IOCG target at the old Albert silver mine (last worked just after the Anglo-Boer War), north of Bronkhorstspuit.

If successful, this will be another step forward for a small company with a big dream of using innovation, ingenuity and local talent to develop South Africa's many untapped, and often-forgotten, mineral resources. And with the continued support of Anglo American Khula Mining Fund, they are well positioned to achieve it.

"The value curve of the project is going steadily upwards, but without our investor, we probably wouldn't even be out of the starting blocks. Now, we look forward to Meruka reaching the pre-feasibility study stage, and – in the longer term – becoming the first black-owned IOCG exploration company to list on the Johannesburg Stock Exchange."

**ARCHIE RANTAO, chairman of the Meruka board**



# TO THE

What is often described as a 'school of hard knocks' is being transformed into the 'school of small business success', as one unique group of graduates will attest.

**T**he 37 'students' of the AZ entrepreneurial training and development initiative are no ordinary graduates: they are the first to emerge from the programme to qualify for a R20,000 business start-up funding.

The AZ training initiative is a Section 21 company that acts as a precursor to the funding mechanisms within Anglo American's enterprise development arm, Zimele. One of Zimele's goals is to help historically disadvantaged individuals to establish their own small businesses by providing small business loans at preferential interest rates.

Loosely interpreted, the Zulu word 'Zimele' means to 'stand on one's own feet' or to 'be independent', and it reflects the initiative's strong entrepreneurial education imperative. The AZ training programme is a logical starting point for this, and is already seeing some early success.

Zimele's Gladwyn Leeuw, explains that individuals only qualify for funding from Zimele once they successfully complete the AZ training programme or any other training from a SETA or a FET college.

"Entrepreneurs receive credits towards an NQF Level 2 qualification, and develop their own business plans with the assistance of mentors. Within the first three months of training, participants are generally able to submit a business plan as part of a loan application to Zimele."

The AZ training programme is a collaborative effort between Zimele, Nedbank, Neosho 119 Marketing Specialists and the Maccauvlei Learning Academy.

# TOP OF THE CLASS



01

## FROM SMALL, TO BIGGER, TO BEST!

**The AZ training programme, coupled with Zimele, Anglo American's enterprise development arm, effectively create a development 'pipeline' that is feeding the growth of the small and medium business sector in South Africa.**

Senzo Memela, owner of Memtec Technology in Kempton Park, Gauteng, is a prime example. He launched his transport, logistics and supply chain business in 2004, and it has grown steadily ever since. Memtec is currently involved mainly in planning, excavation and backfilling of trenches, the construction of hand holes and network towers, the laying of underground ducts and optical fibre, and surface reinstatement.

Memela secured a R19,000 loan from Zimele to cover equipment costs and provide working capital for a hard-won contract from one of South Africa's biggest telecoms companies. He has since more than doubled his staff complement, from 30 full-time employees and contractors to around 70, with his business turnover following a similar trajectory.

Thanks to ongoing training and financial support, Memtec Technology is now ready to take the next step. The business has qualified for an R862,000 loan from Zimele's Community Fund, enabling it to take on a multi-million rand construction project – a real feather in the cap for this flourishing enterprise.



02

"The Zimele funding provided us with light construction tools and a Bell TLB construction vehicle," says Memela. "We also acquired and renovated our storage facilities as per client requirements. This has given us the competitive advantage and confidence needed to qualify for bigger and more sustaining projects.

"It has also given us the ability to take advantage of the current increase in telecom infrastructure development projects, influenced by the landing of the much-anticipated ultra high-capacity fibre optic submarine cable system at Yzerfontein in the Western Cape."

Memela points out that the team is currently training fibre optic technicians and positioning itself for future troubleshooting and fibre break maintenance opportunities, as local network operators continue to increase their underground fibre footprint. He is also looking to form strong partnerships with the Department of Rural Development in its quest to expand broadband networks to rural South Africa.

"All our dreams would have remained mere dreams without help from Zimele," he says. "Words cannot express my sincere gratitude to Anglo American, Mr Gladwyn Leeuw and the team for listening and believing in us when no one else would."

**01 & 02** Thanks to support from Zimele, the number of staff at Memtec Technology (seen here laying underground ducts and optical fibre) has more than doubled.

