



*2011 Sustainable
Development Report*



*Coal to the world
growth to the nation*



RICHARD BAY COAL TERMINAL, WORLD CLASS COAL TERMINAL



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COMPANY PROFILE

COMPANY PROFILE

Situated in the deep port of Richards Bay Harbor, Richards Bay Coal Terminal Proprietary limited (RBCT) is the single largest export coal terminal in the world. Established in 1976, with an original capacity of 12 million tons per annum. RBCT has grown into an advanced 24-hour operation with the capacity of 91 million tons per annum.

Mission

RBCT provides a valued link in South Africa's coal export chain, to the benefit of all stakeholders

Vision

To be the terminal of choice, optimising stakeholder value.

Values

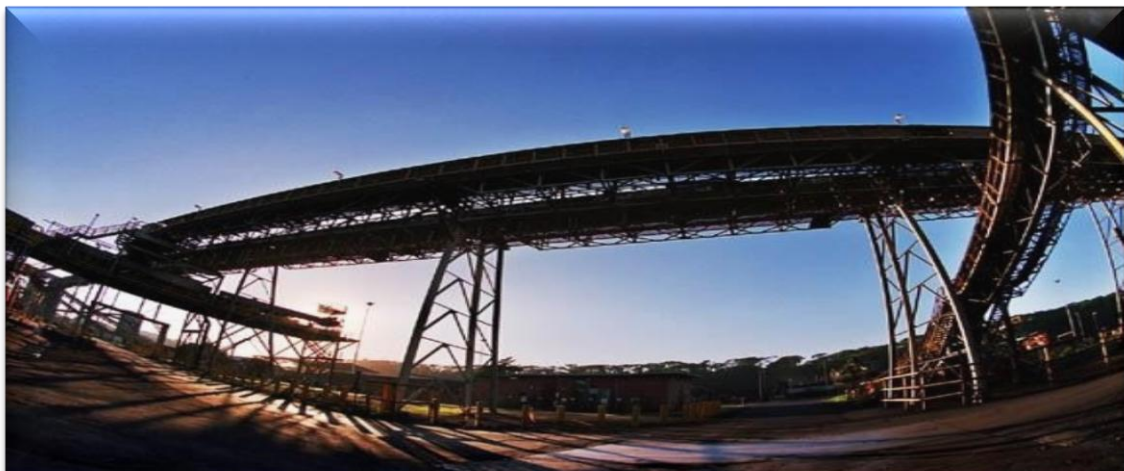
- Growth
- Reliability
- Efficiency
- Accountability
- Trust

Slogan

Coal to the world, growth to the nation

Our business

A safe, reliable and efficient coal logistics service.



**MESSAGE FROM THE ACTING CEO ON
RELEVANCE OF SUSTAINABILITY TO RBCT**

Acting CEO Message

Transparent reporting on our sustainability performance forms an important part of our strategic commitment to sustainable business practice which is embodied in the Richards Bay Coal terminal (RBCT) philosophy. We believe that long term value for all our stakeholders will be created by adopting a holistic approach to sustainability in which economic, social and environmental performance is measured within a framework of the highest standards of corporate governance and ethics. Our aim is to retain and improve on our status as a World Class coal export terminal that is investor friendly, maintains progressive local stakeholder partnerships and maintains employer of choice status.

RBCT PEOPLE

Our people continue to be our greatest asset. With this in mind, retention and productivity continue to be key focus areas. The Mission Directed Work Team process continues to be the vehicle of choice for RBCT in entrenching and upholding a high performance culture. The focus for 2011 was the re-alignment of teams to the KPI's of the business and ensuring that performance is proactively managed rather than reactively monitored. This has been done through an Extended MDWT Coaching Program that emphasized the importance of meeting the needs of both internal and external customers. Our commitment to building capacity and competencies is done through training programmes, skills development and on the job training.

EMPLOYMENT EQUITY AND DIVERSITY

We are continuously improving our organizational culture as our workforce becomes more diverse. This assists in ensuring that we are able to retain our employees as the struggle for talent continues. However, scarcity of key skills continues to pose a challenge to RBCT in meeting our equity targets. We successfully manage our employment equity through the Employment Equity Consultative Forum with diversity managed through a Diversity Task Team.

ENVIRONMENTALLY RESPONSIBLE

Responsible environmental stewardship and the effective management of natural resources are important to RBCT in living up to our values. With RBCT situated within an area that has been identified as a possible National Heritage site, environmental conservation in the process of moving coal is of prime importance. As an assurance of sound environmental management, RBCT is ISO 14001:2004 certified, and continued to perform well during the surveillance audit conducted during the month of July 2011. Other efforts include air quality and dust management systems, water quality management and recycling processes, waste management and energy efficiency.

SAFETY AND HEALTH

We made good progress in terms of safety performance during 2011. Although 3 lost time injuries were incurred in our operations during the year, the overall Lost Time Injury Frequency Rate (LTIFR) improved from 0.44 in 2010 to 0.24 in 2011. This is a 45% improvement in LTIFR year-on-year. Our safety management standards based on OHSAS 18001:2007 and legal compliance contributed significantly to the reduction of incidents. This has proven that the ultimate goal of zero harm to our employees and contractors is

achievable with our continued focus on leading safety indicators like behavior based observations and near miss reporting. We are persevering with our current safety strategy, and we believe it is sound and will ultimately deliver the desired result.

We continued to offer our employees the means by which to improve their health and overall wellness. Our wellness campaigns focused on common diseases such as diabetes, high blood pressure, obesity, HIV and TB. Psychologist and Biokineticist services have been made easily accessible to our employees through our onsite clinic.

PRODUCT RESPONSIBILITY

RBCT is a bulk coal handling facility. The product we handle is washed coal as received from the mines. From the time the coal arrives there are a number of interventions in place to ensure we handle the coal in a manner that will have minimal impact on our people and the environment within which we operate. At the point of arrival we have sprinklers on the rail trucks, together with rain guns in the stockyard, all geared to reducing dust emissions.

STAKEHOLDER ENGAGEMENT

RBCT operates within a network of critical stakeholders who are pivotal to our success. During 2011, key relationships were enhanced with Transnet, KwaZulu-Natal Provincial and Local Governments.

One of our key objectives is growing our nation through our Corporate Social Investment efforts. During the year, we donated R3.9 million to various worthy projects with the key focus on the sustainability of the projects. The report provides an overview of how RBCT has executed its strategy and lived its core values.

A J Waller
Acting Chief Executive Officer

GOVERNANCE AND ADMINISTRATION

SUSTAINABLE DEVELOPMENT REPORT PROCESS

The King Code of Corporate Practices and Conduct

RBCT recognises the need to conduct its business with integrity and in accordance with the highest standards of corporate practice. During the year under review, taking into consideration RBCT's operations, RBCT in all material respects has applied the Code of Corporate Practices and Conduct espoused in the King II Report and is in the process of complying with the King III report. Corporate governance is integral to RBCT management and operational requirements. Therefore, aligned to the King Code of Governance Principles, RBCT's integrated sustainable development report serves as a feedback mechanism to our stakeholders on our strategy, performance, activities, achievements and future plans.

The report covers the activities of all our operations and achievements within our financial reporting period as at 31 December 2011. The report aims to provide, where possible, with detailed analysis, information that is of key importance to a broader set of stakeholders including, but not limited to, RBCT users, civil society institutions, employee and international communities. From operations, we report on imports (trains handled) and export (shipping) associated statistical information and milestones. People issues are of paramount importance in RBCT. The report will highlight RBCT performance, human capital analysis, employment, training, leadership development, risk, health, safety, environment, operational excellence, financial practices and stakeholder engagements.

The report compilation is informed by Global Reporting Initiatives (GRI) Guidelines to ensure and facilitate comparability with reports of other organizations. The strategy for using the Guidelines is to improve the company's GRI reporting and to move beyond compliance. We conducted a gap analysis of our 2010 report with the intention to identify improvement areas on GRI SD reporting. More emphasis was placed on aspects that were not reported on in 2010 together with enhancing those that we have previously reported.

The report excludes any information on how BEE companies can get an allocation in the 4 million tons Quattro programme. The allocation of the 4 Million tons is carried out by the Coal Industry Task Team (CITT) of which RBCT is a member together with Transnet, Department of Mineral Resources (DMR) and Junior Miners. The process is administered by the DMR.

RBCT produces a separate Annual Financial Report which does not form part of this report and is distributed to shareholders only.

Our website contains more details on RBCT operations, statistical data on our exports, our shareholder contact details, corporate social investment projects and RBCT contact details.

COMPANY PROFILE

Richards Bay Coal Terminal Proprietary Limited (RBCT) provides coal mining houses in South Africa with a strategic link to international coal markets. The terminal provides mining houses with a world-class logistic service to export coal efficiently to, amongst others, Asian and European markets. In partnership with other stakeholders, RBCT has expanded terminal export capacity from an original capacity of 12 million tons per annum to 91 million tons per annum currently. Our tonnage exports are directly impacted by the upstream logistic infrastructure and continue to move towards the terminal's design capacity.

Situated in the South African deep water port of Richards Bay Harbour, KwaZulu-Natal RBCT operations are all housed in one location thus enabling efficiency in the operations of the terminal. Operational and management requirements are therefore responded to with minimum delays and short turn-around times. RBCT does not have remote offices. All operations and administration functions are conducted in Richards Bay.

We employ diverse skills and competencies locally to meet our operational targets. The majority of our human capital is sourced from KwaZulu-Natal thus contributing to local labour, economic participation through employment opportunities and thereby growth to the nation. Our commitment to participation in local economic initiatives and support of local communities was recognized by the Zululand Chamber Commerce and Industry ZCCI who awarded RBCT with the 2011 Corporate Business of the Year (runner-up) award.

Shareholder and Users as at 31 December 2011

Our shareholders are important to us. We keep them regularly updated on all financial activities and topical issues such as company strategy, company performance and engagement with stakeholders.

