



Richards Bay Coal Terminal Proprietary Limited



# 2015 Sustainability Report



Coal to the world, growth to the nation

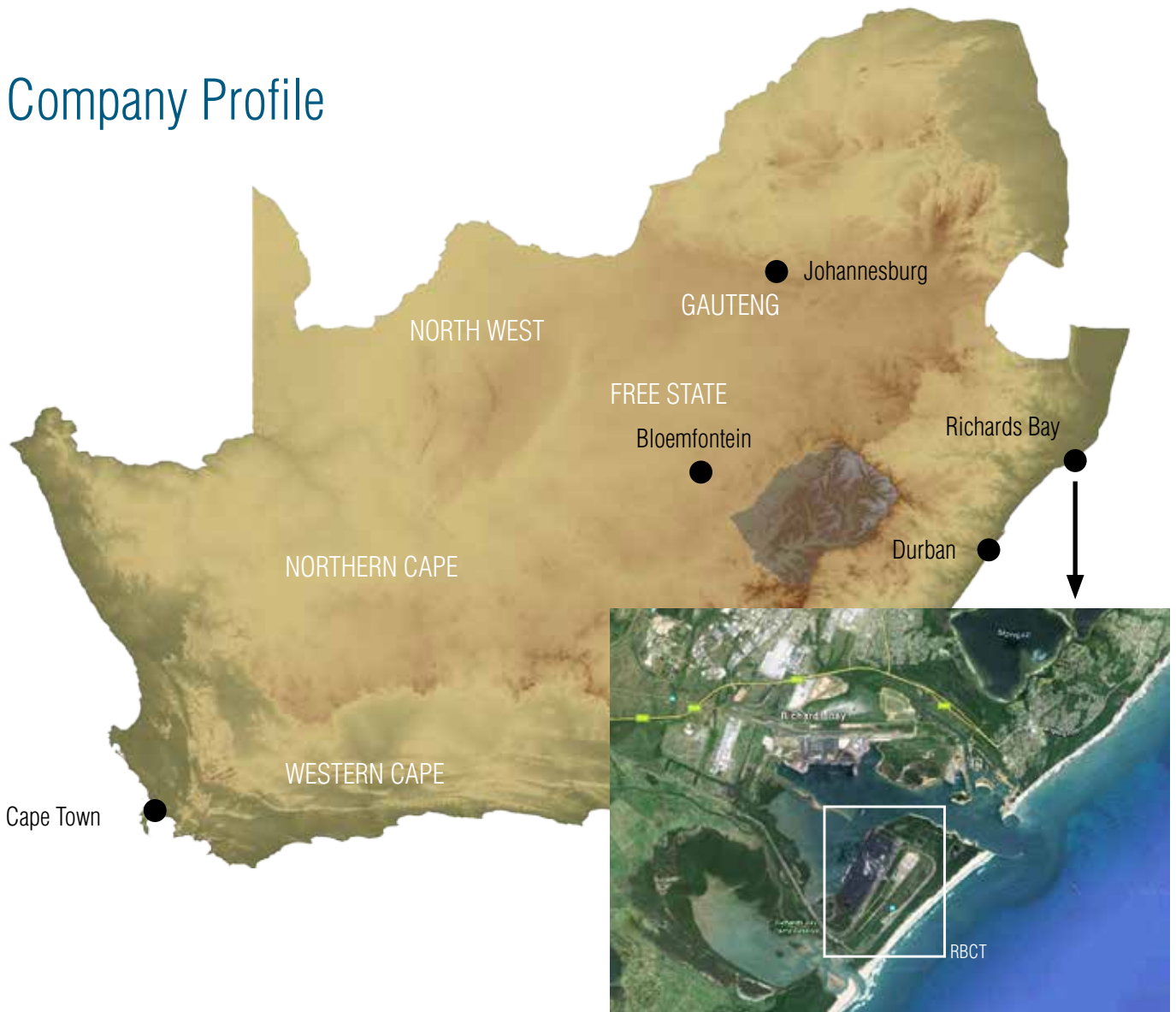


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Coal to  
the world,  
growth to  
the nation

# Company Profile



Richards Bay Coal Terminal (RBCT) is a world class coal export terminal situated in the Port of Richards Bay. The terminal was opened in 1976 with an original capacity of 12 million tons per annum (mt/a).

