

ANGLO COAL SOUTH AFRICA  
**TOWARDS SUSTAINABILITY 2004**



**ANGLO  
COAL**

# Report scope

## GRI INDICATOR KEY

VISION AND STRATEGY

PROFILE

CORPORATE GOVERNANCE

ECONOMIC PERFORMANCE

ENVIRONMENTAL PERFORMANCE

SOCIAL PERFORMANCE INDICATORS – LABOUR PRACTICES

HUMAN RIGHTS

SOCIETY

PRODUCT RESPONSIBILITY

Anglo Coal – Towards Sustainability 2004

✓ Anglo Coal South Africa – Towards Sustainability 2004

Anglo Coal Australia – Towards Sustainability 2004

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This is Anglo Coal South Africa's third publicly issued annual report on sustainable development, highlighting our performance in safety, health, the environment and wider corporate social investment. The report was compiled using the Global Reporting Initiative (GRI) guidelines and reflects progress on our 2003 report.

### Background

Anglo Coal SA is part of Anglo Coal, which is wholly-owned by Anglo American plc. The ownership structure is reflected in the global *Anglo Coal – Towards Sustainability 2004* report.

### Basis of reporting

This report reviews performance for the financial year ending 31 December 2004. It does not cover those operations in which we hold a minority share, such as Richards Bay Coal Terminal Limited and Eyesizwe Coal, nor the more recently announced Mafube colliery joint venture.

The safety, health and environment (SHE) data and associated technical information were captured and collated on 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. The reported 2004 SHE performance indicators and associated statements should be read in the context of the report scope.

### Additional reports

This report, which focuses on Anglo Coal SA, is produced in conjunction with two other Anglo Coal sustainability reports for the 2004 financial year: a regional sustainability report which covers Anglo Coal's operations in Australia and a global sustainability report which provides insight into Anglo Coal's overall sustainable development framework and initiatives.

### Independent assurance

KPMG has undertaken an external, independent review, at selected sites, of selected sustainability performance indicators reflected in this report. The review statement issued by KPMG is on page 37.



# Chief executive officer's review



Robin Berry, CEO, Anglo Coal South Africa

It gives me great pleasure to present our third sustainability report for Anglo Coal operations in South Africa. The report provides insight on our activities and challenges in working towards our sustainable development goals and stakeholder relationships.

We present good results for safety, with all key safety performance indicators showing improvements on 2003. It is, however, with deep regret that we report the loss of our colleague, Telutsebenz Tshulane, in a fall-of-ground incident at Goedehoop colliery. We extend our heartfelt condolences to his family.

Our success in the drive for continuous improvement in safety is reflected in a 19% improvement in lost-time injury frequency rates, a 35% improvement in the total recordable case frequency rate and a 59% improvement in lost-time injury severity rates. Performance in safety was also reflected in the Anglo American plc annual safety competition for 2004, in which Kriel colliery took top honours and the gold award for the large business unit category.

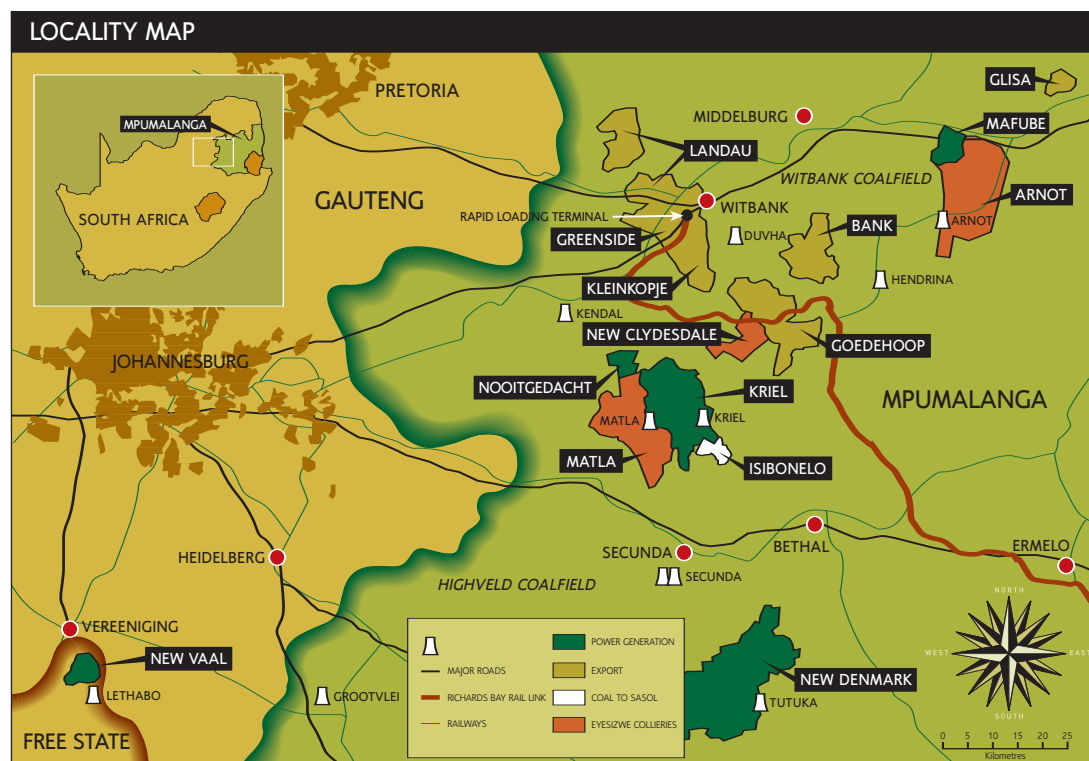
In the year ending 31 December 2004, Anglo Coal SA produced about 54.5 million tonnes of coal, a 5% increase on the previous year. Much of the increase was on the back of strong domestic demand from power utility Eskom. The operating

profit for South African-sourced coal was R1 570 million, an 83% increase on 2003, with export prices 42% higher. Earnings for the period, however, were negatively affected by the continued appreciation of the rand.

Anglo Coal SA embarked on its long-term organisational transformation programme termed "Yebo Siyaphambili" in 2003. Yebo Siyaphambili – a Zulu phrase meaning "Yes, we are moving forward together" – is the corner stone of our strategy which aligns Anglo Coal SA with changing social dynamics in South Africa. We are progressing well with our objectives of rolling out Yebo Siyaphambili to all employees, with this phase expected to be completed in 2005.

Our HIV/AIDS initiative with voluntary counselling and testing (VCT) proved successful, with 4 647 employees (63%) participating. As at the end of 2004, 489 employees were enrolled on the Wellness Programme, of whom 206 were receiving anti-retroviral therapy (ART). Two hundred of these employees were able to continue with their normal duties.

Noise and dust are our key occupational health concerns. It is therefore pleasing to report that employee exposure to noise levels above 85 decibels showed marked improvement, mainly due to an initiative with equipment manufacturers to identify



1.1 | 1.2  
2.1 | 2.2 | 2.5 | 2.11 | 2.12 | 2.13  
2.14 | 2.15 | 2.16 | 2.18 | 2.19  
2.20 | 2.21 | 2.22  
3.1\* | 3.2\* | 3.3\* | 3.4\* | 3.5\*  
3.6\* | 3.7\* | 3.8\* | 3.9\* | 3.\*

\*See AA plc report: *Creating enduring values – Report to Society 2004* available at [www.angloamerican.co.uk](http://www.angloamerican.co.uk)

*The sophisticated stacker reclaimer at Eskom's Tutuka Power Station. Coal is supplied by the adjoining New Denmark colliery*



*Marking the opening of Mafube colliery are from left to right, Jacob Mabena, former Mpumalanga MEC, John Wallington, CEO, Anglo Coal, Lazarus Zim, CEO, Anglo American South Africa, Siphon Nkosi, CEO of Eyesizwe Coal, and Phumzile Mlambo-Ngcuka, former Minister of Minerals and Energy and recently appointed Deputy President of South Africa*

opportunities for noise reduction at the design phase. Employee exposure to dust levels has improved but the target of no personal exposure to dust in excess of  $2\text{mg}/\text{m}^3$  has not yet been reached.

We are pleased to report that all operating collieries have achieved ISO 14001 certification, a significant milestone in pursuance of continuous environmental improvement. Further efforts have also been made to more accurately measure methane emissions from our underground collieries.

Community projects, education and HIV/AIDS initiatives accounted for most of our corporate social investment (CSI) spend, which amounted to approximately R17 million in 2004. Our capacity to engage with external stakeholders at operational sites has benefited from the application of the Anglo American Socio-Economic Assessment Toolbox (SEAT) together with existing colliery community engagement plans.

During the year we made progress on all our Black Economic Empowerment (BEE) Scorecard elements. An empowerment milestone was reached in August 2004 when Mafube colliery, a joint venture with Eyesizwe Coal, was launched by the then Minister of Minerals and Energy, Phumzile Mlambo-Ngcuka. Mafube colliery, which started production in July 2004, will supply coal to the Eskom-owned Arnot Power Station.

Anglo Coal SA procured business worth R6 173 million from 248 black-empowered companies during 2004, an increase of 54% on the 2003 preferential procurement spend.

The year 2004 was a successful one for Anglo Coal SA, and our progress with integrating sustainable development into operational activities gives us confidence that we shall continue to meet the challenges ahead.

# Building stakeholder relationships

2.9

3.10 | 3.12\* | 3.13\* | 3.14 | 3.15

EC1 | EC3 | EC5 | EC6 | EC7 EC10

*\*See AA plc report: Creating enduring values –  
Report to Society 2004 available at  
www.angloamerican.co.uk*

Engaging our stakeholders is an important component of Anglo Coal SA's operational activities and is seen as adding value to our business. Our guiding principles for stakeholder relationships are premised on active engagement, seeking a balance and finding opportunities for partnership and empowerment.

Our involvement with stakeholders starts with initial geological exploration and extends through the life of the mine into post-closure activities. We also participate with industry partners in the promotion, development and uptake of clean coal technologies.

## Stakeholder engagement

	Key drivers	Stakeholders and organisations
Local	BEE, HIV/AIDS, mine closure, poverty, regulations, unemployment	Employees, customers, suppliers, communities, farmers, local business forums, local government
Regional	BEE, HIV/AIDS, regulations, voluntary agreements	Employees, customers, suppliers, shareholders, Coaltech 2020, Chamber of Mines, CSIR, other coal producers, regulatory authorities, river catchment forums
Global	Climate change, EU Directive on Emissions Trading, GRI, ILO, Kyoto Protocol, UN agreements, World Summit on Sustainable Development (WSSD)	Customers, suppliers, shareholders, WCI, IEA, CIAB, ICMM, WBCSD, other coal producers, regulatory authorities, NGOs

## Environmental incidents

A complaints procedure is in place at each of our operations and we aim to work with stakeholders to resolve issues, problems and concerns. A total of 2 244 environmental incidents was reported during the year, the majority of which (2 221) were Level 1 incidents with the remaining 23 defined as Level 2. Most incidents related to aesthetic considerations (25%), water (24%) and air (24%). A procedure is in place for addressing each complaint. Where necessary, complainants are visited or invited to the colliery as part of the effort to seek resolution. The increase in incidents (see table below) reflects improvements in our reporting systems associated with the implementation of ISO 14001 and improved communication with stakeholders.

## Environmental incidents

2001-2004

	2001	2002	2003	2004	
Level 1	212	399	1 448	2 221	Minor effect – short term
Level 2	19	15	61	23	Moderate impact – medium term
Level 3	0	0	0	0	Major impact

## Funding of closure costs

Each year Anglo Coal SA reviews its funding requirements for post-closure rehabilitation, restoration of areas affected and the construction and operation of water treatment plants. The five export collieries make annual contributions to the Anglo Coal SA Rehabilitation Trust (RT).

Isibonelo colliery will participate in this fund from 2005. The fund is a trust set up in terms of Section 10(1)(cH) of the South African Income Tax Act. The monies contributed to the trust, along with the trust income, can be utilised only for environmental rehabilitation where operational activities have been completed.