Users	Total
Shareholders	15
Long term commercial Users	2
Quattro users	17

For a list of our current shareholders visit: www.rbct.co.za

THE BOARD

There are 17 non-executive directors, 2 Independent non- executive directors and 15 alternate directors. The Chairman of the Board is an independent non-executive and is elected by the shareholders.

DIRECTORATE AND ADMINISTRATION

Directors

IN Mkhize (Ms) (Chairman)

BM Dalton

Z Docrat

JH Dreyer

DG Esterhuysen

D Haselau

GA Heale

MJ Houston

J-P Junqua Salanne *

TC McGiddy

MDM Mgojo

I Pitarque **

AJ Rogan

MS Teke

PE Venter

XR Wagner

Executive †

* French

** Spanish

Alternate directors

M van Niekerk

RV Chetty

MA Scharneck

GJ Marrian

T Legodi (Ms)

DD Quaker

RSE Alberts

L Baxter (Ms)

JL Myburgh

JAJ Loots

DR Gain

L Groenewald

W Sulaiman

Company secretary

Vacant

Registered office

South Dunes

Richards Bay Harbour

PO Box 56

Richards Bay

3900

Auditors

Deloitte & Touche

PO Box 351

Richards Bay

3900

Registration no.

1973/014256/06

BOARD PURPOSE AND FUNCTION

The board provides strategic direction to RBCT through its quarterly board meetings and the delegation of authority to board subcommittees and executive management. It reviews and directs the company's strategic objectives and annual budget. The board reviews and provides guidance on the performance of the company, i.e. those issues relating to the 'triple bottom line'.

BOARD COMMITTEES

To enable the Board to properly carry out its responsibilities and duties, certain of the responsibilities have been delegated to sub committees. Some of these committees are:

- Finance Committee (FINCO)
- Remunerations Committee (REMCO)
- Operations Committee (OPCO)

These committees do not diminish the board's overall responsibilities and the chairman of the committees report and make recommendations to the board at each board meeting. The minutes of all committee meetings are submitted to all directors prior to board meetings.

Finance Committee (FINCO)

FINCO functions include matters relating to finance, the shareholders' agreement, taxation and various administrative matters. The audit committee functions of the FINCO include assisting the Board on issues of monitoring and control and the practice of good corporate governance. The committee also oversees the internal audit function which is out-sourced to PricewaterhouseCoopers Inc, whose mandate is to review the reliability and integrity of financial and operating information, systems of internal control and the safeguarding of RBCT's assets and financial information. All significant findings arising from external and internal audit activities are brought to the attention of FINCO.

Remuneration Committee (REMCO)

RBCT's philosophy is to set remuneration at realistic levels in order to attract and retain the executive directors and general management needed to run RBCT successfully. A portion of executive directors' and general management's remuneration is structured so as to link corporate and individual performance. Some of the performance indicators include Safety, Environment, Operations and People matters.

In accordance with these objectives, REMCO annually reviews and evaluates the contribution of each executive director and member of general management and determines their annual salary adjustments. For this purpose, where appropriate, it considers salary surveys compiled by independent organisations. No executive director or general manager is involved in any decisions as to his/her own remuneration.

The Remuneration Committee met eight times during 2011.

The following members form the REMCO:

A J Rogan	Chairman
J H Dreyer	BHP Billiton Energy Coal South Africa Limited
J-P Junqua-Salanne	Total Coal South Africa (Pty) Limited
M J Houston	Xstrata South Africa (Pty) Limited
M S Teke	Optimum Coal Terminal (Pty) Limited
Z Docrat	Anglo Operations Limited

Operations Committee (OPCO)

The OPCO is one of the 3 RBCT board Subcommittees. It acts as an advisor to the board of directors on all matters of safety and operational performance. OPCO guides, co-ordinates and oversees the strategic and operational work undertaken by RBCT management on matters of safety and operational performance.

The OPCO members are expected to meet 11 times per annum, that is from January to November, in the third week of the month. The Committee met 10 times during 2011. The following members form part of the Operations Committee:

AJ Waller	Chairman	T Mkatshana
R Chetty		M Steyn (Ms)
V Deeplaul		E Theron
PJ Digby		GFT Warnasuriya
VJ Dötterbeck (Ms)		B Dalton
D McCann (Ms)		R du Plooy
NJ McGeorge		M McDougall (Ms)
KC McNeice		TC McGiddy
D Quaker		

Except for the Chief Executive Officer, who happens to be a full member and the chairperson of OPCO, RBCT general management attends by invitation.

RBCT SENIOR MANAGEMENT AS AT 31 DECEMBER 2011



Alan Waller
Acting CEO



Jabu Mdaki
GM: Maintenance



Judith Nzimande
GM: Human Resources



Bill Murphy
GM: Engineering



Casper Mbuyazi
Acting GM: Finance



Zanele Mthiyane
GM: HSEC



Richard Zitha
GM: Operation

INTERNAL CONTROLS

The Directors recognise their responsibility for internal, financial and operating controls and the monitoring of their effectiveness. Ethical behavior, compliance with legislation and sound accounting practice, underpins the internal control process. A formally structured internal audit function is outsourced to an independent firm of auditors.

General management and Directors of RBCT consider that systems are properly designed to provide reasonable assurance that assets are safeguarded against material loss or unauthorized use and that the transactions are properly authorized and recorded. Nothing has come to the attention of the Directors to indicate a material breakdown in the functions of these systems during the year under review.

RISK MANAGEMENT

The Board of Directors is responsible for the total process of risk management and sets the risk strategy, which is based on the need to identify, assess, manage and monitor all known forms of risk, in liaison with the Chief Executive Officer and general management.

Management is accountable to the Board for designing, implementing and monitoring the process of risk management and integrating this process into the day-to-day activities of RBCT.

The FINCO (through its audit committee function) seeks to ensure that there are adequate systems of internal control in place to mitigate significant risks faced by the company to an acceptable level. Systems are designed to manage, rather than eliminate, the risk of failure or to maximise opportunities to achieve business objectives.

In addition to RBCT's other compliance and enforcement activities, the Board recognises the need for a confidential reporting process to cover fraud and other risks. To this end, all suppliers have been communicated with, advising them of RBCT's position relating to fraud and unfair business practice, instances of which can be confidentially reported to the Non Executive Chairman, Chief Executive Officer, Whistleblower line or Risk Specialist.

Aligned to the Global Reporting Initiative's LA13 indicator, RBCT has standing committees that are assigned to manage, monitor and guide the organization in regard to good governance and ethical matters. These committees are tasked to discuss matters related to their respective mandate and make decisions in compliance with RBCT values and business strategy. Key committees include but are not limited to:

Tender Committee

Terms of reference of the Committee is ensuring procurement activities are in compliance with RBCT procurement processes. The Committee is comprised of:

Chief Executive Officer
General Manager Finance
General Manager Operations
General manager Maintenance
General Manager Engineering
General Manager Human Resources
General Manager HSEC

By Invitation:
Procurement Manager
Management Accountant

Risk Committee

As part of risk management strategy, RBCT uses the Risk Committee as the final gate keepers of risk within the company. This committee is comprised of the CEO, General Managers and Risk Specialist.

Executive Safety, Health and Environment (SHE)

The executive SHE committee is the custodian of health, safety and environmental compliance in RBCT. The committee meets monthly to discuss, evaluate and make decisions pertaining to occupational health and safety. The committee comprises of 22 members, including the CEO and General Managers.

Corporate Social and Investment Committee

The Committee is responsible to execute RBCT's corporate social investment initiatives. The 15-member strong committee is made up solely of RBCT employees.

African		Coloured		Indian		White	
Male	Female	Male	Female	Male	Female	Male	Female
7	4	1	0	2	0	0	1

SUSTAINABLE DEVELOPMENT PERFORMANCE

2011 OPERATIONAL PERFORMANCE

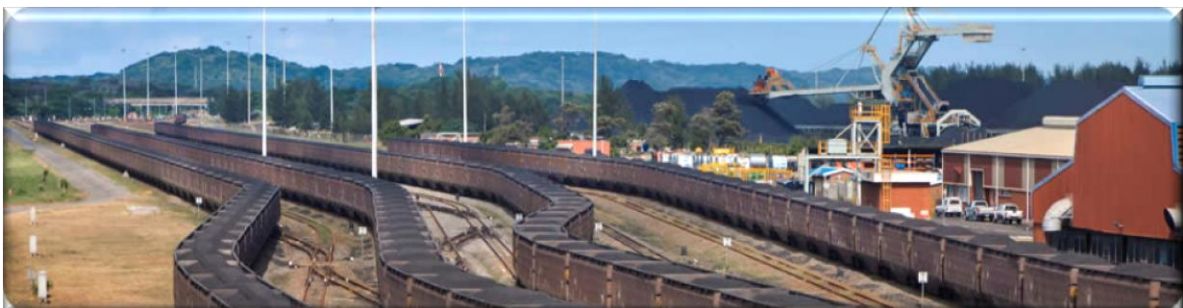
All business functions are synchronised in support of RBCT's strategy. Functional expertise and competencies are critical to meeting targets, and objectives. The terminal's operational efficiency is thus dependent on the different RBCT's business functions working seamlessly together. The efficiencies achieved in these departments translate to the terminal's ability to meet set targets. Externally, RBCT depends on other stakeholders, for example suppliers providing services to RBCT in the form of materials and services to augment and complement RBCT's internal capacity. Government compliance is also taken into consideration, particularly BBBEE compliance, the provision of a healthy and safe working environment and other regulatory requirements.

RBCT prides itself on being the most efficiently run and reliable export coal terminal and is fully committed to being a centre of excellence that consistently provides world-class service to its customers. This is also underpinned by making a meaningfully long lasting contribution to the lives of the people and communities around its operation and export-coal mining communities.



