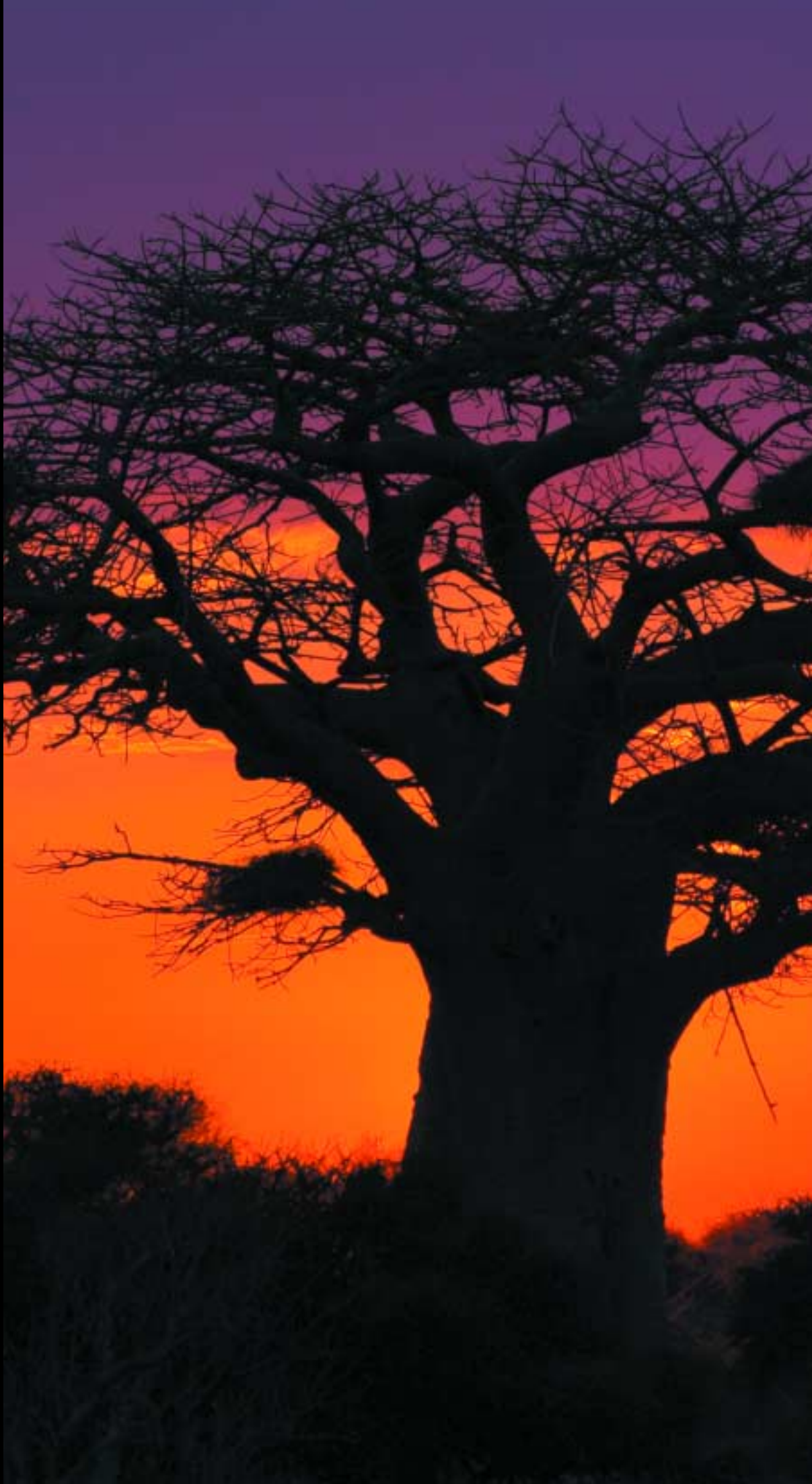


ANGLO COAL SOUTH AFRICA
TOWARDS SUSTAINABILITY 2003



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Report scope

This is the second report publicly issued by Anglo Coal South Africa (ACSA) on sustainable development, highlighting performance in safety, health and environment and corporate social responsibility initiatives. This report was compiled using the Global Reporting Initiative (GRI) guidelines, reflecting progress on our previous report issued in June 2003.

Background

ACSA is part of Anglo Coal, which is wholly owned by Anglo American plc; the ownership structure is illustrated on page 9.

Basis of reporting

This report reviews the performance for the financial year ending 31 December 2003. The report does not cover those operations where we hold a minority share, such as Richards Bay Coal Terminal Limited (RBCT) and Eyesizwe Coal.

The Safety, Health and Environment (SHE) data and associated technical information provided in this report were captured and collated using an intranet database system. Supporting guidelines on definitions and interpretations for the various parameters are provided in the Anglo American plc database guideline document. Calculations and conversions are based on internationally accepted guidelines and protocols. A summary of statistical data for each of the collieries is provided on the inside back cover. The reported 2003 SHE performance indicators and associated statements should be read in the context of the report scope and company profile on page 9, the qualifications relating to coal mine methane emissions on page 27 and water consumption for primary activities on the inside back cover.

Independent assurance

KPMG has undertaken an external, independent review, at selected sites, of safety, health and environmental data reflected in this report. The review statement issued by KPMG can be found on page 43.

The baobab tree (Adansonia digitata) – legendary, towering, awe-inspiring, with a lifespan lasting hundreds of years – is a protected species in southern Africa. From its solid roots and powerful branches to its flowers, fruit and seeds, the baobab nurtures, shelters and provides sustenance to man, birds and a variety of wildlife in an ever-repeating cycle. Just as the baobab serves a multitude of purposes, so, too, are the coal industry and ACSA enduring contributors to economic growth and development in South Africa, providing affordable energy while at the same time working toward a cleaner, healthier environment for all.





Chief executive officer's statement



Tony Redman, Anglo Coal Chairman and Chief Executive Officer.

Over the past few years Anglo Coal has grown from being a purely South African company to being a global organisation with significant investments in coal mining operations in South Africa, Australia and South America. In 2003, Anglo Coal's production increased by 8% to 87 million tonnes of coal which was supplied to customers around the globe. This growth has been coupled with continuous progress in building wider sustainable development imperatives into our operational and corporate activities.

For Anglo Coal it is clearly evident that this approach is not only required to ensure regulatory compliance but is also necessary as a way to conduct business. It helps us to remain competitive, enhance stakeholder relationships and over the longer term, deliver greater shareholder value.

In aligning its sustainability activities, Anglo Coal draws on the governance framework set out in the Anglo American plc *Good Citizenship: Our*

Business Principles document which targets best practice and innovation. Our emphasis on a culture of transparency and accountability was further strengthened during the past year as we re-examined our practices on compliance with anti-trust and competition laws and facilitated constructive whistle-blowing. Specifically, we undertook exercises to ensure that all relevant employees understood the requirements of anti-trust laws and the consequences of non-compliance, and we launched the *Speak-Up* campaign, the brand name for Anglo American plc's independently managed whistle-blowing programme.

In all Anglo Coal managed operations worldwide we aim to achieve continuous improvement in productivity and Safety, Health, and Environmental (SHE) performance, whilst at the same time improving organisational culture and wider community relationships. Our 2003 SHE results continued to show overall improvement; however, we did not achieve our key safety targets and regrettably have to report that five of our employees and two contractors were fatally injured in work-related incidents across all Anglo Coal managed operations. A process to re-examine our shortcomings and to improve safety performance has commenced.

The Anglo Coal sustainable development framework also encompasses external product stewardship initiatives. Our focus is on achieving industry-wide coordination to progress the role of coal as an energy source that secures economic growth while reducing environmental impacts and, over the longer term, achieving zero harmful emissions. To this end we participate in regional and international industry and multi-stakeholder associations, the most notable being the World Coal Institute where we have a leadership position. Through participation in the South African government's delegation to the Carbon Sequestration and Leadership Forum we contribute to developments in carbon capture and storage. In addition, we have recently become members of the International Energy Agency Clean Coal Centre, which provides a platform from which to work with coal users on clean coal research.

In pursuing the goals we encompass under sustainable development, Anglo Coal wishes to further strengthen its position as an employer of choice and a visible leader, dynamically shaping the future of both its business and the coal industry in general.

Accountability and transparency



Anglo Coal's management team responsible for global operations. Seated: Roger Wicks, Executive Vice President: Global Strategy, Marketing and Sustainable Development; Tony Redman, Chairman and Chief Executive Officer; Norman Mbazima, Chief Financial Officer. Standing: John Wallington, Executive Vice President: South Africa and South America; Eric Ford, Chief Executive Officer, Anglo Coal Australia. Inset: Ken Bell, Senior Vice President: International Business Development.

Ultimate responsibility for Anglo Coal's performance rests with senior executives and operations management, although accountability is devolved through all levels of business. The company has corporate policies and procedures for specifically managing social, environmental and ethical risks, and regularly assesses the relevance and management of these through internal audits and external verification processes. Accountability and transparency are achieved through Anglo Coal's management systems, with operational checks and balances forming an integral part of the organisation's reporting structure. Quarterly reports on major issues of policy implementation at divisional and operational level are submitted to the Anglo American plc Executive Committee. These reports are summarised for the Safety, Health and Environment Committee of the Anglo American plc Board.

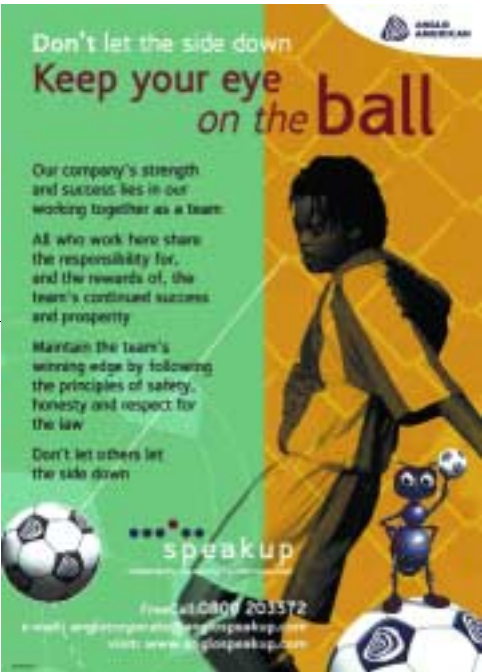
In addition and in accordance with company policy, the executives responsible for operations annually submit a Safety, Health and Environment Letter of Assurance to the Chief Executive Officer of Anglo Coal. This submission reviews the effectiveness of risk management procedures and the extent of operational compliance with legal requirements, internal company policies and management principles. Our corporate strategies and operational business plans further align company operational practice with the overarching sustainable development principles.

Shared values and ethics

ACSA subscribes to Anglo American plc policy on values and ethics as provided in the *Good Citizenship: Our Business Principles* document.* This policy covers conduct in stakeholder relationships, respect for human rights, labour rights and safety, health and environmental stewardship.

As part of our compliance with this policy, ACSA has recently re-examined its practices to ensure that it is fully compliant with anti-trust and competition laws. Included in this exercise were briefing sessions to ensure that employees in management positions understand the requirements of anti-trust laws and the consequences of failing to comply with such laws.

During 2003, ACSA also launched the ‘Speak-Up’ campaign, a brand name for the Anglo American plc’s independently managed whistle-blowing programme. This reflects ACSA’s commitment to build a culture of transparency and accountability.



Building a culture of transparency and accountability

Speak-up rationale bears fruit

ENTRENCH VALUES

- Integrity non-negotiable
- Transparency and accountability

AVOID EXTERNAL SANCTION

- Early alerts
- Meet combined core requirements

STRENGTHEN THE CONTROL

- Concealment more difficult
- Expedite remedial action

BUILD EMPLOYEE LOYALTY

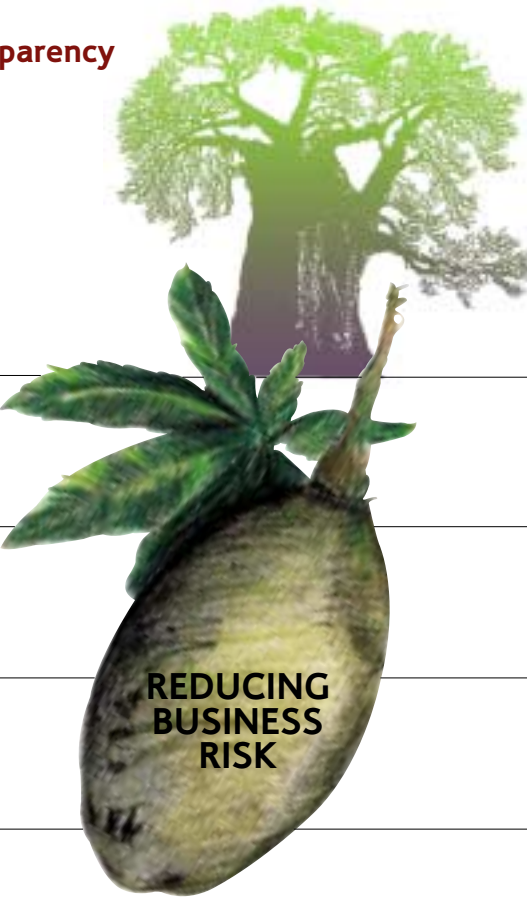
- Avenues for channelling vital information
- Transparency and accountability

BUILD SUPPLIER LOYALTY

- Prevent corrupt practices

CONTRIBUTE TO BOTTOM LINE

- Prevention of economic crime
- Recovery of monies and assets



AA plc launched a whistle-blowing programme called ‘Speak-Up’ in October 2003 to provide an alternative and confidential means of communicating any practice contrary to the group’s business principles, such as criminal offences, unreliable accounting, non-compliance with regulations, and safety, health and environmental transgressions. The ‘Speak-Up’ communication channels, such as free call, free fax, free post, e-mail and web facilities, are managed independently and off-site by Tip-Offs Anonymous. ‘Tip-Off’ hotlines are installed at each colliery and the calls are confidential, with the caller remaining anonymous. Employees are able to divulge violations of business principles or to raise any other legal or ethical concerns in good faith and without prejudice.

* Available at www.angloamerican.co.uk.

Energy security, climate change and coal

The need for cleaner, affordable energy is a major global concern. Greenhouse gas (GHG) emissions from a world hungry for energy to drive economic progress and social development are the focus of both increasingly stringent environmental legislation and international efforts to find ways of reducing anthropogenic (man-induced) GHG emissions. Anglo Coal and others in the coal industry (producers, consumers, equipment suppliers) are working to ensure that coal meets future environmental standards while remaining an economically viable source of energy. This is essential if meaningful CO₂ mitigation is to be achieved as large developing economies such as China, India and South Africa continue to use relatively lower-cost and abundant coal resources as a primary source of energy.

A PRODUCT STEWARDSHIP APPROACH

The main international platform which is being used to promote an industry-wide, stewardship approach to the production and use of coal is the World Coal Institute (WCI). Anglo Coal currently has a leadership position in the WCI, and is working together with other participants in the organisation to engage with stakeholders on the challenges that face the coal industry. Among other aspects, the WCI key objectives include: promoting recognition of coal's contribution to energy demand and sustainable development, working for policies that encourage development of clean coal technologies, and helping to create a policy environment that supports clean coal as part of a sustainable energy future. In the last year, the WCI has released a report entitled *'The Role of Coal as an energy source'* and will soon be publishing its latest report entitled *'Clean Coal – Building a future through technology'*. Both these reports provide a framework for coal as a viable energy source for the future.

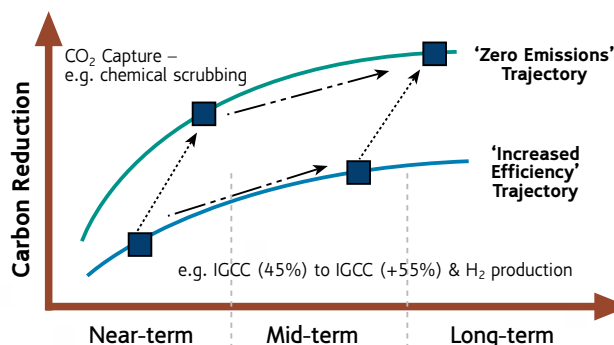
Anglo Coal has recently joined the International Energy Agency Clean Coal Centre (IEA CCC), which provides an opportunity to engage with industry stakeholders on coal utilisation research. Amongst other studies, the 2004 programme will examine coal / biomass co-firing and life-cycle emissions associated with coal.

The Carbon Sequestration and Leadership Forum (CSLF), launched in June 2003, is a 10-year project

to facilitate international collaboration on separation, capture, transportation and storage of CO₂. The CSLF has a membership of 16 countries including Australia, China, the European Commission, India, South Africa, the United Kingdom and the United States. Anglo Coal contributes to CSLF activities as part of the South African delegation.

Clean coal technology (CCT)

The pathway to near-zero emissions

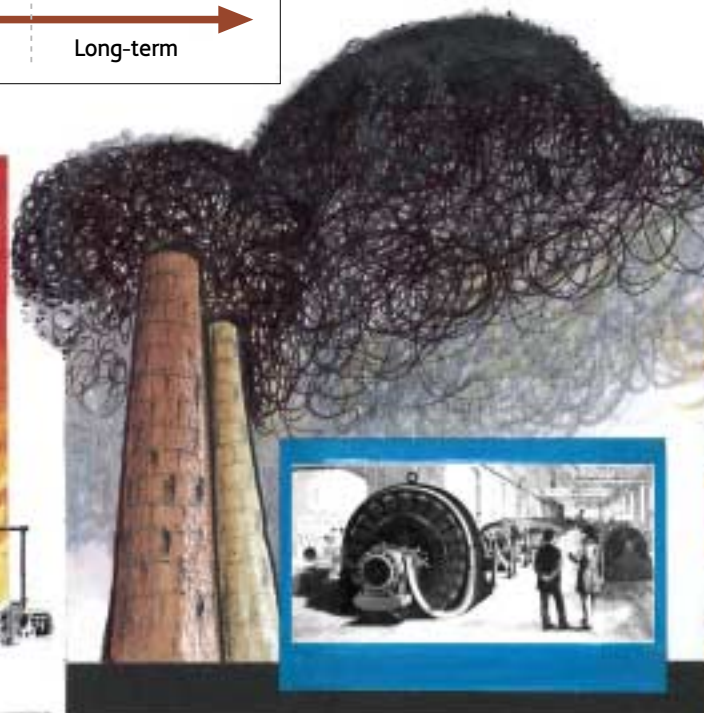


POWER AND PROGRESS

From the flame and gases of the early 1800s to a future of near-zero emissions.

