

MESSAGE FROM THE GENERAL MANAGER

We are proud to present our third annual sustainability report – the Namakwa Footprint 2004.

Our commitment is to continually improve the management of sustainable development issues and we have elected to begin reporting within the requirements of the Sustainability Reporting Guidelines, 2002 of the Global Reporting Initiative (GRI). We aim to eventually report in full accordance, however, some of the required parameters were not available for this report and these are indicated in the index.

There were various highlights at Namakwa Sands during 2004:

- We are the first in our industry to be ISO 17025 accredited on our complete final product suite with the additional accreditation of our titanium dioxide slag analytical methods.
- We retained our ISO 19001, ISO 14001 and NOSA Platinum 5 Star status and have also been recommended for OHSAS 18001 certification.
- The Smelter facility won the Mine Metallurgical Managers Safety Award in its category.
- Construction of an acid neutralisation plant commenced at the Mineral Separation Plant in September 2004. The successful commissioning of this plant in 2005 will put an end to the discharge of acidic effluent to the evaporation dams.

Our Visible, Felt Leadership initiative has been well received and will be integrated with our behavioural safety programme (MEERKAT) in 2005. This safety programme improved the level of safety awareness amongst the workforce. Unfortunately we experienced six lost-time injuries, two more than in 2003. We will, however, continue to strive for OTTO (Zero Tolerance Target Zero).

We continue to be recognised by the immediate surrounding communities as a responsible stakeholder and partner in community development projects. Our Community Engagement Plan, developed in compliance with the Anglo American plc code on “Good Citizenship: Our Business Principles”, will focus on community health in 2005.



The Footprint 2004 is our first step towards reporting in accordance with the GRI and we would appreciate any comments which you, the reader of the Footprint, may wish to make. Our contact details appear on the back cover of this report. Additional copies of the Footprint can also be requested.

Allen Ramsay

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

Being a part of the greater Anglo American plc, Namakwa Sands aligns operational issues with the priorities facing the broader group. In line with this, objectives and targets set at group and divisional levels are adapted where relevant and incorporated into our own set of targets that we establish each year. Regular management review forums at various levels within the Company ensure that the progress towards meeting these objectives and targets is continuously monitored. In this manner successes and potential obstacles to achieving the required outcomes can be highlighted, communicated and acted upon.

A member of our senior Management Committee has been appointed as the Management Representative for all of the SHEQ management systems in operation at Namakwa Sands. Monthly and quarterly performance and systems reviews are held where the Management Committee reviews the previous period's performance and highlights potential areas of concern. Issues raised at these reviews are communicated to all departments and sections through established forums and meetings.

The Management Committee of Namakwa Sands consists of seven individuals, including the General Manager. No committee members are from designated groups.

Effective management of sustainable development issues at Namakwa Sands continues to present varied challenges to our organisation. Ongoing interaction with our stakeholders remains a central focal point for the resolution of our greatest challenges. Our existing database of stakeholders includes our employees and contractors; local authority and government regulators; local communities, industries and neighbours, and some non-governmental organisations. This database was established during the initial project implementation and construction phases and is updated through the consultation initiatives described in this report.

The Namakwa Footprint report does not include details of our financial information as this is reported at group level by Anglo American plc. The Footprint has been published annually since 2002 and covers activities undertaken across the three sites. The 2004

year was effectively 11 days longer than previous years as the monthly reporting cycle was amended to coincide with the calendar month. The largest impact of this was on the figures for January. Despite these additional days, the operations met all permit conditions for 2004.

The GRI principles (for example transparency, audibility, inclusiveness and neutrality) have been incorporated into our methods of data acquisition, verification and reporting for the Footprint publication. All information generated is managed through monthly inputs into the Anglo American Safety, Health and Environment (SHE) Database which is subjected to regular external verification audits.



OUR OPERATIONS AND PRODUCTS

Namakwa Sands is a heavy-minerals mining and beneficiation business and is the only heavy-minerals operation within Anglo American plc. The Company falls under the Anglo Base Metals Division of the London-based Anglo American plc.

The Mine is situated at Brand-se-Baai, approximately 400 km north of Cape Town on the West Coast, and reaching almost 14 km inland. The mine area stretches approximately 5 km along the coast. The mine is divided into east and west sections where open-cast strip mining activities occur. Non-magnetic and magnetic concentrates used here are transported by road to the Mineral Separation Plant.

The Mineral Separation Plant (MSP) is located 7 km from Koekenaap (near Lutzville). Here electrostatic, dry magnetic and gravity methods separate the ilmenite, rutile and zircon. The three products are despatched by rail, via the Sishen-Saldanha line to the Smelter.

The Smelter is located near Saldanha Bay where ilmenite is smelted to produce two grades of titania slag and several grades of pig-iron. Zircon and rutile are stored, prior to shipping via the Saldanha Bay harbour to international markets.

Our products are supplied predominantly to export markets.

Zircon – Our premium-grade zircon is ideally suited to the ceramics industry as an opacifier in the production of tiles and sanitary ware. Other applications include refractories, TV screens, foundries and zirconium chemicals and metals.

Rutile – This natural titanium dioxide mineral is used in the production of welding electrodes and for titanium dioxide pigment and titanium metal production.

Titania Slag – The slag is supplied as feedstock for the production of titanium dioxide pigment, used mainly in the manufacture of paint, paper and plastics.

Pig-Iron – The high purity material produced is used in the foundry industry, for casting of automotive and engineering components.



OUR POLICIES

OCCUPATIONAL HEALTH & SAFETY

Namakwa Sands is committed to preventing and minimizing work-related injuries and the impairment of health of all employees and contractors working at the various operations.

All employees and contractors are in turn responsible for following and supporting the requirements of the Namakwa Sands Occupational Health and Safety Management System.

The following principles are embodied in our Occupational Health and Safety Management system:

- Prevention of occupational illness and injury;
- Compliance with all applicable current Occupational Health and Safety legislation, and Namakwa Sands rules;
- Support of the Anglo American plc and Base Metals Occupational Health and Safety visions, rules and objectives;
- Identification of hazards and risks;
- Assessment and reduction / elimination of risks;
- Setting and reviewing Occupational Health and Safety objectives and targets, and
- Striving for continual improvement.

To achieve these principles, Namakwa Sands will:

- Provide adequate resources;
- Engage all stakeholders;
- Provide appropriate Occupational Health and Safety training;
- Focus and monitor all Occupational Health and Safety initiatives;
- Implement an Occupational Health and Safety management system according to the guidelines provided by OHSAS 18001 and the NOSA integrated 5 star system, and
- Evaluate and monitor Occupational Health and Safety performance.

ENVIRONMENTAL

Namakwa Sands is committed to conserve environmental resources, prevent adverse impacts to the environment and fostering sustainable development.

The following principles are embodied in Namakwa Sands environmental management system:

- Compliance with all applicable laws and regulations;
- Identification and assessment of environmental aspects;
- Setting and reviewing environmental objectives and targets;
- Prevention of pollution, and
- Striving for continual improvement.

To achieve these principles, Namakwa Sands will:

- Allocate adequate financial and human resources;
- Implement environmental awareness and environmental training;
- Evaluate the effectiveness of environmental performance;
- Engage all stakeholders in matters of common concern;
- Operate an ISO 14001 compliant environmental management system;
- Demonstrate active stewardship of biodiversity, and
- Promote good relationships with and enhance the capacities of local communities.



QUALITY

Namakwa Sands is committed to satisfy customer requirements.

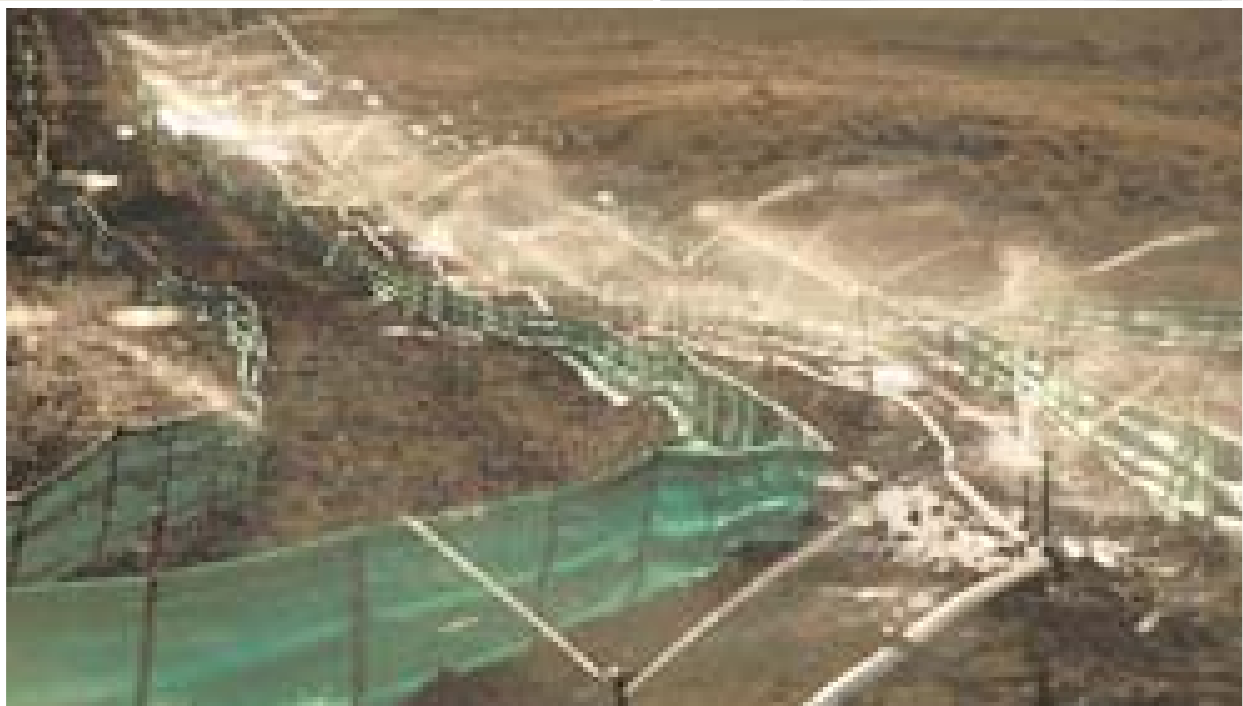
All employees and contractors are responsible for following and supporting the requirements of the Namakwa Sands Quality Management System.

