



SUSTAINABILITY REPORT

2012

OUR CONTENTS

Our areas of focus in this report

Part 1: Corporate context and commitment

Strategic intent.....

CEO message

Sustainability development report process

Our commitment.....

Organisational profile

Corporate governance

RBCT Management

Part 2: Report focus areas

Risk management.....

Finance and Procurement.....

Operational performance

Health, Safety, Environment and Compliance

Our people



COMPANY PROFILE

Richards Bay Coal Terminal (Proprietary) Limited (“RBCT”) is the largest single export coal terminal in the world and provides coal to 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 its terminal export capacity from an original capacity of 12 million tons per annum to a current capacity of 91 million tons per annum. 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’s operations are all housed in one location thus enabling efficiency in the operations of the terminal. Operational and managerial requirements are therefore responded to with minimum delays and short turn-around times. RBCT does not have remote offices. All operations and administrative functions are conducted in Richards Bay.

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 CEO ON RELEVANCE OF SUSTAINABILITY TO RBCT”

Environmentally responsible

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.

Through the improved Global Reporting Initiative (GRI) framework we believe that our reporting practices promote transparency, enhance the clarity and credibility of our communication with our stakeholders, facilitate comparisons across various organisations and address issues that concern stakeholders.

RBCT operates within an ecologically-sensitive, natural environment – characterized by the abundant plant and animal life. Bearing testimony to the health and environment within which we operate is the flourishing Marine Reserve adjacent to our site.

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 was recertified to this standard during the recertification audit conducted during the month of March 2012.

To further improve on air quality management, the results of PM₁₀ monitoring show no excess emissions from our operation.

The reduction of energy usage per ton of coal improved marginally during the year by 6.1% compared to 2011, and we are on target to achieve the 15% reduction in energy usage by 2015 in accordance with the Energy Efficiency accord signed in 2006.

CEO Signature

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.

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.

Corporate governance is integral to RBCT management and operational requirements and during 2012, RBCT has applied the Code of Corporate Practices and Conduct espoused in the King III Report.

This report covers the activities of all our operations and achievements within our financial reporting period as at 31 December 2012. 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.

RBCT continues to provide its shareholders and commercial users with a lean and efficient coal-transfer service and from operations, we report on imports (trains handled) and export (shipping) associated statistical information and milestones.

The people who work for RBCT are our greatest asset and this 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.

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 – www.rbct.co.za.

Our Commitment

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. The manner in which we go about this objective is enshrined in the business strategy that encompasses corporate governance principles, improving operational safety performance, employee performance and growth, optimum business operations and sustainable community development initiatives.

The report provides an overview of how RBCT has executed its strategy and lived its core values.

ENGAGING OUR STAKEHOLDERS

To be the Terminal of choice optimising stakeholder value continued to be our vision during 2012. Engaging our stakeholders forms an important part of the way in which we do business and is a cornerstone of our strategic commitment to sustainable development.

Through our corporate social investment in 2012, over R3 3million was donated to various local community organisations to assist them in initiatives relating to community upliftment and development. Key areas of importance include HIV/AIDS, education, job creation and sports development. Our partnership with organisations such as Business Against Crime, Zululand Chamber of Commerce & Industry and other community organisations is underpinned by our commitment to a better life for our employees and communities around us.

RBCT professionally hosted various clients and stakeholders from all over the world, thus showcasing the efficiency and reliability of the terminal.

Reporting to our Stakeholders

RBCT actively seeks constructive engagement with all its stakeholders and subscribes to a philosophy of providing meaningful, transparent, understandable and timeous information.

We also believe that long-term relationships with our various stakeholders (employees, suppliers, shareholders and government) are founded on trust and mutual benefits are vital to our business success. These relationships are sustained through the company's internal and external communication strategies.

Stakeholder Management

RBCT has implemented a strategic and proactive framework for developing and managing stakeholder relations. Identification of stakeholders that have a defined level of impact and synergy to our business have been categorised into the following:

- Core stakeholders – essential to the survival of RBCT;
- Strategic stakeholders – vital to the organisation and the threats and opportunities we face at RBCT; and
- Environmental stakeholders – stakeholders within our environment.

RBCT uses the RBCT's guiding principles to manage stakeholder engagement:

- Engagement that is mutually beneficial (growth);
- Relevant and/or appropriate engagement (accountable, efficient);
- Integrity (reliability); and
- Valuing relationships (trust).

Identification of RBCT Stakeholders

Internal stakeholders	All employees, pensioners and contractors
Shareholders	Existing and new BEE shareholders and Quattro users
Strategic Partners	TFR, TNPA and SABS
Industry	Transport, mining and maritime sectors as well as CETOA
Government	Local, provisional and national government
Media	Local, community, regional, national and international media in forms of electronic, print and web based
Business Partners	Suppliers and service providers
SCD Partners	Neighbouring communities, education institutions
Influential groups	RBCAA, ZCCI, BMF, BUSA, BWA, NAFCOC, environmental lobbyists and community leaders

Shareholder and Users as at 31 December 2012

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	16
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, 1 independent non-executive director, 1 executive director and 15 alternate directors. The Chairman of the Board is an independent non-executive and is elected by the shareholders.

On 1 July 2012, Ms N Damasane was appointed by the Board as the new Chief Executive Officer and subsequently appointed as the executive director on 11 July 2012.

The term of office for the independent non-executive chairman ended on 31 July 2012. Mr. M Teke was elected as the interim chairman of the Board for a six month period with effect from 1 August 2012 to 31 January 2013.

DIRECTORATE AND ADMINISTRATION

Directors

MS Teke (Chairman)

BM Dalton

N Damasane (Ms) †

Z Docrat

JH Dreyer

DG Esterhuysen

CM Ephron

D Haselau

GA Heale

MJ Houston

J-P Junqua Salanne *

TC McGiddy

MDM

HL Mkatshana

D Naidoo (Ms)

I Pitarque **

AJ Rogan

PE Venter

XR Wagner

Executive †

Alternate directors

M van Niekerk

V Chetty

MA Scharneck

GJ Marrian

T Legodi (Ms)

DD Quaker

RSE Alberts

L Baxter (Ms)

IA Swanepoel

SM Langa

S Mnguni

JAJ Loots

MR Walker

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.

1973/014256/07

* French

** Spanish

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 each committee reports 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)

The functions of the FINCO 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 as well as 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 as well as 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 the FINCO.

The FINCO normally meets on a quarterly basis and the committee met 4 times during 2012.

The following members form part of the FINCO:

GA Heale	Chairman	R Meyer
N Cebekhulu (Ms)		S Mnguni
V Chaithram (Ms)		D Naidoo (Ms)
J Ferreira		C Potgieter
JC Fourie		J Puth
JL Garrido		PJ van Zyl
E Hannekom (Ms)		MR Walker
M Lamprecht		

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, the 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 REMCO meets on an adhoc basis and the committee met 4 times during 2012.

The following members form part of the REMCO:

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

Operations Committee (OPCO)

OPCO acts as an advisor to the Board of Directors on all matters of safety and operational performance. The OPCO guides, co-ordinates and oversees the strategic and operational work undertaken by RBCT management on matters of safety and operational performance. The OPCO meets on a monthly basis from January to November and the committee met 11 times during 2012.

The following members form part of the Operations Committee:

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

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

RBCT SENIOR MANAGEMENT AS AT 31 DECEMBER 2012



Nosipho Siwisa-Damasane
CEO



Jabu Mdaki Judith Nzimande Bill Murphy
GM: Operations GM: Human Resources GM: Engineering



Kubendren Naidoo Alan Waller Zanele Mthiyane Richard Zitha
GM: Maintenance GM: Finance GM: HSEC GM: Strategic Planning
Monitoring and Control

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

RBCT's board of directors bears ultimate responsibility for the company's risk management. Responsible for the total process, the board 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 CEO, general management.

The management of risk and sustainability is inherently an operational function, with RBCT's management team being accountable to the board for designing systems, implementing and monitoring the process of risk management and integrating this process into the day-to-day activities at 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.

Included in these systems is a regular programme of internal and external audits of various aspects of the business, such as legal compliance, projects, review of effectiveness of mitigating controls, human resources, health and safety, environment, emergency planning, business continuity and disaster recovery planning, and information management.

In addition to RBCT's other compliance and enforcement activities, we recognise the need for a confidential reporting process to cover fraud and other risks. RBCT has a policy of zero tolerance on bribery and corruption. All employees and suppliers have been advised of our position concerning fraud and unfair business practice at RBCT and any instance of which can be confidentially reported to the chief executive officer, chief operating officer, our secure tip off line "Whistleblowers" or the Risk Management department. RBCT staff subscribes to our Code of Conduct and are required to update the conflict of interest register should they have any potential conflict areas.