Railings

Tonnage received increased from 62.86 Mt in 2010 to 65.71 Mt in 2011 (an increase of 4.33%). In 2011 a Train System Time (TST) of 4 hours 50 minutes was achieved, which exceeds RBCT's target of 4h38 minutes for a 91 million ton terminal. Transnet Freight Rail (TFR) is continuously optimising the rail capacity through debottlenecking existing processes as well as infrastructural investment. This focus has resulted in TFR consistently delivering monthly volumes in excess of 70 million tons per month on an annualized basis for the second half of 2011. This ramp up is aligned with increasing rail capacity to that of the terminal and Port.



Exports

Exports have continued to improve over the last few years in line with rail capacity, achieving 65.51 Mt in 2011. This performance is 3.12% better than the 63.43 Mt achieved in 2010. The improved shipping is attributed to improve and sustained railings by TFR in the second half of the year and of course the market responding positively to this development.

Furthermore, we achieved a Port Load Rate (PLR) of 1 464 tons. This performance was lower than the 1 889 tons per hour achieved in 2010. The year on year decline is due to equipment breakdowns, ship arrival patterns and the electricity supply interruptions experienced in December 2011 by the municipality. Operational inefficiencies also contributed to the decline in performance.

The TST and Port Load rate achievement are not adjusted for volume handled.

Our customers

RBCT's customers are its terminal users, including its shareholders, Quattro participants, and other commercial users. Engaging with them, through OPCO, helps us to better understand their needs. Annually, RBCT conducts customer survey to try and ascertain their levels of satisfaction as well as their expectations into the New Year. This survey is conducted in the last quarter of every year, however due to some serious changes of the management structures the survey was not conducted in 2011. We have however planned to conduct the survey in the third quarter of 2012. We continue to develop and enhance relationships with our customers.

Customer information and confidentiality

RBCT takes appropriate steps to preserve confidential or market-sensitive information generated within our business as well as that provided to us by our users. Where deficiencies are identified within our systems or processes, actions are taken to remedy the situation.



RBCT Plant

Long term plant health is being ensured both at operational and strategic levels, by focusing on periodic inspection programs and refurbishment outages (Plant Life Extension Strategy).



HEALTH, SAFETY, ENVIRONMENT & COMPLIANCE (“HSEC”)

The safety, health and the wellbeing of employees is a priority for RBCT, and continues to be a key area of focus, including during the period under review. In order to ensure ongoing compliance with the Occupational Health and Safety Act 85 of 1993, RBCT has the necessary structures in place. Employees and contractors are continuously informed of key safety issues, policies and procedures that affect their day-to-day jobs and that impact on other stakeholders. Health and safety training is provided on an ongoing basis. Environmental management is in accordance with ISO 14001 and the various legislation applicable to RBCT..

RBCT’s HSEC Management systems are assessed against the requirements of OHSAS 18001:2007 and ISO 14001:2004. RBCT’s ongoing compliance with ISO 14001:2004 and OHSAS 18001:2007 and its effectiveness was confirmed during the surveillance audit conducted in July 2011, with 9 minor environmental and 8 minor health and safety findings being recorded. This is in-line with our continued commitment to maintaining excellence in HSEC management systems. HSEC Division has investigated all the findings and an action plan has been put in place to reduce these.

FINANCE

Cost control has been a significant focus area in 2011 which has culminated in significantly improved reporting from budget holders. RBCT is committed to providing a cost competitive service to RBCT-users. Our lowest cost terminal strategy combined with continuous efficiency improvements will remain key elements of our overall approach to running the business.

TRACKING OUR PERFORMANCE

Goal	Measure/ Target	Status	Comment
Safety			
Maintain OHSAS 18001 Certificate	OHSAS 18001 certified	Achieved	Surveillance audit was successful.
LTI free and fatality free year	No fatality	Achieved	No fatality
LTIFR</=0.37	LTIFR</=0.37	Achieved	LTIFR @ 0.24
MIFR</=2.42	MIFR</=2.42	Achieved	MIFR@ 1.44
>97% on SHE audits	>97%	Achieved	@ 98%
Environment			
Maintain ISO 14001:2004 Certificate	ISO 14001:2004 Certified	Achieved	Surveillance audit was successful.
Zero environmental public complaints	No public complaints received	Achieved	
Operations			
Train Systems Time	04:38:00	Not achieved	04:50
Port Load Rate	1 790	Not Achieved	1 464
Export tonnage of 65 mtpa	66 million tons exported in line with rail capacity	Achieved rail rate	66 million tons
Our People			
Maintain 500 permanent employees	495 employees as at 31 Dec	Achieved	
Sound relations with Unions	No industrial strike	Achieved	

SOCIO-ECONOMIC DEVELOPMENT

Our Economic Value Add

RBCT as a terminal generates a range of direct and indirect economic benefits for its employees, communities, suppliers and other key stakeholders.

RBCT forms part of a value chain which is key in the development of South Africa's mining and energy resources. The collective industry including RBCT has played a significant role and will continue to do so in the country's socio-economic development. The terminal's focus is on the sustainability of initiatives within the communities in which our employees reside. There is a strong focus on education, social welfare, job creation and sports development.

Promoting empowerment BBBEE

RBCT has aligned its procurement policy with the Department of Trade and Industry's Broad-based Black Economic Empowerment (BBBEE) Codes of Best Practice. The focus has been on encouraging suppliers to embrace the codes thereby assisting in the empowerment of our business partners. Where possible, preference is given to local suppliers, with a number of suppliers in the small, medium enterprise category.

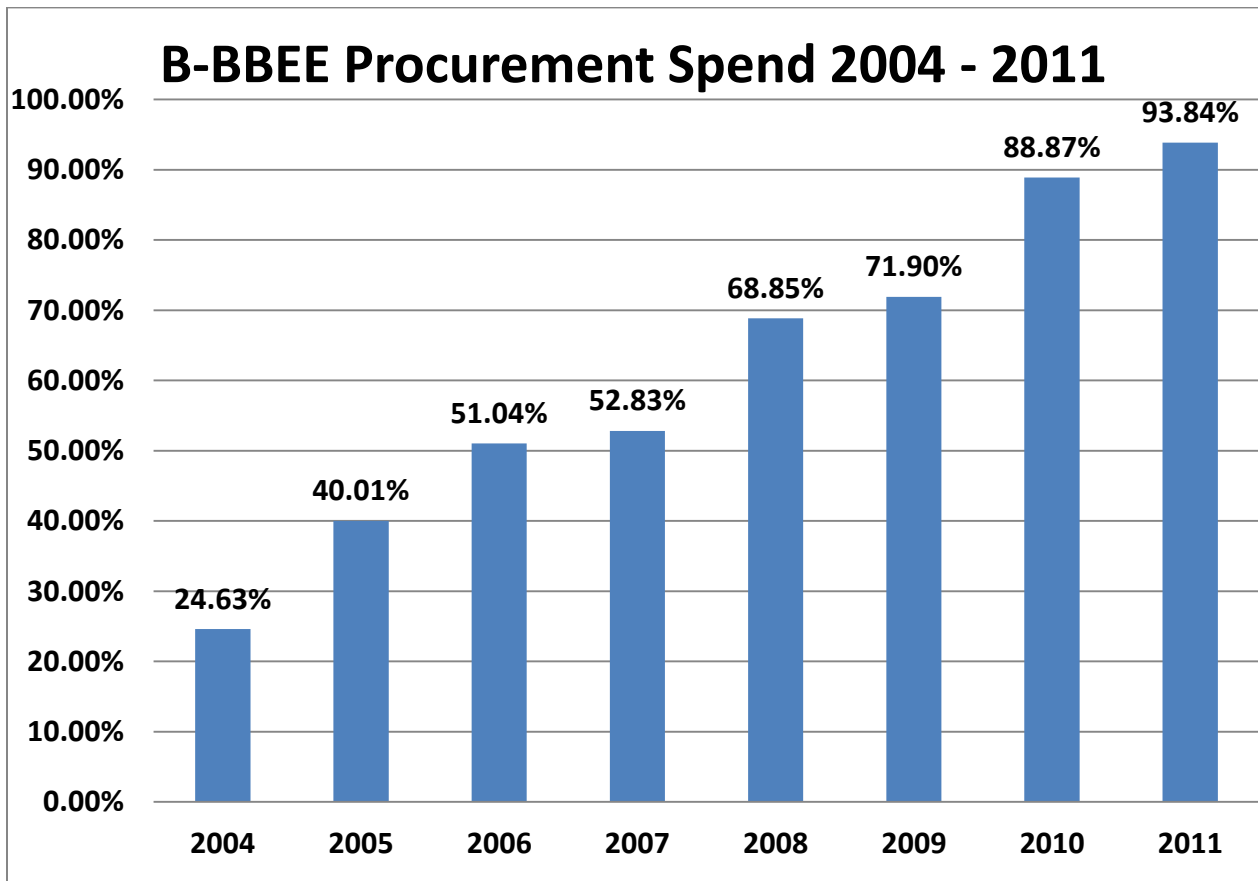
RBCT has actively driven BBBEE spend over the past 9 years and made great strides. With the introduction of the Codes, RBCT now insists on suppliers providing approved verification certificates. An extensive data base has been developed in collaboration with information technology specialists, SAP is customized to provide up to date and reliable statistics; the database also tracks the number of black women-controlled businesses that are suppliers and potential suppliers to RBCT. RBCT's preference is to transact with business partners who are accredited at level 4 so that 100% of procurement spend from these entities counts for RBCT's empowerment performance. Where this is not practical, RBCT encourages suppliers to strive to achieve a level 4 certification.

Preference is always given to the higher BBBEE rated supplier where commercial criteria are the same. However, RBCT does not pay a premium to empowered companies; price is a key determinant for business considerations, however, RBCT does require long-term suppliers to indicate how they will improve their empowerment ratings within an agreed timeframe.

Standard procurement criteria

- RBCT strict quality requirements must be met at all times
- All goods and services must be at competitive prices
- All contractors are required to have a verified scorecard
- Service is a given
- All service providers are required to comply with the terminal's health, safety, and environmental standards

The graph below indicates the significant progress made by RBCT's in procuring supplies from empowered companies, thus contributing to economic transformation



Nurturing the future through enterprise development

Enterprise development is a key focus for RBCT. Our shareholders, through RBCT, have made four million tons of export capacity available to junior miners at a commercially attractive rate. This allocation is managed by the Department of Mineral Resources.