The perfection of the steam engine heralded the dominance of coal power. Above: 'The North Star' is one of a series of steam locomotives built by George Stephenson.

The Industrial Revolution gave rise to industrial pollution which was accepted as a necessary by-product of economic growth. Power generation increased and large-scale plants benefitted from the economies of scale.



COAL: CLEANER ENERGY FOR THE FUTURE

What is clean coal technology?

Clean coal technology describes a range of technology-based efforts to reduce the environmental impacts in the coal utilisation/conversion processes for producing electrical energy. Coal is one of the most widely distributed and economically viable sources of energy and continues to play a critical role in the economic transition of many developing countries.

Significant advances have already been made in the combustion process – for example, the implementation of flue gas control technology, which has achieved substantial reductions in SO_2 , NO_x and particulate emissions. The roadmap to near-zero emissions highlights conventional technologies that encompass short- to medium-term objectives and provide an economic technology base for the long-term target of near-zero emissions.

Conventional clean coal technology

This refers to technology improvements in power generation that deliver incremental gains in net efficiencies and reduction in emissions (see CCT graph). Thermal efficiency on new pulverised coal combustion power-generating plants could increase to 45% and over a longer time frame using ultra supercritical pulverised coal combustion plants to 50-55%. Advanced Integrated Gasification Combined Cycle (IGCC) plant efficiency could rise to 50-55%. Conventional clean coal technology delivers substantial reductions in SO_2 , NO_x and particulate emissions.

Zero emission plants

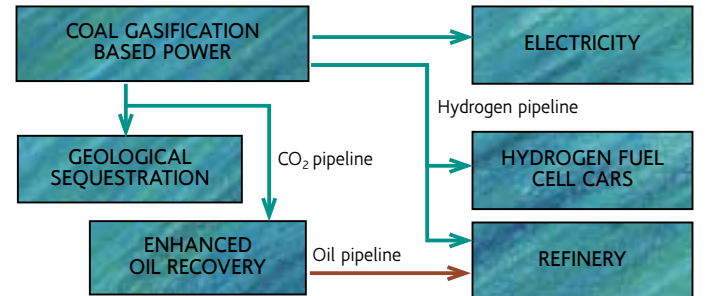
For zero or near-zero emissions, the remaining environmentally harmful gases such as CO_2 will need to be captured and permanently stored. This encompasses a wide range of technologies in separation and storage.

CO_2 capture

CO_2 separation can be carried out by chemical scrubbing of CO_2 rich flue gas or by using membranes, metal-based sorbents and other separation technologies. However, research and development is required to counter the significant reduction in efficiency (or energy penalty) incurred in the separation process.

FutureGen

Coal-based zero emissions electricity and hydrogen plant

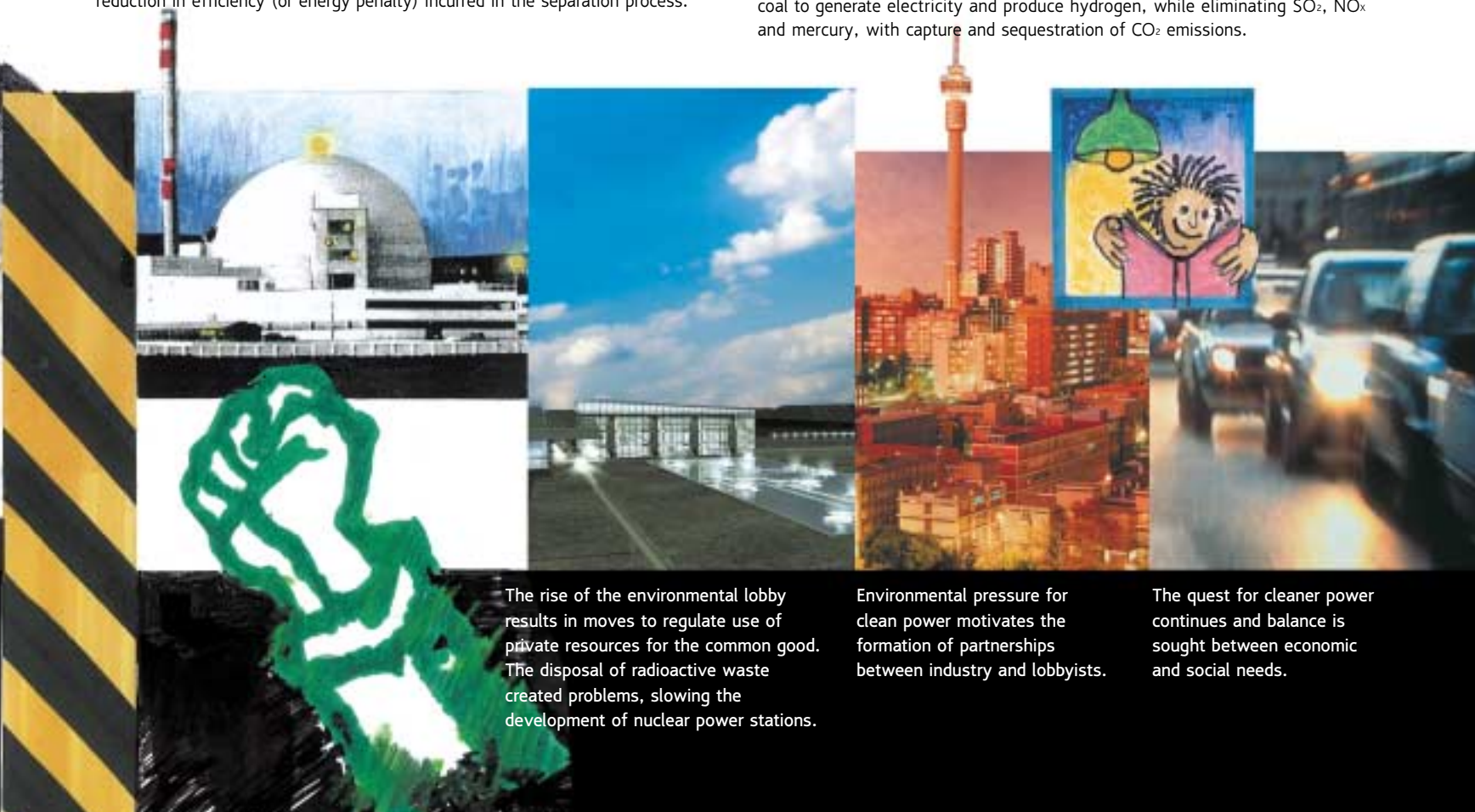


CO_2 storage

Sequestration options range from specifically identified geological formations to depleted oil and gas reservoirs and un-mineable coal seams. These geological formations provided natural storage for crude oil, natural gas and brine for hundreds of millions of years. In some instances CO_2 sequestration into depleted oil or gas reservoirs or un-mineable coal seams could facilitate enhanced recovery of oil, gas or coal bed methane. CO_2 storage is presently undertaken on a commercial scale, an example of which is the Sleipner gas field of Norway where Statoil sequesters the CO_2 in an underground saline reservoir.

FutureGen

The United States Department of Energy and industry partners have embarked on a 10-year, \$1 billion initiative known as FutureGen, to research, design and develop a coal-based zero emission plant. On completion, this plant will use coal to generate electricity and produce hydrogen, while eliminating SO_2 , NO_x and mercury, with capture and sequestration of CO_2 emissions.



The rise of the environmental lobby results in moves to regulate use of private resources for the common good. The disposal of radioactive waste created problems, slowing the development of nuclear power stations.

Environmental pressure for clean power motivates the formation of partnerships between industry and lobbyists.

The quest for cleaner power continues and balance is sought between economic and social needs.

Anglo Coal South Africa (ACSA): Overview



*John Wallington, Executive Vice
President: Anglo Coal South Africa
and South America.*

It gives me great pleasure to present to you our second sustainability report for operations in South Africa. Over the past year we have embarked on an organisational culture transformation programme, termed '*Yebo Siyaphambili*' – a Zulu phrase meaning, '*Yes, we are moving forward together*'.

Internally, the objectives of '*Yebo Siyaphambili*' are to promote performance excellence through people by creating a shared vision amongst all our employees and by putting people first. This will create a climate where innovation can flourish and drive ACSA to greater heights. Our successes in this area will be acknowledged and celebrated. Externally, '*Yebo Siyaphambili*' will ensure that ACSA prospers in a rapidly changing corporate and national environment.

A number of new initiatives to increase production were recently announced. The largest of these was an announcement with Sasol to establish the new opencast operation, Isibonelo Colliery, in the Kriel South reserve block. In terms of this agreement, ACSA will produce 5 million tonnes of coal for dedicated supply to Sasol commencing in 2005. The expansion projects at both Kleinkopje and Greenside Collieries are nearing completion which will increase colliery production by some 1.3 and 1.0 million tonnes per annum respectively. We also have a contract with Eskom for supply of 1.2 million tonnes per annum from Springboklaagte reserves; production is scheduled to commence in 2004.

ACSA has agreed on a memorandum of understanding with BHP Billiton's Ingwe Collieries Limited, to explore the joint expansion of adjacent coal resources in the Western Complex. Should the proposed expansion prove viable, the establishment of the Western Complex would provide long-term coal supplies to both Eskom and the export thermal markets.

As these new business developments gain momentum they will be guided by our commitment to the principles of sustainable development and will build on the experience reflected in this, our second sustainability report.

ANGLO AMERICAN plc

AngloGold 54.5%	Anglo Platinum 74.1%	Anglo Coal 100% 86.6 Mtpa	Anglo Base Metals 100%	De Beers 45%	Anglo Paper and Packaging 100%	Anglo Ferrous Metals and Industries 100%	Anglo Industrial Minerals 100%
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Australia 26.1 Mtpa	South Africa 51.8 Mtpa	South America 8.7 Mtpa
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Export 100% 20.5 Mtpa	Power generation 100% 31.3 Mtpa	Eyesizwe Coal 11%
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Bank
Underground Production 3.2 Mtpa

Kriel
Underground/Opencast Production 11.0 Mtpa

Goedehoop
Underground Production 6.0 Mtpa

New Denmark
Underground Production 4.3 Mtpa

Greenside*
Underground Production 3.4 Mtpa

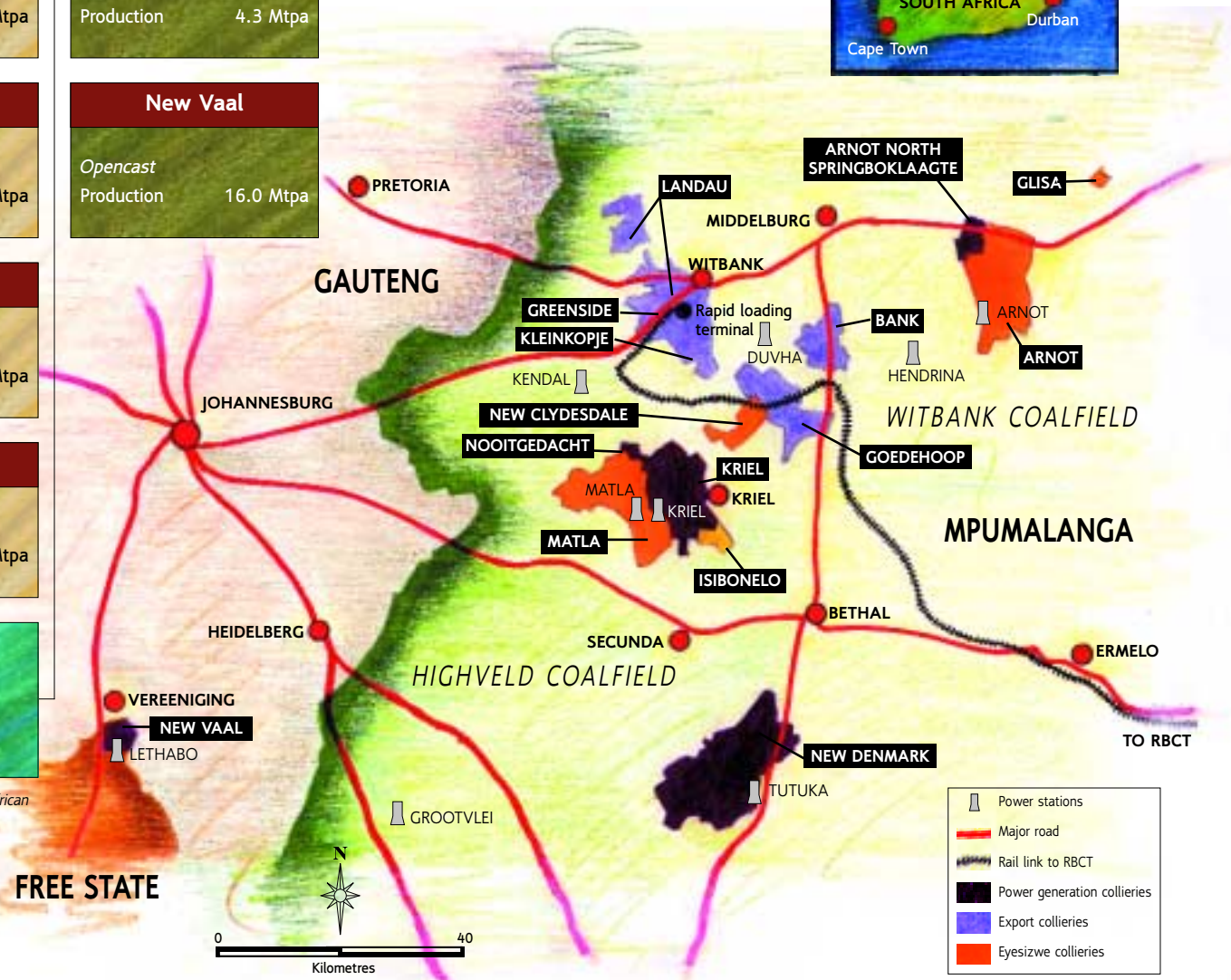
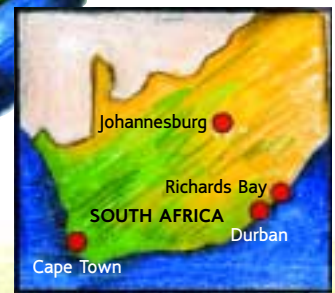
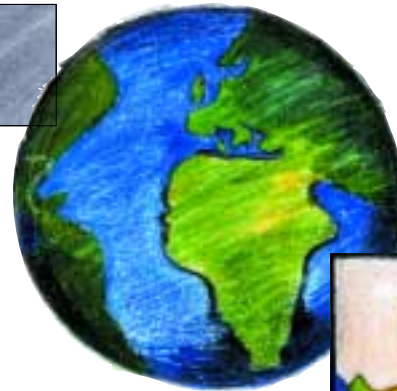
New Vaal
Opencast Production 16.0 Mtpa

Kleinkopje*
Opencast Production 4.4 Mtpa

Landau*
Opencast Production 3.5 Mtpa

Richards Bay Coal Terminal (RBCT) 27%
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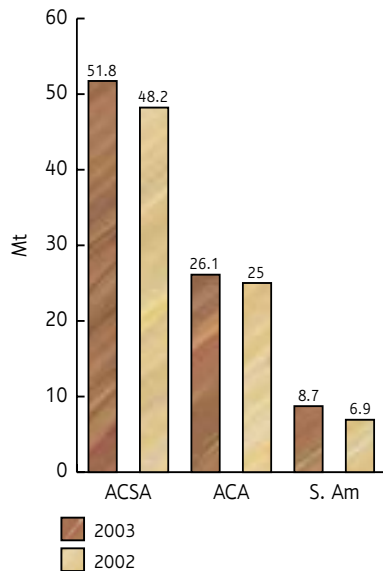
*Collectively known as South African Coal Estates (SACE)



Operations

2003 Saleable production

Mt attributable



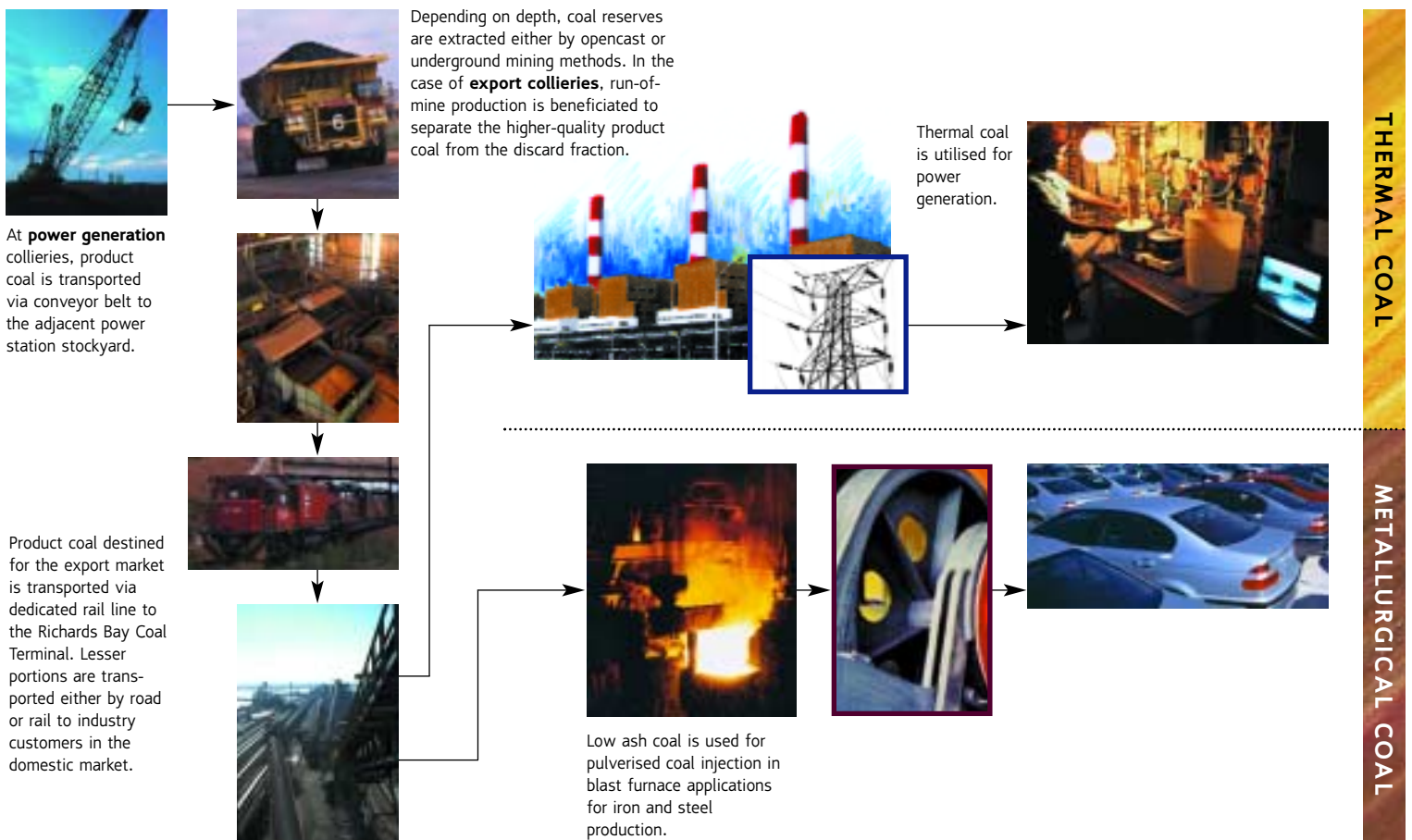
Anglo Coal is a wholly owned division of Anglo American plc (AA plc), a global leader in the mining and natural resource sectors.

