

FOCUS:

OUR DIFFERENCE

Cover image top

At Coal South Africa's Phola process plant, coal from Zibulo colliery is washed ready for export. Pictured are metallurgist Boniswa Dladla and opencast manager Ernest Mandere.

Cover image bottom

Spring Valley housing estate in Witbank is being developed by a private property development company and Coal South Africa to provide housing for employees.

This image

The SIVOS training centre in Kathu was established and funded by Kumba Iron Ore to train people in technical skills.

COAL – MAKING A DIFFERENCE

The mining of coal allows Coal South Africa to make a difference in the lives of our stakeholders – our shareholders, our employees, our community members and our customers – and to make a difference to the South African economy. Throughout history, coal has been used as an energy resource, making a difference to our lives in many ways. The commodity continues to do so to this day.

Carbon-rich coal is one of the most important of the primary fossil fuels. It was used as early as 1000 BC to smelt copper in northeastern China. It is still the great driver of the industrial world as it provides heat to make electricity and steel, fuelling the power stations and steelworks of economies worldwide.

Thermal coal is the heat source for around 40% of all electricity generated globally today.

Metallurgical coal is an essential ingredient in blast-furnace steel production and accounts for around 70% of global steel output. Emerging markets, particularly in the Asia-Pacific region, continue to drive demand for metallurgical coal for infrastructure, housing and consumer goods. #MiningMatters



LIVING OUR VALUES

Our vision is to become partners in the future, by unlocking value from resources through mutually beneficial partnerships. We are creating an organisation where all people are treated in such a way that they are willing to give the best they've got. Underpinned by our values, our mission is: Together, we create sustainable value that makes a real difference. We have identified six values that guide how we behave and interact with others. Our approach to living these values is reflected throughout this report:



SAFETY

This is always first on our agenda. We truly believe that all injuries are preventable and that by working together we can make safety a way of life – inside and outside the workplace.



CARE AND RESPECT

We always treat people with respect, dignity and common courtesy – regardless of their background, lifestyle or position.



INTEGRITY

This means taking an honest, fair, ethical and transparent approach in everything we do. It is not about being popular; it is about always doing the right thing.



ACCOUNTABILITY

We take ownership of our decisions, our actions and our results. We deliver on our promises and acknowledge our mistakes. Above all, we never pass blame.



COLLABORATION

We are one company with a joint ambition – all working together to make decisions and get things done more effectively.



INNOVATION

Challenging the way things have always been done is a key priority for us. We do this by actively developing new solutions, encouraging new ways of thinking and finding new ways of working.

Other sources of information



You can find this report and additional information about Anglo American on our corporate website.

For more information, please go to www.angloamerican.co.za – reportingcentre

CONTENTS

2	Overview
2	Foreword
4	Introduction
6	Anglo American's contribution to South Africa (2014)
16	Our workplace
17	Safety
19	Health
23	Environmental management
26	Our people
27	Achieving equity in our workforce
41	Investing in our skills base
53	Improving housing and living conditions
60	Our communities
61	Developing mine communities
80	Our partners
81	Diversifying ownership to promote greater economic participation
87	Promoting socio-economic development through local procurement
98	Enterprise development – creating shared value together
105	Facilitating beneficiation
133	Glossary



The limited edition covers pay tribute to our four business units and the difference they make in the communities where they operate.

This report covers the business units that operate in South Africa, namely: Coal South Africa; De Beers Consolidated Mines (De Beers); Kumba Iron Ore (Kumba); and Anglo American Platinum (Platinum). The report also includes (where applicable) Anglo American's Corporate Division (AACD); Anglo American's EMEA Shared Services in South Africa (AAESS); and Anglo American's enterprise development initiative, Zimele.

Where aggregate figures are used in the report, incorporating data from all or some of the entities listed above, they are represented under Anglo American South Africa Limited (AASA).

FOREWORD

The mining sector has come a long way in transforming itself over the last decade. The challenges have been significant and we have learnt from a wide range of stakeholders along the way.



NORMAN MBAZIMA

Deputy Chairman of
Anglo American
South Africa

The year 2014 was auspicious for a number of reasons. It marked 10 years since the Mining Charter was introduced to facilitate the sustainable transformation and development of the mining industry. The year was also the 10th anniversary of the primary law regulating mining in South Africa – the Mineral and Petroleum Resources Development Act (MPRDA).

In 2014 our country celebrated 20 years of democracy. It was also an election year, and the general elections ushered in the fifth democratically elected parliament in South Africa, with unprecedented vibrancy and increased interest from citizens in parliament's activities. The elections demonstrated South Africa's remarkable political stability, even in the face of persistent economic and social challenges.

CHALLENGING OPERATING CONTEXT

Anglo American continues to operate in a challenging and complex economic and societal landscape. South Africa's sovereign ratings, although currently stable, have been downgraded over the last three years as government debt increased and strikes and electricity shortages curbed economic growth. Growth will be further impacted by a slowdown in China and the eurozone, the biggest markets for South African exports. Eskom, the national power utility, has experienced further delays in constructing new power stations, and over the next year or two, increasingly frequent interruptions of supply and rising electricity prices are expected. The mining and minerals market is further challenged by depressed and volatile commodity prices upping pressure on margins and operations.

The five-month strike across the platinum belt in Rustenburg in 2014 magnified the challenges inherent in our society which remains characterised by a persistent mix of legacy issues, dissatisfaction with the pace of

delivery of basic services and high levels of inequality and unemployment. Against this backdrop it is inevitable that mining companies face heightened expectations – notably, for jobs and the provision of services – from communities close to their operations. Anglo American continues to tackle these issues and to work towards addressing those expectations, in partnership with government, labour and civil society.

RESPONDING TO INDUSTRY INITIATIVES

Anglo American's partnership with government is strong and we are committed to leveraging this relationship to ensure we play our part in delivering on the goals of the National Development Plan. In so doing, the mining sector assists in creating meaningful shared value. We contribute actively to key national priorities such as small business growth, job creation and supporting domestic investment in the economy by developing and supporting entrepreneurs.

We have also continued to advance initiatives under the Framework Agreement for Peace and Stability in the Mining Industry entered into by stakeholders in February 2013. Under this agreement, business, labour and government have committed themselves broadly to: ensuring the rule of law, peace and stability; strengthening labour relations; improving living conditions of mineworkers; transforming the mining industry; complying with legislation; and supporting the long-term growth of the industry.

In June 2015, President Jacob Zuma published the report of the Marikana Commission of Inquiry into the tragic events at Marikana in 2012. The key findings and recommendations of the report will be instructive in the initiatives by the broader mining industry, including Anglo American, to collaborate in finding solutions that mitigate the risk of such incidents recurring and which help to restore and strengthen labour relations.

MITIGATING EMPLOYEE INDEBTEDNESS

A serious and complex social problem that we are addressing is indebtedness. Many of our employees, especially in the Platinum business, are struggling with high levels of personal debt that are often increasingly difficult to manage. Indebtedness has a deep impact on employees and their families, and research has shown that it is an underlying cause of low morale, stress, and labour

unrest in the mining industry. Such debt levels are often rooted in challenging social conditions, a lack of basic financial literacy and in reckless unsecured lending by some credit providers. The situation is exacerbated by the imposition of 'garnishee orders' – whereby employers are obliged to deduct debt repayments directly from salaries. We are intensifying our efforts to address employees' financial struggles, including a clampdown on unscrupulous micro-lenders and debt collectors. Our partnerships with government and other stakeholders play a critical role in this respect. In 2014, Platinum and its financial partners, Summit, created an employee financial wellness programme to assist employees with understanding and managing their debt and financial planning. The free service has been rolled out at all of Platinum's operations and will be rolled out across our other business units in 2015.

MINING CHARTER REVIEW AND OUTCOME

The mining sector has come a long way in transforming itself over the past decade. The challenges have been significant and we have learnt from a wide range of stakeholders along the way. The industry's progress in meeting the objectives set out in the Revised Mining Charter has recently been scrutinised by government. The Department of Mineral Resources (DMR) initiated the process of assessing progress against the Revised Mining Charter targets in October 2014, using an online platform. All Anglo American licensed mining operations in South Africa participated in the assessments, which covered the period 2012 to 2014. Despite initial difficulties concerning

the questionnaires and delays in operationalising the online reporting system, all our reports were completed and submitted as required.

The Minister of Mineral Resources, Advocate Ngoako Ramatlhodi, published the final results of the assessments in May 2015. Overall, Anglo American operations have met the targets of the Revised Mining Charter. Any exceptions have been addressed with the regulator. There were no non-compliance notices issued to any of our operations.

LOOKING AHEAD

We believe 2015 will herald a new era for South African mining, with the Mining Charter III playing a key guiding role. We are confident that our new business structure and value-oriented strategy will enable us to deliver on the business's objectives, including our transformation goals. For this to be realised, however, we must deepen the transformation conversation both within and beyond the organisation. Transformation in the mining sector requires partnership and innovation as twin imperatives in the way we operate. Our challenge and pledge is to focus these imperatives in a way that allows us to create lasting value for all our stakeholders.



Norman Mbazima

Deputy Chairman of
Anglo American in South Africa

INTRODUCTION

We remain mindful of the transformation imperative. We know what we have achieved, what remains to be done and what we need to sustain.



LINDIWE ZIKHALO

Head of transformation and regulatory affairs
Anglo American
South Africa

Mining is at the centre of South Africa's economic and social landscape – and critical to its future success. We consistently strive to drive transformation in the mining sector and act as responsible stewards of the country's natural resources in ensuring shared value for all in South Africa.

Our contribution to South Africa is a deep and meaningful one. To ensure a lasting positive legacy, we supplement the value generated through our core activities, with initiatives designed to develop host communities in the long term, including investments in health facilities, jobs, skills and infrastructure.

TRANSFORMATION IN THE CONTEXT OF RESTRUCTURING

Our transformation efforts have been sustained during a time of far-reaching change within our organisation, with the implementation of a new operating model and associated organisational redesign over the past 18 months. We have repositioned our portfolio and are rebuilding our operational and technical capability to drive improved performance. The new operating model aims to empower our people to realise their full potential and that of our diverse assets by ensuring that the right people are in the right roles, doing the right work.

In this context, we have remained mindful of the transformation imperative. We know what we have achieved, what remains to be done and what we need to do to sustain it.

OUR TRANSFORMATION JOURNEY

The five-year reporting period under the Revised Mining Charter came to a close at the end of 2014. This report seeks to provide a review and record of our progress in meeting the prescribed transformation requirements over this period, 2010 to 2014. For each of the transformation elements, we include an overview of our approach,

achievements and challenges across the Anglo American South Africa businesses.

Based on the data presented, we have made good progress. We have met (and in some cases exceeded) most of the targets for 2014 set out by the Mining Charter. Anglo American is widely recognised as a significant contributor to the transformation of South Africa's mining industry. We have also shared our learnings and we have learnt from others. However, much remains to be done, and there will always be opportunities to improve.

Over the five-year period, in spite of operational and contextual challenges, we have focused and maintained our strategic intent. In the area of employment equity (EE), for example, we have made gains that we cannot afford to lose. Our EE profile remains unaffected and continues to improve.

OUR PERFORMANCE OVERVIEW

Safety: With great regret, we report that three of our employees and one contractor lost their lives in work-related activities at operations managed by Anglo American in South Africa in 2014. Three deaths occurred at our Platinum business and one at Kumba. While there has been an encouraging decrease in fatalities, any loss of life is unacceptable and we continue to dedicate considerable effort to achieving, and maintaining, zero harm.

Ownership: Our business units have generally met, and in some instances exceeded, the 26% ownership transfer requirement, well before 2014.

Enterprise development: 2014 marked 25 years of positive impact delivered through our Zimele enterprise development initiative. Zimele has been a catalyst in the development of emerging black businesses, for empowering entrepreneurs, and in facilitating job-creation.

Mine community development: Over the last five years, our businesses expended a cumulative R3.2 billion on local capacity development, infrastructure for healthcare, education, housing and sanitation, and other areas. The multiplier effect ensures that the indirect benefits of such initiatives have a broad-reaching impact in our host communities and in wider society.

Local procurement: Since 2010, we have steadily escalated our local and preferential procurement expenditure and achieved our targets. Over the past four years, our South African business units have spent more than R100 billion with BEE suppliers (excluding goods and services procured from the public sector and public enterprises).

Housing and living conditions: Over the past five years, our business units have spent more than R5 billion on improving the housing and living conditions of their employees. All traditional mining hostels have been converted to single-room bachelor flats and family units, and all operations have achieved the required one person per room occupancy in the converted hostels and mobile units. To date we have built close to 4,200 houses. The business units actively promote and facilitate home ownership options and offer competitive housing allowances and in some cases loan subsidies, for eligible employees.

Human resources development: Between 2010 and 2014, our businesses collectively spent more than R3.5 billion on HDSA training and development. Kumba, Coal South Africa and De Beers exceeded the Mining Charter target of investing 5% of annual HDSA payroll in HDSA training and skills development. Our Platinum business was adversely affected by the five-month-long strike and was unable to achieve this target.

Beneficiation: Anglo American's role in mineral beneficiation spans the provision of raw materials for downstream value-addition and the creation of enabling environments that support local beneficiation through enterprise development and technological research.

THE VALUE OF WORKING TOGETHER

Social challenges can seldom be addressed by individual action alone. Unlocking the value of South Africa's minerals for sustainable development requires partnership and accountability at every turn. Our

engagements with government and the rest of the industry have been consistent and continue to be well received. We are committed to building relationships across every key stakeholder group in pursuit of our growing developmental contribution. Together, we deliver sustainable value that makes a real difference for South Africans now and for the future.

Although the challenges are complex, we have seen the positive effects of small, well-targeted efforts. Transformation is not about moving boulders; rather, it is about making small shifts that result in incremental, positive outcomes for all.

I do not underestimate the challenges that lie ahead. But neither do I doubt our people's resolve and commitment to understanding them better and to addressing them together. I particularly wish to thank those colleagues in the business units and functions, who make an invaluable contribution towards the compilation of this report. This approach continues to inspire me and I thank each one of my colleagues for their contribution in making transformation a reality in Anglo American. This 2014 edition is dedicated to them.

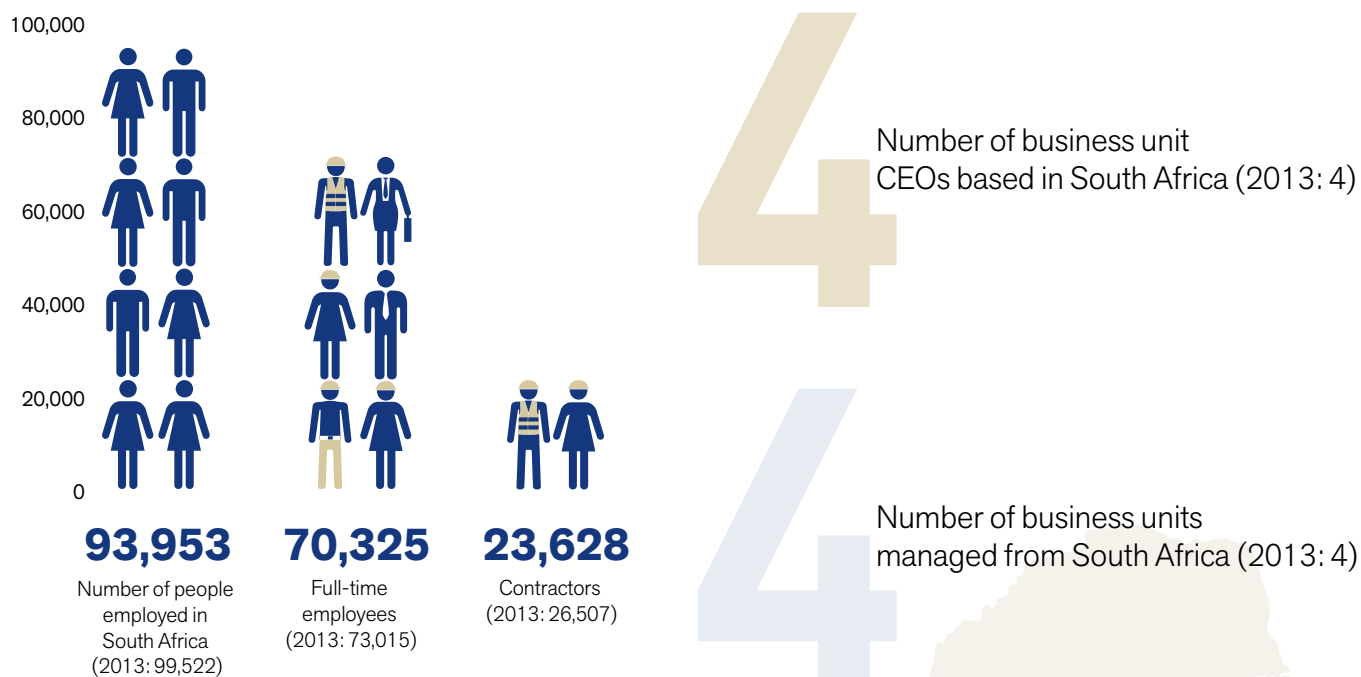


Lindiwe Zikhali

Head of transformation and regulatory affairs
Anglo American in South Africa

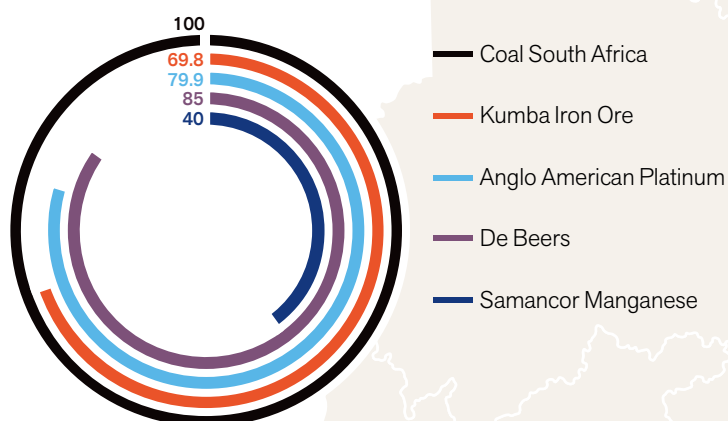
ANGLO AMERICAN'S CONTRIBUTION TO SOUTH AFRICA (2014)

COMMITMENT TO THE SOUTH AFRICAN PEOPLE



STRATEGIC ASSETS IN SOUTH AFRICA

Assets 2014 (% owned)



INVESTOR IN SOUTH AFRICA

R220.1 bn

Amount of capex invested in South Africa since 1999 (2013: R203.6 bn)

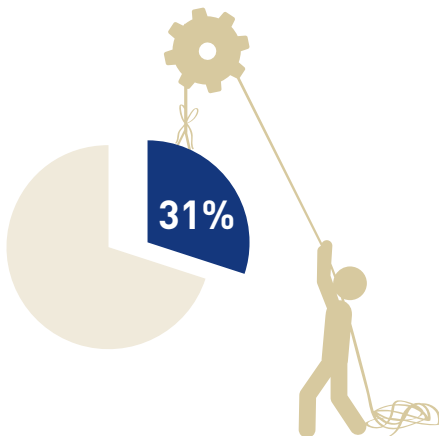
CONTRIBUTOR TO SOUTH AFRICAN FISCUS

R73.3 bn

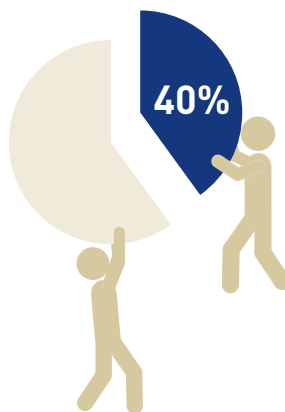
Amount paid in direct and indirect taxes over five years 2010 to 2014

PRESENCE IN SOUTH AFRICA

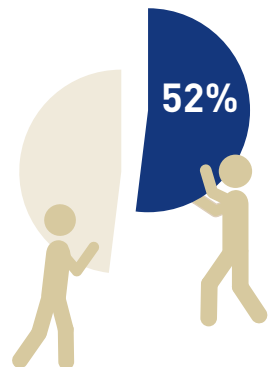
Operating assets from South Africa
(2013: 32%)



Revenue from South Africa
(2013: 43%)



Operating profit from South Africa
(2013: 63%)

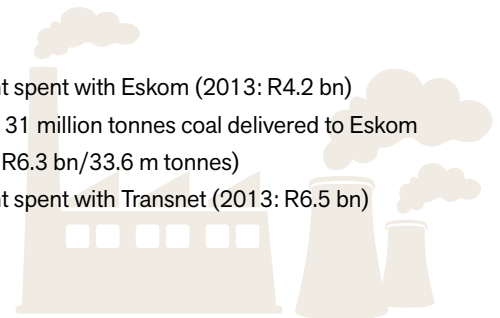


KEY PARTNER WITH SOUTH AFRICA'S STATE-OWNED ENTERPRISES

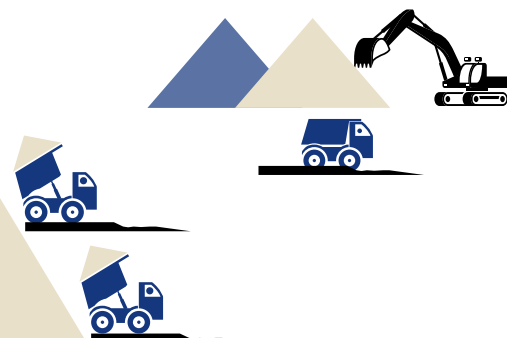
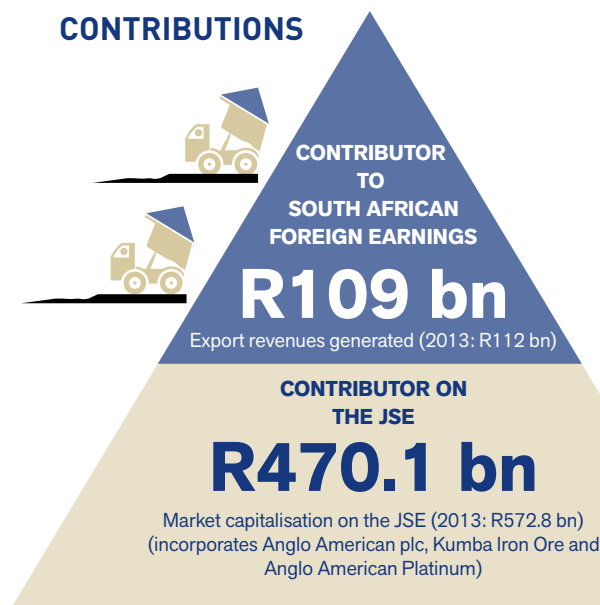
R4.3 bn Amount spent with Eskom (2013: R4.2 bn)

R5.7 bn Cost of 31 million tonnes coal delivered to Eskom
(2013: R6.3 bn/33.6 m tonnes)

R6 bn Amount spent with Transnet (2013: R6.5 bn)



CONTRIBUTIONS



Image

The "Thaba Tots" Early Learning Center opened in 2014 for children from the Thabazimbi Community. Funded by Kumba Iron Ore the school provides quality pre-school education in a newly built school in the town. Pictured is Portia Nkosi.



ANGLO AMERICAN'S CONTRIBUTION TO SOUTH AFRICA (2014) CONTINUED

OUR OPERATIONS

In 2014, Anglo American had more than 30 operations and shared access to three ports in South Africa.

● ANGLO AMERICAN PLATINUM

Western Limb

1. Dishaba
2. Tumela
3. Union
4. Bafokeng/Rasimone (JV)
5. Khuseleka
6. Thembelani
7. Bathopele
8. Siphumelele
9. Kroondal (JV)
10. Marikana (JV)
11. Pandora (JV)

Eastern Limb

13. Mogalakwena
14. Bokoni (JV)
15. Ga-Phasha
16. Twickenham mine
17. Modikwa
18. Mototolo (JV)

● COAL SOUTH AFRICA

1. Greenside
2. Goedehoop
3. Kleinkopje
4. Landau
5. Kriel
6. New Denmark
7. New Vaal
8. Mafube (JV)
9. Isibonelo
10. Zibulo

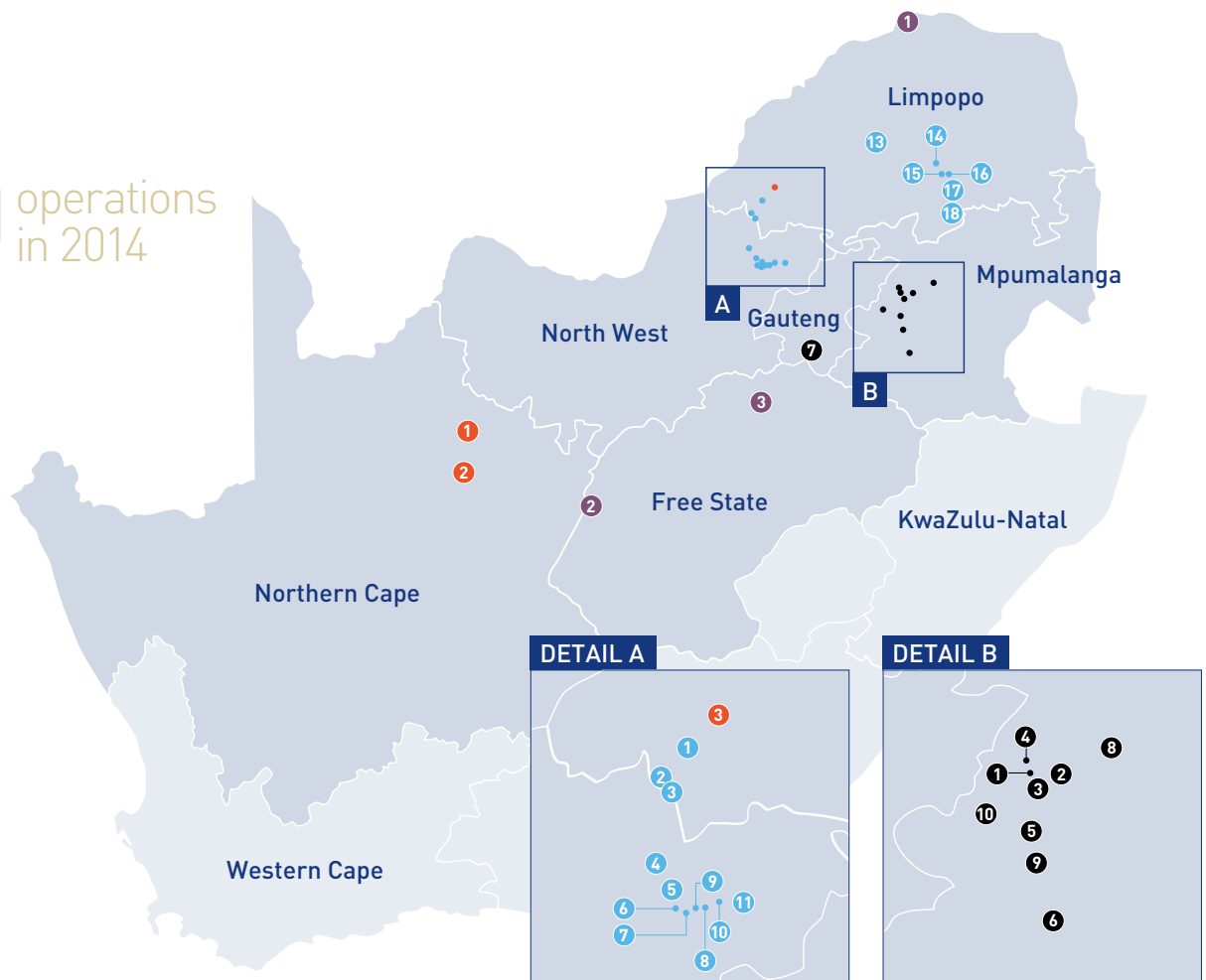
● KUMBA IRON ORE

1. Sishen
2. Kolomela
3. Thabazimbi

● DE BEERS

1. Venetia
2. Kimberley
3. Voorspoed

Over
30 operations
in 2014



ANGLO AMERICAN'S CONTRIBUTION TO SOUTH AFRICA (2014) CONTINUED

In 2014, our business units spent a combined total of R621 million on community development.

OUR COMMUNITY DEVELOPMENT PROGRAMMES

Anglo American businesses in South Africa have spent just over R2.9 billion in community development programmes over the past five years – and more than R3.2 billion including the Chairman's Fund. This investment was spent on corporate social investment (CSI) as well as through the medium of our operations' Social and Labour Plans (SLPs), across key sectors such as health, education, infrastructure development, enterprise development and capacity-building.

DEVELOPING OUR COMMUNITIES

In 2014, our business units spent a combined total of R621.5 million on community development programmes (R691.6 million including the Chairman's Fund).

Sector	Anglo American South Africa expenditure 2014 (Rm)
 Health	51.8
 Education	105.5
 Infrastructure development	106.3
 Enterprise development	95.3
 Institutional capacity-building and staff time	104.1
 Environment and agriculture	31.3
 Other	127.3
Total	621.5
 Chairman's Fund	70.1
Grand Total	691.6

EXPENDITURE ON COMMUNITY DEVELOPMENT INITIATIVES IN 2014 – KEY PROJECTS

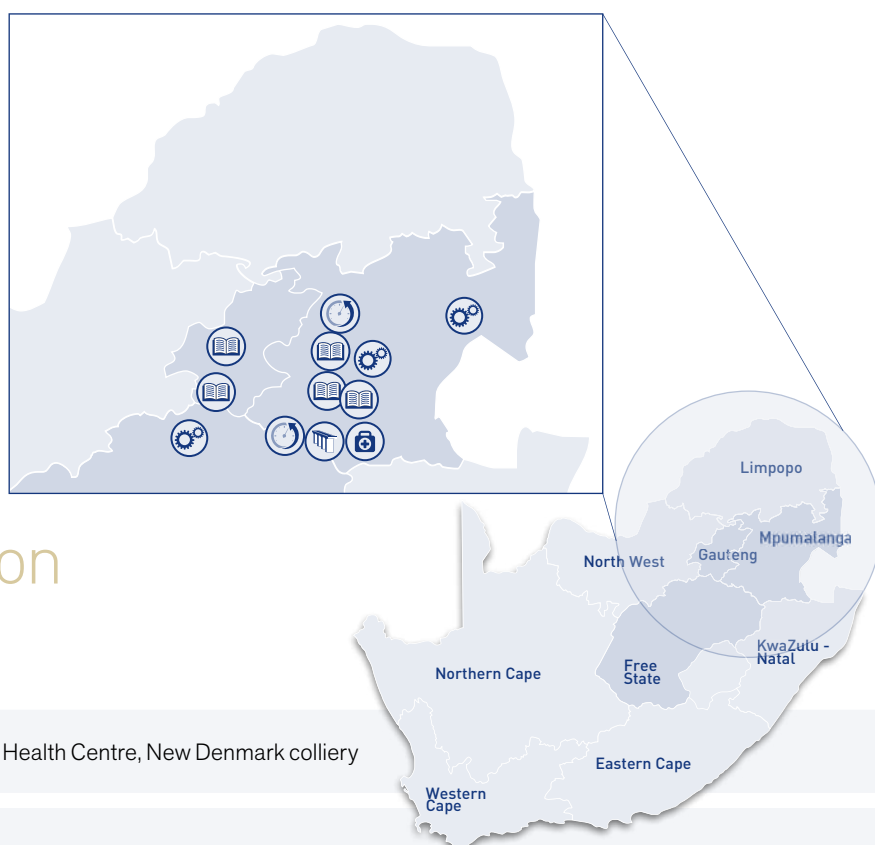
COAL SOUTH AFRICA

Operating in Mpumalanga province

Community development expenditure

R143.8 million

in 2014



	Health	• Rooikoppen Health Centre, New Denmark colliery
	Education	• Sibongamandla Secondary School upgrade, Thubelihle township, Kriel • Community scholarship scheme in host communities • Kopanang Secondary School, Ackerville, eMalahleni • Maths and science programmes at New Vaal, Goedehoop and Kriel collieries
	Infrastructure development	• Sanitation projects in host communities of Isibonelo colliery (Lebohang Ext 16 and Emzinoni)
	Enterprise development	• Business development hubs in eMalahleni, Middelburg, Secunda, Vaal, Phola, Bushbuckridge and Dennilton
	Institutional capacity building	• Municipality capacity-building, eMalahleni Municipality
TOTAL		R143.8 million on community development initiatives in 2014

For detailed information about our community development initiatives, please go to our *Developing mine communities* section.

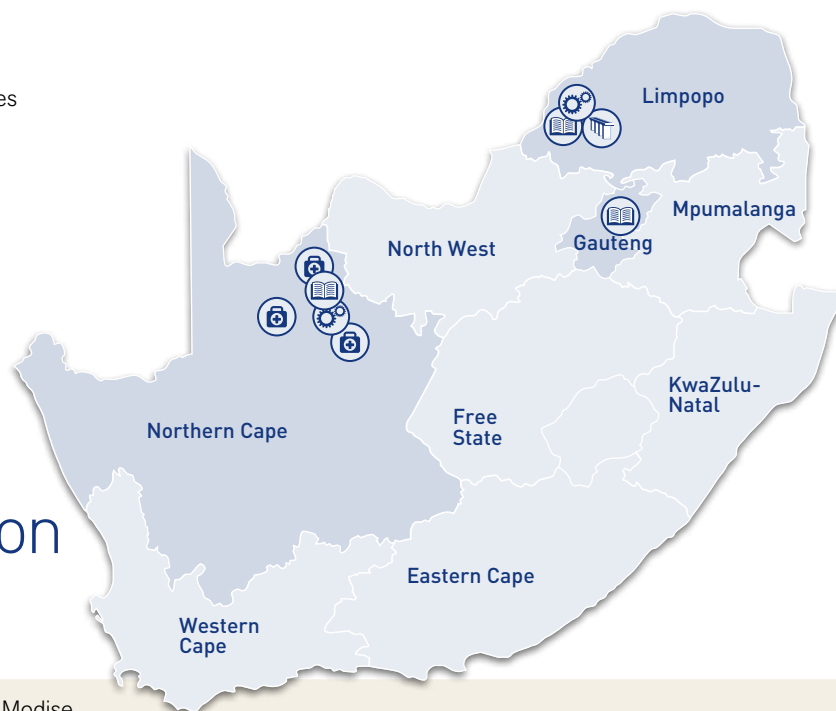
ANGLO AMERICAN'S CONTRIBUTION TO SOUTH AFRICA (2014) CONTINUED

KUMBA IRON ORE (KUMBA)

Operating in Limpopo and Northern Cape provinces

Community development expenditure

R202.3 million
in 2014



	Health	• Ulysses Gogi Modise Wellness Clinic – visiting schools in Gamagara Municipality • Batho Pele health project – mobile clinics visiting the John Taolo Gaetsewe (JTG) municipal district • Soccer field public-private partnership, Postmasburg's Newtown soccer field • Kolomela mine fatigue management community project, Postmansburg
	Education	• Early Childhood Development Centre, Thabazimbi • Solar-powered internet school initiative, Jiyana Secondary School, Tembisa • Youth graduate development programme, JTG municipal district, near Sishen
	Enterprise development	• Business development hubs in Kathu, Kuruman, Postmasburg, Saldanha Bay • Bamboo plantation and bio-energy project, Thabazimbi
	Infrastructure development	• Water-supply upgrade project, Thabazimbi • Roads projects in Kumba's host communities
TOTAL		R202.3 million on community development initiatives in 2014

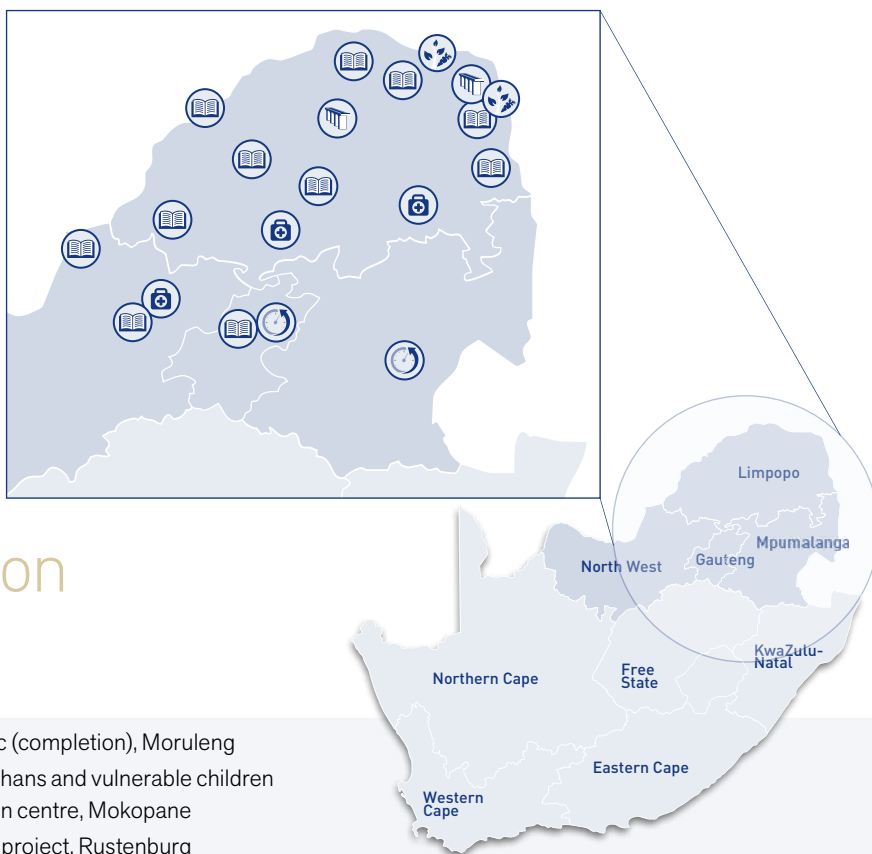
For detailed information about our community development initiatives, please go to our *Developing mine communities* section.