Funds required for the closure of the Eskom-tied power generation collieries have been provided through Eskom guarantees. A separate rehabilitation trust will be set up for Mafube colliery in 2005, recognising that it is a joint venture.

At the end of the 2004 financial year, the balance in the RT for the Anglo Coal SA export collieries and Mafube colliery amounted to R523 million. The total closure liability for these collieries is estimated at R1.1 billion, with Isibonelo colliery expected to cost R100 million. The unfunded balance will be contributed to the RT and the Mafube Colliery Rehabilitation Trust over the remaining lives of the operations.

Final closure rehabilitation costs incurred for 2004 at Vryheid Coronation were R1.7 million and at Natal Anthracite R41 000. Rehabilitation of the Hope Dump at Goedehoop colliery amounted to R4.8 million during the year, funded from operating costs.



### Community engagement

During 2004, our stakeholder engagement process benefited from the application of the Anglo American plc Socio-Economic Assessment Toolbox (SEAT) at Goedehoop and New Denmark collieries. Among the issues within local communities that were highlighted by the assessment were a perceived lack of opportunities provided to local suppliers and the importance of transparency in local employment practices. Employees highlighted issues around housing ownership and the need for better communication regarding meeting Mining Charter aims.

Many of the issues and concerns highlighted are being addressed in management response action plans. The engagement process at these two collieries was also used as an opportunity to increase capacity within Anglo Coal SA generally to work with SEAT and it is expected that similar processes will be initiated in the remaining collieries in 2005.



### Value added statement

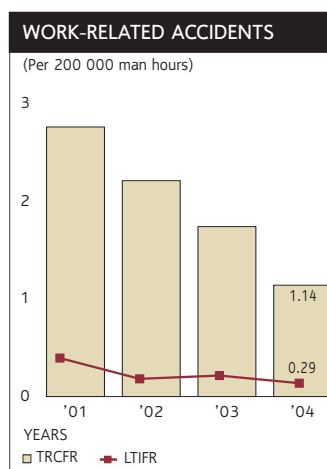
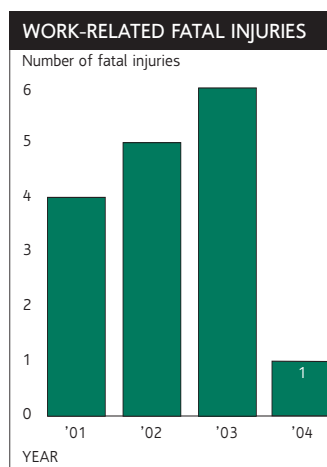
	Note	2003 ZAR '000	2004 ZAR '000
<b>Value added</b>			
Turnover	1	6 339 747	7 089 826
Less: Payment to suppliers for materials and services	2	(4 314 656)	(4 742 963)
Total value added		2 025 091	2 346 863
<b>Value distributed</b>			
To employees for wages and related costs		1 095 641	1 211 533
To providers of capital			
Interest paid		—	—
Dividends	3	303 059	411 814
To government for company taxation	4	216 405	205 541
To reinvestment to maintain and expand group		391 131	500 834
To the community		18 855	17 140
Total value distributed		2 025 091	2 346 863

for the year ending 31 December 2004

#### Notes

1. Turnover excludes inter-company sales.
2. Payment to suppliers includes profit and loss on exchange.
3. Dividends were calculated for 2004 by applying Anglo American plc's dividend payout ratio per 2004 results on Anglo Coal SA's net profit.
4. Includes amounts paid to regional councils but excludes the deferred tax provision.





Safety is of utmost importance at Anglo Coal SA. Ensuring a safe working environment for employees and contractors is an integral part of our activities. We are pleased to report that in 2004 we raised the benchmark in our safety performance. Significant gains were made in all key performance indicators and work is in progress to ensure continuous improvements on the performance achieved.

## 2004 performance

Although our overall safety results are one of the highlights of our performance in 2004, it is with regret that we report the death of Telutsebeng Tshulane, a continuous miner operator at Goedehoop colliery, who was fatally injured in a fall-of-ground incident.

The total recordable case frequency rate (TRCFR) continued its downward trend from 1.76 in 2003 to 1.14 in 2004, reflecting a 35% improvement. Gains were also reflected in our lost-time injury frequency rate (LTIFR), which showed an improvement of 19%, down from 0.36 in 2003 to 0.29 in 2004. An improvement of 59% was achieved in lost-time injury severity rates (LTISR), which reduced from 158 in 2003 to 65 in 2004.

## Working to improve performance

The drive for continuous improvement is guided by a safety strategy that recognises the benefits of an interdependent team effort and the role of behavioural culture. This is facilitated by the roll out of a risk acknowledgement and management model based on the philosophy of visible felt leadership and supported by the wider Anglo Coal SA cultural transformation initiative Yebo Siyaphambili.

The ultimate objective of this approach is to identify, and prevent, potentially unsafe behaviour. Key to the success of this strategy is the active participation of all employees, with visible support and direction from management. Unsafe acts are highlighted, improper and unsafe behaviour is assessed and analysed and immediate coaching and corrective actions are undertaken.

## Training and awareness

Aligned with our visible felt leadership initiative is a risk-based training and awareness programme that encompasses the Anglo American plc Safety Golden Rules, focusing on:

- ▶ identified hazards
- ▶ adherence to a set of mandatory safety principles
- ▶ best practice
- ▶ risk-specific requirements in high-risk incident areas.

Safety is an integral part of every employee's and contractor's annual induction process and, when necessary, additional training is given to increase employee awareness. Awareness programmes on the safety of electrical installations, mechanical hazards, lockout and isolation procedures, and rock engineering were reviewed and updated during the reporting year.

We have introduced the use of simulators similar to those used by pilots to improve the training of machine operators.

## Management systems

Each colliery has safety management systems governing adherence to legal and system requirements, hazard identification, best practice and training.

Among others, these include the senior vice president's annual audits and third-party safety audits undertaken by the National Occupational Safety Association (NOSA).

System and procedural audits were also undertaken on rock engineering, ventilation, fire prevention and emergency procedures.

Assessed safety risks have identified the following as priorities:

- ▶ falls of ground
- ▶ mobile equipment and moving machinery parts
- ▶ energy (kinetic and electrical).



## **NOSA safety ratings**

### **5 Star Platinum**

Anglo Coal Central Workshops  
Kriel colliery  
Landau colliery  
New Denmark colliery

### **5 Star Green**

Greenside colliery

### **4 Star Platinum**

Bank colliery  
Goedehoop colliery  
New Vaal colliery

### **4 Star Green**

Kleinkopje colliery



## **Awards**

### **Anglo American plc**

Kriel colliery took top honours in 2004 – winning the gold award and receiving the crystal floating trophy for best safety performance in the large business category. Landau and Greenside (Nooitgedacht section) collieries were among the finalists.

### **Anglo Coal South Africa**

Kleinkopje colliery was awarded the Anglo Coal CEO's Safety Award (previously known as the Chairman's Shield).

Kriel colliery was awarded the CEO's award for the lowest lost-time injury frequency rate.

*At the Anglo American plc safety awards function are from left to right; Vusi Maseko, Greenside colliery mine manager, Steve Hedges, general manager at Drayton mine (Anglo Coal Australia), Tony Redman, chairman of Anglo Coal, Gareth Williams, Kriel colliery mine manager, John Wallington, CEO of Anglo Coal, and Gerhard Stenzel, Landau colliery general manager*

## **Masibonisaneni: visible felt leadership at Bank colliery**

Visible felt leadership (VFL) is leadership that is not only seen but also has an impact in every aspect of the work experience. Managers are expected to make their commitment more visible and are required to set aside time to devote to safety. This includes appropriate training in order that they may lead by example.

The VFL training programme aims to bring about a change in safety culture and involves a mental shift from one of independent, unsafe actions to a team-dependent culture where the focus is: "I can do it safely so that none of us gets hurt."

The emphasis is on eliminating unsafe acts by identifying, treating and quantifying them. A number of elements has been identified at Bank colliery as playing a critical role.

They are:

- ▶ consistency in the application of standards, procedures and corrective remedial action
- ▶ persistence in continually questioning non-conformance with agreed standards
- ▶ proactively observing and rectifying unsafe acts before an injury or loss occurs
- ▶ predicting potential problems by analysing trends that could lead to injuries
- ▶ creating greater employee awareness of the consequences of not following correct standards and procedures.

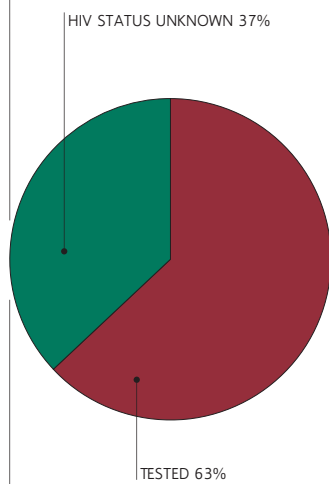
Bank colliery has seen each manager and supervisor take ownership of the VFL process and a culture of "walking the talk" is developing. It is hoped that VFL will have an even greater impact on our safety standards and records in future.

# Health

## HIV and AIDS

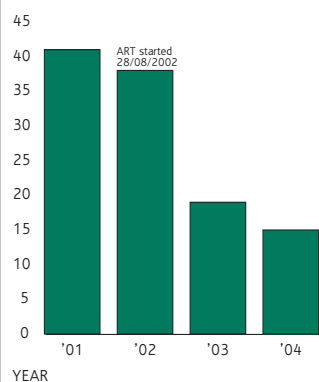
LA5 | LA6 | LA8

### EMPLOYEE VOLUNTARY COUNSELLING AND TESTING (VCT)



### CARDIO-RESPIRATORY TUBERCULOSIS (CRTB)

Number of new cases



Anglo Coal SA recognised the potential impact of HIV and AIDS some 10 years ago and has progressively implemented interventions in both the workplace and in neighbouring communities.

Initial efforts were focused on awareness, education and prevention and have developed to include concrete steps to minimise the impact of HIV and AIDS and to improve the care of those affected.

In August 2002, we introduced an anti-retroviral therapy (ART) programme for employees with HIV or AIDS, thus becoming the first South African mining company to administer ART to HIV-infected employees progressing to AIDS. The programme is consistent with the requirements and treatment protocols of the World Health Organisation (WHO).

### HIV and AIDS management

As at the end of December 2004, 63% of our employees had been voluntarily counselled and tested for HIV, a marked improvement on the 17% achieved in 2003. Of this group, 604 employees (13% of the tested population or 8% of the total workforce) tested positive. Eighty-seven per cent of all HIV-positive employees have registered on the Anglo Coal SA Disease Management Programme and about half of the employees on the programme have started anti-retroviral therapy. For those individuals who test HIV-negative, the

voluntary counselling and testing (VCT) programme gives added impetus to the call for precautionary behaviour to avoid HIV infection.

Anglo Coal SA's chief medical officer, Dr Jan Pienaar, comments: "The benefits of the ART programme are emerging in both the absenteeism rate and in the prevalence of new cases of tuberculosis. For HIV-positive employees, a more than 50% reduction in absenteeism has been recorded after commencement with ART. Similarly, the number of new cases of compensable cardio-respiratory tuberculosis has declined significantly."

Our HIV prevention programmes extend to our neighbouring communities. These programmes 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).

Increasing emphasis is being placed on encouraging voluntary counselling and testing since this encourages early diagnosis and entry into the disease management programme for HIV-positive individuals.





### loveLife partnership

Anglo Coal SA's partnership with loveLife is specifically focused on engaging the youth and young adults. The focus is on positive lifestyles and healthy attitudes towards sexuality. To date we have launched five franchises at our operating sites. The partnership also focuses on upgrading government clinics so that usage is increased and they are more beneficial.

Clinic upgrades undertaken in Witbank included those at Hlalanikahle, Sibonginsimbi, Beatty, Lynville, Tubelihle and Klipfontein.

### TEBA Home-based Care

Anglo Coal SA's Home-based Care partnership with TEBA provides assistance for ex-employees in rural areas. This is an important extension of our programme as it allows employees who are at an advanced stage of illness to return home with an understanding that some form of assistance is available to them.