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# TAKING BIG STEPS TOWARDS A SMALL FOOTPRINT

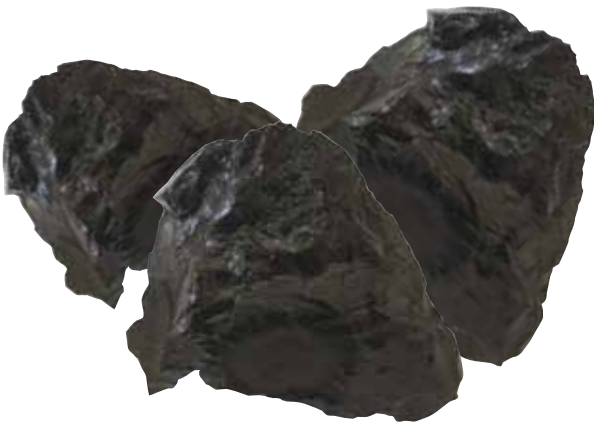
One of the most effective ways to reduce our carbon footprint is to incorporate energy saving measures into the design of greenfield projects. This, plus an innovative new research project being run by our Thermal Coal business, looks set to reduce both costs and impact on the environment.



Zibulo colliery, Thermal Coal's newest mine, was specifically built to consume 8.7% less power than its existing counterparts by incorporating energy-efficient alternatives into the design of the infrastructure and purchasing plant.

By using the most up-to-date technologies available in cables, motors, transformers, drives, lighting and ventilation systems, total electricity savings are projected to be around 6.4 GWh per annum with a carbon offset of 7.1 tonnes of CO<sub>2</sub> every year.

"When the mine was built, roofs and window frames were insulated, and thermal glass was used," says construction engineer and energy champion Jacques van Schalkwyk. "We installed heat pumps and solar panels for heating water in change houses, greenrooms and bathroom facilities, as well as occupancy sensors for lights and air conditioners."



Underground ventilation fans are considered one of the top five consumers of electricity at Thermal Coal and, to save power, the speed of Zibulo's main fan has been regulated to increase or decrease according to mining activities. Its initial power requirement, therefore, will be relatively low.

Conveyors, which are also significant consumers of electrical power and account for 11% of the colliery's total energy usage, are only operated when necessary and are automatically shut down when coal is not available for transportation.

Shift changeovers have been timed to coincide with times when demand is at its peak. Conveyors, screens and crushers do not operate during these periods, which not only reduces the colliery's operating costs but also helps Eskom to maintain national power supply during times of high demand.

Unlike older mines, Zibulo was designed to operate with one central workshop, which means that there is no unnecessary duplication of equipment requiring electrical power.

"At Zibulo, we are passionate about taking care of the environment as we have a responsibility to ensure that our children have a greener future."

**JACQUES VAN SCHALKWYK**, construction engineer and energy champion at Thermal Coal

**01** Zibulo colliery's overland conveyor scored 100% in every criterion of what defines a great mining project, in the 2010 Steel Awards of the Southern African Institute of Steel Construction.

## FUNGCOAL RESEARCH SET TO IMPROVE REHABILITATION

A Thermal Coal research and development project is investigating the feasibility of harnessing fungi and weathered coal to improve the rehabilitation of opencast mined land and coal discard dumps. Known as 'Fungcoal' – a combination of the words 'fungi' and 'coal' – the project is being managed by Professor Keith Cowan of Rhodes University's Institute for Environmental Biotechnology.

According to Thermal Coal's environmental manager: industry, Henk Lodewijks, under the right conditions, certain fungi have the ability to break down and liquefy coal that has been exposed to the elements. When accompanied by other micro-organisms, they create humic and fulvic acids, natural fertilisers that are regarded as the building blocks of soil fertility and plant life.

"Without them, plants and life as we know it would probably not exist," says Lodewijks, adding that the study set out to identify micro-organisms with these properties in the field before harvesting and cultivating them in the laboratory.

"We aim to harness these 'bugs' to bring about potential improvements in the quality and speed of rehabilitation at open cast mines and discard facilities," he says.

"Much of the discard coal we have on our dumps has been weathered by the elements for 10 years or more. If successful, Fungcoal could eliminate or strongly reduce the need to lay down scarce topsoil and sub-soils on these areas. The potential savings could run into hundreds of millions of rands."

## FAST FACT

If successful, Fungcoal could eliminate or strongly reduce the need to lay down scarce topsoil and subsoils on coal dump areas.

# TAKING AVIATION SAFETY TO NEW HEIGHTS

As a global company with remote mining and exploration operations across the world, Anglo American relies heavily on the Group's Aviation Services. And with safety as our principal value, this team works hard to ensure that its policies and procedures are in line with global best practice.

## FAST FACTS

- Aviation Services, based on the eastern side of OR Tambo International Airport, was established in 1936 to provide safe, efficient and cost-effective air transport to Anglo American.
- It is one of the largest corporate flight departments in Africa, operating and maintaining a fleet of 12 aircraft. Aviation Services is a BARS Member Organisation of the Flight Safety Foundation, and is audited annually according to the Basic Aviation Risk Standards, by the Flight Safety Foundation's approved auditors.