The following principles are embodied in the Namakwa Sands Quality management system:

- Ensuring customer satisfaction in terms of product quality, product quantity and service;
- Prevention of poor quality product and / or service;
- Production of final product and intermediate product that is consistently conforming to specification;
- Setting and reviewing quality objectives and targets;
- Ensuring continual improvement, and
- Striving to be the preferred supplier.

To achieve these principles, Namakwa Sands will:

- Provide adequate resources and infrastructure;
- Promote customer focus;
- Provide quality awareness and training;
- Implement a quality management system according to the requirements provided by ISO 9001:2000, and
- Evaluate and monitor quality performance.



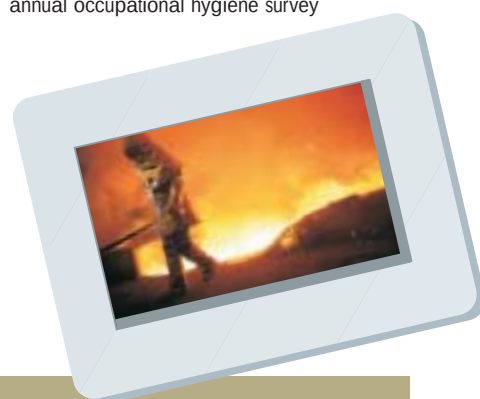
OVERVIEW OF PERFORMANCE

KEY FACTS & FIGURES

OBJECTIVES FOR 2004	PROGRESS TOWARDS OBJECTIVES	OBJECTIVES FOR 2005
Safety Objectives		
No fatalities	No fatalities were recorded during 2004	No fatalities
No lost time injuries	6 lost time injuries during 2004 (5 lost time injuries and 1 restricted work case)	No lost time injuries (LTIFR of 0 and LTISR of 0)
33% reduction in medical treatment cases	22 medical treatment cases have been reported versus a target of 15	33% reduction in medical treatment cases against 2004 statistics
Encourage all first aid case reporting (0% reduction)	This remains a priority and a high level of reporting was achieved during the year	
Analysis of Meerkat behavioural safety process and develop action plans to address identified areas of concern	Analysis of the input data was conducted and barriers identified. Barrier removal action planning was completed and action plans finalised and are implemented on an on-going basis	Consolidate and build on MEERKAT Behavioural Safety Process and implement identified action plans
Continuous training of MEERKAT process team members	Training was conducted throughout the year and to date the target of training 50% of the workforce as observers has been achieved. This includes management level employees and forms part of the plans to integrate the existing VFL system with the MEERKAT behavioural safety process	Incorporate VFL into MEERKAT Behavioural Safety Process
Combine and standardise all safety, health, environmental, quality and community engagement risk assessments	Work on this has progressed well and the integrated system has been developed. Population of the system with data has commenced and the exercise will be completed by June 2005. This objective is closely linked to the OHSAS 18001 system	Complete development and implementation of an integrated operational level risk assessment method
Review all risk assessments, (including external consultants, in-house occupational health and hygiene risk assessments), rank the risks and complete a detailed assessment for the top three at each operational area, including disaster recovery plans	All risk assessments were reviewed and work has commenced with regard to the development of disaster recovery plans. At the Smelter, the top three plans were completed and work has commenced at the Mine and MSP. It is anticipated that this will be completed during Q2 2005	Review all risk assessments in line with OHSAS 18001 requirements and consolidate all associated systems, including Planned Task Observations
Produce and implement a video-based SHEQ induction program for all visitors and contractors	Partially achieved and the induction system was improved but a video based system still needs to be implemented	Improve contractor safety performance
ISO18001 certification in 2004	An OHSAS 18001 certification audit was conducted during December 2004 and the Company was recommended for certification. Final confirmation will be received in Q1 2005	Retain OHSAS 18001 certification
Achieve and retain NOSCAR status level of performance	All three operational areas and the Company as a whole currently hold NOSA Integrated SHE 5 Star gradings. The 2004 audit was conducted during December 2004 and all areas improved on their existing status. The Mine and MSP achieved 95% compliance and the Smelter improved to 94% compliance	Retain NOSA 5 Star Integrated SHE System grading
Conduct a comprehensive review of the Golden Rules	This was completed and audited. The Company achieved a 95% compliance using the Anglo Golden Rules audit protocol	Annual Golden Rules audit against ABM audit protocol
Conduct third party audits including occupational health	Audits were conducted by NOSA and GRC. The Company operates an integrated safety, occupational health and environmental system	Conduct third party SHE audits
Conduct three Internal SHE audits	Partially achieved with only one audit completed. This was also impacted on by the implementation of a new integrated Quarterly SHEQ auditing system in accordance with ISO 9001, 14001 and to meet the requirements of OHSAS 18001 as well as preparations for OHSAS 18001 certification	Quarterly SHE Internal auditing with involvement of other Anglo Base Metals operations



OBJECTIVES FOR 2004	PROGRESS TOWARDS OBJECTIVES	OBJECTIVES FOR 2005
Ensure legal compliance and licensing of Company rail facilities	Application was made for licensing of the rail facilities and the Rail Regulator has issued temporary safety permits. Work has commenced on the development of the prerequisite rail safety management system that must accompany the application for a permanent safety permit. This will be completed by end of Q2 2005	Implement rail safety management systems at Smelter and MSP and obtain permanent safety permit
Zero irreversible occupational health illnesses	No irreversible / compensatable occupational disease recorded or identified during 2004	Zero irreversible occupational diseases
Quarterly occupational hygiene monitoring	A quarterly monitoring program for high risk areas as identified in the annual audit was implemented	
Maintain compliance to AAPlc OH Guidelines and principles	Internal auditing of the Company's occupational health facilities and practices indicated a high level of compliance	Maintain >95% compliance to AA plc OH Guidelines and principles and prepare plans to address non compliances
Conduct three Occupational Health audits during 2004	Auditing was conducted during 2004 with the last audit indicating a 98% compliance to the AAPlc OH Guidelines	Quarterly SHE Internal auditing with involvement of other ABM operations
Develop a base line for FeO emissions and reduce emission levels from tapfloor	Established during occupational hygiene monitoring. Reduction of emission levels has been identified as a strategic issue and will enjoy attention during 2005	Develop and implement action plans to address fume extraction and dust plant deficiencies
Facilitate three occupational hygiene monitoring surveys to monitor the findings of the legally required annual occupational hygiene survey	Quarterly occupational hygiene monitoring was implemented using external approved inspection authorities. The OH Sister at the Smelter has commenced with her occupational hygiene studies and will complete the theory during 2005. Once she has completed the practical section of the course it will enable in-house monitoring to be conducted	Facilitate occupational hygiene monitoring surveys to monitor the findings of the legally required annual occupational hygiene survey
Analyse the Namakwa Sands injury database for soft tissue and lower back injuries and develop an ergonomics programme to address these issue	A program was implemented and is on-going. The number of manual handling and ergonomics related injuries have shown a decrease against the previous year	
Evaluate the NOSA 1600 HIV/AIDS Management system during 2004 and develop compatible systems	A decision was made not to commence with this new initiative, but rather to consolidate existing initiatives and revisit this at a later stage. Preliminary work will commence during 2005	
Enviromental objectives		
Improve water consumption	Savings achieved at all sites	Reduce water consumption (see Environmental Performance Tables)
Develop a five year water consumption target	In progress	Develop detailed 5 and 10 year reduction targets and action plans for achievement
		Eliminate release of acidic effluent to the environment from the MSP
		Implement technology to allow further re-use of neutralised MSP effluent
Improve energy utilisations: • Further 1% reduction in total energy use • Smelter to investigate energy reducing measures and apply in 2005 • Develop 5 year energy consumption targets	• Not achieved • Energy targets set for 2005 • In progress	• Achieve energy targets (as stated in Environmental Performance Table) • Develop 5 and 10 year reduction targets and action plans for achievement
Improve CO ₂ emissions: • Further 1% reduction in total CO ₂ generated • Smelter to investigate CO ₂ reducing measures and apply in 2005 • Develop 5 year CO ₂ emission targets	• Not achieved • CO ₂ targets set for 2005 • In progress	• Achieve CO ₂ targets (as stated in Environmental Performance Tables) • Develop 5 and 10 year reduction targets and action plans for achievement