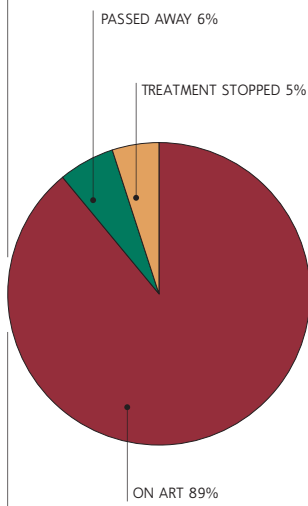
The programme runs in Lesotho and the Eastern Cape.



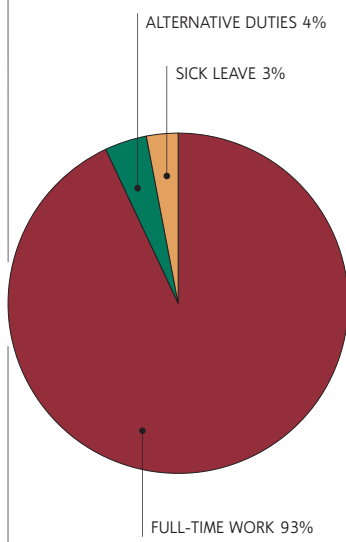
*Above: The loveLife centre has a basketball court which was built and maintained by Landau colliery*

*Right: Landau supplies the infrastructure from which loveLife runs its peer-based AIDS awareness programme. Seen here are peer educators and members of the local community*

#### ART PROGRAMME: STATUS OF EMPLOYEES



#### EMPLOYEES ON ART: CURRENT DUTIES



*Regional general manager John Standish-White with traditional healers from neighbouring communities at a recent Family Khulumisana “chat show”, showing their support for the Goedehoop and Bank collieries’ HIV/AIDS campaign*



#### Goedehoop colliery actively tackles HIV and AIDS

The war against HIV and AIDS is not only against disease. It is a battle against ignorance, poverty, social disruption and despair. For John Standish-White, regional general manager of Goedehoop colliery, it was a battle he wasn’t prepared to lose. Standish-White has led a campaign that has united the workers of Goedehoop with their local community, their families and even the local sex workers in a bid to stop the spread of HIV and to nurse sick workers back to health.

The first step was to persuade more than 1 059 of his 1 177 workers (90%) to report for voluntary counselling and testing and to convince them that knowing their status was either the first step back to health or the information that would promote healthy living and prevent the spread of the infection.

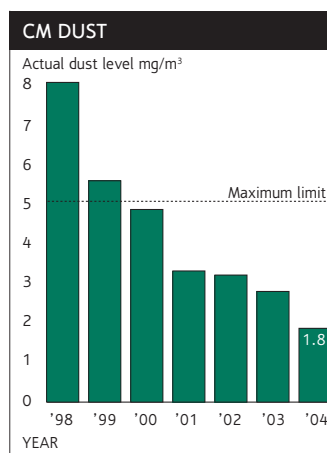
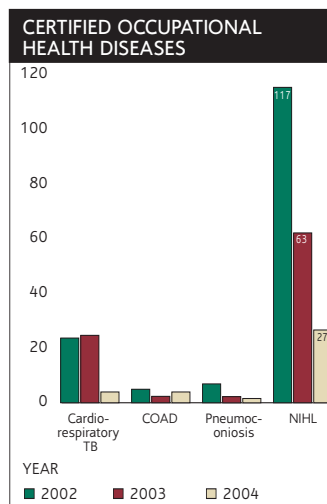
This has been accompanied by ongoing educational activities – linked to family fun, induction programmes, awards and celebrations. Every opportunity to promote awareness and fight the disease has been well used. The

mine has begun serving a vitamin-enriched version of the local porridge staple food in its canteens and distributing “thank you” packs to workers reporting for VCT. Since February 2002, more than 286 000 condoms and femidoms have been distributed in the surrounding community. Local sex workers have been recruited into the campaign to promote safe sex and now play an important role in distributing condoms and raising awareness along trucking routes.

A total of 176 employees has enrolled on the HIV Disease Management programme, of whom 70 have started ART. The other 106 employees remain on the wellness programme designed to keep them from progressing to the next stage of the disease for as long as possible. Although ART is delivering excellent results, it is a lifelong commitment that can’t be put on hold temporarily or be in any way compromised. It also requires a change in nutrition and dedication to improving one’s lifestyle.

# Health

## Occupational



*Mariana Bodenstein, radiographer at Anglo Coal Highveld Hospital, examines patients' records*

Our primary occupational hygiene risks are dust and noise, both of which have been monitored and managed over the years. Following the implementation of good occupational hygiene practices, employees who remain exposed to potentially high risks are issued with personal protective equipment and are under appropriate medical surveillance to ensure early detection of any health impairment.

### Dust

We have been successful in bringing continuous mining dust levels down to 1.8mg/m<sup>3</sup>, well below the legal threshold of 5mg/m<sup>3</sup> for mechanised mining. A dust project has started at Greenside colliery to examine appropriate interventions to reduce personal exposure levels of employees. It is envisaged that similar projects will be introduced in all of our collieries.

Coal workers' pneumoconiosis remains the primary dust-related disease associated with coal mining, although cardio-respiratory tuberculosis (CRTB) and chronic obstructive airway disease (COAD) are other significant problems. Tobacco

smoking and HIV/AIDS aggravate the occurrence of these diseases.

It is worth noting that since the introduction of anti-retroviral therapy for HIV-positive employees in 2002, a significant decline (more than 50% from 2002 to 2003 and 21% from 2003 to 2004) has been observed in the number of new cases of compensable CRTB.

### Noise

Noise is a significant occupational health risk, affecting about 40% of the workforce. Prolonged exposure to loud noise increases the likelihood that an employee will suffer permanent impairment, commonly referred to as noise-induced hearing loss (NIHL). This is a debilitating disease which influences work performance and has a detrimental effect on the individual's social interactions.

In 2002 Anglo Coal SA undertook a review of its noise management strategy and this resulted in a number of initiatives to reduce employee exposure to noise above 85dB. Where employees are required to work where noise exceeds 100dB,



specific interventions have been applied to ensure they are not harmed.

This strategy review has resulted in a steady reduction in the number of new certified NIHL cases – from 117 in 2002, to 63 in 2003 and 27 in 2004.

Hearing conservation committees have been established at a number of the collieries to identify ways to reduce noise through engineering or technical interventions. These interventions focus on silencing equipment and working with manufacturers to design and develop machines that ensure a suitable working environment. Examples include modifications to scrubbers at Kriel colliery, which is expected to achieve a 15dB reduction; and a project in partnership with Emico, supplier of the load-haul-dump machines at Goedehoop colliery, which has resulted in noise inside the now-air-conditioned cabs being reduced from 103dB to 83dB.

#### **Shift to wellness**

Anglo Coal SA has identified the need for a fatigue management lifestyle programme in response to the risks associated with shift work fatigue. The programme, to be launched shortly, will be aimed at teaching shift workers techniques to combat on-the-job fatigue. This initiative is expected to promote employee well-being and to have wider social benefits.

#### **Medical facilities**

In 2004, the Anglo Coal Highveld Hospital achieved three-year accreditation with the Council for Health Services Accreditation of Southern Africa (COHSASA).

*Left: A small dust monitoring device is used to measure the amount of inhalable dust in work areas*

*Right: Audiometric testing at the Goedehoop clinic*





# Environmental performance

## Biodiversity

EN3 | EN4 | EN6 | EN8 | EN11  
EN12 | EN13 | EN14 | EN16 | EN23

Anglo Coal SA is committed to protecting the natural environment and promoting biodiversity. In adopting this precautionary approach, we avoid activities that may lead to unacceptable habitat loss or degradation, or reduction of soil or land capability.

Baseline biodiversity assessments and biodiversity action plans (BAPs) have been developed and implemented at all our collieries. The plans provide us with the practical means to conserve or enhance biodiversity in sensitive areas managed by our operations.

The development of site-specific BAPs has revealed that some of the land we own has veld types that are relatively unspoiled and rich in biodiversity. As a result, several years of biodiversity

monitoring of rehabilitated land has been extended to include those grassland and wetland areas that are under company management but not affected by mining related activities.

Complementing the biodiversity conservation programme is an indigenous grass species trial at Kleinkopje colliery. This Coaltech 2020 trial will test the success of using grass plugs in rehabilitated land to increase species diversity and improve the sustainability of selected pastures using hardier indigenous grasses.

The trial has been replicated on rehabilitated land at BHP Billiton's Optimum mine and at Sasol's Syferfontein mine. Initial results at all sites indicate a high success rate. Plant basal cover and biomass yield will be assessed during 2005.



*Erika Prinsloo is environmental coordinator at Kleinkopje. She is seen here studying the progress of the grass trials project on the mine*

### An update on wetland conservation at Isibonelo

Isibonelo colliery is located in the Upper Olifants River catchment area. Through an initial stakeholder engagement process, a wetland strategy was developed to guide planned opencast mining activities.

As a starting point, the mine plan was changed by reducing the pit footprint to minimise the disturbance to the floodplain wetland. A topsoil stripping and mining plan was developed in conjunction with specialist wetland consultants for those areas where the mining footprint remained in the wetland area.

This plan necessitated the rehabilitation of disturbed wetland areas at closure and the re-creation of wetland conditions for the enhancement of biodiversity and functionality.

Eighteen wetland species with biodiversity conservation value were identified and most of these have been collected and relocated to specially designed bulb beds at a nursery managed by the mine. The aim is to maintain and propagate these plants and use them for on- and off-site wetland rehabilitation. In addition, the South African National Biodiversity Institute (SANBI) has been to the mine to collect wetland plant species for use in the creation of a wetland habitat at Pretoria's National Botanical Garden.

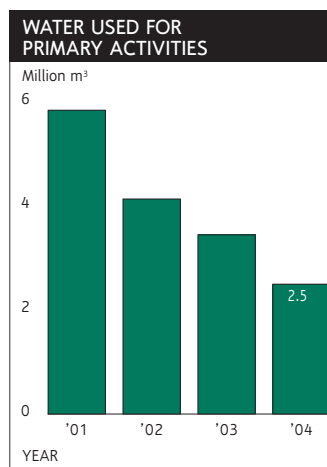
Acknowledging that part of the wetland at Isibonelo cannot be returned to its original state after mining, the colliery has made a commitment to rehabilitate another area of degraded wetland elsewhere in the catchment. Experts were asked to identify two sites in the Steenkoolspruit catchment where off-site rehabilitation would benefit the catchment as a whole. In order to use existing expertise, Isibonelo colliery has engaged Working for Wetlands to help write up the scope of work and adjudicate tenders from contractors.

This partnership is seen as the first step in a long-term, mutually beneficial relationship with local communities and the Department of the Environment and Tourism.

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

# Environmental performance

## Water management



Anglo Coal SA adopts a holistic approach to water management and implements strategies to solve mine-based problems within the context of regional catchments. This approach includes not only the technical aspects of water management but also potential impacts on, and benefits to, communities.

Mindful that water is a scarce and precious resource, particularly in southern Africa, we have instituted a strict water management policy at all of our operations. We continue to pursue our objectives to:

- ▶ prevent or minimise the pollution of clean water

- ▶ reduce potable water usage
- ▶ maximise the recycling and reuse of process water
- ▶ ensure that our discharge and irrigation water complies with water use and discharge licence conditions.

### Water use

During the reporting period, we achieved a 27% reduction in annual consumption of new water used for primary activities, with average consumption falling from 84l per saleable tonne in 2003 to 61l per saleable tonne.

### Effluent management

Excess mine water has in the past been stored in old mine workings and has accumulated to an extent that it will affect future mining operations. Anglo Coal SA and BHP Billiton's Ingwe collieries are being affected by the accumulations and, as a result, have commissioned a pre-feasibility study to evaluate the costs of treating the water to the point where it is potable. The study also considered disposal options for the brine and sludge arising from the treatment process for the upper Olifants River catchment, where the majority of coal mines are located.