Anglo American's Aviation Services and the Safety and Sustainable Development unit joined forces to host their first-ever aviation safety workshop towards the end of 2011, a fitting way to mark Aviation Services' 75th anniversary.

The two-day workshop brought together 15 business unit representatives as well as aviation safety consultants, and sought to identify the specific challenges faced by these business units and their operations. Topics included the Basic Aviation Risk Standard (BARS), aviation practices from a global safety perspective, policy on the use of company and charter aircraft, airfield operation and key person risk.

"We cannot limit our health and safety efforts to the ground," says Anglo American's Aviation Services manager Johnny Laing. "The operation of an aircraft is a high-risk activity with the potential to cause damage to or loss of assets, as well as harm to people, the environment and the company's reputation."

Aviation is essential in day-to-day resource operations, especially where commercial air travel may not be feasible. A common challenge, says Laing, is to ensure that all charter flights are procured through Aviation Services.

"We must align all business units with global aviation safety and ensure a clear standard that covers the full spectrum of aviation at Anglo American, from fixed wing to helicopters as well as specialised services such as low-level surveys."



For more information on Anglo American's Group Aviation Services, call 011 395 9200, e-mail [aircraftoperations@angloamerican.com](mailto:aircraftoperations@angloamerican.com), or visit [www.angloamericanaviation.com](http://www.angloamericanaviation.com).

01 Freeman Motswahule, apron services handler for Aviation Services.

02 Johnny Laing, manager, and Frans Kruger, safety and risk manager for Aviation Services.

# BUILDING A MINE, GROWING A COMMUNITY



Already the largest private sector employer in the Northern Cape, Kumba Iron Ore ushered in yet another development in the province in 2012. The Kolomela mine, an R8.5 billion development in Postmasburg, will produce up to nine million tonnes of ore per year over 28 years, creating more than 800 new job opportunities for the Postmasburg community.

To accommodate these employees and their families, Kumba will build 718 brand new houses. For many, this will allow them to live in considerably better and safer conditions than ever before. The surrounding community will also benefit as Kumba will be working closely with various district departments and groups to improve and expand on healthcare, education and skills development facilities, throughout the life of the mine.

Because Kolomela mine expects all its employees to have at least Grade 12 qualifications, Adult Basic Education and Training facilities will be available to adults at the Community Skills Centre that Kumba plans to build in Postmasburg. This centre will provide unemployed



03

school leavers and youth the chance to learn a large variety of practical skills through accredited programmes focused on the local market, including bricklaying, masonry work, carpentry and welding.

Kolomela mine has also joined hands with the Department of Health to build a new fully functional hospital in the area within five years.

So, while the mine has a life expectancy of 28 years, its legacy will last a lifetime and more.

**03** Lives have changed in rural communities in and around Postmasburg, thanks to Kolomela's support of projects such as this Skyfontein hydroponics food initiative.

## Kolomela mine is on the fast track to success

### Your number is up!

Kolomela mine has committed an initial R6 million towards the development of primary healthcare facilities, including an HIV/AIDS clinic, in the area.

An additional R5 million will provide for a mobile healthcare unit, which will be accessible to remote rural communities.

To combat poor education in the area, Kumba will spend R13 million on two new Grade R facilities (for four to five-year-old children).

An additional R4.7 million will be committed to provide computer technology at all local high schools.



**R11 MILLION**



**R13 MILLION**



**R4.7 MILLION**



04

**04** Kumba Iron Ore's Kolomela project team has added another momentous achievement to its growing list of successes. Not only has the mine been completed five months ahead of schedule, on budget and boasting an excellent safety record, but its first test train left the load-out station carrying 34,200 tonnes of ore to Saldanha in November 2011. The first full load followed less than a month later. Once at full production the train will leave Kolomela five times a week with 342 wagons, each carrying 100 tonnes of ore.

# A BROAD-BASED SUCCESS STORY: ENVISION

The lives of more than 6,200 Kumba Iron Ore employees have changed forever, after receiving a R576,000 pre-tax payout from its broad-based employee share scheme, Envision.

Christmas came early for the members of Kumba Iron Ore's Envision share scheme in November last year, when the company announced the end of the first five-year maturity of the scheme. Valued at almost R2.7 billion, this translated into a life-changing payout for the employee members who had worked for Kumba for that five-year period. The R345,000 after-tax payout is on top of the dividends already paid out to members during that time – as much as up to R55,000.

Established in 2006, the Envision scheme was specifically designed to target permanent employees below the managerial level who do not participate in the other Kumba share schemes. It enables employees at the heart of the business – whatever their role – to benefit from the operational and financial success of the company. It has turned out to be one of the most generous and successful empowerment transactions for employees in the history of South African mining.

