

**SOUTH AFRICA**  
**Issue No.1**  
**September 2009**

# A MAGAZINE

# the **A** MAGAZINE

## Focus on transformation

This launch edition of *The A Magazine* examines the opinions, events and activities that are shaping the company's transformation journey. It tells some of the stories behind the numbers, and puts faces to those who demonstrate, every day, their commitment to making a genuine contribution to positive change in southern Africa.

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The *A Magazine* is a quarterly publication of Anglo American South Africa.  
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Welcome to the very first edition of our quarterly publication for the stakeholders of Anglo American South Africa – **The A Magazine**.

It seems fitting that our theme for this edition is transformation, following the recent release of our 2008 Transformation Report, as our primary goal is to share with you some of the names, faces and personal success stories behind our company's many achievements.

A casual observer of the mining industry would be forgiven for thinking that it is an industry ruled by numbers – share prices, safety statistics, profit margins, tonnages and such. It would seem that even issues of economic empowerment and sustainable development are too easily reduced to percentages and comparative figures.

The reality is that behind all of these numbers are people – people in executive positions who are experts in their fields, and people working under the surface of the earth who form the backbone of our operations. Our strategies are entirely informed by their needs – whether they are our employees, members of mining communities, or ordinary citizens.

It is correct that much is revealed by numbers, but the true story of an organisation is told by the many individuals who are part of it – both inside and outside its walls. By giving voice to their views, this magazine offers greater insight into the developments at Anglo American South Africa, and more specifically, into some of the fantastic initiatives with which we are involved in our communities and which make a real difference to people's lives.

I trust that you will find fresh perspectives within these pages, and I look forward to sharing more with you in future editions.

*Premilla*

**Premilla Hamid,**  
General Manager: Public Affairs  
Anglo American South Africa

**"The South African mining industry has been transformed beyond anything that could have been envisaged 15 years ago at the dawn of democracy in the country."**

**Dr Mamphela Ramphele,**  
Board member,  
Anglo American corporation



Main photo:  
Women miners  
at New  
Denmark  
Colliery.

Xolisile Skosana,  
continuous miner operator  
at Goedehoop Colliery,  
discusses the pre-start  
checklist with fitter Steven  
Pieterse, at the beginning  
of a shift in the Khomanani  
section of South shaft.

# Unearthing true transformation

**T**he release of the 2008 Anglo American Transformation Report, aptly titled "*Deepening Transformation*", reflects the considerable strides the company has made in transforming the way it conducts business in South Africa. "Anglo American's past is firmly grounded in South African soil and as we move forward to the future with our fellow South Africans, we are certain that we will make a seminal difference to this country's growth and development," says Cynthia Carroll, Chief Executive of Anglo American plc.

The granting of new order mining rights in 2008 to managed operations represents a key milestone in terms of security of tenure and implementation of the Mining Charter, and is also evidence of how Anglo American is steadily improving its relationship with Government. The Group has completed all necessary empowerment transactions, with R60 billion in Black Economic Empowerment (BEE) transactions concluded since 1994. All major BEE transactions concluded or announced have resulted in the creation of Employee Share Ownership Plans (ESOPs) for Anglo American employees who do not participate in executive share incentive schemes. To date, R3.7 billion in ESOP transactions have been concluded, with R38 000 value per employee at inception.

Anglo American is particularly interested in encouraging more women into the organisation and into the industry, as well as facilitating entry for individuals at all levels, from graduate to senior hire and from local recruitment to global appointments. In terms of embracing diversity, the proportion of Historically Disadvantaged South Africans (HDSAs) in management stands at 42.34%. This meets and exceeds the Mining Charter's requirement of 40% of HDSAs in management positions. Initiatives have been put in place to increase the number of women in mining and also to address their particular needs, including physical, health, work culture and workplace environment needs. By the end of 2008, the number of women in management in Anglo American South Africa rose from 15% to 17%.

Anglo American is leading the fight against HIV/Aids and believes the key to the success of any corporate response to HIV/AIDS is to be firmly anchored in a commitment to uphold human rights. The group has created a milestone development for the industry by offering free treatment to the families of employees, with almost 77% of South African employees having participated in voluntary counselling and testing programmes.

Skills development remains an integral part of the group's human resource process and Anglo American continues to offer employees, contractors and communities surrounding Group operations the opportunity to acquire literacy and numeracy skills through the various programmes. During 2008, Anglo American spent R31.9 million on skills development, including bursaries, adult education and training (ABET), and a programme for management excellence.

One of the tools Anglo American introduced last year to support a strong safety culture is "Safety in Action," a company-wide team conversation that focuses on taking personal action for improving safety. In 2008, Anglo American achieved its first fatality-free month across all operations, contributing to a 44% decline in fatalities to 24 from 43 in 2005.

Despite these developments, achieving global transformation in the safety arena remains a formidable challenge.

**Transformation is about more than a narrow focus on numbers against employment equity targets. It is about mobilising people for positive change. To this end, Anglo is vigorously pursuing a more people-centred approach to doing business, driven by the company's guiding values, and which is helping to ensure that the promotion of a healthy, active and natural way for human beings to live becomes a priority.**



“We want to build an Anglo American culture that is relevant to the time we live in, one that is inclusive of all our people and which responds proactively to issues that concern our workforce, corporately and individually.”

Pre Rungasamy, Head of Transformation for Anglo American South Africa



The Johannesburg Youth Orchestra is one of the many social investment projects funded by Anglo American.

“Transformation is all about responsible business practices – about companies becoming forces that act for the good of a broad cross-section of society.”

# We’re changing where it counts most

Every year, Anglo American documents its transformation in South Africa through the publication of a Transformation Report. This highlights achievements in the areas of empowerment, enterprise development, safety, HIV/AIDS, sustainable development and employment equity, among others. It also encourages further dialogue among industry colleagues, and notes where additional advancement is needed. In essence, the report can be viewed as a historical record that tracks corporate South Africa’s contribution to creating a transformed South African society.

This year’s report attempts to place the myriad transformation issues in the context of the greater South African mining industry, as well as the main socio-economic issues of the country. In this way it invites the reader to benchmark Anglo American’s initiatives, achievements and challenges against industry and national transformation targets.

To obtain copies of the 2008 Transformation Report contact Jerome Raman on email [jraman@angloamerican.co.za](mailto:jraman@angloamerican.co.za).



A technician at Isibonelo Colliery, near Secunda.

## FAST FACTS

42%

The increase in procurement spend with companies owned by historically disadvantaged South Africans, totalling R24.6 billion in 2008.

& The percentage of senior management positions occupied by historically disadvantaged South Africans, which exceeds the 40% stipulated in the country’s Mining Charter.

44%

The overall decline in fatalities since 2005.

30%

The growth in Anglo Zimele’s enterprise development and empowerment initiatives, which translate into 228 businesses supported, a collective turnover of R1.3 billion, and jobs for more than 10 400 people.

## What’s on the transformation agenda

During 2008 the Anglo American Board commissioned an internal review of the capability and social performance of the Group’s South African operations. This confirmed that the Group holds a leading position in a number of areas of social performance. However, it also noted growing expectations of the mining sector in terms of becoming a more effective transformation partner, as well as in terms of providing more data on the impacts of group operations on traditional labour-sending areas, and creating a deeper understanding of social provision as it relates to the Group’s contractor workforce.