The project examined the opportunity to develop an effective and sustainable long-term solution for the treatment and re-use of excess mine water. The pre-feasibility study was completed in 2004 and has resulted in Anglo Coal SA and Ingwe collieries embarking on a joint venture feasibility study to treat excess mine water in the Witbank and Middelburg regions that could then supply Emalahleni (Witbank) and Steve Tshwete (Middelburg) with potable

water. These municipalities are running short of the water needed to meet the growing demands of industry and people who have not previously had running water.

Water from two of our mines and one Ingwe mine will be treated collectively. The initial phase of the project includes a pipeline collection system of about 30km and construction of a 20ML/day desalination plant.



## Developing passive water treatment technology

One of the more advanced passive water treatment systems for the simultaneous removal of sulphates, metals and acidity from mine water has been developed in South Africa, and Anglo Coal SA played a leading role in supporting this research.

The technology was developed over 10 years, with more than R20 million in funding and well over 100 000 hours of input from consultants and various collaborating research institutions, most notably Pulles, Howard & de Lange and the Environmental Biotechnology Research Unit at Rhodes University.

This research has led to the development of a new patented technology, known as IMPI, which is capable of maintaining sulphate removal rates of around 240g SO<sub>4</sub>/m<sup>3</sup> of carbon in the reactor vessel per day and even reaching levels of 600g SO<sub>4</sub>/m<sup>3</sup>.

The IMPI technology package comprises four reactors in series, each of which has a particular primary function, as shown in the figure below.

While final development of the sulphide oxidising reactors is almost complete, the high-rate degrading packed bed reactor, with its ability to reduce sulphates and simultaneously produce high levels of alkalinity (up to 1 500 mg/l), will be tested at Anglo Coal SA's Vryheid Coronation colliery during 2005. The sulphide oxidation technologies, which

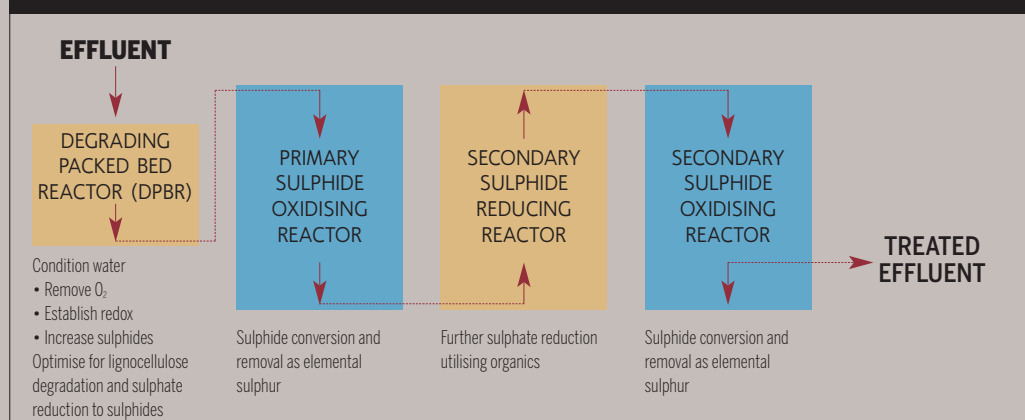


have been developed simultaneously, will be evaluated at field scale in a collaborative mining industry effort.

These technologies are primarily aimed at recovering elemental sulphur produced in biofilms.

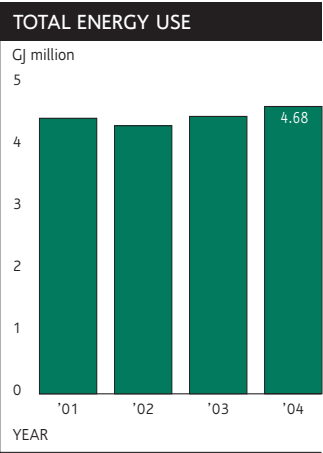
*Thomas Chabalala, operator, working at the Landau colliery water recycling plant. This plant uses bacteria to break down sulphides in the water and reclaim water for processing*

### IMPI TECHNOLOGY PACKAGE



# Environmental performance

## Energy use



The consumption of electricity and liquid fossil fuels makes up the bulk of our energy use. During 2004, Anglo Coal SA developed a divisional energy conservation strategy that is being introduced to all our mines. These initiatives form part of an Anglo American energy strategy which developed from a group-wide energy pilot project completed in June 2004.

Although three of our collieries achieved their 2004 targets, the average consumption amounted to 102MJ per saleable tonne, exceeding our 2004 target. In 2005 we will consider the use of energy reduction projects and appropriate consumption

efficiency indicators to improve energy management. Future projects will target the reduction in overall energy intensity through implementing best practice and the interchange of ideas and technology with industry partners.

In 2005 we aim to reduce energy consumption per saleable tonne by 1.5% relative to 2004's actual energy consumption.

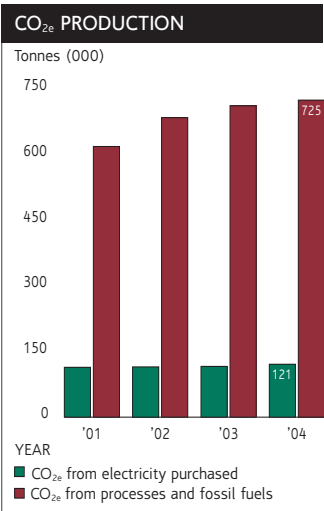
It is expected that in 2005 the South African government will look to enhance its energy efficiency strategy through the enactment of an energy efficiency accord, with voluntary industry participation.



*The longwall shearer in operation at New Denmark colliery*

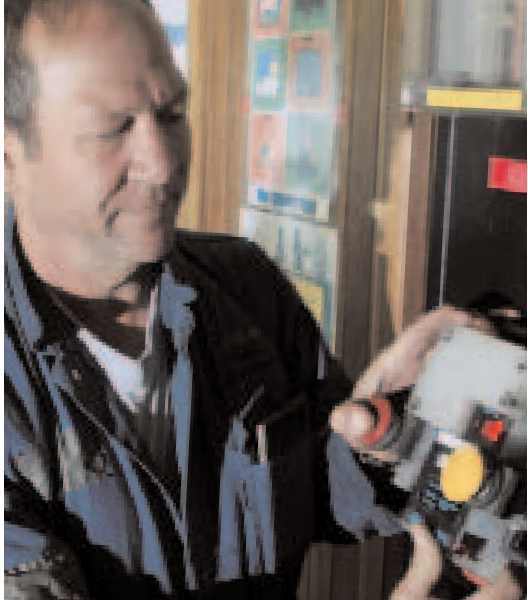
# Environmental performance

## Greenhouse gas emissions



The most significant contributors to greenhouse gases (GHG) at our operations are electricity, fossil fuel consumption and methane (CH<sub>4</sub>) emitted directly from the coal seams. Our reported CO<sub>2e</sub> emissions have been significantly reduced since 2001, reflecting progress made in our endeavours to obtain more accurate estimates of CH<sub>4</sub> emissions from underground workings.

Our initial estimates were based solely on calculations using the International Panel for Climate Change (IPCC) guidelines. In 2002 and 2003, a sampling programme was undertaken at underground collieries as a means of firming up the calculated values. The analysis from 142 grab samples of upcast shaft emissions resulted in a 40% reduction in reported CO<sub>2e</sub> emissions in



2003. During 2004, a system for real-time continuous monitoring of emissions from upcast shafts was put in place. These initiatives have progressively improved the accuracy of emission estimates and further work will be undertaken to refine methane values reported for opencast operations.

### Measuring greenhouse gases at our underground collieries

During 2004, Anglo Coal SA put in place real-time continuous monitoring of emissions from upcast shafts, the results of which indicate methane emissions are strongly correlated with changes in ambient temperature and atmospheric pressure. It was found that a large percentage of methane emissions occurred during the day between 11:00 am and 6:00 pm and fell back to just above background levels during the night.

As a consequence of the continuous monitoring programme, the results of the previous years' analysis (using grab samples that were mostly taken during the day) overstate the upcast shaft CH<sub>4</sub> emissions. Progress in achieving more accurate assessments of greenhouse gas emissions is indicated below:

Year	CO <sub>2e</sub> emissions (000) tonnes	Method
2001	1 071	IPCC guidelines (estimated)
2002	656	Underground (spot samples) and opencast (estimated)
2003	610	Underground (spot samples) and opencast (estimated)
2004	298	Underground continuous monitoring and opencast (estimated)

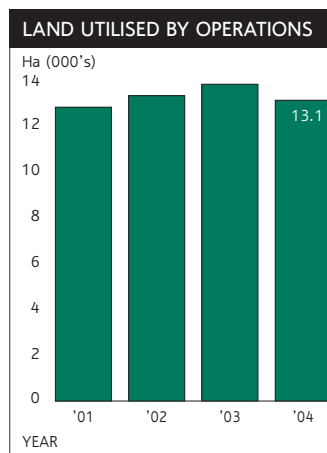


*Above right: Methane and CO<sub>2</sub> are monitored underground with portable instruments. Here, Lourens de Beer, shift overseer at Kriel colliery, tests the instruments in the shaft lamproom before they are used underground*



# Environmental performance

## Land stewardship



Anglo Coal SA endorses a life-of-mine land stewardship approach that commences with initial exploration and extends through to mine closure.

As part of this approach, we ensure that our land management programmes conserve biodiversity, maximise the agricultural potential of land – particularly rehabilitated land – and include the necessary measures to minimise the final footprint of our operations.

Best practice is implemented to achieve land use that, on closure of the mine, can sustainably support crops, pastures and other forms of agriculture.

Current studies as part of the Coaltech 2020 research initiative include:

- ▶ physical and biological methods of alleviating compaction in rehabilitated coal mine soils
- ▶ re-introduction of native species into rehabilitated mine areas for improved diversity and pasture sustainability
- ▶ improvement of guidelines for mined land rehabilitation
- ▶ development of wetland conservation guidelines in the upper Olifants River catchment.

### Rehabilitating ownerless mines

Unrehabilitated ownerless mines have 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 and bords. The subsequent ingress of water and air causes spontaneous combustion of the pillars, thus further weakening them and resulting in collapses.

Anglo Coal SA participates in a Department of Minerals and Energy effort to find practical and affordable rehabilitation methods. One outcome of this effort was the development of a cost-effective method for drilling, blasting and collapsing haulage and panel pillars.

Field trials are expected to start in 2005 and results 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.

### Management of weeds on mines

The control of weeds on all of our mines forms an integral part of the company's land stewardship and biodiversity conservation commitments. During 2004 the National Environmental Management of Biodiversity Act was promulgated, requiring all landowners to control weeds on their properties. The Act places plants described as weeds into three categories, each requiring a different control approach.

Australian wattle species (*Acacia spp*) are among the most aggressive invader weeds on the Witbank Highveld. They are adapted to the fire-dominated ecology of the Highveld grasslands and quickly invade both disturbed and natural grassland areas if not controlled.

The highly invasive pom pom weed (*Campuloclinium macrocephalum*) that has invaded large areas around Pretoria is spreading into Mpumalanga, mainly along roads. The presence of the weed at Kleinkopje colliery was confirmed in 2004 and the Plant Protection Research Institute was asked to recommend an effective herbicide. A programme is in place to monitor and treat new growth.

The incident has been used to raise awareness and a study has started to develop weed inventories for each mine.

In addition, wattle control programmes are in place on all our mines.



Kleinkopje's assistant environmental officer, Kgaowelo Moshokwa, and Martin Platt from the University of KwaZulu-Natal, who is reading for his MSc, measure the growth of an *Acacia* tree. The trees were planted as part of the rehabilitation trials at Kleinkopje

# Environmental performance

## Air quality

The National Environmental Management: Air Quality Bill expected to be promulgated in 2005 will replace the Atmospheric Pollution Prevention Act (Act 45 of 1965). The major change in approach between the old and the new legislation is the shift from source control to ambient air quality control.

In terms of the new legislation, collieries will be required to implement ambient air quality monitoring for criteria pollutants. The Witbank area is known for its air pollution and it is likely that, under the new legislation, this will be made a focus area requiring air quality issues to be addressed more urgently. Importantly, the impact of the spontaneous combustion of coal on air quality will need to be reviewed.