The significance of this is that junior miners can now access the export market through RBCT, making their operations more profitable and in many cases significantly more commercially viable. Most mines produce a combination of low grade coal that is traditionally available for local use, and higher grade coal which cannot be used domestically, unless mixed with lower grades, thereby eroding value. Export access allows for increased value creation. It needs to be noted that the four million tons that is made available is in an environment where export allocation throughout all South African based facilities is significantly constrained through infrastructural challenges; this opportunity afforded to junior miners by RBCT's shareholders is therefore a direct enterprise development initiative.

RBCT continues to strive to develop self-sufficient business partners, however this is an ongoing challenge, based on the nature of the terminals operational and maintenance spend which is predominantly on specialised high quality engineering items.

ENVIRONMENTAL RESPONSIBILITY

Management and Compliance

RBCT recognises that by its very nature, the movement of coal can, and will, have an impact on the environment. Protection of the environment and compliance to environmental legislation remains paramount to RBCT. RBCT seeks to comply with, and remains committed to environmental legislation, regulations and permits that govern its operation. RBCT has prevention strategies which, together with ongoing mitigation measures, are aimed at reducing and mitigating the impact of its activities on the environment.

Responsibility for environmental management at RBCT rests with General Management, supported by the Environmental Specialist and HSEC Officer. Operations and Maintenance departments also play a vital role in the management of the environment.

Monthly Executive HSEC meetings address and discuss issues relating to environment, safety and health risks within RBCT. RBCT's coal logistics activities are conducted within the framework of ISO 14001:2004 and a site specific Environmental Management Program. Compliance with ISO 14001:2004 is audited annually and recertified every 3 years. The next recertification audit is scheduled for 2012.

During the year, RBCT experienced few environmental incidents and no environmental complaints were reported. Stringent environmental monitoring and site cleaning services can be attributed to the good environmental performance during the year. The Environmental Systems Upgrade project to harness all process related water to prevent pollution of the harbour and to recycle water has been commissioned. A serious drive towards conservation of energy was also maintained during the year. Significant savings have been realized. Energy saving programs continue, the goal being to achieve the site's objective for reducing energy consumption by up to 15% by 2015.

RBCT is firmly committed to protecting the environment and to ensure conservation. RBCT has assessed the environmental impacts of our operation and has an Environmental Aspects and Impacts Register in place. Controls have been put in place to reduce the negative impact of our business on the environment. Currently, our primary environmental focus areas are:

- Dust suppression and air quality management,
- Reducing the impact of coal transport on the environment,
- Controlling the water quality of our storm water and process water discharges into Richards Bay Harbour and surrounding waterways,
- Reducing our fresh water usage,
- Energy efficiency.

Compliance and permits

During the year 2011, RBCT received the following environmental permits and licenses:

- Scheduled Trade Permit as required by the City of uMhlathuze Municipal Environmental Health By-laws.
- Atmospheric Emission Licence as required by the National Environmental Management Air Quality Act 39 of 2004.

Although not yet finalised, good progress has been made to date with the application of the following licenses:

- Water Use Licence as required by the National Water Act 36 of 1998;
- Waste Licence as required by the National Environmental Management Waste Act 59 of 2008
- Demarcation Permit as required by National Environmental Management Biodiversity Act 10 of 2004 for the 2750 cassuarinas planted along Phase V for the purpose of reducing dust levels and act as windbreaks to reduce wind turbulence across the coal stock yard.

RBCT's contractors and suppliers are required to comply with RBCT's HSEC Policy, copies of which are conspicuously displayed onsite. The HSEC induction process highlights key environmental aspects that all stakeholders should consider and work towards mitigation or total elimination of the impacts thereof.

Primary impacts

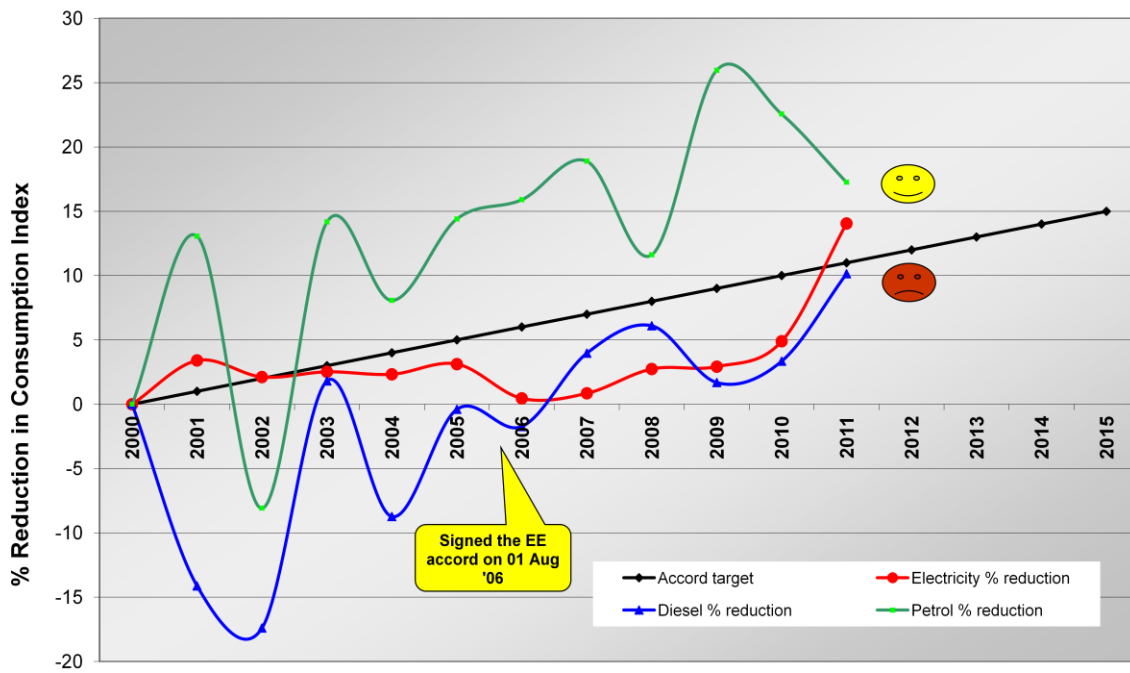
RBCT's primary environmental concerns are:

- Resource and energy use
- Water usage and management
- Dust (air pollution)

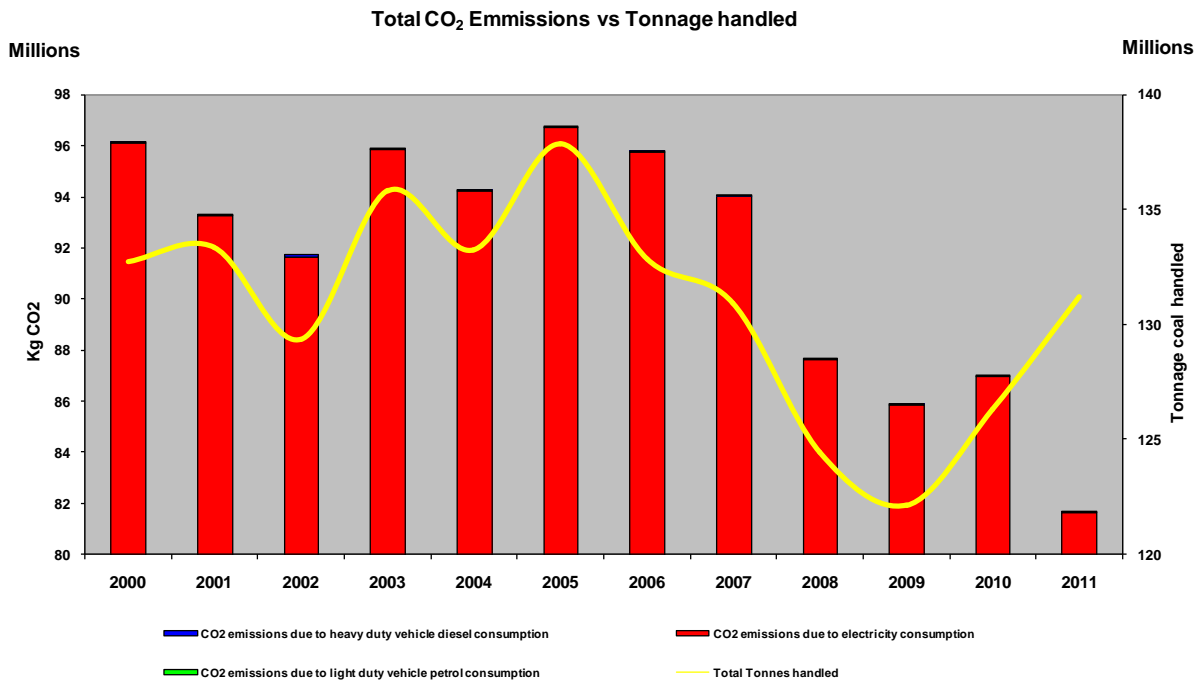
Resource and energy use

RBCT's energy is sourced from electricity, diesel and petrol. Electrical energy is supplied by Eskom through the uMhlathuze Municipality. Moving conveyor belts, stackers & stacker reclaimers, shiploaders, locomotives, dozers and vehicles are main consumers of electricity, diesel and petrol. During 2011, energy consumption decreased by 6.1% MWh from 2010.

RBCT signed the Energy Accord in 2006, and agreed to reduce energy levels by 9% by 2015. RBCT has thus far performed excellently with electricity and petrol, but is still below the diesel usage targets it has set itself. RBCT's focus is therefore on improving efficiencies in the use of diesel. Year on year improvement on energy efficiency is being realized, as below:



RBCT's carbon footprint has improved over the years, as depicted in the following graph, and there have not been any financial implications for RBCT due to our activities.