OVERVIEW OF PERFORMANCE

KEY FACTS & FIGURES

OBJECTIVES FOR 2004	PROGRESS TOWARDS OBJECTIVES	OBJECTIVES FOR 2005
Develop baseline for FeO emissions and reduce emission levels from tapfloors	Established during occupational hygiene monitoring. Reduction of emission levels has been identified as a strategic issue and will enjoy attention during 2005	Develop and implement action plans to address fume extraction and dust plant deficiencies
Maintain gas plant utilisations of more than 96%	Achieved	Maintain gas plant utilisations of more than 96%
Reduce acid emissions at MSP	Investigation and study of impact of emissions on biodiversity in progress as well as regular monitoring of emissions	Install in-line particulate monitors on remaining furnace stacks
Install acid fume scrubber at MSP	Scrubber will be installed if impact significant	
Install in-line stack monitors in furnace stacks	Trial unit installed on furnace 2 clean gas stack	
Develop particulate emission baseline for dust and fume baghouses at Smelter	Established during occupational hygiene monitoring. Reduction of emission levels has been identified as a strategic issue and will enjoy attention during 2005	Develop and implement action plans to address fume extraction and dust plant deficiencies
Maintain rehabilitation with mine advance	Not achieved by either mining operation	Maintain rehabilitation with mine advance
Continue with annual flora biodiversity audits	Completed	Continue with annual flora biodiversity audits
Conduct second fauna biodiversity audit	Not completed due to lack of auditor. Will be conducted again in 2005	Conduct second fauna biodiversity audit
Review biodiversity status of the operations and implement the biodiversity action plan	Implemented	Retain compliance to Biodiversity Action Plan
Assess gum tree plantation at the MSP	Needs licensing and cannot transpire the required 30 000m ³ of water per month	
Retain involvement with the Succulent Karoo Ecosystem Planning project (SKEP)	Retained	
Maintain radiation protection programme	Routine radiation protection programme implemented	Maintain compliance with radiation protection programme
Optimise recycling practices at all operations	Some aspects completed, others in progress. Industrial waste recycling at the Smelter not feasible currently	Investigate and evaluate waste reduction opportunities
Review and improve waste management procedures	Revised and updated	
Implement an alternative slag loading method	Completed	
Environmental hotline: • Implement 24hr feedback loop • Close out reported incidents and complaints within 1 week • Quarterly advert in local papers	All items completed	
Conduct toxicology study at the Smelter	Completed. Recommendations to be investigated further in 2005	
Apply for effluent licences	In progress for Smelter and MSP	
EIA / EMP for expansion	In progress. Work commenced in November 2004	
Zero level 2 and 3 environmental incidents	12 level 2 incidents reported. 0 level 3 incidents occurred	
Maintain ISO 14001 certification	Maintained	
Review mine closure plans and costs	Reviewed and updated	
		Develop a self-assessment protocol on closure planning and action plans to address deficiencies

OBJECTIVES FOR 2004	PROGRESS TOWARDS OBJECTIVES	OBJECTIVES FOR 2005
Include new closure costs in 2004 LOM	Costs included in mine site provision	
Sustainability reporting	2003 report published	Publish annual sustainability report in line with GRI requirements
Publish 2004 annual SHEQ report	Completed	
		Ensure an adequate pool of competent internal ISO 14001 auditors.
Quality Objectives		
Customer Dissatisfaction Index (CDI) of < 4	CDI = 2.4	Customer Dissatisfaction Index (CDI) of < 3
Product Conformance Index (PCI) of > 95	PCI = 94	Product Conformance Index (PCI) of > 97
Retain ISO 9001 certification	Certification retained	Retain ISO 9001 certification
Retain ISO 17025 accreditation	Accreditation retained	Retain ISO 17025 accreditation
Add ISO17025 accreditation for slag final product analysis method	Accreditation awarded for slag final product analysis	Add ISO17025 accreditation for geology analysis methods
		Improve quality assurance for production processes
Corporate Citizenship		
Business Principles to be in place at all operations	Business Principles embedded and fully compliant	Namakwa Sands to maintain full compliance to CEP and Business Principle Guidelines and to further embed these principles
Revise the community engagement plan in line with recommendations by external auditors	Community Engagement Plan (CEP), has been reviewed taking into account auditor's recommendations	
Maintain the three year rolling community strategy	Community Engagement Plan (CEP) maintained	
Community Engagement Plans to be completed	Community Engagement Plan (CEP), completed and reviewed annually	
Continue the Community Health Initiative and HIV/ Aids campaign	Support for the West Coast Initiative and the Matzikama Initiative continues	Continue the Community Health Initiative and HIV/ AIDS campaign
Continue the youth engagement initiative	Involvement in improving educational standards maintained (especially in mathematics and science)	Continue the youth engagement initiative
Continue the Business Development Initiative	Support for the West Coast Business Development Centre (WCBDC) continues	Continue the Business Development Initiative
Implement a third party assurance system in conjunction with and involving the local community	To be further developed during the SEAT process	To be further developed during the SEAT process
Embed the speak-up whistle blowing campaign	Since its inception the whistle blowing campaign has continued to be well published and communicated	Maintain communication and publication of the speak-up whistle campaign
Socio-economic impact assessments to be done by all operations	Revisit SEAT assessments in 2005	Socio-economic impact assessments to be revisited and plans developed to manage socio-economic risks and opportunities by Q2 2005 Maintain commitment and progress towards meeting Mining Charter Targets Social and labour plan to be finalised by Q4 2005

SAFETY

Our operations, which include both mining and heavy-industry activities, are subject to the Mine Health and Safety Act and the Occupational Health and Safety Act and regulations. We have continued our policy of applying the most stringent or definitive legislative requirements to all operations as a management strategy, in order to ensure consistency and best practice. All operational areas use the Management by Objectives Integrated Safety, Health and Environmental System of the National Occupational Safety Association (NOSA) to manage their SHE commitments.

2004 was a year of mixed fortunes with regard to health and safety. Although there were no fatalities, the five lost-time injuries and one restricted-work case, effectively added up to six lost time injuries during the year and indicated no overall improvement on the previous year. Another objective that was not met was the 33% reduction in the number of medical treatment case injuries.

All three operations have been graded in the NOSA Integrated SHE System and retained and improved on their 2003 NOSA Platinum 5 Star status. The Mine, Mineral Separation Plant and Smelter achieved 95.1%, 95.4% and 94.3% compliance respectively.

Our behavioural safety process, termed the MEERKAT Process, ("Making the Effective Elimination of at-Risk Behaviour a Key Attitude Together") continued to play an important part in preventing accidents and incidents during the year. The appointment of full-time behavioural safety co-ordinators and additional training of the steering teams in the proprietary

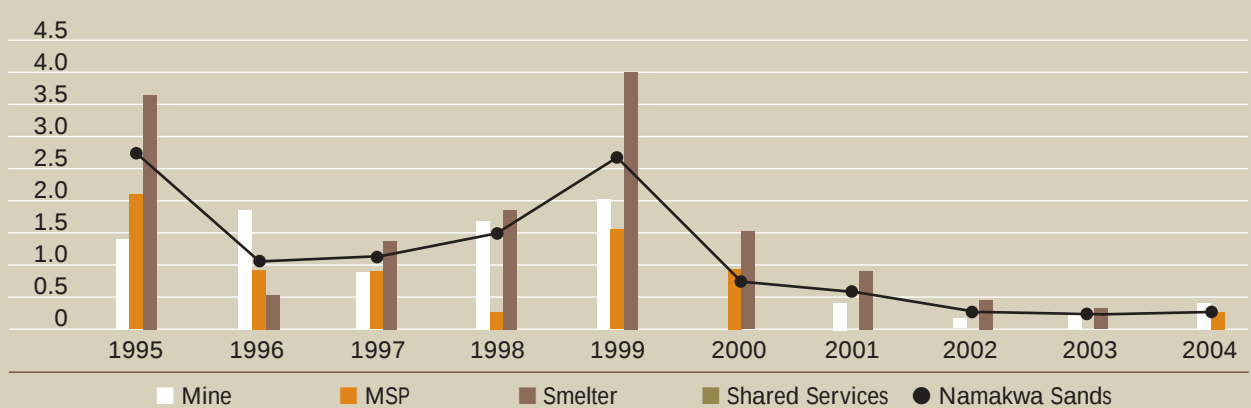
software, further contributed towards making more effective use of the observation data collected. This enabled the respective teams to formulate action plans to address the barriers identified once the data was analysed.

To date, more than half the workforce has been trained as observers. All managers and first-line supervisors have also been trained in the process and the focus of the training has been on coaching. This will augment and complement the observations being conducted at shop-floor-level.

Risk assessments were reviewed at all three operational areas during the course of the year and new risk assessments conducted on new projects and activities. These assessments will continue to be reviewed annually and when circumstances change. An important objective was taking the information gained during 2003 and 2004 from the multitude of risk assessments by external consultants and specialists, the in-house safety, occupational health and environmental assessments, and the incident and injury analysis and consolidating it into one comprehensive risk assessment. This process has commenced and an integrated risk assessment model has been developed. Population of this system with information will be a key objective for 2005.

Visible, Felt Leadership continued to be a key initiative during 2004 with in excess of 7 000 hours spent by line management performing this function. This, combined with the MEERKAT observations conducted during the year, represents a significant amount of time spent identifying and correcting at-risk behaviour and at-risk conditions.