### Spontaneous combustion monitoring programme

Spontaneous combustion (sponcom), which generally originates in old underground workings that become exposed during opencast mining activities, is experienced at Kleinkopje colliery. In response, Anglo Coal SA, through Coaltech 2020, has taken a proactive approach to quantify and qualify the emission of criteria pollutants from the sponcom.

The monitoring programme makes use of airborne and ground-based continuous measurements of trace gases representative of best case (summer) and worst case (winter) air quality scenarios. A mobile monitoring station was commissioned to measure airborne gases and particulates.

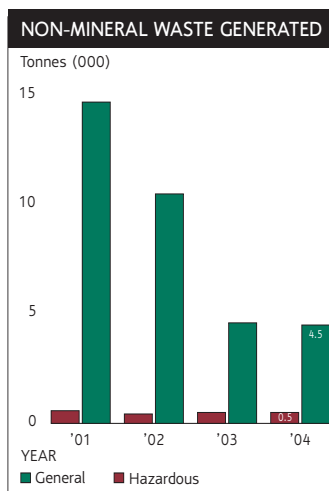
In addition to measuring pollutants, two automatic weather stations have been temporarily erected to improve dispersion modelling and interpretation of the collected data. Initial results confirm that weather is the single most important factor influencing the concentrations of pollutants at the site. Results for some of the pollutants measured during winter exceeded guidelines for ambient concentrations. Using dispersion modelling, the spatial extent of the air quality impact from the mine will be evaluated. In addition, an attempt will be made to differentiate the specific emissions of the mine workings from the ambient air quality measurements.



*Spontaneous combustion at Kleinkopje is managed using water jets to cool the mined area*

# Environmental performance

## Waste management



Significant volumes of coal discard waste are produced during mining operations and, if inappropriately managed, these discards have the potential to adversely affect the environment and future land use practices. Anglo Coal SA'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.

A project initiated in 2004 at Kleinkopje colliery supports our waste management initiative through reusing oil by cleaning and filtering the old oil and mixing it with diesel fuel used by haul trucks.

A Coaltech 2020 research initiative has been undertaken to examine opportunities to use fine coal discards for production of low-smoke fuels for domestic burning. Work thus far has resulted in the construction of a pilot one-tonne-an-hour briquetting press which has produced competent binderless briquettes. The process continues to be tested for further development.

Improvement in yield of the beneficiation process at Greenside and Goedeheop collieries continues to reflect further waste minimisation achievements. At Greenside, a flotation plant to treat all the fine coal slimes was commissioned in August 2004. Previously, the slime was pumped to a slimes dam but now the fine coal is recovered in a concentrate which is added to the saleable product. This has reduced the material pumped to the slimes dam by 50% and improved the plant yield by close to 2%.

At Goedeheop, the capacity of the discard retreatment plant is being increased from 80 000 to 120 000 tonnes a month. This operation reduces the total discard to the discard facility by as much as 14 000 tonnes a month.

Waste reduction is pursued through effective planning, an ongoing awareness strategy and improving the efficiency of the refining process. The measurement of recycled volumes is, however, not yet at an acceptable standard and a study is under way to develop a system to enable more effective dewatering of coal slurry discards.

*Left: Oil is cleaned, separated and reused at Landau. Here Jerry Makua, assistant condition monitor, pumps recycled oil from a recycling circuit into a holding tank, ready to be used again*

*Right: The product tanks in which coal from the flotation process is collected*





# Our employees

LA1 | LA2 | LA3 | LA4 | LA9  
LA10 | LA11\*

HR1\* | HR2\* | HR3\* | HR4 | HR5

HR6 | HR7

SO1 | SO2\* | SO3\*

\*See AA plc report: *Creating enduring values – Report to Society 2004* available at [www.angloamerican.co.uk](http://www.angloamerican.co.uk)

## Yebo Siyaphambili

Yebo Siyaphambili (“Yes, we are moving forward together” in isiZulu) is the name of the cultural transformation process being undertaken by Anglo Coal SA. Yebo Siyaphambili is about a journey from “good to great” with five values guiding the process:

- ▶ delivering performance excellence through our people
- ▶ creating a shared vision that excites us all
- ▶ putting people first by caring for, empowering and developing them
- ▶ innovating to do things better and differently
- ▶ having fun in action.

The following business levers were identified to facilitate change.

**Planning** A revised strategy crafting and implementation model has been developed and will come into effect in the 2005 budget cycle.

**Innovation** The main focus is on behaviour change which promotes innovation to drive continuous improvement.

**Communication** A communication strategy has been developed with the help of external consultants. In addition, an enterprise information portal is being introduced that will be a major leap forward in improving communication and collaboration across the wider Anglo Group.

**Leadership development** Employees will be urged to make use of opportunities to participate in training and development and to maximise their potential.

**Performance management** This process is used to promote both individual and team performance and to embed cultural transformation by motivating employees to live the Yebo Siyaphambili values.

## Employee profile

During 2004 Anglo Coal SA had an average staff complement of 7 467 employees and 2 410 core contractors across its operations. The majority of our workforce is South African (92%) and most employees reside near our operations, enabling them to live permanently with their families.

Our small migrant labour workforce is mainly from Lesotho.

There were no formal retrenchments during 2004.



All skilled employees have access to housing and commuting allowances, depending on where they elect to live. Only 15% of employees live in refurbished hostels, 54% are in married quarters and the remaining 31% live in their own homes. This exceeds our initial aim to have 25% of employees living in their own homes by 2007.

Eighty-one per cent of the workforce is represented by recognised independent trade unions 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. With regard to workplace conditions, we adhere to industry standards such as the International Labour Organisation (ILO) conventions.

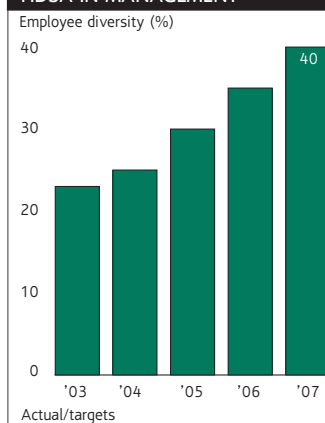
Individual employee benefits include a pension, free medical services or a medical aid membership and financial assistance for external studies. The Careways Group conducts our employee awareness programme and offers counselling to our employees

*General manager Themba Masondo addresses a management meeting at New Denmark colliery*





#### EMPLOYMENT EQUITY TARGETS: HDSA IN MANAGEMENT



on matters such as bereavement, family problems and physical, emotional and substance abuse.

#### Employment equity

We are committed to employment equity (EE) and numerous policies and programmes are in place to enable us to meet legislated targets. EE groups and skills development committees have comprehensive stakeholder representation

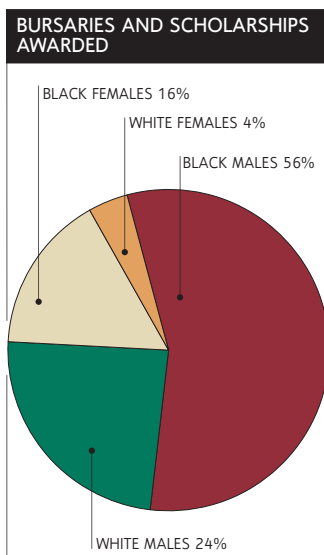
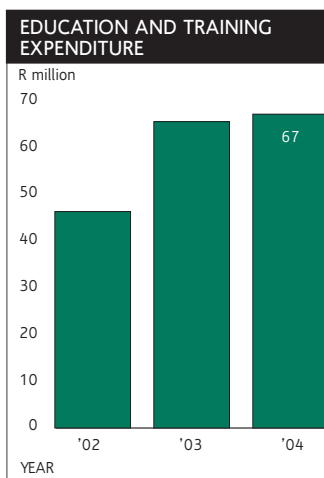
and continually monitor the progress of historically disadvantaged South Africans (HDSAs) within the company.

HDSAs account for 28% of all staff at managerial and supervisory levels, up from 23% in 2002. Two of our collieries are headed by black mine managers. In 2004, HDSAs accounted for 43% of the promotions in middle and senior management and for 73% of new recruits.

As for gender representation, 641 women are employed across our operations, comprising 9% of the workforce. Women continue to dominate in the administrative, finance, inventory, human resources and medical services departments. An internal survey of perceptions of gender in the coal mining environment has recommended that employment conditions more conducive to hiring women be put in place. Our 2003/2004 agreement with NUM (National Union of Mineworkers) contains a number of clauses that will help in implementing these recommendations.

Employee data	2003	2004
Number of employees	7 173	7 467
Number of core contractors	1 687	2 410
Number of non-South African employees	392	597
Number of female employees	569	641
Number of new appointments	572	814
Number of long-service awards (>25 years)	384	399
Percentage average annual turnover	4.5	6.3
Percentage of employees unionised	*81	81
Fair labour practices	2003	2004
Number of CCMA cases	16	33
Number of dismissals (including voluntary retrenchments)	84	98
Number of internal hearings	1 491	1 843

\* 2003 value corrected and re-stated



### Investing in our employees

An average of 13.6 days per employee was dedicated to training and 8.7% of our wage bill was spent on staff development in 2004.

In an environment of increasing globalisation, human capital is our competitive edge. Our training and development is focused on the cultivation of skills so that employees are able to contribute to their own upliftment as well as to the company.

Anglo Coal SA Training and Development Services (ACTDS) will continually strive to identify new methodologies and best practices to establish human resource competitiveness. Training methods under review include distance learning, machine simulation, computer-based learning and assessments.

### Bursaries and scholarships

Anglo Coal SA seeks to retain and attract competent people with appropriate skills and knowledge.

During 2004, 103 university students and 31 Technikon students benefited from Anglo Coal SA scholarships. Furthermore, 10 students are studying under the auspices of the Mining Qualifications Authority (MQA). Of the total university scholarships awarded, 65% went to HDSAs and of the Technikon scholarships and bursaries awarded, 87% went to HDSAs.

### Adult basic education and training

The provision of adult basic education and training (ABET) forms part of Anglo Coal SA's commitment to uplifting its employees, employees' dependants and community members in literacy and numeracy skills. In 2004, 322 people participated in the ABET programme, a slight increase on the previous year. The programme is seeing a trend in reduced employee participation and greater participation by employees' dependants.

### Developing excellence

ACTDS aligns its objectives with the company's overarching growth strategies to ensure we meet the challenges of human capital development while enhancing business performance. This capability is also a vehicle for change management processes as the organisation transforms itself through Yebo Siyaphambili.

At the operational level, ACTDS will continue to provide quality, focused training interventions based on needs identified by the operations. Two of the new programmes in the pipeline – the Shift to Wellness lifestyle management programme and the new simulator training for opencast equipment – are expected to be offered during 2005.

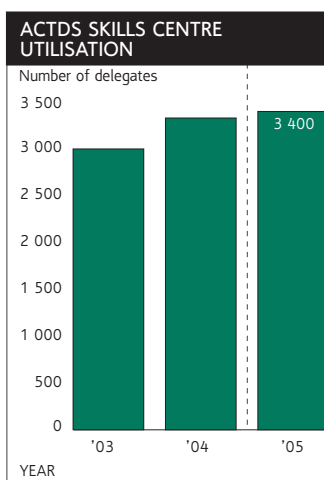
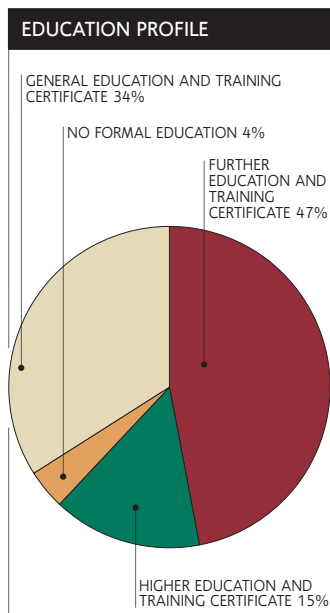
Supervisory, management and leadership training remains a priority and is reflected in the increased attendance at leadership programmes in 2004. This trend is forecast to continue in 2005.