The terminal provides South Africa's Coal Exporting Mining Companies (CEP's) with a world class logistics service that facilitates the export of coal to Asia, Europe and other regions.

RBCT is positioned at one of the world's deep sea ports, and handles large ships and large volumes of coal. The 276 hectare site currently boasts a quay that is 2,2 kilometres long with six berths and four ship loaders, with a stockyard capacity of 8,2 million tons (mt).

RBCT shares a strong co-operative relationship with South Africa's national utility, Transnet, which provides the railway services linking the coal mines to the port, and the shipping coordination of more than 900 ships per annum.

All RBCT's operations and administrative functions are conducted in Richards Bay.

276  
Hectares

6  
Berths

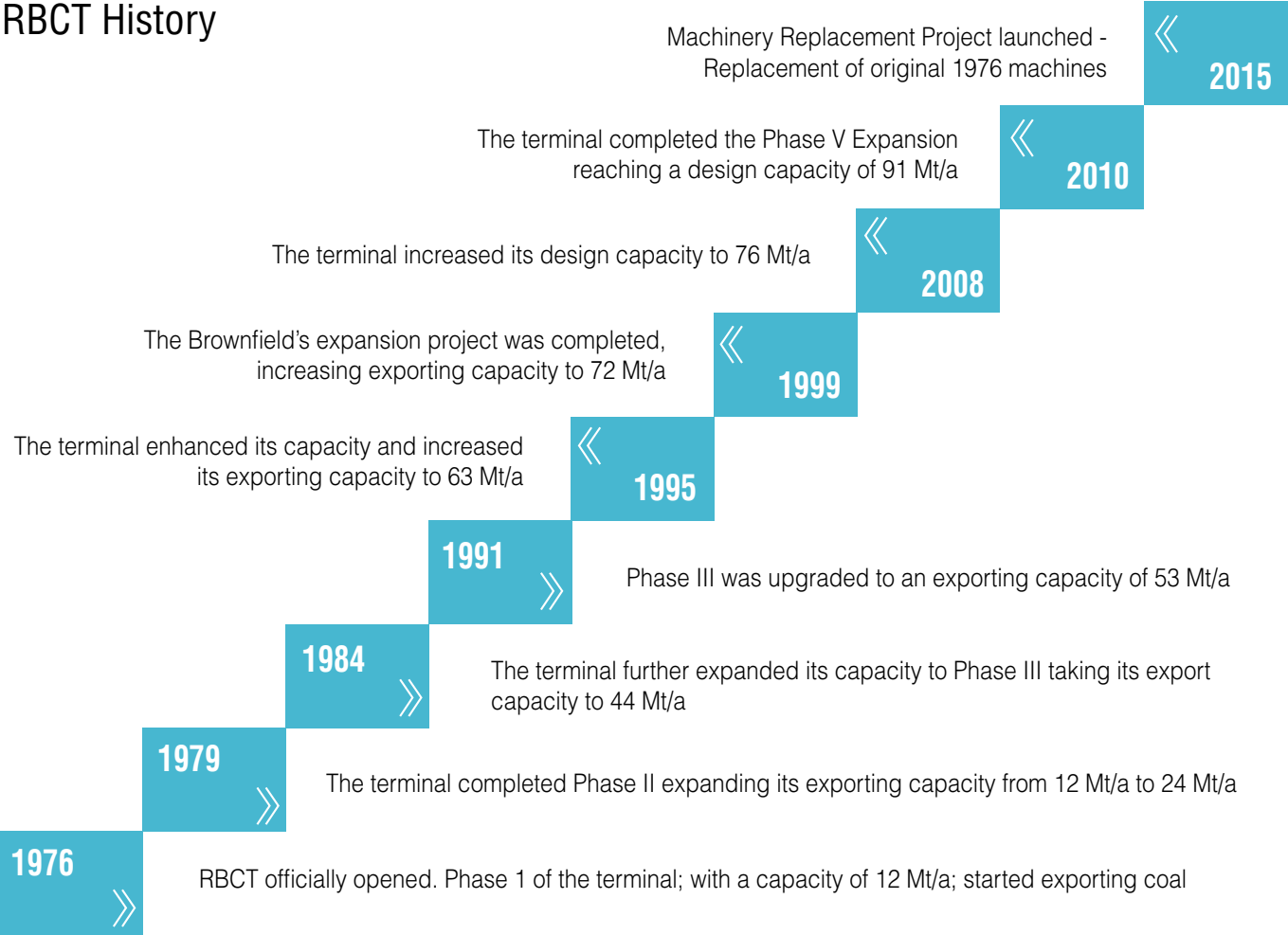
8,2m  
Ton stockyard

2,2km  
Quay

4  
Ship Loaders

>900  
Ships per annum

# RBCT History



# 2015 Performance Highlights

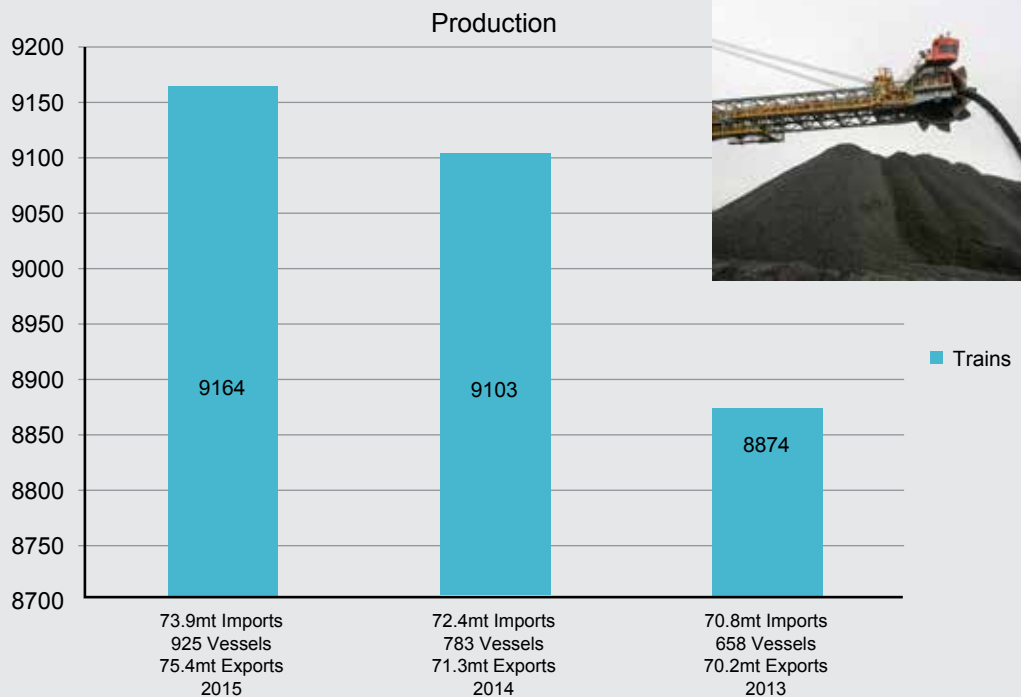
## Safety



# 3,9 million

Lost Time Injury (LTI) free man-hour achieved as at 31 December 2015

## Production



RBCT has moved Two Billion Tons of Coal

## People

### Organisational Health Survey

6% improvement on the overall organisational health in 2015



## Corporate Social Investment (CSI) Spend



# R8,9 million

Donated to worthy projects in 2015

# Statement by the Chief Executive Officer



We aim to tackle the issues that are most material for our business; this incorporates safety, economic, people, environmental and social imperatives

In this message to our stakeholders we reflect on key areas of our performance as it relates to our sustainability over the year, and provides an outlook on our prospects going forward. We aim to tackle the issues that are most material for our business; this incorporates safety, economic, people, environmental and social imperatives.

## **Providing a safe working environment**

Providing a safe workplace remains our core value and priority at RBCT. I am pleased to report that we closed the year 2015 with 3.9 million LTI Free Man-Hours, with no fatalities and with a lost time injury frequency rate (LTIFR) of 0.00 per million man-hours worked. The minor injury frequency rate (MIFR) for the year was 0.17 per million man-hours worked.

In 2015, employees took part in our second employee Safety Survey. We regularly solicit views on safety. The overall Safety Culture results revealed that RBCT employees' safety perceptions matured beyond Compliance to Proactive and even Resilient. About 71% of employees rated RBCT safety culture as proactive to safety, going beyond compliance. This is a significant improvement against the 33% in 2014. These improvements demonstrate that we can and should continue to strive towards our goal of operating without injury.