In response, Anglo American has initiated an ambitious programme to implement the review’s major findings, starting with a detailed workforce census across the managed business units.

The Board has also approved the launch of a new social performance unit to assist in the management of social issues, as well as the development of an advanced course for social practitioners, aimed at building internal capacity to manage complex social and development issues. The course will be developed in conjunction with the University of Cambridge Programme for Sustainability Leadership (UK) and the University of Queensland (Australia).

Children at the playground installed at Kriel Colliery, which forms part of the mine’s social responsibility to the community.





**"I welcome Sir John and look forward to sharing the benefits of his expertise as we enter a period of significant value creation for Anglo American's shareholders."**

**Cynthia Carroll**, Chief Executive



**Sir John Parker**,  
Group Chairman

Sir John Parker succeeded Sir Mark Moody-Stuart as Chairman of Anglo American plc on 1 August, following unanimous recommendation by a search committee of independent directors chaired by Peter Woicke, former CEO of the International Finance Corporation.

Sir John is recognised as a highly experienced and independent chairman, has chaired four FTSE 100 companies and brings a wealth of leadership experience across a range of industries in many countries. His lengthy list of achievements includes being a Fellow of the Royal Academy of Engineering, a Younger Brother of Trinity House and a Visiting Fellow of University of Oxford. He is a recipient of honorary doctorates from a number of universities in the United Kingdom and Ireland, and was knighted in 2001 for services to the defence and shipbuilding industries.

Sir John's recreational pursuits include sailing, reading and music. He and his wife Emma have two children and two grandsons.



**Anji Hunter**,  
Group Head of  
Government  
and Social Affairs

Anglo American's new Group Head of Government and Social Affairs brings with her considerable public and private sector experience, gained over six years at oil giant BP plc as Director of Communications, and five years as Director of Government Relations at No.10 Downing Street. Anji was appointed on 1 June with a view to achieving a seamless transfer of responsibilities by the end of August.

Russell King, Anglo American's Chief Strategy Officer, says: "Our relationships with host governments and local communities around the world are critical to the delivery of our considerable strategic growth plans. Anji will build upon the strong progress made with stakeholders over the last nine years, and I look forward to working with her."

**David Weston**, Technical Director

As of May this year, David Weston heads up a division considered to be one of the main drivers of commercial advantages and opportunities for the Group. Anglo American's technical capabilities are a key differentiator and as the Technical Division Director, David brings considerable international commercial experience to this important leadership role. He was previously Chief Executive of Anglo Industrial Minerals, where he led Tarmac through a period of considerable restructuring, while maintaining its market leading positions in the UK, Europe and the Middle East.

David succeeds Tony Redman, who has retired from the Group.



**"We took early and decisive action in order to respond effectively to the global economic downturn; we have focused on driving operational performance, preserved capital through halving our planned capital expenditure for the year, scaled back higher cost production and growth plans in platinum and coal and suspended dividend payments."**

**Cynthia Carroll**, Chief Executive

## PERFORMANCE

**Highlights for the six months ended 30 June 2009**

**\$4.6 billion**

**Development of three key strategic projects is on track – Minas-Rio, Los Bronces and Barro Alto.** Minas-Rio iron ore resource increased to 4.6 billion tonnes.

**\$6.5 billion**

**Near term liquidity addressed** – \$6.5 billion raised through new financing and proceeds from sale of residual shareholding in AngloGold Ashanti.

**\$450 million**

**Asset optimisation and procurement programmes delivered more than \$450 million of benefits in H1** – expected to deliver over \$1 billion in 2009 towards the \$2 billion target in 2011.

**\$2.1 billion**

**Group operating profit from core operations of \$2.1 billion.** Underlying earnings of \$1.1 billion and underlying earnings per share of \$0.91.

**19%**

**Further 19% improvement in Lost Time Injury rates compared to 2008.**

# On a ● wing and a prayer

**The Anglo American Chairman's Fund** – a dedicated instrument through which Anglo American Group companies channel their social investment in South Africa – made history in the 1950s by being the first formally structured corporate social investment (CSI) initiative in the country.

Today, the Fund has built a reputation for being an inclusive donor, supporting both small grassroots initiatives as well as large-scale NGOs. It backs community development champions of all sizes and variety, based on in-depth project appraisals and engagements.

Anglo American channels a significant portion of its philanthropic corporate social investment (CSI) in South Africa through the Chairman's Fund. In 2008, the Group spent R417 million on CSI, and the Chairman's Fund alone issued 296 grants valued at R76.8 million – 9.5% more than the R68.7 million donated in 2007.

The Fund is specifically structured to engage meaningfully in partnerships with NGOs, allowing it to put people in place who can study specific strategies, management capacity, governance, fundraising and planning and to work with NGOs in ways that increase their effectiveness and sustainability.

While many corporate donors exclude capital funding from their grantmaking, the Anglo American Chairman's Fund has always supported infrastructural development, regarding it as critical to the growth of development organisations.

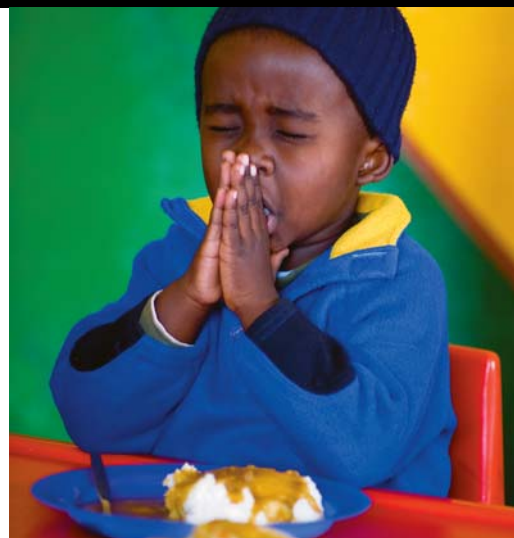
Over the years, the Fund has developed a philosophy of supporting organisations that show determination, passion and commitment. It prides itself on the diversity of funds granted, and works resolutely to help create a broader environment in which NGOs of all kinds can flourish and provide vital developmental services.

## Finding new value in public/private partnerships

Since South Africa became a democracy in 1994, the Anglo American Chairman's Fund has taken a pioneering approach to joint projects with public sector bodies. The Fund is now able to engage directly with government at different levels in ways that promote project success and long-term sustainability. This has resulted in joint “rand-for-rand” programmes, particularly in infrastructural development, and mainly with the departments of Health and Education.

Projects supported in this manner benefit in more ways than one. Besides monetary support, they gain government's ongoing and secured commitment to providing additional equipment and human resources, as well project management skills from the fund, for the entire lifecycle of a particular project.

The current financial crisis is hitting society where it hurts most, potentially crippling the thousands of Non-Governmental Organisations (NGOs) already battling with a lack of business skills and limited access to essential resources. This is where the Anglo American Chairman's Fund strives to make a difference.