ANGLO AMERICAN PLATINUM (PLATINUM)

Operating in Limpopo and North West provinces

Community development expenditure

R236.0 million
in 2014



	Health	• Sefikile Clinic (completion), Moruleng • Ale-Tuke orphans and vulnerable children (OVC) drop-in centre, Mokopane • Mobile clinic project, Rustenburg
	Education	• Matric maths and science camps, North West and Limpopo provinces • Engineering skills programme, Engineering Skills Training Centre, Randfontein • Portable skills training, Mogalakwena • Hospitality learnerships, Mmabatho Hotel School and Waterberg FET College, Mokopane • Agricultural training, Mogalakwena and Twickenham • Setlamorago School upgrade, Twickenham • Sebele School upgrade, Union mine • Schools science and computer laboratory project – schools around Rustenburg and Polokwane
	Infrastructure development	• Limpopo water supply pipeline project • Roads projects – various N11 projects, upgrade of road between Modikwa and Polokwane, Mapela road in Mogalakwena municipality
	Institutional capacity building	• Capacity development projects in Limpopo and North West provinces • Public private partnership – Development Bank of Southern Africa
	Environment and agriculture	• Groenfontein Community Farm and Training Centre, Groenfontein, Mogalakwena • Incubator community empowerment project, Twickenham
TOTAL		R236.0 million on community development initiatives in 2014

For detailed information about our community development initiatives, please go to our *Developing mine communities* section.

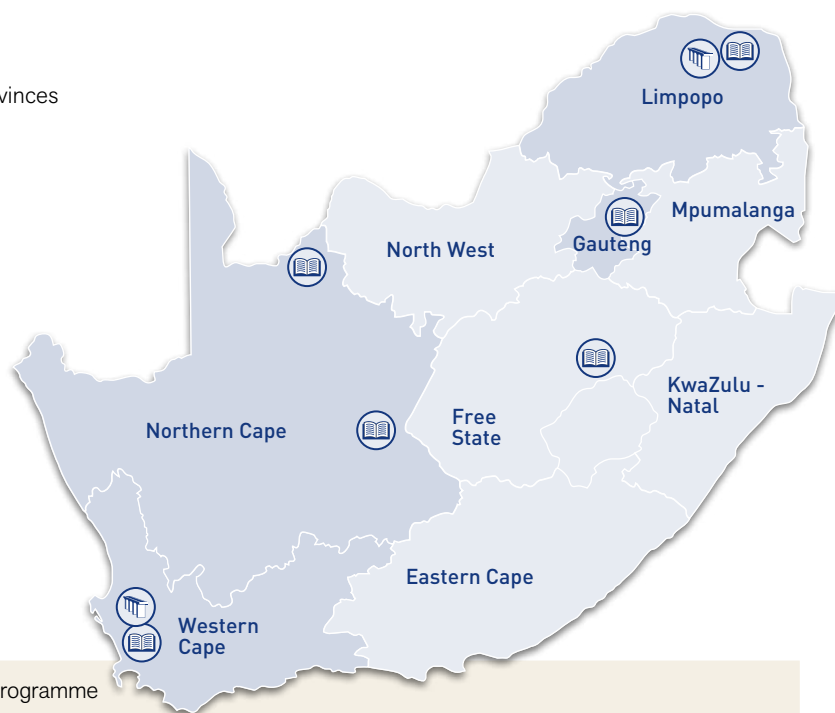
ANGLO AMERICAN'S CONTRIBUTION TO SOUTH AFRICA (2014) CONTINUED

DE BEERS

Operating in Limpopo, Free State and Northern Cape provinces

Community development expenditure

R39.4 million
in 2014



	Education	• Teacher subvention programme in Musina schools (Musina High School; Eric Louw High School; Messina Primary School); and in Namaqualand (Kleinsee Primary School) • Financial study assistance scheme, Venetia mine • Maths and science programmes in Musina, Blouberg, Kimberley, University of Johannesburg • Free State rural schools development programme (leadership development) • Early childhood development centres project, Blouberg Municipality • Ratanang Special School, Bochum
	Infrastructure development	• Roads intersection project, Musina • Electrification projects, Musina • Alldays water supply project, Bouberg Municipality • Vehicle testing station upgrade, Musina Municipality
TOTAL		R39.4 million on community development initiatives in 2014

For detailed information about our community development initiatives, please go to our *Developing mine communities* section.

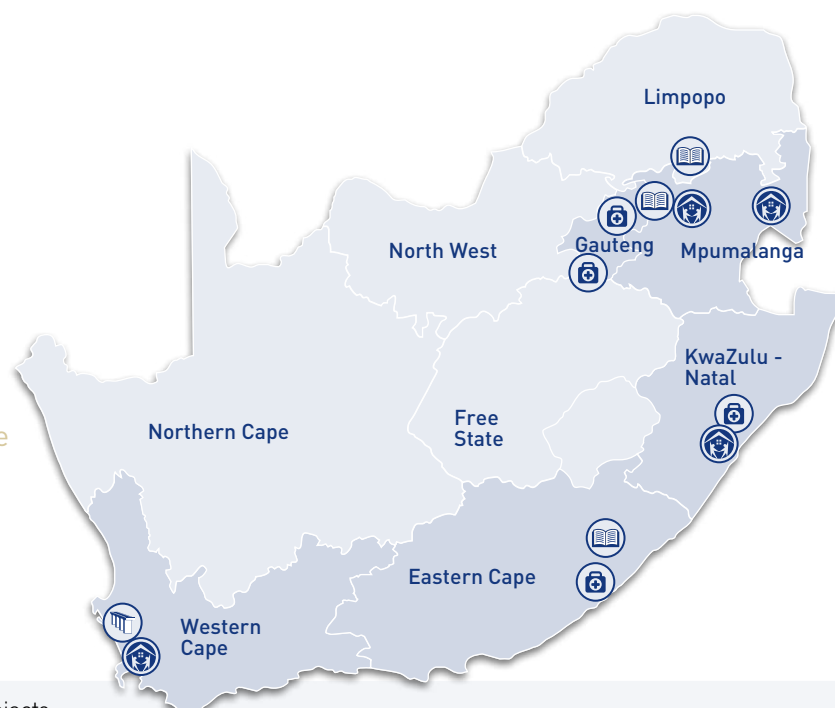
CHAIRMAN'S FUND

Making social investments throughout South Africa, focusing on those areas where the poverty burden is higher

Corporate social investment expenditure

R70.1 million

in 2014



	Health	• HIV/AIDS projects, such as the Grassroots Soccer HIV/Aids prevention and testing project, Alexandra schools • Six hospitals (to receive locations) Grants were awarded to the following initiatives: • Medical equipment for the Chris Baragwanath Hospital's Hand Clinic • The Jabulani Rural Health Foundation for the building of accommodation facilities for health professionals working at the Zithulele Hospital, Eastern Cape • The establishment of the KZN Children's hospital • The Priory for South Africa of the Order of St John for eye medical surgery research • The Witkoppen Health Centre for the building of a post-natal clinic in Witkoppen, Johannesburg • The Alexandra Health Clinic for an education and outreach programme in the Alexandra community, Johannesburg • Nine primary healthcare organisations, including KZN Children's Hospital Trust and Africa Health Placements for the recruitment of health professionals in rural hospitals
	Education	Support for 86 education projects including • 22 early childhood education projects, such as the University of the Witwatersrand's research into early grade reading • Seven infrastructure projects, including the evaluation of 24 rural schools in the Sekhukhune District and their teacher and leadership development and mentorship support needs • 17 projects for learners with special needs, such as the National Education Collaboration Trust project in Libode and Mt Frere in the Eastern Cape province • 40 maths, science and language projects
	Sustainable community development	Support for 71 welfare and community development projects including • 17 homes for children, the aged and the disabled • Nine youth development projects • Welfare organisations including Childline, Lifeline, Johannesburg Child Welfare, Women's Legal Centre (for research into sexual violence) and the Project Preparation Trust in KZN (to develop a national housing policy for special needs housing)
	Infrastructure development	Support for 24 sustainable livelihood projects including • 150 micro farmers in the Cape Flats • Timbali Flower Growers in Mpumalanga
TOTAL		R70.1 million on corporate social investment in 2014

For detailed information about our community development initiatives, please go to our *Developing mine communities* section.



FOCUS:

OUR WORKPLACE



SAFETY, HEALTH AND ENVIRONMENTAL MANAGEMENT

In this section we provide an overview of our safety, health and environmental (SHE) management approach and performance. All our business units have made good progress in meeting the Mining Charter commitments in respect of SHE management. A more comprehensive review is provided in the Anglo American sustainable development report, available on our website.

SAFETY

Our main priority is to prevent loss of life and serious injuries by creating a safe and healthy work environment.

Why it is important

Despite the challenging nature of the industry, mining companies have an obligation to manage safety risks and to ensure a safe and healthy work environment. Managing workplace safety first and foremost protects our people. It also enhances productivity and helps us to maintain our licence to operate. Our main priority is to prevent loss of life and serious injuries by creating a safe and healthy work environment.

Our approach

Our safety strategy and management approach focus on improving our ability to anticipate and prevent harm to people. Our principal safety risks relate to transportation, moving machinery, rock falls in underground mines (falls of ground), worker fatigue, working at heights and isolation/lock-out. Our risk-based approach is outlined in the Anglo American Safety Way – a comprehensive framework of roles and responsibilities supported by a set of safety principles and mandatory safety standards. This underpins the delivery of our safety strategy, which is founded on three principles: a mindset of zero harm; the elimination of repeat incidents; and the consistent application of simple, non-negotiable standards.

Safety is continuously cultivated through our highly visible zero harm initiatives. We have worked consistently to develop our understanding of our safety risks, learn from previous incidents and implement risk-mitigating processes, innovative technologies and behaviour patterns. Our Tripartite Safety and Health Initiative ensures that risk-management practices are adopted at all levels of the workforce. All of our employees receive appropriate health and safety training, while several also attend our safety, health and environment (SHE) risk-management training programme.

Over the past year, we have concentrated on embedding and reinforcing five specific steps of our safety programme: leadership; effective planning; front-line supervision; incident management; and risk management. The steps are linked: strong leaders provide direction to managers who plan and supervise tasks effectively. Consistent approaches

to incident and risk management help us to prevent incidents and learn from those that do occur.

What we have achieved

It is with regret we report that in 2014, three of our employees and one contractor lost their lives in work-related activities at operations managed by Anglo American South Africa. While there has been an encouraging decrease in fatalities, any loss of life is unacceptable and we continue to dedicate considerable effort to achieving, and maintaining, zero harm. Our operations worked nine months fatality-free in 2014, which reinforces our belief that zero harm is achievable.

We have made steady progress in managing safety over the last few years and are encouraged by an improved performance in our major risk areas. Improvements reflected in our safety performance indicators in 2014 are partly attributable to the suspension of most production activities at our strike-affected Platinum operations for 22 weeks during the strike. Following the conclusion of the strike, we provided refresher safety training for employees and successfully resumed production in a safe and sustainable manner. Regulatory and voluntary safety stoppages decreased considerably at Platinum and Kumba during 2014.

Our total recordable case frequency rate (TRCFR) was 0.93 in 2014, representing a 44% improvement on 1.65 in 2010, and our lowest on record. A significant improvement was achieved at all the business units.

Our Tripartite initiative, in collaboration with organised labour and the government's Department of Mineral Resources (DMR), is progressing well in developing ways to improve our safety performance. In addition, the deployment of innovative technologies in such fields as mechanisation, automation and digital engineering has brought considerable safety benefits through reducing the number of people who need to be exposed to potentially hazardous areas.

Individual non-compliance with the correct use of personal protective equipment (PPE) presents an ongoing challenge that we continue to address.

Top image

School of Mines team leadership class led by HRD facilitator Bethuel Jakkals.

Bottom image

Further tailings grass planting trials are under way for dust-suppression purposes at Paardekraal tailings dam. Process leader Alfred Khumalo and plant manager/projects Piet Botha inspect the grass samples.

SAFETY, HEALTH AND ENVIRONMENTAL MANAGEMENT CONTINUED

FOCUS AREAS AND HIGHLIGHTS

Fatalities and learning from incidents

In 2014, three people lost their lives at our Platinum operations: one incident involved handling materials; another involved a fall of ground and the third, an electrocution. One person died at Kumba as a result of a fall from height. For each incident resulting in loss of life or a critical injury, an independent investigation is conducted and remedial actions taken. The lessons learned from the incident are shared via the Group learning from incidents (LFI) process and discussed at Board Sustainability Committee and executive management levels.

Managing safety during and following the Platinum strike

The five-month strike in the platinum sector presented additional safety challenges. In order to protect the safety and security of employees who faced the risk of violence and intimidation, most production activities at Rustenburg, Union and Amandelbult operations were suspended throughout the strike. The mines were shut in accordance with safety procedures before the strike and considerable planning and effort went into ensuring that safety was not compromised once work resumed. In collaboration with diverse stakeholders, including the DMR, we ensured the safe return to work of our employees.

Anglo American's Tripartite Safety and Health Initiative expands its remit

The Tripartite Safety and Health Initiative was established in 2008 as a multi-stakeholder platform for Anglo American, organised labour and the DMR to collaborate on improving the company's safety performance. The initiative soon expanded to include the health and well-being of employees and contractors. In 2014, the scope was extended beyond the mine gate to encompass socio-economic challenges associated with the mining industry in South Africa, including migrant labour, housing and financial well-being.

Anglo American Global Safety Day

Anglo American's third annual Global Safety Day took place in October 2014, with employees and contractors across the Group engaging on the theme 'Managing Change – stay safe'. This theme was chosen because change was identified as a factor causing a high percentage of accidents and high-potential incidents (HPIs) analysed. The day helps to embed a safety mindset and core safety programmes, with the chief executive and business unit CEOs demonstrating leadership and commitment to safety as a core business value.

CASE STUDY:

MECHANISED INNOVATION TO IMPROVE SAFETY AND PRODUCTIVITY

Platinum's Bathopele mine is a mechanised mine using a bord-and-pillar mining method to exploit the UG2 Reef. Its safety record is good. However, the mine tragically lost two employees in a massive fall-of-ground incident on 20 July 2013. The event took place while the two employees were installing rope anchors manually. Following the incident, the on-mine team decided to remove its employees from high-risk tasks and areas, which meant that the installation of rope anchors had to become mechanised. It also realised that it would have to develop the required method itself: although equipment exists in the market, it is used for mining activities where the stoping width is much greater than that of Bathopele. Subsequently, the team has produced a product and process that will not only improve safety at the mine, but will also have benefits in terms of costs and productivity. The product is also fairly simple to use and easily replicable.

The process employs the current mechanical bolters to install the typical bolts used as primary supports, but utilises a new tensioning and a new grouting system. The stabilising cement is delivered via a tube and from a safe distance. With this system, changing of crimping pipes becomes minimal.

The innovation was nominated for an award at the Anglo American Applaud Awards of 2014.

Image
Installation of a
Flexibolt at
Bathopele mine.



Throughout the year we continually educated employees and reinforced messages around managing health hazards.

HEALTH

Why it is important

Effective management of health risk protects our people, enhances productivity and is essential for minimising potential long-term liabilities. Extending our health promotion activities to the broader community supports our internal health drive and encourages healthy lifestyles.

Our approach

Our occupational health strategy and management approach are governed through a series of standards, guidelines and assurance processes aimed at preventing harm to our workforce. Our principal occupational health risks relate to noise, inhalable hazards, musculoskeletal disorder and worker fatigue. We use leading and lagging health performance indicators to track and monitor our performance.

All our businesses report on the estimated number of people potentially exposed to health hazards that could result in occupational disease. We measure exposure against occupational exposure limits (OELs) set per individual health risk, above which no employee may be exposed without the use of personal protective equipment (PPE). Notwithstanding the prescribed use of PPE by personnel where necessary, our performance indicators reflect the number of individuals who would be exposed to conditions that exceed those limits were they not protected by PPE. This helps to identify those hazards where we can improve controls, and perhaps eliminate the need for PPE altogether.

Throughout the year, we continually educated employees and reinforced messages around managing health hazards, particularly noise, inhalable pollutants and

ergonomic stress. The vast majority of employees at risk of excessive exposure to noise and potential noise-induced hearing loss are underground rock drill operators at our Platinum business, where we continue to introduce equipment with improved sound attenuation and strictly monitor adherence to the correct use of PPE.

Building on our occupational health-risk management initiatives is our employee health and wellness programme, which includes a strong emphasis on combating tuberculosis (TB) and HIV/AIDS within our workforce and their families. Through these wellness programmes, we strive to reduce medical absenteeism, which can have a significant impact on the ability of teams to execute planned tasks safely and effectively.

Beyond our immediate workforce, we endeavour to help strengthen healthcare systems in under-served rural areas and to build partnerships to improve access to quality healthcare.

We continue to drive improvements across our occupational health and community health programmes by focusing on innovation and partnerships.

What we have achieved

During 2014, some 33,800 employees were reported to be working in environments with noise levels in excess of the OEL. Some 6,850 employees were reported to be working in environments where they were potentially at risk of exposure to inhalable hazards. A total of 87 occupational diseases were reported. These performance measures were influenced by the reduced production at strike-affected Platinum mines. Exposures to noise and dust

Image

A ward is prepared at Bleskop Hospital, Rustenburg.



SAFETY, HEALTH AND ENVIRONMENTAL MANAGEMENT

CONTINUED

have decreased since 2010 owing to our dedicated preventative efforts, as well as changes in the business.

We continue to develop and standardise our systems for managing confidential health information. We have developed some of the most advanced systems in South Africa, which allow health professionals to capture each health transaction in online electronic health records, so we can accurately track and analyse the health of all employees over time. We have made significant progress in automatically linking employees' occupational hygiene exposure records to their occupational medicine surveillance records.

The reporting of health incidents continues to improve, with more accurate reporting of low-level incidents; these incidents signify failing controls of health-hazard management systems and are the best leading indicator of occupational health performance. Health incidents range from employee complaints about the working environment and observed (or measured) failures of control mechanisms, to early signs of exposure and disease identified in the medical-surveillance programme. The indicators are used to ensure that the effective control of exposure to health hazards takes place at source.

While we are recognised leaders for our TB and HIV/AIDS programmes in the workplace and have made good

progress, challenges remain, which demand even greater efforts. Our most serious challenges are to ensure that people with HIV receive treatment timeously; and that they adhere to treatment in the long term.

We continue to work with the provincial health departments in the Eastern Cape, Mpumalanga, Northern Cape and North West provinces, which are associated with our operations or are labour-sending areas, in order to improve health services.

FOCUS AREAS AND PERFORMANCE HIGHLIGHTS

Combating TB and HIV/AIDS

In southern Africa, pulmonary TB and HIV are inextricably linked epidemics. We are working with government to tackle the issue on an industry-wide scale to ensure that the mining sector performs at the highest standard. In 2014, we tested and counselled nearly 110,000 employees and contractors in South Africa. During the year, 86% of the full-time workforce participated in testing. While the number of new HIV infections increased in 2014, we are encouraged that the estimated number of HIV-positive employees enrolled on our HIV wellness programmes has increased steadily, as has the uptake of anti-retroviral therapy (ART) by HIV-positive employees.

HIV/AIDS indicators	2010	2011	2012	2013	2014
Number of employee VCT cases	–	–	57,847	51,954	59,813
Number of contractor VCT cases	–	–	37,397	40,814	48,421
% of full-time employee VCT participation	94	92	82	75	86
Estimated HIV-positive enrolment in HIV wellness programmes (%)	59	61	70	75	78
Number of new HIV cases		902	527	529	543
AIDS deaths (including tuberculosis (TB) cases)	–	–	–	125	89
TB	2010	2011	2012	2013	2014
New cases of TB	727	913	677	734	544
TB incidence rate per 100,000 employees	994	1,185	958	1,066	786
Known TB deaths	–	65	59	63	52

TB incidence at our South African operations showed an encouraging decrease in 2014 and is now well below the national and mining industry average (Anglo American: 786 per 100,000 population versus the South African rate: 860 per 100,000 population). Regrettably, there were further TB deaths (related to HIV co-infection) owing to inadequate case management. A concerted programme to try to eliminate TB deaths at Platinum is planned for 2015.

Community healthcare

A notable development in 2014 was the successful pilot implementation of our electronic health record system, 'theHealthSource' (tHS), at the Slovoville Primary Healthcare Clinic in partnership with the City of Johannesburg. This is the first time that tHS has been installed in a public health facility and there have been significant improvements in the efficiency of the service provided by the clinic as a result.

In 2015, we plan to launch pilot semi-mobile screening units for diagnosing and treating TB, HIV and silicosis amongst rural ex-mine workers and community members

in a remote part of the Eastern Cape (a major labour-sending area). The units will be entirely self-sufficient and will use tHS for the creation of confidential electronic health records.

South African mining companies partner to address lung disease claims

In November 2014, Anglo American South Africa, along with AngloGold Ashanti, Gold Fields, Harmony Gold and Sibanye Gold, announced the formation of an industry working group to address issues relating to compensation and medical care for occupational lung disease in the gold mining industry in South Africa. The group has begun to engage all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. The group is seeking a comprehensive solution to address legacy compensation issues and future legal frameworks that is fair to past and current employees, and which enables companies to continue to be competitive over the long term.

CASE STUDY:

MANAGING THE HEALTH IMPACT OF THE PLATINUM STRIKE

The five-month strike at our Platinum operations in South Africa in 2014 had a significant impact on the health of our employees. Thousands of certificates of fitness expired and hundreds of employees on chronic medication for TB and HIV/AIDS defaulted on treatment, even though we continued to offer it for free to striking employees. To mitigate the negative impact of the strike, our Platinum business guaranteed payment of medical insurance cover and provided access to in-house medical services. Active case-finding and management of TB was intensified and employees on chronic medication were offered food parcels after collecting chronic medication from first aid stations.

The channels of communication included bulk text messages, radio adverts and interviews, voice recordings, billboards and news flashes.

At the end of the strike, a 'safe return to work' plan was implemented, including a safe start-up procedure, a risk-based medical-screening process and the distribution of nutrition and hygiene packs.

More than 10,000 employees went through a medical-screening process, approximately 15,000 expired medical certificates were renewed, new cases of TB were treated as a matter of priority and those who had defaulted on their HIV anti-retrovirals were helped to resume treatment.

Support programmes for HIV/AIDS and TB continued after employees completed the 'return to work' process. The programme included two-day training sessions, focused primarily on HIV management; direct follow-ups with TB patients; a detailed analysis of TB deaths; and audits on TB and HIV reporting at health facilities. Clinical programme managers also provided specialist support to all the operational health facilities.

Image

Environmental auditing at Mogalakwena North: water officer Riaan Van Zyl and environmental assistant Calvin Shibusi taking photographs for environmental comparisons.



SAFETY, HEALTH AND ENVIRONMENTAL MANAGEMENT CONTINUED

Water scarcity and climate change are of great concern to our business.

ENVIRONMENTAL MANAGEMENT

Why it is important

While the extraction and processing of minerals and metals provide the backbone of South Africa's economy, the associated activities result in the unavoidable disturbance of land, the consumption of resources, and the generation of waste and pollutants. Growing regulatory and social pressure, increasing demand for limited natural resources, and the changing costs of energy and water all highlight the business imperative of responsible environmental management. In particular, water scarcity and climate change are of great concern to our business.

Responsible environmental management through all stages of an operation's life cycle can influence our future access to land and capital, our legal and social licence to operate, and reduce operational risks and mine-closure liabilities.

Our approach

We strive to minimise our environmental impacts and to take advantage of opportunities that deliver long-term benefits to our stakeholders. We implement our strategies through three key areas: driving operational excellence, investing in technology, and engaging and partnering with our stakeholders.

All our operations manage their environmental risks and activities in line with the mandatory Anglo American's Environment Way performance requirements on social and environmental impact assessments, water, air quality, mineral and non-mineral waste, hazardous substances, biodiversity, rehabilitation and mine closure. The Environment Way and Projects Way make specific provision for ensuring we consider the right things, up front. Our Mine Closure Toolbox provides a structured approach to closure planning and management. Closure costs are regularly assessed and liability provision adjusted as necessary.

All our operations ensure approval of their environmental management plans (EMPs). In addition to legal compliance audits, our mines conduct self-assessments and are

subject to risk-based internal environmental audits and peer reviews. When activities are changed or added, the EMP reports are amended and submitted to the DMR for approval, along with annual performance assessments as required in terms of the MPRDA.

Anglo American reports five levels of environmental incident severity according to consequence and impact to the receiving environment. By encouraging the reporting and sharing of lessons learned from incidents, we aim to develop a better understanding of potential environmental impacts at site level and of improvements which can be made to processes to prevent and mitigate such impacts.

What we have achieved

All our mines are implementing EMPs that have been approved by the DMR and certified against the ISO 14001 environmental management system standard. EMPRs include rehabilitation and closure commitments with related financial provisioning in place.

All operations have water-use licences, with the exception of Platinum's Amandelbult mine, which continues to engage with the Department of Water and Sanitation in order to obtain the outstanding licence.

Most of our samples were analysed at South African facilities in 2014: Kumba 100% (2011: 87%); Coal South Africa 99% (2011: 96%); De Beers 76% (2011: 100%). Since August 2012, all Platinum's geological analytical requirements are sourced from laboratories based in South Africa. Previously, check analyses (not more than 10% of the routine samples) were analysed at an Australian-based facility.

During 2014, we recorded one Level 4 and five Level 3 environmental incidents (2010: 10 level 3 incidents).

Each of our business units continues to contribute to a fund to meet the cost of our decommissioning, restoration and environmental rehabilitation liabilities in the country.

SAFETY, HEALTH AND ENVIRONMENTAL MANAGEMENT CONTINUED

FOCUS AREAS AND PERFORMANCE HIGHLIGHTS

Water

Our business is highly reliant on water. This is of increasing significance given that the majority of our mines are in water-stressed areas. Social and legal licences to operate depend on ensuring that our operations' use of water, and their impacts on water availability and quality, remains within legally acceptable and socially responsible limits. We strive to secure a reliable and cost-effective supply of water for operations that does not compromise the rights of other local users.

Progress in implementing our strategy is driven through our water-management programme. Our operations are well on track towards meeting their water-reduction targets by 2020. De Beers is not currently included owing to their joining the Group after the target-setting process. Total water consumption decreased from 63.69 million m³ in 2013 to 57.42 million m³ in 2014. Of our total operational water requirements, 69% were met by recycling/re-using water (2013: 65%). Our operations also seek to reduce their dependency on high-quality water through water switching and the use of lower-quality water where practicable. Potable water usage has decreased steadily since 2010 and now accounts for 33% of the new water used (2013: 35%).

During 2014, we confirmed three Level 3 (medium impact) and one Level 4 (high impact) incidents relating to water. Each of these involved unauthorised mine-water discharges at Coal South Africa's operations. The Level 4 incident involved an acidic water discharge at the Landau mine.

Energy and climate change

Climate change has potentially significant implications for our activities and communities near our operations. Our most material issue remains the combustion of thermal coal mined by ourselves, which contributes to greenhouse gas (GHG) emissions and to climate change. Across the

business, our aim is to reduce our exposure to emerging carbon regulation and increases in energy costs, improve our ability to influence the development of effective government policy, increase commercial opportunities in our markets, and drive greater resilience to the physical impacts of climate change.

Progress on operational energy and carbon management is driven through our energy- and carbon-management programme, ECO₂MAN. Operations have risk-based energy- and carbon-reduction targets in place. Together, these aggregate to our Group-level targets of reducing GHG emissions by 19% and saving 7% in energy consumption, against projected use, by the end of 2015.

In 2014, our total GHG emissions recorded were 8.58 Mt CO₂e and total energy consumption amounted to 42.08 million GJ.

Our operations are on track to meet their contribution to the Anglo American 2015 energy- and carbon-reduction objectives and targets, despite some setbacks as a result of the protracted platinum strike. Energy reduction at our operations is being primarily achieved through fuel efficiency, mine ventilation and pumping optimisation, as well as accounting for future energy operating costs in procurement decisions.

A major concern for our operations remains power-supply constraints, which have resulted in load shedding to help stabilise the grid. This situation is expected to persist over the medium term, with the first units of the new Medupi and Kusile power stations expected to come into operation over phases from 2015 to 2016. To manage the power-disruption risk, our operations have prioritised load-reduction schedules and emergency-preparedness plans.

The government's proposed implementation of a carbon tax in 2016 would introduce a higher carbon cost for our business. A draft paper on carbon budgets and offsetting was issued in 2014, to which we submitted a formal response.

Waste management

Mining generates significant quantities of mineral waste, as well as some non-mineral and hazardous substances. These result in environmental impacts on land through the establishment of tailings dams and waste-rock dumps and may result in environmental impacts on water if not managed effectively.

We apply the 'avoid, reduce, re-use and recycle' management hierarchy to ensure the least possible effects on human health and the environment, during both the operational and post-closure phases. Once waste-reduction opportunities are exhausted, we actively explore the re-use of by-products.

Given the nature of our business, our efforts are focused on mineral residue as our most material waste-related risk.

Regular internal and third-party risk assessments and audits are undertaken at most of our facilities. Where significant risks are identified, mitigation measures are put in place to address these.

Legal risks associated with waste management continue to increase. In 2014, the Department of Environmental Affairs (DEA) introduced new regulations on waste classification and management. All mine-residue deposits and stockpiles are now governed by the Waste Management

Act, they are subject to additional licensing requirements and are now universally classified as hazardous waste. Our operations are assessing their waste facilities to identify those which meet regulatory requirements and may be classified as 'unhazardous'.

Land stewardship

One of our most important responsibilities is the rehabilitation of land and the preservation of bio-diverse habitats. Anglo American in South Africa has 492,900 hectares of land under its management control (2013: 417,795 hectares), of which 46,059 hectares have been disturbed by mining, processing and mineral-waste disposal, and supporting infrastructure (2013: 39,733 hectares). The increase in land managed by Anglo American is a result of De Beers data being included for the first time, and improved reporting by Coal South Africa.

By the end of 2014, we had rehabilitated 7,969 hectares of disturbed land (2013: 7,165 hectares). Land rehabilitated at De Beers has not been included owing to differing reporting definitions, which are being resolved. Although rehabilitation backlogs at Kumba, De Beers and Coal South Africa operations remain a concern for us, these are being addressed, and targets have been set for each operation.

Image 01

The rehabilitation of Ramp 12 at Kleinkopje has been completed successfully.

Image 02

Rehabilitation planner Gustav Le Roux and environmental co-ordinator Dolly Mthethwa inspect the status of rehabilitation work at Kleinkopje.





FOCUS:

OUR PEOPLE



ACHIEVING EQUITY IN OUR WORKFORCE

A transformed and more diverse organisation is more resilient and better positioned to be competitive.

OVERVIEW

Why it is important

Establishing a workforce that broadly reflects the country's demographics is a business and social imperative. That is why, as one of South Africa's biggest private-sector employers, we continually invest in the development and diversification of our workforce. The Mining Charter required that by the end of 2014, historically disadvantaged South African (HDSA) employees make up 40% of each management level (junior, middle, senior and top management), as well as in core and critical skills. We have no doubt that a transformed and more diverse organisation is more resilient and better positioned to be competitive. We recognise the pivotal role that women play in the mining industry, both within our business and in the socio-economic environments that surround local mining operations. While women have historically been under-represented in the mining sector, Anglo American believes employing more women will lead to significant and sustainable performance improvement in every aspect of its business.

Our approach

Anglo American strives to build a culture that respects and harnesses a rich diversity of ideas and perspectives, and that does not tolerate discrimination. We continue to recruit and promote HDSAs and females, especially in management and core and critical skills categories. The diverse initiatives we implement to support the identification, development and retention of HDSA talent – including through learnerships, bursaries, graduate in-training programmes and leadership development – are reviewed in the *Investing in our skills base* section of this report.

Each business unit has a detailed employment equity (EE) plan for achieving transformation objectives. In seeking to meet and go beyond the requirements of the Mining Charter and Employment Equity Act, our EE approach focuses on integrating transformation and EE considerations with accelerating the recruitment, development and promotion of designated groups into occupational levels that are under-represented.

We set ambitious internal targets, over and above those set by legislation, including targets to increase female representation. Our approach to gender diversity

focuses on establishing a working environment and culture that is supportive of women; proactively attracting women to work for Anglo American at all levels within the organisation, with a particular focus given to operational roles; accelerating gender diversity through employee development; and improving communication and understanding of gender diversity objectives within our organisation.

Our business units implement diversity programmes that include initiatives aimed at promoting the employment and integration of people with disabilities.