Anglo Coal is one of the largest private-sector coal mining groups in the world and holds substantial investments in the South African, Australian and South American coal mining industries. This geographic spread of coal mining operations allows Anglo Coal to offer a range of thermal and metallurgical coals to customers in the international export markets and in the domestic markets of South Africa and Australia.

Supplies from ACSA operations can be divided in terms of market into export and power generation collieries. See diagram below for description of the process from mining to end-user consumption.



Production to markets



Review of 2003 performance

For the year ending 31 December 2003, ACSA produced some 52 million tonnes of coal. The operating profit for South African-sourced coal was R1,004 billion. The 46% drop in operating profit from 2002 is largely a consequence of rand appreciation and lower thermal coal prices in the European market. The impact of the fall in profits was to some extent offset by production and sales increases and rigorous cost control measures. The lower earnings for 2003 have also resulted in a decrease in the total value distributed when compared to 2002 (see table below).

We present mixed results for safety this year and it is with deep regret that we have to report losing five employees and a contractor in fatal accidents at ACSA operations. We extend our heartfelt condolences to the families of those deceased.

Although our lost-time injuries showed a slight increase from 2002, our total recordable case frequency rate continued to show a more positive trend, decreasing by 21% from 2002. The results of our anti-retroviral therapy (ART) programme remain encouraging, with 96 employees currently on the programme; of these, 89 continue to

perform their normal duties. With over 90% of them adhering strictly to the programme, our patients have, we are delighted to say, shown significant health improvements. During this past financial year the average monthly cost of ART per patient declined by 14% and it is anticipated that this downward trend will continue as the cost of medication decreases.

We are also pleased to report that this year three more of our collieries have achieved their target of ISO 14001 certification. All collieries are committed to having an ISO 14001 Environmental Management System (EMS) implemented and certificated by the end of 2004. In 2003 we also enhanced our geological prospecting environmental programme, which now also commits to compliance with the International Council on Mining and Metals (ICMM) Principles for Sustainable Development.

Our approach to dealing with external stakeholder issues benefited from the recent roll-out of the Anglo American Socio-Economic Assessment Toolbox (SEAT), which will serve to enhance the existing community engagement plans implemented at the individual collieries.

ACSA has increased its procurement from empowerment companies by 20% over the previous year. In September 2003, another empowerment milestone was reached when its latest project, Imbani Coal, in which the Anglo Khula Mining Fund invested, railed, under its name, the first non-shareholder load of coal to the Richards Bay Coal Terminal (RBCT).

Value-added statement

for the year ended 31 December 2003

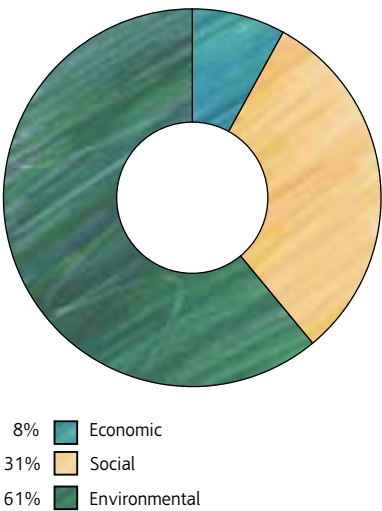
	Note	2002 ZAR '000	2003 ZAR '000
Value added			
Turnover	1	6 843 991	6 339 747
Less: Payment to suppliers for materials and services	2	(4 586 273)	(4 314 656)
Total value added		2 257 717	2 025 091
Value distributed			
To employees for wages and related costs		834 460	1 095 641
To providers of capital			
Interest paid		0	–
Dividends	3	578 853	303 059
To government for company taxation	4	246 019	216 405
To reinvestment to maintain and expand group		587 079	391 131
To the community		11 306	18 855
Total value distributed		2 257 717	2 025 091

Notes

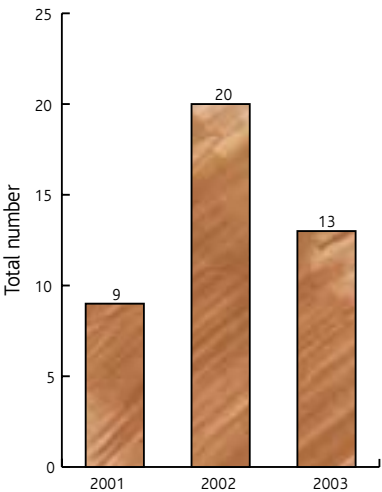
1. Turnover excludes intercompany sales.
2. Payment to suppliers includes profit and loss on exchange.
3. Dividends were calculated for 2003 by applying AA plc's dividend payout ratio per 2003 results on ACSA's net profit.
4. Includes amounts paid to regional councils but excludes the deferred tax provision.

Stakeholder engagement

Complaints by type



Stakeholder complaints



ACSA promotes a balanced approach to its stakeholder initiatives and actively seeks appropriate partnership projects. Building credibility starts with initial exploration and extends through the production activity all the way to mine closure.

ACSA recognises that emerging and broader society imperatives necessitate engagement on a wide range of issues that are not necessarily associated with direct business activities. Key amongst these are the introduction of the Mining Charter, tackling HIV/AIDS and international developments in Climate Change.

In 2003 the AA plc Socio-Economic Assessment Toolkit (SEAT) was rolled out to ACSA colliery management. This was followed by additional training arranged by Anglo American plc for employees key to its successful implementation. SEAT will assist in improving ACSA's stakeholder relationships, in particular with regard to enhancing the colliery Community Engagement Plans.

At each of our operations, a complaints procedure is in place and we aim to work together with stakeholders in resolving problems or concerns. In addition, emergency hotlines are in place for reporting of situations that require urgent attention.

The increase in the number of complaints between 2001 and 2002 (see graph) can clearly be attributed to improved communication channels and systems for the recording of complaints and responses. Social complaints include health and safety issues while economic complaints usually concern financial loss or theft. Each reported complaint was addressed and where necessary, the complainants were visited or invited to the colliery as part of the effort to achieve optimal solutions.



Relocation of farm workers at Isibonelo Colliery

Impact assessments on land earmarked for coal mining at Isibonelo Colliery involved a comprehensive stakeholder engagement process to consider the relocation of households and burial sites. Forty households were identified for relocation and an extensive consultation process was undertaken. This included in-depth individual household surveys, sustainability assessments to determine residents' economic and social profiles, as well as their relocation preferences.

A participatory planning process was initiated using the International Resettlement Policy Guidelines of the World Bank. Consultations with the Department of Land Affairs and the local municipality have been ongoing and agreements are presently being signed in preparation for the relocation of households during 2004. The household representatives are provided with independent legal advice on these relocation agreements.

The relocation of 156 graves on the affected land commenced in November 2003 after SAHRA (South African Heritage Resources Agency) and the Provincial Department of Health had approved the application. A registered undertaker has been contracted to exhume the remains and rebury them at the municipal cemeteries chosen by the next of kin. So far, 101 graves containing the remains of both identified and unknown individuals have been moved leaving 55 graves still to be relocated.

The affected households' perception of the house and burial site relocation process has been very positive and the stakeholder process has proved to be successful.

Open days – keeping our stakeholders informed

New Vaal Colliery once a year offers Interested and Affected Parties (IAPs) in its area an opportunity to visit the mine and to gain an overview of issues, controls, initiatives and performance. This year the Open Day was attended by 37 people ranging from local residents, farmers and industry to local authorities, town planners and power station officials. The day included a presentation, a bus tour around the mine and a lunch with mine management.

Goedehoop Colliery held its annual 'Farmer's Day' in March 2003. The visit encourages communication between local landowners and the mine; in this way farmers are kept abreast of the latest activities at the mine.



KEY DRIVERS

Local

BEE, HIV/AIDS, poverty, regulatory, mine closure, unemployment

Regional

BEE, HIV/AIDS, regulatory, voluntary agreements

Global

Climate Change, EU Directive on emissions trading, GRI, ILO, Kyoto Protocol, UN Agreements, World Summit on Sustainable Development (WSSD)

STAKEHOLDERS AND ORGANISATIONS

Local

Employees, customers, suppliers, communities, farmers, local business forums, local government

Regional

Employees, customers, suppliers, shareholders, BSA, Coaltech 2020, COM, CSIR, other coal producers, regulatory authorities, river catchment forums

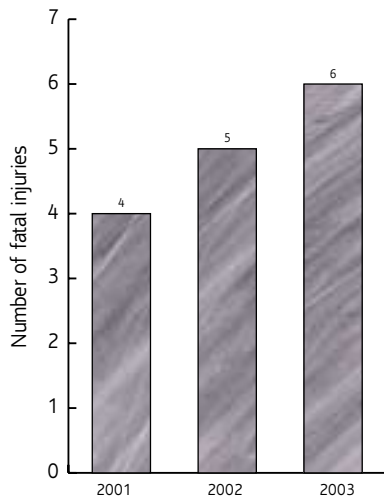
Global

Customers, suppliers, shareholders, WCI, IEA, CIAB, ICMM, WBCSD, other coal producers, regulatory authorities, NGOs



Safety

Work-related fatal injuries



At ACSA safety is of the utmost importance. Ensuring a safe working environment for all employees and contractors is an integral part of all our operational activities. ACSA has unfortunately achieved a mixed safety performance for the reporting period.

2003 performance

Regrettably, five employees and a contractor lost their lives in workplace accidents during 2003. Three of these fatalities were the result of a rapid inundation of fine coal in a confined working environment at Kleinkopje Colliery. The remaining fatalities were the results of separate accidents involving moving machinery at Goedehoop and Landau Collieries.

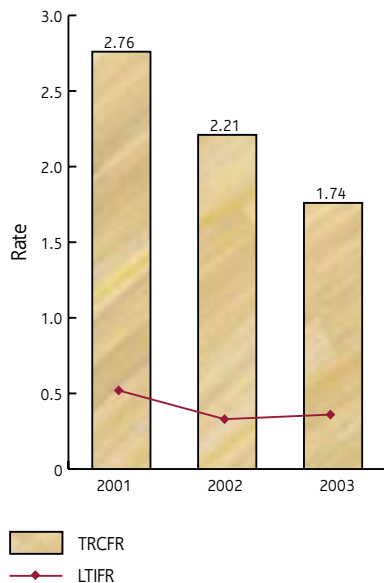
The Total Recordable Case Frequency Rate (TRCFR) continued its downward trend from 2.21 in 2002 to 1.74 in 2003, reflecting a 21% decrease. We did not meet our lost-time injury frequency rate (LTIFR) target of 0.24 this year, with the LTIFR increasing by 9%, from 0.33 in 2002 to 0.36 in 2003.

Working to improve performance

In pursuit of continuous improvement we regularly undertake a review of our safety strategy so as to focus our efforts on the appropriate areas. We also recognise that success requires a fundamental change in behavioural culture and this change is currently being facilitated, in part by the introduction of a new risk acknowledgement and management

Work-related accidents

Per 200 000 man-hours



Holding the crystal trophy at the 2003 Anglo American plc CEO's Safety Awards function is winner Joe Hodge (second from right), Manager of Anglo Coal Central Workshops in Witbank, which took top honours for safety in the small business units category. With him are Tony Redman; Themba Masondo, General Manager of Bank Colliery; John Wallington; and Ben Magara, General Manager of New Denmark Colliery, holding the crystal trophy he had received the previous year as winner of the 2002 large business units award.





Gustav Swart, Training and Development Services, Anglo Coal Training Centre in Witbank, discusses the Voest Simulator with Adele van Zyl, Engineering Senior Training Officer, Greenside Colliery.

model based on the philosophy of Visible Felt Leadership. This is an integral part of the 'Yebo Siyaphambili' initiative. The ultimate aim of the model is to move from a dependent management approach to an interdependent team effort. Key to the success of this initiative is the participation of all employees, with visible support and direction from management. The aim is to identify potentially unsafe behaviour prior to the occurrence of incidents, thereby preventing them. In this process unsafe acts are highlighted, improper and unsafe behaviour is assessed and analysed and immediate coaching and corrective action are undertaken.

Training and awareness

A risk-based approach to identifying main hazards forms the cornerstone of ACSA's awareness and training initiatives. The Anglo American plc Golden Rules on Safety has been introduced at all ACSA operations. Its focus is on:

- Identified hazards
- Adherence to a set of mandatory safety principles
- Best practice

- Risk-specific requirements in high-risk incident areas.

Appropriate procedures have been put in place to address the dangers associated with potentially hazardous situations. Each colliery has safety awareness campaigns that encompass the Golden Rules on Safety as well as related training. Safety is an integral part of every employee's annual induction process and when necessary, additional training is undertaken to increase employee awareness. The focus on roof support at the underground operations has shown good results with fatal injuries for falls of ground decreasing progressively from 8 in 1998 to zero in 2003.

Awareness programmes on the safety of electrical installations, mechanical hazards and rock engineering were reviewed and updated during the reporting year. In addition, a new maintenance programme for supervisors and artisans was introduced this year. We are investigating the use of simulators similar to those found in the aeronautical field to improve the training of machine operators. In line with this objective to maximise the experiential learning of



Sir Mark Moody-Stuart, Chairman AA plc, Tony Trahar, CEO AA plc, and Tony Redman, CEO Anglo Coal, listen attentively as Peterson Zimu explains an underground operating procedure at the longwall section at New Denmark Colliery.

New Denmark Colliery leads the way

The SMARTY (Safety Must Always Relate To Yourself) safety campaign, introduced in 2002 at New Denmark Colliery, has continued to have a positive influence on attitudes towards safety, health and the environment. Featuring in the campaign are the mine mascots - SMARTY and Tsoseletso (meaning 'Revival' in Sotho) - which form part of a strategic process involving the colliery's management team, the unions and employees.

The energy and enthusiasm of General Manager Ben Magara and his management team have affected every level of the operation and resulted in dramatic improvements in all areas, as follows:

- A 71% reduction in lost-time injuries since 2001.
- A 60% increase in productivity with a concomitant improvement in the quality of coal (contamination was reduced from 13.2% to 3.5%).
- An increase in return on capital employed from 24% in 2001 to 43% in 2003.
- ISO 14001 accreditation during 2003.

On a visit to New Denmark Colliery, Anglo American plc Chairman, Sir Mark Moody-Stuart, notes: *"I have been using New Denmark as an example of how team effort, creativity and discipline, which deliver results in safety, health and environmental performance, also deliver results in other areas of production."*

Performance

		2001	2002	2003
Safety	LTI	27	3	8
	LTIFR	1.58	0.27	0.61
Productivity (tonnes per man per year)		4.27	6.48	6.85
Return On Capital Employed		24.7%	32.6%	43.2%

New Denmark Colliery's overall performance gained recognition at the NOSA 2003 Noschon awards. General Manager Ben Magara was awarded 'Best Chief Executive Officer nationally' and Marie Smit was named 'Best Environmental Co-ordinator.'

employees, a Voest simulator and a 100m conveyor belt were constructed as learning tools for appropriate employees at the Anglo Coal Training Centre in Witbank.

Management systems

Each colliery has safety management systems governing adherence to legal and system requirements, hazard identification, best practice and training. Apart from the Senior Vice President's annual audits for legal and system compliance, third-party safety audits are also conducted. All collieries were graded by the National Occupational Safety Association (NOSA) for the report period. System and procedural audits were also undertaken on rock engineering, ventilation, fire prevention and emergency procedures.

ACSA assessed safety risk areas and identified the following priorities:

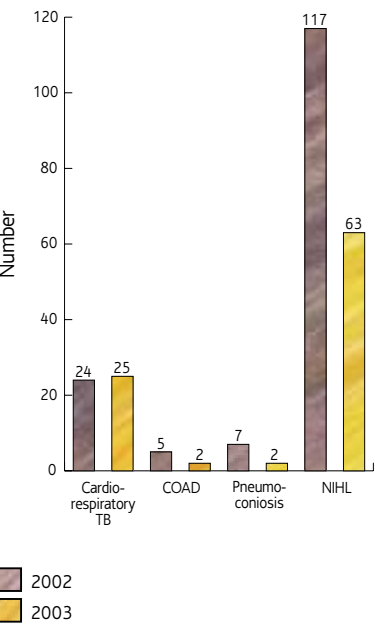
- Moving machinery
- Falls of ground
- Transport of vehicles
- Electricity.

NOSA Ratings

- ★★★★★ Anglo Coal Central Workshop
- ★★★★★ Greenside Colliery
- ★★★★★ Kriel Colliery
- ★★★★★ New Denmark Colliery
- ★★★★ Goedehoop Colliery
- ★★★★ Kleinkopje Colliery
- ★★★★ New Vaal Colliery
- ★★★ Bank Colliery
- ★★★ Landau Colliery

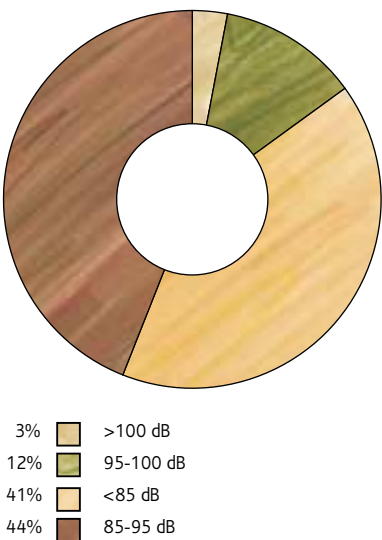
Occupational health

Certified occupational health diseases



Noise distribution

Underground mining operations



The ACSA policy on Safety, Health and the Environment reflects our commitment to prevent and minimise the health impairment of employees and contractors. Our primary occupational health risks are noise and dust, both of which have been monitored and managed over the years. Technical interventions and increased awareness training of our employees and contractors have resulted in continuous improvement in these areas. Employees exposed to potentially high-risk areas are issued with personal protective equipment and are under constant medical surveillance to ensure early detection of any health impairment.