"Since inception, Kumba has worked to deliver a meaningful impact in South Africa that goes beyond its corporate contribution to the mining industry," says Chris Griffith, CEO of Kumba Iron Ore. "We seek to achieve real transformation in our workforce and the communities around our mines. I believe Envision truly embodies this ongoing effort."

To ensure that the money is used wisely, employees were given financial training and guidance on how to



## "THIS COMPANY IS MY FUTURE"

"When I heard about the Envision pay-out I was so happy – it felt like I had won the lottery!" says **Maggie Makata**, a maintenance assistant who has been with Kumba at Thabazimbi since 2007. "The first thing I'm going to do is settle all my debt. I've been so tired of living in debt and I don't ever want to live like that again. I'm also going to invest enough money to cover the cost of my son's education right through to university.

"I'm also planning to renovate my home and extend it a bit. It really needs a new roof. My mom lives with us and I'm going to buy some of the lovely furniture that she has always wanted. Transport has always been difficult for me, so I'm going to treat myself to a small car.

"I really thank Kumba for this scheme. It has taken me from being poor to being rich. This company is my future."

spend and invest their payouts. Tax education – and specifically how to fill in a tax return – is a focal point of the training, as well as an emphasis on the importance of clearing debts and home ownership. This training and support will continue for all Envision members in the second phase of the scheme.

Envision is a 10-year scheme with two five-year maturities, with the next pay-out happening in 2016.



## “THE TIME HAS COME”

“The time has finally come to receive this gift and I'm very thankful for the financial freedom the Envision pay-out will bring me and my family,” says **Andries Mankge**, process controller at Kumba Iron Ore's beneficiation plant. “Life will be very different in 2012 and I'm going to sharpen my focus on managing my money in a much wiser way from now on.”

Andries joined Kumba as a truck driver in the open pit and later applied for his present position as process controller. “I know how difficult it is to carry a burden of debt,” he says. “It can be very hard on a family and I never want to be in that position again. My number one plan is to pay off all my debt. Then I'll set aside funds for my children's education. No one knows what will happen tomorrow, so I want to make sure that they will have good lives.”

“This money has come just in time for me as I'm close to retirement. What's left will be put into an investment until I decide exactly what to do with it. I want to manage it in such a way that after retirement, my standard of living carries on just as it was when I was working. Everyone has their dreams and I've been dreaming of paying off my debt. Now this dream has come true.”

## FAST FACTS

- **6,209 permanent employees shared in the pay-out.**
- **Envision was valued at almost R2.7 billion at the end of its first phase.**
- **Most Envision employee members chose to receive the cash sum instead of the equivalent in Kumba shares.**
- **Kumba recently launched Envision Phase II.**
- **Envision is structured to be a 10-year scheme with two five year maturities.**
- **Biannual dividends have been paid out since the scheme began in 2006.**

## “YOU CAN'T SEE THE JOY THAT IS IN MY HEART”

**Lizzy Itumeleng** joined Sishen mine as a helper in 2009 and later trained to become a diesel truck operator. “I enjoy the responsibility of working on my own and I work hard to increase production in my area. When I heard about the Envision payout I was so excited that I couldn't eat that day. I felt as if my life was about to change completely.”

Lizzy says the ‘financial fitness’ advice that Kumba provided has helped her to make sensible decisions about spending the money wisely and not being too hasty. She's going to start by paying off some debts so that she can make a fresh start.

“I'm going to build a better house for myself and my children on the large stand that we own. I want it to be beautiful and safe. It must feel like home. I also plan to establish a borehole and start growing vegetables to support some of the needy people in my area. I opened savings accounts for the children's education some time ago and a portion of the Envision money will be added to what's there already.”

“You can't see the joy that is in my heart. I wish I had started working for Kumba a long time ago, as the other companies I've worked for never did anything like this for me. I love my work at Kumba and always boast about how much the company cares for its employees.”



## “VIVA THABAZIMBI! VIVA KUMBA!”

**Elias Makinta** joined Kumba in 1983 hoping to make a better life for his wife and children. He started out as a general worker at the Thabazimbi plant and later worked underground on the drilling machines, before taking on his present role as an operator. “The Envision pay-out came as a very big surprise,” says Elias. “I never dreamed that something like this could be possible and I don't have enough words to say how grateful I am.”

“We've been renting a house, so now I hope to be able to buy a house for the family. After that, we will have to sit down and give some serious thought to what we should do with the rest of the money. I want to take my time before I make these important decisions. I thank God for Kumba. You don't hear of other companies giving their employees this kind of money. I'm very lucky to be working here. Viva Thabazimbi! Viva Kumba!”



# SAFETY IN NUMBERS



Behind the wheel, in the home, at school and in the workplace, safety in our communities is everyone's responsibility. By being more aware of our own actions and looking out for others, we can reach our goal of Zero Harm.