*A young child at the Zola Centre food garden in Soweto, which is supported through the African Children's Feeding Scheme.*

## IN A NUTSHELL

Last year, the Anglo American Chairman's Fund spent **R76.8 million** supporting more than **250 CSI projects**. It also took first place for the excellence of its grant-making activities, in the annual national CSI survey conducted by Cape Town analytical group Trialogue. This is the **eighth consecutive year** that Anglo has won the accolade, ahead of 64 other corporates, reaffirming its position as a pacesetter in social investment in South Africa.



*This worker from Kram Engineering is just one of the 10 400 people who are employed by businesses supported through the Anglo Zimele initiative.*

# More business for small business

While there is no “one size fits all” approach to developing businesses and entrepreneurs, Anglo Zimele (the company's small and medium enterprise development and empowerment initiative) has developed a highly effective formula – one that is being emulated by numerous other blue chip organisations in South Africa.

And the reason? Because it works. Just ask the 228 businesses supported last year, which together received some R186 million in investment. This translated into jobs for nearly 10 400 people and a collective turnover of more than R1.3 billion – a 30% growth on the previous year.

One of Anglo Zimele's primary mandates is to ensure that Anglo American's supply chain is transformed to reflect the demographics of the communities in which the Group operates. This involves helping procurement departments of the business units to identify potential BEE suppliers and channel business opportunities to black-empowered SMEs. At the same time, the fund invests in equity and advances loans to these businesses.

The Anglo Zimele model is unique in the way it grants access to markets, skills transfer and capacity building for start-up businesses. This strategic combination of financial support and incubator-style mentorship has since been adopted by the International Finance Corporation (a member of the World Bank Group) and the United Nations Development Programme, as well as local companies including Sasol, Mondi South Africa and Barloworld.

## VISIONARY BEGINNINGS

Since its establishment in 1989, Anglo Zimele has built up a proud track record of successful investments into SMEs across a variety of industries.

It operates three separate funds – the Supply Chain Fund, the Anglo Khula Mining Fund and the recently established Small Business Start-up Fund. All three operate on a commercial basis, providing equity/loans, mentoring and access to value-enhancing opportunities, as well as hands-on support and strategic input in areas such as corporate governance, management, legal, accounting, company secretarial, public relations, safety, health and the environment.

# All that glitters ... is platinum

**Local manufacturers will get an all-important boost** through a R100 million fund created by Anglo Platinum to support local market development and innovation.

The fund forms part of Anglo Platinum's recently announced market development and beneficiation strategy, which aims to ensure the continued growth of research and development in the Platinum Group Metals (PGM) fields.

“This strategy reaffirms our commitment to the objectives of the national beneficiation strategy, says Mary Jane Morifi, Executive Head: Corporate Affairs. “We believe that our understanding of the fundamentals of the Platinum Group Metals (PGM) market and our strong relationships with fabricators and key customers places us in an opportune position to promote new opportunities for investment through support, facilitation and, if required, investment in new PGM product research.”





# 24 billion reasons to be proud



*All smiles are the team from Boiterilo Jewellers, a Kathu-based business that makes jewellery and a variety of decorative ware and cutlery, with the support of Anglo American's Small Business Start-up Fund.*

**Anglo Platinum leads the pack in terms of procurement spend from historically disadvantaged South Africans – theirs has increased ten-fold in the past four years. Six regionalised hubs (three each on the Western and Eastern Limbs) last year brokered 91 business deals, creating 903 jobs and generating R126 million.**

**More than half of South Africa's** Gross Domestic Product (GDP) and more than 60% of its employment comes from small, medium and micro enterprises, making this sector a key driver of BEE procurement opportunities and the economy as a whole.

Anglo American has embraced the sector with both arms, boosting the Group's enterprise development and BEE procurement spend by some 42% in the past year alone. Total BEE procurement spend and enterprise development from Anglo American South Africa and its independently managed subsidiaries grew from R17.3 billion in 2007 up to R24.6 billion in 2008. The highest amount spent was by Anglo Platinum (R9.9 billion), followed by Anglo Coal (R4.8 billion) and Kumba Iron Ore (R2.2 billion).

"It is by supporting deserving and passionate entrepreneurs that Anglo makes a wider, meaningful and lasting contribution to the efforts to erase poverty and unemployment, while contributing to sustainable and inclusive economic growth and development in South Africa," says Nick van Rensburg, Managing Director of Anglo Zimele.

"I am immensely proud of the opportunity given to deserving entrepreneurs through the Anglo Zimele Funds. Our dedication to investing in local suppliers and focusing on local enterprise development is evident in the past year's record BEE procurement and enterprise development spend."

During 2008, Anglo Zimele invested in nine new companies through its supply chain fund, while its junior mining investment arm, Anglo Khula Mining Fund, invested in two new mining ventures.

In the same period, the Small Business Start-up Fund approved 179 loan transactions for small businesses to the value of R51.9 million. This funding provided seed and working capital for rural-based SMEs to play a sustainable role in their respective communities in the proximity of Anglo American's operations. The enterprises collectively employ 1 647 people.

## SUCCESS STORY

Selina Maphanga is living proof that "dynamite comes in small packages". As a school principal and the owner of a successful tuck shop in Hackney in the Limpopo Province, 50-year-old Maphanga's boundless energy and business sense have made her an inspiration to all who know her. She tells the story behind her recent loan from Anglo Zimele Small Business Start-Up Fund:

"I was in search of an additional business opportunity that would help me to provide for my three adopted children and five-year-old triplets when I retire," she says. "This came when I was awarded a contract to transport ore from Twickenham Platinum Mine's Hackney Shaft to a stockpile about 600m away."

Maphanga and her crew of nine impressed the mine by frequently exceeding their daily targets. However, they had to hire two trucks at an exorbitant cost and the vehicles were sometimes unreliable or unavailable when the owner required them at other sites.

"This left me with little control over my business, and I decided that it was time to buy my own trucks. I approached Anglo Platinum's Atok Small Business Hub, which helped me to compile a business plan and facilitated a loan of R1 million from Anglo Zimele, enabling me to purchase two new vehicles."

Pint-sized Maphanga juggles her two businesses and her role as a school principal with surprising ease, and rises early to open her tuck shop before holding a safety briefing and prayers with her staff at the mine. After completing her school day, she returns to motivate them and ensure that all is running smoothly on site.

She already has her sights set on the purchase of a grader and other capital equipment, so that her business can secure additional contracts at the mine.



### Small business spirit

**As a successful business owner, Maphanga has always sought to uplift the lives of those around her, and often assists underprivileged pupils financially to further their tertiary education.**

## the A MAGAZINE

# Twice as many ... and twice as wise!



*Colin Motau, technical training manager at Scaw Metals' apprentice school, which has doubled its intake in the past two years.*

**In response to the persistent South African skills shortage,** Anglo Ferrous Metals' Scaw Metals business has scaled up its investment in training and development. Over the past two years, it has doubled its intake of apprentices from 40 to 80.

As part of its retention and skills development strategy, Scaw Metals has also embarked on an initiative to help its artisan assistants to obtain recognised trade qualifications. Having started with six such individuals in 2006, Scaw Metals plans to raise this annual intake to 10. Top-performing candidates have the opportunity to enrol in a development programme designed to prepare them for senior engineering positions. To date, 37 artisans have enrolled.