Historical Lost Time Injury Frequency Rate





Historical Safety Performance – Lost-Time Injury Frequency Rates (LTIFR)

Operational Area	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Mine	1.39	1.84	0.87	1.68	2.01	0.00	0.35	0.13	0.23	0.40
Mineral Separation Plant	2.14	0.88	0.88	0.25	1.56	0.93	0.00	0.00	0.00	0.49
Smelter	3.72	0.54	1.36	1.89	3.99	1.51	0.91	0.30	0.33	0.18
Shared Services	-	-	-	-	-	-	-	-	0.00	0.00
Namakwa Sands	2.72	1.04	1.06	1.50	2.68	0.80	0.52	0.18	0.21	0.34

Operational Area	LTIFR 2003	Target LTIFR 2004	Actual LTIFR 2004	Actual Lost Time Injuries	MTCR 2003	Target MTCR 2004	Actual MTCR 2004	Actual Medical Treatment Cases
Mine	0.23	0.00	0.40	3	1.03	0.69	0.93	7
MSP	0.00	0.00	0.49	2	1.17	0.78	1.95	8
Smelter	0.33*	0.00	0.18	1	1.49	1.00	1.28	7
Shared Services	0.00	0.00	0.00	0	0.00	0.00	0.00	0
Namakwa Sands	0.21*	0.00	0.34	6	1.16	0.78	1.23	22
*Excludes fatality								

OCCUPATIONAL HEALTH

The identification, assessment and management of occupational health risks remain key objectives. To meet these legal requirements we continued using the services of approved external inspection authorities and consultants to identify, quantify and assess a wide range of workplace occupational health risks and to make recommendations for improvement.

Medical surveillance of employees and contractors at risk of exposure to occupational hazards was conducted at the Company's three fully equipped Occupational Health centres. These centres provided primary and occupational health services to all employees and contractors. The risk-based medical surveillance system includes general medical examination, lung function, audiometry, vision testing, biological monitoring as well as on-going education and awareness of occupational health risks. Medical surveillance, psychomotoric and psychometric testing facilities are integrated into the selection and recruitment process to manage the risks. No cases of irreversible occupational health illness were reported or identified to date.

The Company's occupational health facilities and programmes were audited against the Anglo American plc

Occupational Health Guidelines and a high level of compliance was achieved. All deficiencies identified during 2003 and the associated action plans to address these were implemented during 2004.

The Namakwa Sands HIV / AIDS steering committee comprises representatives from the three site committees and management. This committee's terms of reference is to address all issues referred to it and to make recommendations on policies and strategies to the Namakwa Sands Management Committee. The main focus on HIV / AIDS during the year was the promotion of the "Know your Status" campaign which culminated in a voluntary counselling and testing initiative during December with 87% participation of available employees being achieved. The results indicate a total prevalence rate of 0.92%.



ENVIRONMENTAL MANAGEMENT

Environmental management at Namakwa Sands is based on our certificated ISO 14001 environmental management system. Our sites operate in different legal environments and as a result the principles of “best practise” are applied across the sites in order to promote higher standards of performance.

Highlights of 2004

- No fines, penalties or statutory investigations by government departments were incurred as a result of our activities.
- No level 3 environmental incidents occurred during 2004.
- The Smelter received its Final Registration Certificate issued in terms of the Atmospheric Pollution Prevention Act (Act 45 of 1965).
- Construction of a neutralisation plant to eliminate disposal of unneutralised effluent at the MSP commenced in September 2004.
- Our ISO 14001 certificated status was retained at two surveillance audits held during the year.
- Water consumption targets were achieved.

Lowlights of 2004

- Twelve level 2 environmental incidents occurred during the year.
- Not all energy and CO₂ targets were achieved.
- Lower than budgeted rehabilitation rates were achieved for both East and West mines.

Overview

Each of our sites has characteristics that result in different environmental impacts. These impacts range from resource consumption and pollution generation to disturbance of the natural ecosystem. Our stated environmental objectives centre around our policy commitment to manage our significant environmental risks.

Namakwa Sands does not, however, operate in isolation and as a result we participate in different forums that focus on issues relating to our biggest environmental risks. The main forums in which we participate include:

- The Saldanha Bay Water Quality Trust;
- Saldanha Bay Forum;
- Lower Olifants River Water Users Association;
- Olifants River Catchment Management Agency; and
- Succulent Karoo Ecosystem Planning project (SKEP).

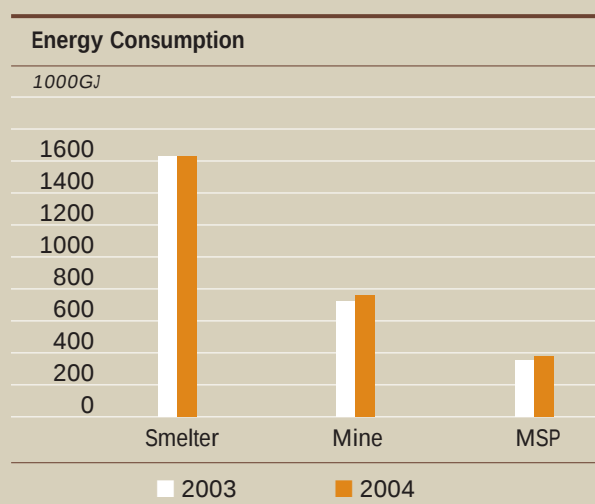


ENVIRONMENTAL MANAGEMENT

Energy Use

Total energy usage across all three sites increased marginally this past year. Energy consumption per ton increased at the MSP but decreased at the Mine and Smelter. This increase is as a result of higher electricity and paraffin consumption.

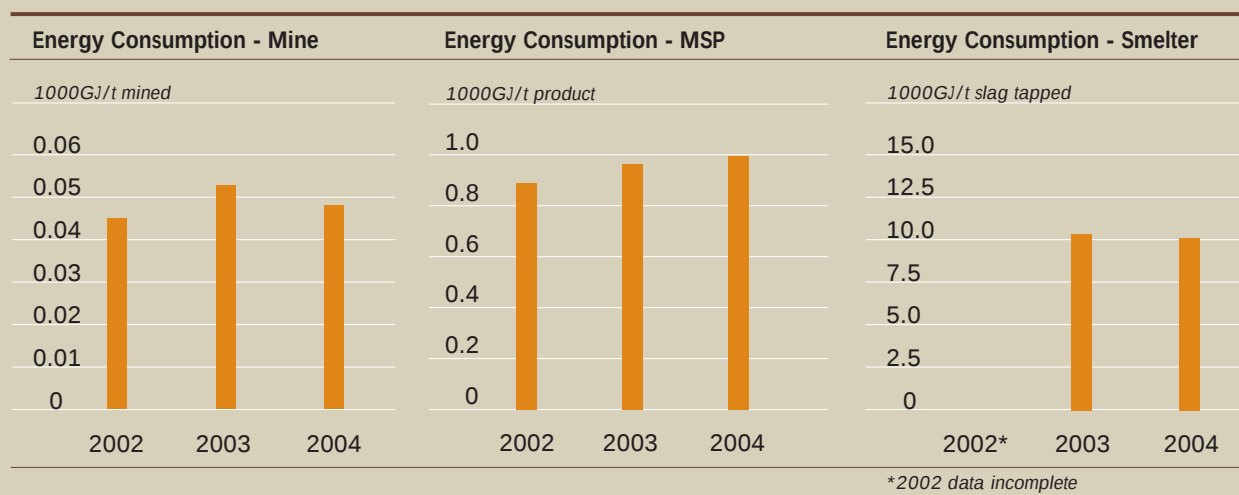
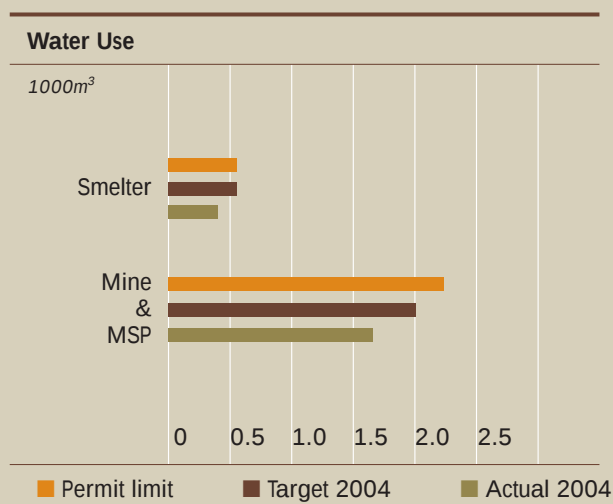
As an Anglo Base Metals operation, Namakwa Sands is obliged to reduce energy consumption by 15% in the next 10 years. A visit by experts in the field of energy reduction was conducted in late 2004 to provide some initial guidance on where opportunities for reduction exist within our operations.



Water Use

With our operations being located on the arid west coast of South Africa, management of fresh-water consumption is a key focus area for all three sites. Water for the Smelter is supplied by the local municipality from the Berg River, while the Mine and MSP receive their water from the Lower Olifants River Irrigation Scheme. Most of the water consumed at the mine site is, however, sea water with fresh (canal) water being used for final product rinsing and domestic use.

Targets for reduced fresh-water consumption set for 2004 were achieved. The Smelter site achieved a saving of 18% against target and 19% against permit requirements. The northern operations, which run under a combined allocation, achieved a saving of 16% against target and 27% against their permit.





Construction of the neutralisation plant at the MSP and treatment of the Hot-Acid Leach circuit effluent will assist in further water savings to be implemented at this plant in 2005 and beyond.