## **Managing our environment**

Moving coal in a safe, cost effective and efficient manner, safeguarding the environment and stakeholders is our mission. RBCT's coal logistics activities are conducted within the framework of ISO 14001:2004 and a site specific Environmental Management Programme (EMP). 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 2015, the ISO 14001 recertification audit was a success. This is in line with RBCT's commitment to maintaining excellence in environmental management systems (EMS). RBCT complies 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.

## **Natural resources**

Some of the challenges that we had to contend with were drought and energy. These continue to pose a risk. An analysis carried out in 2015 shows that potable water consumption has been reduced by approximately 19% compared to 2014.

In 2015 RBCT embarked on a very impactful energy saving campaign. This drive was maintained during the year and continues to be a key focus area. Significant savings were realised. The goal is to reduce energy consumption by up to 15%. We are on track to meet our 2016 energy-reduction objectives and targets.



### Valuing and empowering our people

We continue to engage with employees and unions regarding the business performance ie. safety, operations, finance, organisational health and the current prevailing economic conditions.

We see employees as partners in innovation and cost optimising measures. We are proud to report that many of the cost optimising solutions came directly from our employees and they continue to be cost sensitive. We are in this together.

Over 90% of colleagues took part in the 2015 Organisational Health Survey. The staff results improved (from 2014) by 6%, and management by 10.6%. About 75% of respondents said they believe strongly in our strategic direction, leadership, are motivated to work for RBCT, and are willing to go the extra mile to help RBCT be sustainable.

We aim to continue to engage, nurture and develop our people to enable our terminal to perform at it's best. We are proud of the two RBCT employees who were selected to enrol into the International Executive Development Programme (IEDP) facilitated by the Gordon Institute of Business Science, SA in partnership with Rollins Business School, USA. RBCT recorded 52478 training hours in 2015, with a total of 16 Apprentices, 6 Operator Trainees.

Our labour turnover in 2015 marginally increased from 6.7% in 2014 to 6.9% in 2015. A total of 26 appointments were made, of which 87% were recruited from local communities.

### Enabling small business to thrive

Small businesses are crucial to RBCT because they remain critical to economies, and to communities. In our direct buying business relationships, we give preference to small enterprises. Our long-term growth is dependent on small business to grow and thrive with us. This is in line with our responsible procurement strategy.

At RBCT, our purpose is to contribute to the economy's growth through moving coal, if we do this passionately and safely we will improve livelihoods and help build local communities.

### Enterprise development

One of our major initiatives facilitated through our shareholders is to make available four mt of export capacity to junior miners at commercially attractive rates. This means that junior miners can now have access to export markets through RBCT. The allocation of this capacity contributes significantly to enterprise development within the mining environment.



## Our product and performance

RBCT received a total tonnage of 73,93mt in 2015 which translates to an increase of 2.07% in comparison to the 72,44mt that was achieved in 2014. This performance is indicative of the partnership between CEP's and TFR in delivering coal to the terminal.

## Rail performance

RBCT achieved an average TTT of 3 hours, 42 minutes in 2015. This is a 36 minute (14%) improvement against the targeted turnaround time.

## Coal Exports

RBCT exported 75,38mt in 2015, which is a remarkable improvement of 5.7% from the 71.29mt that was exported in 2014. It is worth mentioning that RBCT remains focused on being sustainable and moving coal – this sterling performance was achieved in the face of the current economic downturn. RBCT continues to strive to make a meaningful contribution to all its stakeholders.

## Shipping performance

The turnaround time of the vessels is what the terminal uses to measure world class performance and RBCT achieved an average turnaround time of 45hrs in 2015 against a target of 41.98hrs.

## Plant maintenance

In 2014 we reported that through the maintenance of our machines, we continue to improve the overall reliability and availability of the terminal infrastructure. The continued focus is on proactive maintenance as opposed to reactive response resulting from breakdowns.

Plant availability and reliability remains an integral measure of performance at RBCT. Plant availability of 95.23% was achieved against a target of 90%, plant reliability of 95.31% against the target of 95%. These results are showing significant improvement against the 2014 results, where we achieved Plant availability of 90.72% against a target of 90%, and plant reliability of 94.2% against the target of 96%.

## Equipment Replacement

The Phase 1 Machine Replacement Project is currently underway. We remain optimistic that the commodity markets will recover and we would like to be ready and well equipped when it does. This time provides us with an opportunity to look into what needs to be maintained and improved.

It is important to remember that RBCT operates on a cost break-even basis and although the capital expenditure will have an impact on its cost per tonne, increased projected tonnage will progressively lower that impact.