The company is also extending its skills development work beyond its workforce, through a community-training centre adjacent to Scaw Metals. The centre provides training in end-user computing, gas cutting and arc welding, to about 120 under-privileged community members.



# Why **ZERO** is the **best** you can do

**Anglo American is nothing short of relentless in pursuing a status of Zero Harm at all operations. The right to a safe workplace where no one gets hurt is far more than a goal: it is part of the company culture; it is Anglo's primary value; and it is key to the ambition of being the employer of choice.**

Getting safety right is not a cost – it is part of running a good business and being a responsible employer.

Safe operations (which encompass safe business development, exploration, projects and operations) remain Anglo's number one priority, irrespective of economic pressures. While company policy holds leaders accountable for safety, it also recognises shared responsibility among all those who work for the company.

This is the ethos behind the annual Chief Executive Safety Awards, which recognise the sites, teams and individuals who are making a significant contribution to Anglo American achieving Zero Harm.

Now in their fifth year, the awards have been updated to make sure they recognise the important role that employees and contractors play in improving safety performance and ensuring that people, systems and processes work effectively together to create a work environment where no one gets hurt.

There are five separate award categories, including outstanding safety performance, most improved operation, safety best practice, contractor teams and a new Anglo Employee Safety Award. Strong entries were received in each category this year, with nominations reflecting a broad range of operations, teams and geographies as well as risks and safety challenges. All the entries, whether at a site, business unit or Group level, demonstrated an enduring commitment to improving safety. This year, for the first time, winners were selected through a nomination process, rather than peer review.

## **Chief Executive Award for Outstanding Safety Performance**

### **WINNER: Union Section, Anglo Platinum**

Union exceeded all previous safety records for hard rock and deep level mining in 2008 (both within Anglo Platinum and the industry), achieving six million fatality-free shifts, nearly 52 million work hours and two years without a life being lost. Union's performance is outstanding in terms of its risk profile and the safety challenges faced by those working on-site. It is also one of Anglo Platinum's top producers, demonstrating that a safe mine is also a highly productive one.

Union Section lies 220km from Johannesburg in the North West Province. The mine employs approximately 9 000 people across its three sections.



*"Everyone on-site believes in safe production," comments William Taylor, General Manager of Anglo Platinum's Union Section Mine, this year's winner of the Chief Executive Award for Outstanding Safety Performance. He is seen here at the Awards Dinner, held earlier this year in Johannesburg.*

## **Anglo Most Improved Operation**

### **JOINT WINNER: Kumba Thabazimbi Mine, Anglo Ferrous Metals and Industries**

Thabazimbi has been fatality-free since 2002, with LTIs reducing each year. Last year, the mine topped its own best efforts, achieving zero LTIs. This was thanks to an integrated approach to safety, which focused on developing the skills and competence of the workforce. The leader-driven "Safety Through Empowerment of People" (STEP) process was also used to engage with, motivate and recognise employees for achieving safety milestones.

### **JOINT WINNER: Mafube Colliery, Anglo Coal**

Mafube Colliery has successfully managed the transition from construction to operational phase while improving safety performance. The site's vehicle management plan, light and heavy vehicle separation and anti-collision system were identified as best practice during the 2008 Coal South Africa Transportation Review. Other critical tools include Visible Felt Leadership, supported by programmes such as the red and green card initiative, through which employees "referee" each other's safety.

## **Anglo Safety Best Practice Award**

### **HIGHLY COMMENDED: Mundaw Dhlamini and Dennis Denyschen, Union Section, Anglo Platinum**

After analysing the root cause of hand injuries associated with tip activities, Mundaw and Dennis have designed and manufactured a new type of tip hook, which has reduced injuries and contributed to the shaft's overall safety performance.

### **HIGHLY COMMENDED: Black Mountain, Anglo Base Metals**

The mine has moved from being relatively shallow mine to 1 700m, creating a new set of safety risks. The team has therefore developed a Q-rating (rock mass rating) system to help teams assess underground conditions and take appropriate action.

## **Anglo Employee Safety Award**

### **JOINT WINNER: The team of Fred MacDougall and Rassie Erasmus (Pattern Shop and Hard Face Plate Managers), Scaw Metals, Anglo Ferrous Metals and Industries**

Fred and Rassie can boast no loss of life and no LTIs in eight years, thanks to their proactive approach to Safety, Health and Environmental (SHE) management. The two managers have an open-door policy to encourage feedback (both positive and negative). They use weekly Visible Felt Leadership walkabouts as an opportunity to communicate and to determine team knowledge and understanding of safety.

Their teams' pride and commitment is evident in the site's housekeeping and in their determination to reduce safety risks. Changing floor layout, segregation of welding bays and designing and implementing machine guards, are just some of the changes they have implemented.

### **JOINT WINNER: Cecil Swanepoel (Boilermaker Foreman), Mortimer Concentrator, Union Section, Anglo Platinum**

Following an incident at another site, Cecil designed a lock-out device to prevent chute doors from accidentally closing on an individual. This device attaches to the radial arm of the chute door, preventing it from closing when air pressure is released. This is now being implemented as a standard piece of equipment in other concentrators. Cecil's proactive approach has resulted in other innovative solutions as well. This includes changing the engineering design of a mill hopper so that it only requires maintenance once a year, instead of monthly.

## **Anglo Contractor Team Award**

### **WINNER: Hatch Africa, RBMR Expansion Project, Anglo Platinum**

Hatch Africa is one of 25 contractor companies involved in the RBMR project, with more than 1 300 employees, mainly from local communities, in the team. Despite low literacy levels and skill, and by embracing the Ubuntu philosophy of "I am who I am because of those around me", this high-risk site is averaging 150 000 man-hours per month, with no LTIs recorded in the past 18 months.



Feedback has revealed that although Skorpion Zinc is compliant in most aspects of safety, a lot can be done in the areas of care and recognition, accountability and effective communication.

# Skorpion Zinc puts words into action

**“Zero Harm IS achievable and all accidents ARE preventable.”** This was the consensus reached by delegates at Skorpion Zinc’s first-ever safety summit, which was held to set common goals and realistic milestones for making the Zero Harm vision a reality at the mine.

The summit reviewed the mine’s safety performance in relation to Anglo American Base Metals and defined what Zero Harm meant for Skorpion Zinc. Comments and suggestions were submitted prior to the summit via suggestion boxes situated around the site. These yielded comprehensive feedback and valuable insights regarding employee views on safety. Concerns ranged from safety policies and training through to food complaints, all of which have been duly noted by the Safety and Health Division.

Additional feedback from operators, supervisors, managers and contractors revealed that although Skorpion Zinc is compliant in most aspects of safety, a lot can be done in the areas of care and recognition, accountability and effective communication.

Delegates from every sector of the mine voted on the top six elements of the Anglo Safety journey, and proposed ideas for action. By the close of the summit a workable action list was in place, which has since been incorporated into a detailed safety improvement action plan.

“Using the outcomes of this summit, we hope to improve our safety record dramatically in the year ahead,” says Skorpion’s General Manager, Dave Bentley.