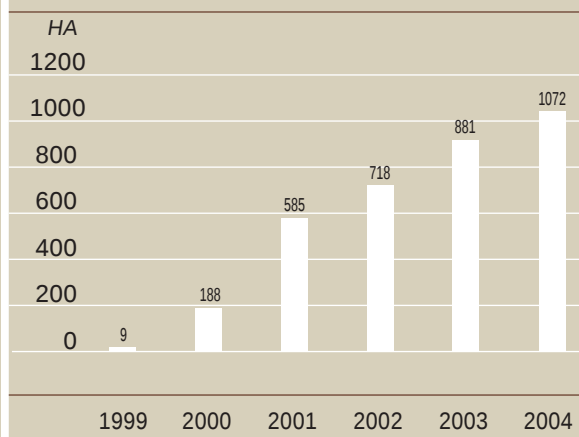
The Smelter site implemented a project in January 2004 which has been responsible for their large reduction in potable water consumption. Slurried effluents generated on the plant are sent through a thickener and pumped to a residue dam located adjacent to the plant where the solid material settles out. In the past the water remained in the dam and was lost to evaporation. This water (amounting to approximately 5 500 m³ a month) is now returned as cooling water to the two largest water consumers, primary and secondary cooling.

Biodiversity

The strip-mining activities conducted at Brand se Baai cause the largest impact on bio-diversity at Namakwa Sands. The total land under Company charge at the mine site is 14 892 ha and the current area impacted by mining operations is 2 111 ha.

An annual target of rehabilitation rates equal to mining rates is set for both mining areas. In 2004 neither mine site achieved this target. Although topsoil was preserved in the West mine, rehabilitation was halted as a result

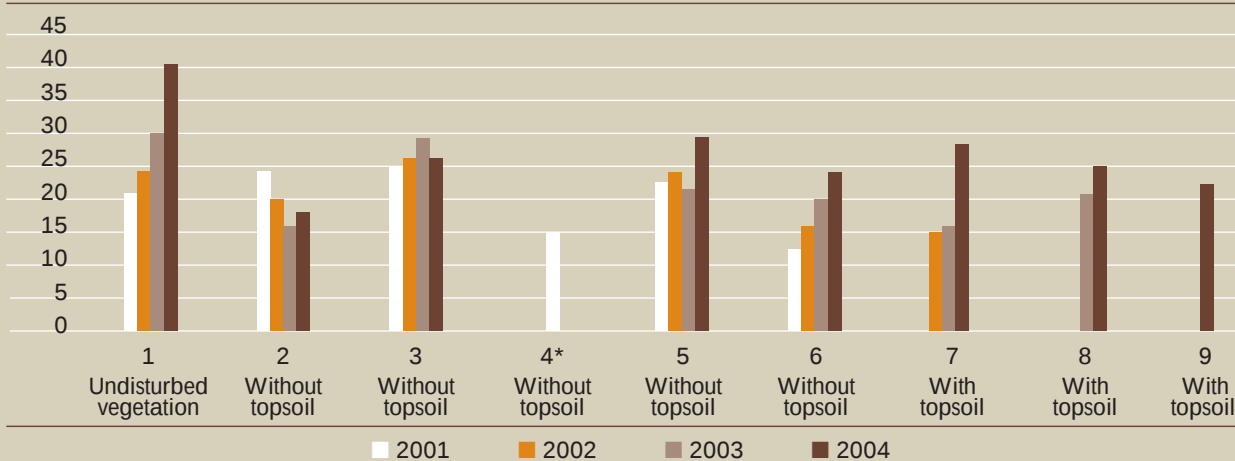
Progressive Rehabilitation (stabilisation with windbreaks and vegetation)



of the construction of the number 4 slimes dam. All tailings produced in the plant were used for construction of the dam walls which left no tailings available for backfilling and rehabilitation.

In terms of the Namakwa Sands Biodiversity Action Plan an annual flora biodiversity audit is conducted. Surveys are conducted in controlled and rehabilitated areas by a botanical expert and the number of plant species found per site is compared with the controlled site.

Plant Species Recovery Per Sample Site



*Sample area 4 was omitted from post 2001 analyses due to it being committed for future slimes dam development.

ENVIRONMENTAL MANAGEMENT

WWF - African Black Oystercatcher Programme

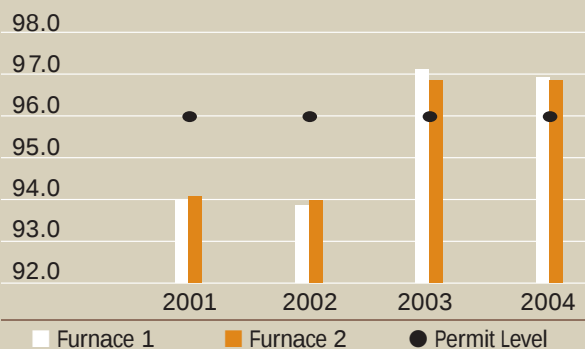
Namakwa Sands continued to fund this programme run by the World Wide Fund for Nature (WWF). This project aims to use an assessment of population trends of the endemic African Black Oystercatcher (*Haematopus moquini*) to develop a conservation strategy and model to monitor the biological integrity of the South African coastline. This bird is the third rarest oystercatcher species in the world and, as such, is a species of special concern in its own right.



The Oystercatcher Conservation Programme (OCP) has been enormously successful to date in generating public awareness and involvement as well as providing research findings of conservation significance not only related to oystercatchers, but also to a broader range of coastal biota.

A documentary film on oystercatchers and the OCP was completed and aired on national television in October 2004.

Gas Plant Utilisations



CO₂ - Mine

t CO₂/t mined



Emissions to Atmosphere

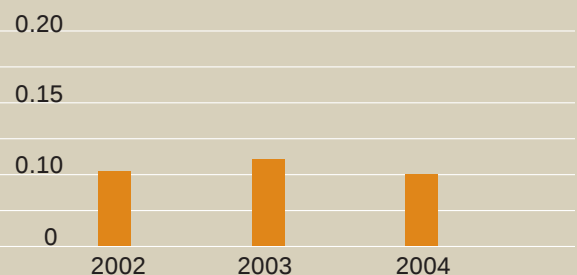
The Smelter site is the only direct emitter of carbon dioxide to the atmosphere. These emissions from the furnaces are recorded and reported monthly. The remaining greenhouse gas emissions are CO₂-equivalent emissions derived from electricity, diesel, petrol, paraffin and liquid petroleum gas consumptions across the sites.

Gas plant utilisations were much improved at the Smelter this year with only one level 2 incident being raised for one month's non-compliance with the permit requirements on furnace one in May 2004.

Acidic emissions from the MSP's acid stacks were identified as a potential risk to the Company and as such an ecological survey of the area around the plant has been commissioned to define the current impact of these emissions. An ISO 14001 objective has also been set to monitor and reduce the emissions to within acceptable limits.

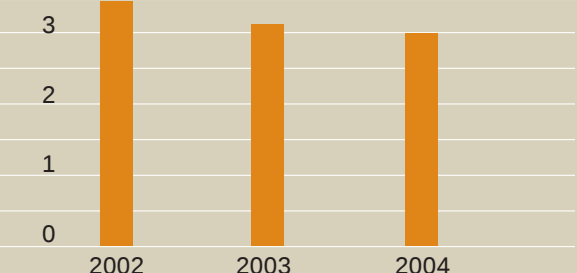
CO₂ - MSP

t CO₂/t product



CO₂ - Smelter

t CO₂/t slag tapped





Effluent Streams

Liquid effluents are generated at the Smelter and MSP. Both these activities are regulated in terms of the National Water Act (Act 36 of 1998) and the existing permits are being renewed as water uses in terms of this legislation.

The only other effluent generated on the sites is domestic sewage that is sent to the Saldanha Bay Municipality (Smelter); handled on site in a French drain system (MSP), and treated in a small-scale sewage works (Mine).

Waste Management

Associated with the Smelter residue effluent is a solid fraction that settles out into the residue dam. A toxicological and waste characterisation assessment undertaken in 2004 has assisted in defining how the industrial waste streams generated at the Smelter should be handled in the most environmentally responsible manner. Further investigation will now be undertaken to determine the feasibility of some of the recommendations made in the report.

In terms of volume generated, the tailings and slimes wastes produced by processing activities at the mine site are the largest waste streams at Namakwa Sands. The production of these wastes is directly proportionate to the tons mined (for tailings) but also related to the composition of the ore body (for slimes).

All hazardous and medical wastes continue to be disposed of at approved facilities in Cape Town.

Volumes of main waste streams

1000t

15 000

10 000

5 000

0

2001*

2002*

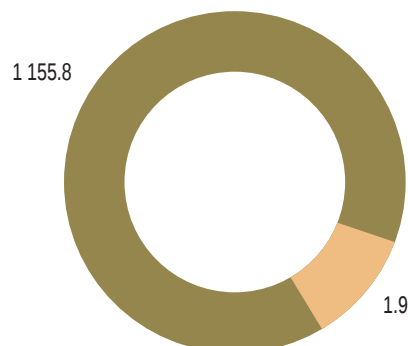
2003

2004

■ Slag sludge in Residue Dam ■ Slimes in Slimes Dams ■ Tailings Backfilled

*Slag sludge not reported

Waste disposed during 2004 (1000t)



■ Hazardous waste to legal landfill

■ Non-hazardous waste to legal landfill

Low-level radioactive wastes are generated on different scales by the different processing plants. In the case of the SCP the non-magnetic tailings are backfilled in the mine void. At the MSP the non-economic minerals are stockpiled on site. All these stockpiles, and other controlled and supervised areas, are monitored regularly in terms of the requirements of the Radiation Protection Programme.