What we have achieved

We have continued to make steady progress over the past five years in promoting equitable representation across most levels of management and are well positioned relative to our competitors. At the end of 2014, 62% of Anglo American South Africa's management were HDSAs (an aggregate of employees from Coal South Africa, Platinum, Kumba, De Beers, Anglo American EMEA Shared Services in South Africa (AAESS) and Anglo American's Corporate Division (AACD)), representing a 21.6% increase on the 51% HDSA representation in 2010. At top management level, HDSA representation reached 50% in 2014 (2010: 25%), at senior management level, HDSA representation reached 42% in 2014 (2010: 31%), in middle management 60% (2010: 50%) and in junior management 69% (2010: 58%). In core and critical skills, HDSA representation was at 82% at the end of 2014, the same level as 2010.

The number of women employees has improved year on year, with women constituting 24% of management in 2014 (2010: 19%), and 17% of our overall workforce (2010: 13%). Women working in core functions represented 13% of the workforce in 2014 (2010: 9%). The proportion of women participating in our development programmes continues to increase in all mining training streams.

The recruitment and retention of highly sought-after skilled HDSAs, particularly women, is an ongoing challenge, as the widespread lack of skills in South Africa has resulted in extreme competition for suitable candidates. Our efforts in this regard focus on retention and promotion.

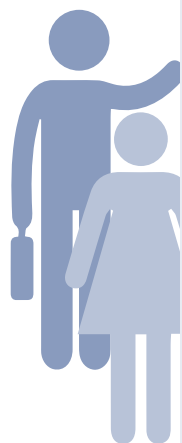
Top image
Auto-electrical apprentices in training at Platinum's Engineering Skills Training Centre.

Bottom image
Miners heading to the shaft at Dishaba.

ACHIEVING EQUITY IN OUR WORKFORCE

CONTINUED

Anglo American South Africa HDSA and female representation in management and core functions: 2010-2014



HDSA representation

Top management (Board)* (%)

2010	2011	2012	2013
25	25	25	25

2014

50%

Senior management (%)
(includes Executive Committee)

2010	2011	2012	2013
31	35	36	38

2014

42%

Middle management (%)

2010	2011	2012	2013
50	55	57	58

2014

60%

Junior management (%)

2010	2011	2012	2013
58	65	68	67

2014

69%

Core and critical skills# (%)

2010	2011	2012	2013
82	84	84	85

2014

82%

Aggregated HDSAs in management (%)

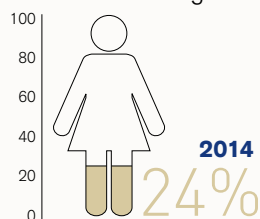
2010	2011	2012	2013
51	58	60	60

2014

62%

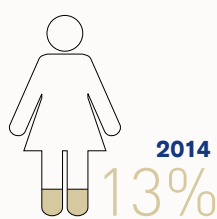
Female representation

Females in management (%)



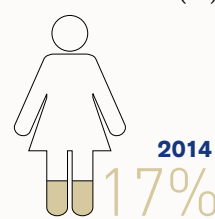
2010	2011	2012	2013
19	24	25	23

Females in core functions (%)



2010	2011	2012	2013
9	10	10	13

Total females (%)



2010	2011	2012	2013
13	14	15	16

* 2010 – 2013 Includes executive directors only, 2014 includes executive and independent directors

2014 Core and critical skills include management in core functions

To strengthen the pool of talent for the future, a key focus is developing women in technical and operational disciplines.

COAL SOUTH AFRICA

The reorganisation of the business during 2014 contributed towards Coal South Africa improving its HDSA representation at executive committee level from 45% in 2013 to 50% by the end of 2014, while in core function positions HDSA representation increased from 77% in 2010 to 81% in 2014. Steady progress has been achieved over the last four years in all EE performance indicators. (See table below). By the end of 2014, HDSA representation had reached: 38% of senior management (2010: 28%), 56% of middle management (2010: 46%), and 66% of junior management (2010: 41%).

At the end of 2014, women represented 19% of the workforce (2010: 16%), 20% of management positions (2010: 13%) and 16% of positions in core functions (2010: 14%). To strengthen the pool of talent for the future, a key focus is developing women in technical and operational disciplines. (See case study on page 30).

Coal South Africa HDSA and female representation in management and core functions: 2010-2014

HDSA representation

Executive Committee (%)

2010	2011	2012	2013
36	36	36	45

2014

50%

Senior management (%) (includes Executive Committee)

2010	2011	2012	2013
28	30	34	34

2014

38%

Middle management (%)

2010	2011	2012	2013
46	50	53	55

2014

56%

Junior management (%)

2010	2011	2012	2013
41	62	64	65

2014

66%

Core and critical skills (%)

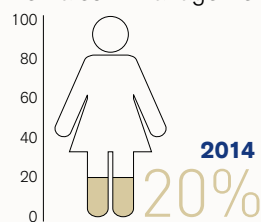
2010	2011	2012	2013
77	77	79	80

2014

81%

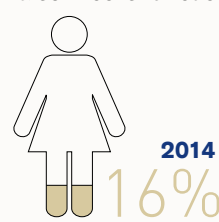
Female representation

Females in management (%)



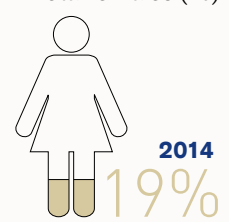
2010	2011	2012	2013
13	19	20	20

Females in core functions (%)



2010	2011	2012	2013
14	13	14	15

Total females (%)



2010	2011	2012	2013
16	17	18	19

ACHIEVING EQUITY IN OUR WORKFORCE

CONTINUED

Coal South Africa workforce demographics compared to the economically active population (EAP) (as at end of December 2014)

	AF %	AM %	CF %	CM %	IF %	IM %	WF %	WM %	FF %	FM %	Females %	Males %
EAP (2014 target)	34.7	41.5	4.9	5.7	1.0	1.8	4.5	5.9	0.0	0.0	45.1	54.9
Management	10.9	36.2	0.2	1.3	0.4	2.1	8.3	43.3	0.5	3.1	20.3	86.1
Workforce actual	15.6	59.8	0.3	0.6	0.2	0.8	3.1	15.6	0.2	3.5	19.5	80.5

AF = African females; AM = African males; CF = coloured females; CM = coloured males; IF = Indian females; IM = Indian males; WF = white females; WM = white males; FF = foreign females; FM = foreign males

Image 01

Graduates receiving their appointment letters, as Professionals in Training (PITs) at the Graduate Welcoming Function in December 2013 at the Landau Recreation Club. From left: geology graduate Ledile Madiba, training manager Steve Clarke, mining graduate Andronica Mathobela and mining graduate Khanya Mwanda.

Image 02

Business improvement PIT Carlyn Manchest is awarded for best presentation of the day during PIT project presentations in October 2014. Carlyn receives her award from advisor to the CEO, Dave Haselau.

Image 03

Coal South Africa's first year bursars attending hand skills training which is considered as their vacation work. The training takes place at the Colliery Training Centre (CTC) in Witbank. From left: industrial engineering bursar Ladzani Mbidzo and mining bursar Ashleigh Els.

CASE STUDY:

BUILDING A STRONG PIPELINE OF FEMALE TALENT

Coal South Africa is developing a pool of professional 'successors' through structured individual development plans. Within the next two years, these individuals are expected to be ready to fulfil roles that meet 75% of the company's succession plans. A particular focus is placed on building a stronger pipeline of female talent to assume technical and non-technical roles and higher management positions. The current pipeline of successors for operational roles comprises 32% females.

Specific training and development interventions have been developed for each mining discipline, to identify suitable high-potential candidates and to fast-track their development with a specific appointment date in mind. In line with our discipline plans, eight women were appointed into higher roles during the last two years, following a robust period of carefully managed individual performance development. These women receive continuous support and coaching, and special attention is given to monitor their suitability for the role and the team at the operation. Currently, 20 women are on fast-track plans and have been allocated an Executive Committee mentor.

In 2014, women accounted for 51% of Coal South Africa's 104 'professionals in training' (PITs), with 43% working within a technical discipline. PIT programmes are designed for each discipline and aim to develop graduates into highly competent professionals within their fields of study. The timeframe in which to complete

these programmes varies across disciplines, but is typically within two to three years.

Since 2012, females accounted for 11% of engineering graduates obtaining a Government Certificate of Competence (GCC) and 25% of mining graduates obtaining a Mine Manager's Certificate of Competency. Although these percentages may seem low, they are higher than the national annual average.



Aligning workforce demographics with the EAP remains an imperative for Kumba, and an ongoing challenge.

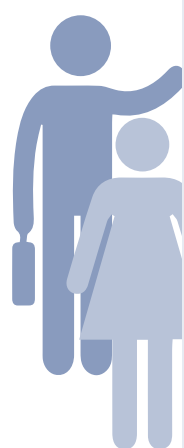
KUMBA

At the end of 2014, Kumba had 58% HDSAs in management (2010: 46%). Although the organisation redesign exercise during 2014 resulted in several vacancies being put on hold, the company made progress in improving the demographics of its workforce at most levels. At the end of 2014, HDSA representation was 55% at board level (2010: 40%); 42% at executive committee level (2010: 33%); 42% in senior management (2010: 35%), 58% in middle management (2010: 48%), and 62% in junior management (2010: 47%).

At the end of 2014, females represented 20% of Kumba's total workforce (2010: 16%). In 2014 women represented 20% of management positions (2010: 17%) and 12% of positions in core mining disciplines (2010: 8%).

Aligning workforce demographics with the EAP remains an imperative for Kumba, and an ongoing challenge. The company predominantly operates in the Northern Cape and continues to have over-representation of coloured and white males compared with the province's EAP. Overall, against the national demographics, the key challenge areas are under-representation of females and the over-representation of white males in the management categories. (See table below).

Kumba HDSA and female representation in management and core functions: 2010-2014



HDSA representation

Top management (Board)* (%)

2010	2011	2012	2013
40	40	38	55

2014

55%

Executive Committee (%)

2010	2011	2012	2013
33	30	30	38

2014

42%

Senior management (%) (includes Executive Committee)

2010	2011	2012	2013
35	38	37	41

2014

42%

Middle management (%)

2010	2011	2012	2013
48	52	55	58

2014

58%

Junior management (%)

2010	2011	2012	2013
47	51	54	57

2014

62%

Core and critical skills# (%)

2010	2011	2012	2013
86	87	87	88

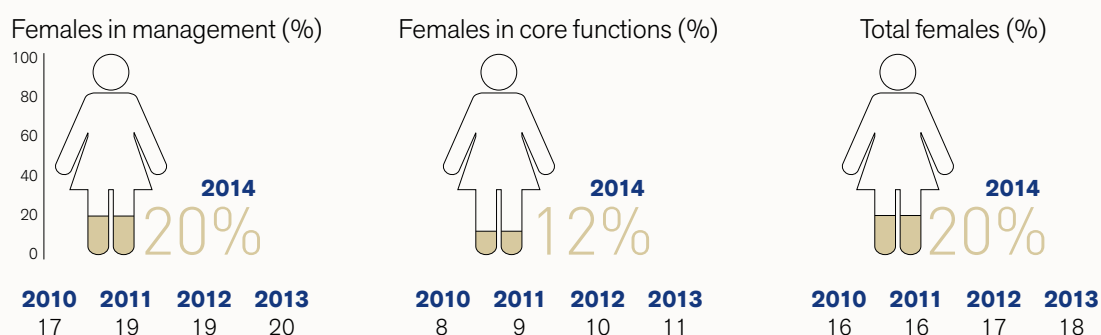
2014

84%

ACHIEVING EQUITY IN OUR WORKFORCE

CONTINUED

Female representation



* Includes executive and non-executive directors

* 2014 Core and critical skills include management in core functions

Kumba workforce demographics compared with the EAP (as at end of December 2014)

	AF %	AM %	CF %	CM %	IF %	IM %	WF %	WM %	FF %	FM %	Females %	Males %
EAP (2014 target)	34.7	41.5	4.9	5.7	1.0	1.8	4.5	5.9	0.0	0.0	45.1	54.9
Management	7.1	24.0	1.9	12.0	0.9	1.3	9.6	40.8	0.1	1.0	19.7	79.1
Workforce actual	9.7	47.5	3.9	16.8	0.2	0.3	4.7	15.6	0.0	0.2	18.6	80.4

AF = African females; AM = African males; CF = coloured females; CM = coloured males; IF = Indian females; IM = Indian males;
WF = white females; WM = white males; FF = foreign females; FM = foreign males

CASE STUDY:

PROGRESS WITH WOMEN-SPECIFIC INITIATIVES OVER THE PAST FIVE YEARS

Kumba's women in mining steering committee was established in 2009 and implements the company's policies and procedures aimed at facilitating the increased participation of women in the mining industry. The committee has designed and continues to implement a set of initiatives to ensure that a conducive working environment is maintained for females. The following initiatives address specific challenges facing women in Kumba and women in society.

Rape and serious incidents procedure: this procedure defines how suspected murder and rape incidents are reported and investigated at Kumba. It includes a consideration of the impact of such incidents on the rest of the workforce, and seeks to harness lessons learned from previous incidents and investigations, to prevent repeat incidents.

Sexual harassment policy: this policy provides rules and guidelines to regulate the management of sexual harassment in the company. It includes provision for a

team of trained individuals in each workplace to ensure consistent procedures and investigate and recommend an appropriate course of action in harassment cases.

Personal protective equipment (PPE) for women:

Kumba worked with PPE suppliers to develop women-specific equipment, including overalls and safety boots, to ensure appropriate fit and comfort.

Image
Kumba worked with suppliers to develop women's personal protective equipment.



Fast-tracking programmes within the engineering and mining disciplines focus on developing HDSA candidates, in particular African females.

PLATINUM

Platinum continues to improve its levels of HDSA and female representation in management and core functions. In 2014, despite a setback in our efforts during the prolonged strike, our performance improved, with particular progress achieved at top and senior management levels. HDSA representation at board level has improved from 30% in 2010 to 46% in 2014, while representation at the executive committee level improved from 31% to 50%. In management, at the end of 2014, HDSA representation reached: 45% of senior management (2010: 38%), 61% of middle management (2010: 52%), and 69% of junior management (2010: 61%).

At the end of 2014, female employees at Platinum represented 14% of the total workforce (2010: 12%), 21% of management positions (2010: 20%) and 11% of positions in core mining disciplines (2010: 8%). Despite our efforts to improve our demographic representation in the workplace, we continue to have over-representation of white males and females.

Platinum HDSA and female representation in management and core functions: 2010-2014

HDSA representation

Top management (Board)* (%)

2010	2011	2012	2013
30	40	38	40

2014

46%

Executive Committee (%)

2010	2011	2012	2013
31	38	38	50

2014

50%

Senior management (%) (includes Executive Committee)

2010	2011	2012	2013
38	41	40	40

2014

45%

Middle management (%)

2010	2011	2012	2013
52	56	57	59

2014

61%

Junior management (%)

2010	2011	2012	2013
61	63	65	67

2014

69%

Core and critical skills# (%)

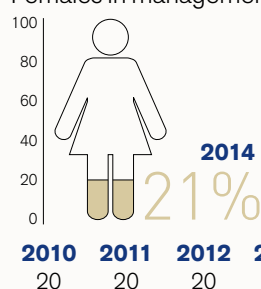
2010	2011	2012	2013
84	85	83	83

2014

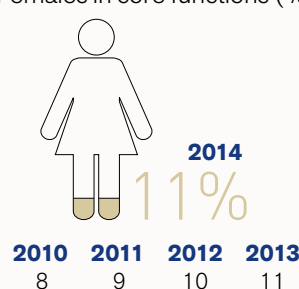
82%

Female representation

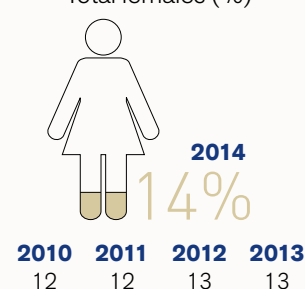
Females in management (%)



Females in core functions (%)



Total females (%)



* Includes executive directors and independent directors

2014 Core and critical skills include management in core functions

ACHIEVING EQUITY IN OUR WORKFORCE

CONTINUED

Platinum workforce demographics compared with the EAP (as at end of December 2014)

	AF %	AM %	CF %	CM %	IF %	IM %	WF %	WM %	FF %	FM %	Females %	Males %
EAP (2014 target)	34.7	41.5	4.9	5.7	1.0	1.8	4.5	5.9	0.0	0.0	45.1	54.9
Management	11.5	39.5	0.2	1.0	0.7	1.2	8.2	34.6	0.2	2.3	20.9	78.6
Workforce actual	12.1	67.9	0.1	0.2	0.1	0.1	1.6	5.6	0.0	11.9	14.0	86.0

AF = African females; AM = African males; CF = coloured females; CM = coloured males; IF = Indian females; IM = Indian males; WF = white females; WM = white males; FF = foreign females; FM = foreign males

During 2014, Platinum developed a five-year EE plan, by occupational level, for the period 2015-2019. Principal objectives are to increase the representation of African males and females in senior and middle management, in line with the economically active population (EAP). Fast-tracking programmes within the engineering and mining disciplines focus on developing HDSA candidates, in particular African females. In 2013, eight female employees in core disciplines attended the 'women leadership development programme' at the Gordon Institute of Business Science. In 2014, nine top performing females at senior and middle management levels were identified to attend the programme. Platinum's 'young professional programme' supports the pipeline of future

leadership by providing bursaries and graduate-in-training programmes in identified fields, with a focus on male and female HDSAs candidates.

As part of a longer-term strategy to increase the number of HDSAs, particularly females, in technical roles, Platinum has continued to participate in the 'Techno-girl' career mentorship programme, in conjunction with the Gauteng Department of Education and UNICEF, since 2009. Each year, six high-school girls receive experience and opportunities in the mining industry while being hosted by Platinum during school holidays. Platinum also supports the annual 'Take a girl child to work' and 'Men in the making' initiatives, in which 30 girls and boys participated in 2014.

CASE STUDY:

OFFERING DIVERSE OPPORTUNITIES FOR OUTSTANDING WOMEN

For Jenny Kalidheen, the task of finding her place as a woman in the mining industry was made easier by joining Platinum's graduate development programme in 2006. Building on her BSc in geology degree and Master of Engineering, Jenny swiftly added various competency certificates while learning the ropes as shift supervisor at Tumela mine and then as mine overseer at Thembelani mine. Through Platinum's Fast-Tracking Programme and Personal Development Programme she developed her knowledge, skills and experience and obtained her Mine Manager's Certificate of Competency. She was then offered a role as part of Group Safety, where her primary function was to oversee safety at the four northern underground Platinum mines in line with safety strategies and priorities linked to business strategies. This experience has further equipped her to be the ideal candidate for her current corporate role as manager, SHE projects: FEL (front-end loading), where she

reports directly to the executive head of SHE and the executive head of projects. In this role she provides thought leadership and adds technical expertise in the areas of safety and sustainable development within Platinum's project pipeline. She currently also leads other strategic company-wide projects, adding value to the wider business and to the communities in which Anglo American Platinum operates.



Image
Manager SHE projects:
front-end loading,
Johannesburg,
Jenny Kalidheen.

Platinum received the award, for the fourth consecutive year (2011 – 2014), for the 'Top gender-empowered company' in the resources sector by the 'Top women in business and government' publication.

Image 01
Anglo American Platinum executive head of human resources Lorato Mogaki (right) accepts the Top Gender award.

Image 02
Platinum employees at the awards ceremony.



The overall representation of women in management has increased from 25% (2010) to 27% (2014).

DE BEERS

De Beers' HDSA representation at senior management level declined from 39% in 2013 to 33% in 2014, owing mainly to the appointment of non-HDSA project specialists who are involved in the design and construction of the Venetia underground project. The R20 billion project will require the temporary deployment of specialised and experienced project professionals through various stages of the construction process, which may periodically impact the percentage of HDSA representation in senior management.

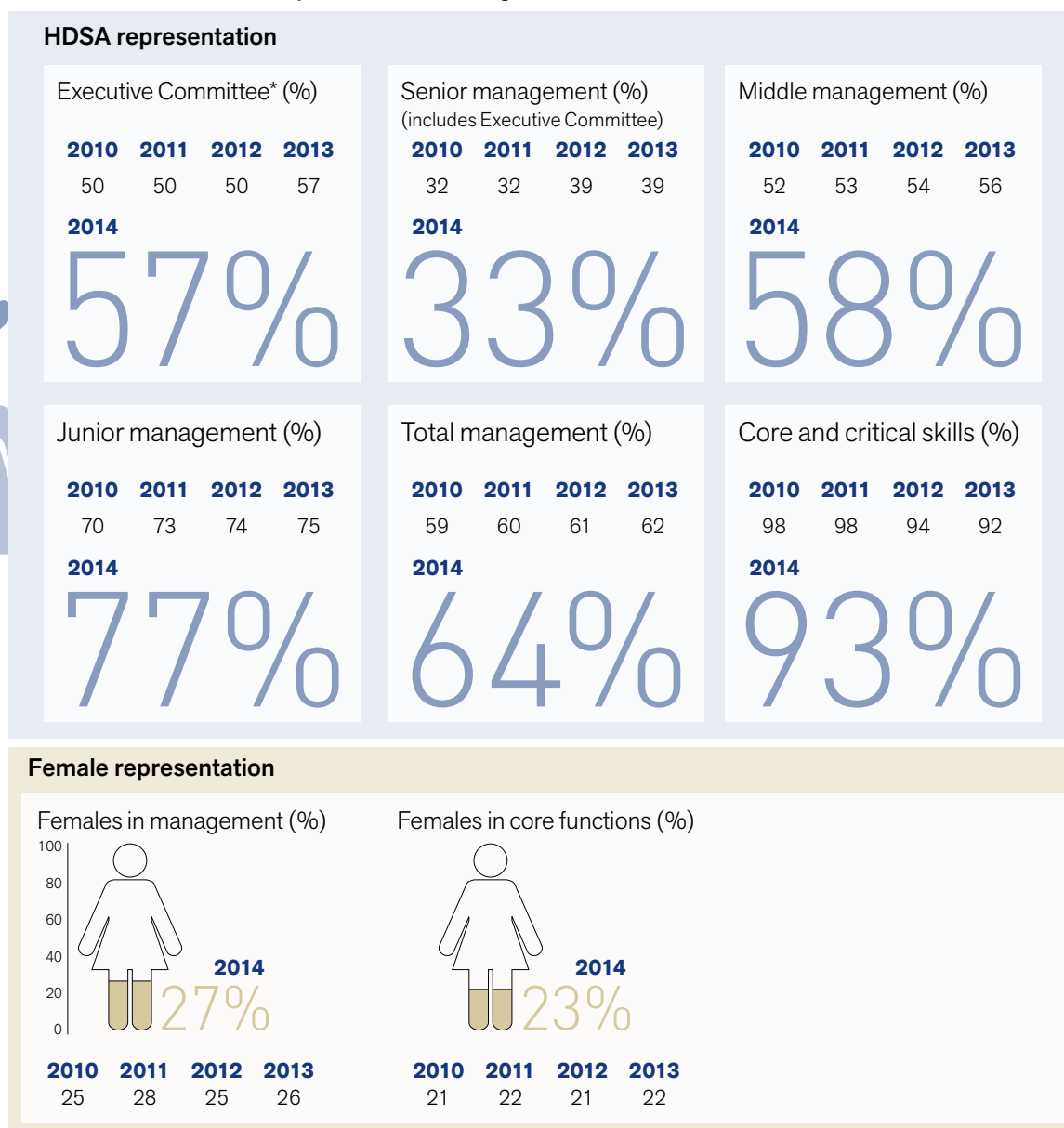
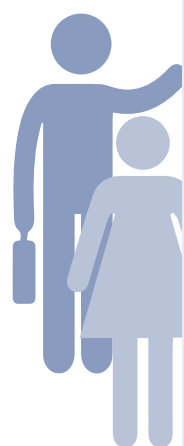
Although De Beers has not achieved 40% HDSA representation in senior management, the company is progressing well at leadership level. In the executive committee, HDSA representation reached 57% in 2014 (2010: 50%). At the end of 2014, HDSA employees represented 58% of middle management (2010: 52%), and 77% of junior management (2010: 70%). During the five-year period 2010 to 2014, De Beers continued to make progress in improving the level of female representation in both management and core mining roles. The overall representation of women in management has increased from 25% (2010) to 27% (2014) and women in core functions from 21% (2010) to 23% (2014).

The table on page 36 reflects the status in managerial categories against South Africa's EAP. The key challenge areas are under-representation of African men and women. Levels of white representation have steadily declined over the last five years. Nonetheless, white males continue to occupy 32% of positions in management.

ACHIEVING EQUITY IN OUR WORKFORCE

CONTINUED

De Beers HDSA and female representation in management and core functions: 2010-2014



* Executive Committee HDSA profile is representative of DBCM only. De Beers aligned with Anglo American from 2012

De Beers workforce demographics compared with the EAP (as at end of December 2014)

	AF %	AM %	CF %	CM %	IF %	IM %	WF %	WM %	FF %	FM %	Females %	Males %
EAP (2014 target)	34.7	41.5	4.9	5.7	1.0	1.8	4.5	5.9	0.0	0.0	45.1	54.9
Management	8.5	24.6	3.5	10.7	1.7	2.1	11.9	31.5	0.9	3.6	26.4	72.6
Workforce actual	14.1	44.0	4.9	9.7	0.9	0.9	7.7	14.1	0.4	1.4	28.9	71.1

AF = African females; AM = African males; CF = coloured females; CM = coloured males; IF = Indian females; IM = Indian males; WF = white females; WM = white males; FF = foreign females; FM = foreign males

De Beers' approach to employment equity is guided by its transformation model, which serves as a framework to guide values-based behaviours and practices for all employees and managerial leaders in achieving a culture of inclusivity. At the end of 2014, De Beers concluded its five-year EE equity cycle. New goals and targets have been developed for the next three years (2015-2018). Focus areas include training and developing women and recruiting and accommodating people living with disabilities (PWDs). In support of these objectives, De Beers is implementing the following affirmative action projects:

Promoting a culture of diversity: to assist employees in embracing transformation, more than 70% of the workforce has been engaged in diversity programmes.

Women in frontline and supervisory positions:

DBCM is investing in developing a pipeline of suitably qualified women at supervisory as well as management levels, by offering internal development opportunities, targeting a 60% female contingent in graduate and bursary programmes.

People living with disabilities (PWDs): DBCM plans to develop and extend existing partnerships with relevant associations to assist with recruiting PWDs, and to implement a policy to help accommodate PWDs in the workplace.

DE BEERS TRANSFORMATION MODEL

Beyond compliance to inclusion

HARNESS STRENGTH THROUGH OUR DIVERSITY



OUR TRANSFORMATION PHILOSOPHY

We will embrace a culture of inclusion where we choose to treat each other with dignity and respect, irrespective of race, gender, disability, religion and any other dimensions of diversity. All our behaviours must emulate the values of our company and the rituals, symbols and systems we use in our organisation should support these values and objectives of treating people with dignity and respect. When we achieve this, we will meet first our legislative and governance commitments. Secondly, we will strengthen our business. Thirdly, we will benefit our communities and ourselves as individuals. Finally, we will create unity amongst us.

Dignity and respect

We all deserve to be treated with dignity and respect. We seek to preserve people's sense of self-worth in all our interactions, respecting others for who they are and valuing the unique contribution that they can make to our business success.

Rituals, systems and symbols

Our daily verbal and non-verbal behaviours and rituals that give people strong clues as to what it is like to work at our company and what behaviours are encouraged, condoned or ignored and the systems that will support this.

Dimensions of diversity

The various dimensions of diversity as defined by our legislation.

De Beers' values

Our values set the framework within which all employees in this company are expected to behave.

ACHIEVING EQUITY IN OUR WORKFORCE

CONTINUED

In 2014, female employees represented 73% of the workforce.

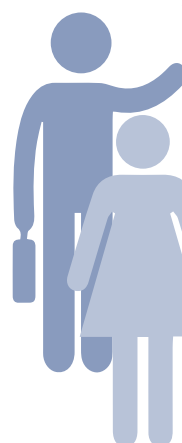
ANGLO AMERICAN EMEA SHARED SERVICES IN SOUTH AFRICA

Anglo American EMEA Shared Services (AAESS) has maintained high levels of HDSA and female representation across all operational levels over the last five years. Particular progress has been steadily achieved at senior management level. By the end of 2014, HDSA representation in senior management had reached 77% (2010: 40%), in middle management 69% (2010: 72%) and in junior management levels 91% (2010: 93%). Aggregated HDSA representation in management reached 83% (2010: 68%).

At the end of 2014, women occupied 69% of senior management positions (2010: 33%), 62% of middle management positions (2010: 72%) and 73% of junior management positions (2010: 82%). Female employees represented 73% of the workforce (2010: 80%) and 68% of management positions (2010: 69%).

Despite continued efforts to achieve a workforce that is demographically represented, white females are over-represented in relation to the EAP, while African and coloured males are under-represented. (See table below).

AAESS HDSA and female representation in management and core functions: 2010-2014



HDSA representation

Senior management (%)

2010	2011	2012	2013
40	62	73	77

2014

77%

Middle management (%)

2010	2011	2012	2013
72	70	66	70

2014

69%

Junior management (%)

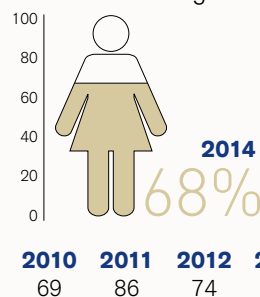
2010	2011	2012	2013
93	95	96	88

2014

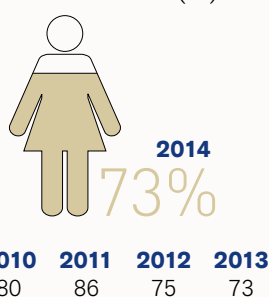
91%

Female representation

Females in management (%)



Total females (%)



AAESS workforce demographics compared to the EAP (as at end of December 2014)

	AF %	AM %	CF %	CM %	IF %	IM %	WF %	WM %	FF %	FM %	Females %	Males %
EAP (2014 target)	34.7	41.5	4.9	5.7	1.0	1.8	4.5	5.9	0.0	0.0	45.1	54.9
Management	23.3	9.7	2.8	1.1	6.3	4.0	36.9	14.8	0.6	0.0	69.9	29.5
Workforce actual	33.7	17.7	3.0	1.2	4.4	1.8	30.2	6.4	0.5	0.2	72.4	27.6

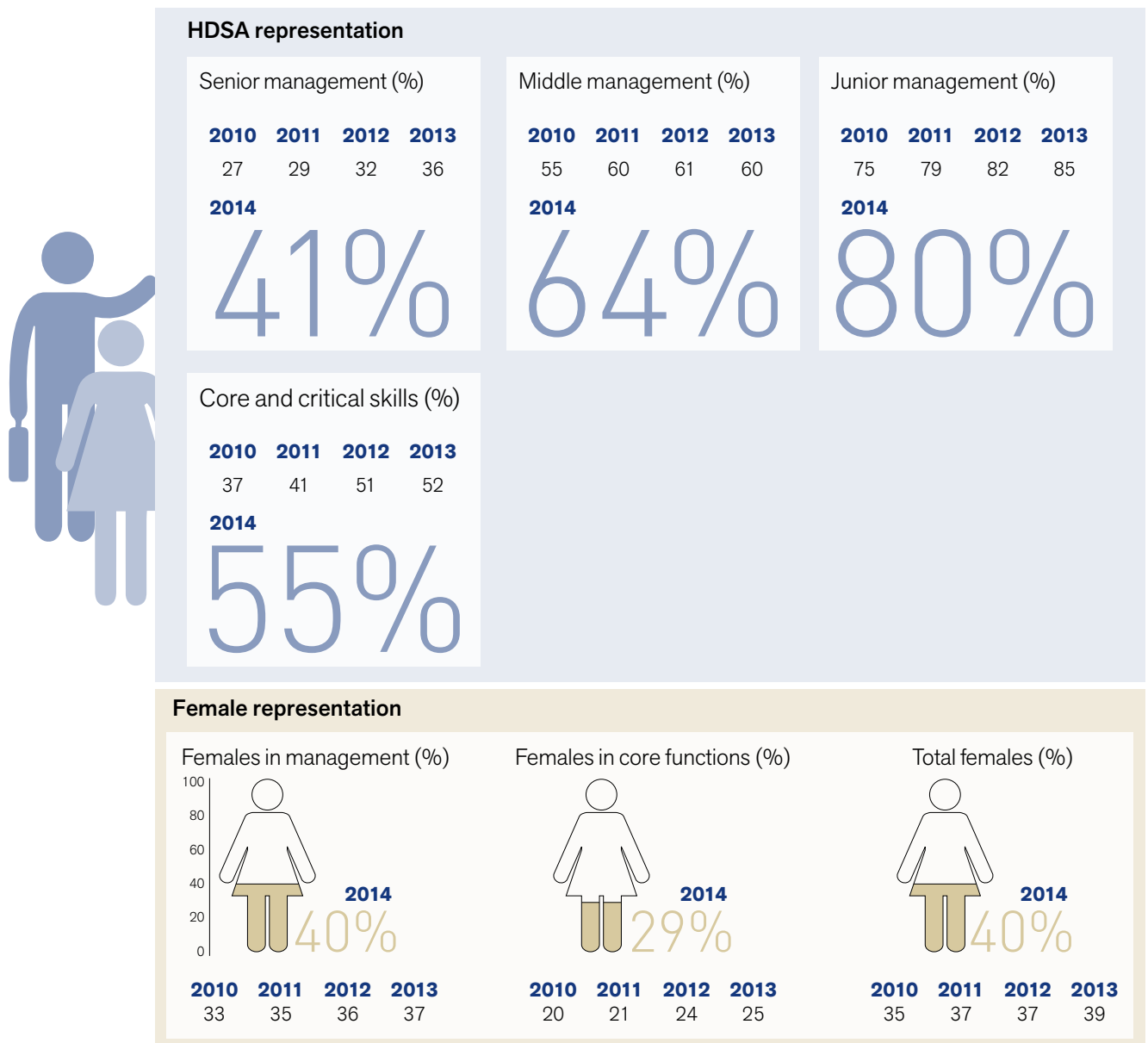
AF = African females; AM = African males; CF = coloured females; CM = coloured males; IF = Indian females; IM = Indian males; WF = white females; WM = white males; FF = foreign females; FM = foreign males

ANGLO AMERICAN'S CORPORATE DIVISION

Anglo American's Corporate Division (AACD) predominantly employs senior managers, while operational roles are typically resourced in the business units. Over the last five years, AACD made steady progress in all its employment equity efforts. At the end of 2014, the most senior role, executive director AASA, was occupied by an African female. At senior management level, HDSA representation increased substantially from 27% in 2010 to 41% in 2014. By the end of 2014, HDSA representation had reached 64% in middle management (2010: 55%), and 80% in junior management (2010: 75%).

At the end of 2014, women represented 40% of AACD's total workforce (2010: 35%), 40% of management positions (2010: 33%) and 29% of positions in core functions (2010: 20%).