Dust and noise

Coal workers' pneumoconiosis is the primary dust-related disease associated with coal mining. Cardio-respiratory tuberculosis (TB) and chronic obstructive airway disease (COAD) are other health-related problems. However, occurrence of these diseases is also influenced by tobacco smoking and HIV/AIDS.

We are pleased to say there has been a decrease in the total number of new respiratory cases reported during the year. We have also been successful in bringing continuous mining dust levels down to 2.7 mg/m³, well below the legal threshold level of 5 mg/m³ for mechanised mining – a positive reflection of our commitment to continuous improvement.

Noise is a significant occupational health risk, impacting on an estimated 40% of the workforce. Prolonged exposure to high noise levels increases the likelihood that an employee will suffer permanent impairment, commonly referred to as noise-induced hearing loss (NIHL). NIHL is a debilitating disease which influences work performance and has a detrimental effect on the individual's ability to interact socially. High noise levels can also interfere with communication and may hinder the perception of warning signals, thus increasing the risk of injury.

Realising the seriousness of NIHL, ACSA has implemented noise reduction programmes at all our operations, resulting in an overall 10% reduction in noise exposure levels and a 46% decrease in



Sister R. Koen, a radiographer at the Anglo Coal Highveld Hospital, monitors a pregnant patient using a sonar scanner.

the number of new certified NIHL cases – from 117 in 2002 to 63 in 2003. We have further established Hearing Conservation Committees with the primary objective of determining which occupations have the highest risk to noise and establishing suitable projects that would reduce noise levels by means of engineering or technical interventions. These interventions focus on silencing current equipment and working with manufacturers to design and develop equipment that will meet the requirements of a suitable working environment.

Medical facilities

In addition to the Anglo Coal Highveld Hospital located in Witbank, ACSA has a health centre at every colliery to service individual primary health care needs. The level of care is excellent – all our facilities are serviced by highly skilled teams committed to delivering quality service. During the year under review, the Anglo Coal Hospital was upgraded and a state-of-the-art maternity ward was added as part of the professional services rendered to our staff.

Reducing noise levels to create a safer working environment

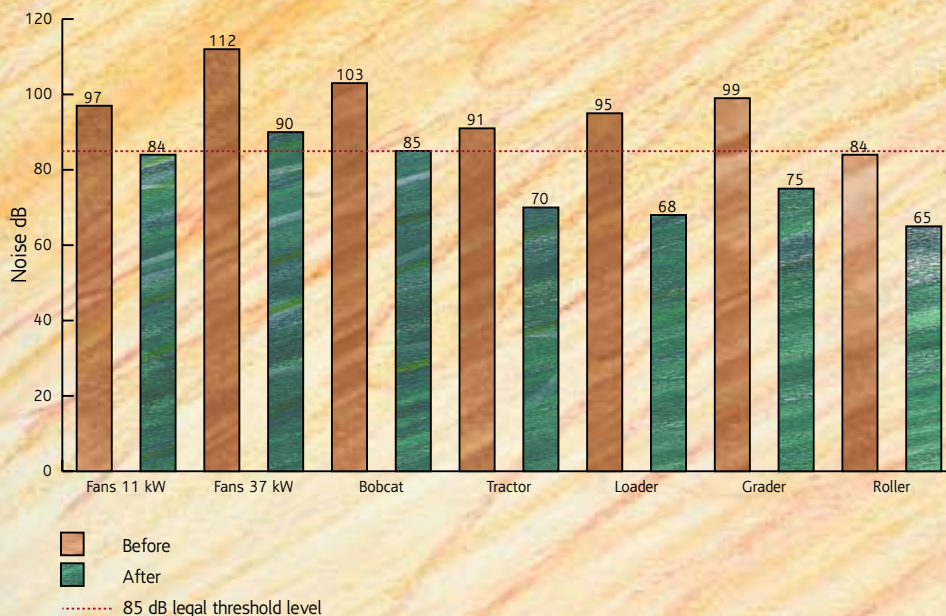
ACSA has undertaken a number of initiatives to reduce noise levels in the workplace. One of the more successful projects came out of a partnership between mine operators and mining equipment manufacturers, utilising the combined knowledge and expertise of each group.

At Goedehoop Colliery the partnership initiative focused on the exposure of employees to noise emanating from underground auxiliary fans, bobcat machines and diesel equipment used at a surface coal disposal site. With the assistance of the fan manufacturer, an in-line silencer was developed, using a polyethylene product with sound absorption capabilities. The bobcat machine was fitted with a hush acoustic panel and the exhaust system with double silencing. The diesel equipment used at the coal discard site was replaced with equipment designed to meet new legal requirements.

As a result of these interventions, a significant reduction in noise levels was achieved well below the legal threshold limit of 85 dB. The success achieved is due to a concerted effort between the mine and suppliers to meet new legal requirements and to ensure continuous improvement.



Goedehoop Colliery – results from noise reduction projects



Liska Cronje, Ventilation and Occupational Health Officer, together with Surface Electrician Casper Oosthuizen and Engineering Assistant David Polyinyana, check the noise level from a muffled auxiliary fan prior to installation at an underground section at Goedehoop Colliery.

HIV/AIDS

Employee voluntary counselling and testing (VCT)



17% Tested
83% Status unknown

Over the past 10 years our approach to managing HIV/AIDS, both in the workplace and in our neighbouring communities (see page 35), has expanded and developed into a programme with much greater scope. Whereas our initial efforts were focused on awareness, education and prevention, our programme now also includes concrete steps to minimise the impact of HIV/AIDS and to improve care for those diagnosed with the disease. Most notably, in August 2002, ACSA introduced an anti-retroviral therapy (ART) programme for employees with HIV/AIDS, thus becoming the first mining company in South Africa to administer ART to employees progressing to AIDS. The programme is consistent with the requirements and treatment protocol of the World Health Organisation (WHO).

The ACSA HIV disease management programme

ACSA also has prevention programmes in place that extend beyond our employees to the communities. These are aimed at the youth, high-risk groups such as migrant workers and sex workers, and expectant mothers. The programmes cover:

- Awareness
- Peer education and support
- Education on the need for behaviour modification
- Condom distribution
- Prevention and optimal treatment of sexually transmitted infections (STIs).

Currently, increasing emphasis is being placed on Voluntary Counselling and Testing (VCT) since this encourages early diagnosis and a timely entry into the disease management programme for HIV-positive individuals. Early diagnosis gives ACSA's medical staff sufficient time to prepare patients for ART in the later stages of the disease. As at the end of December 2003, 17% of our employees had been voluntarily counselled and tested for HIV. Of this group 367 employees (29% of the tested population or 5% of the total workforce) have tested positive. It is hoped that in time, more employees will overcome their fears and come forward for testing.

For those individuals who test HIV-negative, the VCT programme gives added impetus to the call for precautionary behaviour to avoid HIV infection. HIV-positive individuals are provided with further care and support through our:

- Wellness management programme
- Community home-based care programme
- Highly successful initiative to prevent and treat tuberculosis (TB) which is often an opportunistic disease arising from HIV/AIDS
- Provision of ART to employees progressing to AIDS.

Recognition

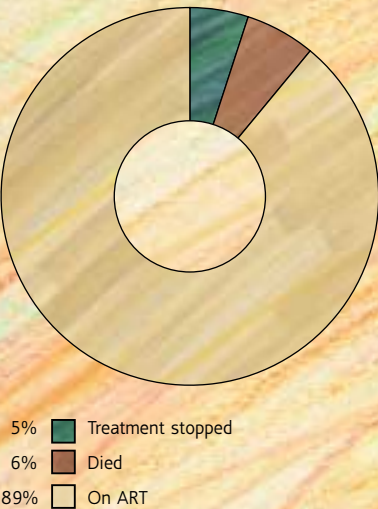
The ACSA approach to HIV/AIDS is part of the larger Anglo American plc programme, which also extends into the communities (see pages 35 and 37). This commitment to fight against the HIV/AIDS epidemic gained international recognition in April 2004, when AA plc received the 'Award for Leadership' in the Global Business Coalition on HIV/AIDS Business Excellence Awards. On receiving the award, Tony Trahar, AA plc CEO, remarked that the company's ART programme is the largest employer-based ART initiative in the world.

Also at the time of the award Sir Mark Moody-Stuart, Chairman of AA plc, was named the new chairman of the Global Business Coalition on HIV/AIDS.

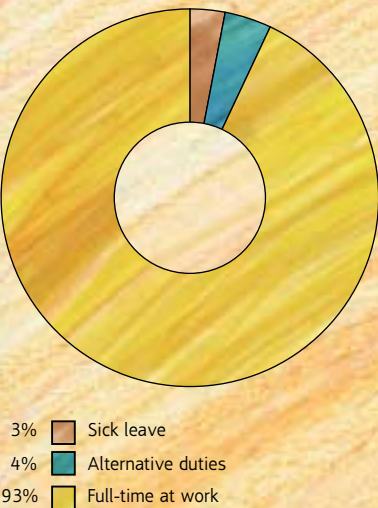


Success with anti-retroviral therapy (ART)

Status of employees on ART



Employees on ART: current work status



Since inception of the ART programme in August 2002, results remain encouraging. The programme was implemented in three phases. Phase One was the admission of self-presented HIV-positive patients into the programme. Phase Two, which ran from April to August 2003, entailed an active search for HIV-positive patients to enter the treatment programme. Phase Three, currently underway, is the vigorous promotion of ART and VCT through company road shows, community meetings and active work-site discussions involving both management and employees. ACSA’s Chief Medical Officer, Dr Jan Pienaar, uses the opportunity of these events to update employees and their relatives on the progress of the ART programme.

In the majority of cases where ART has been administered, the impact on the patients’ health has been palpable and impressive. A total of 108 patients met the criteria for ART and subsequently commenced the treatment. As at the end of December 2003,

96 employees are still on the programme, with 89 of them performing their normal duties. A decision early in the programme to attempt rescue therapy in all cases of advanced HIV disease meant that deaths were anticipated during the first phase of the programme. To date 7 employees have succumbed to the disease, whilst ART had to be discontinued for 5 employees because of serious underlying medical conditions.

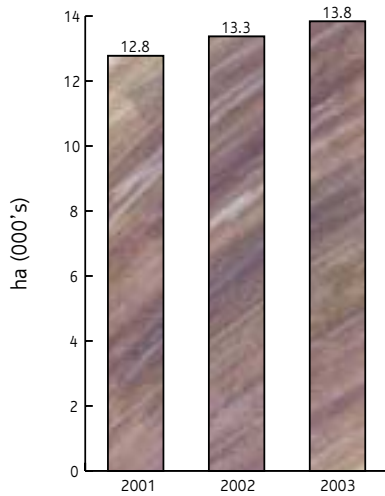
The ACSA disease management programme remains part of the AA plc monitoring and evaluation programme run by Aurum Health Consortium, a wholly owned Anglo Gold subsidiary. Aurum reports indicate that patients on the programme adhere to the treatment more than 90% of the time and are showing significant health improvements.

A new set of challenges, including the training of staff on attitude and orientation and the allocation of resources, will have to be tackled to ensure the continuing success of administering ART to our employees.

Environmental performance

Land stewardship

Land utilised by operations



ACSA implements a land stewardship approach which commences with initial exploration and extends until the closure of operations. As part of this approach we ensure that our management programmes cover impacts, mitigation actions and rehabilitation provision to minimise our final footprint.

ACSA implements best practice to achieve a land use that, on closure, can sustainably support crops, pastures and other forms of agriculture. Current studies address the:

- Physical and biological methods of alleviating compaction in rehabilitated coal mine soils
- Effects of reduced soil compaction on plant productivity

- Re-introduction of native species into rehabilitated mine areas for improved diversity
- Improvement of guidelines for mined land rehabilitation.

ACSA supports authorities in rehabilitating ownerless mines

Adverse publicity in April 2003 on the mined-out and ownerless Transvaal and Delagoa Bay Collieries prompted the South African Department of Minerals and Energy (DME) to consider the rehabilitation of these mines. Similarly, the depleted and abandoned Middelburg Steam and Station Colliery has for many years posed a safety risk to people and animals because of subsidence in shallow mined areas (less than 20 to 40 metres below ground level) and sinkhole formation caused by failing pillars. The subsequent ingress of water and air poses a spontaneous combustion hazard.

ACSA has engaged with the DME and other stakeholders to assist in finding workable rehabilitation methods. A cost-effective method for drilling, blasting and collapsing haulage and panel pillars was devised and field trials commenced in March 2004. Results from the trials will be fed into a database developed by Coaltech 2020 to prioritise areas for rehabilitation based on community safety, environmental impact and post-rehabilitation land use.



Danie Venter, Opencast Rehabilitation Officer at Kleinkopje Colliery (left), and Mark Aken, Manager, Anglo Coal Environmental Services, discuss the Coaltech 2020 trial for introduction of native grass species into established spoil rehabilitation at Kleinkopje Colliery. The native grass species will improve biodiversity and pasture sustainability.

Biodiversity

ACSA is committed to protecting the natural environment and to conserving biodiversity. In adopting this precautionary approach we avoid activities that may lead to unacceptable habitat loss or degradation and reduction of soil or land capability. In line with AA plc guidelines, ACSA has embarked on developing mine-specific Biodiversity Action Plans (BAPs) to address this potential risk area. These plans, developed with assistance from specialist environmental consultants and Anglo Coal Environmental Services, provide us with the practical means to retain or enhance the biodiversity of sensitive areas managed by our operations.

Actions for biodiversity management that meet the requirements of the *'White Paper on Conservation and Sustainable Use of South Africa's Biological Diversity'* have been integrated into the collieries' environmental management systems. The development of site-specific BAPs has also revealed that some of the land we own has veld types that are relatively unspoilt and rich in biodiversity. Biodiversity monitoring is presently conducted on rehabilitated land, and this programme will be extended during the next year to include grassland areas under company management but not affected by our activities.

Wetland conservation at Isibonelo

ACSA and a number of stakeholders – including the South African Department of Water Affairs and Forestry – are active partners in the Water Research Commission's project to identify and characterise wetlands in the upper Olifants River catchment area where the Isibonelo Colliery reserves are located. The study will provide a baseline for all wetland and biodiversity assessments in the area.

As a result of constructive engagement with government departments, the Isibonelo Colliery mine plan was modified to significantly minimise the impact of the mining activities on the wetlands in the proposed mine area. A wetland rehabilitation strategy was drawn up and a management plan was developed to guide the rehabilitation of wetland areas affected by mining. Eighteen wetland species with biodiversity conservation value will be relocated to suitable wetland sites in the catchment area prior to the commencement of mining. ACSA's Matimba Village nursery in Witbank has provided additional assurance of species conservation by preserving wetland species in specially prepared bulb beds during the life of the mine. In providing much-needed job opportunities and training, the nursery, a Zimele initiative, also benefits the families of mine workers in the Matimba Village.

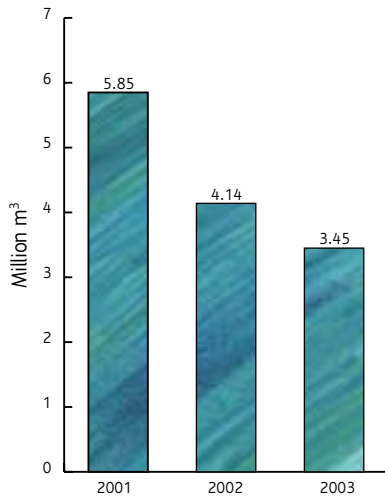
The rehabilitation strategy was approved by authorities and non-governmental organisations alike, and has been endorsed by both the Mondri Wetlands Project and Working for Wetlands.



Planting of wetland species at ACSA's Matimba Village nursery. Bulb beds will serve as a stock reservoir for future wetland rehabilitation at Isibonelo Colliery.

Water management

Water used for primary activities



Water is a scarce and precious resource and particularly so in southern Africa. Fully mindful of this, ACSA has instituted strict water management at all its operations to conserve water and to prevent or minimise any adverse impacts on this valuable resource. We continue to pursue our objectives to:

- Reduce the use of potable water
- Maximise the recycling and reuse of process water
- Ensure that our discharge and irrigation water complies with water use licence conditions.

Water use

During 2003 our mining operations used a total of 3.45 million m³ of raw water for primary activities, indicating a significant decrease from 2002. This is equivalent to 0.05 m³ of water per

run-of-mine (ROM) tonne of coal produced, compared to 0.07 m³ per ROM tonne of coal produced in 2002.