As part of its drive to promote Zero Harm both inside and outside its operation, Greenside colliery at Anglo American's Thermal Coal business has launched a community road safety initiative at Edward Matyeka Primary School in KwaGuqa, eMalahleni.

"A culture of safety must be nurtured, not only among our employees, but also in our communities, at grassroots level," says mine human resources manager Claire Logan-Delagey.

Greenside colliery has a well-established relationship with Edward Matyeka Primary School, which it adopted as one of its corporate social investment projects in 2008. "Children are vulnerable road users and, tragically, die every day," says Greenside's general manager Frank Glaeser. "That is why we believe an initiative of this kind is vital. We need to save lives in our communities – and the education of our youth is the best starting point."

Local suppliers Joy Mining Machinery, Midbank/Thembaluthu Bus Services, Phola Coaches, Langamed, 4Life, the Local Taxi Association, KFC and Ambu Training, all donated time and resources to the project. Taking the initiative one step further, Anglo American will now provide financial support for the upgrading and installation of safety signage, speed humps and water drainage systems.

Greenside's sister mines, Kleinkopje and Landau collieries, have extended the project to their adopted schools, Jeremia Mdaka Primary and Blackhill School, respectively. With the backing of the Department of Safety, Security and Liaison, the South African Police Services, the local departments of education and health, and the eMalahleni local municipality, the programme will then be rolled out to all other primary schools in the eMalahleni area.

# WELCOME HOME!

More than 300 employees and their families at Anglo American's Platinum business are homeward bound, now that the company has opened the door to its Northam Extension 6 housing units project.

The project is part of the Department of Human Settlement's 'Each One Settles One' campaign, and offers employees four different sizes of house to choose from – 50m<sup>2</sup>, 58m<sup>2</sup>, 66m<sup>2</sup> and 76m<sup>2</sup>. It also includes feasibility studies; construction of access roads; installation of bulk water infrastructure within the communities; and partnering with the municipality in the building of the wastewater treatment plant.

The Northam project is the second such project for Platinum. The first was 1,000 units in Seraleng, Rustenburg, which more than 200 families already call home.

Platinum CEO Neville Nicolau, explains that this is all part of Platinum's R1.4 billion commitment to the building of 20,000 employee housing units between 2008 and 2018, through its Employer Assisted Housing Scheme.

"We are pleased with this partnership as it is aligned with the government's plan for the development of sustainable human settlements," says Nicolau. "At the same time, we are providing adequate housing and integrating our labour force with communities close to our mines."

**20,000**  
housing  
units built  
by 2018



"A culture of safety must be nurtured, not only among our employees, but also in our communities, at grassroots level."

**CLAIRE LOGAN-DELAGÉY**, human resources manager at Greenside colliery



## COMMUNITY SAFETY INVOLVES EVERYONE

It was recently the youth's turn to learn about their individual role in Anglo American's journey towards Zero Harm when they participated in youth safety workshops at various venues around Thermal Coal's operations.

"Our mission is to shift family and communities' basic safety awareness, and encourage compliant and ultimately resilient safety behaviour through various educational interventions," says Elsa Jennings, project coordinator of Thermal Coal's family safety programme.

During school holidays last year, events were hosted in eMalahleni, Standerton, Middelburg and Vereeniging, with an action-packed line-up that educated, enthused and entertained packed halls of children. Topics included safety, as well as HIV/AIDS, tuberculosis, peer pressure, alcohol and drug abuse.

Speaking at one of the events hosted by Centralised Services and Greenside, Kleinkopje and Landau collieries, workstream champion Pieter Korff urged youths to "remind your moms and dads that they are there to look after you and that they need to be safe at work, on the roads, and at home".

**01** Nomsane Mashazi and Nomvelo Mashazi, son and daughter of mining operator Layman Mashazi, outside the crèche for Greenside colliery employees. Thermal Coal is rolling out a road safety initiative to many of its collieries' adopted schools to help reduce the number of road accidents involving young children.

**02** 'Bhoto' is the family safety mascot, which Thermal Coal gives to employees or members of the community who make a worthy contribution to community safety.



# GRANTING A BRIGHT NEW FUTURE

Opportunity is knocking at the door of the Northern Cape, with a R14.6 million grant to one of its rural education and training colleges. This is just one of several initiatives of Anglo American's Chairman's Fund, which is bringing hope – and the promise of a much brighter future – to learners around the country.



01 A learner at Buyani Primary School in Finetown, south of Johannesburg, to which Anglo American's Chairman's Fund has given a R2.2 million grant.

**B**olstered by R5 million from Namaqualand District Municipality, Anglo American's Chairman's Fund has handed a further R14.6 million grant to the Northern Cape Rural Further Education and Training (FET) College. This will transform the college into a fully accredited training provider and trade test centre for fitting and turning, diesel mechanics, boiler making and electrical work.