To be installed are two 6 000 tonnes per hour (tph) rail-mounted stacker reclaimers, with the capacity to stack at an average rate of 5 500 tph and reclaim at 4 500 tph and two new 10 000 tph rail-mounted shiploaders, which will have a capacity to load ships at an average rate of 8 500 tph. The plant will continue to operate with the current machines until the new machinery is fully assembled and ready to be commissioned.

This project is on track and is due for completion in 2018.

## Finance

The year 2015 was yet another challenging year for us and we continue to optimise costs. The year was dominated by the unprecedented depressed price of coal. The price of coal in the month of December 2015 was averaging between \$50 and \$56. We had to take certain considerations into account in order to continue to move coal. RBCT management together with employees joined forces, and through this we were able to contend with the difficulties we faced. We have responded to and continue to heed the financial challenges with innovation and sustainable cost optimising ideas.

## Looking ahead

The events of the past year have further highlighted the business significance of societal issues, and underlined the importance of maintaining a strong focus on sustainability. We will continue the good work we have done which is reflected in this report, of building relationships with our employees, unions, government and local communities. In pursuing this goal, we will draw on all our past and present investments: in safety, employee development, union engagement, community development, enterprise development and environmental management.

Despite the challenges currently facing our industry, we remain optimistic that the industry will recover. Our efficient organisation and value-driven strategy aim to create a sustainable, competitive and profitable business that will deliver value to all our stakeholders in the short, medium and long term. In the next two years, we will continue to focus on infrastructure development, plant health and cost optimisation strategies.

The year ahead will continue to be challenging and we thank all our employees for their continued commitment to the Company. We also wish to thank our partners, shareholders, contractors and suppliers for their substantial contributions in supporting our efforts to create sustained value. We will continue to work to the best of our abilities to ensure the sustainability of the Terminal.

**Nosipho Siwisa-Damasane**  
Chief Executive Officer

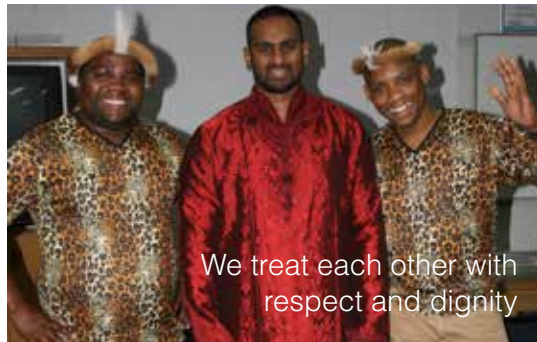
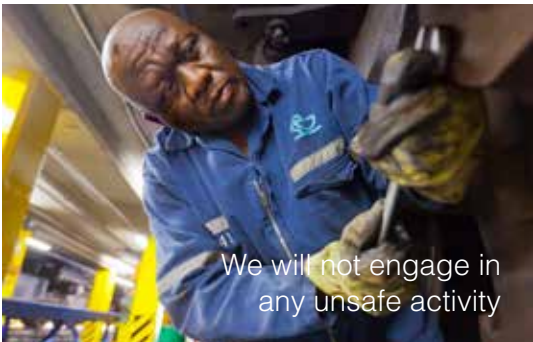
## Our Mission