Middle to senior managers are selected yearly to attend external development programmes such as the Management Development Programme offered by the University of Stellenbosch Business School.

Overall, 18 management programmes with 216 delegates will be run during 2005.

### Benefits of simulator training

- ▶ Reduction in accidents and damage to machinery
- ▶ Improved operating efficiency
- ▶ Reduced maintenance costs
- ▶ Objective and standardised assessments
- ▶ Increased training effectiveness:
  - Opportunity to practise in advanced and emergency situations
  - Individualised and self-paced
  - Immediate feedback and a record of results
  - Reduced training period
  - Reduced training costs.



### Landau ABET Centre

Landau Adult Basic Education Centre on the outskirts of Witbank provides a centralised service to five Anglo collieries: Landau, Kleinkopje, Greenside, Bank and Goodehoop. The centre provides classes in nine subjects and 12 grades – from inception through to grade 12 (matric). It therefore offers adult basic education up to grade 9 to obtain a General Education Certificate and additional schooling up to grade 12 for the Further Education Certificate.

During 2004, 45 employees, 155 employee dependants and 122 local community members enrolled on ABET courses.

The subject pass rate for 2004 ranged from 100% for the lower grades to 73% for the higher grades – an average of 86%. This compares with the average subject pass rate of 66% for 2003.

Based on past performance, a pass rate of about 70% is expected, a noteworthy achievement for many adults who have not had the opportunity to study for many years.

*Community computer classes at Goodehoop village*



*Vuyelwa Galawe (left) and Sibongile Duba are multi-operators at the Goedeheop colliery coal beneficiation plant*

### **Maintaining standards of excellence**

All of Anglo Coal SA's Training and Development Services sites retained their ISO 9001 2000 accreditation in 2004. Excellence continues to be monitored and ensured through internal audits.

Anglo Coal SA continues to align its learning material and training methodology with the requirements of the Mine Qualifications Authority (MQA) and the National Qualifications Forum (NQF). During 2004, 166 mine employees were trained as assessors and 30 as moderators and provisional MQA accreditation in this arena was achieved.

The average number of delegates attending the skills training centre is 220 a month.

### **Women in Mining**

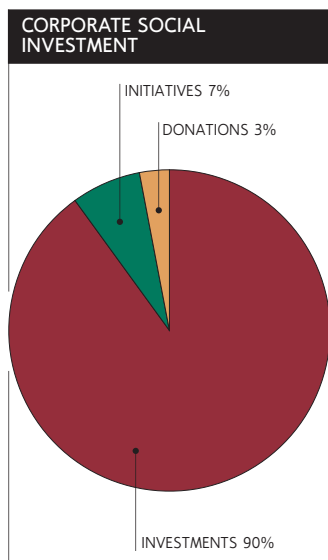
Anglo Coal SA's Women in Mining project (WIM) focuses on redressing the legacy of barriers facing women in the mining industry, with particular emphasis on career performance and advancement within Anglo Coal SA.

An eight-member project task team represents the operations, unions and a number of key disciplines such as human resources, geology and the environment. All the project team participants have been successful in overcoming some of the problems that women face in the mining environment.

The WIM task team's assignment is to provide a critical analysis of Anglo Coal SA as an equal opportunity employer and to make recommendations for bringing about a working environment more attractive to women. These initiatives should assist in attracting and retaining talented women.

Project initiatives include an initial employee survey to identify the key issues facing all employees, revision of specific policies such as the housing, maternity and sexual harassment policies, and the development of an intranet website.

## Involvement with our communities



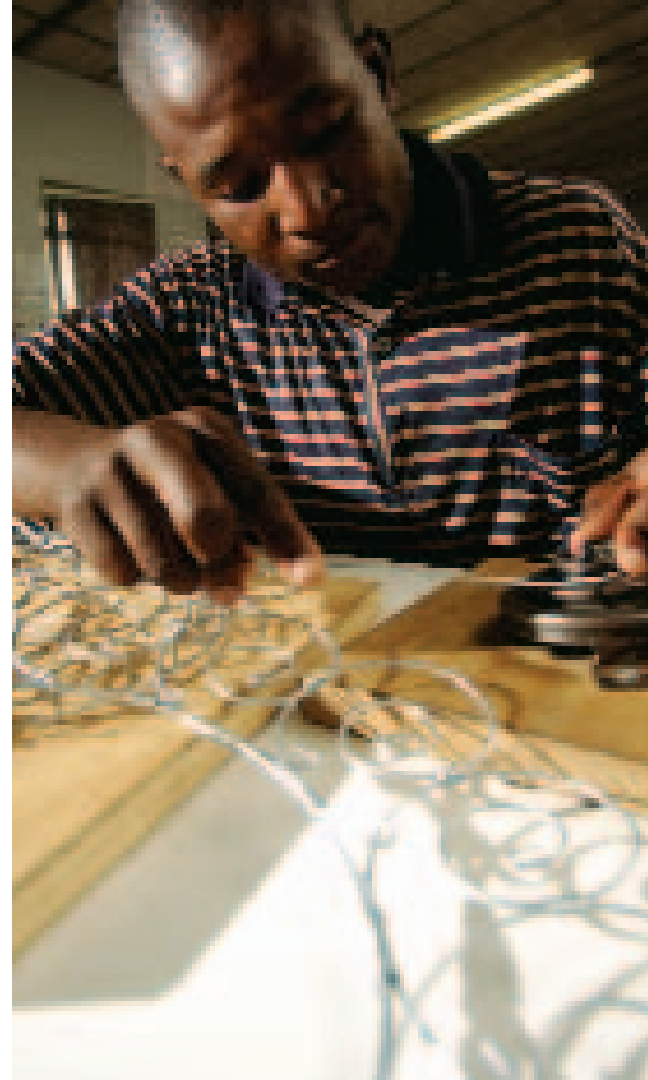
Our involvement and investment in local communities continues to grow. During 2004 we focused on the development of partnerships and looked at ways to improve communication.

This was strengthened by the application of the Anglo American plc Socio-Economic Assessment Toolbox (SEAT), which is being used to enrich the community engagement plans in place at all of our operations.

Two SEAT appraisals, for New Denmark and Goedehoop collieries, are being finalised and will be published in 2005. These appraisals have highlighted key challenges for the collieries and the importance of involving all stakeholders. It is expected that all collieries will have implemented SEAT by the end of 2005.

Anglo Coal SA committed about R17 million to corporate social investment (CSI) during 2004 and this will be significantly increased, to about R27 million, in 2005. The Anglo American Chairman's Fund also supports community projects in our areas of operation.

Our CSI spend is used for community projects, education, HIV and AIDS awareness, skills development and job creation through the establishment of small businesses.



*The community craft shop at Goedehoop colliery produces a number of items, including embroidery, beadwork, wire work and painted fabric. Some of these products are bought for promotional activities within the wider Anglo Coal SA*



### **Landau colliery rebuilds schools**

Landau colliery converted three old schools on mine land into two new mine-built schools in Kwa-Guqa between 2002 and 2004.

Kromdraai Primary School, established in 1930 and an Anglo Coal mine school from 1982, was recently demolished due to its age, poor state, remoteness and the pending impact of mining activities. The school accommodated 233 learners and six teachers.

Anglo Coal SA built a replacement school on a 3ha site in Hlalnukahle Extension 4 which had been bought from the Witbank City Council. The school was built for the learners from the old school and to allow for expansion by the Mpumalanga Department of Education into a full-scale primary school. The cost of the project was R2.8 million.

Blackhill and Schoongezicht primary schools were built on mine land between Navigation village and Clewer township. The demolition of both schools was inevitable due to their remote location and dangerous condition.

As part of the commitment to community development, a new school accommodating learners from both schools was built on a site in Kwa-Guqa Extension 10 donated by the city council. This new school has 12 classrooms, an administration block, a kitchen, a sports field and accommodation for a guard. The school is for 480 learners but the infrastructure and design allow for additional classrooms so the school could eventually house up to 1 200 learners.

The school was formally handed over to the Mpumalanga Department of Education in February 2004 by Tony Redman, chairman of Anglo Coal SA. More than 700 learners enrolled at the school.



### Grave relocation at Landau colliery

In July 2004, Landau colliery handed over a new cemetery at Kromdraai to Mayoress Gloria Dhlamini of the Emalahleni City Council for the use of the Witbank community. The cemetery was established as a result of the relocation of 782 graves from the mining area. The R1.7 million relocation project started two years ago when it became apparent that mining activities would soon encroach on the dispersed graves.

A grave relocation committee was formed consisting of community members, relatives of the deceased and mine representatives. A liaison officer was elected from the relatives, all legal applications were put in place and a relocation plan was agreed to. An extensive communication campaign was launched, which included notices published in three languages in three newspapers, on radio and at the various cemeteries. A survey was carried out of each grave and photographs were taken. Declarations were signed by relatives of the deceased, relocation commenced in 2003 and was successfully completed in 2004.

The following ceremonies were held at the request of the families concerned:

- ▶ A night vigil before relocating the graves
- ▶ An opening ceremony
- ▶ A formal handover to the Emalahleni City Council.

The mine provided various amenities and equipment for the ceremony. The colliery ensured that proper exhumation and removal processes were followed and all personal belongings found in graves were placed in the new coffins. Old tombstones chosen to be replaced by new ones were buried in the new graves.

### Relocated farm workers at Isibonelo colliery

The implementation of the Kriel South Project (Isibonelo colliery) in 2003 involved the relocation of 42 identified farm worker households from the proposed mining area. An extensive stakeholder engagement process and consultation took place and, to date, 34 households directly affected by construction operations have been successfully relocated. The majority were moved to the nearby village of Tubelihle, near Kriel.

Compliance with the provisions of the Extension of Security of Tenure Act, which governs land rights for individuals, was ensured. The stakeholder engagement process ensured that the relocated families were also cared for after the move. Isibonelo colliery helped the affected households make the adjustment from a rural to an urban environment. The social needs of the relocated families will be monitored to help them adjust.

### Kriel Model Farm

Kriel colliery follows an in-depth, step-by-step consultative stakeholder engagement approach to the planning and development of sustainable community projects that will meet the needs of its diverse communities. One of these projects is the Kriel Model Farm.

The farm aims to provide 19 unemployed women from the nearby Kwanala village with sustainable, basic and relevant vegetable farming skills over a period of five to eight years. Two-and-a-half hectares of land have been allocated to the project and an annual expansion of 0.59ha is envisaged. The aim is to produce 800 units of vegetables a year for small markets and hawkers and to hand over the farm as a going concern to the beneficiaries by 2008.

The project has been run in partnership with the Department of Agriculture, Turtek, the community and Kriel colliery. In preparation for implementation, soil tests on land identified for the farm were carried out and an irrigation system was designed and commissioned. A security fence was erected around the farm and the land was ploughed, disked and fertilised.

*The relocation of graves at Landau colliery was undertaken after an extensive communication campaign and in conjunction with relatives of the deceased and community members*



# Mining Charter compliance

## Black economic empowerment

The broad-based Black Economic Empowerment Act of 2003 set the stage for the promotion of 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 2003 to measure compliance by mining entities. Anglo Coal SA supports the legislation and is on track to achieve the relevant targets stipulated in the scorecard and as required by the charter.

## Ownership and joint ventures

The South African Mining Charter encourages the ownership by historically disadvantaged South Africans (HDSAs) of 26% of mining assets by 2014. Based on the attributable units of production, we achieved 21% HDSA ownership at the end of 2004.

Completed transactions to date include the establishment of Eyesizwe Coal, the Leeuw Mining and Exploration Company, a joint venture with Eyesizwe Coal for the establishment of Mafube colliery and, through the Anglo Khula Mining Fund, participation in the setting up of Imbani Coal.

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 Anglo Coal SA and produces coal for export markets. The operation is expected to have a life of more than 20 years.