The grant will also enable the college to buy new equipment, tools and learning materials, which will be housed in an upgraded workshop, as well as train and develop managers and selected staff members to ensure

proper and sustainable management resources. Other partners will provide additional support to the project, such as bursaries.

For learners, this means they will be able to gain National Qualifications Framework (NQF) level 4 accreditation without having to travel up to 800 km to the closest other trade test centre.

Construction of the new workshop has already started and should be complete by the end of this year. The first apprentices will start their courses in January 2013.



## Mindful of special needs children

Children are among a community's most vulnerable members, and those with disabilities need even more special care and attention. Thanks to a R2 million grant from Anglo American's Chairman's Fund, the Cape Mental Health Society (CMHS) can now ensure that some of these children receive a quality education.

The CMHS has used the funds to build the Heideveld Special Education Centre in Cape Town. The centre is a best-practice model that provides specialised education to approximately 180 children with severe or profound intellectual disabilities, and who cannot be accommodated at special schools in the region.

The programmes at the centre focus on developing each child according to an individualised development and education plan, which aims to increase their level of independence and self-esteem, and maximise their quality of life.

### DID YOU KNOW?

- **CMHS was established in 1913 and is the oldest mental health society in South Africa.**
- **It provides free community-based mental health services to people with mental disabilities and their families who are from historically disadvantaged urban and rural communities. Services include counselling, support, skills training, educational programmes for children with severe to profound disabilities, and rehabilitation.**

## A COMMUNITY AT SIXES AND SEVENS

With education being the greatest gift that parents can give their children, mothers and fathers in the communities surrounding Buyani Primary School in Finetown, an impoverished area south of Johannesburg, were often left feeling desperate.

The communities had grown so significantly that parents often struggled to have their children accepted into grades 6 and 7 at the school.

Fortunately, this is no longer the case, thanks to a R2.2 million grant from Anglo American's Chairman's Fund.

As a registered independent school Buyani Primary provides care and learning to 750 young children from Grade R to Grade 7. The Chairman's Fund previously granted R1.7 million to aid the school's development. The latest grant has helped to provide the extra facilities that the school needed to give its learners the security of an uninterrupted education.

The school is part of the Buyani School Trust, which runs several outreach programmes, including family maths, science, literacy, and life skills workshops, a community learning centre, job creation and human resource development and training.

### FAST FACTS

- Buyani Primary used the R2.2 million grant to build six classrooms, two offices and ablution facilities.
- The school's staff are recognised as leaders in the community and participate visibly in community educational and civic structures.

# AIMING HIGH

The sky is the limit for hundreds of learners and teachers, thanks to an array of education projects being spearheaded by Anglo American's Thermal Coal business.



**01** One of the many schools supported by Thermal Coal is the Blackhill Schoongezicht school. It was donated to the community by Landau colliery.

**02** Teacher training at the Maths Centre for Professional Teachers.

01

## STAR PUPILS GET WITH THE PROGRAMME

When falling matric grades in the Free State needed urgent attention, New Vaal colliery partnered with two local secondary schools and the Fezile Dabi Department of Education to offer an 'out-of-this-world' revision programme to help promising Grade 12 learners prepare for their matric exams.

The programme is facilitated by education specialists, Star Schools, which provide top-level instructors to coach learners in maths, science and English. Apart from conducting a detailed review of the syllabus, much of Star Schools' lecture content focuses on past examination papers to familiarise learners with what they can expect in their final matric exams.

Initially, 50 high potential Grade 12 pupils from the two schools took weekend and holiday revision courses at the Vaal University of Technology. The programme has since grown

into a more comprehensive full-year Grade 12 programme, and a Grade 11 incubator course will soon complement it. From there, the intention is to include Grade 10 learners as part of the incubation programme in 2013. New Vaal colliery provides transport to and from the classes.

"The reality is that without young people with qualifications in maths and science – our future engineers, geologists and metallurgists – the mining industry and other sectors will struggle," says Khulani Mthembu, New Vaal's community development superintendent. Interventions of this kind are a step up the ladder and will not only help in alleviating the skills shortage in the mining industry, but will make local young people more competitive in the wider job market. It will also give them the confidence to look up and aim high.

## LANDAU ENCOURAGES LEARNERS TO FLY HIGH

Hundreds of learners from Kopanang High School in eMalahleni were flying high – literally and figuratively – after a recent career day at the school. Themed 'I believe I can fly', the career exhibition was designed to motivate learners, especially Grade 12s.

And it did just that. While many learners took to the skies, thanks to exciting rides in an SAAF helicopter, others left with their ambitions soaring after learning from Landau colliery about the numerous career prospects available in the mining industry.