## 4 000 fatality-free shifts – and counting

Not many joyous celebrations start at 5am on a dark and damp morning, but this did not deter the New Denmark Colliery team when they recently achieved 4 000 fatality-free production shifts.

As staff arrived before dawn on Friday, 8 May, they were greeted with the news boldly emblazoned on the mine’s electronic notice board, followed a morning of high-energy festivities that were led by the mine’s safety mascot, Smarty. Employees were joined by regional CEO Ben Magara and members of his executive committee, who attended the colliery’s annual life of mine meeting on the same day.

Situated in the Highveld coalfields approximately 30km north of Standerton, this achievement is a first in New Denmark’s 25-year history. The previous highest-recorded period without a fatality was 3 235 shifts.

“We put safety first in everything we do, but this achievement would not have been possible without the continuous efforts of all employees,” says mine general manager PP de Wet. “The fact that Anglo American has made safety the company’s core value is another motivation in achieving our goal of Zero Harm – something that more and more employees view as realistic and achievable.”

De Wet appeals to all employees to maintain this trend by constantly looking out for opportunities to reduce personal risk, and to continually ensure that safety awareness remains high on everyone’s agenda.

The values of integrity, safety, care and respect, underpin New Denmark’s recent success.



**This is the first time in the operation’s 25-year history that this landmark has been reached. The previous highest-recorded period without a fatality was 3 235 shifts.**

### RED DAYS

are when:

there are accidents, near misses, risky behaviour, not following safety procedure.

### GREEN DAYS

are when:

no non-conformances are observed.

On the look-out for green (rather than red) days at Skorpion Zinc, is Skorpion Communications Officer Eve Black (left), seen here with Carolina Molinari, Safety Communications Specialist at Anglo American’s Base Metals Division



## How to take the sting out of the safety tale

The people of Skorpion Zinc mine have come up with an innovative new way of improving awareness and attitudes to safety on the mine: by asking employees to label each day as “red” or “green”.

A red day is one in which there is an accident, a near miss, or risky behaviour, and a green one is when no non-conformances are observed.

Staff give their inputs at daily meetings, and if a red day is mentioned, the employee is asked to elaborate on the safety leadership procedures that were used to address the incident.

The Red and Green Day engagement initiative aims to encourage zero tolerance of non-conformance, and is believed to be a first for Anglo American in that every single person on site is involved. Unlike top-down communication, this approach ensures that each employee becomes a safety leader by constantly assessing their own and their colleagues’ personal safety attitudes.

Hopefully, with time, the team will never “see red” again ...



# the A MAGAZINE

## Putting a good word in for the future leaders of South Africa

It is one of the most highly anticipated events on the high school calendar and can be credited with giving close on 10 000 learners an improved grasp of English, invaluable public speaking skills, and new-found personal confidence.

### Congratulations to the YCA 2009 provincial finalists:

Mpumalanga: **Kanyisile Vilakazi**  
(Lowveld Park High School, Nelspruit)

KwaZulu-Natal: **Mnelisi Gasa**  
(Port Shepstone High School)

North West: **Tsholofelo Sebolao**  
(Mafikeng High School)

Free State: **Alfenzenzo Sethole**  
(Koffiefontein High School)

Northern Cape: **Shanice Titus**  
(Upington High School)

Limpopo: **Leandre Buys**  
(Merensky High School, Tzaneen)

Eastern Cape: **Bonolo Cebe**  
(Collegiate Girls High, Port Elizabeth)

Western Cape: **Reatlehile Jankie**  
(Bloubergrant High School, West Beach)

Left: **Reatlehile Jankie** from  
Bloubergrant High School, Western Cape –  
FIRST RUNNER-UP.

Centre: **Kanyisile Vilakazi** from  
Lowveld Park High School, Mpumalanga –  
YCA COMMUNICATOR OF THE YEAR 2009.

Right: **Mnelisi Gasa** from  
Port Shepstone High School, KwaZulu-Natal –  
SECOND RUNNER-UP.



# N

ow in its 17th year, the annual Anglo American-Sowetan Young Communicators Awards (YCA) continues to uncover local public speaking talent and potential leaders of South Africa. This year the competition culminated on 20 June in a hotly contested final, after months of regional workshops around the country.

Kanyisile Vilakazi, a grade 12 learner from Lowveld High in Nelspruit, took top honours, winning the title of 2009 Young Communicator of the Year, plus a R30 000 study bursary and R10 000 cash for her school. Reatlehile Jankie from Bloubergrant High School in the Western Cape was first runner-up, winning a R20 000 bursary, followed by KwaZulu-Natal's Mnelisi Gasa, of Port Shepstone High School, who won a R15 000 bursary.

Premilla Hamid, Anglo American South Africa's General Manager Public Affairs, explains that the YCA was established by Anglo American and the Sowetan newspaper in 1994, in partnership with the Department of Education, as part of the Aggrey Klaaste Nation Building portfolio.

"Open to learners in grades 11 and 12, the competition promotes English language oral communication among second and third language speakers," she says. "It aims to encourage a pioneering spirit among the young people of South Africa, nurturing their assertiveness and embracing leadership development and personal growth."

The competition begins with workshops around the country that serve as a platform for public speaking skills development. The workshops are open to all learners, regardless of whether or not they enter the YCA.

Participants are required to present a speech of between three and five minutes long, on any topic, during elimination rounds at district and regional level, following which an average of 12 learners compete at each provincial final.

This year, for the first time, contestants participated in panel discussions with local business and governmental representatives. Guided by a contest chairman, each panel discussion gave participants the opportunity to interact with local leaders, increasing their knowledge of issues relevant to them while also improving their proficiency in English.

"To succeed in an increasingly competitive world, it is critical to be multilingual – and English is the generally accepted language of global business and academia," says Hamid.

"Anglo American places tremendous importance on investing in young South Africans in a visible and active manner, which is why we are proud to be associated with the YCA. We believe that partnering with the Department of Education in this competition also enables us to have continued engagement with the communities in which we operate."

## Where are they now?

**Well-known TV**

**personality Zola**

**(previously known as**

**Bonginkosi Dlamini),**

**won the YCA competition**

**in 1996. He is one of**

**approximately 9 000**

**learners who have**

**participated in YCA since**

**its inception, with many**

**going on to study in fields**

**such as environmental**

**management, accounting**

**and sociology.**

## Anglo takes a top spot in global CSI rankings

For the third year in a row, Anglo American has achieved a top three ranking out of 90 leading European companies for its corporate social responsibility performance.

With an overall rating of 79%, this positions Anglo American as the leading mining company in the rankings and ahead of all other UK-based companies.

The biennial Good Company Ranking is organised by Germany's leading business magazine *Manager* and the Kirchhoff consultancy. The rankings offer an independent comparative assessment of companies' responsibility with respect to their employees, the environment, society and the capital entrusted to them by shareholders.

The rankings report highlights that "Anglo American sets itself apart with a superior business case and the perfect strategic alignment of its social commitment. The clear HR strategy displays impressive focus on the areas of health and safety and is ideally linked to the core business of the company. Anglo American integrates responsibility into its business processes, especially at points of critical interface with its surrounding community."