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:
Supply Chain 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 consists 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 13-member strong committee is made up solely of RBCT employees.

African		Coloured		Indian		White	
Male	Female	Male	Female	Male	Female	Male	Female
6	3	0	0	2	0	0	2



Sustainable Development Performance

2012 OPERATIONAL PERFORMANCE

RBCT's operational efficiency is dependent on the different RBCT business functions working seamlessly together. The efficiencies achieved in these departments translate to the terminal's ability to meet set targets and customer expectations.

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.

Railings

Tonnage received increased from 65.71 Mt in 2011 to 68.52 Mt in 2012 (an increase of 4.27%) and was received with better efficiency levels compared to 2011.

A Train System Time (TST) of 4 hours 15 minutes was achieved. This performance was significantly better than the target of 4 hours 38 minutes for volumes of 91 Mt per annum.

RBCT continues to work with Transnet Freight Rail (TFR) in improving efficiencies aimed at reducing the train turnaround times as well as train cancellations. It is expected that the 2013 receipts will surpass the 68.52 Mt achieved in 2012 to reach approximately 73 Mt.



Exports

Exports continue to improve year on year, achieving 68.34 Mt in 2012. This performance is 4.32% better than 2011. The improved shipping is attributed to a corresponding effort from TFR through sustained railings to the terminal. In line with our export performance, we achieved a Port Load Rate (PLR) of 1 636 against a target of 1790 tons per hour. This performance was significantly lower than the 1 794 tons per hour achieved in 2011. The main contributing factors to the decline were equipment breakdowns and the ship arrival pattern. Operational inefficiencies also contributed to the decline in performance.

The Train System Time and Port Load rate achievements are not adjusted for volume handled.

Our customers

RBCT's customers are its terminal users, which includes shareholders, Quattro participants, and other commercial users. Engaging with them, through the Operations Committee, helps us to better understand their needs. In 2012, RBCT introduced monthly individual customer review meetings aimed at complimenting the Operations Committee Meetings, where RBCT's performance gets discussed relative to customer expectations.

Customer information and confidentiality

RBCT takes appropriate steps to preserve confidential or market-sensitive information. Where deficiencies are identified within our systems or processes, actions are taken to remedy the situation.

As a result of the above process, there have been very few complaints regarding the violation of information sharing and confidentiality.

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”)

Safety, health and the wellbeing of employees is a priority for RBCT, and continued to be the area of focus during 2012. In order to ensure ongoing compliance with the Occupational Health and Safety Act 85 of 1993, RBCT put some 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 other stakeholders in general. Health and safety training is provided on an ongoing basis. Environmental management is in accordance with ISO 14001 and the legislation which RBCT subscribes to.

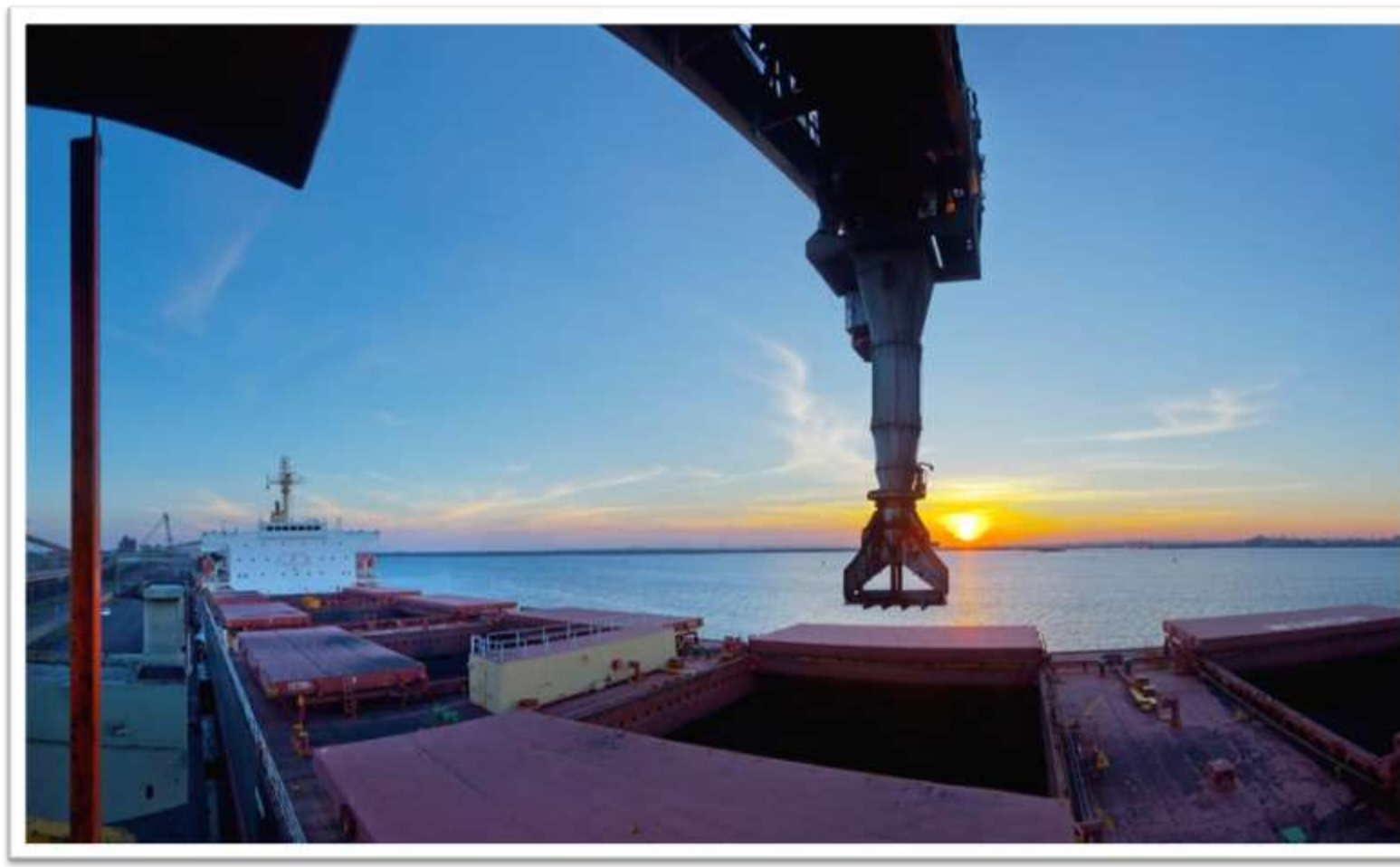
RBCT’s HSEC Management systems are assessed against the requirements of OHSAS 18001:2007 and ISO 14001:2004. RBCT’s ongoing compliance with ISO 14001:2004 and OHSAS 18001:2007 and its effectiveness was confirmed during the recertification audit conducted in March 2012, with 11 minor environmental and 13 minor health and safety findings being recorded. This is in-line with our continued commitment to maintaining excellence in HSEC management systems.



TRACKING OUR PERFORMANCE

Goal	Measure/ Target	Status	Comment
Safety			
Maintain OHSAS 18001:2007	OHSAS 18001 certified	Achieved	Recertified to OHSAS 18001
LTI free and fatality free year	No fatality	Achieved	
LTIFR</=0.24	LTIFR</=0.24	Achieved	LTIFR @ 0.23
MIFR</=1.44	MIFR</=1.44	Achieved	MIFR@ 1.08
>97% on SHE audits	>97%	Achieved	@ 98%
Environment			
Maintain ISO 14001:2004 Certificate	ISO 14001:2004 Certified	Achieved	Recertified to ISO 14001:2004
Zero environmental public	No public	Achieved	

complaints	complaints received		
Operations			
Train Systems Time	04:38	Not achieved	04:15
Port Load Rate	1 790	Not Achieved	1 636
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	



FINANCE

Cost control continued to be a significant focus area in 2012 culminating in significantly improved reporting from budget holders. RBCT is committed to providing a cost competitive service to RBCT stakeholders.

Our lowest cost terminal strategy combined with continuous efficiency improvements will remain key elements of our overall approach to running the business.

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 and 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 plays a significant role 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 with a strong focus on education, social welfare, job creation and sports development.

Promoting empowerment BBBEE

RBCT's procurement policy is aligned with the Department of Trade and Industry's Broad-based Black Economic Empowerment (BBBEE) Codes of Best Practice. The focus remains 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 10 years with pleasing results. Ensuring compliance with the Codes, RBCT insists on suppliers providing approved verification certificates. An extensive data base has been developed and 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 or above so that 100% of procurement spend from these entities counts towards RBCT's empowerment performance. RBCT encourages all non-accredited suppliers to strive to achieve a level 4 certification.