Effluent management

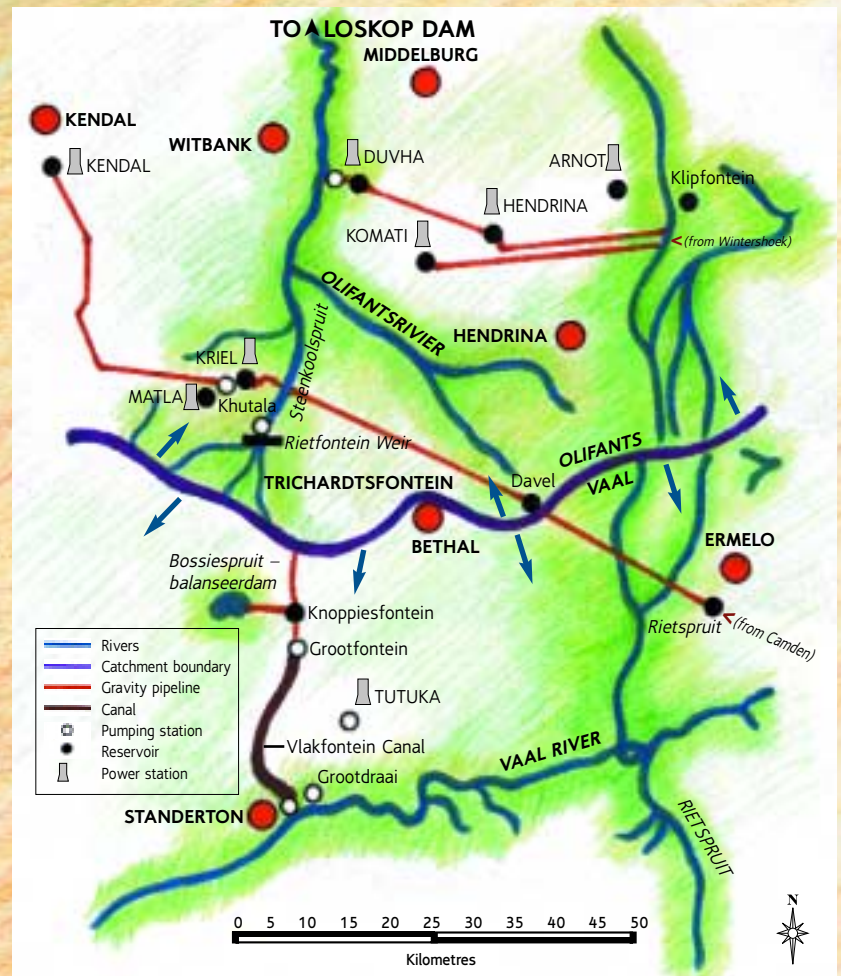
Coal mining and processing generate waste water that may have adverse effects on the environment and surrounding communities if not properly managed. The salinity of the waste water from ACSA operations renders it unsuitable for direct discharge into river systems, except in periods of high rainfall when dilution increases the capacity of the receiving environment to assimilate the salts. The introduction of controlled discharges under high-flow conditions – in accordance with stringent flow requirements and quality standards for the upper Olifants River catchment where the majority of our operations are located – has reduced sulphate levels in the catchment and protected the region's major water resources. During extreme drought conditions this practice will not suitably dilute the pollution and will impact downstream. We are continuing to search for cost-effective treatment and sustainable waste water use methodologies. As part of this effort, ACSA and BHP Billiton will collaborate on a feasibility study to determine the optimal use of excess mine water.

We have enhanced our recycling initiatives and have witnessed a significant reduction in our volumes of waste water. Two pilot water-treatment plants were commissioned at Landau Colliery as part of the sulphate reduction project. The Delkor-Paques biological sulphate reduction plant currently reduces 2 300 mg/l sulphate to 180 mg/l at 50% of the designed flow rate (3 Ml/day). Although initial design and process problems hampered plant commissioning, the plant is now in full production.

The biological water treatment plant at Landau Colliery.



Loskop Dam catchment area



Initial results from commercial-scale irrigation trials at Kleinkopje Colliery have shown that mine waste water could be used for the production of maize, wheat and sugar beans.

Irrigation trials using mine waste water

Over the past decade ACSA has been involved in a number of initiatives to manage the excess waste water generated by processes and mine workings including its use in farming. Our investigations into the irrigation of crops with the gypsiferous waste water have produced some excellent results. Trials through Coaltech 2020 have indicated that higher crop yields can be obtained under irrigation with mine waste water. Subsequent studies involving a commercial field trial at Kleinkopje Colliery showed that gypsiferous mine water was sustainable for irrigation in the medium term (7 years), with negligible impact on ground water. They also showed that wheat, maize and sugar beans can be produced, given effective land preparation and fertilisation management.

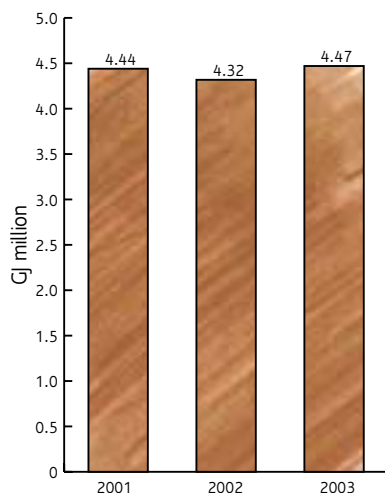
The Coaltech 2020 project has been extended to include irrigation trials on mined and unmined land, testing different soil types and cover profiles. The objective is to determine the likely long-term impact of waste-water irrigation on ground water systems. Initial results are expected in 2005.

The potential impact of these irrigation trials for the greater catchment area were examined using the Loskop Dam hydrological model. This model evaluates the impact of surface water quantity and quality on the three major sub-catchments of the Loskop Dam catchment area, namely, the Wilge, Olifants and Klein Olifants.

These projects have provided a valuable learning experience. As an added spin-off, there has been increased cooperation and understanding of different approaches to water management among stakeholders, including industry and government.

Energy use

Total energy use



During 2003 ACSA focused on a strategy to progressively minimise energy consumption by integrating energy conservation into general business management. We have assessed all areas of energy consumption by source, type, usage and related emissions along the internal value chain. The assessment revealed that, due to inadequate metering and monitoring, we have limited ability to accurately measure our energy performance. It further highlighted that energy management and awareness at operational level have not yet reached the levels required to enable us to realise our energy efficiency strategy. These findings have urged us to set new targets in line with our business objectives to utilise assets in an efficient manner with due regard for the interests of all stakeholders and the principles of sustainable development.

In monitoring our progress towards reducing energy consumption, we are pleased to report that five of our eight collieries achieved their target of a 3% reduction in energy use during 2003, although the total energy consumed reflects a 3.5% increase from 2002. The major contributor to the increase in energy use was electricity with a 2% increase.

Future projects will target the reduction in the overall energy intensity and ensure that energy management at all our operations work towards best practice. This will be done through constructive interchange of ideas and technology and benchmarking with industry partners. We will also investigate the utilisation of mine methane drainage at New Denmark Colliery for on-site application.

Implementing measures to reduce energy consumption

The ACSA drive towards energy efficiency has seen our operations undertaking energy management initiatives for more effective electricity use. These include the:

- **Upgrading of electrical metering systems and using energy management control equipment.**

This entailed the installation of metering equipment along with computer software to monitor control of electricity demand. This has had the direct benefit of cutting down on costs and the indirect benefit of reducing emissions at source.

- **Installation of energy-saving technologies on conveyor drives.**

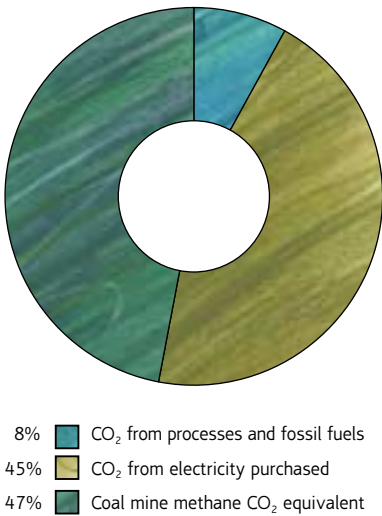
Inefficient energy use from conveyors operating for long periods with minimal loads has been reduced by a new solid-state technology which alters the voltage of the motors when the belt is detected to have a zero or light load, thereby doubling the efficiency. Energy demand is further reduced by technology that allows a soft start of the motor.

- **Installation of energy-efficient fluorescent light fittings.** ACSA has standardised on energy-saving solid-state electronic control equipment to replace the conventional ferro-resonant control gear.



Greenhouse gas emissions

CO_{2e} emissions

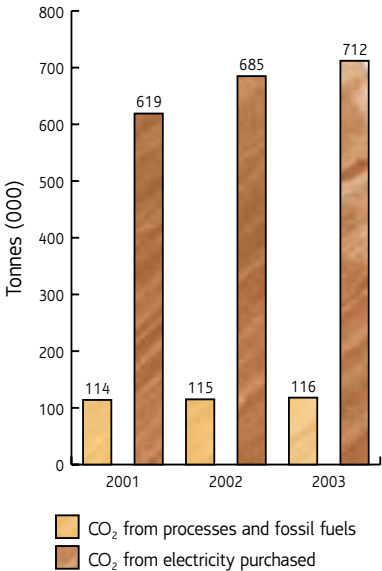


The most significant contributors to GHG at our operations are the electricity that we purchase and the methane (CH₄) that is emitted directly from the coal seams. The total carbon dioxide equivalent (CO_{2e}) emission for the company was first calculated using the International Panel for Climate Change (IPCC) guidelines. Thereafter, this calculation was based on measured methane concentrations and flows from upcast shafts.

Emissions for 2002 and 2003 were calculated using the results of 142 samples collected in two batches, the first during November 2002 and the second during January 2003. The methane concentration in ventilated air from underground operations is generally <0.1% which is considered uneconomical for capture.

The potential for methane capture from longwall mining activities at New Denmark Colliery was investigated in a feasibility study in 2001. While the quantity and concentration of methane was found to be too low for beneficial use, we continue to review this potential on an ongoing basis.

CO₂ production



Greenhouse gas measurements at our underground collieries

It is well established that South African coal, despite having a propensity to contain significant amounts of methane, tends to be 'unsaturated' and typically contains as little as 10% of the total potential volume. ACSA recently completed a sampling exercise to empirically quantify methane and carbon dioxide emissions from underground collieries. A total of 142 samples were collected from colliery upcast shafts and a number of ambient samples were taken at each of the sampling points to determine background levels. The project was coordinated with assistance from the Anglo Technical Division and the sample analysis was undertaken by the National Energy Corporation of South Africa laboratories.

Variations in the emission rates shown in the table are largely explained by differences in seam methane concentrations, mining methods, ventilation layouts and volumes, as well as production rates. The project has also provided information that will assist in continuous real-time emission monitoring in upcast shafts and will enable us to predict GHG emissions and methane flow in future mining areas. Through Coaltech 2020, ACSA is participating in an industry research project to develop internationally accredited methodologies that will assist in quantifying diffuse CH₄, CO (carbon monoxide) and CO₂ emissions emanating from opencast mining activities. Coaltech 2020 is expected to issue the final report by the end of 2004.

Year	CO _{2e} Emissions (000) tonnes	Method
2001	1 071	IPCC Guidelines estimates
2002	656	Underground (direct measurements) Opencast (estimated)
2003	610	

Air quality management

ACSA is cognisant of the need to improve coal's environmental performance. This includes the health and environmental impacts from emissions, such as methane, sulphur dioxide, carbon dioxide and particulate matter associated with the production of coal. In the areas where we operate,

particulate matter is progressively becoming a risk that will have to be managed more proactively. Our research initiatives are carried out in collaboration with Coaltech 2020 and regulatory authorities from the Department of Minerals and Energy.

Research on spontaneous combustion (Sponcom)

Sponcom is the spontaneous ignition of coal or other carbonaceous material, often occurring in previously mined underground workings that have since become exposed to water and air. The ash and smoke generated by smouldering coal and shale affects operations negatively by causing poor visibility and elevated emissions. This also impacts on surrounding communities.

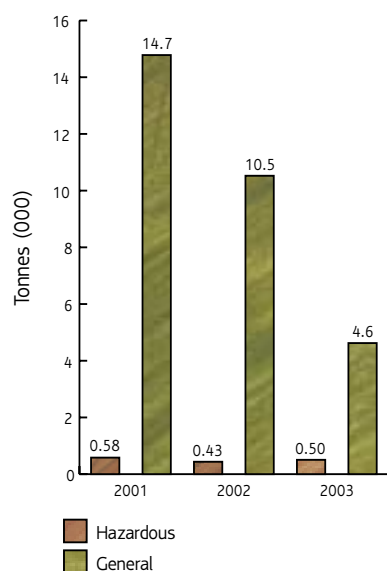
ACSA's Kleinkopje Colliery recently participated in a study coordinated by Coaltech 2020 to characterise gaseous and particulate emissions from spontaneous combustion at a typical opencast mining operation in the Witbank area. An airborne sampling programme, which makes use of a fully instrumented South African Weather Bureau aero-commander aircraft and radio-controlled model airplanes has commenced. The samples were analysed for CO₂, CO, nitrogen oxide, nitrogen dioxide, sulphur dioxide and ozone, using trace gas instruments and aerosol probes. The aerosol distribution ranged from 0.1 to 3.0 microns. A meteorological station has been erected at Kleinkopje Colliery and the data will be used in conjunction with emission data collected from a ground-based system.



The SA Weather Bureau aero-commander aircraft is equipped with instrumentation for taking multiple air samples, whilst the model planes are used to measure temperature, pressure, humidity and for single air sample trips.

Waste management

Non-mineral waste generated



Significant volumes of coal discard waste are produced during mining operations and, if inappropriately managed, these discards have the potential to adversely impact the environment and future land-use practices. ACSA's waste generation and disposal are monitored, measured and reported on an ongoing basis through the ISO 14001 management system. Non-mineral waste types are classified into hazardous and general waste and are handled according to legally acceptable procedures.

We remain focused on increasing the recycling and reuse of waste through innovative research and technological development. One of these initiatives includes the responsible disposal of tyres, which have been used by large earth-moving machinery at opencast operations. A tyre-shredding process has recently been developed to recover

most of the rubber and steel reinforcement from these tyres. The rubber is granulated and then mixed with ammonium nitrate and other explosive products, taking the place of a percentage of the fuel oil conventionally used in ammonium nitrate-based mining explosives. Although still in its infancy, this project could provide a breakthrough for the effective use of waste rubber on site.

In another initiative a pilot plant has been developed by Coaltech 2020 to produce briquettes made of coal fines and slurries. The 25-tonne-an-hour plant was recently moved to the Landau Colliery and competent binderless briquettes have been manufactured during the past year. A one-tonne-per-hour press was purchased and installed at Kleinkopje Colliery during October 2003 to continue the experiments and optimise the process.

Waste reduction is pursued through effective planning, an ongoing awareness strategy and improving the efficiency of the refining process. However, the measurement of recycled volumes is not yet at an acceptable standard and ACSA will continue efforts to streamline reporting in this area.



Goedehoop Colliery Hope Shaft – A collection bin contains exhausted batteries used to power underground mining cap lamps. The batteries are returned to suppliers for recycling.



Our employees

Improving communications

During 2003, an electronic employee communications survey was conducted in five languages across ACSA to assess the effectiveness of our internal communications. The survey respondents defined ‘effective communication’ as interaction that is ‘involved, inspired and informed’ and said that:

- They feel free to speak openly about their ideas and concerns but are not convinced that managers were always listening.
- There is a need for a more transparent decision-making process and improved accessibility to line managers.
- A greater effort should be made in communicating company strategy and direction.



The report made recommendations that will improve communication with our employees, add value to our strategic direction and increase the motivation and efficiency within our workforce. A further survey was conducted by McKinsey & Company, which again highlighted the need to improve communications in the group.

A communication best practice checklist has been drawn up and a group-wide Enterprise Intranet is currently being developed. A follow-up survey will be conducted at the end of 2004 to measure progress.

Yebo Siyaphambili

In part as a consequence of the employee communications survey, ACSA recently initiated a culture transformation programme termed ‘*Yebo Siyaphambili*’ – a Zulu phrase meaning ‘*Yes, we are moving forward together*’. This programme puts the emphasis on performance excellence through people and is expected to facilitate an ACSA culture that:

- Empowers and motivates people
- Promotes innovation
- Creates responsible industry leaders.

Yebo Siyaphambili is intended to take ACSA from a ‘*really good*’ company to one that is ‘*SIMPLY GREAT*’.

Yebo Siyaphambili

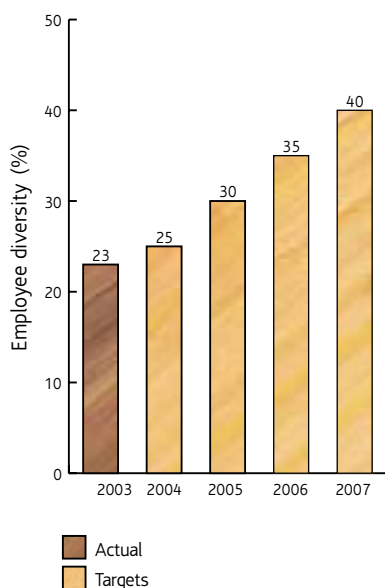
Nurturing performance excellence among our people

- SHE
- Visionary shift
- Productivity
- Performance ethic
- Growth
- Continuous improvement
- Financial and operational controls



SHARED VISION	PUT PEOPLE FIRST	INNOVATION	FUN IN ACTION
<ul style="list-style-type: none"> ■ Common vision for the future ■ Inspirational leaders who walk the talk ■ Pride in being the best – and in making a difference 	<ul style="list-style-type: none"> ■ Safety of our people ■ Coach and develop ■ Frank, caring feedback ■ Enable and empower – with accountability ■ Strength and diversity ■ Two-way communication 	<ul style="list-style-type: none"> ■ Challenge the status quo ■ Looking for ways to learn ■ An <i>AND</i> attitude – SHE <i>and</i> performance ■ Enthusiastic knowledge-sharing 	<ul style="list-style-type: none"> ■ Passion for Anglo Coal ■ Free to be ourselves and have fun ■ Celebrate success ■ Motivate to tackle the impossible

Employment equity targets: HDSAs in management



Employee profile

During 2003 ACSA had an average staff complement of 7 173 employees and 1 687 core contractors across its operations. The majority of our workforce is South African (94%) and most employees come from the provinces in which we operate, enabling them to live permanently with their families. Our small migrant labour workforce is predominantly from Lesotho. Annual employee figures continue to remain fairly constant and there were no formal retrenchments during 2003.

All skilled employees have access to housing and commuting allowances depending on where they elect to live. Currently only 30% of our employees are accommodated in hostels, while 50% are in married quarters and the balance live in their own accommodation. By 2007 we aim to have 25% of our employees living in their own accommodation.

Currently 95% of the workforce is unionised and all employees have the right to freedom of association. A formal briefing procedure is in place and at all collieries employees are represented on committees where employee-related matters are discussed. We strictly follow due process, a major aspect of which is internal hearings supported by corrective action procedures and counselling. We

observe fair labour practices and non-discrimination within our operations and, with regard to workplace conditions, we adhere to industry standards such as the International Labour Organisation (ILO) conventions.

Individual employee benefits include a pension, free medical services or a medical aid membership and financial assistance for external studies. The Careways Group conducts our Employee Awareness Programme and offers counselling to our employees on matters such as bereavement, family problems and physical, emotional and substance abuse.

Employment equity

ACSA is firmly committed to employment equity (EE), and numerous policies and programmes are in place to meet legislated targets. EE groups and skills development committees have comprehensive stakeholder representation and continually monitor the progress of Historically Disadvantaged South Africans (HDSAs) within the company.

HDSAs account for 23% of all staff at managerial and supervisory levels, up from 17% in 2002. Three of our collieries are headed by Black mine managers. In 2003, HDSAs accounted for 42% of the promotions in middle and senior management and for 67% of new recruits.