**2009 is the third time that the rankings have been produced and Anglo American is the only company to have appeared in the top three on each occasion.**



# Anglo Platinum breaks new ground

A ceremonial ground-breaking ceremony at Seralang near Rustenburg in the North West Province, has set the stage for the building of 1 000 homes for Anglo Platinum employees. Director-General of Housing, Itumeleng Kotsoane, and North West MEC for Developmental Local Government, Howard Yawa, turned the soil to mark the hand-over of the site on which the housing units will be built.

The project is a public-private partnership between Anglo Platinum, the Rustenburg Municipality and the North West Provincial Government, and will cost R190 million, giving an average cost per house of R190 000.

Anglo's strategy is to subsidise the cost of land and services for employees, based on a salary qualification criteria. The employee will finance the house through a bank bond, which is repayable over a period of 20 years or less, depending on the bond servicing patterns of employees. People will either be encouraged to build their own houses on subsidised stands or will be given access to houses built by private developers.

The initiative is in line with Government's Breaking New Ground (BNG) housing delivery plan, and represents an important shift from the "one-size-fits-all" housing approach, to more flexible mixed-income and mixed-tenure housing options.

The Seraleng project is part of Anglo Platinum's intensified drive to provide employees with their own homes. The company ultimately plans to build 20 000 housing units in various areas. At the end of last year, Anglo Platinum approved measures to accelerate the delivery of houses through substantial investments in land, infrastructure, employee subsidies and government subsidies. The company will finance a significant portion of the cost of land and services, while the National Department of Housing will ultimately contribute around R900 million through subsidies.

Employees will be responsible for home insurance, bond protection cover, registration and transfer fees, municipal rates, municipal taxes, electricity and water.

At Seraleng, the first 330 units will be completed early next year.

**This initiative represents an important shift from the "one-size-fits-all" housing approach, to more flexible mixed-income and mixed-tenure housing options.**

*Representatives from Anglo Platinum and local government are seen at the ground-breaking ceremony to mark the start of the Seraleng employee housing project near Rustenburg in the North West Province.*

the **A** MAGAZINE



## SECUNDA HUB is turning waste into wages

Kinross Recycling, one of the first companies to be assisted by Anglo Coal South Africa's Small Business Hub in Secunda, is putting waste to work by creating employment opportunities in and around the Mpumalanga-based town.

The company was established by Isaac Jeffreys, a local entrepreneur who decided to recycle the waste paper, glass and plastic he saw around him into reusable raw materials.

Today, Isaac has created work for 56 full-time employees and is the source of a regular income for nearly 250 more. These people, all of whom come from the surrounding communities, receive payment for the collection of the waste material that is processed in the company's two factories. A number of them have since formed their own small enterprises, and have bought light delivery vehicles and hired their own staff, spreading the effects of job creation even further.

Jeffreys explains that he started Kinross Recycling with the help of a R950 000 loan from the Anglo Zimele Small Business Start-Up Fund, the first portion of which was used to purchase a granulating machine for breaking down waste plastic, which is then sold as raw material to manufacturers. Jeffreys plans to use the additional funds from his loan to purchase injection-moulding equipment so that he can start manufacturing plastic piping.

Besides boosting job creation in the area, Jeffreys is particularly proud of his efforts to rid the environment of unsightly and potentially dangerous waste. "Kinross Recycling collects and crushes over 600 tonnes of glass every month for use by Consol, and this figure is expected to rise still further when we open our third operation in Standerton," he says.

"We have become the benchmark for recycling in the region, and a number of municipalities have visited our premises with a view to opening similar operations in their own areas."

This is one family business that is sure to be around for quite some time. Jeffreys says that he hopes to one day take up a full-time role in the ministry and leave the company in the capable hands of his son Reginald.

**Kinross Recycling – which was started with the help of a R950 000 loan from the Anglo Zimele Small Business Start-Up Fund – has created work for 56 full-time employees and is the source of a regular income for nearly 250 more.**



*Isaac Jeffreys is turning waste into wages at his thriving recycling business in Kinross.*

## Sending communities back to school

Two schools in the Eastern Cape and KwaZulu-Natal are offering their communities new, much-needed boarding and special education facilities, thanks to grants from the Anglo American Chairman's Fund.

**St. Patrick's College** in Kokstad has opened the doors to its brand-new boarding establishment catering unit, which will help the school to absorb greater numbers of students from disadvantaged backgrounds. The dining facility seats 110, has an industrial kitchen, cold rooms and dry storage, as well as an office and staff change room. The facility has the ability to host pupils in a more socially interactive manner, as well as host their families during special events.

As the only independent private school in East Griqualand, St Patrick's caters for students from pre-school to grade 12. The school is a keen participant in the ISASA Maths and English Programme and has formed a partnership with a school in Matatiele to source learners at grade 10 level. The upgraded boarding facilities will further enable the school to offer accommodation to long distance pupils, thereby extending the reach of the school's values and quality teaching. The school has also introduced an adult education programme in partnership with the Eastern Cape Veterinary Services.

**KwaZamokuhle School** for the Physically Disabled in Ephangweni, near Estcourt, in KwaZulu-Natal, is using their R1,2 million grant from the Anglo American Chairman's Fund to build four new classrooms, which will enable the school to continue providing for the specialised education needs of its pupils, some of whom travel from outside of the school district.

These new classrooms will free up the school's workshop and clinic, which are currently subdivided to accommodate additional learners.

KwaZamokuhle School is staffed by dedicated teachers and a nursing sister, and at present caters for 109 learners between grade R and grade 7, with two classes of junior and senior support. The school fulfils a dire need for an education facility for physically and mentally challenged children in the area.



# Preserving natural capital drop by drop

**Against a backdrop of climate change and increasing environmental pressures, and with operations in some of the most water-stressed parts of the world, Anglo American is developing detailed water strategies and action plans that will position the Group as a leading water custodian within the communities and catchments where it operates.**

“There is increasing opposition to new mining projects because of the potential impacts on water resources,” says Peter Coombes, Head of Environment at Anglo American. “Increasingly, water scarcity is becoming more acute around the world as water use and competition for the same water resource increases.”

The company’s ultimate objective is an effective, uniform approach to water management that is based on four key elements: raising awareness of the importance of water; identifying challenges related to maximising water-use efficiency and minimising pollution; establishing a common set of metrics for water efficiency measurement; and developing an overall water management framework for the Group. The result is the development and implementation of the Water Footprint model across all business units.

The approach appears to be working. During 2008, the Group’s water consumption totalled 125 million cubic metres (m<sup>3</sup>), in comparison with 131 million m<sup>3</sup> in 2007 – a drop of almost 5%.

Locally, several critical projects stemming from the Group’s water strategy are already underway. At Kumba Iron Ore’s Sishen Mine, a region in which average annual evaporation is five times greater than the yearly rainfall, enlarging the capacity of feed pipes from the sewage treatment plant is increasing the mine’s water recycling capability. In addition, harvesting storm water off roofs and from surface run-offs has become common practise.