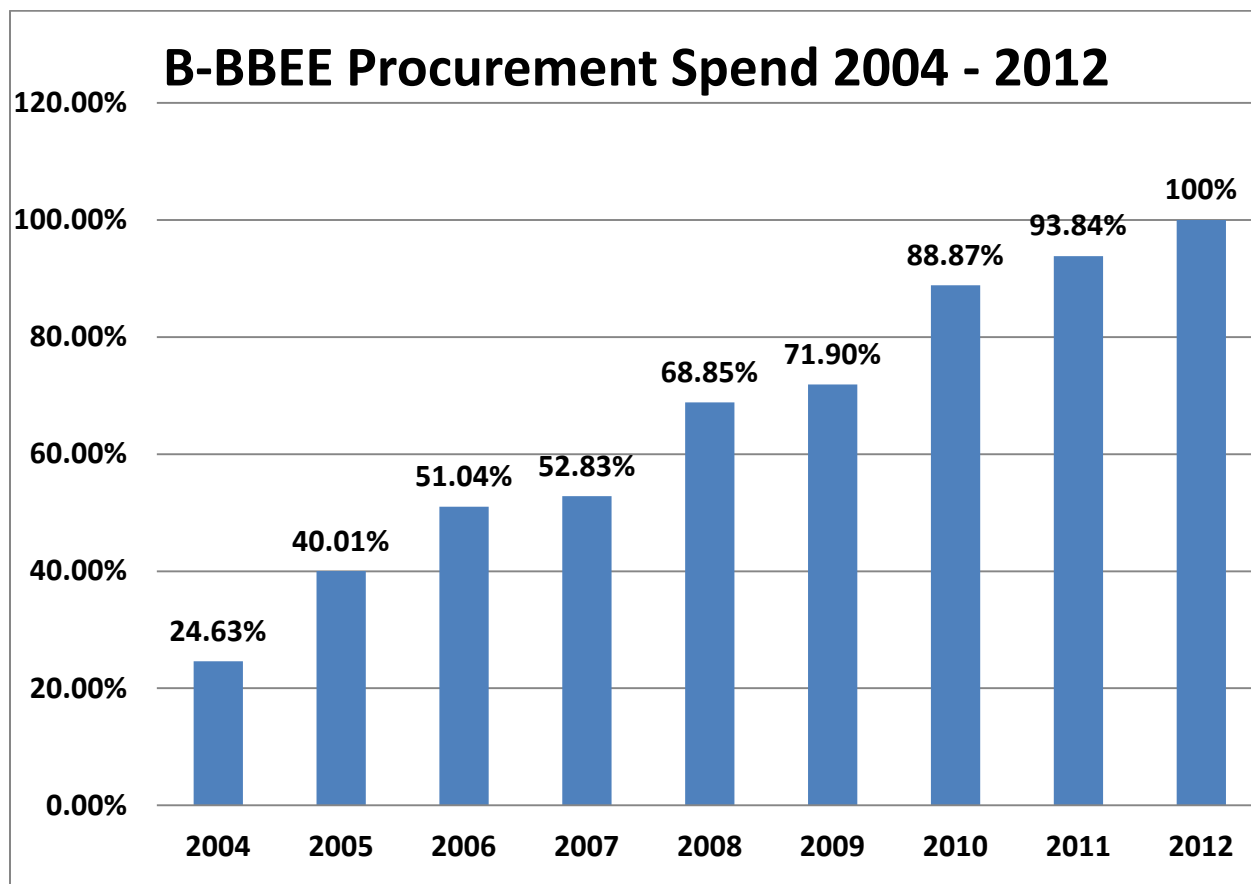
Where commercial criteria are the same, preference is always given to the higher BBBEE rated supplier. However, RBCT does not pay a premium to empowered companies; price is a key determinant for business considerations. RBCT does however require long-term suppliers to indicate how they will improve their 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 affirms the significant progress made by RBCT in procuring from empowered companies, thus contributing to economic transformation.



Nurturing the future through enterprise development

Enterprise development is one of the key focus areas for RBCT and 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. 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 because of the nature of the terminal's operational and maintenance spend which is predominantly on specialised high quality engineering items.



SUSTAINABLE ENVIRONMENTAL: MANAGEMENT

Management and compliance

RBCT recognizes that by its very nature, the movement of coal can and will have an impact on the environment. 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. Protection of the environment and compliance to environmental legislation remains paramount to RBCT. In 2012, the ISO 14001 recertification audit was a success, with 11 minor findings. This is in line with RBCT's commitment to maintaining excellence in environmental management systems. 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 Senior Management, supported by the Environmental Specialist and HSEC Officer. Operations and Maintenance departments also play a vital role in the management of environment.

Monthly Executive HSEC meetings address and discuss issues relating to environment, safety and health risks within RBCT and external affected parties.

During the year, no major 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 water to prevent pollution of the harbor and to recycle water was commissioned in 2009. An analysis carried out in 2012 shows that the typical potable water consumption has been reduced by approximately 75%, a serious drive towards conservation of energy was also maintained during the year. Significant savings have been realized. Energy saving programmes 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 resource 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 onto the environment. Currently, our primary environmental focus areas are:

- 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 2012, RBCT received the following environmental permits and licenses:

- Demarcation permit for Category 2 species *Casuarina Cunninghamia* in terms of Regulation 15B (2) (a) of the conservation of Agricultural Resources Act, Act 43 of 1983.

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

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)
- Waste Management

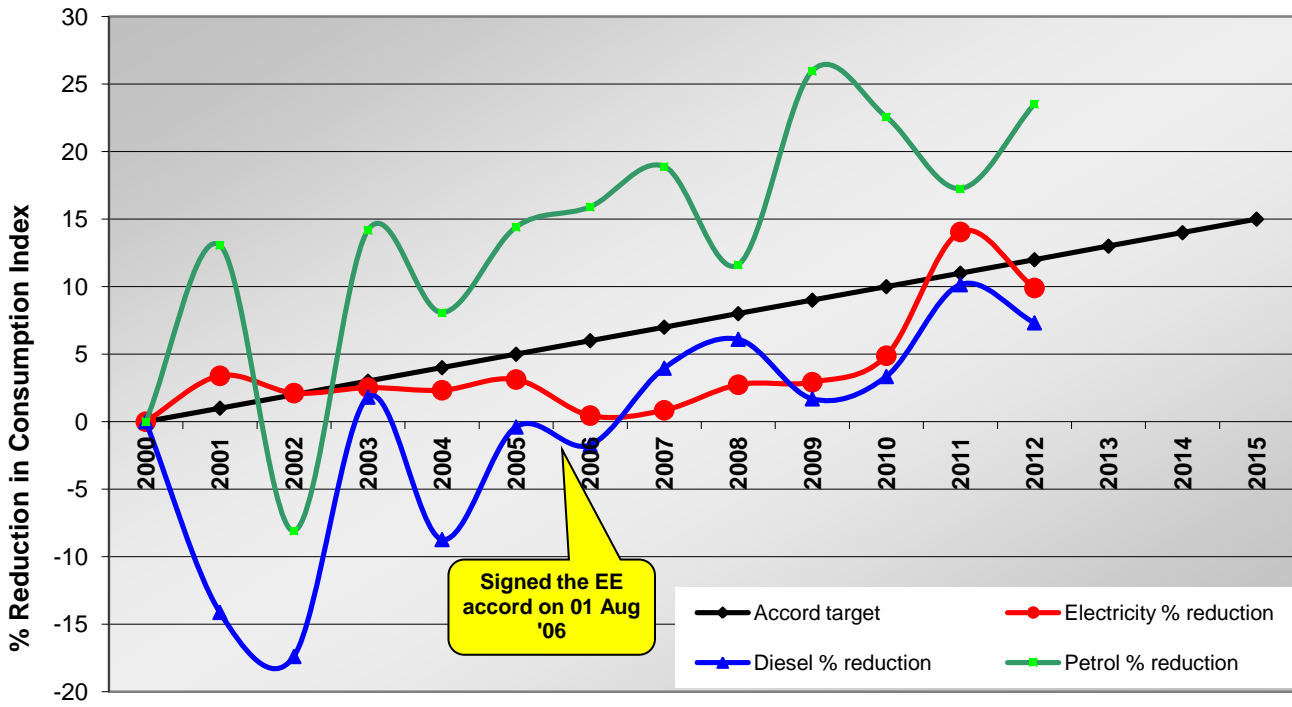
Resource and energy use

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 2012, there was no major overall improvement in energy consumption compared to 2011. The focus in 2013 will be in finding sustainable ways to improve on diesel consumption.