Radiation

Low levels of naturally occurring radioactive material (NORM) are associated with the Namakwa Sands ore body. Although some of these minerals are removed as wastes during processing there is also some concentration of the minerals as a result of the various processing activities. An approved Radiation Protection Programme has been implemented and regular compliance audits are conducted by the National Nuclear Regulator. The number of radiation occurrences in 2004 decreased from 2003. These occurrences were related to minor spillages of zircon sand.

Radiation Occurrences

15

10

5

0

2003

2004

12

4

ENVIRONMENTAL MANAGEMENT

Compliance and Risk Assessment

Our ISO14001 certified EMS has been in place for over a year now. At both surveillance audits held in 2004 the external auditors verified the certification status of the Company. The ongoing integration of the management systems operated by the Company continued and the implementation of OHSAS 18001 assisted in closing some gaps identified within the environmental management system.

The number of level 1 incidents reported was lower than in 2003, whereas the number of level 2 incidents increased. A decision was taken in February 2004 that a monthly level 2 incident will be reported for the disposal of acidic effluent at the MSP into unlined dams (and ultimately seeping to groundwater) until such time as this activity is stopped.

A revised internal audit schedule implemented at the beginning of the year resulted in the number of non-conformances being significantly higher than 2003. The overall impact of the audit schedule has been positive with a number of improvement areas within the EMS identified by the auditors.

Management of environmental risks and prevention of pollution remain the driving forces behind the continuous review process of our risk assessments. This process urges the enforcement of the precautionary principle when undertaking any activity which could impact on the environment. In order to close gaps within the current risk assessment methodologies, a project was launched

aimed at developing an integrated risk assessment methodology which could be used to assess any risk / hazard to the Company. This methodology has been developed but requires some trial runs before it can be rolled out across the operations.

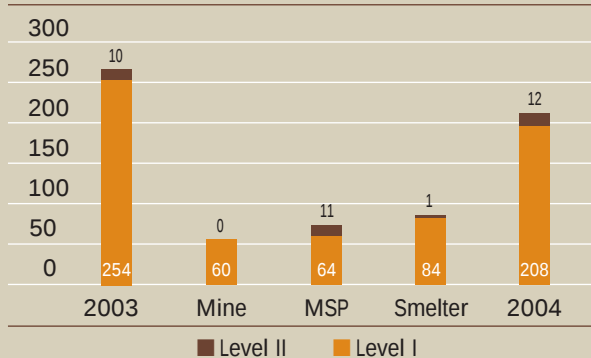
Our toll-free environmental call centre remained in operation in 2004 and only two complaints were received via this medium during the year. The telephone number is 0800 203 565 and anyone wishing to raise issues of environmental significance can call this number 24 hours a day. The environmental department replies to all calls recorded by the service in order to discuss and resolve the concerns raised.

Environmental Performance Table

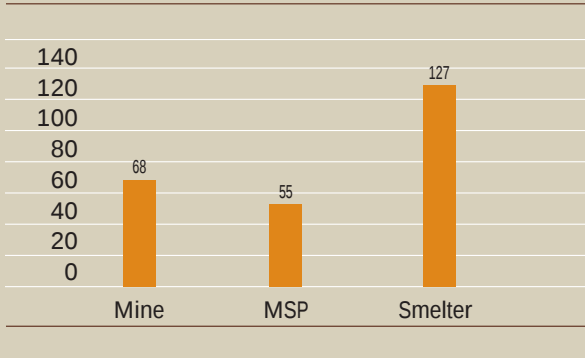
Water (m ³ /t)	2002	2003	2004	2005 target
Mine	0.0781	0.0900	0.0652	0.0646
MSP	1.193	1.138	1.238	1.225
Smelter	3.55	3.29	2.59	3.01
Energy (GJ/t)				
Mine	0.0448	0.0510	0.0485	0.0507
MSP	0.87	0.96	0.99	1.04
Smelter	*	10.41	10.22	10.30
CO ₂ (t/t)				
Mine	0.0075	0.0087	0.0083	0.0089
MSP	0.109	0.110	0.108	0.117
Smelter	*	3.09	3.01	3.06

*2002 Smelter data incomplete

Environmental Incident Analysis 2004



Environmental NCR's 2004



ENVIRONMENTAL

CASE STUDY

Improving water quality to enable recycling options at the Mineral Separation Plant.

The Mineral Separation Plant (MSP) process includes a hot-acid leach circuit where the mineral concentrates received from the mine are attritioned in a solution of sulphuric acid to remove iron coating from the mineral grains. Water used in this process is recycled from the wet gravity circuit where fresh, clean water is required to wash the sand in order to ensure maximum mineral recoveries. The effluent generated by the hot-acid leach process is currently sent to a series of unlined evaporation dams located on the premises. Here the effluent is mixed with lime in mixing channels in order to increase the pH of the water.

Over time, boreholes monitored in the area of the evaporation ponds began to indicate that the effluent was seeping into the ground water. This problem was identified as a significant aspect in terms of the ISO 14001 environmental management system and capital funding was granted for the construction of a cut-off trench to be built around the dams. The construction of the trench, completed in mid-2003, was undertaken as an interim measure to reduce the impact on the groundwater in the area by intercepting the seepage.

In early 2004 Namakwa Sands approved an amount of R27,7 million for a neutralisation plant to be constructed at the MSP. This plant will use CSIR patented lime-stone technology to neutralise the acidic effluent to a pH of around eight. The neutralised water will still have a high salt content which would inhibit the effective separation of the minerals if it were to be used in the process. Phase 2 of the neutralisation project is currently investigating various options for further treatment of the water from the neutralisation plant to a quality suitable for an alternative use. This research will investigate the feasibility of either re-use of the water by the MSP or treating the water to a quality which will be suitable for other uses in the area, such as agriculture.



Construction of the neutralisation plant is expected to be completed in July 2005.

QUALITY MANAGEMENT

Namakwa Sands is committed to producing heavy-mineral products of the highest quality standards and to ensure that customer requirements are fulfilled. The customer is our most important stakeholder and all our processes and products are focussed towards a satisfied customer at all times.

A Quality Management System has been introduced to ensure customer focus throughout the organisation, management commitment and continual improvement. The Quality Management System complies with the ISO 9001 : 2000 standard and Namakwa Sands has been registered by the external certification body, SGS as an ISO 9001 organisation. Certification was awarded in September 2003 and two surveillance audits by external auditors during 2004 confirmed continual compliance with the ISO 9001 system. Positive feedback was received from the independent auditors and certification has been retained.

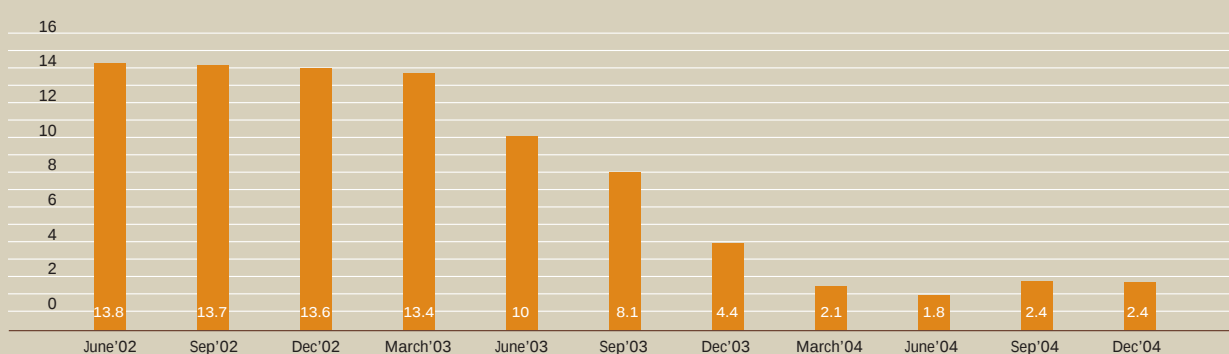
Product quality is monitored and determined throughout the operational processes by means of grain counting

and laboratory analysis to ensure a final product that conforms fully to the quality specifications. Quality assurance testing is performed in the laboratories on all product consignments prior to delivery.

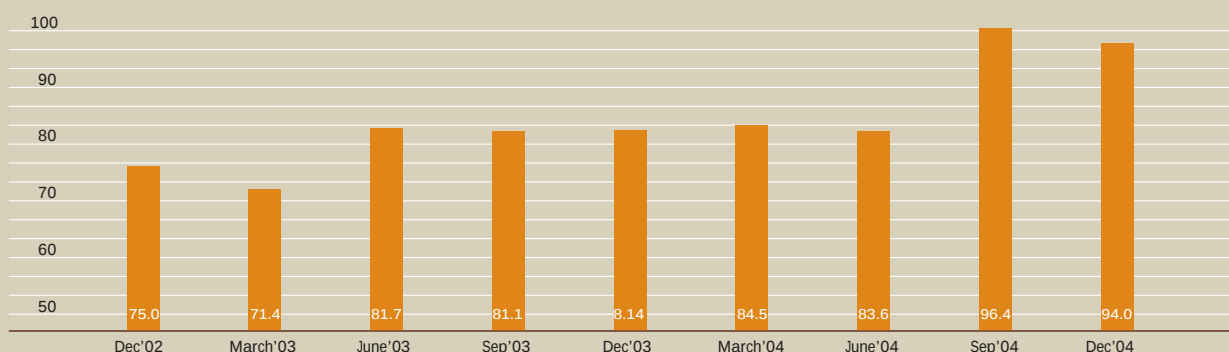
The laboratories conform to the ISO 17025 Laboratory Quality Management System and accreditation was awarded on the final product analytical methods. The ISO 17025 accreditation provides assurance of accurate analytical results to external and internal customers.