## Our Vision



## Our Core Values



## Our Slogan

**Coal to the world, growth to the nation**

# RBCT Strategy

## Framework of RBCT Strategy

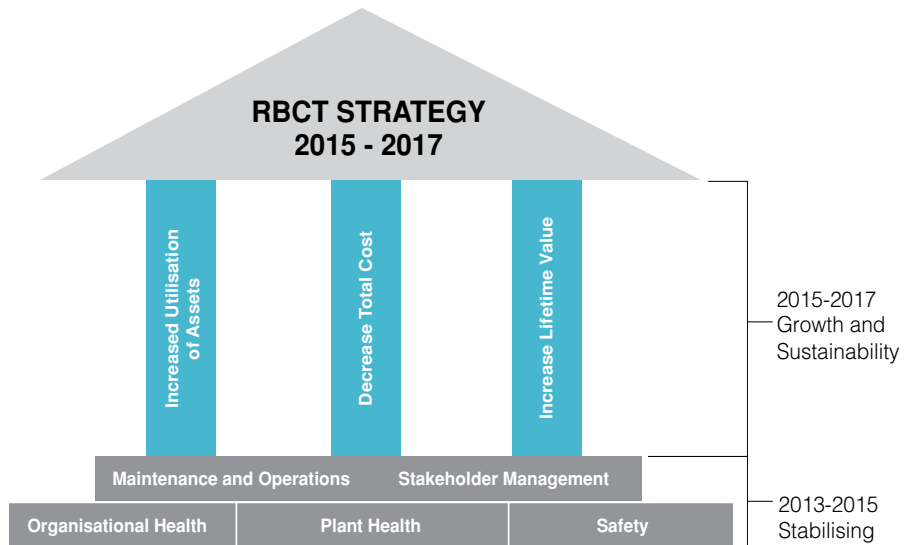
In 2016, RBCT will focus on the machinery replacement project, plant health, cost optimisation and infrastructure development. We believe the focus on these core critical areas will enable us to create value for our shareholders now that we have successfully stabilised the foundation in 2015.

We are cognisant that the above will not be achieved without improving and maintaining the safety and organisational health status we achieved in 2015.

We aim to do this by adopting a Test-Action-Retest approach. We will implement improvements on the outcome of the safety and organisational health assessments that were done in 2015 and it will be retested in 2016 and the years going forward. This will assist us to keep our eyes on safety and employee engagement targets.

As shown on the graph, the paradigm of our strategy is divided into five elements ie. organisaitonal health, safety, plant health, plant maintenance, production/ operations and stakeholder engagement. The above will continue to form a solid foundation while supporting the three key focus areas.

The focus area for the current strategy is; increased utilisation of assets ie. getting the best value from our assets, optimisation of costs and increased lifetime value.



In the past three years, 2013 to 2015 RBCT has focused robustly on the following five key pillars in stabilising its foundation. It was critical that we get this right in order to be a safe and productive terminal with highly engaged talent.

<p><b>Human Resource Development</b></p>	<ul style="list-style-type: none"> <li>• Attract, develop and retain right talent</li> <li>• Employee engagement</li> <li>• Stable management-employee relations</li> <li>• Healthy workplace climate</li> </ul>
<p><b>Operational Efficiencies</b></p>	<p>Our product and performance:</p> <ul style="list-style-type: none"> <li>• Rail performance</li> <li>• Coal Exports</li> <li>• Shipping performance</li> <li>• Reliability</li> <li>• Availability</li> </ul>
<p><b>Stakeholder Management</b></p>	<ul style="list-style-type: none"> <li>• Internal and external communication</li> <li>• Brand management</li> <li>• CSI focus</li> <li>• Stakeholder engagement</li> <li>• Meaningful hosts of our shareholders</li> </ul>
<p><b>Health, Safety and Environment</b></p>	<ul style="list-style-type: none"> <li>• Safety performance</li> <li>• Employee health and wellness</li> <li>• Caring for the environment</li> </ul>
<p><b>Maintenance and Plant Life Cycle Planning</b></p>	<p>Plant and equipment maintenance</p>

# Governance and Administration

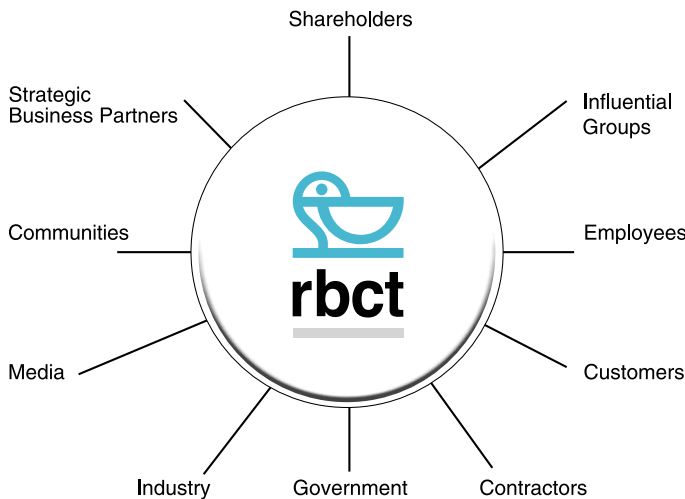
## The King Code of Corporate Practices and Conduct

In line with the new companies Act and King III recommendations, RBCT recognises the need to conduct its business with integrity and in accordance with the highest standards of corporate governance. During the year under review, in all material respects, RBCT applied the Code of Corporate Practices and Conduct espoused in the King III Report.