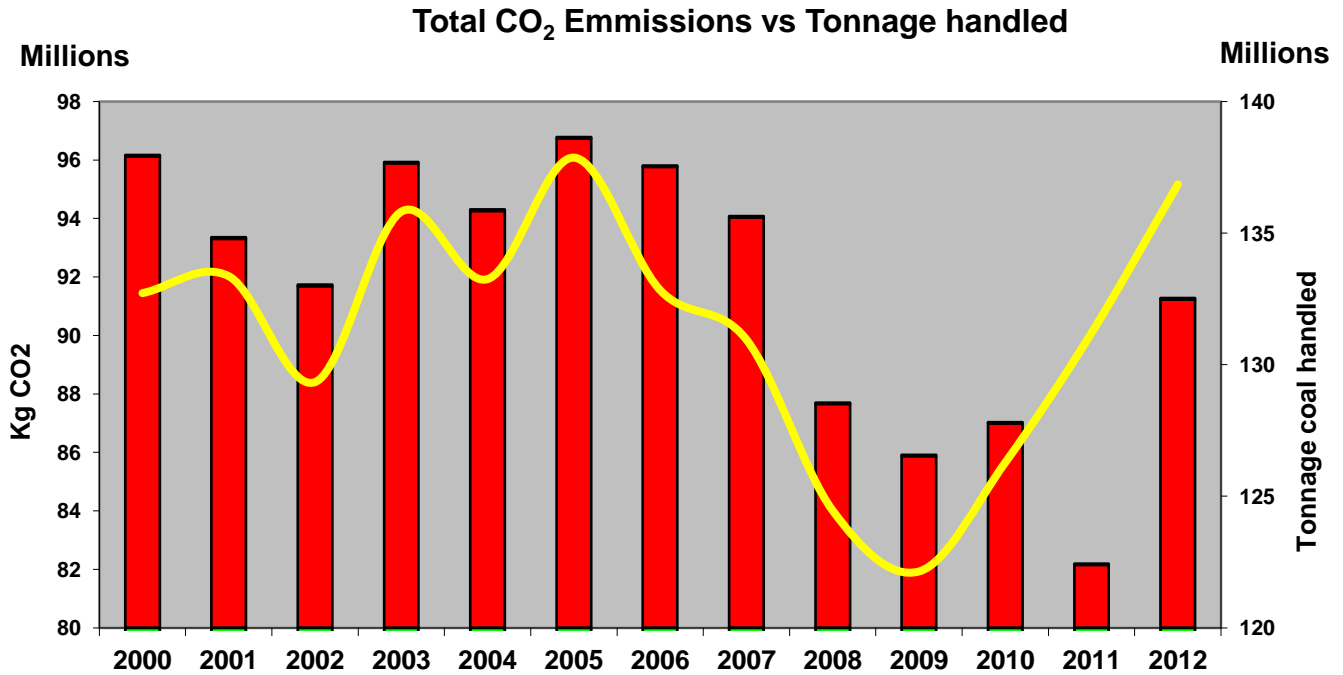
RBCT signed the Energy Accord in 2006, and agreed to reduce energy levels by 15% by 2015. RBCT has thus far performed excellently with petrol, but still below target with diesel and electricity. RBCT's focus is therefore on improving efficiencies in the use of diesel.

Year on year improvement on energy efficiency is being realized.





RBCT's carbon footprint continues to improve and there have not been any financial implications for RBCT due to our activities.

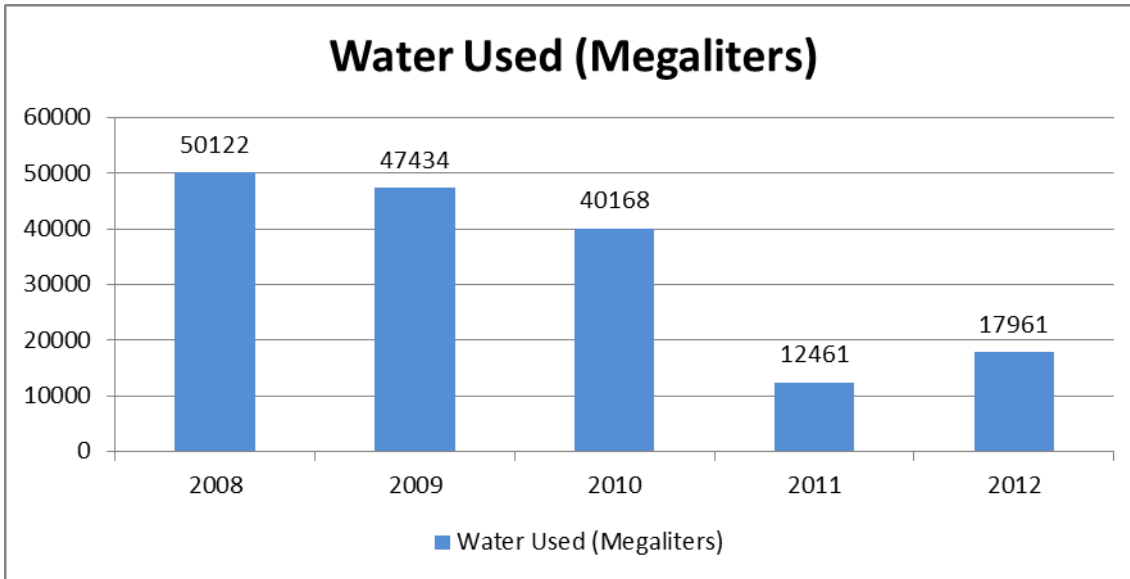


Water usage and management

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

Stormwater 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 domestic purposes.



Potable Water Usage

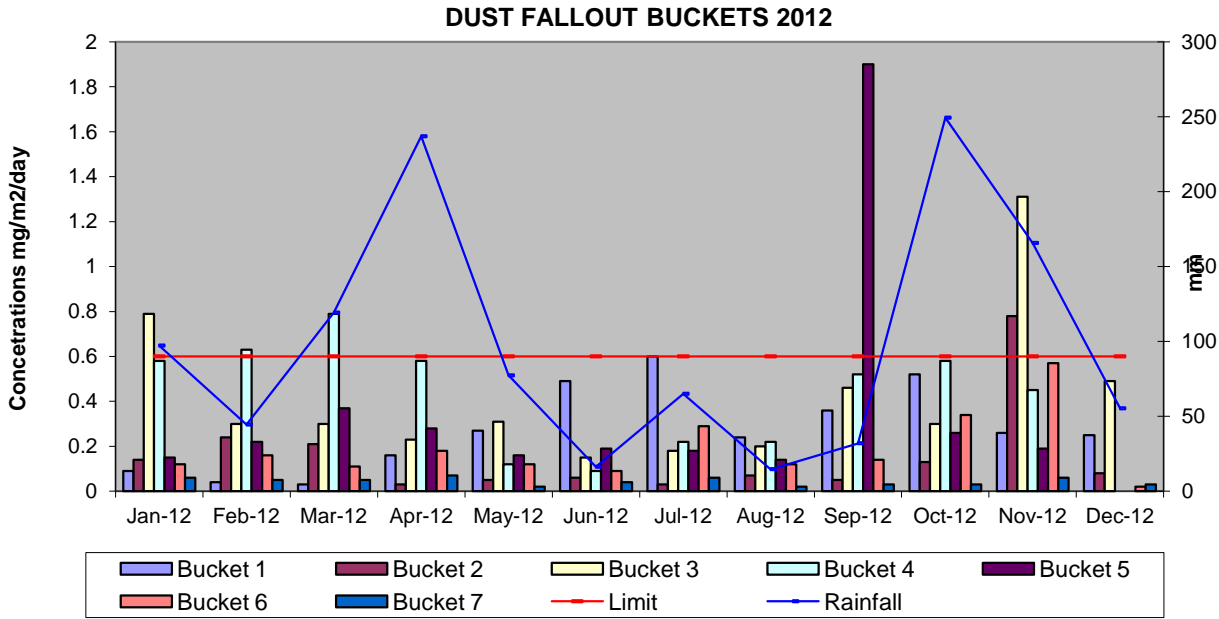
The quality of the recycled water is continuously monitored and treated to minimize the pollution of ground and groundwater which may result from reuse of this water.

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 and we are pleased to report that the dust fallout rates recorded during 2012 were well below the maximum allowable level of $0.6\text{g}/\text{m}^2$.



As part of the ongoing programme to reduce dust, RBCT uses a product called ‘dust-aside’ on the dirt roads around the stockpiles to suppress dirt. Dust-aside is a water-based binding agent that forms a layer on the road surface to suppress dust. Rain guns are used to sprinkle water onto the stockpiles to further reduce dust.



In order to comply to NEM:AQA, two PM10 monitoring stations are installed on the south and north perimeters of RBCT to further improve dust monitoring.