*At Anglo Coal’s Isibonelo Colliery, settling dams are used to treat polluted water before returning it to the water system outside the mine. Morne Tromp, a fitter at Isibonelo Colliery in South Africa, and Kenneth Mokoena, are seen on the walkway from the colliery’s Vaskop return water dam inlet tower after completing an inspection.*

*The eMalahleni water reclamation plant in South Africa is a world-class sustainable development project and provides 25 megalitres of potable water per day to the community of Witbank. It has reduced the potential impact of discharging underground mine water into the environment by purifying this to potable quality, with far-reaching benefits for its local communities.*



**Originally intended to provide a solution** to the operational, safety and environmental challenges associated with rising underground mine water, the eMalahleni water reclamation plant installed by Anglo Coal South Africa, represents a world-class sustainable development project with far-reaching benefits for its surrounding communities. The treatment plant desalinates and neutralises acid mine water, producing 25 megalitres of purified water of potable quality every day.

Of this, 18 megalitres is supplied to the eMalahleni local municipality, which has for years struggled to meet the water demands of the fast-growing Witbank area. The plant also supplies water to Anglo Coal in South Africa’s Greenside, Landau and Kleinkopje collieries, as well as to the company’s shared service departments.

The eMalahleni plant is now in its second phase of development, which will increase capacity to 33 megalitres of potable water per day. Investigations are also underway to implement similar projects in the Witbank-Middelburg coalfields in collaboration with the other major mining houses and the national power utility, Eskom.

In a separate R270 million project at the Mogalakwena platinum mine in Limpopo, Anglo Platinum has funded a new water pipeline to ensure a reliable water supply to neighbouring communities, together with enhancements to the municipal sewage treatment works. The company now uses the treated effluent from the treatment works for mining purposes.

It is expected that the Waterways Summit, taking place in Johannesburg later this year, will further cement water management performance at business unit level.

## Skorpion says “no go!” to overflow

**Skorpion Zinc’s Project No Overflow** received a special mention at the Chief Executive Safety Awards (CESAs) gala evening, when Cynthia Carroll, Chief Executive, announced that the annual awards would, in future, also recognise innovation and reward sustainable development initiatives.

The Namibian mine operates a complex hydro-metallurgical process for the extraction and production of 150 000 tonnes of zinc metal per year – a process which is unique in the zinc extraction industry. Project No Overflow is designed to prevent potential environmental damage and the hazards being incurred by this refining process.

Large volumes of liquid circulate through the Skorpion plant and during times of water imbalances, excess water flows into evaporation ponds.

Periodically, more extreme water imbalances and solids build-up in the ponds, causing them to overflow into the environment and resulting in level two incidents being recorded. In the dry semi-desert environment at Skorpion, the extent of these incidents has been minimised by evaporation and the absence of water flows to spread the problem.

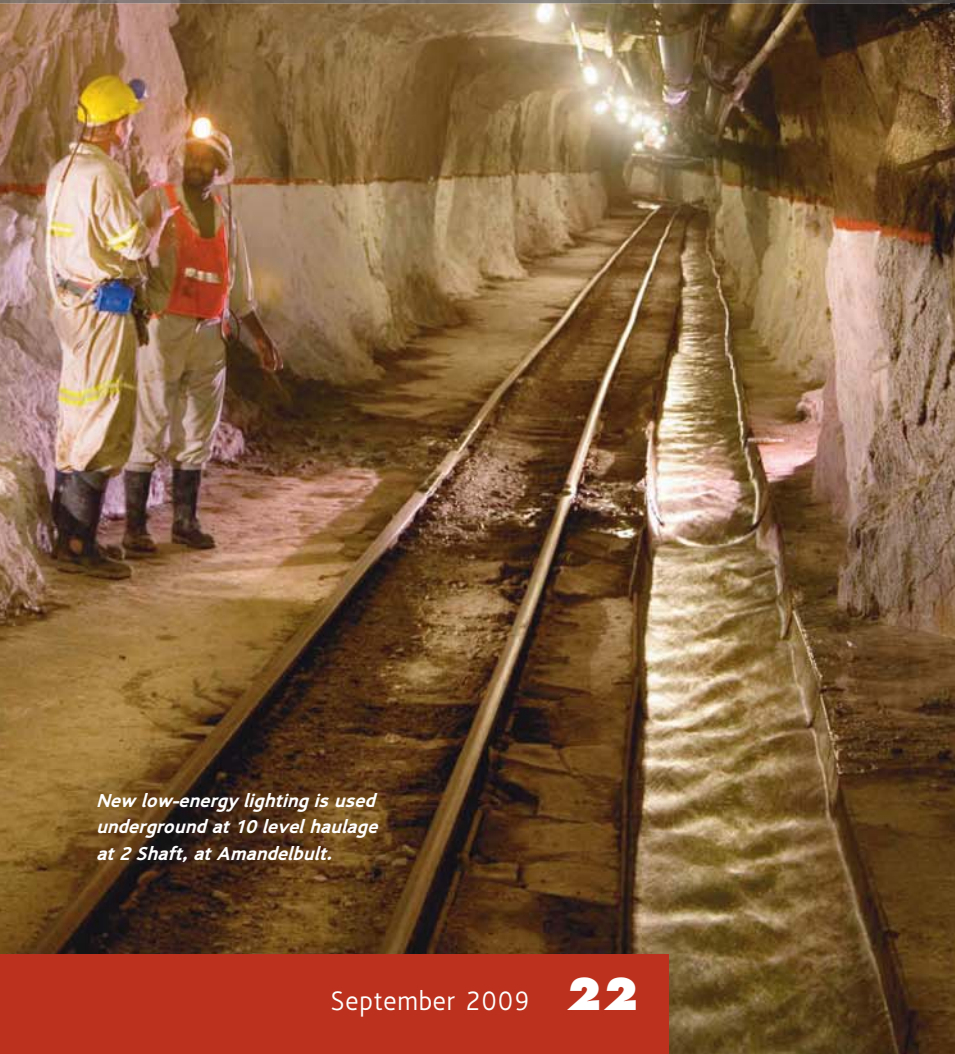
Project No Overflow was embarked upon with the aim of removing all possibilities of an overflow to the environment. The effect of the R11,3 million project expenditure to date is that all overflows to the environment have been stopped. The remaining work in 2009 will ensure that future overflows are prevented, even in extreme situations.

**Besides Project No Overflow, Skorpion has also installed reverse osmosis plants. These have reduced water consumption at Skorpion by a dramatic 1 000m<sup>3</sup> per day (between 10% and 15%).**





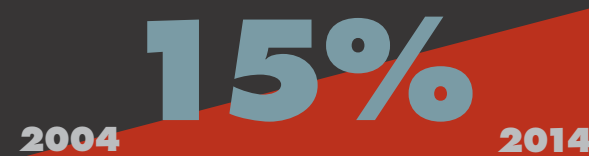
# Shedding light on energy initiatives



New low-energy lighting is used underground at 10 level haulage at 2 Shaft, at Amandelbult.