As for gender equality, a total of 569 women are employed across our operations, representing 8.0% of the workforce. They continue to be the more prevalent sex in the administrative, finance, inventory, human resources and medical services sectors. An internal survey that looked at perceptions of gender in the coal mining environment has recommended that employment conditions more conducive to the employment of women in the mining industry be put in place. ACSA's 2003/2004 agreement with NUM (National Union of Mine-workers) contains a number of clauses that will assist in implementing these recommendations.

Employee data

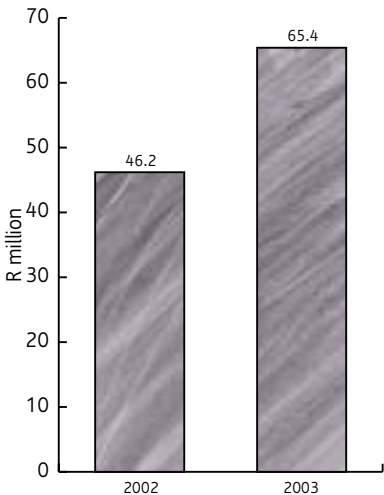
Employee data	2002	2003
Number of employees	7 711	7 173
Number of core contractors	1 557	1 687
Number of non-South African employees	416	392
Number of females employed	526	569
Number of new appointments	350	572
Number of long service awards (25 years)	444	384
Percentage average annual labour turnover	3.4	4.5
Percentage of employees unionised	87.6	95.0

Fair labour practices

Fair labour practices	2002	2003
Number of CCMA cases	16	17
Number of dismissals (including voluntary retrenchments)	84	86
Number of internal hearings	1 491	1 190

Developing excellence

Education and training expenditure



In line with the company’s efforts to improve competency at all levels, ACSA has implemented a dynamic training and development strategy. The company’s training facilities and resources offer well-established programmes to meet organisational and individual employee training and development needs. Competency and performance are constantly monitored in our drive towards continual improvement. In 2003 we averaged 25.1 days of training per employee and spent 8.4% of our wage bill, the equivalent of R65 million, on staff development for the year.

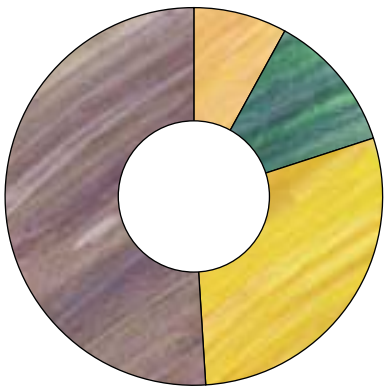
Our main training centre is at Witbank, which reports directly to our Human Resources Department in Johannesburg. It conducts the bulk of our employee training and development and, in addition, coordinates all training undertaken at the colliery sites, ensuring that the specialised, cost-effective technical training programmes it makes available are properly utilised.

Supervisory, management and leadership training has been targeted this year to equip and empower supervisors with the leadership competencies needed to improve safety, production and team effectiveness while meeting the requirements of workplace skills plans. With this focus on the training of mid- to senior managers, ACSA annually enrolls selected employees in external development programmes. The most long-standing of these is the Management Development Programme currently being offered by the University of Stellenbosch Business School.

Bursaries and scholarships

At present, 119 university students and 39 technikon students benefit from Anglo Coal scholarships. In addition, 5 students are studying under the auspices of the MQA. Learners are mentored and assessed regularly and are offered practical experience in the workplace. Of the total scholarships and bursaries awarded, 71% went to HDSAs. Through these interventions we are able to ensure a continuous inflow of new talent into ACSA.

Bursaries and scholarships



- 8% White females
- 12% Black females
- 29% White males
- 51% Black males

ACSA’s Training and Development Services Department maintained their ISO 9001:2000 certification in 2003 and the highlight of the year was the certification of all decentralised training and development centres at our collieries. These centres were also accredited in terms of the South African Mine Qualifications Authority (MQA), another major achievement for the year.

The introduction of Falls-of-Ground legislation and the pending learnerships lent impetus to the training and registration of assessors and moderators in 2003. To date 135 MQA assessors and 25 MQA moderators have been trained.

Education profile



5% No formal schooling
22% Tertiary education
26% Primary education
47% Secondary education

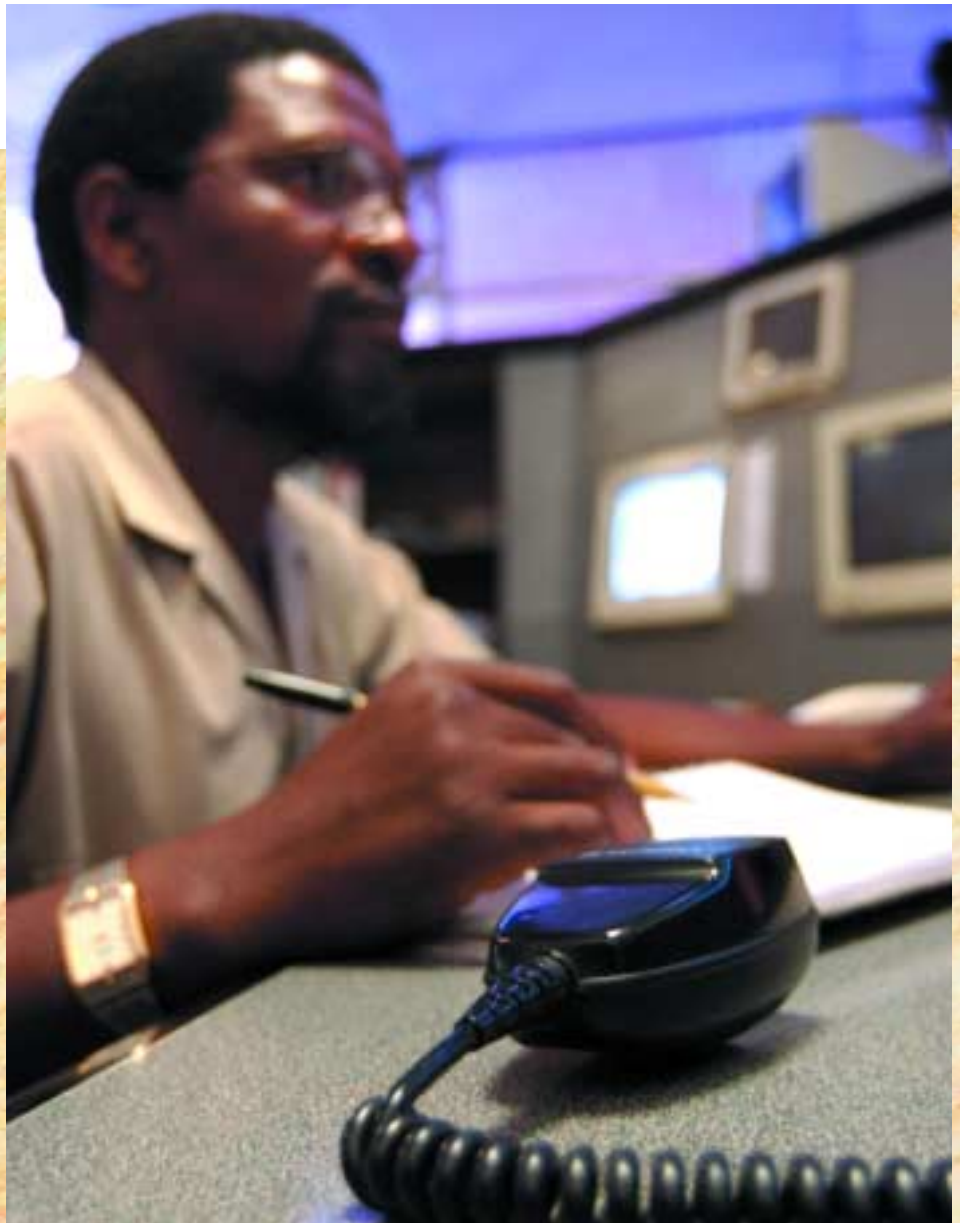
Adult basic education and training

All ACSA employees are offered the opportunity to enrol in adult basic education and training (ABET) courses on a part-time basis. ABET is also offered to employees' dependents, as well as to members of our neighbouring communities. This year 103 employees and 217 dependents participated in the ABET programme. Although we have fewer participating employees this year, we are pleased to report that the percentage of our employees with no formal schooling has dropped from 9% in 2002 to 5% in 2003, reflecting an improvement in the literacy profile of the workforce.

Landau ABET Centre

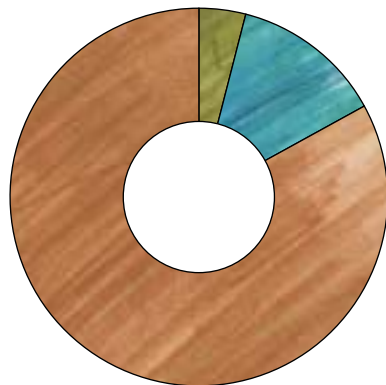
The Landau ABET Centre, established in 1994, is registered with the South African Department of Education as an adult training and examination facility. The centre caters for approximately 200 learners and employs nine professional ABET teachers on a part-time basis. Dependents of ACSA employees from Greenside, Landau, Kleinkopje, Bank and Goedehoop Collieries make up two thirds of the total learners. Contractors and members of the community also attend ABET classes. A number of learners have passed ABET levels 1 through 4 and have completed their general education and training certificates. However, the centre continues to be kept busy as it also attracts learners from the communities adjacent to the operations. The centre is proud of its matriculant pass rate of 92% and recorded an average pass rate of 66% across all ABET levels and subjects for 2003.

The members of the Adult Education Committee of the South African Parliament regard the Landau ABET Centre as a first-class facility and look forward to their annual visit to the centre.



Branching out into communities

Corporate social investment



4% Donations
13% Investment
83% Initiatives

Community investment

Corporate social investment (CSI) forms an integral part of the ACSA culture and business philosophy. It enjoys the support of our employees who continue to enter into constructive engagement with our neighbouring communities with a view to their upliftment. In all our CSI programmes we apply the principles of good citizenship, accountability and transparency.

In 2003 the company committed R19 million to CSI, an increase of R6 million from 2002. There are currently more than 100 major CSI projects across all the collieries, most aimed at education and job creation through small businesses. The Anglo American Chairman's Fund also contributes to community projects within our areas of operation. The next year will see a focused strategic drive to determine the impact of community projects and their sustainability once our operations close, with a focus on partnership and communication.

Engaging with communities

Community engagement plans have been developed at all collieries. These plans will be enhanced with the rollout of the AA plc Socio-Economic Assessment Toolbox (SEAT) to assist operations in:

- Determining the social and economic impact of their activities on the local environment
- Finding ways to improve their management and performance.

The toolkit provides, *inter alia*, guidelines for stakeholder engagement, for improving community investment programmes and for developing a social dimension to long-term closure planning.

Education

Our educational CSI activities aim to raise the level of education within our communities and to facilitate and encourage access to educational opportunities. Initiatives include:

- Free literacy classes
- Support of school infrastructure
- Early-childhood development opportunities
- Provision of school equipment
- Contributions to teachers' salaries
- Donations to school sports or cultural events.

Small business Initiatives

ACSA actively promotes small business initiatives and encourages not only community members but also employees and their dependents to attend skills training courses with a view to starting their own businesses. There are currently 41 small businesses owned and managed by employees and community members. As with many of our CSI projects, our employees willingly give of their time and skills to help with skills training and the creation of sustainable small businesses.

HIV/AIDS and health care

HIV/AIDS remains one of the most challenging focus areas for CSI. Holistic and integrated HIV/AIDS awareness campaigns are in place at all our operations. HIV/AIDS committees at the collieries target community awareness programmes at informal settlements, farms and local communities near the mines. Peer educators work within the community, schools, the workplace, at clinics, as well as at the Anglo Coal Highveld Hospital.





The Blackhill-Schoongezicht Primary School is currently a 12-classroom facility and serves the community in Kwaguqa Extension 10.

Kleinkopje & SACE Schooling Projects

Anglo Coal South Africa has contributed R3.3 million to the development of a 12-classroom facility for primary school learners in Kwaguqa Extension 10 in Witbank. The school, Blackhill-Schoongezicht Primary School, was established in consultation with the Emalahleni Council, the Mpumalanga Department of Education and Training and community leaders. The structures were formally donated to the provincial education department in early 2004. With the addition of more classrooms

in the future, the basic infrastructure will be able to accommodate up to 1200 learners.

A second school, Kromdraai Primary School, was also donated to the provincial education department. It includes 10 classrooms, ablution facilities, a soccer field, an all-weather netball court and an administrative block. Gloria Dlamini, the Executive Mayor of Witbank, officially opened the school in 2003.

A third initiative involves Landau Combined School located in Landau Colliery's mining village. This school accommodates 500 learners, with ACSA providing financial support in the form of monthly educational grants, educational tours, school furniture and building maintenance expenses.

The Boiteko Bakery

Boiteko Bakery is the first and longest-running project to be established at New Vaal Colliery as part of the mine's Small Business Initiative. ACSA provided equipment and trained six women from the community in baking skills. Over time they began to run the bakery on their own, forming a partnership with other business people who had relevant business management skills. The bakery now produces 450 loaves of bread a day for the New Vaal Colliery kitchen and 230 loaves of bread for the Lethabo Power Station Hostel. The sales from the bakery have helped the women provide for their own families.

As a result of the success of this project, many small businesses have been established by community members within the mine lease area. Currently, there are 29 small businesses operating at the mine.








Partnering with LoveLife on HIV initiatives in communities

LoveLife is a multi-stakeholder initiative for the branding of a new lifestyle that promotes healthy living and responsible sexual behaviour among young South Africans. As part of our drive to prevent the spread of HIV, ACSA contributes through Anglo American plc to this initiative. ACSA has committed to investing time and expertise to working with *LoveLife* and other industry partners in order to build capacity in both public-sector and private health care clinics around the Witbank area. The ultimate goal is to enhance the health sector's response to HIV/AIDS at community level. Among the potential benefits from the initiative are improved accessibility to prevention programmes, VCT for HIV/AIDS and enhanced care, support and treatment of HIV-positive individuals. Focus will be placed on the needs of the youth through the adolescent-friendly *LoveLife* clinic programme.

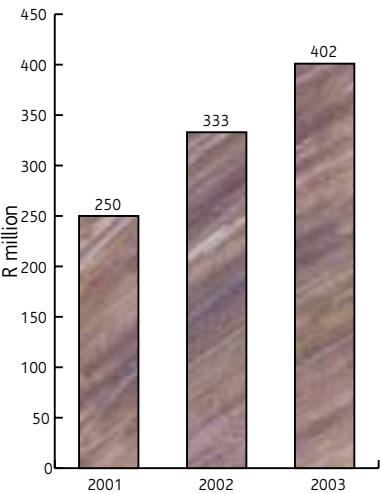
Black economic empowerment

The broad-based Black Economic Empowerment Act of 2003 set the stage for the promotion of Black Economic Empowerment (BEE) in South Africa by building on existing legislation such as the Procurement Act of 2000. BEE legislation aimed at transforming the mining industry includes the

Mining Charter, published in October 2002, and the BEE Scorecard, published in February 2003 to measure compliance by mining entities. ACSA supports the new legislation and is on track to achieve relevant targets stipulated in the BEE scorecard as required by the Mining Charter.

Report on scorecard elements		
Employment Equity		Our leadership continues to become more diverse, with 23% of our supervisors and managers drawn from HDSA groups. Women represent only 8% of the workforce and conditions conducive to attracting women into the mining profession are being put in place. Targets and achievements are reported to the Department of Labour annually. ACSA's goal for 2007: 40% HDSA in management positions, 11% women participating in mining and 160 scholarships to advance mining-related education.
Human Resources		ACSA's employees benefit from training and development and leadership programmes, literacy education, bursaries and scholarships. The literacy profile of the company has improved in that the percentage of employees with no formal schooling has dropped from 9% in 2002 to 5% in 2003.
Migrant Labour		94% of our workforce are South Africans who reside near our operations. Migrant labour is sourced primarily from Lesotho. We abide by fair labour practices and non-discrimination, adhering to international norms in the workplace.
Community Development		A total of R19 million was committed to corporate social investment in 2003, with more than 100 projects across all collieries. The areas of CSI activity extend from education, health, HIV/AIDS and small business development to culture and recreation.
Housing and Living Conditions		Currently only 30% of employees are accommodated in hostels, 50% are in married quarters and the balance of employees live in their own accommodation. By 2007 we aim to have 25% of employees living in their own accommodation.
Procurement		A total of R402 million (24% of total procurement spend) of business was procured from 188 HDSA suppliers during 2003, an increase of 20% on 2002. For 2004 we have targeted procurement from HDSA entities at R448 million (which equates to 25% of total spend).
Ownership and Joint Ventures		Based on units of production, Anglo Coal has achieved 26% HDSA ownership as required by the Mining Charter. To date we have completed transactions for the establishment of Eyesizwe Coal and Leeuw Mining and Exploration (Pty) Ltd. In addition, through the Anglo Khula Mining Fund, Anglo Coal has participated in the setting up of Imbani Coal, a Black empowerment mining company. ACSA, through its shareholding in RBCT, is also participating in a programme which by 2006 will provide up to 4 million tonnes to aspirant exporters, including HDSAs and common users. This initiative by Anglo Coal and other RBCT shareholders together with the DME is geared to provide long-term export access opportunities to aspirant HDSA companies.

BEE procurement



Ownership and joint ventures

The South African Mining Charter encourages the HDSA ownership of 26% of mining assets by 2012. Based on units of production, ACSA has already achieved the 26% HDSA ownership. Completed transactions to date include the establishment of Eyesizwe Coal and the Leeuw Mining and Exploration Company. The Anglo Khula Mining Fund has invested in two of the ACSA projects, namely Leeuw Mining and Exploration (Pty) Ltd and Imbani Coal. This fund, launched in March 2003, is a joint initiative between Anglo American Corporation of South Africa and Khula Enterprise Finance, an initiative of the Department of Trade and Industry, and has R40 million to invest in viable SME Black-empowered mining businesses.

Leeuw Mining and Exploration (Pty) Ltd, a Black empowerment mining company, purchased ACSA’s KwaZulu-Natal coal reserves, estimated at 104 million saleable tonnes, in 2002. Initial mining and development commenced in 2003 at Vaalkrantz, an anthracite reserve. The potential of the other reserves sold to Leeuw Mining and Exploration is currently being assessed.