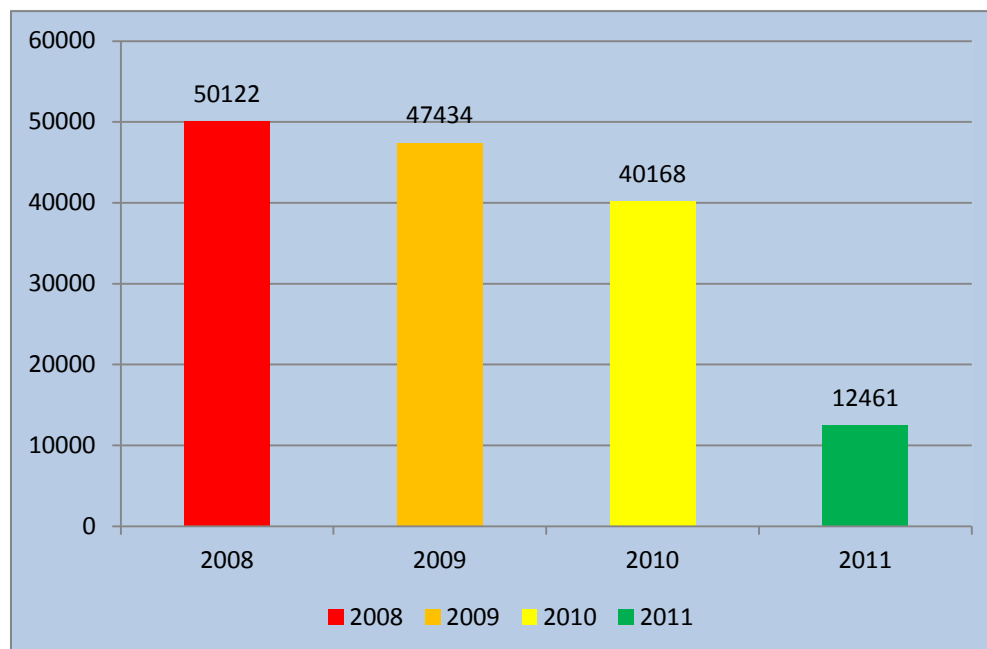


Water usage and management

- The Integrated Waste and Water Management Plan (IWWMP) is central to the application process for a Water Use Licence with the Department of Water Affairs. The main objectives of the IWWMP are to: provide technical and management related information to underpin the application for water use licence.
- Update RBCT's water balance;
- Identify (qualify and quantify) water and waste related impacts from RBCT's activities;
- Comply with Regulation 704 of the National Water Act 36 of 1998

Storm water and water collected from the coal stockpiles does not go directly into the marine environment, instead it is drained into settling ponds, where contaminants are separated from the water before it can be pumped into the ESUP dam. RBCT uses this recycled water for suppression of dust, mostly from coal stockpiles. As a result of use of this recycled water, the overall consumption of potable water over the past 3 years decreased significantly by more than 75% since the commissioning of the ESUP dams in 2008. Potable water is now only used for consumption purposes.

Portable Water Usage



The quality of the recycled water is continuously monitored and treated to minimise the pollution of ground and groundwater which may result from reuse of this water.

Sewerage effluent parameters of the final effluent have in the past 12 months met the requirement of the National Water Act, 1998.

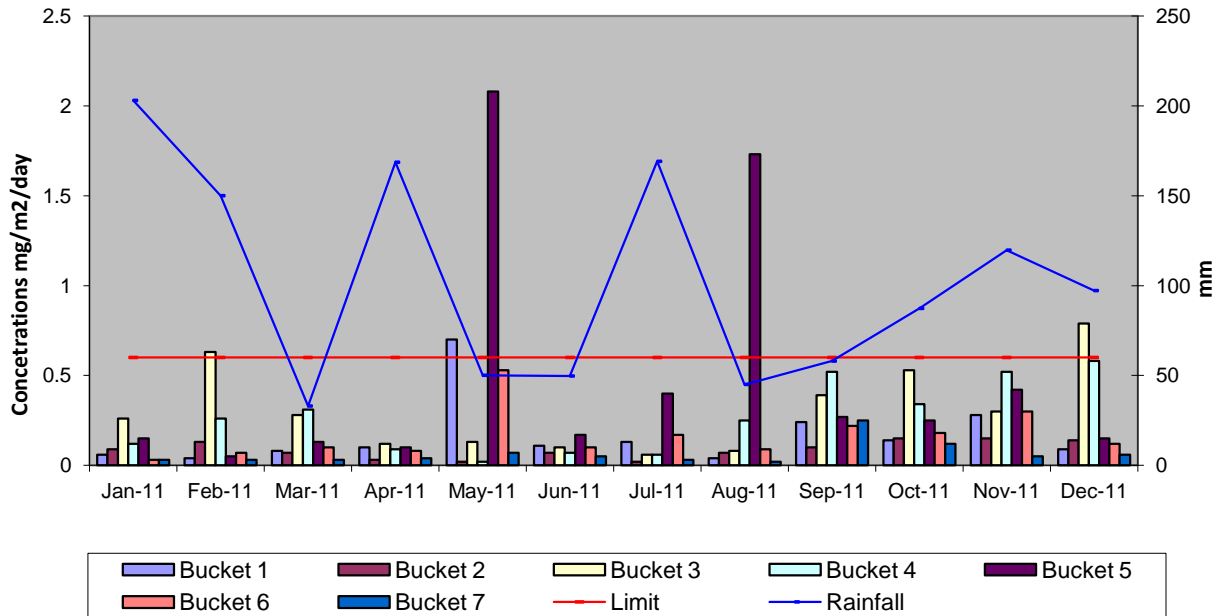
The quality of our underground water is monitored quarterly through borehole sampling to ensure no adverse pollution of the underground water. The results are sent to an independent laboratory for analysis

and all samples were within legal limits in the past year. We are currently conducting a geohydrological survey to monitor sulphate content of the underground water.

Dust (air pollution)

Dust management is a priority at RBCT. Dust fallout rates recorded during 2011 have averaged below 0.6g/m² (the maximum allowable level).

Dust



Dust Fallout Levels

RBCT currently uses dust-aside as a dust suppressant on dirt roads around the stockpiles. Dust-aside is a water-based binding agent that forms a layer on the road surface to suppress dust. The stockpiles are sprinkled with water through rain guns located around the stockpiles to further reduce dust.

Water-truck is sprinkling Dust-a-Side on the dusty road between coal stockpiles.



Rain guns in action spraying coal stockpiles to suppress dust to low levels.



Two PM10 monitoring stations have been installed, one on the south and one on the north perimeter of RBCT to further improve dust monitoring on our site.

Waste Management

The management of waste remains one of RBCT's most important environmental challenges. In 2011, RBCT improved its waste management programs by improving its waste audits and executing waste management plans. The implementation of a comprehensive waste management strategy aims to reduce the amount of waste being consigned to local dumpsites. A greater awareness for the need for recycling practices is being achieved.

RBCT's waste streams include, but are not limited to the following:

- Used oil
- Oil contaminated waste
- Clinic waste
- Sewerage effluent
- Settling pond effluent
- Electronic waste
- Paper
- Rubber

The generated waste is measured on a monthly basis and targets have been set to reduce the quantities. Some waste is recycled and some disposed of in an environmentally responsible manner.

Biodiversity

RBCT facility is situated within the Port of Richards Bay in the uMhlatuze Local Municipality which has a warm to hot and humid subtropical climate, with warm moist summers. The 276ha facility is completely

transformed from its once natural state; however, maintained vegetated and landscaped areas do exist within the site boundary.

Eight specimens of *Hibiscus tiliaceus* (Lagoon Hibiscus) are available at RBCT on the South of Phase 3. These trees are listed as protected indigenous plants in terms of The KwaZulu-Natal Nature Conservation Management Amendment Act, 1999 (No. 5 of 1999). These species were planted for landscaping purposes. There are 2750 *Casuarina equisetifolia* (Coastal Beefwood) in the eastern parts of this Phase 3 planted for wind diversion. Three specimen of *Bersama lucens* (Glossy White Ash) are available onsite. This tree is listed as a protected indigenous plant in terms of the KwaZulu-Natal Nature Conservation Management Amendment Act, 1999 (No. 5 of 1999). Included in the landscaped gardens are species that are protected by Provincial and/or National legislation which include 2 specimens of *Podocarpus falcatus* (Outeniqua Yellowwood) to the north of the control tower which is situated at the centre of the terminal, *Aloe*, *Encephalartos* (Cycads), *Hibiscus tiliaceus* (Lagoon Hibiscus) and *Eugenia capensis* (Dune Myrtle).



Protected *Podocarpus falcatus* (Outeniqua Yellowwood)

In the northern side of RBCT, there occurs a species-rich wetland dominated by relatively short herbs reflecting the variation of species. Amongst the many interesting components of this assemblage is tropical sedge, *Pycnus unioloides*, possibly the best standing in this region nowadays. White and black mangroves are also found on this wetland where water is fresher and plenty. The black mangroves are >17m in height, making these amongst the taller to be found along the KZN Coast.

Dolphins are regularly seen alongside the coal quay and a flourishing marine reserve exists on RBCT's doorstep – home to pelicans, flamingos, fish eagles, waders, crabs and a host of other bird and marine life. An area within this reserve has been identified as a possible National Heritage Site, bearing testimony to the health of the surrounding natural environment.

Every year, RBCT partners with the Departments of Agriculture and Environmental Affairs to celebrate specific events, like the environmental and water weeks. Employees and their families are encouraged to participate in our annual coastal cleanup programme which is very popular with employees.

RBCT's activities have not negatively impacted on the biodiversity within RBCT and surrounding areas. In order to manage and mitigate impacts on diversity, the following plans were implemented:

- Alien Invasive Vegetation Management Plan
- Indigenous Planting Plan

SOCIAL PERFORMANCE

(SAFETY, HEALTH, PEOPLE, COMMUNITY)

Our Sustainable health and safety performance

RBCT's HSEC policy sets out our commitment to eliminating illnesses, injuries and fatalities from our business. RBCT maintains a comprehensive HSEC management system which is fully aligned to OHSAS 18001:2007.