A long-term quality objective is to reach a level of zero defect and total customer satisfaction. The measurement indicators at Namakwa Sands for zero defect and customer satisfaction are a Customer Dissatisfaction Index (CDI) and Product Conformance Index (PCI). The CDI is an indication of customer complaints and the ultimate target is zero while the PCI is a measure of product compliance with specification and the ultimate target is 100% compliance. Namakwa Sands improved significantly on these indexes and the excellent performance is an indication of the effectiveness of the Quality Management System.

Customer Dissatisfaction Index (CDI)



Product Conformance Index (PCI)





Product information sheets and safety data sheets are compiled for all products dispatched from Namakwa Sands. These sheets provide customers with information on product quality and give transporters the information they require for safely consigning our products to their port of destination.

Relationships with our customers are managed primarily by the Marketing Department. Their internal policies and procedures ensure that confidential customer information remains classified and privacy guaranteed. Our continuous improvement of operational efficiency together with a Focus on customer satisfaction will help us achieve our goal of being the preferred supplier.



SOCIAL RESPONSIBILITY

"The aims of the group have been - and they still remain - to earn profits, but to earn them in such a way as to make a real and permanent contribution to the well-being of the people and development of Southern Africa."

Sir Ernest Openheimer (1880 -1957)
Chairman's Statement, 1954

Namakwa Sands has established a tradition of community involvement and social investment. The Company has a three-year rolling Community Engagement Plan (CEP), which is reviewed annually. This CEP is based on the guidelines contained in the Anglo American Good Citizenship: Our Business Principles, to which Namakwa Sands is wholly committed. These principles are well embedded and forms part of the fibre of the Company. The CEP is aligned to the ISO certification process. Namakwa Sands is committed to the promotion and enhancement of constructive and mutually beneficial relationships with all stakeholders.

EMPLOYEES AND THEIR FAMILIES

Our employees are key stakeholders and we seek to maintain a regular two-way flow of information and communication, in order to maximise their identification with and ability to contribute to the business. To this end employees are actively engaged to discuss and debate issues of relevance and importance supporting the growth and development of the Company through various communication sessions, including:

- Business and Operational Reviews, attended by middle and top management;
- Monthly and special briefing sessions;
- An internal newsletter (Sandy Times); and
- A number of consultation and communication forums, where issues of mutual interest are discussed, i.e. Employment Equity and Skills Development forums and other communication forums.

Namakwa Sands employs 950 permanent employees and a number of full time contractors. The total turnover rate of employees for 2004 was 7.8%.

The National Union of Mineworkers

The National Union of Mineworkers (NUM) is the only formally recognised trade union at Namakwa Sands. It represents the majority of employees at the semi-skilled operative levels. In terms of the recognition agreement, each operational site has a branch committee, which in turn reports into a central Namakwa Sands co-ordinating committee. This co-ordinating committee is also charged with the mandate to conduct annual substantive negotiations.

Communications

Namakwa Sands participated in a first- ever international Anglo Base Metals Work Climate Survey conducted from 10–30 April 2004 and we obtained a 100% employee participation rate. The purpose of the climate survey was to give employees the opportunity to share their opinions in an open and honest way, thereby creating opportunities for improving the existing climate. After the results had been received, focus group discussion sessions, facilitated by external consultants, were conducted. Initial indications are that there exist definite opportunities to improve the way in which we do our business.

During late 2003 the Company contracted the services of an external communications consultant who conducted a Communications Audit. Some of the findings and recommendations of the audit, received during March / April 2004 have already been implemented.

Employee Assistance Programme (EAP)

The Namakwa Sands EAP contract with the Careways Group was renewed for 2004. This programme complements primary and occupational health-care programmes offered on site. Employees and their immediate families are able to access the EAP services for a wide range of personal and work-related problems that include emotional, mental, financial, legal and health issues. The outcome of these services is twofold, namely:

- Providing pro-active ways to improve and maintain physical, emotional, psychological, occupational, legal and financial health and well-being of employees and their families, and
- Identifying, assessing and intervening with troubled and at-risk employees in time.



The EAP utilisation for all three sites during the year was 11.36%. Employees can also access the Careways National Care Centre via the Internet, fax, e-mail and telephone.

Home Ownership Scheme

At the beginning of 2003 Namakwa Sands formally introduced a home ownership scheme to assist employees in becoming homeowners by purchasing Company-supplied housing. To date 36 employees have elected to purchase their Company-supplied houses, and this empowering initiative has seen a marked increase in the number of employees interested in becoming property owners. A delegation of management and employee representatives has been actively engaging provincial government to try and gain support for employees in the bargaining unit, in an effort to assist in making home ownership more affordable and accessible for these employees.

Diversity and Equality

Namakwa Sands is committed to the promotion of workplace equality and opportunities for employees from disadvantaged backgrounds and continuously seeks to eliminate all forms of unfair discrimination. The Company subscribes to the requirements of both the Employment



Equity Act and the Mining Charter; current progress is well within the requirements and exceeds these requirements in certain areas. The following support systems have been put in place, among others, to obtain these goals and to eradicate unfair discrimination:

- Employment Equity Committees and Forum, where management, the union and non-bargaining unit employees are represented
- Diversity Management Programme, which has been attended by 320 employees during 2004 and 511 employees since its formal inception in February 2003. This exceeds the target of training 200 employees per annum. In an effort to accelerate this in-house training programme, the Company has increased the number of trained facilitators.

SOCIAL RESPONSIBILITY

Whistle-blowing Facilities

Being committed to the 'Anglo American Good Citizenship: Our Business Principles', Namakwa Sands continues to communicate and publicise the "Speak-up" campaign. A dedicated toll-free number, 0800 203 896, is available to anyone wishing to report unacceptable conduct. The disclosure of unlawful or irregular conduct in the Company is protected by Company policy and legislation.

EDUCATION AND YOUTH DEVELOPMENT

Namakwa Sands remains committed to preferential local recruitment. However, the nature of the business will in future require entrants to the industry with high-level qualifications in mathematics and science as well as the ability to communicate fluently in English.

English Tuition

The lack of first-language English tuition on the West Coast remains a significant hurdle in attracting highly skilled English-speaking employees. Parents are reluctant or unable to send their children to English schools with boarding facilities in Cape Town, Stellenbosch and Paarl in the early stages of their school careers.

During 2004 Namakwa Sands continued its subsidy of salaries for additional teachers at the Saldanha and Lutzville primary schools. These teachers are dedicated to maintain English tuition streams at the schools.

Mathematics and Science

Mathematics and science remain a strong focal point to increase the base of potential future recruits. Namakwa Sands has been involved in improving the standard of tuition in mathematics and science as well as creating opportunities and stimulating interest in mathematics and science at the higher grade. In addition to the initiatives discussed below, Namakwa Sands co-sponsors an additional position for a senior grade mathematics teacher at Vredendal Secondary School.

These collective efforts have started to pay significant dividends and are showing encouraging results.

The West Coast Centre for Mathematics, Science and Computer Science, established at Weston High School in Louwville near Vredenburg serves all the schools in the area. Initiated in 1998 by a neighbouring industry (Saldanha Steel), Namakwa Sands recommended an application for funding to the Anglo American Chairman's Fund, which sponsored R100 000 of the set-up capital. During 2002 the Chairman's Fund donated an additional R100 000 based on the results achieved.

Namakwa Sands is a trustee member of the centre and has also pledged an annual contribution. Several other local employers have subsequently joined the initiative and are contributing towards its success.

IMSTUS (Institute for Mathematics and Science Teaching, University of Stellenbosch)

IMSTUS functions under the auspices of the division for Academic Development Programmes of the University of Stellenbosch. The main objective of this project is to develop and enhance the tuition skills of mathematics and science teachers of the entire area in order to ensure an improved standard of teaching in those subjects. The programme is active in the Vredenburg / Saldanha as well as the Lutzville / Vredendal areas and successes achieved in enhancing the capacity of teachers in the field of mathematics and science are well recognised by the Western Cape Education Department.

General Assistance to Schools and Youth Programmes

We are the annual sponsor of Winter and Spring Schools for Grade 12 learners in both the Vredendal / Lutzville and Vredenburg / Saldanha areas. The objective of these programmes is to assist the learners with preparation for their final examinations. Other donations and assistance mainly centre on merit awards at prize-giving ceremonies, visits to educational institutions and fundraising projects in general institutions and fundraising projects in general.



Technikon Experiential Students

Since 1995 we have worked closely with mainly the Western Cape-based technikons to afford students the opportunity to complete their experiential training with the Company.

During 2004, ten students, seven coloured males, two black males and one black female, completed their experiential training with Namakwa Sands.

A merit award was received during 2004 from the South African Society for Co-operative Education (SACE) for the consistent attainment of a standard of excellence in its participation and practice of co-operative education. In addition an award of excellence was attained from the Peninsula Technikon where Namakwa Sands also qualified as a finalist for providing outstanding educational service during 2003/2004.

School-Leavers Project

A number of school leavers are afforded the opportunity to gain practical experience in a large business environment on a one-year fixed-term contract basis with the Company. A total of six school leavers were engaged in 2004.