Waste Management

The management of waste remained one of RBCT's most important environmental challenges in 2012.

A greater awareness of the need for recycling practices is being achieved and the implementation of a comprehensive waste management strategy aims to reduce the amount of waste being consigned to local dumpsites. Waste management programmes were improved by refining the waste audits as well as implementing sustainable plans.

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

- 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 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. 2750 *Casuarina equisetifolia* (Coastal Beefwood) exist 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, *Aloe*, *Encephalartos* (Cycads), *Hibiscus tiliaceus* (Lagoon Hibiscus) and *Eugenia capensis* (Dune Myrtle).

Protected *Podocarpus falcatus* (Outeniqua Yellowwood)



Included in the landscaped gardens around the terminal are species that are protected by Provincial and/or National legislation which include *Podocarpus falcatus* (Outeniqua Yellowwood) to the north of the control tower, *Aloe*, *Encephalartos* (Cycads), *Hibiscus tiliaceus* (Lagoon Hibiscus) and *Eugenia capensis* (Dune Myrtle).

On the northern side of RBCT, there is 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, *Pycreus unioloides*, possibly the best standing in this region nowadays. White and black mangroves are also found on this wetland where water is fresher. The black mangroves are >17m in height, making these amongst the tallest to be found along the KZN Coasts.

Dolphins are spotted regularly 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.

In 2012 RBCT again partnered with Department of Agriculture and Environmental Affairs to commemorate specific campaigns such as environmental week and water week. Employees and their families are encouraged to participate in our annual coastal cleanup programme which proved, once again, to be a very popular event.

RBCT's activities have not impacted on the biodiversity within the terminal 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



OUR SOCIAL PERFORMANCE

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' 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 recognized 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 health and safety of our people and that of our contractors is important to us. Our Health and Safety Management System based on OHS Act 85 of 1993 and OHSAS 18001 ensures that we comply with the highest levels of occupational health and safety.

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 at large. 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
- General Health and Safety Training

We ensure that every hazardous task undertaken in the workplace has a safe system of work identified and that our employees and contractors have the correct, well maintained, tools and equipment to do the job.

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 and safety performance, initiatives and issues are regularly communicated to all stakeholders.

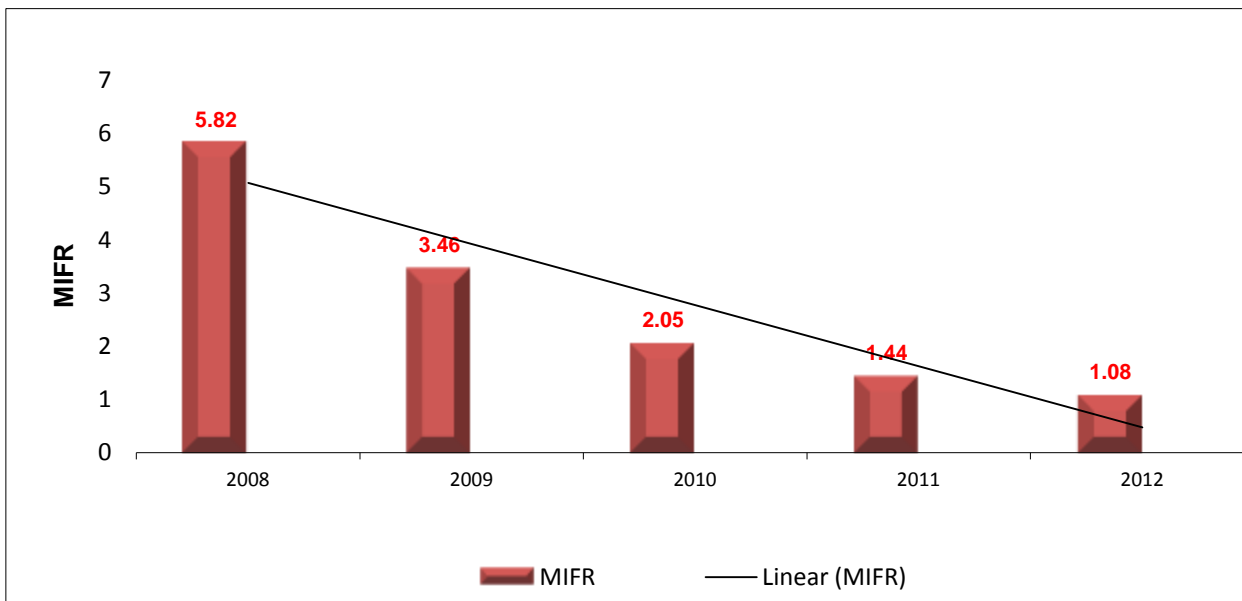
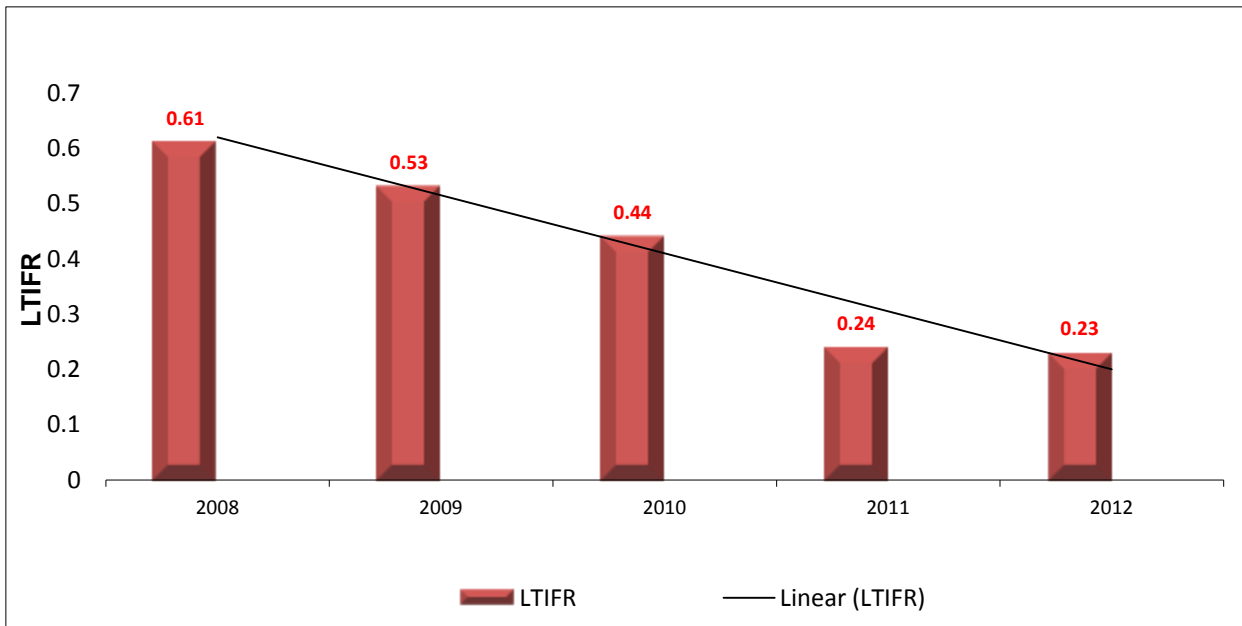


Safety Performance

RBCT is continuing to make significant improvement in the area of safety and our quest to create and sustain injury-free work environments for our employees and contractors continued in during 2012.

Safety performance improved over 2011 with no fatalities at our company during the year and a lost time injury frequency rate (LTIFR) of 0.23 per million man-hours worked. This is a 4.2 % improvement over the LTIFR of 0.24 recorded in 2011. The minor injury frequency rate for the year was 1.08 per million 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.

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 2013, our goal will be to achieve a further 10% decrease in both LTIFR and MIFR.

During 2012, we introduced focused on a new Behaviour Based Safety (COBRA) system, which has delivered some good results in improving our safety performance. Having trained all 491 employees and contractors to be active observers, the effort going forward is on embedding COBRA to ensure quality observations are submitted and that the identified barriers contributing to at-risk behaviours are removed.

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

2012 HSEC Objectives

Objective	Target	Achieved (incl. contractors)
Maintain OHSAS 18001 Certification	OHSAS 18001 No major findings	13 minor findings
Maintain ISO 14001 Certification	ISO 14001 No major findings	11 minor findings
Fatality free year	Fatality	Nil Fatality
Maintain LTIFR \leq 0.24	LTIFR \leq 0.24	0.23
Maintain MIFR \leq 1.44	MIFR \leq 1.44	1.08
NCR's closed out on time	95% NCR's closed out on time	100%
COBRA Observations conducted	95% COBRA observations conducted	100%
No external environmental complaints	Nil external environmental complaint	0

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 visits site twice a week and four full-time Occupational Health Nurses are available to cover two shifts. Medical surveillance examinations are conducted on site. Serious injuries/illnesses are referred to the local hospitals.