Ensuring the safety of our employees and contractors in the workplace is of paramount importance. We aim to conduct our operations with 'zero injuries' to our employees and contractors, and believe that all work-related illnesses and injuries are preventable.

In accordance with our commitment to preventing accidents, occupational illnesses and environmental pollution, we aim to:

- Appropriately identify risks and manage hazards;
- Comply with applicable national, provincial and local safety, health laws;
- Apply internationally recognised standards, codes and other requirements applicable to RBCT;
- Set, monitor and continuously review safety and health objectives and targets at every level of the organisation;
- Effectively communicate with, and involve, all our key stakeholders on our safety, and health policy;
- Effectively report, investigate and respond to incidents, ensuring appropriate emergency response and crisis management;
- Continuously striving to improve our safety, health and environmental performance;
- Provide adequate resources for the achievement of the SHE policy objectives and targets.

SAFETY

The safety of employees is a priority for RBCT, and continued to be an area of particular focus during 2011. RBCT falls under the jurisdiction of the Occupational Health and Safety Act 85 (1993). The necessary structures and practices are in place to ensure compliance. Employees and contractors are well informed of the safety issues, policies and procedures that affect their jobs and those of other employees and contractors, as well as the community in general. All employees on site receive regular safety and health training and are issued with protective equipment where applicable.

Health and Safety training conducted during the year:

- Behaviour Based Safety (COBRA)
- Occupational Health and Safety Act 85 of 1993
- Risk and impact assessment
- Basic Fire
- Basic First Aid
- OHSAS 18001
- ICAM investigation methodology
- GHSTC

We ensure that every hazardous task undertaken in our workplace has a safe system of work identified and that our employees and contractors have tools and equipment that are fit for purpose and well maintained.

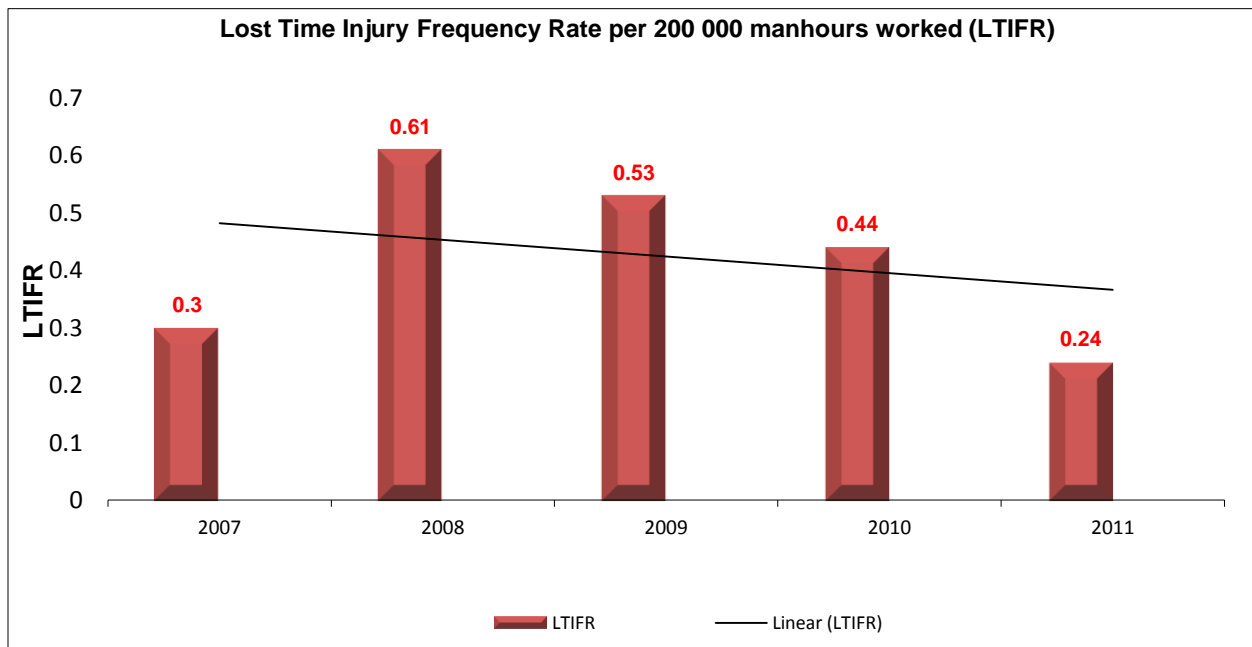
RBCT uses a risk-management system to identify, assess and eliminate or control safety risks. When an unsafe condition is identified or when a safety incident occurs, it is investigated immediately and action is taken to eliminate the risks involved. Safety auditing occurs regularly across our business to improve safety standards and practices. In addition, safety performance, initiatives and issues are regularly communicated to all of our stakeholders.

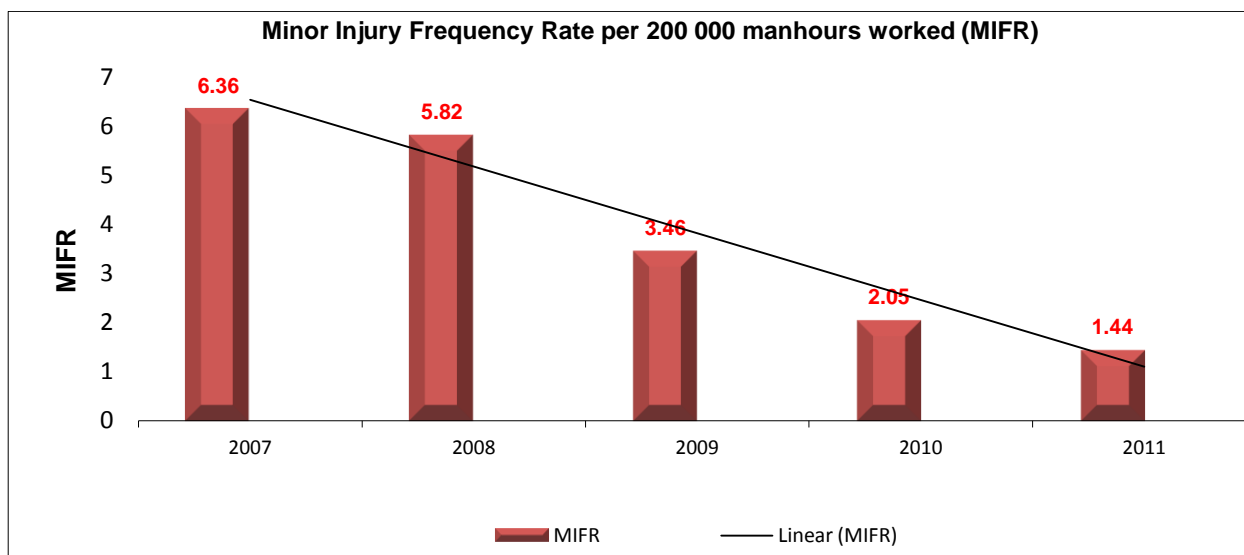
Safety Performance

RBCT is proud to report that we are continuing to make a significant improvement in safety. Our quest to create and sustain injury-free work environments for our employees and contractors continued in during 2011.

Safety performance improved considerably over the previous year. There were no fatalities at our company during the year and the lost time injury frequency rate (LTIFR) for the year was at 0.24 per million man-hours worked. This is a 45 % improvement from the LTIFR of 0.44 recorded in 2010. The minor injury frequency rate for the year was 1.44 per 200 000 man-hours worked. The primary causes of injuries remain those associated with hand injuries. Risk assessments and behaviour based safety form part of RBCT's efforts to reduce these and other incidents.

We continued to make progress on our safety culture, and engagement of all stakeholders has been identified as key to achieving HSEC excellence. Formal joint health and safety committees, comprising management, the workforce, contractors and unions meet regularly ensuring consultation with all relevant stakeholders concerning all matters relating to occupational health and safety in the workplace.





In 2012, we will double our safety efforts with a goal to achieve a further 15% decrease in both LTIFR and MIFR.

We focused our safety efforts on Behaviour Based Safety (COBRA), which has delivered some good results in improving our safety performance. With all 501 employees and a number of contractors trained on COBRA and functioning as active observers, the focus in the immediate future is on embedding COBRA throughout RBCT to ensure quality observations are submitted and that the identified barriers contributing to at-risk behaviours are removed.

A great deal of time has been spent on training contractors on COBRA, on risk assessments and on reviewing the adequacy of their own safety programmes. The result has been a significant improvement of our contractors in HSEC compliance.

2011 Health and Safety Objectives

Objective	Target	Achieved (incl. contractors)	
Maintain OHSAS 18001 Certification	OHSAS 18001 No major findings	8 minor findings	☹️
Fatality free year	Nil Fatality	Nil Fatality	😊
Maintain LTIFR \leq 0.37	LTIFR \leq 0.37	0.24	😊
Maintain MIFR \leq 2.05	MIFR \leq 2.05	1.44	😊
NCR's closed out on time	95% NCR's closed out on time	94%	☹️
COBRA Observations conducted	95% COBRA observations conducted	98%	😊

OCCUPATIONAL HEALTH

The health and wellbeing of our employees and contractors in the workplace and the community is critical to the success of our business. RBCT is committed to achieving zero work-related illnesses through identifying, assessing and controlling occupational health hazards.

An Occupational Health Medical Practitioner works on a part-time basis visiting our site twice a week; and four full-time Occupational Health Nurses are available to cover two shifts. Medical surveillance examinations are conducted on site.

During 2011, RBCT has put a number of occupational health strategies in place, including:

- A continuing occupational hygiene program for monitoring stressors in the workplace i.e. noise, gravimetric dust and silica, ergonomic, illumination, vibration, diesel, belt splicing and welding fumes;
- Development of a plan to reduce the above based on recommendations from the occupational hygienist;
- Health risk assessments;
- Fatigue awareness training;
- Continuous health and hygiene awareness training conducted during the annual HSEC induction and monthly health topics.