AACD HDSA and female representation in management and core functions: 2010-2014



ACHIEVING EQUITY IN OUR WORKFORCE

CONTINUED

AACD workforce demographics compared with the EAP (as at end of December 2014)

	AF %	AM %	CF %	CM %	IF %	IM %	WF %	WM %	FF %	FM %	Females %	Males %
EAP (2014 target)	34.7	41.5	4.9	5.7	1.0	1.8	4.5	5.9	0.0	0.0	45.1	54.9
Management	12.4	13.4	2.5	2.5	3.3	5.0	19.5	35.4	1.8	0.0	40.1	59.9
Workforce actual	14.7	25.2	2.6	2.2	2.9	3.9	17.8	25.8	1.5	3.1	39.8	60.2

AF = African females; AM = African males; CF = coloured females; CM = coloured males; IF = Indian females; IM = Indian males; WF = white females; WM = white males; FF = foreign females; FM = foreign males

AACD is the custodian for the Group's high-potential graduate programme called 'Blast' – an acronym for 'building leaders and shaping talent'. (See case study on page 51). Over the last five years, HDSAs represented 67% of all the participants in the programme, and females represented 38%.

In 2014, AACD had 24 bursary students, of whom 92% were HDSAs and 54% women. As part of longer-term talent development activities, AACD participates in the 'Take a girl child to work' initiative. The company hosted 10 high-school girls during 2014, providing them with exposure to experience and opportunities in the mining industry.

CASE STUDY:

THULI GUMEDE – MY JOURNEY AT ANGLO AMERICAN

Over the last decade, Anglo American has played a major role in shaping who I am today. In 2004, I began my journey with the company, coming from an audit firm and with no corporate experience. It was a dream come true, to work for one of the biggest mining houses in South Africa.

I rapidly gained skills and experience, benefiting from in-person interaction with senior stakeholders and individual mentorship, gaining confidence in company secretarial services and in myself. I qualified with a CIS diploma and subsequently completed a post-graduate certificate with Unisa in risk management and corporate governance. I was nominated to partake in the Anglo American Top Achiever Programme and have continued to be recognised, encouraged and supported by many people at all levels. To further my qualifications, I am currently studying for an LLB degree through the company bursary scheme.

My career continues to progress with tremendous experiences and opportunities. I have relished the challenges and my accomplishments. In 2013, I was thrown in at the deep end, attending board meetings during the platinum strike, as well as Executive Committee sessions; both fascinating experiences. One of my career highlights was being involved in the preparations for Platinum's annual report.

In 2014, I was promoted to S&SD (now Sustainability) Committee secretary. I was also presented with an opportunity to assist in the Anglo American Zimele scheme. This was a rich and rewarding experience, working with diverse entrepreneurs in different fields of enterprise and using my knowledge, skills and experience to their benefit.

Anglo American and the people I work with continue to inspire me and bring out the best in me. I am on an amazing journey and, needless to say, I look forward to the opportunities and challenges that lie ahead.



INVESTING IN OUR SKILLS BASE

We aim to have the right people in the right roles to deliver effectively and efficiently on our strategic objectives.

OVERVIEW

Why it is important

Guided by our values – safety, care and respect, integrity, accountability, collaboration and innovation – our people apply their skills, knowledge and experience to ensure we operate successfully and responsibly. It is our people who develop and nurture strong relationships with communities, governments, suppliers, partners and mining peers to ensure that we deliver on our promises. In return, we reward our people and provide opportunities to help them develop and grow. Developing professional expertise and leadership capabilities is essential to achieving our ambitions.

Providing high-quality training is a key attraction and retention tool. The Mining Charter requires that mining companies invest a target percentage of annual HDSA payroll in essential skills development activities for HDSAs. The private sector can play a major role in supporting young talent and in developing technical professionals to meet demand.

Our approach

To attract and retain the best talent, we seek to offer a stimulating work environment, provide opportunities for personal development, pay people competitively, recognise and reward excellence, encourage diversity and protect employee rights. Our approach is underpinned by our human resources standards, management systems and processes.

Anglo American South Africa's investment in human resources development (HRD) at all our business units is aimed at developing potential and current employees, with a strong focus on women and HDSAs. Our approach includes employee training, specific career development interventions, performance management and development, coaching, mentoring, succession planning, and high-potential employee identification and fast-tracking. This is essential, both to develop employees for potential future roles and to achieve our HDSA targets. In evaluating whether our training investment is effective, measures of success include enhanced employee retention, promotions and permanent employment of graduates.

While informed by the regulatory framework, our training programmes are designed to meet business imperatives and employee needs. These programmes vary across the business units and include health and safety training,

learnerships, leadership programmes, mentorships, portable skills training, career progression plans for HDSAs, bursaries and study assistance, foundational learning, and our professionals-in-training (PIT) programme. We provide our contractors and some community members with access to basic literacy and numeracy classes. In addition, we provide training that is transferable to industries outside mining, thereby enhancing skills levels within communities near our operations.

In 2013, Anglo American initiated a process of restructuring the organisation with the aim of ensuring that we have the right people in the right roles to deliver effectively and efficiently on our strategic objectives. The roll-out of the new Operating Model is creating a leaner organisation, with greater clarity on roles and accountabilities, and improved lines of communication between levels of the organisation. We have aligned our HRD initiatives with the process.

What we have achieved

Anglo American South Africa has performed well against the requirements of the Mining Charter. Between 2011 and 2014, we spent more than R4.1 billion in HDSA training and development. In 2014, we expended R1.1 billion, equating to an aggregate 5% of annual HDSA payroll. Coal South Africa, Kumba and De Beers each exceeded the Mining Charter target of 5%. Our Platinum business was adversely affected by the five-month strike in the platinum belt and invested just less than 4%. Anglo American Corporate Division (AACD) and Anglo American EMEA Shared Services in South Africa (AAESS) – which both employ senior and highly qualified individuals with relatively high payroll and limited training requirements – consequently struggled to meet the target, expending just under 3% of payroll.

We have seen rewarding results from concerted efforts to attract, develop and retain talent, enabling us to deliver on our business objectives and achieve our employment equity targets. Many graduates have been appointed and are progressing within the business. Through structured talent management programmes, we have built a pipeline of top talent, professionals and future leaders. Our continued investment in skills development outside the business has supported hundreds of individuals each year to develop their skills and improve their job prospects.

INVESTING IN OUR SKILLS BASE CONTINUED

Anglo American South Africa total training expenditure on HDSAs

Year	2011	2012	2013	2014	Total
HRD expenditure* (Rm)	933	1,063	1,017	1,109	4,123
Training expenditure as a percentage of HDSA payroll	6.0	4.9	4.2	5.0	5.0

Anglo American South Africa HDSA training in 2014

	Coal South Africa	De Beers	Platinum	Kumba	AACD	AAESS	AASA
Bursars	139	16	250	60	24	0	489
ABET learners	180	15	973	68	0	0	1,200
Learnerships	272	38	432	714	0	0	1,456
Expenditure (Rm)	410	59	391	233	12	6	1,109
HDSA HRD expenditure as a percentage of HDSA payroll*	11.0	4.0	3.8	5.6	2.8	2.7	5.0

*Excluding skills development levy

COAL SOUTH AFRICA

Coal South Africa has always been passionate and driven in its training and development.

Over the past four years, Coal South Africa has invested a total of R1.1 billion in the training and development of HDSAs, of which R410 million was expended during 2014, representing 11% of annual HDSA payroll.

Coal South Africa has always been passionate and driven in its training and development – our employees are the business. We can build our mines and our operations, but if we do not have an engaged and committed workforce we will never achieve our true potential. Coal South Africa exceeded the Mining Charter expectancies because of this commitment to personal development.

Annual expenditure on HDSA human resources development has exceeded 5% of HDSA payroll (excluding the skills levy) since 2010.

Coal South Africa total training expenditure on HDSAs

Year	2011	2012	2013	2014	Total
HRD expenditure (Rm)	179	241	282	410	1,112
Training expenditure as a percentage of HDSA payroll	6	9	10	11	9

Adult basic education and training (ABET) and learnerships

In 2014, Coal South Africa provided access for 30 employees and 150 community members to attend ABET classes. The company funded 272 learners to participate in learnership programmes.

Bursaries and scholarships

Coal South Africa annually provides bursaries for selected students at both grade 12 and university levels, who come from underprivileged backgrounds in communities close to its operations. The scheme identifies and recruits students who show leadership potential and strong academic results. The bursaries cover academic and residential costs for students to pursue their chosen field

of study at a university of their choice. The students undertake vacation work to obtain experience within their chosen fields. There is no service obligation to the company once the bursars complete their studies. In 2014, the company supported 139 bursars (70% HDSAs and 45% female), including 30 new recruits. Ninety per cent of the bursars are studying towards a technical discipline.

In 2014, Coal South Africa initiated a community scholarship scheme to provide selected previously disadvantaged students with the opportunity to further their studies in various fields and disciplines at a tertiary institution. A total of 57 candidates (95% HDSAs and 43% females) were chosen by the respective operations.

Professionals in training

Anglo American's Professionals In Training (PIT) programmes are designed for each discipline (both technical and non-technical) and aim to develop graduate and diploma trainees through practical experience and tertiary education into highly competent professionals within their fields of study. The timeframe in which to complete these programmes varies across disciplines and is typically within two to three years. Some technical disciplines (engineering, mining and survey) require trainees to obtain a certification of competency before they can be appointed in the respective discipline. Coal South Africa places an emphasis on building a strong pipeline of female graduates to occupy technical and non-technical roles and progress to higher management positions. (See case study on page 30).

In 2014, Coal South Africa appointed 33 bursary students as PITs and, as at year end, had a total of 104 PITs, of whom 87.5% are developing in a technical discipline. The PIT complement comprises 77% HDSAs and 51% females.

Graduates appointed into roles

Coal South Africa strives to appoint PITs upon completion of their respective functional PIT programme; however, appointments depend on the availability of budgeted vacancies within operational structures. In 2014,

15 appointments were made (65% HDSAs and 60% females), with the majority (26%) of positions represented by the industrial engineering discipline.

Leadership development

In 2014, most of Coal South Africa's front-line leaders attended the Foundations of Leadership Programme (FLP), an introductory leadership development programme for new and existing leaders across the business. The company enrolled 29 of its middle- and first-line managers (66% HDSAs) in the Group's Programme for Management Excellence (PME) leadership initiative. In addition, Coal South Africa's Safety Leadership Programme provides mandatory safety leadership training for all leadership personnel, as part of efforts to achieve zero harm.

Safety training

Safety training is provided to all Coal South Africa's employees. During 2014, Coal South Africa employees attended Anglo American's Organisational Risk Management Process (ORMP) training, which equips employees with the knowledge and practical skills to perform job safety analysis risk assessments, and to evaluate such analyses performed by their direct reports where applicable.

Image

The new standard for storage of oil and fuel at collieries has been installed at Zibulo. It complies with environmental and safety standards. Pictured is miner Johannes Mothlao.



INVESTING IN OUR SKILLS BASE CONTINUED

Kumba has been offering bursaries and scholarships for mining-related and other qualifications for almost a decade.

KUMBA

Kumba has made significant progress against the requirements of the Mining Charter. Over the past four years, the company invested a total of R769 million in the training and development of HDSAs, of which R233 million was expended during 2014. Kumba's annual expenditure on HDSA human resources development has exceeded 5% of HDSA payroll (excluding the skills levy) since 2012. (See table below).

Kumba total training expenditure on HDSAs

Year	2011	2012	2013	2014	Total
HRD expenditure (Rm)	100	200	236	233	769
Training expenditure as a percentage of HDSA payroll	3.7	6.0	6.8	5.6	5.5

ABET and learnerships

Kumba has improved the functional literacy of its workforce from 86% in 2011 to 95% in 2014, through adult basic education and training (ABET) and other interventions. In 2014, 18 employees and 50 community members and contractors (95% HDSAs) attended ABET classes.

In 2014, Kumba expended R73.3 million on 714 learnerships in the following disciplines: 215 mechanical, 135 electrical, 39 civil and 325 mining and metallurgy. A total of 528 participants reached the required levels of proficiency in their areas. A total of 117 artisans were trained in 2014, of which 91 are now employed at Kumba.

Bursaries and scholarships

Kumba has been offering bursaries and scholarships for mining-related and other qualifications for almost a decade. Bursaries are offered in all major technical disciplines including mining, metallurgy, engineering, industrial and surveying. In 2014, Kumba expended R7.8 million on bursaries to 25 men and 35 women, enrolled at six tertiary institutions across the country. Students are monitored throughout the year. In 2014, four bursaries were cancelled owing to performance-related issues.

In 2014, Kumba awarded 20 scholarships to learners (85% HDSAs) from local community schools who excel in mathematics and science. The scheme aims to support the pipeline of talent feeding the bridging school and bursary programmes.

Bridging schools

In 2014, Kumba sponsored eight community learners to attend a bridging school at Edumap College in Johannesburg, in order to consolidate their

understanding of maths and science and, where applicable, to rewrite examinations prior to entering tertiary institutions. All of the students passed and received university exemption. This initiative is exclusive to HDSAs.

Community training and development

Kumba operates three community-training centres – at Kathu, Kolomela and Thabazimbi – which offer community members a variety of short courses, including welding, masonry, plumbing and carpentry. In 2014, 454 community members benefited (2011: 165). The HDSA complement is between 95% and 97% year on year.

Professionals in training

In 2014, Kumba supported the development of 56 graduate and diploma trainees through the PIT programme (2011: 47). The company has an in-house target of 70% HDSA participation. This target was surpassed, with 79% in November 2014. In 2014, 11 PITs were appointed to various permanent positions within the company.

Management development

Between 2011 and 2014, Kumba enrolled most of its leaders and managers in Anglo American leadership development programmes. These include: the Programme for Management Excellence (PME), Leaders in Anglo American (LiA), Advance Management Programme (AMP) and the programme for emerging talent, The Achiever Programme (TAP). A further leadership programme offered at Kumba is Leaders in the Connected Economy (LCE). Kumba also sponsored employees in post-graduate studies to complete their undergraduate and master's degrees in different disciplines.

Employee safety and personal development

Kumba strives to achieve and maintain zero harm by informing employees and providing appropriate training in the company's safety, health and environmental policies and strategies. Courses delivered to employees and contractors include: A1, A2 and A3 as well as Visible Felt Leadership (VFL), first aid, fire-fighting, and living safer by choice.

Functional training: Kumba trains more than 1,000 employees each year on trackless mobile machines and lifting equipment licences. This training includes

introductory, classroom and refresher training on an annual basis.

Organisational development (OD) training: Kumba has delivered OD training to most employees. The training topics covered include personal insight, team building, fast-tracking and diversity training, as well as women in mining.

Financial 'fitness' training: Kumba assists beneficiaries of its employee share scheme Envision with understanding and managing their financial circumstances.

CASE STUDY:

YOUTH DEVELOPMENT PROGRAMME

In 2013, Kumba initiated a youth development programme to assist unemployed graduates in John Taolo Gaetsewe District, Northern Cape, to become more employable. To provide the graduates with on-the-job training to address any knowledge gaps, and valuable work experience, Kumba offers internships in appropriate departments at Sishen mine or with partners, including Sishen Intermediate Mine School and the Ulysses Gogi Modise wellness clinic. In May 2013, 40 graduates (97% HDSAs) began 18-month internships, which were very successful. Seventeen interns secured full-time employment during the course of their internship, one of whom has since started his own enterprise.

Image

One of the social projects supported by Komela mine is the SANCA operation in Postmasburg. Matshediso Makwene is a social worker at the SANCA centre.



INVESTING IN OUR SKILLS BASE CONTINUED

In 2014, more than 44,000 employees attended various training interventions across the company.

PLATINUM

Platinum expended just over R2 billion on the training and development of HDSAs over the past four years. In 2014, many of the company's HRD interventions were necessarily put on hold during the five-month strike in the first half of the year until production stability resumed and people returned to work. Platinum spent R391 million on HDSA training in 2014, representing 3.8% of annual HDSA payroll. The average total number of hours of training per employee remained high at 88 hours (11 days), mainly owing to concerted efforts, following the conclusion of the strike, to re-integrate and retrain employees in order to resume production at the strike-affected mines in a safe and sustainable manner.

Platinum total training expenditure on HDSAs

Year	2011	2012	2013	2014	Total
HRD expenditure (Rm)	598	578	448	391	2,014
Training expenditure as a percentage of HDSA payroll	6.6	5.7	4.0	3.8	5.0

ABET and trade-related courses

Platinum has a number of ABET training centres near its mining operations to facilitate ease of access to ABET training for mine-based employees. The ABET training courses range from pre-level 1 to the Foundational Learning Certificate. In 2014, access to ABET was provided to 700 employees, 39 contractors and 198 community members (2010: 1,702 employees, 303 contractor employees and 601 community members). A total of 78 learners completed an ABET level for this fiscal year. All learners were HDSAs and 31% were women. Literacy levels within Platinum's workforce have improved from 49% in 2010, to 65% in 2014.

Engineering training

Platinum's main training centre for engineering training is its ESTC (Engineering Skills Training Centre) based in Randfontein. In 2014, the centre addressed new operational requirements by introducing additional sophisticated machinery. In 2014, a total of 432 learners participated in various engineering training schemes (2010: 332), of whom 86% were HDSAs and 29% women. During the year 244 (2010: 279) engineering trade learners qualified: 164 Platinum employees (82% HDSAs and 21% women), 15 members of communities, and 65 external clients.

A total of 2,100 learners participated in six specialised trades-related short courses during 2014 (2010: 2,174).

Bursaries and graduates

Platinum's Young Professionals programme is designed to support the company's pipeline of professionals and future leaders and to meet its employment equity targets. The scheme provides bursaries and graduate in-house training programmes in specific fields (mechanical engineering, electrical engineering, mining engineering, rock

engineering, geology, chemistry, metallurgy, mine surveying, ventilation and finance). An emphasis is placed on enrolling HDSA candidates. Regular communication is maintained between the bursar function, the bursars, tertiary institution staff and line management at Platinum.

Over the last five years, the scheme has provided 1,837 bursaries. In 2014, bursaries were provided to 250 people (2010: 408), of whom 80% were HDSAs (2010: 82%) and 35% women (2010: 30%). The number of bursars supported is aligned with company human resource requirements.

Each year, more than 93% of the bursars pass all their subjects and the respective graduate programmes have ensured the appointment of most graduates into substantive roles within the company. Many of these graduates have subsequently been promoted into more senior management positions. In 2014, 201 graduates completed the programme, of which 51 (25.3%) were appointed within Platinum operations. The number of appointments depends on the availability of budgeted vacancies.

Diverse internal and external training initiatives

In 2014, more than 44,000 employees (2010: 41,828) attended various training interventions across the company, which include short courses, education assistance, mining and processing skills programmes. The learners were 99% HDSAs and 12% were women. Training requirements are continually monitored to ensure that employees have the required knowledge and skills competency to perform their roles. Additional non-technical development interventions range from individual behavioural development interventions to senior executive leadership development interventions. These are either presented in-house or employees attend external programmes through Anglo American or external service providers.

CASE STUDY:**MANAGING THE IMPACT OF THE PLATINUM STRIKE ON EMPLOYEES**

The five-month strike across the platinum belt in Rustenburg in South Africa by the majority trade union AMCU (the Association of Mineworkers and Construction Union), was concluded with a three-year settlement agreement signed on 24 June 2014. The strike, in which about 35,000 employees of Platinum business participated, had a material social impact on employees, their dependants and communities, and reflected the need for us to improve relations with our employees and their representative bodies.

During the strike, Platinum maintained direct communication with striking employees through various channels. The company also made concerted efforts to manage challenges associated with the health and well-being of employees and their families. (See case study on page 21).

Following the conclusion of the strike, Platinum's focus was on re-integrating employees and resuming production at strike-affected mines in a safe and sustainable manner. Mine general managers personally

welcomed employees back and delivered conciliatory and 'safe start-up' messages. All employees received medical assessments before resuming their duties. Effective reintegration of employees and production planning enabled the company to achieve better than planned ramp-up within two months.

A number of longer-term interventions are being implemented aimed at developing a more democratic and transparent industrial relations climate, based on a culture of trust and respect. Platinum's approach focuses on building relationships with union leadership and jointly driving visible felt leadership (VFL) programmes, implementing a proactive programme to improve relationships with employees directly, and rolling out a values and culture-change programme.

The origins of the strike were materially influenced by socio-economic challenges, including the living and social conditions of many employees. Platinum continues to work with the unions and government to improve living conditions through providing additional housing and building capacity in the municipalities concerned. Platinum has also launched an initiative to mitigate high levels of employee indebtedness. (See case study on page 57).

De Beers expended a total of R296 million on human resources development over the past four years.

DE BEERS

Across its various South African business entities, which include mining, diamond sorting and selling, and technical services, De Beers expended a total of R296 million on human resources development (HRD) over the past four years, representing a consistent annual spend of 4% of payroll. During this period, De Beers Consolidated Mines (DBCM), which represents the mining activities in South Africa, spent a total of R156 million on HRD, representing 5% of payroll. The proportion expended on HDSAs was R141 million, equating to 5% of HDSA payroll. DBCM's investment in HDSA HRD increased from R21 million (7% of HDSA payroll) in 2011 to R59 million (4% of HDSA payroll) in 2014. (See table below).

DBCM total training expenditure on HDSAs

Year	2011	2012	2013	2014	Total
HRD expenditure (Rm)	21	25	36	59	141
Training expenditure as a percentage of HDSA payroll	7	6	4	4	5

INVESTING IN OUR SKILLS BASE CONTINUED

ABET and foundational learning

De Beers requires Grade 12 level of education as a minimum entry requirement for employment, which has limited the need for ABET. Since 2010, 61 employees have participated in ABET at various levels. In 2014, 15 employees attended ABET classes, across DBCM operations. Over the last two years, De Beers has shifted its focus from ABET to the Foundational Learning Certificate (FLC) programme. The FLC programme promotes the development of mathematical literacy and communication skills, providing platform skills for employees and members of the community to access employment and promotion opportunities. In 2014, De Beers expended nearly R600,000 on FLCs for 58 learners who all started and completed the programme.

The progression in the educational levels of DBCM's workforce is reflected in the table below.

De Beers' mining operations: workforce levels of education (as at end of 2014)

	Below NQF level 1	Level 1	Level 2	Level 3	Level 4	Above level 4
2010	15.6 %	5.2 %	10.4 %	7.1 %	40.6 %	21.2 %
2014	6.6%	0.8 %	4.3 %	3.6 %	45.8 %	38.9 %

Learnerships

In 2014, DBCM supported 38 learners with engineering learnerships to the value of R7 million. Over the last five years, 215 individuals have benefited from engineering learnerships within De Beers, of whom 95% were HDSAs.

De Beers invests in supervisory learnerships as a key area for achieving its transformation objectives at junior management levels. Over the last five years, 204 individuals benefited from supervisory learnerships; most of the learners were drawn from the workplace and developed through a combination of in-service and classroom training. In 2014, De Beers expended R11 million on supervisory and management learnerships.

Bursaries and financial study assistance scheme

The De Beers bursary scheme provides financial support to selected young graduates from labour-sending areas and communities near its mining operations, to study at tertiary institutions. The scheme targets the areas of mechanical and electrical engineering, metallurgy and mining. In 2014, De Beers provided 16 bursaries. In 2014, 75% of all bursars were HDSAs and 63% females.

De Beers bursars

Discipline	2010	2011	2012	2013	2014
Bursars					
Engineering	3	2	1	4	7
Metallurgy	5	1	1	4	4
Mining	4	2	2	5	5
Geology	1	1	0	0	0
Total	13	6	4	13	16

In 2014, 53 students from local communities benefited from De Beers' financial study assistance programme, which supports beneficiaries with up to R10,000 per annum. The scheme is linked with the government's National Student Financial Assistance Scheme (NSFAS).

Graduate training

DBCM's graduate trainees (interns) are exposed to a structured two-to three-year development programme towards a professionally qualified occupational level. DBCM places an emphasis on investing in technical professions and women in mining. The number of graduate trainees per discipline and the proportion of HDSAs, over the last five years, is provided in the table below.

	2010		2011		2012		2013		2014	
	Number of graduates	% HDSA	Number of graduates	% HDSA	Number of graduates	% HDSA	Number of graduates	% HDSA	Number of graduates	% HDSA
Engineering	16	68	14	64	9	78	11	82	7	86
Mining	12	92	5	100	3	100	5	100	8	100
Metallurgy	11	91	12	92	9	89	12	92	14	93
Geology	4	100	3	100	1	100	1	100	1	100
Human resources	0	0	1	100	1	100	1	100	0	0

Employee development initiatives

In-service training: During 2014, employees across De Beers entities participated in more than 3,600 short courses (including seminars, on-the-job training and job assignments), 3,150 (86%) of which were attended by HDSA employees.

MQA accredited programmes: In 2014, 354 employees (97% HDSAs) predominantly from DBCM participated in various Mining Qualifications Authority (MQA) accredited skills programmes.

Employee study assistance scheme: This scheme provides 100% financial support towards the attainment of a recognised qualification with an accredited tertiary institution. Over the last five years, a total of 550 employees participated in this scheme, of whom 465 (85%) were HDSAs.

Personal growth accelerator programme: During 2014, 15 employees identified as 'emerging talent' completed this programme, which covers emotional intelligence, stress management, and modules relating to finance and strategy development.

Professional management development programme: Launched by DBCM in 2012, this programme aims to develop employees in management positions or with management potential for future leadership roles. Participants who complete the programme receive a BSc Honours degree in industrial technology and management. In 2014, 13 candidates successfully completed the programme.

CASE STUDY:

TECHNICAL TRAINING CENTRE IN KIMBERLEY BUILDS CAPACITY THROUGH PARTNERSHIPS

In 2014, De Beers' technical training centre in Kimberley increased the number of training days completed by trainees by 16% to almost 37,000; 20% were DBCM learners and 80% external learners. The increase in capacity is attributed to the quality of training provided, an improvement in training infrastructure and the establishment of additional training partnerships,

particularly with government departments. New agreements include providing institutional training to 82 learners in the Department of Public Works. In addition, the centre is providing technical support, sharing of practical experiences and access to its facilities for 25 learners and University of the Free State (UFS) academic staff on three occasions each year. The objective of this partnership is to provide qualified artisans with the opportunity to obtain a UFS-recognised degree in management and leadership.

INVESTING IN OUR SKILLS BASE CONTINUED

During 2014, AAESS rolled out a 'personal mastery programme' aimed at encouraging its employees to embrace their unique diversity.

ANGLO AMERICAN EMEA SHARED SERVICES IN SOUTH AFRICA

AAESS expended a total of R26.1 million on training and developing HDSAs over the period 2011 to 2014. During 2014, total training expenditure on HDSAs amounted to R5.5 million, representing 2.7% of HDSA payroll (2011: R6.3 million). The decrease in expenditure relative to previous years is mainly attributed to the downsizing of the training support team as part of the organisational redesign process.

AAESS total training expenditure on HDSAs

Year	2011	2012	2013	2014	Total/ average
HRD expenditure (Rm)	6.3	6.7	7.6	5.5	26.1
Training expenditure as a percentage of HDSA payroll	5.1	4.8	4.4	2.7	4.3

Leadership development

AAESS supported Anglo American's leadership development programmes in 2014. Four employees attended 'the achiever programme' (TAP), two employees completed the PME, and one employee completed the LiA programme. The participants were 83% HDSAs.

The AAESS quarterly leadership forum, introduced in 2012, aims to assist people managers in developing their people management skills, to promote continuous employee engagement, high performance and quality service delivery. In 2014, one forum was held, with the theme 'new habits for a radically changing world'. The forum was attended by 81 people managers, of whom 63 (78%) were HDSAs and 52 (64%) were female.

During 2014, AAESS rolled out a 'personal mastery programme' aimed at encouraging its employees to embrace their unique diversity, develop a better understanding of themselves and improve their interaction with their teams and colleagues. There were 177 participants in this programme in 2014.

Practical management training

In 2014, AAESS introduced a fourth iteration of the practical management training (PMT) programme, attended by 42 people managers (and potential people managers), including 38 HDSAs employees and 31 women. PMT aims to provide managers and supervisors with the basic skills required to manage and lead their teams more effectively.

Study assistance

AAESS provided financial study assistance to 26 employees in 2014, of whom 22 were HDSAs and 15 were females. The academic qualifications pursued by these employees include business management, finance, human resources and project management, all of which are skills required to deliver service in a shared services environment.

ANGLO AMERICAN'S CORPORATE DIVISION

AACD predominantly employs senior managers who are typically well qualified and have limited skills-development requirements. Annual training expenditure has been commensurate with the economic trends experienced by the company. Over the past four years, AACD expended R60.7 million on HRD for HDSAs. In 2014, a total of R11.7 million was spent (2011: R29 million), representing 2.8% of annual HDSA payroll.

AACD total training expenditure on HDSAs

Year	2011	2012	2013	2014	Total/ average
HRD expenditure (Rm)	29.0	11.9	8.1	11.7	60.7
Training expenditure as a percentage of HDSA payroll	7.8	2.1	2.0	2.8	3.7

In 2014, AACD had 24 bursary students (92% HDSAs and 54% women) at all major universities in faculties that are identified as scarce and critical skills for the business.

AACD is the custodian for the Group's high-potential graduate programme called 'Blast'. (See case study below).

AACD delivers front-line and middle management development programmes. The company also supports the Group business units by providing opportunities for trainee chartered accountants to gain experience in functions such as ABAS (business risk assurance) and Group Tax to gain requisite experience for the qualifications.

CASE STUDY:

BUILDING LEADERS AND SHAPING TALENT

Over the past decade, we have been building a robust pipeline of top talent in South Africa through a highly successful graduate recruitment programme called 'Blast' – building leaders and shaping talent. The programme was launched in response to a mandate by the Board in 2004 to develop a pipeline of young people with potential in South Africa for succession planning.

'Blast' is a five-year programme designed to offer a compelling value proposition to attract high-potential graduates in mining and technical fields and develop them as future leaders. Key attractions identified included opportunities for international exposure and working for a company with a strong ethos around sustainability, and in particular supporting host communities.

'Blast' recruits are exceptional performers, fresh from university, who demonstrate Anglo American's values and have high emotional intelligence. The annual

selection process involves a rigorous assessment that includes psychometric tests and interviews. The recruitment process is entirely based on merit.

The first role for each recruit is typically in the discipline they studied, enabling them to adjust to the world of work. From there, the participants choose a path of diverse experiences to broaden their skills and knowledge, rotating positions within the Group every 18 months, including one international assignment.

Over the past five years, the demographic profile of the recruits comprised 67% HDSAs and 38% females. The retention rate during this period was a healthy 91%.

The programme aims to keep participants challenged and stimulated. The positive impact of the programme is widely felt, with participants setting a leading example among their peers. Participants further build their leadership capabilities through a suite of programmes such as the Programme for Management Excellence and The Achiever Programme in order to reach their full potential.

Image

BLAST (Building Leaders and Shaping Talent). From left: Martin Blore, Sarah Phelps, Mmanake Msiza, Nombulelo Zikalala, Thizwilondi Nkhumeleni, Kwaku Acheampong and Tshogofatso Kole.



INVESTING IN OUR SKILLS BASE CONTINUED

Group management programmes

AACD, in partnership with the Gordon Institute of Business Science (GIBS), delivers two of the Group management programmes: the Programme for Management Excellence (PME) and The Achiever Programme (TAP). The participants in these programmes are middle management and first-line management, ensuring that all managers are equipped to meet organisational goals. The programmes are customised to align with Anglo American strategy, principles and processes.

PME attendance

In 2014, 143 middle- and first-line managers took part in the PME programme; 117 were South Africans (76% HDSAs), while women represented 28% of participants.

Business Unit	Black / Indian / coloured		White		Foreign national
	Male	Female	Male	Female	Male
Platinum	19	8	12	1	
Anglo Operations Limited	5	3	2	2	
Coal South Africa	16	3	5	5	
De Beers	11	1	7	3	2
GSS EMEA				1	
Kumba	5	3	2	3	
Total	56	18	28	15	2

Institutional support – Minerals Education Trust Fund

The Minerals Education Trust Fund (METF) was founded in 2000 to address a depletion of academic staff in South Africa, state funding as well as a decrease in industry support for mining and minerals education and local staff development. The fund is independently managed and aims to promote sustainable mining and minerals tertiary education in South Africa.

In 2014, Anglo American South Africa businesses contributed a total of R16.2 million towards the fund (2011: R11.4 million), which accounted for 40% of the total of R40.5 million contributed by 38 mining companies to nine universities. The funding is mainly invested in subventions for academic staff in mining engineering, metallurgical (extractive), chemical (minerals processing) engineering and geology. The number of academics supported has grown over the years from 1,066 in 2011 to 1,275 in 2014.

Anglo American's contribution to METF: 2011 - 2014

Year	Academic staff supported			Total number of academic staff supported	Total contributions (Rm)
	Metallurgy/ Chemical Engineering	Mining	Geology		
2011	430	396	240	1,066	11.4
2012	450	490	323	1,263	14.2
2013	383	450	306	1,139	13.8
2014	439	495	341	1,275	16.2
Average/total	426	458	303	1,186	55.6

IMPROVING HOUSING AND LIVING CONDITIONS

Promoting employee home ownership has a positive influence on employees and their families.

OVERVIEW

Why it is important

An environment that fosters respect for human dignity, privacy and family life, is essential to achieving real transformation in South Africa. Decent living conditions are part of the foundation for long-term, stable and empowered communities that will prosper long after our mines have closed. We want our employees to enjoy quality housing and living conditions and believe that offering attractive housing initiatives is key to attracting and retaining vital skills. Promoting employee home ownership has a positive influence on employees and their families. It also supports the community and the relevant municipality, which benefits from improved infrastructure. Employees who acquire an asset or rent accommodation are able to lessen their dependency on the company.

Our approach

We invest in improving the housing and living conditions of employees and seek to make it possible for eligible employees to buy their own homes in suitable areas near our mining operations. A range of housing options is needed to cater for the diverse circumstances and preferences of our employees. For instance, we create opportunities for our employees to rent or buy company-owned housing stock and newly built homes. Our vision is that all of our employees

who would like family accommodation are able to exercise that option in the communities where we mine. Our housing-related efforts are in line with the Mining Charter, which required that, by 2014, mining companies must have converted or upgraded hostels into family units/single occupancy per room, and facilitated home-ownership options for all mine employees.

What we have achieved

Over the past five years, Anglo American South Africa's business units have spent more than R5 billion on improving the housing and living conditions of their employees. All traditional mining hostels have been converted to single-room bachelor flats and family units and all operations have achieved the required one person per room occupancy in the converted hostels and mobile units. Between 2010 and 2014, we built 4,190 houses. In 2014, we invested R1.2 billion in housing (including houses and services) and built 993 houses. The business units actively promote and facilitate home-ownership options and offer competitive housing allowances, and in some cases loan subsidies, for eligible employees. We are implementing programmes aimed at combating the ongoing challenge of employee indebtedness, to enable employees to secure home loans for building their own residential properties closer to the mines.

Anglo American South Africa*	2010	2011	2012	2013	2014	Total
Number of houses built	130	604	1,662	801	993	4,190
Total expenditure (including houses and services) (Rm)	376	933	1,390	1,115	1,221	5,035
Number of employees in company accommodation**	10,473	10,812	10,651	12,255	11,245	

* Excluding De Beers

** Includes single accommodation villages (SAVs), converted hostels, mobile units, flatlets and company-owned houses

Image
Platinum's Northam
Extension 6 Housing
Project.



IMPROVING HOUSING AND LIVING CONDITIONS CONTINUED

Coal South Africa completed all hostel upgrades prior to 2010.