A number of occupational health strategies were put in place during 2012, including:

- KABP survey
- 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.

A successful Wellness Week was held during 2012 in which **293 employees and 163 contractors participated**. The "RBCT cares" message is continuously being re-emphasised and an extensive, ongoing in-house Wellness program is ongoing at the Health Care Centre which includes:

- HIV Counselling and Testing (HCT)
- Psychologist Service
- Biokineticist
- Assessment and management of clinical risk factors

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



HIV COUNSELLING AND TESTING

RBCT recognizes that the management of HIV / Aids is an integral part to ensuring the well-being of its employees. The company aims to maintain and continually improve its HIV&AIDS Management systems. In 2012, the company's drive was on ensuring that employees know their HIV status by undergoing HCT (HIV counseling and testing). We are happy to report that as at the end of December 2012, 349 of RBCT employees had undergone HCT and know their status. This translates to about 72.3% of our workforce. 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 is targeting 100% of employees to know their status by the end of 2013.

COAL DUST

Coal and silica levels at RBCT are kept at a minimal. 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 minimize dust are applied.

NOISE

All personnel working in noisy areas are provided with hearing protection equipment and RBCT conducts baseline, periodic, transfer and exit audiometric examinations.

Noise is generally treated at the source, and where noise cannot be eliminated, signage is posted to remind employees and contractors to wear their hearing protection.



OUR PEOPLE

GRI Indicator LA1

Job availability and sustainability is critical for economic growth in Richards Bay and surrounding settlements. It is for this reason that RBCT employs the majority of its employees from local communities.

The RBCT staff complement as at December 2012 was 491 with 100% of them being South African. Females representation increased by 3% to 24% compared to 2011 statistics. This figure was boosted by the appointment of the first ever female Chief Executive Officer at RBCT. This appointment is significant in driving transformation and improving female representation in our operations.

Our labour turnover for 2012 was 10.21%, just above the target of 10%. Most of the separations were due to out-of South Africa opportunities and natural attrition. Our skills pipeline strategy has enabled us to close vacancies speedily, thus having minimum interruptions in our operations.

RBCT continues to foster best HR practices in number of instances:

- Prohibition of child labour
- Job creation for the youth and the old
- Competitive remuneration and incentives
- Provision of social benefits

Pillar 1: Talent Attraction

RBCT has a proud record and is a world leader in the international coal-exporting market. In order to maintain and improve our competitive edge, we rely on our people to be innovative which assists 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.

Levels of our workforce

Job Grade	No. of employees
E & F Band	7
D Upper	18
D Lower	50
C Band	154
B Band	231
Trainees	19
Plant Trainees	12
TOTAL	491

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 i.e. 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

A compliance review by Department of Labour was concluded during Dec 2012. Although not all 2012 targets were met; good progress has been made in increasing overall representation of employees from the designated groups. Female under-representation exists at management levels. Our EE plan to 2015 aims to improve the representation levels of designated groups across all management levels with a sharpened focus to improve female representation. Recruitment of people living with disability is an important aspect of our employment equity plan. Additionally, our facilities are continually adapted to accommodate people living with physical disability.

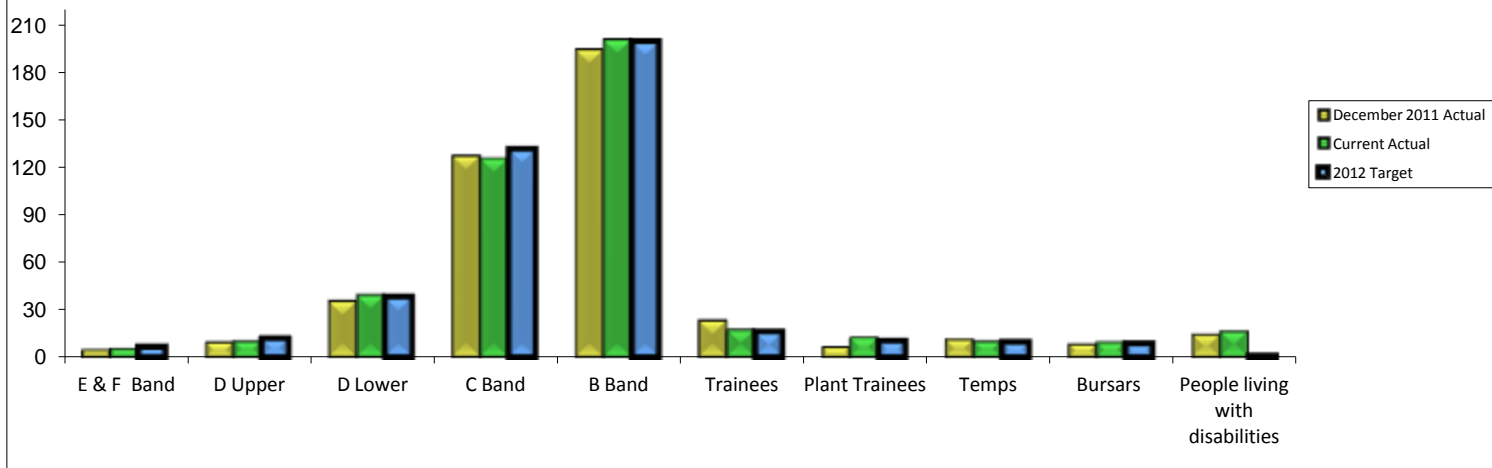
Workforce Diversity Profile

as at 31 December 2012

	Male				Total Male	Female				Total Female	TOTAL
	African	Coloured	Indian	White		African	Coloured	Indian	White		
Top management	0	0	0	0	0	1	0	0	0	1	1
Senior management	2	0	0	2	4	2	0	0	0	2	6
Middle management	2	2	1	1	5	9	0	1	2	1	68
	2		3	9	6					2	
Junior management	6	6	1	2	1	1	0	5	1	3	15
	8		6	9	1	9			1	5	4
Semi-skilled	1	5	9	3	1	2	5	6	1	5	23
	3			1	7	3			8	2	1
	4				9						
Unskilled	1	0	3	2	1	9	1	2	3	1	31
	1				6					5	
Total permanent	2	1	4	8	3	6	6	1	3	1	49
	3	3	1	3	7	3		4	4	1	1
	7				4					7	
Total non-permanent	4	0	0	1	5	3	0	0	2	5	10
Grand Total	2	1	4	8	3	6	6	1	3	1	50
	4	3	1	4	7	6		4	6	2	1
	1				9					2	

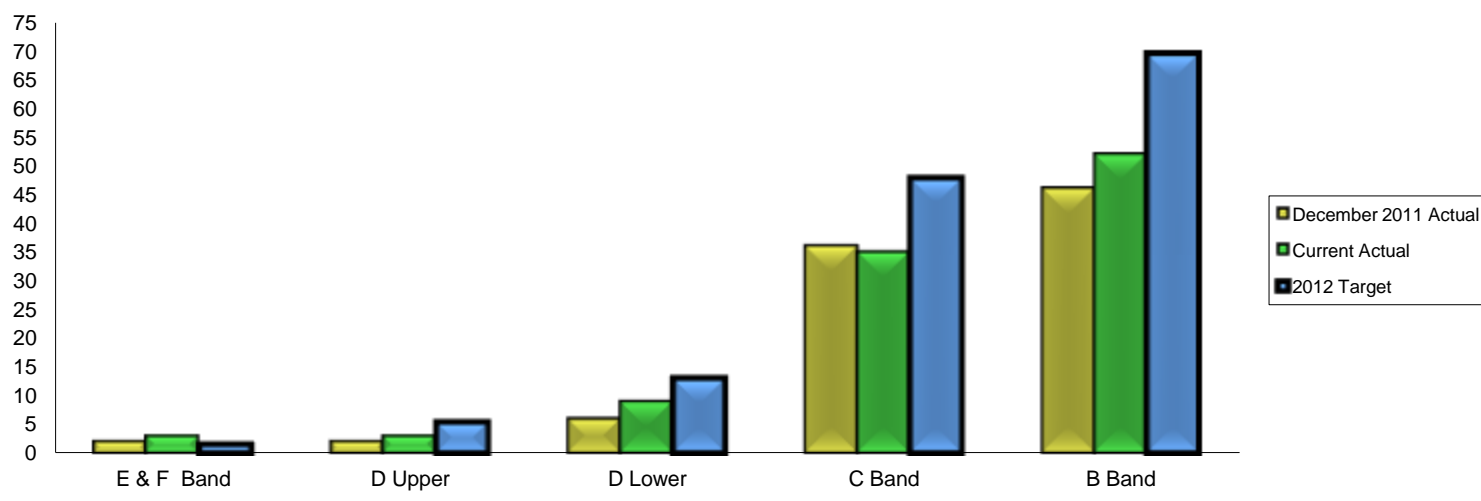
- Workforce diversity profile as per Department of Labour guidelines
- Non-permanent employees includes Trainees since employed more than three months and are counted as permanent employees

**ALL DESIGNATED GROUPS
December 2011 vs December 2012**



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 2011.