Imbani Coal, a subsidiary of Imbani Coal Holdings (Pty) Ltd, is a Black empowerment mining group focused on the exploration, mining, beneficiation and marketing of coal reserves in Carolina, Mpumalanga. Imbani acquired prospecting rights for significant amounts of high-quality coal from ACSA and produces coal for export markets. In April 2003, Imbani commissioned its coal-washing facility with a monthly capacity of 45 000 tonnes and commenced mining operations at its Droogvallei reserves in May, producing 35 000 tonnes per month. The operation is expected to have a life of over 20 years. Imbani made history in September 2003 by railing the first non-shareholder load of coal, in its own name, to Richards Bay Coal Terminal.

Procurement

ACSA procured R402 million of business from 188 black-empowered companies during 2003. This is an increase of 20% on the 2002 preferential procurement spend. Of the total, R12 million was spent on capital goods, R127 million on services and R263 million on consumables.

The company is involved in the Lumus Project, a collaborative public-private partnership that aims to make the South African supplier base globally competitive. The project entails the establishment of a national supplier assessment and development standard and could be a means of placing BEE companies into the mainstream economy. ACSA is acting as an anchor customer before the project is rolled out to the rest of the industry.

AA plc is in the process of developing policy guidelines to facilitate procurement from HDSA suppliers. The guideline is expected to be approved in 2004 and will provide a framework to align ACSA HDSA procurement strategy and procedures with AA plc requirements and will facilitate further development and promotion of HDSA suppliers.

Zimele (Independence Through Enterprise)

Zimele, the enterprise development and Black empowerment initiative of AA plc, works with the different divisions to evaluate new procurement and outsourcing opportunities within the SME sector and assists in creating sustainable, commercially viable businesses. The success of Zimele’s approach to its investments hinges on the relationship between stable funding structures, managerial, legal and technical support and the guidance of its business development team.

Zimele provides opportunities for BEE companies to participate in tenders and secure contracts. Entrepreneurs are also given financial, leadership and managerial support. Sound commercial principles underlie all transactions and standards of quality, price, service level, technical quality and SHE principles are not compromised.

Currently 18 of Zimele’s investments service ACSA and these businesses have gone from strength to strength. For example, Hi-Quip Hydraulics, which started trading in 2002 with 12 employees, has now acquired a second workshop and its staff complement has grown to 60 people. Similarly, Thabo Piping Systems

Five-year BEE procurement targets

Year	2003 Target	2003 Actual	2004	2005	2006	2007
BEE procurement (in millions of Rand)	375	402	448	502	556	615
% of Total Procurement	22%	24%	25%	26%	27%	28%

has relocated to larger premises and its production crews have doubled.

New projects initiated in conjunction with Zimele during 2003 are as follows:

- Sunbali Flower project at Isibonelo Colliery
- Coalfields Panel Beating and Spray Painting, which began trading in November 2003.
- A nursery in the process of being established to provide trees for future rehabilitation projects and to maintain indigenous bulbs for planting into the wetland area at Isibonelo Colliery after mining operations have ceased.

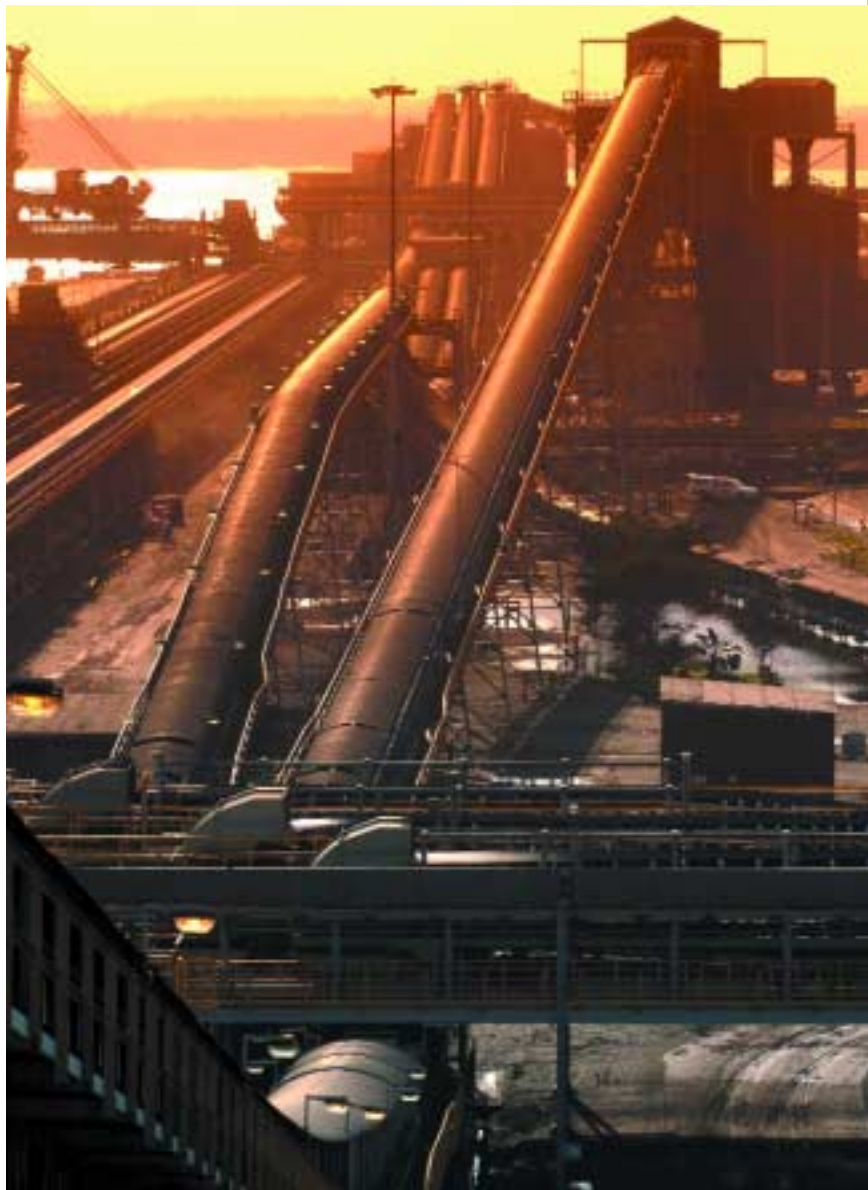
Zimele also assists with the promotion and establishment of numerous viable small business ventures within the mine lease areas. Some of these ventures include general dealers, hairdressing salons and fruit and vegetable markets.

BEE at Richards Bay Coal Terminal

ACSA is involved with creating empowerment opportunities at Richards Bay Coal Terminal (RBCT), a privately owned and operated coal export terminal in KwaZulu-Natal in which ACSA is a shareholder. ACSA was a key player in making available 1 million tonnes of common-user (non-shareholder) capacity in 2003, of which 400 000 tonnes were exported. A programme has been put in place to increase this to 2 million tonnes per annum from April 2004, to 3 million tonnes in 2005 and 4 million tonnes in 2006. In addition, both ACSA and Ingwe Coal have forgone participation in the Phase V expansion which will increase the capacity of the terminal by 10 million tonnes. Their combined entitlement of 6.5 million tonnes has been made available to the South Dunes Coal Terminal consortium, 50% of which will be made up of Black Economic Empowerment companies.



Top: Stock inspection at Witbank Chemicals, an empowerment company initiated by Anglo Coal through Zimele.



Right: Part of the coal-handling infrastructure at Richards Bay Coal Terminal.

Kganya Hydraulics and Pneumatics

Zimele has joined forces with Aero Fluid Power (Pty) Ltd to form a Vereeniging-based empowerment venture. The company, known as Kganya Hydraulics and Pneumatics (Pty) Ltd, supplies and maintains hydraulic fittings and pipes in the mining and industrial sectors within the Vaal Triangle. It has an estimated annual turnover of R4.5 million. Eaton Aeroquip, which currently holds the contract for Anglo Coal, has appointed Kganya as the sole distributor in the Vereeniging area. Kganya has set up an on-site workshop at New Vaal Colliery and is equipped to repair, manufacture and maintain hoses and fittings on a 24-hour basis. Kganya is also working towards ISO accreditation and plans to secure certification within the next year.

Zimele invests in flowers

The investment in Sunbali Flowers (Pty) Ltd epitomises the power of partnerships in which local entrepreneurs work together in creative association with the backing of a mining group and the support of local government.

Zimele facilitated an empowerment and business development initiative by investing in Sunbali Flowers – a nursery specialising in the cultivation, sale and marketing of chrysanthemums. Being operational for seven years, it was identified as a commercially viable and economically and environmentally sustainable investment. Sunbali Flowers is located close to the new opencast development, Isibonelo Colliery, and has an annual turnover of R1 million, producing 100 000 chrysanthemum stems per month for local and national markets. Strong emphasis will be placed on training and capacity-building, in line with Zimele's incubator approach to business and entrepreneurial development.



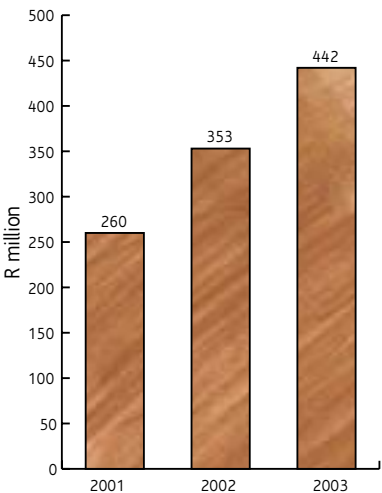
Commitment to compliance

Incidents by type



6%	Air	22%	Water
8%	Aesthetic	53%	Waste
11%	Land		

Provision for closure



ISO 14001 progress

We are well advanced in reaching our target of having all collieries certificated as ISO 14001 by the end of 2004. Bank, Landau, Kleinkopje and New Denmark Collieries each received their ISO 14001 certification in 2003, while Goedehoop and Kriel maintained their ISO 14001 status. Our target for 2004 is to obtain certification for the last two collieries – New Vaal and Greenside. We realise that maintaining certification through continual improvement is the next challenge ahead of us and we have developed a risk-based model to assist us in this regard.

Managing incidents

In line with our risk-based approach, incidents are managed on a day-to-day basis by means of a rigorous review and corrective action process. We recorded a total of 1 509 incidents this year, with the number of Level 1 (minor effect and short-term) and Level 2 incidents (moderate impact and medium-term effect) showing a sharp increase from 2002. This could be attributed to increased awareness brought about by ISO 14001 implementation. Waste (53%) and water (22%) remain the areas with the largest number of incidents. Costs incurred for mitigatory actions were estimated at R2.3 million for the reporting year.

	2001	2002	2003
Level 1	212	399	1 448
Level 2	19	15	61
Level 3	0	0	0

Provision for closure costs

Each year Anglo Coal reviews its provision for post-closure rehabilitation, restoration of areas affected and the construction and operation of water treatment plants at the trade collieries. Funds for the closure of the Eskom-tied power generation collieries are provided through Eskom guarantees. The current Eskom policy is to treat

polluted water that emanates from both New Vaal and New Denmark Collieries. ACSA export collieries contribute to the Anglo Coal and Base Metals Pollution Control Fund on an annual basis. This is a trust set up in terms of Section 10(1) (cH) of the South African Income Tax Act. The monies invested into this trust can only be utilised for environmental rehabilitation in areas where operational activities have been completed.

The five export collieries contribute to a closure fund which at the end of the 2003 financial year stood at R442 million. The total closure liability is estimated at R1.07 billion. The unfunded balance will be contributed to the pollution control fund over the remaining lives of the five export collieries. An amount of R2.9 million was spent on pollution control measures during the financial year. Financial provision for closure activities are reviewed annually.

KPMG independent review report



Independent assurance report to the Directors of Anglo Coal, a division of Anglo American plc, on the 2003 Anglo Coal Safety, Health, Environment and Community Report.

Introduction

We were engaged by Anglo Coal to provide assurance on selected safety, health and environmental (SHE) performance indicators at selected sites for the year ended 2003, as reported in the 2003 Anglo Coal Safety, Health, Environment and Community Report (the Report).

This assurance report is made solely to Anglo Coal in accordance with the terms of our assurance engagement. Our work has been undertaken so that we might conclude on those matters we have been engaged to provide assurance on and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Respective responsibilities of directors and assurance provider

The directors of Anglo Coal are responsible for the preparation of the Report and the information and assessments contained within it, for determining the company's objectives in respect of sustainability performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. Our responsibility is to express our conclusions based on our engagement of providing assurance on the selected 2003 SHE performance indicators and associated statements, at the selected sites. We will comment in our conclusion if any disclosures in the Report relating to the selected 2003 SHE performance indicators and the associated statements, at the selected sites, are inconsistent with our engagement, if we have not received all the information and explanations we required to conduct our work, or if we became aware of additional information, the omission of which may result in the selected 2003 SHE performance indicators together with the associated statements being materially misstated or misleading.

Basis of our work

There are no generally accepted South African standards for expressing assurance on sustainability performance information. We conducted our examination having regard to emerging best practice and principles within international assurance engagements and in particular our approach draws from International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Information issued by the International Auditing and Assurance Standards Board. This standard is to be formally approved by the South African Auditing and Assurance Board and will become effective from 1 January 2005.

Our work did not constitute a financial statement audit and was designed to provide assurance on the reliability and comparability of the selected 2003 SHE performance indicators and associated statements at the selected sites.

The scope of the assurance engagement, the work performed and the associated considerations and conclusions are outlined below.

Scope

We selected the SHE performance indicators to be the subject of the assurance engagement by considering Anglo Coal's key SHE risks, identifying those SHE indicators most relevant to management and stakeholder decision-making processes and our experience of the associated SHE reporting systems and processes.

The 2003 SHE performance indicators selected were: carbon dioxide (CO₂) emissions; chronic obstructive airways disease; energy consumption; environmental incidents (levels 1,2 and 3); fatalities; lost-time injury frequency rate (LTIFR); methane emissions; noise-induced hearing loss (NIHL) and water consumption for primary activities (collectively referred to as the selected 2003 SHE performance indicators).

Our selection also included methane emissions data. However, as Anglo Coal is in the process of developing a measurement methodology for methane emissions from opencast coal mines, it is not in a position to have these emissions reviewed.

Our work did not constitute an audit and accordingly, we do not express an audit opinion. No assurance is given in relation to the SHE performance indicators not covered by our work.

Work performed

Our work performed with respect to the selected 2003 SHE performance indicators consisted of:

- Visiting four sites: Landau Colliery, New Denmark Colliery, Bank Colliery and Kriel Colliery (selected sites);
- Reviewing the SHE performance data management systems and controls and the associated reliability (such as completeness, accuracy and consistency) of the selected 2003 SHE performance indicators at the selected sites. Our site visit included assessing the systems and processes the site has in place to meet the requirements of the Anglo American SHE Reporting Guidance for the selected 2003 SHE performance indicators;
- Interviewing staff responsible at the selected sites for collating and reporting on the selected 2003 SHE performance indicators; and
- Reviewing the consistency between the selected 2003 SHE performance indicators, as reviewed on site, with the associated statements in the Report.

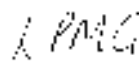
We believe that our work performed provides an appropriate basis for our conclusion.

Considerations

The reported 2003 SHE performance indicators and associated statements should be read in the context of the report scope and report profile (pg 1) in the Report, and the qualification relating to methane (pg 27). The reliability of the 2003 SHE performance indicators is subject to inherent limitations given their nature and methods for determining, calculating or estimating such data.




Conclusion







































Based on the work performed, with the exception of methane, nothing has come to our attention that causes us to believe that the selected 2003 SHE performance indicators are materially misstated or misleading. With the exception of methane, the remaining 2003 SHE performance indicators are prepared in accordance with the Anglo American SHE Reporting Guidance.



KPMG Services (Pty) Limited
Johannesburg
17 June 2004

Overview of 2003 performance

 Achieved
 Not achieved
 In progress

Corporate Reporting	<ul style="list-style-type: none"> ■ Commit to report regularly on safety, health, environmental and community issues. ■ Integrate community issues into safety, health, environmental and community reporting. ■ Produce a consolidated safety, health, environment and community report that covers all Anglo Coal managed operations. 	  
Safety	<ul style="list-style-type: none"> ■ Aim for zero fatal incidents. ■ Reduce LTIFR to 0.24 per 200 000 hours worked. ■ Reduce TRCFR to 1.54. ■ Develop a middle management programme to increase observation skills and enhance awareness and standards. ■ Complete rock engineering/slope stability training for operators and supervisors. ■ Continue with the development of roof support techniques. 	     
HIV/AIDS	<ul style="list-style-type: none"> ■ Continue to administer ART. ■ Re-assess the HIV/AIDS strategy to incorporate the ART programme. 	 
Health	<ul style="list-style-type: none"> ■ Reduce personal dust exposure to less than 2mg/m³ by 2005. ■ Reduce all continuous miner engineering dust levels to less than 3mg/m³ by 2003. ■ Support industry noise reduction initiative. ■ Eliminate exposure to noise levels above 100 dB by 2005. 	   
Environmental Management Systems	<ul style="list-style-type: none"> ■ Maintain ISO 14001 certification at Kriel and Goedeheop Collieries. ■ Monitor and report progress to achieve ISO 14001 certification on all mines by 2004. 	 
Land Stewardship	<ul style="list-style-type: none"> ■ Update EMPR, closure register and report progress. ■ Develop and implement sustainable land rehabilitation strategies, involving communities, for each operation by 2005. 	 
Biodiversity	<ul style="list-style-type: none"> ■ Participate in wetland forums and research initiatives. ■ Co-ordinate surface rehabilitation trials on biodiversity and compaction. ■ Implement Anglo American plc biodiversity action plan by 2005. 	  
Water	<ul style="list-style-type: none"> ■ Reduce water consumption for primary activities per sales tonne by 3%. ■ Implement further re-use, treatment and management options on all operations. ■ Conduct compliance audits for water licences, EMPR commitments and permit conditions. 	  
Energy and Greenhouse Gas Emissions	<ul style="list-style-type: none"> ■ Implement strategies to reduce energy consumption by 3%. ■ Identify potential emission abatement projects at current and closed mines by 2005. ■ Examine opportunities for cooperation on Clean Coal Technology (CCT) with consumers by 2005. ■ Identify project opportunities that enable participation in emission trading activities. 	   
Employee Support	<ul style="list-style-type: none"> ■ Develop manpower strategies to retain talented individuals. ■ Achieve 2003 employment equity targets. 	 
Education and Training	<ul style="list-style-type: none"> ■ Roll out new conveyor belt training course. ■ Complete training and accreditation of MQA assessors. ■ Anglo Coal Training & Development Services (ACTDS) to become an accredited training provider with SAQA. 	  
Black Economic Empowerment	<ul style="list-style-type: none"> ■ Aim for R375 million on procurement spend in 2003. ■ Meet company obligations in terms of the Mining Charter. 	 
Community Development	<ul style="list-style-type: none"> ■ Monitor and report implementation of Anglo American plc community engagement guidelines. ■ Develop a better synergy with local government for present and future development planning areas around operations. 	 