**The Anglo American Energy Footprint model is the latest tool with which operations are striving to reduce their energy consumption. It is also the key behind the Group's drive to significantly cut its overall consumption within the next five years.**

*The amount by which the Anglo American Group plans to cut energy consumption by 2014, compared to a 2004 baseline.*



**“The management of Anglo American’s energy resources** is of particular importance in South Africa, to meet the country’s growing national energy needs,” says Premilla Hamid, General Manager: Public Affairs, Anglo American South Africa. **“Not only do the measures we are implementing make sound business sense, they are prerequisites for any company positioning itself as a responsible corporate citizen.”**

The measures to which Hamid refers centre on the use of the Energy Footprint model, with which business units monitor and report performance against an energy consumption baseline specific to their operation and commodity. This allows them to focus their energy efficiency initiatives on those areas that yield the greatest benefits.

The model is also being used to track emissions of carbon dioxide.

This approach is having a marked impact on Anglo’s energy consumption – during 2008, the Group consumed 105 million gigajoules (GJ) of energy in comparison with 107 million GJ in 2007.

Part of this saving can be credited to Anglo Coal, which has invested more than R15 million in energy-saving projects at its South African operations, delivering energy savings of 18 kilowatt hour (kWh) and 12 600 tonnes of carbon dioxide. The company has engaged in carbon capture and storage (CCS) related research in South Africa and is working with Petro SA, Eskom, Sasol and others to

## WHAT is the **Energy Footprint** model?

**The model enables operations to adjust their energy and emission-performance targets relative to production outputs (the primary variable), and to key operational parameters related to an ore body’s particular geology (the secondary variable). These factors enable a better understanding of the effects of energy reduction initiatives.**



*Mine workers at Anglo Coal’s New Denmark Colliery brush up on their energy efficiency knowledge.*

develop a Geological Storage Atlas for South Africa. This work will take approximately 18 months to complete and is a first step towards identifying potential South African sites for more detailed evaluation on storage potential. Pivotal to the success of this project is the need for public confidence in the technology.

Anglo Coal has also created an energy-savings register that lists potential savings of 38 355 megawatt hours (MWh) through the use of day/night switches, geyser blankets, high-efficiency motors, low-energy lighting, switching off appliances when not needed and improving maintenance. Since embarking on the programme, the company has installed 27 000 compact fluorescent bulbs, 2 050 geyser blankets and 55 000 energy-efficient fluorescent tubes.

Another business unit that has made valuable strides in energy efficiency is Anglo Platinum, which has identified specific opportunities for savings in electricity, liquid fuel, coal and gas consumption at each stage of its processes. Short-term opportunities for reducing energy have been identified and in some instances implemented, in compressed air systems, the optimisation of ventilation and the use of non-pneumatic mining equipment.

In addition, the team has identified the equipment responsible for 45% of its energy consumption, with a view to exploring efficiency opportunities such as the installation of soft starters and variable speed drives.

# Landau takes pit servicing to a new level

**Landau Colliery, near Witbank,** has commissioned a state-of-the-art in-pit service vehicle that will revolutionise machine servicing at its Kromdraai opencast mine, while providing a host of environmental, time- and cost-saving benefits.

A Komatsu HM 300 articulated dump truck forms the framework of the mobile servicing unit and is a six-wheel drive, which means it can handle the rigours and challenges of the rugged opencast mining environment.

Its primary function will be to service machines in the pit, dispensing transmission, hydraulic and engine oils, coolants and grease, while its extractor pump will efficiently transfer used fluids directly into a secure waste sump to eliminate environmentally harmful spillages. In the event of a leak occurring in one of the reservoirs, fluids will also drain into a catch tank.

An onboard digital monitoring system keeps track of all fluid intake into individual pieces of equipment, allowing engineers to pinpoint and address potential problems before they occur. A control panel also gives the operator an accurate reading of the stock level contained in each of the vehicle’s tanks.

The service truck shows many practical advances over its predecessor, notably the increase in consumable capacities from 250 litres to 1 000 litres per tank. This means considerably fewer trips to base for replenishment, which will reduce the mine’s diesel consumption and therefore its carbon footprint.

The truck is equipped with lighting, rendering it fully prepared to serve Landau at all times, day and night. It has also been fitted with the collision avoidance technology currently being rolled out across Anglo Coal South Africa’s opencast collieries.

The truck will be used for the routine maintenance of the mine’s fleet of four dozers, two excavators, a screening plant, crusher and two O&K shovels.

Unlike commonly used service trucks, this unit is completely enclosed and boasts a dust extraction system to prevent fluid contamination within the servicing compartment. Careful attention has

also been paid to ergonomic design as controls are situated at ground level, eliminating the safety risk of mechanical staff working at heights.





# Of fine wine and fynbos

Anglo American's prestigious wine estate, Vergelegen, is realising its vision of becoming the leading conserver of Cape natural heritage.

A view of the modern Vergelegen winery.

Clearing alien vegetation in the foothills of the Hottentots Holland mountains.



Anyone who visited the area between Helderberg and Hottentots Holland mountains in the Cape five years ago would be forgiven for not recognising it today. This 2 000-hectare stretch of non-arable land is being transformed from one infested with alien and invasive plants, to near-pristine fynbos.

This is thanks to a R14 million initiative by Anglo American Farms' Vergelegen wine estate, in what is viewed as the biggest private alien vegetation-clearing project in South Africa.

Headed by independent conservationist Gerald Wright, the project aims to nurture the return of natural vegetation, wetlands, birds and animals, and restore the area to its natural condition by 2014.

Wright has helped to train a team of 40 formerly unemployed people from local communities, who are now setting new standards of productivity in environmental work. A wetland area that was virtually dead is now fed by three streams that, according to a local resident, are running for the first time in 50 years. Larger quantities of cleaner water are flowing from the farm to neighbouring communities.

As alien plants use 50 to 800 times more water than fynbos, reducing this vegetation has significantly boosted the natural water flow in the area. The number of bird species has increased from 80 to 120 and there are frequent sightings of Black and Fish Eagles, and Malachite Sunbirds. Secretary Birds and Blue Cranes are breeding on the farm, and the animal population now includes numerous antelope species, leopard, caracal, snakes, weasels, bat-eared foxes and spotted genet.

These efforts haven't gone unnoticed. In 2006 the project won a *Mail & Guardian* award for water care, and the year prior to that, Vergelegen was announced as the first "Champion" of the Biodiversity and Wine Initiative (BWI), recognising the work done to date and the team's ongoing commitment to conserving the biodiversity of the Cape Floral Kingdom. BWI Champions are wine producers and/or growers who have demonstrated exemplary performance in conservation and the implementation of biodiversity guidelines as part of the Integrated Production of Wine (IPW).

The project's clearing group, headed up by local contractor Giselle Roos, also independently sells some of the cleared long-leafed wattle and other *acacia spp* wood for fires and braais.

This helps to remove large volumes of biomass from the property as well as creating jobs. Worker training, job creation, scientific research and learner education also form part of the project.

## DID YOU KNOW?

The sand dunes of the Cape Flats between Vergelegen and Cape Town were historically planted with Australian Acacia and Wattle species to stabilise the dunes. This led to the invasion of Port Jackson, Rooikrans and Pine, which have thrived and infested the land. The full extent of the threat of the infestation was realised at Vergelegen after a major fire in 1997, which resulted in an exceptionally fast re-growth of the alien vegetation. The more recent fires earlier this year have again resulted in a setback. As such, the clearing programme has been re-evaluated and amended to meet the new challenge.





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