Speaking at the event, Thermal Coal's Nombulelo Shembe, a professional in training in the talent management department, highlighted the diversity of career opportunities that exist in the mining industry, and the bursary programmes that are available from Anglo American for second-year students and beyond.

# STAR LIGHT, STAR BRIGHT

**South Africa's top 10 Grade 12 learners of 2011 will reap the rewards of their hard work and determination: Anglo American's Chairman's Fund will give these high achievers a laptop package, including a printer and cash to help them with expenses during their first year of tertiary education.**

This initiative is in partnership with the Department of Basic Education (DBE). While the Chairman's Fund has awarded the top 10 maths and

science schools for the past decade, it is the first time that Anglo American has granted this kind of assistance to South Africa's top 10 learners.

"Anglo American's commitment to education is well recorded, as is our desire to partner for best effect with high-impact educational initiatives, recognising that quality education begins before a student enters the portals of higher education," says Norman Mbazima, chairman of Anglo American's Chairman's Fund.

The lucky learners were hosted at the National Library Auditorium in Pretoria during the Matric Results Announcement, on 4 January 2012, in recognition of their achievements. The event was attended by a host of dignitaries from government, including Minister of Basic Education, Angie Motshekga and Director-General of Basic Education, Bobby Soobrayan.

But the real stars of the night were the students.

## FAST FACTS

- Learners were selected from five groups of public schools, determined according to the prevailing economic conditions of each institution.
- The top 11 achievers represent the top two achievers for every 20% of the South African population.
- One of the learners, who is blind, has been given a laptop equipped with special software to assist her with her studies.

## Teachers reach new heights in the classroom

**We all need to continue training to stay on top of the career game, and teachers are no exception. This is the motivation behind a new teacher capacity development programme geared at improving the quality of tuition in maths and science subjects.**

The programme is a partnership between New Vaal colliery, the Fezile Dabi Department of Education and the Maths Centre for Professional Teachers, a non-profit organisation that promotes excellence in the fields of maths, science, technical and entrepreneurial education.

It includes a six-week course, with Grade 12 teachers from local schools attending two classes a week under the guidance of professional facilitators from the centre. Progress is carefully monitored, with participants undergoing an

initial diagnostic test followed by an evaluation at the end of the study period.

Teachers who achieve 80% in their final test and score 80% or more for attendance are awarded certificates of competence.

But, more than that, they return to the classrooms armed with new skills, updated information and renewed excitement and confidence in the incredible service they provide to learners and the community as a whole.



**"An assured future supply of people with skills in maths and science is absolutely critical to the mining industry, and to the economy as a whole."**

**KHULANI MTHEMBU,**  
community development superintendent,  
New Vaal colliery

# LEARNING OUR LESSONS BY HEART

Educational development is a vital part of Anglo American's responsibility to the communities in which it operates. Besides much-needed financial investment, the Group – and its people – also give what cannot be bought: time and dedication to making a real difference to the lives of the people they touch.



## A SITE TO BEHOLD

Anglo American's Platinum business recently broke ground at the new site of Ethridge Junior Secondary School in Bizana in the Eastern Cape. When it is finished, this R30 million school will accommodate 800 learners in quality educational premises, with safe sports and recreational facilities within the school grounds.

The relocation of Ethridge Junior Secondary school is part of Platinum's Social and Labour Plan, and is being guided by a triumvirate of Platinum, the Department of Education in the Eastern Cape and Bizana Local Municipality. It is also linked to a partnership with the National Department of Public Works, which will see contractors' skills being developed through local skills transfer and supplier development, thus encouraging local job creation.

The project aims to support the Eastern Cape Department of Education's Schools Development initiatives and build Anglo American's social licence to mine. Platinum is extending its current focus on mine host communities to include community development in labour-sending areas, making Bizana the ideal project.

**The R30 million school in Bizana, Eastern Cape, will accommodate 800 learners in quality educational premises.**



# TEACHERS COME TO KIDS' AID

Greenside, Kleinkopje and Landau collieries are providing vital first aid training for schoolteachers as part of their contribution to the Thermal Coal business's community safety journey. Already more than 100 teachers from all 19 primary schools in the Witbank area have learned basic, but potentially life-saving, skills.

The training is deliberately focused on primary schools owing to the high number of road traffic accidents involving young children. Many young learners in the area live in informal settlements alongside busy roads and navigate their way to and from school on their own. Virtually every school has experienced the trauma of a learner being killed or severely hurt in pedestrian accidents close to their premises. Now, teachers will be able to help by giving immediate first aid in those vital minutes before emergency services arrive.