Mafube colliery, a joint venture between Anglo American and Eyesizwe Coal, was launched in August 2004. In the first phase of operations, the

colliery will supply 1.2 million tonnes of coal a year to Eskom-owned Arnot Power Station. In the second phase, depending on a feasibility analysis, production will ramp up to 4.2 million tonnes a year. This is expected to be achieved in the next three to five years.

Anglo Zimele, Unitrans Freight and empowerment partners Imbani Transport Solutions and Bakgotsi Holdings have established a black empowerment road haulage company, Nomakanjani Logistics. This newly created organisation has secured a three-year contract to load and transport 3.6 million tonnes of coal from the colliery to the power station.

## Procurement

We procured R617 million of business from 248 black-empowered companies during 2004. This is an increase of 54% on the 2003 preferential procurement spend. Of the total, R9 million was spent on capital goods, R216 million on services and R392 million on consumables.

During 2004, Anglo American plc approved policy guidelines to facilitate procurement from historically disadvantaged South African suppliers. These guidelines provide the framework to align Anglo Coal SA's HDSA procurement strategy and procedures with Anglo American plc's requirements and will facilitate further development and promotion of HDSA suppliers.

## The Mineral and Petroleum Resources Development Act

The Mineral and Petroleum Resources Development Act, No 28 of 2002, ("the MPRDA") became effective on 1 May 2004 and requires that all prospecting permits and mining licences issued under the previous, and now repealed, Minerals Act of 1991 should be converted into new order prospecting rights and mining rights.

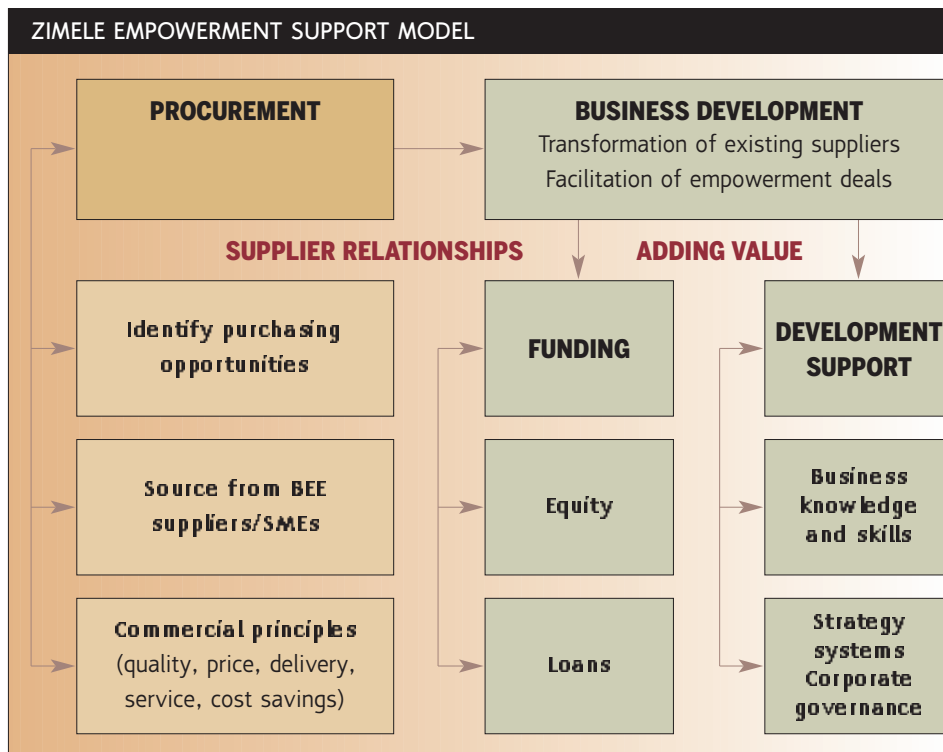
Anglo Coal SA is applying for the conversion of these rights within the time frames set by the MPRDA.

New applications and conversion applications for prospecting include documentation that relates to a prospecting work programme regarding the project, as well as proof of financial and technical compliance. BEE requirements set out in the Mining Charter must also be met before the new order prospecting rights are issued.

New applications and conversion applications for mining rights include documentation that

## Five-year BEE procurement targets

Year	2004 target	2004 actual	2005	2006	2007	2008	2009
BEE procurement							
(in millions of rands)	448	617	690	750	800	920	1030
% of total procurement	25%	27%	27%	28%	29%	31%	33%



relates to a mining work programme for the period of the intended activities, proof of financial and technical compliance and a social and labour plan that deals with various HR and other aspects at the mining operation. The Mining Charter BEE requirements must also be met before the new order mining rights are issued.

Applications for the conversion of old order prospecting rights must be submitted by 30 April 2006 and applications for the conversion of old order mining rights must be submitted by 30 April 2009.

### **Zimele (Independence Through Enterprise)**

Zimele, the enterprise development and black empowerment initiative of Anglo American plc, works with the company's various divisions to evaluate new procurement and outsourcing opportunities within the small and medium enterprise (SME) sector, so helping to create 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 cover areas such as price, service level and technical quality.

Twenty of Zimele's investments service Anglo Coal SA and these businesses have gone from strength to strength.

New projects initiated in conjunction with Zimele during 2004 are as follows:

- ▶ DSI/Mandirk, a strata roof support company
- ▶ Gillmich Business Forms, a supplier of printed continuous stationery
- ▶ Urothane Molded Products (UMP), a supplier of urethane products
- ▶ Sinoville Fencing, which began trading in December 2004.

### **BEE at Richards Bay Coal Terminal**

Anglo Coal SA helps create empowerment opportunities at Richards Bay Coal Terminal (RBCT), a privately owned and operated coal export terminal in KwaZulu-Natal in which we are a shareholder. We were a key player in making available common-user (non-shareholder) capacity in 2003. A total of 400 000 tonnes was exported and a programme was put in place to increase this to 2 million tonnes a year from April 2004; to 3 million tonnes in 2005; and to 4 million tonnes in 2006.

In addition, both Anglo Coal SA and Ingwe Coal have foregone 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 BEE companies.

# Report on BEE Scorecard elements

## Employment equity

Our leadership continues to become more diverse, with 28% of our supervisors and managers drawn from HDSA groups. Women represent just under 9% 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.

Our goal for 2007 is to exceed 40% HDSAs in management positions, 11% female participation in mining, and 157 scholarships and 193 learnerships to advance mining-related education and to address skill shortages.

## Human resources

Our 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 4% in 2004.

## Migrant labour

Eight per cent of our workforce consists of migrant labour, mainly from Lesotho. We abide by fair labour practices, do not discriminate and adhere to international workplace norms.

## Community development

A total of R17.1 million was committed to corporate social investment in 2004, 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

Only 15% of employees are accommodated in refurbished hostels, 54% are in married quarters and the remaining 31% live in their own homes. This exceeds our initial aim to have 25% of employees living in their own homes by 2007.

## Procurement

A total of R617 million (27% of total procurement spend) of business was procured from 248 HDSA suppliers during 2004, an increase of 53% on 2003. For 2005 we have targeted procurement from HDSA entities at R690 million.

## Ownership and joint ventures

Based on the attributable units of production formula, Anglo Coal SA has thus far achieved 21% HDSA ownership. 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 SA has participated in setting up Imbani Coal.

In August 2004 Anglo Coal SA set up a joint venture agreement with Eyesizwe Coal to mine the Arnot North Coal reserves known as Mafube colliery.

Anglo Coal SA, through our shareholding in Richards Bay Coal Terminal, participates in a programme which by 2006 will provide up to 4 million tonnes of coal to aspirant exporters, including HDSAs and common users.

*Children at play at Tutukani village, which provides housing for New Denmark colliery employees*



# Abbreviations

ABET	Adult basic education and training	ILO	International Labour Organisation
Anglo Coal SA	Anglo Coal South Africa – includes all Anglo Coal’s managed operations in South Africa	ISO	International Standards Organisation
		km	Kilometre
ACTDS	Anglo Coal SA Training and Development Services	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	LTl	Lost-time Injury (where an injury results in the injured person being booked off work for one or more shifts or where the injured person cannot perform his or her normal duties)
BEE	Black economic empowerment		
BSA	Business South Africa	LTIFR	Lost-time injury frequency rate (the number of lost-time injuries per 200 000 hours worked)
CCMA	Commission for Conciliation, Mediation and Arbitration	mg/m <sup>3</sup>	Milligram per cubic metre
CCT	Clean coal technology	ML	Megalitre
CH <sub>4</sub>	Methane	MQA	Mine Qualifications Authority
CIAB	Coal Industry Advisory Board	Mtpa	Million tonnes per annum
CO <sub>2</sub>	Carbon dioxide	MWh	Megawatt hours
CO <sub>2e</sub>	Carbon dioxide equivalent	NGO	Non-governmental organisation
COAD	Chronic obstructive airways disease	NIHL	Noise-induced hearing loss
Coaltech 2020	South African coal industry research organisation	NOSA	National Occupational Safety Association (South Africa)
COM	Chamber of Mines of South Africa	NUM	National Union of Mineworkers (South Africa)
CSI	Corporate social investment	RBCT	Richards Bay Coal Terminal
CSIR	Council for Scientific and Industrial Research (South Africa)	SAQA	South African Qualifications Authority
CSLF	Carbon Sequestration and Leadership Forum	SEAT	Socio-Economic Assessment Toolkit
dB	Decibel, the unit of measurement for noise	SHE	Safety, health and environment
DME	South African Department of Minerals and Energy	SME	Small and medium enterprises
EE	Employment equity	STI	Sexually transmitted infection
Eskom	South Africa’s state-owned power utility company	Total energy used	Calculated from electricity purchased and fossil fuels consumed
Fatal injury	The death of an employee or contractor resulting from a work-related injury	TRC	Total recordable cases
FIFR	Fatal injury frequency rate (the number of fatal injuries per 200 000 hours worked)	TRCFR	Total recordable cases frequency rate (cases per 200 000 hours worked)
GJ	Gigajoules – a unit used to measure total energy consumption	VCT	Voluntary counselling and testing
GHG	Greenhouse gas emissions such as CO <sub>2</sub> and CH <sub>4</sub> that contribute to the greenhouse effect, or global warming	Water used for primary activities	Total new and make-up water entering the operation and used for the operation’s primary activities
GRI	Global Reporting Initiative	WBCSD	World Business Council for Sustainable Development
GWhr	Gigawatt hour	WCI	World Coal Institute
ha	Hectare	WHO	World Health Organisation
HDSAs	Historically disadvantaged South Africans	Yebo Siyaphambili	Anglo Coal SA’s organisational culture transformation programme
ICMM	International Council on Mining and Metals		
IEA	International Energy Agency		



# Independent assurance report

## Independent assurance report on the 2004 Sustainability Report to Anglo Coal South Africa

### Introduction

We have performed our assurance engagement of Anglo Coal South Africa's (Anglo Coal SA's) Towards Sustainability 2004 Report (the Report), with respect to selected 2004 sustainability performance indicators at selected sites for the period 1 January 2004 to 31 December 2004.

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

### Responsibilities of directors

Anglo Coal SA's management is 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 designing, implementing and maintaining appropriate performance management and internal control systems to record, monitor and improve the accuracy, completeness and reliability of sustainability information reported on.

### Responsibilities of the assurance provider

Our responsibility is to express our conclusions based on the evidence obtained from our independent assurance engagement. We conducted our work in accordance with International Standard on Assurance Engagements (ISAE 3000): Assurance engagements other than audits or reviews of historical financial information issued by the International Auditing and Assurance Standards Board. These standards require us to comply with ethical requirements and to plan and perform the assurance engagement to obtain reasonable or limited assurance, expressed below, regarding the subject matter of the engagement.

### Scope and limitations

There are no generally accepted standards for reporting SD performance information. Anglo Coal SA applies the Anglo American plc Safety, Health and Environment (SHE) reporting guidelines as its own internal SD Reporting Guidance. This is based on emerging best practice for reporting SD performance indicators.