COAL SOUTH AFRICA

Over the past five years, Coal South Africa has invested more than R2 billion in housing, including services and allowances. In 2014, the business invested R577 million and built 128 houses. As at the end of 2014, a total of 551 houses had been built, of which 414 were built between 2010 and 2014. As at the end of December 2014, 249 units had been sold to employees as part of the Spring Valley housing project (see case study below), and in the Kwa Mthunzi Vilakazi housing project (phase 2), 101 building packages had been completed and 56 serviced stands sold. Of the total 566 company-owned houses offered for sale to employees, 86 transactions were approved in 2014. In addition, at our Eskom mines, 660 Eskom-owned houses have been made available for sale to Coal South Africa's employees. An ongoing concern and challenge is the high rate of home-loan

requests that are rejected by banks, with between 50% and 60% of bond applications being declined.

Coal South Africa completed all hostel upgrades prior to 2010. There is additional capacity to house families in the mine villages owing to an increasing number of employees relocating to urban areas around the mines. All employees living in company-provided accommodation are either accommodated in flatlets or in the mine villages and there are no employees sharing single rooms. A total of 1,910 employees (22% of the workforce) were residing in company-provided accommodation at end of 2014, representing an 8.7% reduction from the previous year and a 37.5% reduction since 2010. The remaining 78% of employees have their own accommodation and are offered a competitive monthly housing allowance of between R6,172 and R8,786. The monthly rental charge for skilled employees in company-provided accommodation is R2,600.

Coal South Africa	2010	2011	2012	2013	2014	Total (2010-2014)
Number of houses built	66	42	63	115	128	414
Total expenditure (including houses and services) (Rm)	325	320	386	483	577	2,090
Number of employees in company accommodation	3,057	2,792	2,441	2,093	1,910	
Reduction in occupancy rate (one person per room) (%)	100					

CASE STUDY:

SPRING VALLEY HOUSING PROJECT

Coal South Africa is a partner in the Spring Valley housing development project in Duvha Park, eMalahleni, which has set a benchmark in the provision of employer-assisted affordable housing. The scheme aims to enable the majority of Coal South Africa's workforce to live in sustainable settlements located in urban centres close to the company's mining operations. The development started in 2011 and is due to be completed by 2016, providing approximately 3,200 residential units to the community. The majority of houses for sale are for the entry-level market, ranging in price from R304,000 to R600,000. The innovative funding model involves Coal South Africa investing in a portion of the bulk services for the whole development and, in return, a

maximum of 272 houses (as building packages) are available at a significant discount to Coal South Africa's employees who secure a home loan through banks. The housing project also provides for schools, churches, crèches and retail developments.



The number of employees residing in company-provided accommodation continues to increase.

KUMBA

Kumba has spent R2.7 billion on housing (including services and housing allowances) over the past five years, with more than R600 million invested in 2014. The company has built more than 4,200 houses since 2007, of which 3,142 were built between 2010 and 2014. The number of employees residing in company-provided accommodation continues to increase, from less than 2,000 in 2010 to 3,435 as at the end of 2014, largely owing to the 1,501 housing units that were completed in 2012.

In 2013, Kumba's Kolomela mine completed the building of 718 company-owned houses in three different areas in Postmasburg: 367 houses in Pensfontein, 119 houses in Boichoko and 232 houses in Airfield. Employees and their families occupy all the houses. The mine plans to build an additional 510 houses by 2019, which will be facilitated stock and sold to employees. An emphasis will always be placed on the promotion of home ownership while

continuing to provide support to employees in the form of a housing allowance and subsidy. As at end of 2014, there were 220 employees on a housing subsidy scheme. The housing allowance for employees ranges from R1,900 to R3,332 per month. A home-loan subsidy for first-time home owners is based on a sliding scale (formula based) and paid for a maximum period of five years. A rent to buy option is in the process of being developed.

Since 2012, all 18 hostel blocks at Sishen mine have been converted into single unit accommodation and there are no employees sharing single rooms. At Thabazimbi, the de-densification of the Mmehane hostel was undertaken in the early 1990s.

Those employees who could not be re-accommodated in Sishen mine's converted hostel blocks are accommodated in 140 two-bedroom detached family units. The remaining employees are being allocated to 476 two-bedroom free-standing family houses, which were completed in 2014.

Kumba	2010	2011	2012	2013	2014	Total (2010-2014)
Number of houses built*	39	452	1,501	413	737	3,142
Total expenditure (including houses and services) (Rm)	51	594	918	552	605	2,720
Number of employees in company accommodation	1,216	1,820	1,970	3,962	3,435	
Reduction in occupancy rate (one person per room) (%)			100			

*Excludes hostel conversions

Image 01/02

A total of 476 family housing units at Sishen mine were completed in 2014.

01



02



IMPROVING HOUSING AND LIVING CONDITIONS CONTINUED

Over the past five years, Platinum has spent R225 million on the promotion and provision of affordable housing.

PLATINUM

Our Platinum business aims to afford all its employees the means to stay in adequate, sustainable accommodation by the year 2025. To achieve this, an emphasis is placed on promoting home ownership and building sufficient and affordable rental units for employees. Promoting a transition from the popular living-out allowance option to a rental allowance aims to encourage a natural attrition from informal settlements. A financial literacy and debt rehabilitation programme is being implemented across the operations to address high levels of employee indebtedness and the imposition of 'garnishee orders' (see case study on page 57), which are a major barrier to home ownership.

A substantial challenge relates to the more than 27,000 employees who receive a living-out allowance, many of whom live in informal settlements or backyard accommodation in the villages around the mines. The living-out allowance is R1,840 per month, yet most employees spend a fraction of this on accommodation, with the balance used for other expenses.

Over the past five years, Platinum has spent R225 million on the promotion and provision of affordable housing. The company invested extensively in eliminating single-room sharing in the single accommodation villages (SAVs), achieving 100% single occupancy in 2014, up from 50% in 2011. The number of employees staying in company-provided accommodation decreased from approximately 6,200 in 2010 to about 5,900 in 2014. This has been promoted primarily through home ownership options and projects, and housing allowances.

While Platinum's housing expenditure exceeded R80 million in 2012 and 2013, expenditure in 2014 was significantly curtailed to only R39 million, owing to the five-month strike across the platinum belt and associated

challenges. The instability caused by the strike had an impact across all the housing projects. Inter-union rivalry further impacted the programmes as some employees stayed away for safety reasons, and major commercial banks became more reluctant to advance home loans to employees after the protracted strike.

Platinum's housing projects are undertaken in partnership with the three tiers of government. The company had planned to build 1,300 houses to date; however, only 634 houses were built between 2010 and 2014, as part of home ownership projects located in Rustenburg, Northam and Thabazimbi. The main reasons for the slow building rate are the high rate of indebtedness of mineworkers and lack of access to home loans from commercial banks.

As at the end of 2014, 8,734 employees were receiving a home ownership allowance ranging from R2,945 to R5,500. Platinum also helps employees to apply for government housing subsidies as part of the Finance Linked Individual Subsidy Programme (FLISP). The grant is made available to South Africans whose joint salary is under R15,000 a month, when buying a house for the first time, and serves as a down payment or deposit to the mortgage loan. The FLISP can help reduce employee debt to the bank by almost 20%, enabling the employees to afford the loan, especially lower-income employees. To date, 235 employees in the Seraleng and Northam housing developments have been granted FLISP housing subsidies to the value of R8.6 million by the North West and Limpopo provincial governments.

Over and above the funds spent on facilitation of home ownership for employees, Platinum invested more than R70 million in 2014 in both Rustenburg and Northam towns in the building of roads and erection and expansion of sanitation plants, which had delayed the successful implementation of the housing developments.

Anglo American Platinum	2010	2011	2012	2013	2014	Total (2010-2014)
Number of houses built	25	110	98	273	128	634
Total expenditure (including houses and services) (Rm)	–	19	86	81	39	225
Number of employees in company accommodation	6,200	6,200	6,240	6,200	5,900	
Reduction in occupancy rate (one person per room) (%)	–	50	70	85	100	

CASE STUDY:

MITIGATING EMPLOYEE INDEBTEDNESS

Indebtedness is a serious and complex social challenge in South Africa. Many of our employees, especially at our Platinum business, are struggling with a level of personal debt that is difficult to manage. High levels of debt are often rooted in challenging social conditions, a lack of basic financial and legal literacy and in reckless unsecured lending by some credit providers. The situation is made worse by the imposition of 'garnishee orders', by which employers are obliged to deduct debt repayments directly from salaries.

Indebtedness has a deep impact on employees and their families. Research shows it to be an underlying cause of low morale, stress and labour unrest in the mining industry. The five-month-long strike in the platinum sector in the first half of 2014 had a material socio-economic impact on Platinum's mineworkers, resulting in many increasing their dependence on credit still further.

Platinum is working with labour union representatives to find solutions to employees' financial struggles. The aim is to ensure that employees' debts are settled and to foster a responsible culture of financial management. Since 2012, Platinum has engaged Summit Financial Partners to audit and determine the validity of garnishee orders. Building on this initiative, Platinum and Summit have created an employee financial wellness programme, Nkululeko, to help employees to understand and manage their debt. Launched in October 2014, the free service has been rolled out at all of Platinum's operations. By granting Summit power of attorney, employees can rely on its consultants to check garnishee orders for legality, negotiate with creditors, reduce monthly repayments and tax penalties and provide training in managing personal finances.

Platinum also uses its employee wellness programmes to assist in identifying debt-related stress. Mineworkers are often vulnerable to irresponsible lenders who act

outside of the law and exploit borrowers. Debts from unregistered or illegal credit providers are difficult to manage as the practice is difficult to track and there are no legal or formal processes to arrange debt repayment. We are working in partnership with local authorities to curtail abuse of employees by credit providers and debt collectors and to abolish irresponsible micro-lenders. These activities extend across all of Platinum's operations, including its smelters, concentrators and refineries.

Platinum continues to work with government and other stakeholders, such as the Chamber of Mines, to address broader employee debt issues. This includes seeking solutions through influencing the regulatory environment and taking legal action to protect and enforce the legal rights of employees.


PLATINUM

NKULULEKO FINANCIAL WELLNESS PROGRAMME



As Anglo American Platinum management, we are committed to helping employees manage their debt and enjoy better quality of life.

The Nkululeko Programme, our initiative offered in partnership with Summit Financial Partners, is a free service to employees which aims to:

- Ensure debts are paid off in a legal way;
- Reduce monthly debt repayments by half;
- Reduce garnishee payments (through the combined efforts of the company, Summit and the employee, and based on individual merit); and
- Provide financial management training.





STRUGGLING WITH DEBT?
Take the first step toward financial wellness now:

- Speak to one of the Summit consultants at your shaft;
- SMS or send a "please call me" to the Summit office at your shaft; or
- Speak to your supervisor or union representative.



NKULULEKO Your journey to financial freedom

IMPROVING HOUSING AND LIVING CONDITIONS CONTINUED

CASE STUDY:

BOKAMOSO COMMUNITY HOUSING PROJECT

Anglo American Platinum, working in collaboration with the Rustenburg Local Municipality (RLM) and the North West Provincial Department of Human Settlement, intends to deliver approximately 4,000 'Breaking New Ground' type houses in Bokamoso township, as part of a settlement and resettlement programme within the greater Rustenburg area. The development is planned on 200 hectares of land donated by Platinum to RLM in terms of a memorandum of agreement (MoA). The property lies on the farm Waterval to the south-east of Rustenburg. In 2014, a village of 16 showhouses was constructed, using various techniques, including alternative building systems, to demonstrate the proposed housing typologies and urban design.

Image 01

Construction of houses at Bokamoso.

Image 02

Bokamoso show houses.

01



02



Image

Anglo American Platinum received the Govan Mbeki Human Settlements Award in 2014. From left: MEC Makoma Makhurupetje, Platinum's Jake Letsapa, Mayor Pauline Makgatho, Platinum's Ngaka Tsagae and Mayor Ivy Phaahla.

CASE STUDY:

PLATINUM RECOGNITION AND AWARDS

In 2014, both the Seralleng and Northam employee housing projects were awarded the South African government's Govan Mbeki Human Settlements Award, which showcases excellence, best practice and healthy competition amongst industry practitioners. For a second consecutive year, the Seralleng housing project won the best FLISP project in the Govan Mbeki Human Settlement Award in North West province. The Northam Ext 6 housing project has received the Limpopo Provincial Minister's Merit Award for the best FLISP project in the province for the past three consecutive years.



In 2015, De Beers will be launching the De Beers Consolidated Mines Facilitated Home Ownership Programme.

DE BEERS

De Beers has the lowest housing expenditure of the business units as it has only 400 employees in mine accommodation, all based at the Venetia mine. The company does not provide accommodation to semi-skilled employees, as employees are recruited from local communities around the mines.

In line with industry initiatives and the requirements of the MPRDA, in 2015 the company will be launching the De Beers Consolidated Mines (DBCM) Facilitated Home Ownership Programme, which will be managed by an external service provider. The scheme will provide qualifying and participating employees (who earn less than R25,000 per month) with equity in the homes they own by way of a capital grant of up to R100,000, rather than providing allowances which do not deliver ownership benefits. The project aims to run over four years from 2015, with a budget of R100 million, impacting approximately 1,000 employees.

De Beers has traditionally paid water and electricity allowances to employees in the bargaining unit at its Venetia and Kimberley mines operations. These allowances currently average between R800 and R1,000 per month (R12.9 million per annum), payable to about 1,200 employees at semi-skilled levels. All other employees are on a total remuneration package.

The 2014, 2015 and 2016 substantive agreement signed with the NUM saw the introduction of a home-owners' subsidy of up to R1,000 per month for employees in the bargaining unit who already own their homes and who will not be participating in the facilitated home-ownership programme, subject to proof of and verification of ownership and the payment of the bond via a payroll deduction. When all the applications have been processed during 2015, it is expected that the subsidy will apply to approximately a further 500 employees at an annual cost of R6 million.



Image

Helping qualifying De Beers employees to own a home close to where they work.

Image

Coal SA's phase 2 housing project provides economic housing to employees. The houses are built with bricks made from a percentage of gypsum, produced as a waste product at the eMalahleni water treatment plant.





FOCUS:

OUR COMMUNITIES



DEVELOPING MINE COMMUNITIES

To support local markets, we promote local procurement, enterprise development and workforce development.

OVERVIEW

Why it is important

The sustainable development of mine communities in South Africa is recognised as a commercial and social imperative. Most of our operations are in rural areas characterised by low levels of formal economic activity and inadequate provision of infrastructure and services. As a major mining company, this raises particular expectations. Our mines represent a centre of socio-economic activity and an important source of welfare, especially job creation. Recent unrest in mining communities underlines the importance of responding effectively to community complaints and expectations, to maintain good relations. The sustainability of our mining activities depends on our ability to manage social impacts, minimise and mitigate any adverse impacts our activities might have on the communities, and contribute to the well-being and resilience of our host communities, enabling them to prosper after mine closure. Achieving these objectives hinges on regular engagement with our stakeholders, fostering relations and effective partnerships.

Our approach

Our approach recognises the importance of sharing the economic benefits generated through our core business activities. Our objective is to maximise socio-economic benefits in neighbouring communities and labour-sending areas through programmes that connect with each other and with our core business activities. To support local markets, for example, we promote local procurement, enterprise development and workforce development. These programmes create a strong platform for job creation within and outside the mining value chains. To support the delivery of good public services, we concentrate on working with local government to strengthen their capacity, maximise the socio-economic benefits from our own infrastructure and deliver social investment that supports those most in need.

Many of these programmes are undertaken in partnership, involving local governments, communities and development

partners, as well as the Anglo American Chairman's Fund, our dedicated corporate social investment (CSI) arm. Our approach is informed by regulatory requirements such as the Mining Charter and our Social and Labour Plans (SLPs), which are developed through a consultative process with local municipalities and through regular interaction with host communities. The objectives of our strategy are closely aligned with national, provincial and local priorities, and draw from the country's National Development Plan and the Millennium Development Goals.

Our approach is implemented through a comprehensive set of social performance requirements detailed in the Anglo American Social Way. Anglo American's industry-leading Socio-Economic Assessment Toolbox (SEAT) is the primary means by which we address practical elements of social impact management and socio-economic development at our operations. We use SEAT to improve our operations' understanding of their positive and negative socio-economic impacts; enhance stakeholder dialogue and the management of social issues; build our ability to support local socio-economic development; and foster greater transparency and accountability. Engagement with local stakeholders is central to the process. All operations are required to conduct a SEAT assessment every three years.

What we have achieved

Anglo American South Africa's business units are building durable relationships with their host communities and delivering developmental benefits and opportunities aimed at increasing their capacity now and in the future. The operations contribute towards alleviating poverty and unemployment and developing host communities by building local capacity, providing infrastructure for healthcare, education, housing and sanitation, investing in education, enterprise and skills development, and promoting local procurement and supplier development. (Our contributions to enterprise development, supplier development, and housing development, are reviewed in other chapters.)

Top image

Sister Rose Mashula assisting patients at the Thabazimbi mine clinic. The clinic provides treatment and medical care to employees from the mine and the wider community.

Bottom image

Showing products to Joyce Mabe of the Rustenburg platinum mine community engagement and development department (centre) are, left, Innocentia Zibi and, right, Cecilia Mhlongo.

DEVELOPING MINE COMMUNITIES CONTINUED

Over the last five years, our businesses expended just over R2.9 billion on community development programmes across these sectors (R3.2 billion including contributions to the Chairman's Fund). This investment was spent on SLP commitments and CSI projects. Through the multiplier effect, the positive socio-economic contribution of our operations extends significantly further than these direct forms of value distribution.

Our investment in community development projects increased from R393 million in 2010 to R621.5 million in 2014 (R692 million including the Chairman's Fund), of which R303 million was on SLP projects. The expenditure by sector is reviewed in the table below. We continue to improve the measuring and monitoring of our contributions. Our in-house community development peer-review programme continues to provide insight into community development challenges and opportunities.

Common challenges include managing negative impacts of our mining activities on communities (including blasting, noise and dust), rising community activism, increasing demands for employment and local procurement, and high expectations for mining companies to assist with improving limited service delivery.

Community development expenditure (Rm): 2010-2014

	2010	2011	2012	2013	2014	Total
Coal South Africa	124	96	144	162	143.8	670
De Beers	16	20	37	52	39.4	164
Platinum	119	187	276	204	236.0	1,021
Kumba	134	185	276	254	202.3	1,051
Anglo American South Africa	393	488	733	672	621.5	2,906

Anglo American South Africa community development expenditure by sector (Rm): 2014

Sector	Coal South Africa	De Beers	Kumba	Platinum	AACD*	Anglo American South Africa
Health	12.4	0.6	26.8	12.0		51.8
Education	36.1	9.0	32.3	28.1		105.5
Infrastructure development	15.0	18.0	45.0	28.3		106.3
Enterprise development	52.5	11.4	19.8	11.6		95.3
Institutional capacity-building and staff time	24.4	0.4	49.3	30.0		104.1
Environment and agriculture	3.4	–	–	27.9		31.3
Other (including Alchemy, development trust and contribution to JVs)		0.1	29.1	98.1		127.3
Total	143.8	39.4	202.3	236.0		621.5
Chairman's Fund	–	–	15.0	6.9	48.2	70.1
Grand Total						691.6

*Anglo American Corporate Division, including Epoch and Optima trusts

Over the last five years, our businesses spent just over R2.9 billion on community development programmes.

COAL SOUTH AFRICA

Coal South Africa owns and operates 10 mines, which by virtue of their nature, scale and location, have the potential for significant social impacts on host communities. Over the past five years, the company has invested close to R670 million in local communities. In 2014, R143.8 million was expended on community development initiatives: R113 million was directed towards SLP projects and R30.7 million towards CSI initiatives. Coal South Africa successfully delivered on all its SLP commitments for the first five-year cycle (2008-2012) and is finalising an impact-assessment study of these interventions. Two SLP projects have been carried over to 2015.

Coal South Africa's community engagement and development expenditure (Rm): 2010-2014

	2010	2011	2012	2013	2014	Total
SLP	99.2	75.5	119.3	125.0	113.1	532.1
CSI	25.0	20.0	25.0	37.0	30.7	137.7
Total	124.2	95.5	144.3	162.0	143.8	669.8

Coal South Africa's community engagement and development expenditure in 2014 by sector

Community engagement and development – focus areas	Expenditure (Rm) in 2014
Health	12.4
Education	36.1
Infrastructure development	15.0
Enterprise development	52.5
Institutional capacity-building and staff time	24.4
Environment	3.4
Total	R143.8

Image

Zibulo colliery arranged for orphaned child head of household Vusi Ndaba to receive employment at a local supermarket in Phola.



DEVELOPING MINE COMMUNITIES CONTINUED

Project highlights in 2014

EDUCATION: R36.1 million invested in 2014

Upgrading Sibongamandla Secondary School

Kriel Colliery invested R18 million in Sibongamandla Secondary School, the only high school situated in the local Thubelihle township. The SLP project, completed in partnership with the Mpumalanga Department of Education, incorporates two science laboratories, a computer centre, library, a consumer studies facility and improved kitchen, administrative and ablution facilities.



Image
Coal South Africa head of corporate affairs, mining and property rights Bheki Khumalo takes the MEC of Mpumalanga Department of Education Reginah Mhaule on a tour of the facilities.

Community scholarship scheme

In 2014, Coal South Africa launched a R5 million community scholarship scheme to provide young people from underprivileged backgrounds in our host communities with an opportunity to further their education. In its first year, 55 youths enrolled, pursuing diverse careers, including information technology, actuarial science, occupational therapy, nursing, engineering and safety management.



Image
Bongani Vilakati and Nande Siletile are two of more than 50 students benefiting from our new Community Scholarship Scheme.

Improving Kopanang Secondary School's delivery

Landau Colliery assisted Kopanang Secondary School in Ackerville, eMalahleni, to boost its grade 12 pass rate from 13% in 2011 to 90.7% in 2014. The project hinged on employee volunteerism motivated by leadership and motivational training. This successful approach is being considered at other institutions.



Image
Coal South Africa CE, Themba Mkhwanazi, wishes members of the class of 2014 much luck in their final exams.

Maths and science improvement programmes

New Vaal, Goedehoop and Kriel mines continue to invest in long-term projects, delivered by highly qualified educators, aimed at improving learners' results in English, mathematics and science. Teachers also benefit through subject-specific training, classroom management, mentorship and train the trainer instruction. Steady improvement continues to be seen in learner results.



Image
Sibongamandla Secondary School is one of the schools benefiting from Kriel mine's learner development programme, which is helping grades 10, 11 and 12 to improve their results in mathematics and science.

INFRASTRUCTURE: R15 million invested in 2014**Rooikoppen health centre****Image**

This 24-hour, state-of-the-art health centre provides access to a full range of primary health services to Sakhile residents.

Construction of New Denmark Colliery's Rooikoppen health centre was completed in 2014. The centre was founded through a public-private partnership, with a total investment of R22 million, to provide Sakhile residents, almost 15,000 of whom reside in Rooikoppen, with primary health services. Twelve local sub-contractors were engaged during the two-year construction phase, providing employment for 110 people from the area.

**Sanitation****Image**

A R25 million investment from Isibonelo colliery will significantly improve sanitation infrastructure in Lebohang Extension 16 and Emzinoni.

Isibonelo Colliery commenced a R25 million project aimed at significantly improving sanitation in two of its host communities. At Lebohang, R19.7 million has been allocated to replace the existing sewer line and main outfall network, with 30 local jobs created. At Emzinoni, R5.7 million has been allocated to upgrade two of four failing pump stations, providing 18 temporary jobs. The project has tasked large well-established suppliers with transferring skills to two emerging sub-contractors from each of these areas.

**MUNICIPAL CAPACITY-BUILDING: R24.4 million invested in 2014****eMalahleni local municipality service package****Image**

Coal South Africa head of corporate affairs, mining and property rights Bheki Khumalo presents a fleet of light duty vehicles to Mpumalanga Premier David Mabuza.

Over the two years 2013-2014, we have invested R28 million in strengthening institutional and human capacity for improved service delivery within the eMalahleni local municipality, which includes a R17 million service package. This donation complements Anglo American's existing municipal capacity-building programme undertaken in partnership with the Development Bank of Southern Africa (DBSA) and the Investment Climate Facility for Africa (CFA). Coal South Africa contributed R11 million to this programme.

**ENTERPRISE DEVELOPMENT: R52.5 million invested in 2014****Small business development hubs****Image**

Zimele hub manager at Phola, Linda Mtsweni, assists small business owner Leah Phumisani to apply for finance from Zimele.

Enterprise development is promoted largely through our network of seven small business development hubs situated in eMalahleni, Middelburg, Secunda, the Vaal, Phola, Bushbuckridge and Dennilton. Since the programme's inception in 2008, these hubs have provided loan finance of R206 million to 460 SMEs that have created and sustained more than 7,200 jobs. Collectively, these enterprises make a turnover of R521 million. Thirty-six per cent of the entrepreneurs supported are youths and 41.7% are women.



DEVELOPING MINE COMMUNITIES CONTINUED

Over the past five years, Kumba has invested over R1 billion on community development.

KUMBA

In 2014, Kumba achieved its SLP and CSI targets within budget. Initiatives are implemented through effective partnerships, including with government, development partners and Sishen Iron Ore Company-Community Development Trust (SIOC-CDT). The company increased its engagement with various stakeholders, resulting in improved stakeholder engagement planning and structured and constructive engagements at appropriate levels in host communities.

Kumba expended R202 million during 2014 on community development projects, R51 million of which was directed at SLP projects and the balance on CSI projects. All SLP projects were successfully implemented. Over the past five years, Kumba has invested over R1 billion on community development, R265 million of which was expended on SLP projects. Kumba's expenditure on community development has decreased steadily since 2012 owing to declining iron ore prices. The budget is determined as 1% net profit after tax.

Kumba's community engagement and development expenditure (Rm): 2010-2014

	2010	2011	2012	2013	2014	Total
SLP	44	43	68	59	51	265
CSI	90	142	208	195	151	786
Total	134	185	276	254	202	1,051

Kumba's community engagement and development expenditure in 2014 by sector

Community engagement and development – focus areas	Expenditure (Rm) in 2014
Education and skills development	32.3
Health and welfare	26.8
Enterprise development and poverty alleviation	19.8
Infrastructure	45.0
Institutional capacity development, staff time and donations	49.3
Other	29.1
Total	202.3

CASE STUDY:

DINGLETON RESETTLEMENT NEAR SISHEN MINE

The first phase of the Dingleton resettlement near Sishen mine in the Northern Cape was completed in December 2014. The project is an important element of Kumba's Sishen mine western expansion project. Seventy-one households have been resettled and 429 additional households are scheduled to be relocated by the end of 2016. The resettlement follows an extensive consultation process with the community

and other stakeholders which started in March 2012. The consultation was conducted in accordance with Anglo American's Social Way and the International Finance Corporation's (IFC) Performance Standards. The value of new properties at the host site is expected to increase 10-fold. Kumba has committed to paying all capital gains tax associated with those properties, as well as increases in rates, taxes and water tariffs, for the next 20 years. The resettlement plan also includes various training, education and enterprise development programmes.

Project highlights in 2014

ENTERPRISE DEVELOPMENT AND POVERTY ALLEVIATION: R19.8 million expended in 2014

Business development hubs

Kumba invests in developing and nurturing commercially viable and economically sustainable businesses through capacity building and funding for small, medium and micro enterprises (SMMEs). Entrepreneurs participating in our programmes are mentored and coached in business and finance management. In 2014, Kumba launched a supplier development programme, expending R9.3 million to fund 25 SMMEs, which in turn created 240 new jobs.



Image

Kolomela public affairs manager George Benjamin hands over a brand new 23-seater bus to the proud entrepreneur Kagelero Thebeyapelo for her transport business, as part of Kumba's enterprise development programme.

EDUCATION AND SKILLS DEVELOPMENT: R32.3 million expended in 2014

Early childhood development centre

In partnership with local government, Kumba launched an early childhood development (ECD) centre in Thabazimbi, Limpopo. A total of R4 million was invested in constructing the centre and developing its programmes. The centre is the first English-medium ECD centre in the greater Thabazimbi area, and will accommodate children aged three to five. The centre includes an after-care facility.



Image

The Thaba Tots Early Learning centre opened in 2014 for children from the Thabazimbi community.

Solar-powered internet school initiative

Kumba invested R10.5 million in the development of four solar-powered internet schools. Jiyana Secondary School in Tembisa was launched in August 2014. The solar-powered internet school also has a vegetable garden, a bio-digester that produces gas to be used for cooking, and a waste-recycling station. The three other schools will be launched in the Tsantsabane and John Taolo Gaetsewe municipalities in the Northern Cape and in the Thabazimbi local municipality in Limpopo.



Image

The solar-powered internet facility at Jiyana Secondary School is equipped with an interactive screen and iPads that assist learners to access their curriculum through the internet.

Youth graduate development programme

Sishen mine funds a multi-year, ongoing skills development programme for young people in the John Taolo Gaetsewe (JTG) district, aimed at enabling them to enter the job market, in the mine's various departments or with other local employers. To date, Sishen has invested R1 million in this initiative.

The project was launched in 2012 to assist the youth to become part of the economy and provide them with access to employment or self-employment. The mine identified 60 unemployed graduates from the John Taolo Gaetsewe district municipality. Forty of those identified were absorbed by Sishen mine and given 18-month contracts to receive experiential training at different sections of the mine and with external employers. Seventeen of the interns secured employment during the course of the internship. Of the 17, one started his own business.

DEVELOPING MINE COMMUNITIES CONTINUED

Project highlights in 2014 CONTINUED

HEALTH AND WELFARE PROJECTS: R26.8 million expended in 2014

Ulysses Gogi Modise (UGM) wellness clinic

The UGM wellness clinic at Sishen mine provides a holistic wellness service to the surrounding community. In 2014, the clinic spent R2.5 million on ARV roll-out, VCT campaigns, HIV/AIDS awareness as well as refurbishment of equipment. UGM has started engaging with all the schools in the Gamagara municipality. Approximately 6,500 school children attend its education interventions on an annual basis. UGM also assists with emergency deliveries of babies and patient resuscitations.



Image
Sister Toekie Schoeman of the Ulysses Gogi Modise Wellness Clinic in Kathu in the Northern Cape with a patient.

Batho Pele health project

The innovative Batho Pele project uses fully-equipped mobile clinics to bring healthcare to people in remote rural areas where transport to larger centres is difficult and expensive. The mobile facilities offer screening for diseases and dental, ophthalmic and surgical treatment. The units have assisted more than 68,500 patients since their inception in 2011. In 2014, more than 19,500 people benefited from the free, quality medical services.



Image
The Batho Pele mobile clinic provides primary healthcare to poorer rural villages. A bus provides transport to the clinic for people who could not otherwise afford the journey.

Kolomela mine fatigue management community project

Fatigue is a major contributor to mine accidents. To help address operator fatigue amongst shift workers at Kolomela mine, specially developed guides have been introduced to local schools to educate children about the importance of rest and a healthy lifestyle for family members. More than 1,000 children and teachers have been trained to date, empowering the children to look out for their parents and to help keep them safe. The project received an award of distinction for public service communication at the Global Alliance COMM PRIX awards in Madrid, Spain, in 2014.



Image
Operators, Saule Mofammere, Gordon Koopman and Alistair Titus during a pre-shift safety meeting at the fatigue management centre at Kolomela mine.

Soccer field public-private partnership

Kumba partnered in the development of a new soccer field for the youth at the historical Postmansburg's Newtown soccer field, offering local clubs and youths a well-equipped place to play. Kumba made a contribution of R4 million. The project included a fenced grass soccer pitch, an irrigation system, change-rooms, a referee's room, and two 60-seat pavilions.

INFRASTRUCTURE: R45 million expended in 2014**Upgrading Thabazimbi's water supply**

Kumba's project to upgrade the water pump station and pipelines for Thabazimbi municipality faced challenges during 2014, resulting in a new service provider being appointed. In 2014, R9.5 million was expended on the project, which is due to be completed in the second quarter of 2015.

**Building roads**

Kumba's host communities are mostly rural, with roads in very poor condition. In 2014, the company invested R30 million on building roads, surfacing more than 15 kilometres. The tarred roads facilitate easier travel for local communities, helping to stimulate the economy in the rural communities.

Image

The Thabazimbi water reticulation system is in a poor state of neglect and requires considerable repair.

Image

A patient for the Batho Pele mobile clinic at Gaseke in the Northern Cape.



DEVELOPING MINE COMMUNITIES CONTINUED

In 2014, R236 million was expended on community development projects.

PLATINUM

Over the last five years, Platinum has invested more than R1 billion in SLP-related projects, CSI and other donations. By the end of 2014, the company had completed 71 SLP projects and another 38 projects are due to be completed by the end of 2015. Platinum invested more than R100 million annually in projects related to the provision of housing, water, electricity and other social amenities for its employees and their communities. In 2014, R236 million was expended on community development projects, of which R107 million was directed towards SLP projects.

Platinum's community development expenditure (Rm) in South Africa: 2010-2014

	2010	2011	2012	2013	2014	Total
SLP	*			55.2	107.0	
CSI	118.7	186.5	276.1	148.8	129.0	
Total	118.7	186.5	276.1	204.0	236.0	1,021.3

*CSI and SLP expenditure was combined between 2010 and 2012

Platinum's community engagement and development expenditure in 2014 by sector

Community engagement and development – focus areas	Expenditure (Rm) in 2014
Health	12.0
Education and skills development	28.1
Enterprise development	11.6
Community infrastructure	28.3
Agriculture	27.9
Capacity development	30.0
Other (Alchemy, community trusts, Chairman's Fund and contributions to joint ventures)	98.1
Total	236

Image

The Ale-tuke Community Centre empowers community members to set up their own businesses. Community members are seen here with trainer Sarah Mpsa.



CASE STUDY:

PLATINUM'S ALCHEMY INITIATIVE ADVANCES AND WINS AWARDS

Project Alchemy is Platinum's award winning R3.5 billion social and community development framework for shared ownership. Alchemy promotes sustainable socio-economic development both in the areas where we mine and in the labour-sending areas, and is designed to provide direct participation in the company by local communities. Alchemy's initial implementation was undertaken in four mining areas: Tumela/Dishaba, Rustenburg, Mogalakwena and Twickenham. The roll-out of Alchemy continues steadily. The Lefa-La-Rona holding Trust, the Zenzele Itereleng (labour-sending area) Public Benefit Organisation (PBO), and two local Development Trusts (DTs) – Amandelbult and Rustenburg – are active. The establishment of DTs in Twickenham and Mogalakwena is under way.

Alchemy and especially the DTs will continue to apply the principles of inclusive and collectively-planned local development and open, participative and empowering engagement. Once fully operational, all Alchemy community development structures will reach more than one million beneficiaries in the four benefit areas and labour-sending areas.

In 2014, Alchemy received two international project of the year awards, from the International Association for Public Participation (IAP2): the IAP2's Core Values South Africa 2014 Awards for Excellence in Public Participation, in August, and the International IAP2 Core Values 2014 Project of the Year, in Sydney, Australia, in October. The award in the 'project of the year' category recognises the outstanding achievements of community engagement and public participation practitioners, and for showcasing excellence in the tools, techniques and efforts in public participation within a finite project framework.

Image

Left to right:
Herbert Modupi and
Dani Modupi of
Yamedupi Solutions,
Tim Hart of SRK
Consulting and Werner
Grundling of Anglo
American Platinum.