Bursary Scheme

The Company has a full-time bursary scheme with emphasis on local school leavers. During 2004 a total of eight students benefited from bursaries awarded by Namakwa Sands. Of the eight, six students are from the designated groups.

COMMUNITY ENGAGEMENT

The geographical locations of our operations and activities influence a vast number of communities. A number of farming communities, which fall within the boundaries of these municipalities, are affected by our business activities.

SOCIAL RESPONSIBILITY

The communities in the south include: Saldanha Bay, Diazville, Middelpoos, Vredenburg- / Louwville, Langebaan, Langebaan Road and Hopefield. In the north are the communities of Vredendal, Uitsyck, Lutzville, Koekenaap, Ebenhaezer and Nuwerus. Namakwa Sands actively promotes strong relationships with, and enhances the capacities of, the communities of which we are a part. We regularly engage with these communities about issues that may affect them, through:

- Employee Community Involvement
All levels of employees are encouraged to serve on community structures in their personal capacities, to share their expertise and to contribute to the uplifting of their communities.
- Interested and Affected Parties meetings
To discuss the performance of the Company with regards to environmental, safety and community issues. These meetings have been constructive and afford parties the opportunity to understand the issues surrounding our operations and also to present their concerns to the Company.
- Media Coverage
Sound relationships are maintained with the local press.
- Local Recruitment
Namakwa Sands' commitment to local recruitment is well known and appreciated within the communities.

We endeavour to ensure that our support for community projects reflects the priorities of the local people and are sustainable and cost effective.

West Coast Business Development Centre (WCBDC)

Pursuant to our commitment to the Anglo American Good Citizenship: Our Business Principles, and being one of the founder members of the West Coast Business Development Centre (WCBDC), Namakwa Sands continues to support the WCBDC in order to increase the economic and social opportunities for the communities in which we are operating. The WCBDC is accredited and currently focuses on the development, enhancement and evaluation of BEE / SMME opportunities. Namakwa Sands is also represented on the board as one of the corporate members. The Company has contributed substantially in terms of financial support to the WCBDC and its activities.

HIV / AIDS Initiatives

The Company's involvement and commitment towards addressing HIV / AIDS remains unfailing and support for both the West Coast and the Matzikama HIV / AIDS Community Initiatives continues. During 2004 Namakwa Sands made substantial financial contributions towards these initiatives. Our employees remain closely involved with these community initiatives and serves as chairperson of the board, board members and members of sub-forums.

Local Charities and Support Organisations

During the year Namakwa Sands continued its support of local charities and welfare organisations, by means of small donations and fund-raising events. The emphasis for support in this regard is mainly directed at care for the aged and poor.

Direct (Monetary) Contributions

The following contributions were made during 2004:

• Education and Youth	R1 022 043
• Community Health	R333 000
• Small Business Development	R90 000
• Environment	R142 494
• Local Charities & Support Organisations	R121 010
TOTAL	R1 708 547

Suppliers

At Namakwa Sands we value suppliers and contractors as an integral part of our business and recognise their input as essential. We seek mutually beneficial, long-term relationships with our contractors and suppliers, based on fair and ethical practices. In order to foster and maintain these relationships it is important that suppliers' and contractors' performances are measured and that they subscribe to our Business Principles. To this end all suppliers have accepted the Business Principles by signing a compliance agreement certificate. The acceptance of Business Principles is included as a condition of all new contacts. Supplier performance is evaluated on the basis of the quality of supplies, competitiveness, delivery, after-sales service, savings initiated and supply innovation. Top suppliers are rewarded annually



for their supply excellence, in line with our business principles, at the Supplier of the Year function.

Our registered suppliers and contractors undergo a screening process as part of their registration. Various questionnaires are used as tools to rate the performance of suppliers in terms of sustainable development issues, including how they in turn manage their major issues. A number of our contracting companies are themselves ISO 9001 and ISO 14001 certified and / or rated by NOSA. In 2004 a number of companies lost their contracts with Namakwa Sands as a result of unfavourable safety performance.

Government and State Departments / Government Relations

Namakwa Sands is committed to operate within the legislative framework as promulgated by the State and associated departments. Relationships with Government are constructive and well developed. Namakwa Sands is represented on Integrated Development Planning (IDP) committees, both in the south and north.

Notable achievements in meeting legislative requirements:

- 100% success rate in terms of individual dispute litigation;
- The timely completion and submission of the annual Employment Equity Report, and
- The timely completion and submission of the annual Skills Development Report.



Logo: West Coast Community HIV / AIDS Initiative

GLOSSARY

OF TERMS

AAplc	Anglo American plc
Base Metals Division	A division of Anglo Operations Limited that is a subsidiary of AAplc
Behavioural Based Safety Programme	A formal programme targeting employee behaviour. In behaviour-based safety, effective safety management is a process that begins with human behaviour and manages systems that proactively affect safety performance.
Biodiversity	Totality of the variety of living organisms, the genetic differences among them and the communities and ecosystems in which they occur.
CO	Carbon monoxide gas
CO ₂	Carbon dioxide gas
CO ₂ from processes & fossil fuels	Calculated quantity of CO ₂ emitted from processes and from fossil fuel combustion.
CSIR	Council for Scientific and Industrial Research
EAP	Employee Assistance Program
Endemic	Species of plants or animals that are specific to a region
EMS	Environmental Management System (also see ISO1401)
EMPR	Environmental Management Programme Report
FACR	First aid case rate - the number of first aid injuries per 200 000 hours worked
Fatality	The death of an employee or contractor resulting from a work-related injury.
FIFR	Fatal injury frequency rate – the number of fatalities per 200,000 hours worked.
Fugitive gas emissions	Emissions of gas or fume not captured by the emission collection system (e.g. fume extraction, dust plant)
Golden Rules	A set of non-negotiable corporate safety standards
Greenhouse gas	Gases that enhance global warming, predominantly CO ₂
HIV / AIDS	Human Immunodeficiency Virus / Acquired Immuno Deficiency Syndrome
Hours worked	Total number of hours worked by employees, including overtime and training, excluding leave, sickness and other absences. It includes the total number of contractor hours worked on site during the year.
ISO	International Standards Organisation
ISO 9001	A quality management system standard published by the International Standards Organisation.
ISO 14001	An environmental management systems standard published by the International Standards Organisation.
ISO 17025	A quality management system standard specifically for laboratories aimed at ensuring sample test accuracy, published by the International Standards Organisation.
Level I Incident	Minor impact, short term effect on the physical or biological environment with no significant or long-term impairment of ecosystem function or surface / ground water resource; an inconvenience / disturbance / disruption / annoyance of short duration with no long-term effect on the community
Level II incident	Moderate impact, medium term effect on the physical or biological environment with limited impairment of ecosystem function or surface / ground water resource; an inconvenience / disturbance / disruption / annoyance of moderate duration with medium-term effect on the community.

Level III incident	Significant impact, extensive or long-term effect on the physical or biological environment with extensive or long-term impairment of ecosystem function or surface / ground water resource; an inconvenience / disturbance / disruption / annoyance of long duration or with long-term effect on the community.
Lost Time Injury (LTI)	Any occupational lost-time injury which renders the person unable to carry out his / her regular duties on the next day, and which results in one or more days away from work.
LTIFR	Lost-time injury frequency rate - the number of lost-time injuries per 200,000 hours worked.
Magnetic concentrate	Heavy mineral concentration comprising mainly Ilmenite
MTC	Medical treatment case - an injury requiring more than basic first aid
MTCR	Medical treatment case rate - the number of medical treatment cases per 200,00 hours worked
Non-magnetic concentrate	Heavy mineral concentration comprising mainly zircon and rutile
Northern Operations	The Company's operations comprising of the Mine and Mineral Separation Plant situated at Brand-se-Baai and Lutzville respectively
NS	Namakwa Sands
Occupational Disease	A disease or illness arising out of and in the course of an employee's employment
Occupational Health	The promotion and maintenance of the highest degree of physical, mental and social well being of workers in all occupations
Occupational Hygiene	Technical preventative measures that must be applied in the workplace in order to safeguard it
OHSAS 18001	Occupational Health and Safety Assessment Series (specifications for occupational health and safety management systems).
OTTO	Anglo American's safety management is founded on OTTO – "zero tolerance, target zero" – an approach to safety that requires an absolute adherence to standards at all times and an intolerance of unsafe acts or conditions.
Particulate emissions	Solids suspended in a gaseous medium
PCP	Primary Concentration Plant
SANAS	The South African accreditation body that accredits all certification bodies (example: SABS) and accredits tests methods.
SHE	Safety, Health and Environment
SHEQ	Safety, Health, Environment, Quality
Slimes and slimes dam	The clay fraction of the orebody is called slimes and this material is piped into an engineered empondment called slimes dams, which are developed, operated, monitored and maintained to prevent seepage and water contamination both during and after mining operations.
Stakeholders	Employees, contractors and other parties who have a material interest in Namakwa Sands
Tailings	The fine fraction of waste sand and rock remaining after the mining and on-site processing of mineral resources. This consists of uneconomic minerals and quartz sand. Tailings are sent back to the mining void to refill the mined out areas.
Tonnes mined	Total tonnes of ore and waste / overburden mined.
Total energy used	Calculated from electricity purchased and fossil fuels consumed.
Visible, Felt Leadership (VFL)	An initiative to ensure increased management visibility in workplaces aimed at the proactive identification and rectification of unsafe acts and conditions.

GRI

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NOTES