**DESIGNATED FEMALES:
December 2011 vs December 2012**



The Employment Equity Consultative Forum, made up of employees, the trade union SATAWU, and management, has been active in 2012. 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 2013.



Pillar 4: Workplace Diversity Management

RBCT is committed to promoting diversity and driving employment equity goals. Various initiatives are facilitated on an ongoing basis, to raise awareness and promote the diversity of our workforce. In 2012 these included cultural, disability and gender diversity awareness initiatives.

Pillar 5: Change and Transformation

2012 Performance Highlights

- Over 60% employees participated in the Organisational Health assessment survey
- Through the Employment Equity Consultative Committee comprised of Management, Union and employee representative, EE barrier identification and analysis activities were conducted; results of which inform the 4 year EE plan to 2015

Pillar 6: Employee Engagement

In 2012, we went to great lengths to engage our employees, to listen to what is on their minds through conducting an Organisational Health Survey. More than 70% of employees across all levels, participated in this CEO led and facilitated survey. Comments, suggestions and opinions made include useful insights on how RBCT can build and enhance its brand as a leading employer. Results from the analysis, will continue to drive our People focused 3 year strategy to ensure we remain an attractive and a dynamic place to work in.

Pillar 7: 360-Degree Assessment

During 2012, the D-upper Managers completed a 360 degree analysis with each leader getting a unique report on how they are seen by those they work with. The feedback workshop is designed to help participants receive the feedback in the most effective and non-defensive manner, encouraging deep and sustained behaviour change or even just tiny shifts if that is all that is necessary!

How the LEQ-360 assists leaders on their journey:

- The Leadership Effectiveness questionnaire is a 360-degree assessment designed to measure the well-established leadership behaviours.
- It provides leaders with insight into how they are perceived in action, by gathering the opinions of multiple raters (*most often peers, superiors, and direct reports but may include clients, etc.*).

- By comparing their self-assessment with other ratings, leaders easily identify areas of agreement and differences in opinion with regard to what behaviours are contributing towards their effectiveness, what behaviours may need to be further developed and what behaviours they may need to let go of completely.
- Whilst the results are easy to understand and action upon, the true value of the LEQ-360 process comes from receiving the feedback from highly skilled coaches who have a deep understanding of the Diamond Model and significant experience in leadership development.
- Leaders are not left to decipher their feedback on their own; rather coaches work with each leader to help them make sense of their feedback in relation to their specific work context. They empower the leader to appreciate and work with sometimes quite 'touchy' feedback in a practical way, rather than discard it. Thus companies are far more likely to see return for the time and money spent on this process.

Pillar 7: Performance and Talent Management

RBCT improved its performance management approach through the continued use of Individual scorecards for managers and team scorecards throughout the organisation, linked to a company scorecard system. Development plans form a vital part of the process and are linked to our workplace skills plans.

Achievement of the organisation strategic and operational objectives continued being supported by the 42 self-directed work teams that are embedded throughout the business areas. The respective teams are aligned on performance improvement areas with a focus on quality, cost, people, safety, speed business dimensions. The Teams process is managed on the Mission Directed Work Teams` program principles. Various Teams held Open Forum sessions with an aim to review operational performance and prioritise focus areas.

2012 has seen a sharp increase in employee turnover levels compares to the previous to 2012 and 2011 reporting. In response, our talent management processes and practices are being refined to ensure an integrated talent management system with the overall talent development processes being redefined to strengthen our succession pool into critical roles.

Pillar 8: 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, where necessary and possible, also addressing the wider skills development needs of the country.

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 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 is 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 may be requested 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.



Average Hours of Training for 2012

The average hours of training per year per employee by Occupational Category of employee as at the 31st December 2012 were:

Occ. Category	Occ. Cat. Text	Total Hours per level	Number of Staff Trained	Average Hours per person per level
1000	Legislators, senior officials and managers	3144	41	76.68
2000	Professionals	786	11	71.45
3000	Technicians and associate professionals	4906	83	59.11
4000	Clerks	2124	50	42.48
7000	Craft and related trades workers	16499	82	201.21
8000	Plant and machine operators and assemblers	12065	155	77.84
9000	Elementary occupations	10135	80	126.69
	Grand Total	49659	502	98.92

Staff Development

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.

Executive Leadership Development Programme

RBCT Executive team attended the Executive Leadership Development Programme in 2012. The following modules were covered:

Leadership and Personal Mastery

Working on the belief that we can only manage others if we can manage ourselves, the leadership sessions are devoted to understanding oneself, one's strengths, values and aspirations. Leadership styles are explored and areas of development are identified. We examine the assumptions we make about ourselves and others, and explore how limiting these can be. We try to understand the true meaning of diversity, and learn how to leverage the power of tapping into the diversity around us. The habit of reflection as a leadership practice is encouraged as a basis for the future. Specifically these sessions will include:

- Identify individual priorities and objectives for the programme
- Explore personal learning and leadership styles
- Explore the difference between management and leadership
- Work with core leadership concepts
- Explore the concept of diversity and the possibilities that emerge from understanding the similarities and differences that exist in any group of people
- Deepen the skill of listening with respect, equality and appreciation
- Identify, check and manage our assumptions
- Delegates will be briefed on a personal inter-module assignment – not for assessment.

Building a Culture of Performance and Execution

Key concepts that can be explored, to be fleshed out during the design process, include:

- Developing and understanding the essence of sustainable performance
- Understanding value based management
- Change management
- Coaching and mentorship as management practices
- Achieving a competitive edge equitably and fairly through people
- Corporate culture and leadership
- Talent management as a strategic resource
- Team management and development

Strategic Thinking and Execution

This session explores the frameworks and tools needed to think and engage effectively on strategic challenges, as well as to implement strategy that builds organisational resilience and delivers results. In particular, the session aims to make the executives more effective and influential in shaping the decision-making and strategic direction of the organisation. The tools for engaging in a strategic conversation are provided, along with the key elements needed to develop a dynamic blueprint for execution and growth. A core focus is on value transformation, from concept to communication and delivery.

A selection of the following topics will be covered:

- Engaging with Strategy in a Changing World
- External Competitive & Operating Environment Analysis
- Outside in Strategy

- Internal Organisational Analysis
- Optimising Strategic Alignment
- Future Positioning
- Opportunity Assessment
- Building Resilience through Innovation
- Value Transformation
- Strategic Leadership & Change Management
- Strategy Implementation

Module 2

The Environment and Context of Business

Business is not conducted in a vacuum. To succeed in meeting its objectives, a business must be responsive to both its economic and noneconomic environment. It is clear that the environment in which business operates is becoming increasingly complex. This is especially the case in emerging and developing markets where social, political and institutional practice often affects the environment of business in very dramatic ways by forcing business to change standard protocol in recognition of fluid “rules of the game” and higher country risk profiles.

Value Stream Management

In this session, we will examine the design, operations and improvement of systems that create and deliver the organisations’ services. The operations function lies at the heart of all organisations. It is essential that successful managers have a sound knowledge of this discipline, even though they may not be directly involved with operations management on a daily basis. Specific topics to be addressed include:

- Learning by doing, and how to support that.
- Managing purpose/process/people.
- Process design and process improvement.
- Plan-Do-Check-Act as a way of working.
- Actualising vs. generalising problems: what the choice does.
- Capacity management in the supply chain.
- Challenges facing the new manager in an operations environment.

Leadership and Closure

In the final sessions, the leadership practices introduced in the first module will be re-visited and deepened. This ensures that the skills and concepts become practices and habits. In the design process, we will have the opportunity to assess whether it will be appropriate to introduce Lean Leadership concepts at this stage, as additional leadership practices. Lean leadership is a philosophy, a consistent way of thinking and being in your role as a leader. It is not a tangible recipe for success, neither is it a management project and it certainly is not a once off event. It is a continuous way of being for all people in an organisation, department or team - a never ending search for a better way.

Management Development Programme (MDP)

RBCT continues to develop 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 Programmes 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)

Having begun as a programme for staff from previously disadvantaged groups, this programme has developed into a company-wide program, taking employment equity requirements into account. The aim of the program is to develop the core competencies required by employees making the transition to management or supervisory positions.