DEVELOPING MINE COMMUNITIES CONTINUED

Project highlights in 2014

INFRASTRUCTURE: R28.3 million invested in 2014

Water supply in Limpopo

In partnership with the government, Platinum is constructing a 600-kilometre water-supply pipeline to its mines and other company mines in Limpopo province. This will provide 1.9 million people with access to a reliable source of potable water for the first time. Platinum delivered a temporary water supply to the Solomondale community close to the Polokwane smelter and to the Regorogile community near its mines in Thabazimbi.

Road upgrade to improve safety

Platinum is partnering in a road-upgrade project aimed at improving road safety between Mokopane and Mogalakwena mine. Further upgrades from Modikwe to Tubatse are planned.

Education and healthcare infrastructure

Our efforts to improve education infrastructure and strengthen healthcare facilities in communities include investing R31 million in the construction and upgrading of Setlamorago school in Twickenham, and R8.1 million on Sebele school at Union. We invested more than R10 million in constructing science and computer laboratories at various schools around Rustenburg, Union and Polokwane. In the Limpopo and North West provinces in particular, our operations partner to develop schools, crèches, clinics and community halls.

Providing water and sanitation facilities in schools

Water and sanitation facilities at schools in rural areas around our operations are often unsatisfactory. Mogalakwena mine has invested in providing decent water and sanitation facilities in more than 45 local schools.

EDUCATION AND SKILLS DEVELOPMENT: R28.1 million invested in 2014

Mathematics and science improvement programmes

An ongoing focus is investing in improving mathematics, science and English tuition in schools in host communities. In 2014, Platinum invested R3.1 million in matric maths and science winter and spring camps. More than 500 matriculants from Mogalakwena, Twickenham, Rustenburg, Union and Tumela participated in the camps, which contributed significantly to improved matric results in both the North West and Limpopo provinces. Sixteen learners also participated in the matric upgrade programme at Edumap college.

Portable skills training

Platinum invested R9.6 million in portable skills development projects in 2014. At Mogalakwena, 86 learners participated in a programme that included catering, welding and bricklaying skills. Hospitality learnerships are implemented in all operations, and at the Mmabatho hotel school and the Waterberg FET college; more than 50 learners participated in the programme and were placed in the hospitality industry throughout the country. Engineering learnerships are implemented in all operations and graduates are placed within Platinum or in other Anglo American business units; 70 learners participate in the programme annually. Agriculture training is implemented in Mogalakwena and Twickenham; 86 learners and more than 200 members of the agriculture corporative were trained in 2014.

HEALTH AND SOCIAL WELFARE: R12 million invested in 2014

We are partnering with the Department of Health (DoH) in Limpopo to build three clinics in Sekuruwe, Maseven and Naledi in 2015. The Ale-Tuke 'drop-in' centre, which cares for orphans and vulnerable children in Mokopane area, was also completed. In Rustenburg, we continue to support the mobile clinics that reach communities in informal settlements around our operation.

JOB CREATION AND AGRICULTURE**Groenfontein community empowerment project**

Mogalakwena mine's highly successful Groenfontein community farm and training centre have been developed into an agro-ecological incubator to support agricultural and sustainable development projects in neighbouring communities. The project has been extended to Twickenham, and currently comprises eight SLP projects. In 2014, R25.4 million was spent on this initiative and more than 200 community members are participating in initiatives including Nguni cattle and poultry farming and vegetable production.

Building local capacity

We engage in public-private partnerships with the Development Bank of Southern Africa (DBSA) to support capacity-building and service delivery in host municipalities. In 2014, we also engaged the DBSA to develop and deliver leadership and governance training for 540 members of traditional councils in 29 sites where we operate. A total of R20 million is to be invested in the project over five years (2014-2018).

Image
Permaculture training
at Mogalakwena's
Groenfontein
Training Centre.



DEVELOPING MINE COMMUNITIES CONTINUED

Ongoing management of illegal mining involves regular consultation with all relevant stakeholders.

DE BEERS

De Beers invested a total of R168.5 million in local communities between 2010 and 2014. Annual levels of expenditure on community development initiatives increased from R16 million in 2010 to R39.4 million in 2014; R32.1 million was directed towards SLP projects and R7.3 million towards CSI initiatives.

The Venetia mine and Voorspoed mine implemented most of their SLP projects in 2014. Two SLP projects have been carried over in 2015. The Kimberley mines have started implementing SLP projects, as have the Namaqualand mines – while waiting for the approval of their SLP from the Department of Mineral Resources (DMR). In the areas surrounding the Kimberley and Namaqualand mines, illegal mining remains the highest community-related risk. Ongoing management of this risk involves regular consultation with all relevant stakeholders.

All the DBCM operations have conducted an initial socio-economic assessment toolbox (SEAT) assessment and set up local area committees to disburse funding to organisations in their labour-sending areas. DBCM is implementing stakeholder engagement plans through the SEAT process, to facilitate more proactive engagement with stakeholders.

De Beers community engagement and development expenditure: 2010-2014

Community engagement and development expenditure (Rm): 2010-2014	2010	2011	2012	2013	2014	Total
SLP	9.2	14.7	22.1	33.0	32.1	111.1
CSI	6.9	5.3	14.8	18.5	7.3	52.8
Total	16.1	20.0	36.9	51.5	39.4	163.9

De Beers community engagement and development expenditure 2014 by sector

Community engagement and development-focus areas	Expenditure (Rm) in 2014
Education and skills development	9.0
Health and welfare	0.6
Enterprise development and poverty alleviation	11.4
Infrastructure	18.0
Institutional capacity development, staff time and donations	0.4
Other	0.1
Total	39.4

Image 01/02
Venetia Mine general manager, Mr Ludiwig von Maltitz with learners at the opening of the school hostel built by De Beers and the Limpopo Department of Education at Ratanang Special School.

01



02



Project highlights in 2014**EDUCATION AND TRAINING: R9 million invested in 2014****Teacher subvention programme**

De Beers' Teacher Subvention Programme funded 27 additional mathematics and science educators, as well as administrators, for Eric Louw High School, Musina High and Messina Primary School in Limpopo province. The R3 million project includes school fee subsidies to 27 learners from disadvantaged backgrounds.

Financial study assistance scheme

Learners from Venetia mine's labour-sending areas, who are registered with any public tertiary institution, receive financial assistance towards tuition fees. In 2014, through this programme, R132,800 was used to assist nine students.

Mathematics and science programme

De Beers invests in mathematics and science initiatives across the country. The company invested R300,000 in providing extra classes in mathematics, science and English for learners in Grades 10-12, predominantly from disadvantaged schools in the labour-sending areas of Musina and Blouberg. In Kimberley, this intervention assists learners from Grades 9-12. In partnership with the University of Johannesburg, R750,000 was invested in a similar project, including accounting and economics. In the Free State, in partnership with the Department of Education and the University of the Free State, De Beers invested R375,000 in providing mentorship to educators in identified schools, and R1.2 million in a teacher development programme, as part the Free State rural schools development programme.

Early childhood education

De Beers is partnering with the Blouberg municipality in the Western Cape to develop three ECD centres in the area during the current SLP period up to 2017. In August 2014, construction of a crèche commenced and, to date, R2.4 million has been spent.

INFRASTRUCTURE DEVELOPMENT: R18 million expended in 2014**The Musina roads intersection project**

De Beers invested R5.2 million in assisting the Musina local municipality with the repair of road intersections around the town that had been damaged by high volumes of traffic. Venetia mine completed 15 intersections, out of a total of 27 identified as requiring repair.

Musina electrification projects

An increase in infrastructure development and residential areas in Musina put a strain on electricity distribution. De Beers spent R1.8 million on installing an 11 kv electrical switchgear to increase the power capacity in Musina.

Ratanang Special School

Venetia mine invested R7.3 million on renovations to a hostel facility at Ratanang Special School, which had been damaged during a huge storm in the area in 2011. De Beers had partnered to build the facility, completed in 2010, to accommodate 360 children with special needs.

DEVELOPING MINE COMMUNITIES CONTINUED

INFRASTRUCTURE DEVELOPMENT: R18 million expended in 2014 (continued)

The Grootpan Early Childhood Development Centre

The Blouberg Municipality has adopted a holistic approach to education in the area, with a specific emphasis on early childhood development. De Beers entered into partnership with the municipality and other stakeholder to build ECD centres in the rural villages of Blouberg. The first such centre was built in the Grootpan village, investing R2.4 million.

Vehicle testing

The vehicle testing station for the Musina local municipality was closed down owing to non-compliance with the basic traffic standards. De Beers assisted the municipality with upgrading the facility, investing R1.3 million on paving the testing ground.

Multinational contractor contribution to CSI

The Mining Charter requires multinational suppliers to contribute 0.5% of their procurement expenditure towards social development. During 2014, this requirement was rolled out, mainly at De Beers' Venetia mine, with the other DBCM operations targeted for 2015. Multinational suppliers contributed R4.3 million towards social development in 2014.

The AACF focuses on providing support to the more rural areas of the country and provinces where the poverty burden is higher.

ANGLO AMERICAN CHAIRMAN'S FUND

The Anglo American Chairman's Fund (AACF) is a dedicated CSI arm, through which Anglo American makes its social investment on a national scale in South Africa. The AACF focuses on providing support to the more rural areas of the country and provinces where the poverty burden is higher.

Over the past five years, AACF invested R431.5 million in social development, in four main areas: education, health, sustainable community development and thought leadership. In 2014, R102 million was invested, of which R70 million was through Anglo American South Africa entities (see table on page 77).

AACF expenditure (Rm) 2010-2014

Year	Expenditure (Rm)
2010	80.0
2011	80.3
2012	86.7
2013	82.3
2014	102.2
Total	431.5

AACF expenditure per business unit in 2014

Business Unit	Expenditure (Rm) in 2014
Coal South Africa	–
De Beers	–
Anglo American Corporate Division	42.0
Epoch and Optima Trusts	6.2
Kumba	15.0
Platinum	6.9
Total	70.1

AACF expenditure in 2014 by sector

Sector	Expenditure (Rm) in 2014
Education	50.0
Health	20.8
Sustainable community development	26.1
Thought leadership	5.3
Total	102.2

CASE STUDY:**AACF HAILED FOR EXCELLENCE AS A DEVELOPMENT PARTNER**

Anglo American has been ranked for the 10th consecutive year as the South African company perceived to be making the most developmental impact in communities in South Africa. Trialogue, a knowledge leader in CSI, released the rating, which is based on the perception ratings of 100 leaders of South African non-profit organisations, and a similar number of South African company representatives. The Chairman's Fund is recognised for its excellence as a development partner and a vehicle through which a real and sustainable difference is cultivated in communities in South Africa.

DEVELOPING MINE COMMUNITIES CONTINUED

Project highlights in 2014

EDUCATION: R50 million invested in 2014

AACF supported 86 education projects: 22 early childhood education organisations; seven infrastructure projects; 17 for learners with special needs; and 40 focusing on maths, science and language. Highlights include:

- Providing a R5 million grant to the National Education Collaboration Trust project in the Eastern Cape province, which will work to improve the quality of education in the districts of Libode and Mt Frere for 677 schools, 7,500 teachers and 244,200 learners.
- Positive results in the evaluation of 24 schools that are part of the rural schools programme in Limpopo Province; 10 of the schools require teacher development, leadership development and mentorship support.
- Contributing R1.5 million to the University of the Witwatersrand to evaluate early grade reading in schools in the North West province. The findings of the research will inform policy making to improve early grade reading development in South Africa.

HEALTH: R20.8 million invested in 2014

Sub-sectors	Expenditure (Rm)
HIV/AIDS prevention	7.1
Primary health care	13.4
Care and support	0.3
Total	20.8

The AACF implemented 11 projects in the HIV/AIDS sector to support community-prevention activities, capacity-building of nurses, research and awareness activities. Healthcare projects comprised support for six hospitals and nine organisations supporting primary healthcare. Highlights include:

- Providing a R6 million grant to re-establish the KwaZulu-Natal Children's Hospital Trust, which will provide healthcare to about 1,220 direct patients and indirectly reach 3.5 million children and youths living in KwaZulu-Natal.
- Providing a R800,000 grant to Africa Health Placements for the recruitment of health professionals in rural hospitals in South Africa, which annually provide about 184,000 patients with access to quality healthcare.
- The multi-year grant, over two years from 2014 to 2015, of R360,200 to the Grassroots Soccer for HIV/AIDS prevention and testing project with schools in Alexandra. This grant is a partnership between the non-profit organisation Grassroots Soccer, USAID and Anglo American South Africa.

Images

Renovations and expansion taking place at the KwaZulu-Natal Children's Hospital.



SUSTAINABLE COMMUNITY DEVELOPMENT: R26.1 million invested in 2014

Sub-sectors	Expenditure (Rm)
Welfare support	6.7
Community development	9.5
Sustainable livelihoods	6.7
Capacity-building	3.2
Total	26.1

In 2014, AACF supported 71 welfare and community development projects; 17 supported homes for children, the aged and the disabled; nine projects specifically targeted youth development. The bulk of the projects supported a range of welfare organisations, including Childline, LifeLine and the Johannesburg Child Welfare. Highlights include:

- Providing a multi-year grant over two years, from 2014 to 2015, of R300,000 to the Women's Legal Centre for research aimed at improving the effectiveness of the criminal justice system in responding to sexual violence.
- Investing R255,000 in the Project Preparation Trust in KwaZulu-Natal to develop a national housing policy for special-needs group housing.

In supporting sustainable livelihoods, 24 projects related to skills development and small business development. Highlights include:

- Rob Small's Abalmimi Bezekhaya received a grant of R400,000 to support 150 micro-farmers in the Cape Flats.
- Timbali Flower Growers based in Mpumalanga received a grant of R250,000, for the purchase of equipment and a generator towards the Amaveg infrastructure improvement project. Timbali trained 36 women (trainee farmers) in agricultural and business skills in 2013/2014, and will be looking at training 58 women in 2014/2015.



FOCUS:

OUR PARTNERS



DIVERSIFYING OWNERSHIP TO PROMOTE GREATER ECONOMIC PARTICIPATION

Anglo American has been instrumental in the creation of some of South Africa's most significant empowerment companies.

OVERVIEW

Why it is important

Increasing the level of participation and ownership by historically disadvantaged South Africans (HDSAs) in mining industry assets is a priority in the Mining Charter's efforts to achieve meaningful economic participation of HDSAs in the mining and minerals industry. The Charter called for the transfer of 15% ownership of mining assets to HDSAs by 2009, and 26% by the end of 2014.

Our approach

Anglo American in South Africa has embraced the spirit of economic transformation and we have been instrumental in the creation of some of the country's the most significant empowerment companies, including Exxaro Resources, African Rainbow Minerals, Royal Bafokeng Platinum, Shanduka, Mvelaphanda, Atlatsa, Ponahalo and Anglo American Inyosi Coal. Through the sale of our mining assets, we also achieve meaningful, sustainable and broad-based empowerment through the participation of communities, employees and entrepreneurs. In spite of the challenging operating context in recent years, we have continued to strive to

move beyond regulatory compliance, pursuing innovative opportunities to extend and distribute the benefits of ownership to employees and host communities, notably through our employee share ownership plans (ESOPs) and community trust initiatives.

What we have achieved

Since 1994, we have concluded black economic empowerment (BEE) transactions with an estimated value of around R67 billion. We are proud of how the companies that have acquired our assets have flourished, not only in mining, but in their diversification into other parts of the South African economy. Through our business units, we met, and in some instances exceeded, the 26% ownership transfer requirement, well before 2014. A summary of our HDSA ownership is provided below. Since 2012, all our South African-based employees are members of an ESOP. Structured to support our aspiration to be both an employer and partner of choice, our ESOP and community trust initiatives have provided the opportunity for workers and communities to benefit from our mining activities. In this chapter we review each business unit's HDSA ownership transaction journey and status to date.

Top Image

Joseph Kgakatsi, Lukas Kaalman and Florence Dikolenyane represented the Heuningpot beekeeping primary co-operative, a Sishen funded project at the stakeholder day held in Kathu.

Bottom Image

The Deputy Minister of Mineral Resources Godfrey Oliphant, MEC for Social Development in the Northern Cape Province Mxolisi Sokatsha, members of the Kumba Board and other stakeholders participated in the stakeholder day held at Kathu in 2014. The Kolomela housing project was one of many projects showcased at this event.

HDSA OWNERSHIP

As at the end of 2014, the business units had achieved the following empowerment percentages:

29%

Kumba, through SIOC

24%

Coal South Africa

27%

Anglo American Platinum

26.6%

De Beers

CONVENTIONS THAT WERE ADOPTED IN CALCULATING THE BEE OWNERSHIP:

BEE ownership is measured by measuring the portion of our production transferred to HDSAs. Where equity interests or portions of mines were sold, the equivalent production is calculated. Measurement takes place just below the first BEE controlled entity in a chain of companies. Where BEE entities acquired control of a mine's production, 100% of the production is counted as being transferred to HDSA.

Summary of HDSA ownership

	Kumba	Coal South Africa	Anglo American Platinum	De Beers
Percentage HDSA ownership (target: 26% by the end of 2014)	29	24	27	26.6
a) BEE entrepreneurs, consortia or companies	20	23	13	8
b) Employees (e.g. ESOPs)	6	0	1	13
c) Community interests	3	1	13	6
Total % HDSA ownership credits	29	24	27	27

Based on 2014 production or production equivalent

DIVERSIFYING OWNERSHIP TO PROMOTE GREATER ECONOMIC PARTICIPATION CONTINUED

Anglo Operations Pty Ltd has transferred in excess of 26% of its business to HDSAs.

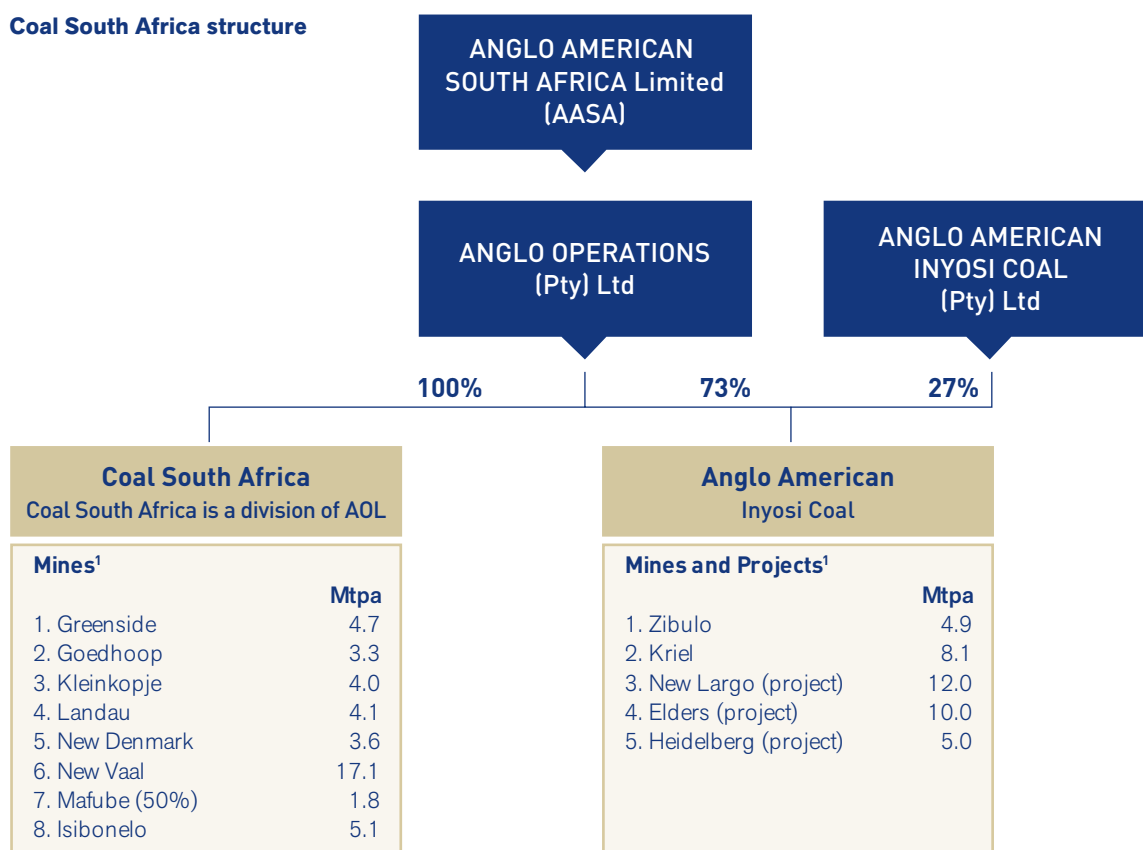
COAL SOUTH AFRICA

Coal South Africa has transferred in excess of 26% of its mineral resources to HDSAs, though from a production perspective the 26% ownership target would only be met once the mines secure domestic South African supply agreements to produce to the envisaged capacity.

Anglo Operations (Pty) Ltd (AOL) is empowered on the basis that it transferred at least 24% of its 2014 attributable production to HDSA-owned and -controlled entities. Measured on a long-term production-capacity basis, AOL has transferred in excess of 26% of its business to HDSAs.

A part of this was achieved through Anglo American Inyosi Coal (Pty) Ltd (AAIC), which has a 27% HDSA shareholding. AAIC owns extensive undeveloped resources at New Largo, Elders, Heidelberg (the development of these remains subject to finalising negotiations with Eskom), as well as at Kriel East. AAIC's production has been delayed by supply agreements with Eskom not being concluded as initially anticipated.

Coal South Africa structure



¹ Attributable units of production empowerment

¹ Equity empowerment

Prior to 2010, Coal South Africa concluded a number of ownership transfer transactions, including the creation of Eyesizwe, now incorporated into Exxaro, as well as Pembani Coal's Carolina operations.

In 2012, Coal South Africa completed the sale of Wonderfontein Colliery to Umsimbithi Mining, a 100%

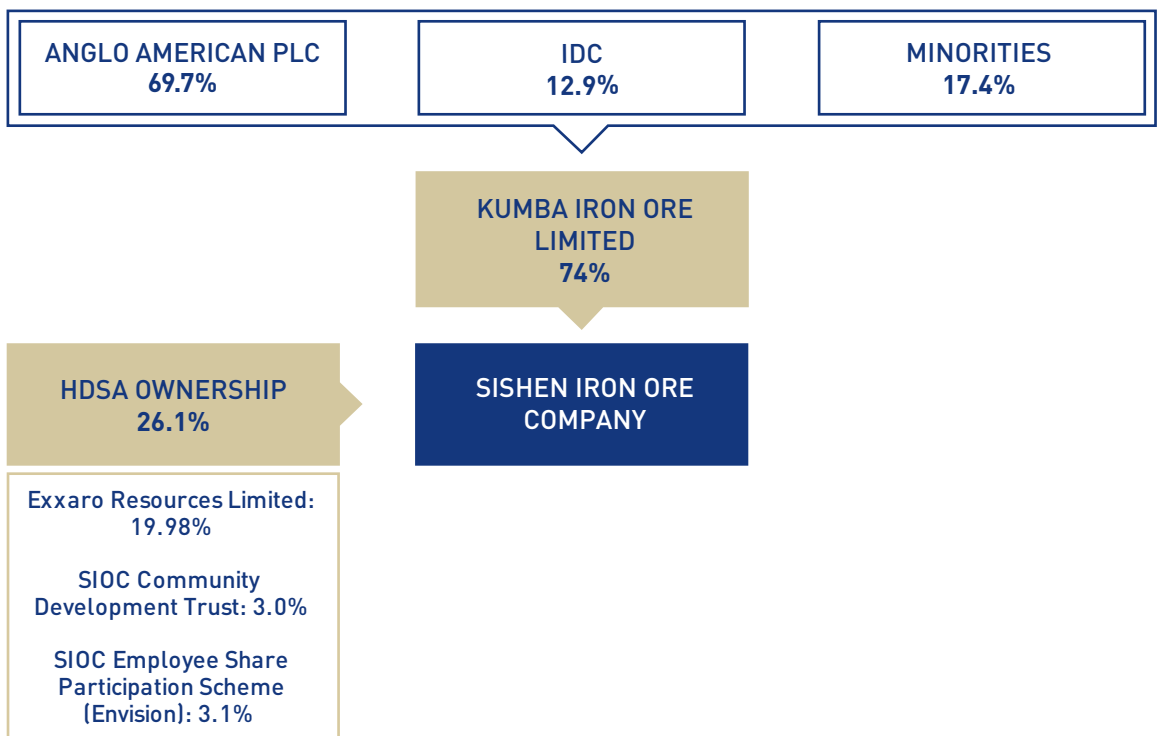
subsidiary of Mbokodo Mining, which is a joint venture company between Lithemba Investments (50%) and Umcebo Mining (50%). Lithemba Investments is a women-operated 100% HDSA-owned company with various investments in the South African energy sector. Umcebo Mining is an HDSA-owned coal mining company operating a number of coal mines in Mpumalanga province.

Through the SIOC Community Development Trust, Kumba has been able to play a role in empowering its host communities.

KUMBA

In 2006, Kumba became a fully empowered company in terms of the 2014 equity ownership requirements set out in the Mining Charter, with a BEE ownership transaction at a company level resulting in 26% HDSA ownership. Kumba's ownership split is summarised below:

Kumba structure



Exxaro Resources Limited

Exxaro Resources Ltd is the biggest HDSA-owned mining company in South Africa. It is one of the largest South Africa-based diversified resources groups, with interests in the coal, titanium dioxide, ferrous and energy markets. Its current business interests are in South Africa, Botswana, Republic of the Congo, Inner Mongolia and Australia. The cumulative dividends paid by Sishen Iron Ore Company (SIOC) to Exxaro since 2006 are in excess of R18 billion.

SIOC Community Development Trust

It is through the SIOC Community Development Trust, one of the biggest development trusts by value in South Africa, that Kumba has been able to play a role in empowering its

host communities. The trust has had an impact on more than 361,000 beneficiaries, across five communities, through 203 projects with a total investment of over R1 billion. Total cumulative dividends received as at the end of December 2014 were in excess of R2 billion.

Envision

Kumba's Envision employee share participation scheme has involved more than 7,500 active participants and is currently in its second phase. Envision phase 1 matured in November 2011, with a total pay-out of R2.7 billion to participating employees (in addition to dividends paid of about R280 million). Envision phase 2 will mature in 2016. About R500 million in dividends has been paid to employees to date.

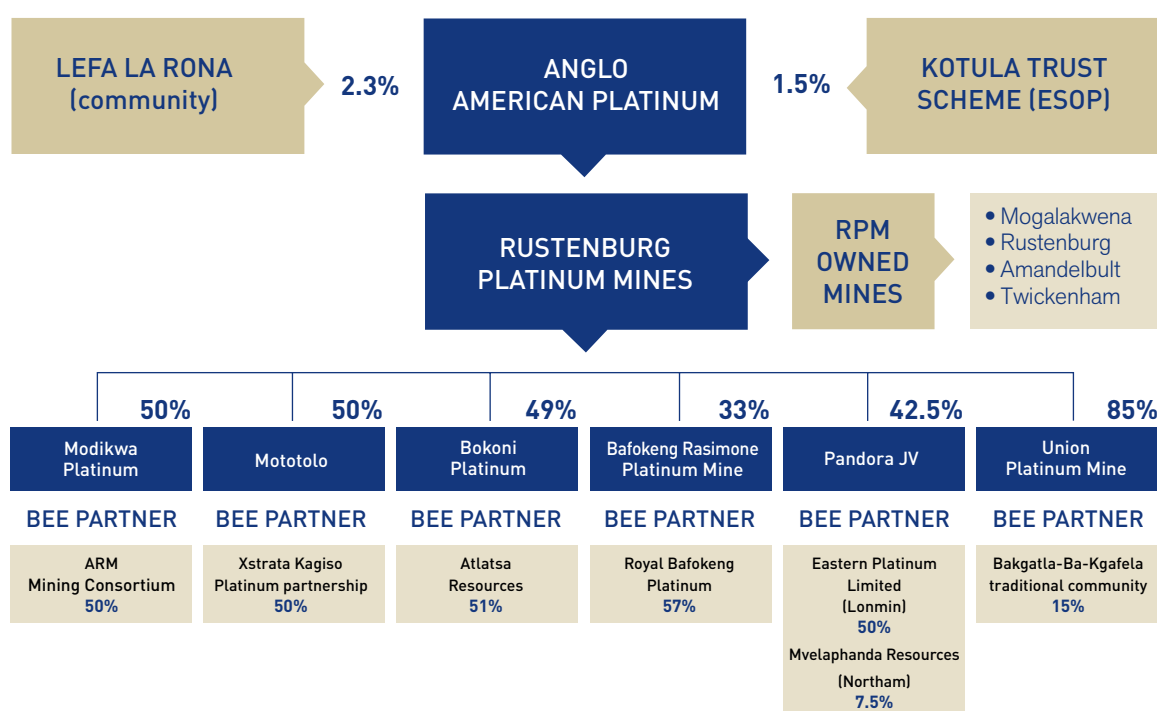
DIVERSIFYING OWNERSHIP TO PROMOTE GREATER ECONOMIC PARTICIPATION CONTINUED

Project Alchemy is a R3.5 billion initiative that promotes sustainable socio-economic development.

ANGLO AMERICAN PLATINUM (PLATINUM)

Anglo American Platinum has transferred at least 27% of its business (measured on 2014 attributable production) to HDSAs through the sale of assets, joint ventures transactions as well as through the participation of community trusts and employee share ownership plans.

Anglo American Platinum structure



The various disposals and joint ventures have been the catalyst for the formation of independent empowered companies. In particular: the sale of the controlling interest of the Booyendal resource and Northam Platinum to Mvelaphanda Resources; the sale of 67% of Bafokeng-Rasimone Platinum mine to Royal Bafokeng Platinum; and the sale of control of Bokoni Platinum mine to Atlatsa.

Platinum's ESOP Kotula Trust Scheme was introduced in 2008 and has more than 41,000 recipients. The R3.5 billion Lefa-la-Rona Community Share Ownership initiative holds a 2.3% ownership interest in Anglo American Platinum, from which beneficiary communities benefit.

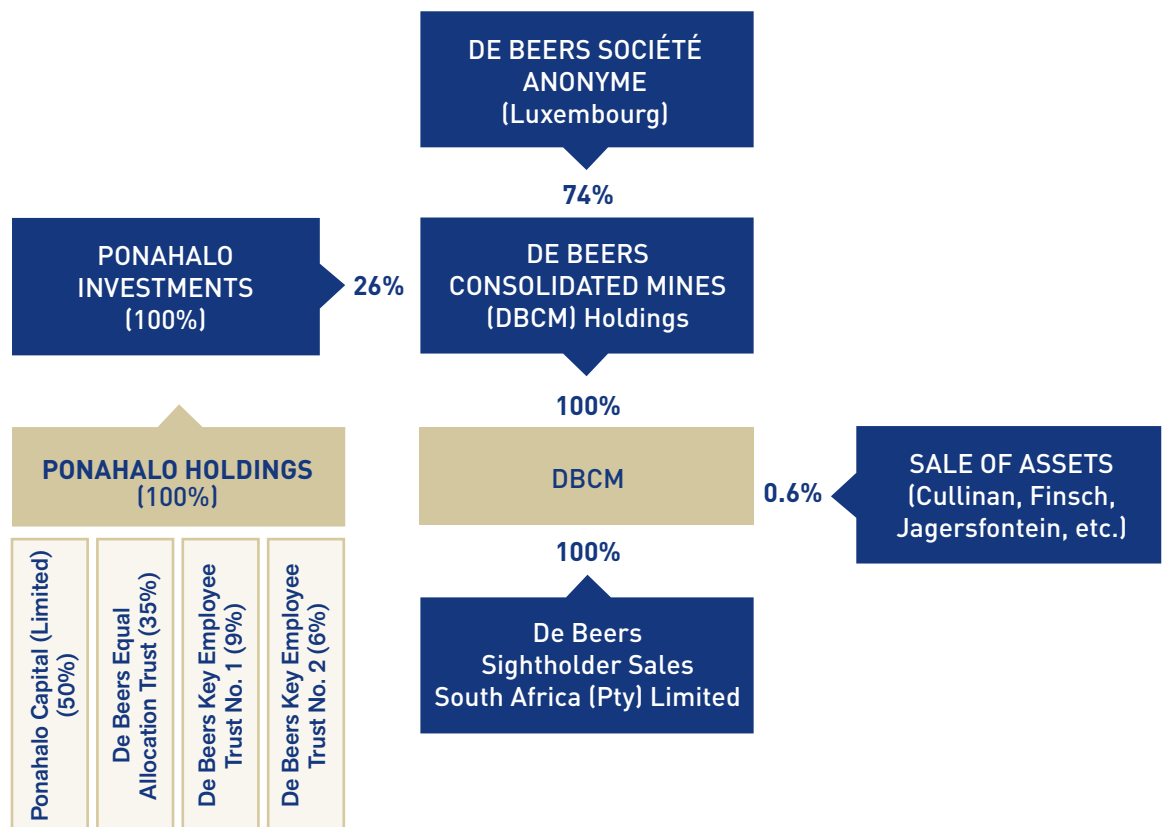
In 2014 De Beers' diamond trading arm in South Africa was moved to a wholly-owned subsidiary of DBCM.

DE BEERS CONSOLIDATED MINES

De Beers continues to be empowered through an ongoing relationship with its empowerment partner Ponahalo. Ponahalo holds a 26% shareholding in De Beers Consolidated Mines (DBCM) – the company that owns De Beers' mining operations in South Africa.

Ponahalo was refinanced in 2014 by a combination of funds from ABSA/Standard Bank (39%) and De Beers (61%) for seven years, up to 2021. Dividends have been paid to Ponahalo to enable the HDSA partner to repay its bank debt. During the economic downturn, disproportionate dividend payments were paid in order to ensure that there was no default in the debt repayments. Payments have also been received by the various beneficiaries in the structure in accordance with the contractual arrangements. Furthermore, in 2014 De Beers' diamond trading arm in South Africa was moved to a wholly-owned subsidiary of DBCM, which will result in increased cash flows.

De Beers structure



HISTORICAL NON-MINING HDSA TRANSACTIONS

In the transformation of Anglo American from a diversified conglomerate into a focused mining company, the Group and its former subsidiaries (including Highveld Steel and Vanadium, Mondi, Tongaat-Hulett, Hulammin and Scaw) sold a range of non-mining interests to HDSAs.

Image
Essau Motloung at
small business Four
Tops Engineering
in Mogwase.



PROMOTING SOCIO-ECONOMIC DEVELOPMENT THROUGH LOCAL PROCUREMENT

Anglo American South Africa's approach to securing and transforming its supply chain aims to exceed compliance and work with stakeholders to foster meaningful, sustainable change.

OVERVIEW

Why it is important

Our local and preferential procurement initiatives are critical to secure our licence to operate and provide the impetus for boosting socio-economic development in communities around our operations. To deliver on our transformation objectives and to comply with the requirements of the Mining Charter, we endeavour to procure goods and services from BEE-compliant companies, and from businesses operating in and contributing to the communities in which we operate. Our supplier-development activities are particularly effective in driving transformation, creating better visibility of local supplier capability and assisting in building their capacity. The Mining Charter required that by the end of 2014, companies source a percentage of capital goods (40%); consumables (50%); and services (70%) from companies that have met the required levels of HDSA representation in their ownership structures (hereafter referred to as BEE suppliers).