RBCT has in-house occupational health services that cover two shifts seven days a week. A contracted medical Practitioner is available two days a week. Serious injuries/illnesses are referred to the local hospitals. Medical surveillance medicals are conducted on-site.

A successful Wellness Week was held on 28 August – 02 September 2011: 293 employees and 163 contractors participated. The “RBCT cares” message is constantly communicated to employees and stakeholders. An ongoing and extensive in-house Wellness program is driven through the on-site Health Care Centre and includes:

- HIV Counselling and Testing (HCT)
- Psychology services
- Biokinetics
- Assessment and management of clinical risk factors

The psychologist consults employees with different issues ranging from marital, family, financial, work related to relationship problems, substance abuse etc. The psychologist is currently applying proactive approaches to EAP (Employee Assistance Programme) by conducting different short courses through our training centre. There is continuous monitoring of chronic conditions like diabetes, hypertension, osteoarthritis etc. The Biokineticist runs training programs for postural awareness with regards to manual handling and ergonomics delivered to high risk manual labour job onsite. The biokineticist also runs the rehabilitation program for employees recovering from different conditions i.e. stroke, muscular skeletal injuries etc.

HIV COUNSELLING AND TESTING

HIV and Aids remains a significant risk to South Africa. RBCT recognizes that the management of HIV / Aids is an integral part of its approach to ensuring the well-being of its employees. The company aims to maintain and continually improve its HIV and AIDS Management programs. In 2011, the company's drive was on ensuring that employees know their HIV status. As at the end of December 2011, 66% of RBCT employees knew their status: This was made possible through:

- Ongoing awareness campaigns at team levels;
- Annual testing campaigns through wellness week;
- Promotion of a stigma-free culture in which testing is 'normal';
- Guaranteed confidentiality by the Clinic personnel;
- Offering of routine testing during any medical consultations at RBCT Clinic.

RBCT intends that all employees should know their HIV status by the end of 2012.

COAL DUST

Coal dust and silica levels at RBCT are at a minimum. RBCT has taken reasonable steps to ensure dust and silica exposures to employees and contractors are kept at a minimum. Dust and silica monitoring takes place biannually, and where dust levels are found to be high, measures to minimise dust are applied.

NOISE

Hearing loss may result from long-term exposure to high noise levels. RBCT conducts baseline, periodic, transfer and exit audiometric examinations. Noise is generally treated at source, and where noise cannot be eliminated, signage is posted to remind employees and contractors to wear their hearing protection. All personnel working in noisy areas are provided with hearing protection equipment.

OUR PEOPLE

The RBCT strategy is to maintain its standing as a world class terminal by demonstrating world-class behaviours in the workplace. This requires a world class workplace.

A key enabler of this aspiration is to employ the right people for right position at the right time. In return, RBCT intends to implement best labour practices and to adapt dynamically to whatever factors are affecting employee relations.

The GRI indicators focusing on Human Rights issues are of critical importance to RBCT operations. Our human resources procedures and policies are designed to ensure that, amongst others, children DO NOT form part of the RBCT workforce statistics, and our conditions of service mirror South African labour and safety regulatory guidelines. Our service providers or contractors are also expected to mirror RBCT's employment practices, be it on a temporary or permanent basis. There are 8 pillars focusing on interventions that underpin our human resources approach:

Pillar 1: Talent Attraction

RBCT has a proud record and is a world leader in the international coal-exporting market as an effective, efficient and consistently reliable coal-handling facility. In order to maintain and improve our competitive edge, we rely on our people to apply their minds and ideas to assist the organisation to continually learn and grow. Our recruitment and selection process is designed to guide appointments that display skills and competencies that are compatible with the RBCT business strategy and culture. RBCT recruitment and selection entails inter alia; preliminary interviews, written applications, employment tests, employment interviews, reference checks and medical examinations. All these process activities are conducted within the ambit of the prevailing statutory guidelines and International Labour Organization (ILO) guidelines.

The majority of RBCT employees are originally from within KwaZulu-Natal Province. Some employees, including managers have relocated and now reside in Richards Bay and nearby settlements. Our workforce was 495 as at 31 December 2011 and the below table depicts the levels of our workforce.

Job Grade	No. of employees
E & F Band	6
D Upper	17
D Lower	47
C Band	161
B Band	225
Trainees	29
Temps	10
Total	495

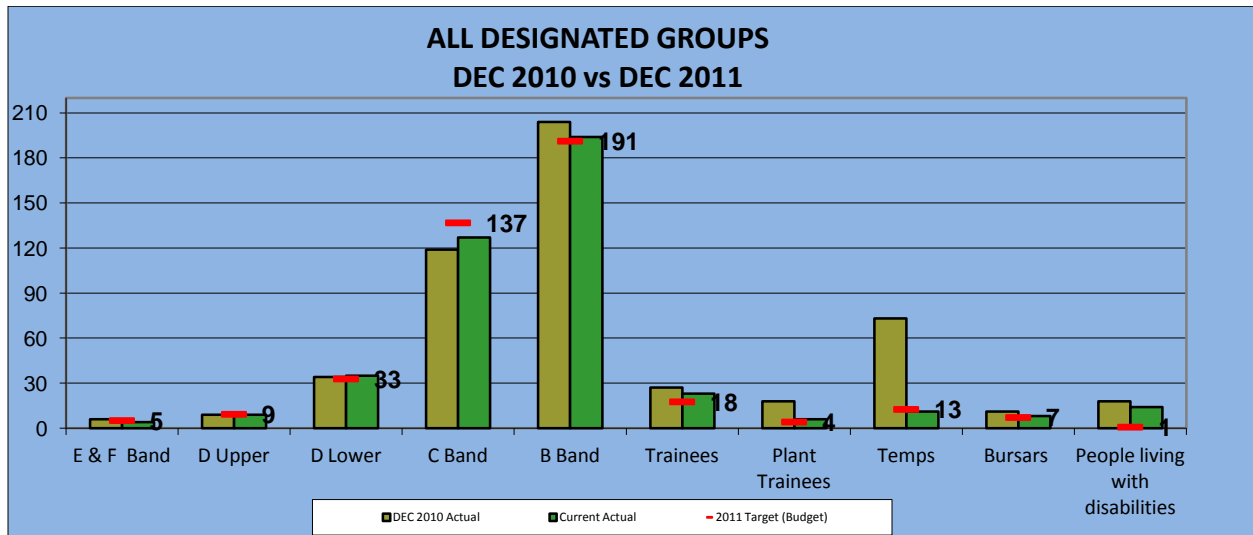
Our staff turnover was marginally below the target of 10%, at 9.04%. This represents a 2.26% percent increase compared to the 2010 financial year. The majority of resignations from RBCT joined a new iron ore terminal in Sierra Leone or took up other opportunities in India. Plant Trainees who were in the talent pool replaced those who left and mitigated the impact of resignations on our operations.

Pillar 2: Remuneration philosophy

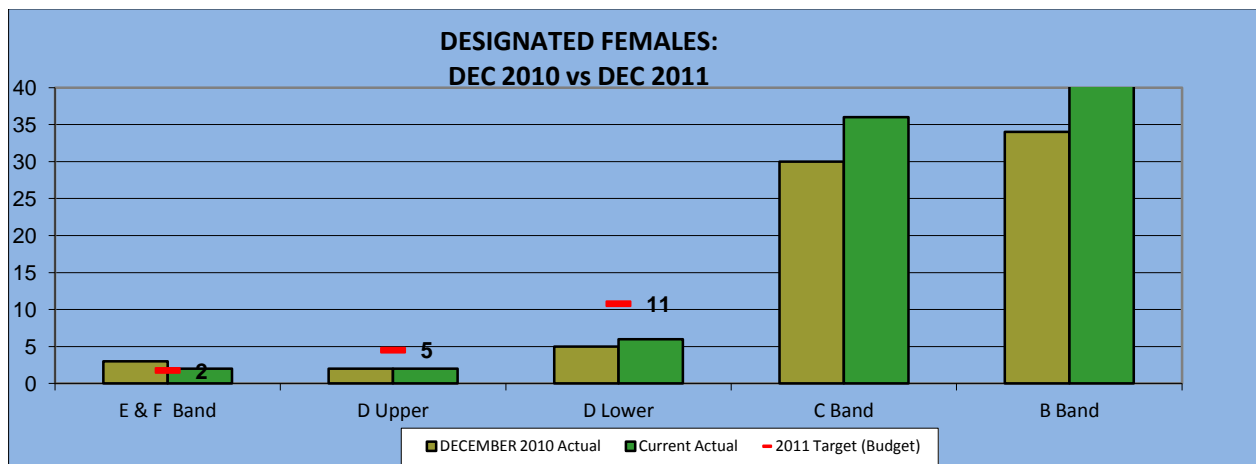
To ensure market based compensation, RBCT participates in local and national remuneration surveys. The latter provides RBCT with the opportunity to benchmark RBCT remuneration practices against diverse corporations in the country. In addition, we provide a wide range of benefits to our employees, including but not limited to, retirement benefits, medical aid, and performance bonuses. The RBCT remuneration philosophy is based on skills, competencies, job content, seniority and internal equities. Race, gender and age are irrelevant attributes in deciding applicable rates of pay for employees. Critical cross functional outcomes (CFO) application guidelines are in the RBCT domain and employees are aware of the route to follow to achieve their full potential and the associated benefits.

Pillar 3: Employment Equity

We continue to make significant strides towards our 2015 targets in both the achievement of numerical goals and targets



The increased representation of women at all levels of the company must be noted while designated people are also better represented at management levels than in 2010.



The Employment Equity Consultative Forum, made up of employees, the trade union SATAWU, and management, has been active in 2011. New representatives were welcomed and underwent training in 2011. In addition to this, the forum successfully participated in a Department of Labour Director-General Review process which helped to identify further improvements that will keep the forum busy in 2012.