Training classes were provided by Ambu Training, which conducts regular courses and refresher sessions for employees. In true community spirit, Joy Mining Machinery, a principal supplier of mining machinery and equipment, has partnered with the collieries to fund the training. It is also donating a comprehensive first aid kit to each school. Go to the top of the class, Joy Mining Machinery!

03



## IT'S A CLASS ACT!

Like fine wines, some years produce very fine students, and 2011 was just such a year for matriculants of the Class of 2011 in the Limpopo province.

Such was the standard of matric passes that, in addition to its existing dedicated skills development programme, Anglo American's Platinum business announced a once-off sponsorship for top matric students from disadvantaged families in these two provinces.

In Limpopo, Platinum has made R1 million available to sponsor the first-year tertiary requirements for 50 top learners from poverty stricken families.

"Students who select mining related studies and meet the requirements are eligible for Platinum's bursaries; however the sponsorship is not restricted to mining related areas of learning," says Mary Jane Morifi, executive head of corporate affairs.

"Our involvement seeks to provide a platform for students to realise their dreams."

**MARY JANE MORIFI, Platinum's executive head of corporate affairs**



**01** Children at school in Zinniaville, Rustenburg, beneficiaries of Platinum's educational support programmes.

**02** Bizana in the Eastern Cape, where Platinum is building a new R30 million school as part of its Social and Labour Plan.

**03** Teachers at primary schools in the Witbank area are now receiving first aid training, enabling them to assist during the high number of road traffic accidents that occur near the schools.

# THE SUN WILL COME UP TOMORROW

## FAST FACTS

- Leukaemia is a cancer of the blood forming cells.
- About 1,500 children in South Africa are diagnosed with leukemia each year.
- Almost a quarter of South African children aged 0-14 years with cancer, have leukemia.
- Leukemia is the most prevalent cancer in children.
- People can get leukemia at any age.

Kumba Iron Ore has partnered with the Sunflower Fund to recruit 100,000 people across the four main ethnic groups to help the hundreds of children and young adults who live with leukemia and other life-threatening blood disorders.

Since 1999, the Sunflower Fund has worked hard to increase the South African Bone Marrow Registry (SABMR). This is potentially one of our country's biggest assets: a database that can help find a matching life-saving bone marrow stem cell donor. The registry currently has 65,000 donors, but is not fully representational of South Africa's demographics – a real concern when the chances of finding a match within one ethnic group is only 1 in 100,000.

THE CHANCES OF FINDING A BONE MARROW MATCH WITHIN ONE ETHNIC GROUP IS ONLY

# 1 IN 100,000

This is precisely why Kumba Iron Ore has donated R3.5 million to the Fund. This money will be used to educate and enlist healthy, committed donors and pay for the tissue typing of these donors, at a cost of R1,000 each.

But Kumba is not only looking to advance the life-saving work that the Sunflower Fund is doing by providing financial support; it will also encourage its thousands of staff members to register as potential donors. Yvonne Mfolo, Kumba's executive head of public affairs, says: "When we evaluate a cause such as this for support, it is important to us that our own staff can get personally involved as well."

With strength in numbers, together the Sunflower Fund and Kumba Iron Ore can offer something else: hope and the chance for these children and young adults to lead a full and normal life.

"It is so important for all South Africans to take responsibility and become donors, if they can, and contribute towards building the SABMR to be representative of all ethnic groups," says Tina Botha, chief executive of The Sunflower Fund. "We never know when one of our children or loved ones may need a bone marrow transplant – and should that happen, we would all like to know there may be a matching donor to help save their life."

**For more information on how to become a donor, call the Sunflower Fund on 0800 12 10 82 or visit [www.sunflowerfund.org.za](http://www.sunflowerfund.org.za).**



01 Sunflower Fund fans wearing branded bandanas on National Bandana Day in October last year.





PORTIA MONEBI  
Homeowner, North West Province

NO MATTER HOW VALUABLE  
A RESOURCE, OUR PEOPLE  
WILL ALWAYS BE WORTH MORE.

SO TO ADDRESS A NEED  
FOR SUSTAINABLE HOUSING,  
OUR PLATINUM BUSINESS  
PARTNERED WITH  
THE DEPARTMENT OF HUMAN  
SETTLEMENTS TO PROVIDE  
20 000 HOUSES FOR OUR  
EMPLOYEES IN LIMPOPO  
AND NORTH WEST.

WITH OUR INVESTMENT  
OF MORE THAN R1.4 BILLION,  
OUR PLATINUM EMPLOYEES  
WILL BE ABLE TO ENJOY  
THE COMFORTS OF HOME -  
LIKE PORTIA MONEBI,  
A MINER AND NOW  
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PEOPLE'S LIVING CONDITIONS  
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# PRODUCING SOMETHING MORE PRECIOUS THAN PLATINUM: HOMES