Our approach

Anglo American South Africa's approach to securing and transforming its supply chain aims to exceed compliance and work with stakeholders to foster meaningful, sustainable change. Our initiatives are designed to optimise opportunities to develop and integrate local and BEE suppliers into our global supply chain and advise them on how to compete successfully for new business.

Supplier-development activities at our business units include engaging with suppliers on understanding and meeting requirements, partnering to provide business training, 'ring-fencing' certain supplier categories for entrepreneurs who employ local people, and offering simplified and shortened payment terms. The operations seek opportunities to sub-contract and 'unbundle' larger contracts, dividing these between long-established

contractors and emerging entrepreneurs, in order to facilitate a transfer of knowledge and skills to local businesses.

Each business unit is implementing a local-procurement strategy that is aligned with the Anglo American Group-wide local-procurement policy and guided by a local-procurement toolkit, ensuring it is responsive to the specific needs, capability and expectations of suppliers based in and around host communities. In promoting preferential procurement practices, we do not compromise on quality, delivery, service, safety, health and environmental performance or any technical requirements.

What we have achieved

Since 2010, through diverse initiatives and concerted efforts, including at the highest level, we have steadily escalated our local and HDSA procurement expenditure and achieved our targets. Supplier-development programmes are gaining momentum and, through targeted initiatives, we have assisted suppliers at all levels to overcome barriers to becoming BEE-compliant.

Over the past four years, Anglo American South Africa's business units have spent more than R100 billion with BEE suppliers (excluding goods and services procured from the public sector and state-owned enterprises). In 2014, the business units expended R39.6 billion (nearly 70% of total expenditure in South Africa) with HDSA businesses. Aggregate procurement spend with BEE suppliers in 2014 reached 58% on capital goods (2011: 44%), 69% on consumables (2011: 47%) and 72% on services (2011: 45%). Platinum and Coal South Africa narrowly missed their services targets. In 2014, the businesses collectively expended R13.7 billion (an aggregate 22%) on local procurement.

An overview of our procurement and supplier-development transformation journey since 2010 is provided on pages 88-91.

PROMOTING SOCIO-ECONOMIC DEVELOPMENT THROUGH LOCAL PROCUREMENT CONTINUED

TRANSFORMATION JOURNEY 2010-2014: PREFERENTIAL PROCUREMENT AND SUPPLIER DEVELOPMENT

ACTIONS TAKEN		
2010	2011	2012
- Anglo American adopts a Group local-procurement policy. This policy supports BEE procurement and outlines a commitment to supplier development, favourable payment terms for small, medium and micro enterprises (SMMEs), promoting accessibility and visibility of opportunities for BEE suppliers, and strategising to meet 2014 BEE targets - Business units are mandated to develop local procurement strategies and plans to enable delivery of the policy - To limit 'fronting' by prospective suppliers, Anglo American decides to exclude white women ownership on the qualifying criteria for suppliers seeking business with the business units - The Group supply chain function introduces a monthly reporting mechanism through the 'supply chain dashboard'	A preferential procurement and transformation committee is established. This committee encourages suppliers to increase their BEE ownership - HDSA components are included in tendering processes, including a weighting system favouring local HDSA companies - Business units prioritise the ring-fencing of opportunities for BEE-owned SMMEs located at mining communities - Preferential procurement policies are developed to enhance the BEE procurement	- Supplier development programmes introduced to increase the pool of BEE-owned SMMEs located in mining communities - Local procurement awareness sessions are held with supply chain leadership teams to encourage and support the initiatives. Supplier days are introduced targeting 'Tier One' and locally owned SMMEs in mining communities, to match them with opportunities - Anglo American South Africa's top 50 suppliers (by expenditure) attend a supplier workshop focused on safety, local procurement and BEE requirements - Supply chain targets the top 200 non-BEE suppliers and begins an intensive programme to convert them to BEE status and to encourage them to subcontract with businesses in host communities Anglo American South Africa partners with government on beneficiation programmes focusing on diamond processing and jewellery manufacturing

ACTIONS TAKEN

2013

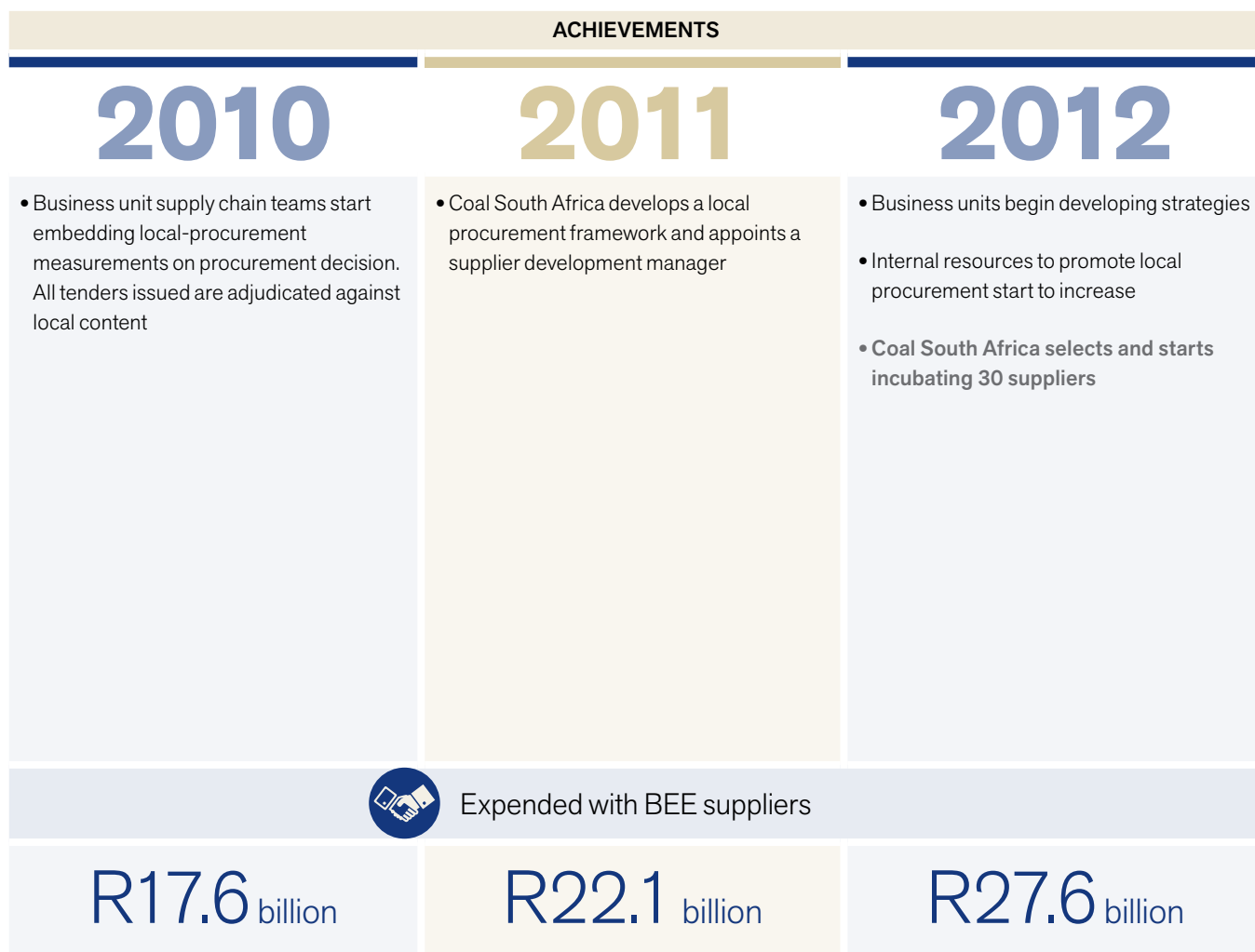
- **Group supply chain establishes a BEE steering committee (consisting of Group managers, heads of business unit supply chains and the sustainable development team) focusing on BEE procurement**
- Identification of 430 suppliers constituting 80% of total expenditure. Engagement plans are developed to manage and monitor local procurement and BEE compliance of these suppliers
- Category managers are allocated specific suppliers to engage with and report their BEE progress monthly to the Group supply chain. This assists in identifying where urgent intervention is needed and to prepare reports for steering committees
- A further 'Top 53' suppliers (by expenditure) are segmented and allocated to senior category managers and business unit heads of supply chain for direct engagement on BEE compliance
- The transformation status of our 12 'tier one' global suppliers is reviewed and addressed by Group head of supply chain and Group chief executive officer
- Other suppliers are targeted for individual engagement
- Collaborative partnerships develop with suppliers around socio-economic programmes in mining communities

2014

- Focused initiatives with our large original equipment manufacturers (OEMs) to increase the participation of black-empowered businesses in their value chains, and as a condition to supply to Anglo American
- Invited our 51 largest contractors (by expenditure) to attend specialised strategic workshops encompassing training on our Socio-Economic Assessment Toolkit (SEAT), local procurement requirements, Mining Charter and BBBEE Code elements. Follow-up meetings are held with suppliers who requested support on BEE, local procurement and responsible sourcing
- SMMEs are invited to sessions to help them understand our responsible sourcing programme and associated commitments
- **Workshops are held, primarily for SMMEs, aimed at providing BEE suppliers with information and support to understand and meet our requirements. Emphasis was placed on safety, health, environment, business integrity and labour practices**
- Additional workshops are held to inform suppliers about available funding mechanisms including through the Anglo American Zimele enterprise development programme
- Procurement forums are introduced at more operations to increase the number of small businesses that participate in our supply chain
- The 'Top 200' suppliers are introduced to our Community Business Forum to identify opportunities to work with local suppliers
- **Third-party service providers are selected and appointed to manage elements of supplier-development programmes, with a clear mandate to build their business potential**
- Supplier-development teams are appointed in all business units to improve the participation of local businesses in the supply chain
- Performance contracts of personnel include targets on local procurement and BEE procurement
- A Group-wide local procurement toolkit is officially launched in October 2014 to standardise the delivery of effective local procurement

PROMOTING SOCIO-ECONOMIC DEVELOPMENT THROUGH LOCAL PROCUREMENT CONTINUED

TRANSFORMATION JOURNEY 2010-2014: PREFERENTIAL PROCUREMENT AND SUPPLIER DEVELOPMENT CONTINUED



ACHIEVEMENTS

2013

- Global suppliers engaged with by the Group chief executive on converting to BEE status
- Global suppliers present transformation plans to the Group supply chain team and business units
- Business units commission supplier-development programmes to be implemented in 2014 and 2015

2014

- Thirteen of the 30 BEE suppliers at Coal South Africa graduate from incubation and are doing business with Anglo American
- Kumba has 25 suppliers on its supplier-development programme
- 460 small-supplier representatives associated with our operations attend sessions on responsible sourcing
- Over 1,000 individuals representing local businesses attend workshops to better understand requirements and opportunities
- Over 500 BEE suppliers are individually assessed
- Five of our 12 biggest multinational suppliers (OEMs) converted to BEE compliance (total of six OEMs compliant). This translates to 5.27% BEE in services category
- 80% of all management advisory service suppliers become BEE-compliant



Expended with BEE suppliers

R29.8 billion

R39.6 billion

PROMOTING SOCIO-ECONOMIC DEVELOPMENT THROUGH LOCAL PROCUREMENT

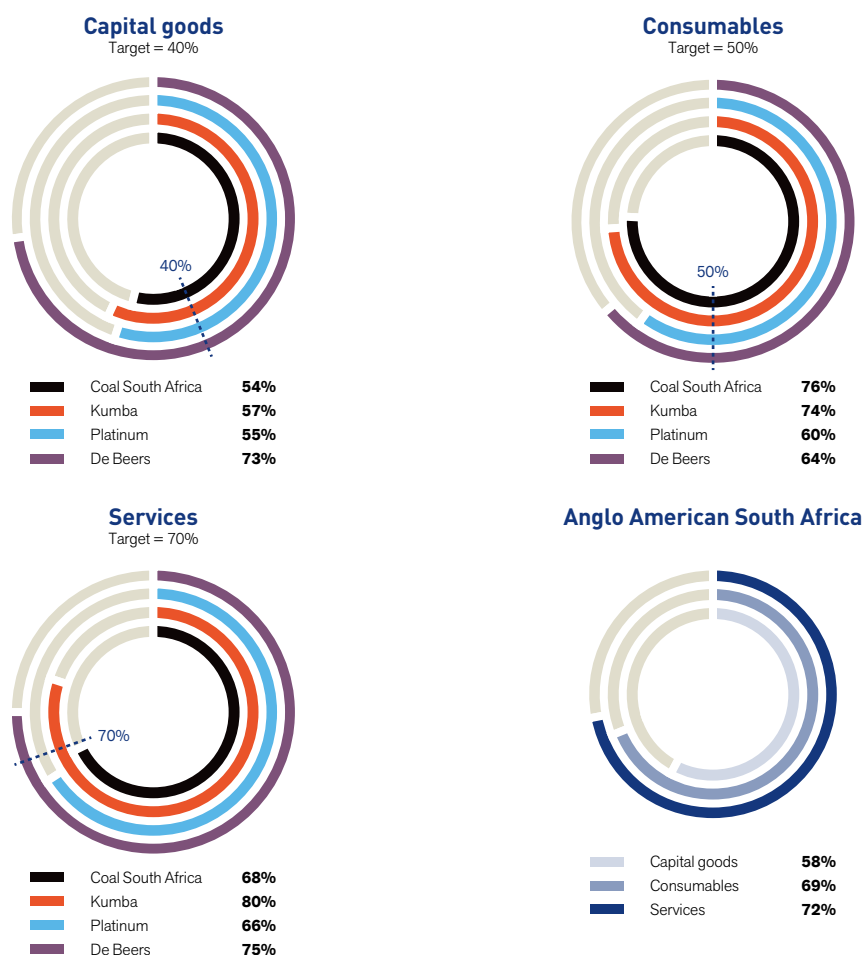
CONTINUED

Anglo American South Africa's performance against Mining Charter procurement targets: 2011-2014

	Capital goods Target: 40%	Consumables Target: 50%	Services Target: 70%
2011	44%	47%	45%
2012	51%	65%	61%
2013	51%	61%	67%
2014	58%	69%	72%

MINING CHARTER 2014 TARGETS: BUSINESS UNIT PERFORMANCE

% HDSA procurement expenditure (2014)



Local procurement expenditure (R bn)	2013	2014
Coal South Africa	2.0	2.0
Kumba	3.4	5.3
Platinum	2.6	3.6
De Beers (South Africa only)	2.1	2.8
Total – Anglo American South Africa	10.1	13.7

Coal South Africa has embedded transformation at all levels of procurement processes.

COAL SOUTH AFRICA

Coal South Africa's expenditure with BEE suppliers increased from R3.6 billion in 2011 to R7.9 billion in 2014, with a cumulative total over the four years of R22.9 billion. Over the same period, cumulative local procurement expenditure amounted to R6 billion. In 2014, the company exceeded the Mining Charter targets for levels of HDSA procurement expenditure on capital goods (54% against target of 40%) and consumables (76% against target of 50%), and fell two percentage points short of the services category target of 70%. Challenges associated with meeting this target include the complex needs and expectations of different stakeholders, finding suitable suppliers in the services category and or specialised commodities, creating awareness among stakeholders of the importance of BEE compliance in the procurement contract process, and the over-reliance of mining communities on the mining sector to deliver economic and social benefits. Despite these challenges, Coal South Africa has embedded transformation at all levels of procurement processes, appreciating the importance of entrenched and worthwhile relationships extending down to the first contact point in the supply chain and procurement department.

Coal South Africa BEE and local procurement: 2011–2014

	Capital goods	Services	Consumables	Aggregate HDSA spend	Actual BEE spend (R bn)	Actual local procurement spend (R bn)
Targets	40%	70%	50%			
2011	42%	41%	54%	45%	3.6	0.5
2012	34%	50%	60%	49%	4.9	1.5
2013	39%	60%	61%	56%	6.5	2.0
2014	54%	68%*	76%	68%	7.9	2.0
Total					22.9	6.0

* Licensed operations (operations issued with mining rights) spent R3.2 billion with BEE suppliers for services, reaching 73% in 2014.

Despite the challenges acknowledged above, in 2014 Coal South Africa significantly improved its local procurement performance as compared with the previous three years. Expenditure with local suppliers, based within a 50-kilometre radius of the company's 10 mines, increased from an average of 5% of total procurement spend in 2011 to 18% in 2014. To further increase levels of local procurement expenditure, a range of initiatives is being implemented to overcome the barriers that SMMEs face in gaining entry to the mining industry.

In 2014, Coal South Africa spent R12 million with suppliers on its supplier-development programme and created 172 employment opportunities (82 short-term and 90 long-term) for local communities. The company is developing 30 local SMMEs according to their specific strengths and challenges, covering a range of industries, including construction, mining supplies, cleaning, catering, training, wastewater management and electrical services. Each operation is providing mentoring and

support to a maximum of five of these SMMEs. Fifteen of the SMMEs have started supplying Coal South Africa's operations, eight of which have long-term (minimum two years) contracts.

Coal South Africa is accelerating its delivery of community benefits, through procurement initiatives. The objective is to guide strategic services contractors who have an influence on communities, to sub-contract and 'unbundle' their contracts, allocate portions of work to local BEE companies, give local communities preference on employment opportunities created through Coal South Africa's contracts, and develop local community skills.

The company's supply chain is forming BEE forums at each site, to take ownership of transformation through procurement. The forums are responsible for co-ordinating, promoting and monitoring supply chain initiatives, such as supplier development, mine community development, safety/contractors' packs, and supplier-engagement days.

PROMOTING SOCIO-ECONOMIC DEVELOPMENT THROUGH LOCAL PROCUREMENT CONTINUED

CASE STUDY:

CAPITALISING ON A CONTRACT 'UNBUNDLING' OPPORTUNITY

In 2013, Coal South Africa's Greenside colliery identified two suitable bidders for its tender to build ventilation walls: an established company with extensive experience in the field, and a local black-owned company with little experience, supported by a combined force of individual experience. Coal South Africa decided to 'unbundle' the opportunity, awarding a portion of the project to the

experienced supplier and another to the new local SME. As part of the longer-term approach, Coal South Africa is assessing the situation with the aim of increasing the volume of work allotted to the local SME until its capability is adequate to take over a larger portion of the contract. The SME had an annual turnover of R9 million: R4 million from Greenside Colliery for the ventilation walls contract, where it has 16 staff members, and another R5 million on *ad hoc* maintenance services at New Denmark Colliery, where it has 21 staff members.

In 2014, Kumba revised its preferential procurement policy to give preference to black-women-owned entities.

KUMBA

Kumba's expenditure with local and BEE-compliant suppliers increased steadily between 2011 and 2014. The company expended R40.5 billion with BEE suppliers over the past four years. In 2014, R14.4 billion was spent with BEE suppliers (2011: R6 billion), exceeding the Mining Charter targets by accounting for 58% of procurement of capital goods (2011: 44%), 80% of services (2011: 46%) and 74% of consumables (2011: 47%). Local-procurement spend in 2014 was R5.3 billion (2011: R1.5 billion).

Kumba's preferential procurement policy follows a systematic supply chain procedure that gives preference to BEE suppliers in the submission of tenders and quotations for goods and services. Strategic suppliers and

contractors are required to sub-contract a percentage contract value directly to a BEE supplier or through an alternative arrangement. The policy offers negotiable payment terms and post-tender options, and monitors agreements to ensure timeous transformation. If suppliers do not punctually submit their annual BEE-compliance verification documents, they are suspended until they do so. In 2014, Kumba revised its preferential procurement policy to give preference to black-women-owned entities and the unbundling of contracts, to encourage SMEs to tender for opportunities. The policy also provides guidance on addressing issues related to 'fronting'. In 2014, Kumba added an important BEE weighting in its supplier-selection criteria, and its preferential procurement policy now encourages innovation when contracting BEE suppliers.

Kumba BEE and local procurement: 2011-2014

	Capital goods	Services	Consumables	Aggregate HDSA spend	Actual BEE spend (R bn)	Actual local procurement spend (R bn)
Targets	40%	70%	50%			
2011	44%	46%	47%	46%	6	1.5
2012	62%	61%	58%	60%	9	2.9
2013	43%	71%	65%	61%	11.1	3.3
2014	58%	80%	74%	71%	14.4	5.3
Total					40.5	13

Since 2012, Kumba has encouraged non-BEE-compliant service suppliers to commit to a transformation plan, resulting in an impressive 18% improvement in the services category in 2014. In the consumables category, performance has improved by 27% between 2011 and 2014. In collaboration with Anglo American plc, Kumba assisted three multinational suppliers to become BEE-compliant, materially influencing capital-procurement expenditure.

During 2014, Kumba's procurement and supply chain teams engaged with a total of 2,502 suppliers; 97% were

South African-based entities and 19.7% were based in and around the host communities.

Towards the end of 2014, Kumba commissioned an intensive two-year supplier development programme targeting 25 local entrepreneurs within the Sishen and Kolomela mine communities. Specialised mentors work with the entrepreneurs to nurture their business potential and promote the sustainability of local businesses beyond Kumba. In its first six months, the programme supported over 595 local jobs.

Platinum exceeded the 2014 Mining Charter procurement targets, except for the services category.

PLATINUM

Platinum expended more than R41.8 billion on BEE compliant suppliers between 2011 and 2014. In 2014, R11.9 billion was spent with BEE companies (2011: R10.4 billion), representing 61.3% of total discretionary spend. Of the total HDSA procurement expenditure, R2.8 billion (14%) was spent on companies that are black-owned (50% plus one share and above). Expenditure with black-empowered companies (25% plus one share and above) was R9.1 billion (47%).

Platinum exceeded the 2014 Mining Charter procurement targets, except for the services category, where it fell short by four percentage points. The services target has been a challenge across the mining industry and Platinum's concerted efforts to meet the target were compromised as a result of the five-month strike in the platinum belt in 2014. Expenditure with BEE suppliers on capital goods reached 55% (2011: 46%) and on consumables reached 60% (2011: 50%). The company exceeded its internal target of 22% for regional expenditure, achieving 24%. Expenditure with local companies based within a 50-kilometre radius of operations was 18.21%, marginally exceeding the internal target of 18%.

Platinum BEE and local procurement: 2011-2014

	Capital goods	Services	Consumables	Aggregate HDSA spend	Actual BEE spend (R bn)	Actual local procurement spend (R bn)
Targets	40%	70%	50%			
2011	46%	51%	50%	48%	10.4	2.4
2012	52%	54%	55%	53%	11	2.8
2013	40%	64%	46%	59%	8.5	2.6
2014	55%	66%	60%	61%	11.9	3.6
Total					41.8	11.4

PROMOTING SOCIO-ECONOMIC DEVELOPMENT THROUGH LOCAL PROCUREMENT CONTINUED

The 2014 strike undermined Platinum's procurement activities and performance. Several local suppliers were negatively affected and the company implemented additional measures to mitigate the impact of the strike. These included: writing off outstanding interest on loans (on a case-by-case basis); freezing interest on loans given to local HDSA companies by Anglo Zimele and writing off some loans (on a case-by-case basis); extending the loan-repayment period by 12 months; and re-allocating businesses to unaffected Platinum operations in the Eastern Limb. Despite the challenges associated with the strike, Platinum achieved a number of positive developments in 2014.

In 2014, the company established a procurement steering committee and strategy and planning workshops were held with local communities to obtain their buy-in and support for the programme. Platinum's supply chain activities are now positioned to be pivotal in improving relations with host communities and ensuring that these communities participate in meaningful economic activity.

Local suppliers are now listed on the internet, providing an accessible database for buyers across the different regions. This will help to increase the participation of local businesses in procurement opportunities.

Local companies operated by HDSAs now qualify for a shortened payment cycle. Despite a rigorous BEE supplier-vetting process, there have been instances where

'fronting' by unscrupulous suppliers has been identified. These cases are investigated and, if suppliers are found to be fronting, they are removed from the supplier database and flagged to ensure no further contracts.

Platinum's supply chain department appointed a supplier-development partner and various activities were implemented, including a roadshow to promote the local procurement toolkit and a high-level mapping exercise of local suppliers across five operations (the Amandelbult mines, Mogalakwena mine, the Rustenburg mines, Twickenham mine and the Polokwane smelter). Approximately 300 local suppliers went through individual company interviews, giving the supply chain department a better understanding of its capabilities, and facilitating its ability to match these with current and future opportunities.

Workshops for local entrepreneurs were held across all Platinum's operations in 2014, to assess what businesses are operating in the neighbouring communities and their business capabilities and capacity. This informed amendments to Platinum's supplier-development programme to assist new entrepreneurs to become fully aligned with the company's business processes, policies and values. In addition, a successful supplier-development programme, piloted at the joint-venture Modikwa platinum mine, is being rolled out across Platinum's operations.

De Beers' preferential procurement programmes seek to stimulate growth in non-mining sectors.

DE BEERS

De Beers' levels of procurement from BEE suppliers continue to increase each year. Over the past four years a total of R13.9 billion was expended on BEE suppliers, of which R5.4 billion was in 2014 (an aggregate 71% HDSA spend compared to 54% in 2011). In 2014, levels of HDSA procurement expenditure reached 73% on capital goods (2011: 28%), 75% on services (2011: 64%) and 64% on consumables (2011: 47%). In 2014, a total of R2.8 billion (52%) was spent on BEE suppliers located in the provinces in which De Beers Consolidated Mines (DBCM) operates. Local procurement expenditure increased from R1.1 billion in 2011 to R2.8 billion in 2014, amounting to R7.3 billion over the last four years.

De Beers' preferential procurement programmes seek to stimulate growth in non-mining sectors and to help to offset historical economic inequalities. The business has well-established initiatives in South Africa aimed at

supporting development through value-adding downstream diamond-related activities, such as diamond processing and jewellery manufacturing, in partnership with government and industry partners.

De Beers established a procurement progression plan to enhance the identification, procurement from and subsequent management and development of BEE entities. A supplier-development resource has been appointed to develop a framework to formalise the development initiatives for current BEE suppliers supplying to the operations and also to link prospective suppliers with opportunities, specifically in the host communities.

De Beers has included a clause in all contracts to require contracted suppliers to contribute 0.5% of their contract revenue to corporate social investment (CSI) projects in the local communities. Multinational companies contributed an average of 0.58% of revenue from contracts for capital goods to CSI projects during 2014.

De Beers* in South Africa BEE and local procurement: 2011-2014.

	Capital goods	Services	Consumables	Aggregate HDSA spend	Actual BEE spend (R bn)	Actual local procurement spend (R bn)
Targets	40%	70%	50%			
2011	28%	64%	47%	54%	2.1	1.1
2012	42%	66%	47%	53%	2.7	1.3
2013	71%	71%	56%	66%	3.7	2.1
2014	73%	75%	64%	71%	5.4	2.8
Total					13.9	7.3

* DBCM, DBGS and DBM

CASE STUDY:

BUILDING A SUSTAINABLE SUPPLY CHAIN BASE

De Beers is actively working with a number of suppliers to develop them from basic service providers into more complex and technically proficient providers. For example, De Beers mentored the Free-State based

HDSA owned civil construction company Aqua Transport/Motse Civils, engaging actively on their supply requirements, and providing improvement feedback, which enabled the supplier to grow and currently employ over 130 employees, with an annual contract of R27 million with De Beers.

ENTERPRISE DEVELOPMENT – CREATING SHARED VALUE TOGETHER

OVERVIEW

Why it is important

Facilitating enterprise development is one of the most effective means of ensuring that the benefits for host communities arising out of mining activities will be sustainable. Targeted enterprise development has the potential to boost small business and, through its multiplier effect, to address the triple challenges of poverty, unemployment and inequality.

Our approach

Our Zimele enterprise development programme, established in South Africa in 1989 to empower black entrepreneurs through the creation of small and medium-sized enterprises (SMEs), is well known and frequently cited as best practice. The model combines financial support with mentorship, providing business and implementation support, coupled with access to capital and markets, to assist local SMEs to grow and create job opportunities. This approach dovetails with our efforts to procure from enterprises close to our operations whenever

possible, delivering value for the business and for communities around our operations. Zimele comprises six funds (outlined on page 99) and is designed to foster the potential of local entrepreneurs to build local capacity and ensure that the local economy is able to deliver opportunities even after mine closure.

What we have achieved

In 2014, we marked 25 years of positive impact delivered through Zimele in the communities around our operations. Zimele initiatives have been a catalyst in the development of emerging black businesses, helping to build sustainable, commercially viable enterprises, and empowering entrepreneurs to operate in the mainstream economy. Zimele is also helping us to transform and secure our supply chain. About a third of the businesses currently funded and supported by Zimele are directly linked to our supply chain. A statistical overview of Zimele's impact between 2010 and 2014 is provided on page 103. In this section, we review Zimele's funds and their impact in 2014, and highlight a selection of recent beneficiary achievements.

Image

The Greenfoot project is a domestic waste-management project being implemented in the communities close to Platinum's Rustenburg mines. The project aims to achieve zero waste to landfill.



Zimele's six funds focus on developing different types of businesses in particular sectors.

ZIMELE FUNDS

Zimele has expanded its product offering over the years, with new funds launched in response to emerging needs. The scheme focuses on equity transactions for mid-ranking SMEs and providing loans and mentoring support to smaller SMEs. Zimele's six funds focus on developing different types of businesses in particular sectors, and increasingly support non-mining-related SMEs. The organisation partners with other role players to deliver on specific mandates. For example, to address the pressing challenge of unemployment in South Africa, the Sebenza fund launched in 2013, in partnership with government, brings the enterprise development model to areas where we source our labour. These business hubs (walk-in centres) enable entrepreneurs and SMEs across the country to access vital facilities, knowledge, SME services, funding and support.

The six funds operated by Zimele are a combination of in-house and partnership funds:

In-house Funds

THE SUPPLY CHAIN FUND



Supports Anglo American's procurement department in identifying appropriate black-empowered SMEs that supply products and services. The fund provides equity and loan finance of up to R5 million per project, as well as business guidance and skills transfer.

THE COMMUNITY FUND



Operates through a network of small business hubs. The fund provides loan finance of up to R2 million per project, and training and skills development for entrepreneurs and emerging businesses in our host communities and in labour-sending areas.

THE GREEN FUND



Targets investment opportunities to reduce carbon reliance, waste generation, energy use and water consumption, and to develop agricultural projects. The fund provides loan finance of up to R10 million per project or business, as well as mentorship, training and support.

Partnership Funds

THE ANGLO AMERICAN SEFA MINING FUND



Is a joint initiative between Anglo American and the government-owned entity sefa (Small Enterprise Finance Agency). The fund provides emerging black-empowered mining companies with technical support as well as equity and loan finance of up to R30 million per project.

THE SEBENZA FUND



Is a partnership between Anglo American and the Development Bank of Southern Africa (DBSA) and operates through a network of business hubs across the country. The fund provides equity and/or loan finance to entrepreneurs and economically viable SMEs that can create long-term, sustainable jobs.

THE GODISA SUPPLIER DEVELOPMENT FUND



Launched in 2014, is operated through a partnership between Anglo American, Transnet (South Africa's national transport authority) and sefa. The fund focuses on the development of SMEs primarily in Transnet's procurement value chain. It provides equity and loan finance of up to R5 million and provides business support and skills development, with an emphasis on supporting women, youth and people with disabilities.

ENTERPRISE DEVELOPMENT – CREATING SHARED VALUE TOGETHER

CONTINUED

Zimele's expanding nationwide network of small business hubs is pivotal in increasing the scope and scale of our progress.

ZIMELE'S IMPACT IN 2014

In 2014, Zimele's funds concluded 406 transactions and provided R436 million in funding for 270 businesses that collectively employed 8,204 people and generated turnover of R1.6 billion.

Total Zimele funding more than doubled in 2014 primarily owing to the Sebenza Fund being fully operational. The Community Fund and Sebenza Fund received 63% of total funding and accounted for 83% of jobs supported and 60% of business turnover. Zimele's expanding nationwide network of small business hubs, through which these funds operate, is pivotal in increasing the scope and scale of our progress. The Community Fund has grown its network to 26 small business hubs, while the Sebenza Fund's network has increased to 15 hubs (see page 104 for the distribution of these hubs). The hubs provide entrepreneurs with access to affordable finance and ongoing business development support and mentorship. This is essential in managing common challenges. For instance, many new entrants require assistance in managing expectations and developing management skills, including finance and tax matters. Most start-ups do not have long-term contracts in place and need to develop and build capacity in order to overcome barriers to accessing markets.

Zimele's increasing impact is reflected in our performance data. The average number of employees per SME supported has escalated from 11 in 2010 to 30 in 2014, while the SME funding to turnover ratio has improved from 2:4 in 2010, to 3:8 in 2014. Successful SMEs have a positive multiplier effect in the surrounding communities, creating employment opportunities and promoting socio-economic development. The Community and Sebenza funds created the majority of new jobs in 2014; about a third of these are in the construction, engineering,

maintenance and transport sectors (see graphs on page 103). Many of the jobs created are in rural areas with high unemployment. Almost half of Zimele-funded SMEs are operated by women or young entrepreneurs and this trend is expected to increase.

The Anglo American sefa Mining Fund will create more jobs in the longer term, once funded companies progress beyond the exploration and feasibility stages of projects. The Green Fund is also gaining potential to create jobs, particularly in sectors such as waste recycling.

Enterprise development highlights in 2014

An agricultural initiative was launched in the Lambasi area of Lusikisiki in the Eastern Cape, a labour-sending area for Anglo American Platinum. The initiative is a partnership between the Sebenza Fund and the Lambasi community and entails the establishment of a sustainable, community-driven agricultural hub for commercial farming of maize, soya and sugar beans. It is projected that the partnership will create 400 new jobs.

The fifth annual Anglo American-sponsored Enterprise Development Conference was held in October 2014 in Johannesburg, providing a platform for more than 400 delegates – including sector practitioners, entrepreneurs, corporates and government – to share practical exercises and knowledge, and inspire solutions-driven thinking to support sustainable entrepreneurship in line with the National Development Plan.

Zimele launched a series of countrywide roadshows aimed at improving its market reach and impact in communities. The first roadshow was held in Mthatha in November 2014, to raise awareness of Zimele's Mthatha business hub, showcase Zimele success stories and stimulate entrepreneurship, job creation and economic growth in the community.

Image 01
Managing director of Anglo American Zimele Hlonela Lupuwana, (right) at the Mthatha roadshow.

Image 02
The roadshow was received enthusiastically by the community.



Image 01

The roadshow served as an awareness and information centre.

Image 02

The Mthatha roadshow mobile stage.



ZIMELE BENEFICIARIES – CREATING A RIPPLE EFFECT

Image

The Sebenza Fund has assisted Kwakhanyisa in creating employment opportunities.

Kwakhanyisa Co-operative Limited has partnered with South African National Parks to sustainably harvest indigenous timber in the Garden Route National Park. The purchase of a sawmill, funded with a R5 million loan from the Sebenza Fund in 2014, was central to expanding the co-operative's capability. Together with Zimele's mentorship, Kwakhanyisa has evolved to sustain 20 existing jobs and is anticipated to create more than 80 new jobs.



Images

(Left) DEI Projects business development and quality assurance director Andrew Aphane and (right) operator, Charles.

Electrical and instrumentation contracting and supply company DEI Projects received a loan of R5 million from the Sebenza Fund to finance its expansion proposal. The company subsequently secured a contract worth R13 million with Platinum's Mogalakwena Mine in Limpopo province, which has boosted the company's turnover by 40%. DEI Projects employs more than 130 people, 80% of whom are from the communities in which it operates.