Targets for 2004

Corporate Reporting	<ul style="list-style-type: none"> ■ Establish a divisional SHE coordinating committee in 2004 to coordinate and execute quarterly and annual SHE reporting needs for AA plc and Anglo Coal. ■ Establish mine-based SHE coordinating committees on all operations to coordinate and execute quarterly and annual SHE reporting needs for AA plc and Anglo Coal.
Safety	<ul style="list-style-type: none"> ■ Aim for zero fatalities. ■ LTIFR to be reduced to 0.29. ■ TRCFR to be reduced to 1.28.
HIV/AIDS	<ul style="list-style-type: none"> ■ Aim for >50% of employees to know their HIV status by 31 December 2004.
Health	<ul style="list-style-type: none"> ■ Limit personal exposure reading to dust to 2.0 mg/m³. ■ Reduce noise levels to below 93dB.
Environmental Management Systems	<ul style="list-style-type: none"> ■ Obtain ISO 14001 certification at New Vaal and Greenside Collieries. ■ Implement ISO 14001 at Isibonelo Colliery. ■ Retain ISO 14001 certification on all six mines that are currently certificated. ■ Develop and implement risk-based measures to ensure retention of ISO compliance on certificated mines. ■ Implement an electronic platform for ISO 14001 on all operating mines.
Land Stewardship	<ul style="list-style-type: none"> ■ Develop and implement a 5-year strategy and programme to eliminate the rehabilitation backlog. ■ Implement a GIS-based rehabilitation database by the end of 2005 to monitor and report on rehabilitation progress. ■ Extend the verification of land capability by a third party to cover 40% of the total area rehabilitated. ■ Review and revise if necessary the closure cost estimates on all mines. ■ All mines to submit an EMPR performance Assessment Report to the DME.
Biodiversity	<ul style="list-style-type: none"> ■ Initiate and maintain the biomonitoring programme on all mines. ■ Report annually on the progress of the implementation of the Biodiversity Action Plans on each mine. ■ Develop and implement a BAP at Kriel South mine.
Water	<ul style="list-style-type: none"> ■ Reduce our new water consumption by 3%. ■ Recycle 30% of our total water used for primary activities.
Energy	<ul style="list-style-type: none"> ■ Achieve a 3% reduction on the 2003 target (GJ/saleable tonne). ■ Develop and implement a 5-year plan to improve energy efficiency and reduce energy consumption on a unit production basis.
Waste	<ul style="list-style-type: none"> ■ Complete oil balances and initiate monthly monitoring and reporting. ■ Recycle 30% of recoverable mineral oils purchased. ■ Prepare inventory of all transformers and capacitors at collieries.
Employee Support	<ul style="list-style-type: none"> ■ Achieve 2004 employment equity targets. ■ Improve performance management systems in order to change company culture. ■ Improve communication. ■ Roll out mentorship programme to other divisions.
Education And Training	<ul style="list-style-type: none"> ■ Expose all ACSA employees and contractors to the 2nd environmental awareness programme. ■ Develop a supervisory programme that encompasses technical, transformational and leadership components. ■ Maintain ISO 9001:2000 certification across all our training and development centres. ■ Convert and upgrade all training material to multi-media and electronic presentations by end 2007. ■ Complete assessments of employees in terms of Falls of Ground legislation. ■ Convert and upgrade all training material to new unit-standards-based structure.
Black Economic Empowerment	<ul style="list-style-type: none"> ■ Aim for an allocation of R448 million to BEE procurement in 2004. ■ Meet company obligations in terms of the Mining Charter.
Community Development	<ul style="list-style-type: none"> ■ Establish targets to measure the impact of CSI activities objectively in communities. ■ Assess benefits of CSI activities. ■ Submit our Social and Labour plan before 31 December 2004.

Global reporting indicators

VISION AND STRATEGY		
1.1	Statement of organisation's vision and strategy regarding its contribution to sustainable development.	✓
1.2	Statement from the CEO (or equivalent senior management) describing key elements of the report.	✓
PROFILE		
2.1	Name of operating organisation.	✓
2.2	Major products and services.	✓
2.3	Operational structure of the organisation.	✓
2.4	Description of major divisions, operating companies, subsidiaries, and joint ventures.	✓
2.5	Countries in which the organisation's operations are located.	✓
2.6	Nature of ownership, legal form.	✓
2.7	Nature of markets served.	✓
2.8	Scale of reporting organisation.	✓
2.9	List of stakeholders, key attributes of each, and relationship to the reporting organisation.	✓
2.10	Contact person(s) for the report, including e-mail and web addresses.	✓
2.11	Reporting period (e.g. fiscal/calendar year) for information provided.	✓
2.12	Date of most recent previous report.	✓
2.13	Boundaries of report[m1].	✓
2.14	Significant changes in size, structure, ownership, or products and services since previous report.	✓
2.15	Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations, and other situations that significantly affect comparability from period to period and/or between reporting organisations.	✓
2.16	Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statements.	✓
2.17	Decisions not to apply GRI principles or protocols in the preparation of the report.	N/A
2.18	Criteria/definitions used in any accounting for economic, environmental and social costs and benefits.	✓
2.19	Significant changes from previous years in measurement methods applied to key economic, environmental and social information.	✓
2.20	Policies and internal practices to enhance and provide assurance about the accuracy, completeness and reliability that can be placed on the sustainability reporting.	✓
2.21	Policy and current practice with regard to providing independent assurance for the full report.	✓
2.22	Means by which report users can obtain additional information and reports about economic, environmental and social aspects of the organisation's activities, including facility-specific information.	✓
CORPORATE GOVERNANCE		
3.1	Governance structure of the organisation, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organisation.	✓
3.2	Percentage of the board of directors that are independent, non-executive directors.	✓

3.3	Process for determining the expertise of the board members needed to guide the strategic direction of the organisation, including issues related to environmental and social risks and opportunities.	N/A ref AA plc
3.4	Board-level processes for overseeing the organisation's identification and management of economic, environmental and social risks and opportunities.	N/A ref AA plc
3.5	Linkage between executive compensation and achievement of the organisation's financial and non-financial goals.	N/A ref AA plc
3.6	Organisational structure and key individuals responsible for oversight, implementation and audit of economic, environmental and social and related policies.	N/A ref AA plc
3.7	Mission and value statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental and social performance and the status of implementation.	N/A ref AA plc
3.8	Mechanisms for shareholders to provide recommendations or direction to the board of directors.	N/A ref AA plc
3.9	Basis for identification and selection of major stakeholders.	N/A ref AA plc
3.10	Approaches to stakeholder consultation reported in terms of frequency of consultation by type and by stakeholder group.	✓
3.11	Type of information generated by stakeholder consultation.	N/A ref AA plc
3.12	Use of information resulting from stakeholder engagements.	N/A ref AA plc
3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	N/A ref AA plc
3.14	Externally developed voluntary economic, environmental and social charters, sets of principles, or other initiatives to which the organisation subscribes or which it endorses.	✓
3.15	Principal memberships in industry and business associations, and/or national/ international advocacy organisations.	✓
3.16	Policies and/or systems for managing upstream and downstream impacts.	✓
3.17	Reporting organisation's approach to managing indirect economic, environment and social impacts resulting from its activities.	✓
3.18	Major decisions during the reporting period regarding the location of, or changes in, operations.	✓
3.19	Programmes and procedures pertaining to economic, environmental and social performance.	✓
3.20	Status of certification pertaining to economic, environmental and social management systems.	✓
ECONOMIC PERFORMANCE		
EC1	Net sales.	✓
EC2	Geographic breakdown of markets[m2].	✓
EC3	Cost of all goods, material and services purchased.	✓
EC4	Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty agreements.	N/A
EC5	Total payroll and benefits (including wages, pension, other benefits, and redundancy payments) broken down by country or region.	✓
EC6	Distributions to providers of capital broken down by interest on debt and borrowings and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed.	✓

EC7	Increase/decrease in retained earnings at end of period.	✓
EC8	Total sum of taxes of all types paid, broken down by country.	✓
EC9	Subsidies received broken down by country or region.	N/A
EC10	Donations to community, civil society, and other groups broken down in terms of cash and in-kind donations per type of group.	✓
ENVIRONMENTAL PERFORMANCE		
EN1	Total materials use, other than water, by type.	✗
EN2	Percentage of materials used that are waste (processed or unprocessed) from sources external to the reporting organisation.	✗
EN3	Direct energy use segmented by primary source.	✓
EN4	Indirect energy use. Report on all energy used to produce and deliver energy products purchased by the reporting organisation (e.g. electricity or heat).	✓
EN5	Total water use.	✓
EN6	Location and size of land owned, leased or managed in biodiversity-rich habitats.	✓
EN7	Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater, and marine environments.	✓
EN8	Greenhouse gas emissions.	✓
EN9	Use and emissions of ozone-depleting substances.	✗
EN10	NO _x , SO _x , and other significant air emissions by type.	✗
EN11	Total amount of waste by type and destination.	✓
EN12	Significant discharges to water by type.	✓
EN13	Significant spills of chemicals, oils and fuels in terms of total number and total volume.	✓
EN14	Significant environmental impacts of principal products and services.	✓
EN15	Percentage of the weight of products sold that is reclaimable at the end of the product's useful life and percentage that is actually reclaimed.	✗
EN16	Incidents of and fines for non-compliance with all applicable international declarations. Conventions/treaties, and national, sub-national, regional and local regulations associated with environmental issues.	✓
EN23	Total amount of land owned, leased or managed for production activities or extractive use.	✓
SOCIAL PERFORMANCE INDICATORS – LABOUR PRACTICES		
LA1	Breakdown of workforce.	✓
LA2	Net employment creation and average turnover segmented by region/country.	✓
LA3	Percentage of employees represented by independent trade union organisations or other bona fide employee representatives.	✓
LA4	Policy and procedures involving information, consultation and negotiation with employees over changes in the reporting organisation's operations (e.g. restructuring).	✓
LA5	Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases.	✓
LA6	Description of formal joint health and safety committees comprising management and worker representation and proportion of workforce covered by such committees.	✓

LA7	Standard injury, lost-day and absentee rates and number of work-related fatalities (including subcontracted workers).	✓
LA8	Description of policies or programmes (for the workplace and beyond) on HIV/AIDS.	✓
LA9	Average hours of training per year per employee by category of employee.	✓
LA10	Description of equal opportunity policies or programmes, as well as monitoring systems to ensure compliance and results of monitoring.	✓
LA11	Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate.	✓
HUMAN RIGHTS		
HR1	Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results.	✓
HR2	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors.	✓
HR3	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring.	✓
HR4	Description of global policy and procedure/ programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring.	✓
HR5	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programmes to address this issue.	✓
HR6	Description of policy excluding child labour as defined by the IOL Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	✓
HR7	Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	✓
SOCIETY		
SO1	Description of policies to manage impacts on communities in areas affected by activities as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	✓
SO2	Description of the policy, procedures/management systems, and compliance mechanisms for organisations and employees addressing bribery and corruption.	✓
SO3	Description of policy procedure/management system and compliance mechanisms for managing political lobbying and contributions.	✓
PRODUCT RESPONSIBILITY		
PR1	Description of policy for preserving customer health and safety during use of products and services and extent to which this policy is visibly stated and applied as well as description of procedures/programmes to address this issue, including monitoring systems and result of monitoring.	N/A
PR2	Description of policy, procedure/management systems, and compliance mechanisms related to product information and labelling.	N/A

Abbreviations

ABET	Adult Basic Education and Training	ISO	International Standards Organisation
ACSA	Anglo Coal South Africa – includes all Anglo Coal’s managed operations in South Africa	km	kilometre
APOLCOM	Air Pollution Committee (a regional air quality forum based in Witbank)	Kyoto Protocol	An international protocol, adopted in Japan in 1997, to control global emissions of greenhouse gases
ART	Anti-retroviral therapy, used in the treatment of AIDS	Land utilised by operations	Area altered by mineral extraction activities including industrial and ancillary activities
BAP	Biodiversity Action Plan	LTI	Lost-time Injury (where an injury results in the injured being booked off work for one or more shifts or where the injured cannot perform his/her normal duty)
BEE	Black Economic Empowerment	LTIFR	Lost-time injury frequency rate (the number of lost-time injuries per 200 000 hours worked)
BSA	Business South Africa	mg/m ³	Milligram per cubic metre
CCMA	Commission for Conciliation, Mediation and Arbitration	ml	Megalitre
CCT	Clean Coal Technology	MQA	Mine Qualifications Authority
CH ₄	Methane	Mtpa	Million tonnes per annum
CIAB	Coal Industry Advisory Board	MWh	Megawatt hours
CO ₂	Carbon Dioxide	NGO	Non-government organisation
CO _{2e}	Carbon Dioxide equivalent	NIHL	Noise-induced hearing loss
COAD	Chronic Obstructive Airways Disease	Noschon	NOSA SHE awards
COM	Chamber of Mines of South Africa	NOSA	National Occupational Safety Association (South Africa)
CSLF	Carbon Sequestration & Leadership Forum	NUM	National Union of Mineworkers (South Africa)
CSIR	Council for Scientific and Industrial Research (South Africa)	RBCT	Richards Bay Coal Terminal
dB	Decibel, the unit of measure for ambient noise	SAQA	South African Qualifications Authority
DME	South African Department of Minerals and Energy	SEAT	Socio-Economic Assessment Toolkit
EE	Employment Equity	SHE	Safety, Health and Environment
ESKOM	South Africa’s state-owned power utility company	SME	Small and medium enterprises
Fatal injury	The death of an employee or contractor resulting from a work-related injury	STI	Sexually transmitted infection
FIFR	Fatal Injury Frequency Rate (the number of fatal injuries per 200 000 hours worked)	Total energy used	Calculated from electricity purchased and fossil fuels consumed
GJ	Gigajoules – a unit used to measure total energy consumption	TRC	Total Recordable Cases
GHG	Greenhouse gas emissions such as CO ₂ , CH ₄ , that contribute to the greenhouse effect or global warming	TRCFR	Total Recordable Cases Frequency Rate (cases per 200 000 hours worked)
GRI	Global Reporting Initiative	VCT	Voluntary Counselling and Testing
GWhr	Gigawatt hour	Water used for primary activities	Total new and make-up water entering the operation and used for operation’s primary activities
ha	hectare	WBCSD	World Business Council for Sustainable Development
HDSA	Historically disadvantaged South Africans	WCI	World Coal Institute
ICMM	International Council on Mining and Metals	WHO	World Health Organisation
IEA	International Energy Agency	Yebo Siyaphambili	ACSA organisational culture transformation programme
ILO	International Labour Organisation		

Summary of key performance data

Safety and health

	Fatal Injuries		FIFR		LTI		LTIFR		TRC		TRCFR		NIHL	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
Bank	2	0	0.09	0	9	7	0.40	0.37	61	46	2.68	2.42	18	7
Goedehoop	2	2	0.09	0.09	8	3	0.37	0.13	31	24	1.42	1.04	29	8
Greenside	1	0	0.08	0	3	5	0.24	0.37	44	30	3.47	2.25	9	7
Kleinkopje	0	3	0	0.14	5	11	0.25	0.52	63	48	3.20	2.28	11	6
Landau	0	1	0	0.11	4	3	0.46	0.34	35	26	4.02	2.98	4	3
Kriel	0	0	0	0	5	4	0.31	0.21	18	17	1.12	0.87	10	0
New Denmark	0	0	0	0	3	8	0.27	0.61	16	21	1.43	1.59	24	5
New Vaal	0	0	0	0	4	6	0.38	0.58	11	14	1.05	1.35	12	27
TOTAL	5	6	0.04	0.05	41	47	0.33	0.36	279	226	2.21	1.74	117	63

Environment

	CO ₂ from processes and fossil fuels ^(a)		CO ₂ from electricity purchased ^(b)		Total energy used ^(c)		Coal mine methane, CO ₂ equivalent		Land utilised by operations		Water used for primary activities	
	000 tonnes		000 tonnes		000 Gj		000 tonnes		ha		000 m ³	
	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003
Bank	3	2	77	68	349	310	96	94	660	846	806	560
Goedehoop	4	4	139	149	618	656	173	169	1 319	1 233	869	818
Greenside	2	3	40	44	187	226	17	26	394	394	372	565
Kleinkopje	34	37	103	113	875	961	14	15	2 267	2 377	165*	217
Landau	10	10	65	69	394	412	11	11	1 409	1 388	136	166
Kriel	17	14	81	79	559	514	78	80	1 924	2 027	675	561
New Denmark	4	4	70	76	332	366	234	192	3 325	3 426	365	334
New Vaal	41	42	110	113	1004	1 030	33	33	2 076	2 146	749	231
TOTAL	115	116	685	711	4 318	4 475	656	620	13 374	13 837	4 137	3 452

(a) CO₂ emissions from processes and fossil fuels consumed are calculated using the WBCSD Greenhouse Gas Protocol calculation tools, and do not include emissions from purchased electricity.

(b) CO₂ emissions from purchased electricity are calculated using South African factors for national grid electricity.

(c) Total energy used is calculated from electricity purchased and fossil fuels consumed.

* Kleinkopje Colliery 2002 total previously reported as 2 712 000 m³. This value was adjusted to correctly exclude water pumped to evaporation dams that was previously included as new water for primary activity.

Useful reports and websites

Anglo American plc website:

<http://www.angloamerican.co.uk>

Other reports published:

Anglo American plc

Working for Sustainable Development

Anglo Coal Australia Safety, Health, Environment Community Report 2003

Useful websites:

Coaltech 2020 <http://www.coaltech.csir.co.za>

COM <http://www.bullion.org.za>

GRI <http://www.globalreporting.org>

ICMM <http://www.icmm.com>

IEA <http://www.iea-coal.org.uk>

NOSA <http://www.nosa.co.za>

WBSCD <http://www.wbscd.org>

WCI <http://www.wci-coal.com>

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