Pillar 4: Diversity

The RBCT Diversity Task Team has been active throughout 2011 in understanding the challenges and strengths of the diverse workforce of RBCT. The unique challenges of women in the workplace, inter-generational dynamics, the impact of differing cultural norms, as well as challenges faced by people living with disabilities are some of the issues they explored. Focus groups were also held to find out how all employees can be better accommodated and the year ended with RBCT's first commemoration of

International Day for People Living with Disabilities on the 15th December 2011. This event was able to highlight the plight of disabled people both within RBCT and in the greater Richards Bay community.

Pillar 5: Self-directed work teams

This continues to be the vehicle of choice for RBCT to entrench and uphold a high performance culture. The focus for 2011 was the re-alignment of teams to the Key Performance Indicators (KPI's) of the business and ensuring that performance is proactively managed rather than reactively monitored. This has been done through an Extended MDWT (Mission Directed Work Team) Coaching Program that emphasized the importance of meeting the needs of both internal and external customers. The newly introduced GREAT (Growth, Reliability, Efficiency, Accountability Trust) Awards have re-energized this team's process and encouraged a healthy competition between teams while ensuring that both team and individual efforts are recognized at an organization-wide level.

Pillar 6: Training and Development

The overall goal of training and development at RBCT is to ensure that RBCT permanent staff has the correct skills, knowledge, motivation and alignment to perform optimally in support of the company's vision, mission, values and strategic/operational objectives.

Training and Development will primarily be carried out to meet the business needs of RBCT while also addressing the wider skills development needs of the country, where necessary and possible.

Training and development will be pursued on the basis of the following guidelines.

- All training and development will be based on the needs of the company, as well as wider stakeholder engagement, especially, at strategic levels, as established through a needs analysis.
- Managers are responsible for the competency levels of their staff in order to ensure adequate succession management in their departments.
- All activities will aim at optimally satisfying the long and short term needs of various competencies required by RBCT.

Training and development at RBCT will be delivered through the most appropriate medium for the organisation in line with national requirements.

In order to maximise investment in our staff and training development programs, managers and staff who have attended training or development programs will be required to provide mentorship and coaching where necessary.

Specific policies and programmes for skills management or for lifelong learning are designed to empower employees who aspire to be in management positions.

To achieve Operational Excellence, Superior People Performance becomes key to succeeding in a challenging business environment. As part of RBCT's company-wide commitment to attract, develop and retain valuable talent, skills management programmes are in place in all divisions.

Our focus is to facilitate continuous operational improvement through the development of intellectual capacity. Therefore it is our aim to provide everyone in RBCT with an environment in which they can flourish based on well-defined and developed competencies.

Our process offers employees clear purpose and roles that will develop knowledge, skills and attributes in a focused manner while providing clear objectives that are linked to the concept of reward for performance.

Training and Development Sustainability Report

Average Hours of Training for 2011

The average hours of training per year per employee by Occupational Category of employee as at the 31st December 2011 were:

Occ. Category	Occ. Cat. Text	Total Hours per level	Number of Staff Trained	Avg Hour per person per level
1000	Legislators, senior officials and managers	2 142	40	53.6
2000	Professionals	1 231	10	123.1
3000	Technicians and associate professionals	6 629	90	73.7
4000	Clerks	1 937	51	38.0
7000	Craft and related trades workers	25 225	96	262.8
8000	Plant and machine operators and assemblers	8 296	140	59.3
9000	Elementary occupations	6 583	75	87.8
Grand Total		52 043	502	

Staff Development

During 2010 a focus was placed on training the company to support RBCT's new BBS (Behavior Based Safety observations). Safety strategy and to get more internal trainers (Subject matter experts) conducting training at RBCT. RBCT's career development strategies continued to focus on management development, supervisory and leadership development, the Employee Development Programme (EDP), operator training, technical and general skills development of employees. The implementation of the coaching and mentoring processes are on-going.

Performance and Talent Management

RBCT improved its performance management approach through the introduction of Individual scorecards for managers and team scorecards throughout the organisation, linked to a company scorecard system. Succession planning is underpinned by a mentorship program has been linked to critical positions and performance management to identify talent from a pool of ambitiously driven individuals for succession at RBCT. Development plans form a vital part of the process and are linked to our workplace skills plans.

The Management Development Programme (MDP)

RBCT develops Management and Supervisory skills, through an intense Management Development Programme aimed at creating critical management capacity amongst our employees. The main aim is to bridge gaps in previous qualifications and to address those who do not have any formal qualification, in particular in management science. The Formal Programs being the UNISA MDP and FMP programs, while Foundational Skills are laid through more hands-on SAQA accredited skills programs at the Supervisory and Management levels.

Employee Development Programme (EDP)

The aim of the program is to develop the core competencies required by employees making the transition to management or supervisory positions. While this program began as a program for staff from previously disadvantaged groups, it has developed into a company-wide program, taking employment equity requirements into account. Delegates present the projects to the General Managers after the program and where possible these are implemented.

Bursaries

RBCT grants bursaries in various forms, Open Bursary Scheme, Closed Bursary Scheme (Study Grants) and Staff Education Assistance.

Open Bursary Scheme

RBCT grants bursaries to assist with sourcing and developing bright young talent in anticipation of meeting our future skills requirements and in key areas of the community. Currently we sponsor 8learners, in fields such as Engineering, Education, Industrial Psychology and Nursing. Employment equity targets require at least 80% of bursaries to be awarded to previously disadvantaged persons; during 2011 RBCT achieved 100% in this area. Bursars are required to do eight weeks work at RBCT during their vacations allowing them opportunities to get exposure to the working world and the company.

Closed Bursary Scheme

As an extension of the bursary system, each year RBCT offers 20 study grants to employees' children who are registered to study at a school or recognised tertiary institution, 50% of which must be focused on continued education.

Education Assistance Programme

Employees have access to funding for part-time tertiary education through our Education Assistance Programme (EAP) where RBCT pays for tuition and employees are only required to repay when they do not pass courses. This encourages employees to improve their knowledge and work-related skills and to prepare them for the next step in their careers; 115 staff members participated in this scheme during 2011.

Apprenticeships and Traineeships

At RBCT we have an apprenticeship system registered with TETA (Transport Education and Training Authority); apprentices are registered with the MERSETA (Manufacturing, Engineering and Related SETA) via a Memorandum of Agreement (MOU) between the SETA's. In 2011, RBCT's commitment was as follows:

Trainee Type	Number
Apprentices	25
Electronic Technician	1

Bursars who have completed their Degrees and Diplomas are often given opportunities to gain the experience required. The below are Bursars who have been employed by RBCT.

Trainee Type	Number	Comment
Mechanical Engineer	1	Graduate Engineer
Mechanical Technicians	1	Diploma Technician
Electrical Engineer	1	Diploma Technician

RBCT also has a one year training program for plant operators to ensure succession is in place and operations are therefore not interrupted in the event of a resignation.

Training Accreditation

In addition to being accredited with the MERSETA for on-site training of Millwrights and Boilermaker Apprentices, RBCT is also a fully accredited training provider with the TETA for Operations Training courses that include courses in Ship-loading, Bulldozing, Tipping, Stacking and Reclaiming, Shunting and Loco Operating. All trainees who undergo this training can have their credits registered on the National Learner Record Database. The training programmes in Shunting and Loco Driving are currently being registered.

Assessments on the programs above are done by accredited line assessors with a training assessor in attendance. The assessments are then internally moderated and are further moderated by the TETA on an annual basis. Each year RBCT's assessments have been approved by the TETA with minor recommendations for improvement.

Pillar 7: Corporate Affairs

RBCT does not shy-away from community involvement. We pride ourselves in successful and growing sustainable corporate social investment (CSI) initiatives. Our mission is to ensure that RBCT CSI programmes add value to the beneficiaries linked to the CSI recipient and the community-at-large. We support diverse programmes and initiatives. Currently our focus is on:

- Education
- Skills Development
- Early Childhood development
- Agriculture
- Crime prevention
- Environment
- Community welfare
- HIV/AIDS
- Sport Development

The CSI committee is made up of employees with an interest in community projects. Management is not involved in the formation of the committee. Committee members can be appointed, nominated or can volunteer to partake in CSI initiatives. The committee's responsibilities include, but are not limited to, ensuring fair adjudication of CSI requests, monitoring the sustainability of projects, and reviewing the continuity of RBCT involvement in community programmes.

RBCT's biggest projects amongst others include the construction of Ntabeni Primary School, Homestead Gardens Project in partnership with women cooperatives, Tree for life project, Zamani Group for the disabled, donations towards various sporting codes, Amangwe Village, Homed-based care for HIV/Aid, Mini-science labs in partnership with University of Zululand and RBCT Charity Relay Run. The investment in these initiatives is in excess of R3.2m.

Pillar 8: Sound Labour Relations

RBCT takes pride in its relationship with the employee representative union as one of its key stakeholders. In 2011, 44% of our general staff members were affiliated to SATAWU (South African Transport and Allied Workers Union). Though the company is responsible for establishing conditions of service, we constantly engage with unions through the Employee Consultative Forum. In addition, our conditions of service are in compliance with Basic Conditions of Employment Act and other labour regulations.

Our employee relations dispute mechanisms allow for open and fair labour practices. These mechanisms are designed to ensure that dispute settlements are attended to promptly in the best interest of sound labour relations and to maintain harmony in the workplace. No discriminatory cases were reported in 2011.

With emphasis to GRI indicators HR4 and HR11, RBCT labour practices are aligned to International Labour Organisation via the Labour Relations Act of 1995 and the Basic Conditions of Employment Act of 1997 and their amendments. RBCT discourages discriminative practices and has provided mechanisms which employees can use to report any prevalence of discriminatory behaviour. This can be done either through the Whistleblower programme, or to the Human Resources Department. Employees have full freedom of association to exercise their labour rights. We currently have a 3-year collective agreement with the union. The Agreement is lodged and recorded with the Department of Labour. Different representatives from different stakeholders within the company meet bi-monthly to discuss matters that have an impact on condition of service and operations.