ENTERPRISE DEVELOPMENT – CREATING SHARED VALUE TOGETHER CONTINUED

ZIMELE BENEFICIARIES – CREATING A RIPPLE EFFECT CONTINUED

CTR Business Enterprise in Richards Bay was able to diversify its service offering to the automotive industry using a loan of R1.1 million from the Sebenza Fund in 2014. This has enabled the wholly black-owned company to expand and successfully access new markets, generating new revenue streams and creating 17 new jobs.

Construction company Murandu Building Solutions in eMalahleni has received over R4 million in loan funding from Zimele's Community Fund since 2012, to complete construction projects, including contracts on three Coal South Africa sites. Zimele's mentorship support helped the company to successfully bid to construct a school in the Eastern Cape. The wholly black-owned company employs 32 people and, with Zimele's support, has created 10 new jobs.

Maduka Resources has a long-term contract at Coal South Africa's Goedehoop colliery for fencing and painting requirements, and also assists Coal South Africa's Zibulo colliery. The company has received over R2 million in loan funding from Zimele's Community Fund since 2013 and has contracts across Mpumalanga province, including with Eskom. Maduka Resources employs 70 people and, with Zimele's support, has supported 18 new jobs.

ATN Group is a 100% black-woman-owned company specialising in road marking and general civil works. In 2014, Zimele's Community Fund gave the company R3 million to expand and diversify its services. ATN Group employs more than 250 people and the loan is expected to enable it to create over 100 additional jobs. The company's owner, Theresa Cupido, was awarded the 2014 Sanlam/Business Partners Entrepreneur of the Year's Job Creator of the Year®.

In 2014, the Anglo American sefa Mining Fund invested R20 million in **Manngwe Mining**, a wholly black-owned exploration, mining and trading company. This enabled the company to establish a formal relationship with Kumba Iron Ore's Sishen Iron Ore Company exploration company, to initiate exploration at the Assen iron ore project in North West province. Manngwe Mining employs 16 people and is forecast to create an additional 21 new jobs.

Image

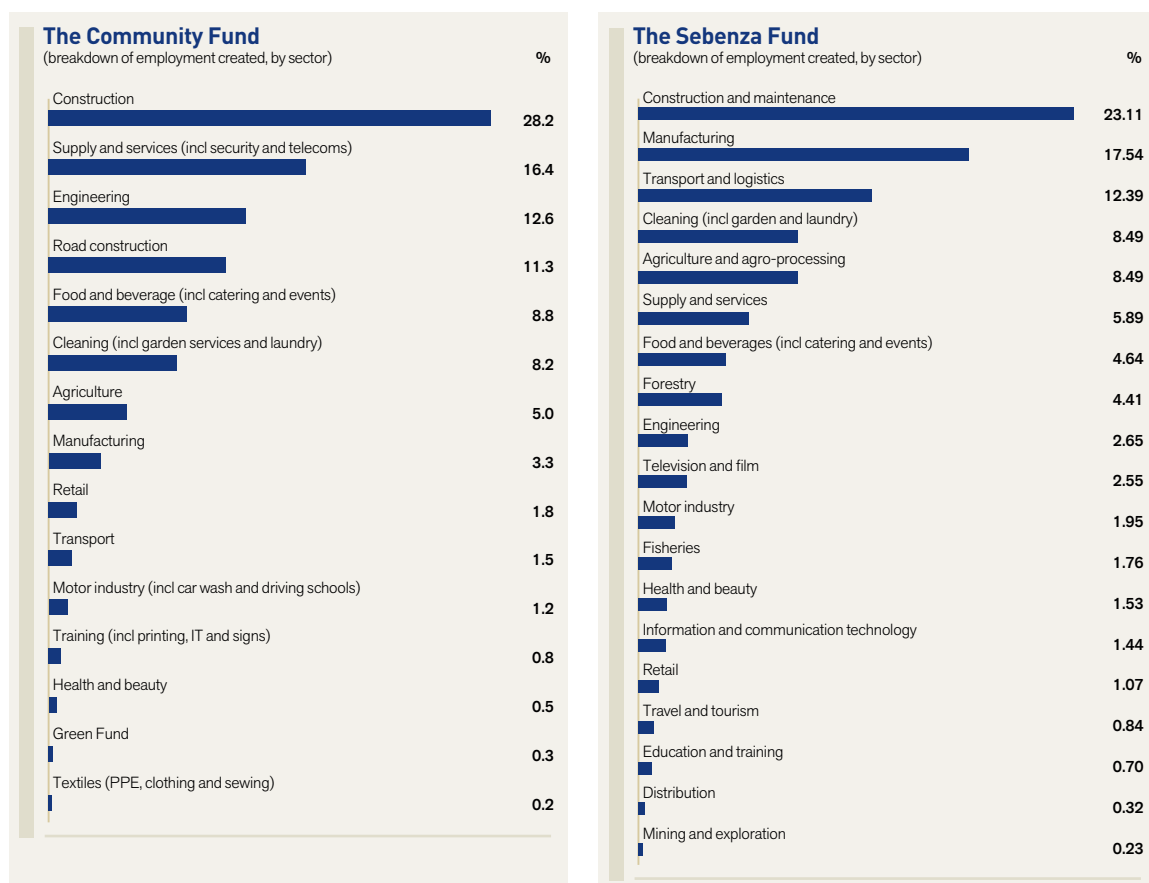
In 2014, Zimele provided R436 million in funding for 270 businesses.



Zimele statistics 2010-2014

	Anglo American in-house funds					Partnership funds					
	Total 2010	Total 2011	Total 2012	Total 2013	Total 2014	Supply Chain Fund	Community Fund	Green Fund	Anglo American sefa Mining Fund	Sebenza Fund	Godisa Supplier Development Fund
Total people employed	3,286	4,367	6,713	8,296	8,204	301	3,594	113	491	3,178	527
Turnover – Rm	306	574	1,068	933	1,638	214	737	27	252	235	173
Funding – Rm	129	124	150	177	436	27	143	6	111	131	18
Female entrepreneurs supported (%)	37	35	49	45	43	40	43	60	17	48	50
Youth supported (%)	49	49	36	39	46	40	31	60	50	42	50
Companies	302	351	318	225	270	5	176	5	4	75	5
Repeat transactions with the same companies	161	168	182	158	136	0	130	0	1	5	0
Total number of Transactions	463	519	500	383	406	5	306	5	5	80	5
Cost per job – R	39,257	28,394	22,345	21,336	53,144	89,701	39,789	53,097	226,069	41,221	34,156

INDUSTRIES IN WHICH ZIMELE IS CREATING AND SUSTAINING EMPLOYMENT

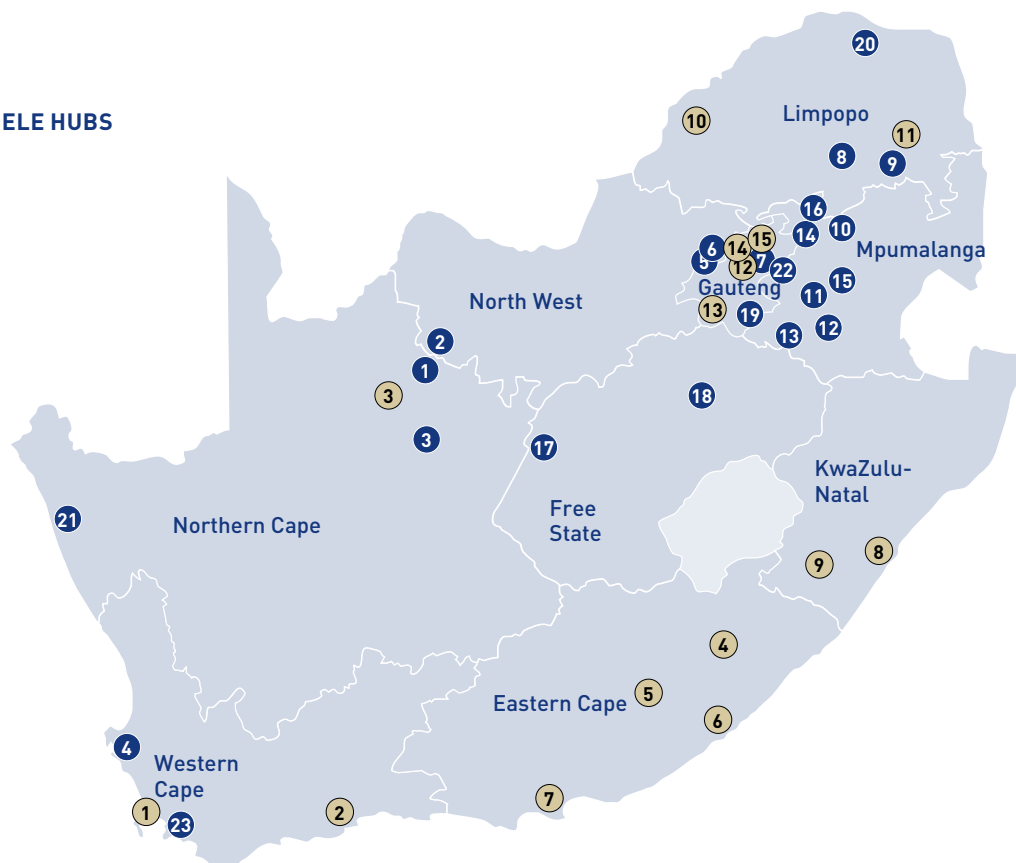


ENTERPRISE DEVELOPMENT – CREATING SHARED VALUE TOGETHER

CONTINUED

ZIMELE HUBS

Business hubs enable entrepreneurs and SMEs to access vital facilities and support.



The Sebenza Fund's 15 small business hubs:

Existing hubs

15

NORTHERN AND WESTERN CAPE

1. Cape Town CBD
2. George
3. Dingleton

EASTERN CAPE

4. Mthatha
5. Queenstown
6. King William's Town
7. Nelson Mandela Bay

KWAZULU-NATAL

8. Durban
9. Kokstad

LIMPOPO

10. Lephalale
11. Tzaneen

GAUTENG

12. Ekurhuleni
13. Mogale City
14. Johannesburg
15. Pretoria

The Community Fund's 23 small business hubs:

Existing hubs

23

KUMBA IRON ORE

1. Kathu
2. Kuruman
3. Postmasburg
4. Saldanha Bay

ANGLO AMERICAN PLATINUM

Western Limb

5. Rustenburg Mining
 6. Rustenburg Process
- ##### Eastern Limb
7. Mokopane
 8. Atok
 9. Burgersfort

COAL SOUTH AFRICA

10. eMalahleni
 11. Middelburg
 12. Secunda
 13. Vaal
 14. Bushbuckridge
 15. Phola (Ogies)
 16. Dennilton
- #### DE BEERS
17. Kimberley
 18. Voorspoed (Kroonstad)
 19. Element Six (Springs)
 20. Venetia (Musina)
 21. Kleinsee

CORPORATE CENTRE

22. Johannesburg
23. Philippi

FACILITATING BENEFICIATION

Beneficiation is one of the major drivers in advancing the empowerment of HDSAs.

OVERVIEW

Why it is important

Mineral beneficiation – the transformation of a mineral (or a combination of minerals) to a higher-value product, which can either be consumed locally or exported – has become one of the major drivers in advancing the empowerment of historically disadvantaged people in South Africa. It also presents opportunities for the development of new entrepreneurs and industrialists in downstream and sidestream industries.

Our approach

Anglo American South Africa supports the government's beneficiation objectives. We see beneficiation as fundamental to the partnerships needed to support national development goals.

What we have achieved

Anglo American's role in mineral beneficiation spans the provision of raw materials for downstream value-addition and the creation of enabling environments that support local beneficiation through enterprise development and technological research. A further focus involves the opportunities to transform mining and industrial process by-products into commercially viable resources, with positive environmental, social and economic impacts. In this chapter, we provide an overview of the local beneficiation activities and performance highlights of each business unit.

COAL SOUTH AFRICA

Coal South Africa's primary role is to extract coal ore and process it through a 'washing and crushing' process to achieve the correct qualities for customers. The company's most important value creation from coal, however, is through its combustion to produce electricity. Coal South Africa continues to supply 70% of its coal to local businesses, 84% of which is supplied to the national power utility Eskom for power generation. As the largest coal producer in South Africa, Coal South Africa supplies 30% of Eskom's coal requirement. The regular load shedding being experienced nationally underlines the importance of Coal South Africa's consistent supply of the correct quality coal to Eskom.

Domestic use of Coal South Africa's product accounted for 36% of the revenue earned in 2014, while the 30% of product exported accounted for 64% of revenue.

Further beneficiation activities include striving for a cleaner and more efficient use of coal, as well as initiatives to reduce greenhouse gas (GHG) emissions through the use of technologies for low-emission coal fired production, carbon capture and storage, and clean-coal technologies.

Progress in downstream beneficiation

The pre-feasibility stage of the planned development of the Elders mining project in Mpumalanga is progressing well, with full production expected in 2018. This project is anticipated to provide longer-term job security for employees currently working on sections of the Goedehoop colliery that are nearing the end of their life.

Image
Richard Mokwena
and coal from 4 seam,
Kriel colliery.



FACILITATING BENEFICIATION CONTINUED

Coal South Africa is a leader in the field of coal-bed methane technology.

Feasibility studies have been completed for the development of a long-life mega-mine at the New Largo coal resource, which will supply up to 17 million tonnes of beneficiated coal annually to Eskom's Kusile power station (under construction), and employ up to 850 people for two generations. The power station will provide 4,800 megawatts (MW), representing approximately 12% of South Africa's future generating capacity.

Life of mine (LoM) extension projects are planned at a number of mines that currently supply Eskom power stations, which, in turn, are being extended to meet power demand when supply is constrained. This will provide prolonged job security for current employees, as well as additional job-creation opportunities during construction stages. The mines include: New Denmark (to supply Tutuka power station); Kriel (to supply Kriel power station); and Mafube (to be extended by 15 years to supply to existing export and domestic customers).

The capacity of the eMalahleni water reclamation plant is being doubled to accommodate the Landau colliery LoM extension in terms of managing mine-affected water and mitigating environmental impacts.

In addition to the Zibulo, Mafube, and Umlalazi washing plants that produce middlings (by-products of the coal washing/beneficiation process), the Greenside washing plant has been upgraded to produce middlings. These are used for power generation by Eskom and local markets, as well as by fuel plants, brick manufacturing units, cement plants, and industrial plants. Additional coal washing plant projects are being investigated at Kriel and New Denmark, to promote further beneficiation and to ensure the coal supplied to Eskom is of the required quality.

Innovation, research and development projects

We are pleased to report progress on a number of initiatives that are aimed at addressing environmental challenges (through waste reduction), creating social

opportunities (through beneficiation) and reducing costs (through improved process efficiencies).

- Coal South Africa continues to supply weathered coal – a potential pollutant – for the production of a specialised humic acid-based fertiliser, achieving waste-beneficiation.
- Discard coal and slimes retreatment processes are being investigated, as sustainable opportunities to maximise the use of a resource while reducing long-term impacts on the environment. For example, the Khanyisa project is the proposed development of a 450 MW independent power producer (IPP) generation project which will use the proven circulating fluidised bed combustion technology (new to South Africa) to provide power while reducing coal waste.
- Coal-bed methane (CBM) technology is being developed in South Africa for potential power generation. Coal South Africa is a leader in this field and has successfully completed a pilot project to explore the beneficiation of CBM by-products.
- Gypsum waste produced at the eMalahleni water treatment plant is transformed into gypsum-based building products, which are being used to construct quality houses in the local communities.
- A brine treatment plant has been constructed at New Vaal colliery to reduce the amount of waste generated.
- Coal South Africa supports Coaltech, an industry-wide initiative that focuses on exploring technologies and approaches to advance the local coal industry and maximise economic opportunities for coal as a resource.

The company was a leading participant in the development of the South African Coal Roadmap (SACRM) published in July 2013, and contributes to decision-making in the country. The SACRM identified a potential shortage of coal supply to Eskom from the mid-2020s and made recommendations on how to avoid a coal shortage which could lead to further power shortages.

The Kumba-Exxaro joint pilot beneficiation plant at Sishen has proven the viability of UHDMS technology.

KUMBA

Kumba's Sishen Iron Ore Company (SIOC) is implementing a beneficiation strategy and continues to engage with relevant stakeholders regarding beneficiation opportunities. SIOC has developed a technology strategy and roadmap aimed at accelerating the adoption of technologies that will improve Kumba's safety and production efficiencies, reduce mining and processing costs, and maximise resource utilisation. In 2014, SIOC invested R226 million in technology development projects.

SIOC operates three iron ore mines – the Sishen and Kolomela mines in the Northern Cape and Thabazimbi mine in Limpopo. Mineral beneficiation plants operating in Sishen and Thabazimbi beneficiate more than 80% of the ore produced, prior to selling. Approximately 14% of iron ore produced by SIOC (up to 6.25 million tonnes per annum) is supplied to the domestic market for steel production. In November 2013, SIOC and ArcelorMittal South Africa (AMSA) signed a new long-term iron ore sale and supply agreement, which allows AMSA to purchase up to 6.25 million tonnes of iron ore at a discounted cost-based price. This price is subject to a cap and is calculated according to the Sishen export parity price at the mine gate. Kumba supplied 4.8 million tonnes to AMSA in 2014.

SIOC continues to explore novel beneficiation methods to increase the iron content of iron ore products and improve resource recoveries. The company is also at an advanced stage of investigating technologies that will enhance the value of iron ore and unlock additional mineral resources. In addition, SIOC is exploring pyro-metallurgical processes to produce products that can be utilised in steelmaking.

Sishen mine remains one of few haematite ore producers in the world to fully beneficiate its products by transforming the entire run of mine production into saleable products.

This is achieved through dense-medium separation technology, gravity concentration and 'jigging' technology. SIOC's innovative Jig technology plant at Sishen mine is a leading example in maximising value from current resources by utilising technology to separate iron-bearing material from waste material, enabling production of an average additional 13 million tonnes of iron ore per annum (12.6 million tonnes in 2014).

SIOC undertakes extensive quality assurance and quality control throughout the iron ore value chain, from exploration drilling through to the product being loaded at the port of Saldanha. The quality oversight is conducted internally through either SIOC site-specific laboratories or the Anglo American Research Laboratory. Less than 5% of the samples are sent outside South Africa for quality control and benchmarking.

Beneficiation project pursuits in progress

The Kumba-Exxaro joint pilot beneficiation plant at Sishen mine has successfully proven the commercial viability of ultra-high dense-medium-separation (UHDMS) technology for separating iron ore at different operating densities. Ultimately, UHDMS facilitates a more efficient and cost-effective extraction process that will enable Kumba to extract more value from orebodies. The first commercial plant is being commissioned at Sishen in 2015.

SIOC is investigating processing technologies to further enhance its ore utilisation and enable the production of saleable iron ore products from low-grade iron ore resources.

SIOC and the Industrial Development Corporation (IDC) continue to play an active role in investigating suitable technology to convert iron ore fines and concentrate into products suitable for the steel industry.

FACILITATING BENEFICIATION CONTINUED

Platinum continues to invest in fuel cells as an emerging technology.

PLATINUM

Platinum's global platinum group metals (PGM) market-development initiatives continue to focus on mitigating risk in market demand across the industrial, jewellery and investment demand segments, in the short and long term. South African beneficiation objectives are supported as part of broader market development activities.

Platinum supports industry and government's efforts to ensure that the current PGM industries in South Africa – the autocatalytic converter and jewellery industries, and a fledgling fuel-cell industry – are maintained and set on a growth path, with appropriate support. The business also assists in developing new manufacturing and job-creation opportunities in the PGM sector.

In collaboration with various partners, the company invests directly in a portfolio of activities ranging from laboratory-scale research and product development to investments in the early-stage commercialisation of products capable of driving global PGM demand in the longer term.

The company invests in market development and beneficiation across five broad areas:

- researching new PGM applications at South African institutions and in collaboration with our customers
- developing global and local platinum jewellery markets
- product development and commercialisation of platinum-containing fuel cells
- equity investments in early-stage technologies that use or enable the use of PGMs
- stimulating platinum investment demand.

Research collaborations

Platinum and the South African government recognise the importance of strengthening research capacity and of building skills in the fields of science and engineering, to enable the development of new PGM products. To this end, the company partners in supporting various PGM research programmes at South African institutions; in 2014 these included the North-West University, the University of Cape Town and the Medical Research Council.

Platinum co-invests in the research and development of new technologies and applications. Recent focus areas are reviewed in the section beneath on developing industrial demand through the PGM Investment Programme.

Developing the platinum jewellery market

Platinum co-invests with other platinum producers in the Platinum Guild International (PGI), which has provided marketing development, sales support and training to all levels of the global jewellery trade for over 30 years. The guild's activities include targeted marketing campaigns to stimulate interest and sales in platinum jewellery in the four key markets of China, Japan, India and the US.

Platinum sponsors tertiary institutions that deliver courses that help to build the design and manufacturing capability of platinum jewellers in South Africa. The company also supports local jewellery manufacturers through a metal consignment scheme, in partnership with Rand Refinery, which allows for extended payment terms and affords jewellers the opportunity to manage price volatility. In 2014, the company held its 16th annual PlatAfrica design and manufacture competition, attracting more than a hundred entries from professionals, apprentices and students. The pieces showcased local design talent and high-quality workmanship, targeting the large and growing Chinese jewellery market. The annual competition and its media campaign raise consumer and retail awareness of platinum jewellery in South Africa, and feature in the curriculum at local training institutions.

Developing the fuel cell market

A key development area for platinum is the use of fuel cells to provide power. The diverse applications of fuel cells include: rural electrification; back-up power for telecommunications; combined heat and power applications for residential, commercial and industrial buildings; mobile power; and battery charging. Fuel cells are efficient, versatile and scaleable, and offer several advantages. They have the potential to boost demand for platinum, which is used as a catalyst in the cells. Fuel cells do not require electricity, do not emit noxious gases, and could reduce levels of reliance on coal-fired power plants.

Platinum continues to invest in fuel cells as an emerging technology and new end market. The creation of a fuel cell industry in South Africa, generating operational and manufacturing jobs, is aligned with the NDP and government's industrial development priorities.

Platinum is partnering to develop a commercial stationary fuel cell home generator designed to provide efficient, reliable power to rural communities that are not connected to the electricity grid. A field trial was launched in August 2014 outside Kroonstad in the Free State. This is a

world-first demonstration of a fuel-cell mini-grid application for rural electrification. Fuel cell mini-grid technology can enable the country to meet a number of national imperatives, including universal, cost-effective access to power, local manufacturing and job creation.

Platinum collaborated in developing hydrogen fuel cell systems as cost-effective replacements for conventional batteries or diesel engines in underground mining vehicles. Pending the outcome of underground testing, the business aims to commercialise this technology in South Africa.

Images

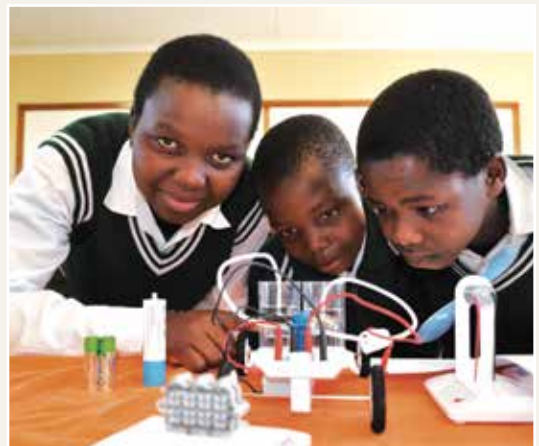
Platinum provided educational material and fuel cell demonstration kits to learners in the Eastern Cape.

CASE STUDY:

FUEL CELL TECHNOLOGY AND EDUCATION IN SCHOOLS IN THE EASTERN CAPE

The Department of Science and Technology (DST) has partnered with the private sector in a successful pilot project using hydrogen fuel cell technology in three schools in Cofimvaba in the Eastern Cape. The technology provides standby power, and potentially primary power, supporting basic energy requirements including charging stations for tablets, fax machines and computers. Platinum sponsored three platinum-based fuel cell systems, including installation and ongoing maintenance and operation.

The company also sponsored an educational programme that has been rolled out to schools in the area, teaching learners about fuel cells and renewable energies. To date, 3,500 learners from grade R to grade 12 at 26 schools in the region have benefited from this programme. The collaboration provides the opportunity to demonstrate the technical ability of platinum-based fuel cells to power rural schools, and contributes to the improvement of the quality of teaching and learning in a rural context. The education initiative has been an inspiration to learners, promoting aspirations for vocations in science, technology, engineering, mathematics and innovation. These skills are key to creating a knowledge base to support fuel cell deployment.



FACILITATING BENEFICIATION CONTINUED

Image

This hydrogen fuelled, zero emissions car is part of a campaign to support the commercial success of fuel cell electric vehicles in the UK.

CASE STUDY:

PROMOTING THE UPTAKE OF FUEL CELL VEHICLES

Platinum is supporting the London Hydrogen Network Expansion (LHNE) project, which aims to expand the use of fuel-cell electric vehicles in the UK. The project started in January 2013 and aims to deliver a publically accessible, 700 bar, fast-fill hydrogen-fuelling station network across London and the South East of England. The collaboration between industry and government has initiated diverse hydrogen projects, including the operation of eight fuel cell London buses and the demonstration of five fuel-cell vehicles, one of which is being leased by our Platinum business.



Developing industrial demand through the PGM Investment Programme

The PGM Investment Programme was created to invest in entities that use or enable the use of PGM-based technology in their products or processes. The programme provides start-up and growth capital to innovators and entrepreneurs during the early-stage development and commercialisation of PGM technology.

Progress during 2014 included using a palladium-based technology that removes ethylene, an odourless gas that can accelerate ripening of fruit, to develop commercially viable products to extend the shelf life of fresh produce. Other initiatives are the further development of utility-grade electrical energy storage solutions and developing technology that enables the efficient, safe and cost effective storage of hydrogen, which is often used as an energy-storage medium.

In addition, the company holds significant minority interests in platinum-based fuel-cell companies Ballard Power Systems and Altery Systems.

Together with the Department of Science and Technology, the company is also investing in South African fuel cell company Clean Energy Investments.

Stimulating platinum investment demand

Building on the success of the Platinum Guild International (PGI) in stimulating jewellery demand, in 2014, Platinum together with five other leading South African platinum producers launched the World Platinum Investment Council (WPIC). The initiative aims to provide data and insight into the platinum industry and make investment in platinum more accessible to diverse investors across the world, in order to stimulate greater long-term sustainable demand.

Platinum is confident that the demand fundamentals for the long-term supply of PGMs are attractive due to growth in demand from existing and developing PGM applications and the stimulation of demand growth in support of sustainable supply. Demand was at a lower level in 2014 than in 2013, while autocatalyst and industrial segments have continued to grow.

In facilitating beneficiation in South Africa, De Beers seeks alignment with government strategy and partnership opportunities.

DE BEERS

Beneficiation has always been a part of De Beers' business model. The company has a long history of selling rough diamonds to South African clients ('sightholders') and to the medium and small beneficiaries through the Diamond Development Company, for local manufacturing. This commitment has since been expanded to include a focus on cutting and polishing training, jewellery design and manufacture and stimulating diamond jewellery demand.

In facilitating beneficiation in South Africa, De Beers seeks alignment with government strategy and partnership opportunities that include a broad range of resources and expertise.

During 2014, De Beers reviewed its global beneficiation strategy, outlining five principle components for facilitating beneficiation:

- **Sustainable manufacturing** – nurturing and extending the enabling environment (beyond mining, sorting and valuing) for successful and sustainable diamond cutting and polishing in producer countries.
- **Other value-creating opportunities** – identifying, facilitating and exploiting other emerging diamond-related economic development opportunities (such as supporting entrepreneurs and jewellery manufacturing), and non-diamond related opportunities, that are aligned with the strategic objectives of both government and De Beers.
- **'New Territories' strategies** – identifying new producers and developing an engagement strategy to deliver beneficiation benefits aligned with De Beers' operating model.
- **Stakeholder engagement** – raising awareness among all stakeholders, both internal and external, about the importance of beneficiation and its role in the company's strategic objectives.
- **Strategic analysis** – ongoing investigation and development in the key areas of the strategy. De Beers

is a standard-bearer not only in the diamond industry, but in the minerals segment as a whole, and should remain so through its strategic planning.

PRINCIPAL BENEFICIATION INITIATIVES

Predictable and consistent supply to South African clients

De Beers supplies its South African sightholders with rough diamonds for local cutting and polishing, achieving 43% of local sales by value on an annual basis (exceeding the regulatory requirement of 40%). The provision of a consistent and predictable supply of rough diamonds enables sightholders to plan and participate in marketing programmes that are critical for driving demand, and to enter into partnerships with retailers and wholesalers as part of their distribution model. De Beers' steady supply thus supports sustainable employment opportunities.

All of De Beers sightholders' businesses are black empowered.

De Beers continues to supply the State Diamond Trader (SDT) with up to 10% of its run-of-mine production, as required by legislation. This supply is important for the SDT's continued supply of rough diamonds to its small and medium beneficiary clients.

Establishment of a downstream enterprise hub

De Beers is finalising a plan for the establishment of a downstream enterprise hub to support the government's beneficiation objective of growing the South African cutting and polishing industry and supporting small beneficiaries. Through the hub, De Beers will facilitate access to funding, business management skills and linkages between various role players within the downstream industry, namely government, manufacturers, funders and industry organisations. The majority of small diamond cutters and polishers are HDSAs. The hub will exclusively focus on supporting these businesses to develop into sustainable businesses that can compete on a global scale.

FACILITATING BENEFICIATION CONTINUED

Facilitating jewellery design and manufacture

De Beers' Shining Light diamond jewellery design has for 18 years showcased the wealth of South Africa's jewellery design and manufacturing talent. During 2014 the company revised the strategic focus of the competition, to give participants the opportunity to also receive valuable business development skills in the areas of jewellery design, jewellery manufacturing, sales and marketing and consumer demands. This development aims to encourage young designers to create commercially viable jewellery. The winners of the 2015 Shining Light Diamond

competition will be given the opportunity to receive training for a year in Milan, with De Beers' Forevermark design team.

Promoting beneficiation through partnerships

De Beers will continue to collaborate with government, sightholders and industry organisations in pursuit of sustainable beneficiation in South Africa. This collective approach harnesses the experience and skills of the industry and the support from government, for the benefit of the local industry and all South Africans.

CASE STUDY:

KIMBERLEY INTERNATIONAL DIAMOND AND JEWELLERY ACADEMY

The establishment of the Kimberley International Diamond and Jewellery Academy (KIDJA) was the first beneficiation project De Beers implemented in partnership with government. The Northern Cape provincial government initiated the project to position Kimberley as an international diamond hub and partnered with De Beers in 2009. The academy focuses on developing skills in rough diamond cutting and polishing and jewellery manufacturing. Since its inception in 2011, 246 graduates have been trained (100% HDSA) including

44 learners with disabilities. De Beers invested R4.4 million in 2011 and R1.8 million between 2012 and 2014, primarily for bursaries.

The successful partnership with government has influenced the company's approach to establishing a downstream enterprise hub (see above), an initiative that, once launched, will focus on funding and providing business support to small and medium diamond beneficiaries in South Africa. As part of this project, De Beers is pursuing partnerships with the following government entities: the State Diamond Trader, the South African Diamond and Precious Metals Regulator and the Department of Trade and Industry.

Image

Sorting and valuation of South African rough diamonds at the De Beers Sightholder Sales, Harry Oppenheimer House, Kimberley.



GLOSSARY

AACD:	Anglo American's Corporate Division	FLISP:	Finance Linked Individual Subsidy Programme
AACF:	Anglo American Chairman's Fund	GCC:	Government Certificate of Competence
AAESS:	Anglo American EMEA Shared Services in South Africa	GHG:	Greenhouse gas
AAIC:	Anglo American Inyosi Coal (Proprietary) Limited	GIBS:	Gordon Institute of Business Science
AASA:	Anglo American South Africa Limited	GJ:	Gigajoule
ABET:	Adult basic education and training	HDSAs:	Historically disadvantaged South Africans
AMCU:	Association of Mineworkers and Construction Union	HIV/ AIDS:	Human immuno-deficiency virus/Acquired immuno-deficiency syndrome
AMSA:	ArcelorMittal South Africa	HPI:	High-potential incidents
AOL:	Anglo Operations Pty Ltd	HRD:	Human resource development
ART:	Anti-retroviral therapy	IAP2:	International Association for Public Participation
BBBEE	Broad-based black economic empowerment	IDC:	Industrial Development Corporation
BEE:	Black economic empowerment	IPP:	Independent power producer
CBM:	Coal-bed methane	JTG:	John Taolo Gaetsewe
CFA:	Climate facility for Africa	KIDJA:	Kimberley International Diamond Jewellery Academy
CSI:	Corporate social investment	LCE:	Leaders in the Connected Economy
DBCM:	De Beers Consolidated Mines	LFI:	Learning from incidents
DBSA:	Development Bank of Southern Africa	LoM:	Life of mine
DEA:	Department of Environmental Affairs	METF:	Minerals Education Trust Fund
DMR:	Department of Mineral Resources	MPRDA:	Minerals and Petroleum Resources Development Act
DoE:	Department of Energy	MQA:	Mining qualifications authority
DoH:	Department of Health	NDP:	National Development Plan
DST:	Department of Science and Technology	NQF:	National qualifications framework
DT:	Development Trust	NSFAS:	National student financial assistance scheme
EAP:	Economically active population	OD:	Organisational development
ECD:	Early childhood development	OEL:	Occupation exposure limits
EE:	Employment equity	OEM:	Original equipment manufacturer
EMEA:	Europe, Middle East and Africa	ORMP:	Operational risk management process
EMPs:	Environmental management plans	OVC:	Orphans and vulnerable children
EMPR:	Environmental management programme report	PBO:	Public benefit organisation
EMS:	Environmental management system	PGI:	Platinum Guild International
ESOPs:	Employee share ownership plans	PGMs:	Platinum group metals
FEL:	Front-end loading	PITs:	Professionals-in-training
FLC:	Foundational learning certificate	PME:	Programme for management excellence

GLOSSARY CONTINUED

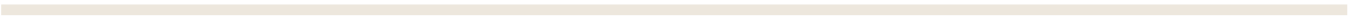
PMT:	Practical management training	SMES:	Small and medium sized enterprises
PPE:	Personal protective equipment	SMMes:	Small, medium and micro enterprises
PWD:	People living with disabilities	TAP:	The Achiever Programme
RLM:	Rustenburg Local Municipality	TB:	Tuberculosis
S&SD:	Safety and sustainable development	tHS:	theHealthSource
SACRM:	South African Coal Roadmap	TMM:	Trackless mobile machines
SAVs:	Single accommodation villages	TRCFR:	Total recordable case frequency rate
SDT:	State diamond trader	UGM:	Ulysses Gogi Modise
SEAT:	Socio-economic assessment toolbox	UHDMS:	Ultra-high dense-medium-separation
SHE:	Safety, health and environment	VCT:	Voluntary counselling and testing
SIOC:	Sishen Iron Ore Company	VFL:	Visible felt leadership
SLP:	Social and labour plan	WPIC:	World Platinum Investment Council

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