After completion of this programme, delegates present their projects to the General Managers 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. We sponsor learners, in fields such as Engineering, Industrial Psychology, Finance, Education and Nursing. Employment equity targets require at least 80% of bursaries to be awarded to previously disadvantaged persons; during 2012 RBCT achieved 100% in this area. To ensure that bursars succeed in their studies, individual progress is monitored and assistance is provided where required. During holidays, bursars work at RBCT where they are helped to grown their knowledge. This approach helps each bursar bridge the gap between school and the world of business.

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 recognised tertiary institution, 50% of which should be focused on continued education.

Education Assistance Programme

Employees have access to funding for part-time education through our Education Assistance Programme (EAP) where RBCT pays for tuition and employees are only required to repay should they not pass the courses. This encourages employees to improve their knowledge and work-related skills and to prepare them for the next step in their careers; 95 staff members participated in this scheme during 2012.

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. Bursars who have completed their Degrees and Diplomas are often given opportunities to gain the experience required.

In 2012, RBCT's commitment was as follows:

Trainee Type	Number	Comment	Bursar
Apprentices	17	Millwright Apprentices	
Electronic Technician	1	Automation and Control	
Industrial Engineering Technician	1	Experiential Exposure	
Mechanical Engineer	1	Graduate Engineer	Y
Safety Officer	1	Diploma in Safety Management	Y
Electrical Engineer	1	Diploma Technician	Y
ART/AIT Trainees	8	Current maintenance assistants identified for artisan development	

Artisan Recognition Training/Artisan In Training (ART/AIT)

The Artisan Recognition and Artisan in Training program was introduced with potential Maintenance Assistants being selected for Artisan Training. These candidates were sent on the Apprenticeship modules with the aim to write Section 28 Trade tests in 2013.

Technical Training Infrastructure

With RBCT technical training being outsourced, it was identified that staff have difficulty transferring the knowledge learnt into plant specific equipment. Taking this into consideration, RBCT created a Technical Training Workshop with key training

stations and a short conveyor – both used for training purposes. During 2013, a mini substation and PLC racks will be completed to assist with Electrical Fault fining.

Plant Operator Traineeships

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. We are currently working with the QCTO to develop a qualification for Rail Operators; thereafter we will focus on the Plant Operators and Controllers.

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 9: Corporate Affairs

We are passionate about community development and partnerships. Our strategy is to foster collective and sustainable engagements with local communities to improve quality of education and poverty eradication. Our slogan **Coal to the world, growth to the nation** fits in well with our community development initiatives. Our main focus is in the following areas:

- Education
- Skills development
- Crime fighting
- Social welfare
- Poverty alleviation
- HIV/AIDS
- Sports



The Corporate Social Investment (CSI) committee is made up of employees with an interest in community projects. Management is not involved in the election of the committee. Committee members can be appointed, nominated or can volunteer to partake in CSI initiatives. The committee's responsibilities include:

- ensuring fair adjudication of CSI requests
- monitoring the sustainability of projects, and
- reviewing the continuity of RBCT involvement in community programmes

Education: Mobile Mini-Science Kits

We supported the provincial department of education's initiative of ensuring that learners have access to science labs. Many rural schools do not have access to laboratories and many complete schools without having seen a science experiment. It was on this thinking that RBCT agreed to partner with the department by donating mobile science kits for distribution to local rural schools. The project is proving to be very useful and well received by the school teachers and learners. One teacher commented that "now our learners will at least see the basic experiments that they



Ntabeni primary school

Prior to RBCT's involvement, children were learning under the trees at Ntabeni Primary School. The school is now fully fledged with more than ten classrooms, electricity, an ablution block, walkways, an administration block, a concrete courtyard and a fully equipped kitchen. The total RBCT funding injected into the school is R3.8 million and they now have enough room to cater for all the children and for ABET lessons in the afternoon.

Matshana Creche & Qhubekani Creche

Qhubekani is a crèche based in Esikhawini built by the community but due to overcrowding and the lack of resources, was no longer able to cope. RBCT assisted by building 3 classrooms to cater for the children as well as for ABET lessons. To date, RBCT has built 3 new classrooms and has fenced in the crèche at a total cost of R1.1million.

Social welfare and Poverty alleviation: A garden for every home

As a responsible corporate citizen, we do not wish to see a child go to sleep hungry. Many children live in homes where no-one is employed and the quality of their lives is impacted. For the past few years, we partnered with department of agriculture in supporting families to start their own vegetable gardens. Home owners were trained on how to start and manage a home garden. On completion of the training, they were each given the necessary tools, equipment, and seeds to start their home gardens.

Food security is a challenge for many households as a result of economic hardship and unemployment. As Richards Bay Coal Terminal we have resolved to partake in agricultural initiatives as the platform from which to launch a campaign to fight poverty and build our economy. The emphasis is on communities doing things for themselves.

Trees for life

RBCT continues to provide funding for the Trees for Life project, where over 600 youngsters identified from the Dube and Esikhawini communities to participate in the Indigenous Trees for Life project which is run by the Wildlands Conservation Trust.

The young Treepreneurs receive basic training and the initial resources required to grow indigenous trees. They then collect seeds from their local areas and propagate them, nurturing the trees until they are large enough to be sold. Wildlands Conservation Trust buys the trees back from the learners and sells them to various greening projects around the province.

The treepreneurs are paid either in cash per tree or barter their trees for a variety of goods such as food, clothes, bicycles or school uniforms.

This project is quite significant for us as it fosters environmental issues among the children at a young age. Many homes are fed, children provided with bicycles as a means for transport to school, many provided with school uniforms. The project has had many positive spin-offs for various homes in these communities.



In support of Amangwe village

Amangwe village is close to our hearts. This is a place where hope is restored, love is shared and support is given unconditionally. On our regular visits to Amangwe village, we are always impressed with the professionalism which the centre is managed. RBCT has a long standing relationship with Amangwe. On annual basis, we support the centre with funding that enables them to continue providing that much needed home-based care to people infected and affected by the pandemic. We adopted the Amangwe crèche as our flagship project which we financially assist every year. We also assisted just over 10 little children to attend crèche by paying for their fees. These are children that are orphaned and vulnerable.



RBCT Charity Relay Run

The RBCT annual charity relay run plays a significant role in attracting people from all over the country to flock to Zululand to participate in the Charity event. In 2012, all proceeds generated through site bookings and entry fees, which amounted in excess of R130 000 was donated to local charitable organisations.

This annual charity relay run also provides tourism spin-offs as most of the participants then spend some time visiting keys tourist attraction areas in Zululand.

Annual Standard Donations

In 2012, a total of R480 000.00 was donated to 16 charity organisations. The criteria for funding our major projects are based on:

- Sustainability
- Community involvement
- Employee involvement – where applicable
- Project to benefit wider community and not individuals



Charities which received donations are:

Empangeni SPCA
Empangeni Child and Family Care
Life Line Zululand
Sea Rescue
Richards Bay Family Care
Richards Bay SPCA
SANCA Zululand
Siyabonga Shelter
SA Red Cross
Thuthukani Special School
Unizul Science Centre
Zululand Hospice Association
Zululand Mental Health Society
UThungulu Community Foundation
Pathway School for Autism
Reaching Out (Against Women & Child abuse)

RBCT Open Days

Almost 500 people attended the 2012 RBCT Open Days where schools and colleges were invited from as far as Pongola and Durban to visit RBCT.



Pillar 10: Sound Labour Relations

RBCT takes pride in its relationship with the employee representative union as one of its key stakeholders.

In 1982 RBCT recognized the Transport and General Workers Union (now SATAWU) and have built a strong collective relationship over time, which has generally been stable.

Key to the sustainability of labour stability is communication and joint involvement in matters that impact, or may impact, on collective relationships. In this regard, regular interaction with union representatives is maintained at monthly held

Consultative Meetings, where the parties exchange ideas and consult on matters of mutual interest, including concerns that could result in disputes between the parties.

Collective interest participation is also structured into various committees on matters such as executive safety, transport, canteen service, provident fund trustees, employment equity consultation, training, corporate social investment and medical aid. Shop stewards of SATAWU with specific portfolios represent worker interests at these forums.

Statistics reflect that disciplinary action and grievances recorded have steadily decreased to where these now average at 4 disciplinary action reports per month, some 4 dismissals per annum, 7 grievances per annum and 4 cases per annum being referred to the CCMA for disputes resolution.

The main concern for labour peace and sustainability is annual wage negotiations. In this regard, the parties have entered into 3-year wage agreements for some time, thereby avoiding the annual risk of industrial action and the consequent disruption to production, as well as, damages to collective relationships. The current 3-year wage agreement expires on 30 June 2013 and the Company will be negotiating to agree on a further long term wage agreement.