We selected the SD performance indicators to be the subject of the assurance engagement by considering Anglo Coal SA's key sustainability risks, identifying those sustainability indicators most relevant to management and stakeholder decision-making processes, and our experience of the associated sustainability reporting systems and processes in the Anglo American Group. These indicators are collectively referred to as the "selected" 2004 SD performance indicators:

- ▶ The 2004 SD performance indicator selected for purposes of expressing reasonable assurance was: *Total fatalities (p7); Total energy used (p18) and CO<sub>2</sub> from electricity, processes, and fossil fuels (p19).*
- ▶ The 2004 SD performance indicators selected for purposes of expressing limited assurance were: *Lost-time injury frequency rate (LTIFR) (p7); New cases of occupational diseases (p13); Land utilised by operations (p15); Land fully rehabilitated; Biodiversity action plans (p15); Water used for primary activities (p16); Methane emissions (p19); Number of level 1 environmental*

*incidents (p4); Number of employees receiving anti-retroviral treatment (ART) (p9); Presence and implementation of community engagement plans (p30).*

The reliability of SD performance indicators is subject to inherent limitations given their nature and methods for determining, calculating or estimating such data. No assurance is expressed in relation to the remaining SD performance indicators not covered by our work performed.

### Work performed

Our work performed with respect to the selected 2004 sustainability performance indicators consisted of:

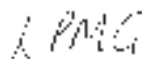
- ▶ Obtaining an understanding of systems used to generate, aggregate and report the selected 2004 sustainability performance indicators
- ▶ Conducting three site visits to review the management systems and the associated reliability of the selected 2004 sustainability performance indicators at Greenside colliery, Goedehoop colliery and New Vaal colliery, collectively referred to as "the selected sites"
- ▶ Reviewing the selected 2004 SD performance indicator management systems and processes implemented at each of the selected sites and assessing whether their design and implementation met the requirements of the Anglo American plc SHE Reporting Guidance for the selected 2004 SD performance indicators. From this we determined the associated reliability of the selected 2004 sustainability performance indicators
- ▶ Conducting interviews with management at Corporate Office to further investigate the accuracy and consistency of the sustainability performance data, including systems and controls
- ▶ Reviewing the presentation of the selected 2004 SD performance indicators and associated statements in the Report, in light of our findings from the site visits.

### Conclusion

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

In our opinion, and based on our work described above, the following selected sustainability performance indicators: Total fatalities; Total energy used and CO<sub>2</sub> from electricity, processes, and fossil fuels at the selected sites, for the year ended 31 December 2004, are fairly stated based on the Anglo American plc SHE internal reporting guidelines.

In our opinion, and based on our work described above, nothing has come to our attention that causes us to believe that the following sustainability performance indicators: Lost-time injury frequency rate (LTIFR); New cases of occupational diseases; Land utilised by operations; Land fully rehabilitated; Water used for primary activities; Methane emissions; Number and level environmental incidents; Biodiversity action plans; Number of employees receiving anti-retroviral treatment (ART); Presence and implementation of community engagement plans; and the application of AA plc's socio-economic assessment toolkit, at the selected sites, for the year ended 31 December 2004, is materially misstated, based on the Anglo American plc SHE internal reporting guidelines.



KPMG Services (Pty) Limited  
Johannesburg  
15 April 2005



# Review of 2004 performance

✓ Achieved
 ✗ Not achieved
 → In progress

<b>Corporate reporting</b>	<ul style="list-style-type: none"> <li>Establish a divisional SHE coordinating committee to coordinate and execute quarterly and annual SHE reporting needs for Anglo American plc and Anglo Coal.</li> <li>Establish mine-based SHE coordinating committees on all operations to coordinate and execute quarterly and annual SHE reporting needs for Anglo American plc and Anglo Coal.</li> </ul>	<div>→</div> <div>→</div>
<b>Safety</b>	<ul style="list-style-type: none"> <li>Aim for zero fatalities.</li> <li>LTIFR to be reduced to 0.29.</li> <li>TRCFR to be reduced to 1.28.</li> </ul>	<div>✗</div> <div>✓</div> <div>✓</div>
<b>HIV/AIDS</b>	<ul style="list-style-type: none"> <li>Aim for &gt; 50% of employees to know their status by 31 December 2004.</li> </ul>	<div>✓</div>
<b>Health</b>	<ul style="list-style-type: none"> <li>Limit personal exposure to dust to 2.0mg/m<sup>3</sup>.</li> <li>Reduce noise levels to below 93dB.</li> </ul>	<div>✓</div> <div>✓</div>
<b>Environmental management systems</b>	<ul style="list-style-type: none"> <li>Obtain ISO 14001 certification at New Vaal and Greenside collieries.</li> <li>Implement ISO 14001 at Isibonelo colliery.</li> <li>Retain ISO 14 001 certification on all six mines that are currently certified.</li> <li>Develop and implement risk-based measures to ensure retention of ISO compliance on certified mines.</li> <li>Implement an electronic platform for ISO 14001 on all operating mines.</li> </ul>	<div>✓</div> <div>→</div> <div>✓</div> <div>✓</div> <div>→</div>
<b>Land stewardship</b>	<ul style="list-style-type: none"> <li>Develop and implement a five-year strategy and programme to eliminate the rehabilitation backlog.</li> <li>Implement a GIS-based rehabilitation database by the end of 2005 to monitor and report on rehabilitation progress.</li> <li>Extend the verification of land capability by a third party to cover 40% of the total area rehabilitated.</li> <li>Review and revise if necessary the closure cost estimates on all mines.</li> <li>All mines to submit an EMPR performance Assessment Report to the DME.</li> </ul>	<div>→</div> <div>→</div> <div>✓</div> <div>→</div> <div>→</div>
<b>Biodiversity</b>	<ul style="list-style-type: none"> <li>Initiate and maintain the biomonitoring programme on all mines.</li> <li>Report annually on the progress of the implementation of the biodiversity action plans (BAPs) on each mine.</li> <li>Develop and implement a BAP at Isibonelo colliery.</li> </ul>	<div>✓</div> <div>✓</div> <div>✓</div>
<b>Water</b>	<ul style="list-style-type: none"> <li>Reduce new water consumption by 3%.</li> <li>Recycle 30% of our total water used for primary activities.</li> </ul>	<div>✓</div> <div>✗</div>
<b>Energy</b>	<ul style="list-style-type: none"> <li>Achieve a 3% reduction on the 2003 target (GJ/saleable tonne).</li> <li>Develop and implement a five-year plan to improve energy efficiency and reduce energy consumption on a unit production basis.</li> </ul>	<div>✗</div> <div>→</div>
<b>Waste</b>	<ul style="list-style-type: none"> <li>Complete oil balances and initiate monthly monitoring and reporting.</li> <li>Recycle 30% of recoverable mineral oils purchased.</li> <li>Prepare inventory of all transformers and capacitors at collieries.</li> </ul>	<div>→</div> <div>→</div> <div>✓</div>
<b>Employee support</b>	<ul style="list-style-type: none"> <li>Achieve 2004 employment equity targets.</li> <li>Improve performance management systems in order to change company culture.</li> <li>Improve communication.</li> <li>Roll out mentorship programme to other divisions.</li> </ul>	<div>✓</div> <div>✓</div> <div>✓</div> <div>✓</div>
<b>Education and training</b>	<ul style="list-style-type: none"> <li>Expose all Anglo Coal SA employees and contractors to the 2nd environmental awareness programme.</li> <li>Develop a supervisory programme that encompasses technical, transformational and leadership components.</li> <li>Maintain ISO 9001: 2000 certification across all our training and development centres.</li> <li>Convert and upgrade all training material to multi-media and electronic presentations by end 2007.</li> <li>Complete assessments of employees in terms of falls of ground legislation.</li> <li>Convert and upgrade all training material to new unit-standards-based structure.</li> </ul>	<div>✓</div> <div>→</div> <div>✓</div> <div>✓</div> <div>→</div> <div>→</div>
<b>Black economic empowerment</b>	<ul style="list-style-type: none"> <li>Aim for an allocation of R448 million to BEE procurement in 2004.</li> <li>Meet company obligations in terms of the Mining Charter.</li> </ul>	<div>✓</div> <div>✓</div>
<b>Community development</b>	<ul style="list-style-type: none"> <li>Establish targets to measure the impact of CSI activities objectively in communities.</li> <li>Assess benefits of CSI activities.</li> <li>Submit our social and labour plan before 31 December 2004.</li> </ul>	<div>→</div> <div>→</div> <div>✓</div>

# Targets for 2005

<b>Safety</b>	<ul style="list-style-type: none"> <li>■ Aim for zero fatalities.</li> <li>■ Reduce lost-time injury frequency rate (LTIFR) to 0.17.</li> <li>■ Reduce total recordable case frequency rate (TRCFR) to 1.05.</li> </ul>
<b>HIV/AIDS</b>	<ul style="list-style-type: none"> <li>■ Aim for 50% of employees to participate in voluntary counselling and testing (VCT).</li> </ul>
<b>Health</b>	<ul style="list-style-type: none"> <li>■ Over the short- to medium-term aim to eliminate personal exposure to: <ul style="list-style-type: none"> <li>– dust levels in excess of 2 mg/m<sup>3</sup>.</li> <li>– noise levels in excess of 95dB.</li> </ul> </li> <li>■ Develop strategy for achieving OHSAS 18000 certification.</li> </ul>
<b>Environmental management systems</b>	<ul style="list-style-type: none"> <li>■ Retain ISO 14001 certification on all mines that are currently certified.</li> <li>■ Achieve ISO 14001 certification at: <ul style="list-style-type: none"> <li>– Isibonelo colliery in 2005.</li> <li>– Mafube colliery in 2006.</li> </ul> </li> </ul>
<b>Land stewardship</b>	<ul style="list-style-type: none"> <li>■ Review and if necessary revise colliery closure cost estimates.</li> </ul>
<b>Biodiversity</b>	<ul style="list-style-type: none"> <li>■ Report annually on the progress of the implementation of the biodiversity action plans (BAPs) on each mine.</li> <li>■ Benchmark colliery biodiversity action plans within the wider Anglo American plc.</li> </ul>
<b>Water</b>	<ul style="list-style-type: none"> <li>■ Reduce consumption of new water for primary activities by 3% on litre/saleable tonne basis.</li> </ul>
<b>Energy</b>	<ul style="list-style-type: none"> <li>■ Identify and implement energy efficiency projects to reduce energy consumption on a unit production basis.</li> <li>■ Achieve a 1.5% reduction on the 2004 actual (MJ/saleable tonne basis).</li> </ul>
<b>Waste</b>	<ul style="list-style-type: none"> <li>■ Complete oil balances and initiate monthly monitoring and reporting.</li> <li>■ Recycle 30% of recoverable mineral oils purchased.</li> </ul>
<b>Employee support</b>	<ul style="list-style-type: none"> <li>■ Achieve 2005 employment equity targets.</li> <li>■ Roll out Yebo Siyaphambili to all collieries.</li> <li>■ Improve communication and information sharing through the roll out of the Anglo Coal portal.</li> </ul>
<b>Education and training</b>	<ul style="list-style-type: none"> <li>■ Maintain ISO 9001: 2000 certification across all our training and development centres.</li> <li>■ Convert and upgrade all training material to multi-media and electronic presentations by end 2007.</li> </ul>
<b>Black economic empowerment</b>	<ul style="list-style-type: none"> <li>■ Aim for an allocation of R690 million to BEE procurement in 2005.</li> <li>■ Meet company obligations in terms of the Mining Charter.</li> </ul>
<b>Community development</b>	<ul style="list-style-type: none"> <li>■ Establish targets to measure the impact of CSI activities objectively in communities.</li> <li>■ Assess benefits of CSI activities.</li> <li>■ Progress stakeholder engagement at all collieries, aided by use of the Socio-Economic Assessment Toolkit (SEAT).</li> </ul>

# Information

## Useful reports and websites

### Anglo American plc website

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

### Other recent reports published

Anglo American plc

Creating Enduring Values –

Report to Society 2004

Anglo Coal

Towards Sustainability 2004

Anglo Coal Australia

Towards Sustainability 2004

### Useful websites

#### Coaltech 2020

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

#### South African Chamber of Mines

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

#### Global Reporting Initiative

<http://www.globalreporting.org>

#### International Energy Agency

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

#### World Coal Institute

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

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