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, CSI projects and RBCT contact details.

You can access the details from – [www.rbct.co.za](http://www.rbct.co.za).



During the year under review, in all material respects, RBCT applied the Code of Corporate Practices and Conduct espoused in the King III Report

## Stakeholder Management

RBCT maintains a strategic and proactive framework for developing and managing stakeholder relations. Stakeholders that have a defined level of impact and synergy to our business are categorised as follows:

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

RBCT uses the guiding principles to manage stakeholder engagement:

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



## Stakeholder Engagement

RBCT operates within a network of critical stakeholders who are pivotal to our success. Key operational relationships were enhanced with Transnet National Ports Authority (TNPA), TFR, Department of Mineral Affairs, together with KwaZulu-Natal Provincial and Local Governments.

As part of our commitment to being a responsible corporate citizen, it is our policy to conduct business in a manner that is compatible with the economic, social and environmental needs of the communities in which we operate. RBCT's CSI strategy plays a key role in enhancing the quality of life in the communities within which our people live. We promote the development of self-reliant communities and to facilitate sustainable community development programmes. Our initiatives primarily focus on education, HIV/AIDS, skills development, early childhood development, community welfare, environment, sports development and crime prevention. During 2015, we donated R8.9 million to various worthy projects.

Our main focus was in the following areas:

- The Trees for Life Project in partnership with the Wildlands Conservation Trust project provides more than 600 community members of the Dube and Esikhaweni area with an alternative source of income
- Partnering with the Department of Agriculture on poverty alleviation through encouraging rural communities to plant their own vegetable gardens
- Continued support for the Amangwe Village, Home Based Care project as well as paying the school fees for orphans and vulnerable children being cared for at the Amangwe Village
- The Zamani Disabled People's Organisation, which is managed by disabled people at Esikhaweni

- RBCT continued to support Ntabeni Primary School by funding much needed repairs and maintenance to the building structures
- Continued support to Fantocy Creche to build additional classrooms and an administration block, situated in the Mandlanzini reserve
- Building of the Vumukukhanya Crèche
- Fencing of the Martha Beyers school
- Painting of the Ikwezi Old Age Home
- Supplying 200 chairs and 100 desks to the Old Mill High School
- In addition to the above, RBCT makes annual contributions to a further 19 charities within the Zululand area

## RBCT Pensioner's Lunch

In June 2015 RBCT hosted a lunch in appreciation of our pensioners.

The General Manager (GM) Finance, Mr. Alan Waller, reiterated that the pensioners are the foundation of RBCT's current success and their valued contribution over the years has paved the way forward for RBCT as it continues to benchmark against previous achievements.

The group of retirees grew substantially in 2015, with 22 new members joining this special group.

RBCT distributed gifts as a token of appreciation to the pensioners.



## Organisational Profile

### The Board of Directors

There are 12 director positions, of which 10 have been filled: 6 non-executive directors (with two vacancies), together with their 6 alternate directors, 2 independent non-executive directors, 1 executive director and the independent Chairman of the Board

#### Directors

MS Teke (Chairman)  
ND Baloyi  
Z Docrat  
CM Ephron  
MJ Fraser  
IA Swanepoel  
FJ Lopez Campo (Spanish)  
KT Nondumo (Ms)  
AJ Rogan  
N Siwisa-Damasane (Ms) (CEO)

#### Alternate Directors

GJ Marrian  
RV Chetty  
MJ Houston  
PK Masia  
MR Walker  
J Lucini Baquerizo

### General Managers

C Mbuyazi  
J Mdaki  
Z Mthiyane (Ms)  
W Murphy  
K Naidoo  
J Nzimande (Ms)  
AJ Waller

### Company Secretary

AD du Toit (Ms)

### Registered Office

South Dunes  
Richards Bay Harbour  
P O Box 56  
Richards Bay 3900

### Auditors

Deloitte and Touche  
P O Box 10167  
Meerensee  
3901

### Registration No.

1973/014256/07

## Board Purpose and Function

The Board provides strategic direction to RBCT through its quarterly Board meetings and the delegation of authority to Board sub-committees and executive management. The Board reviews and directs the company's strategic objectives and annual budget. It further provides guidance on the performance of the company and ensures that RBCT adheres to triple bottom line reporting.

## Board Committees

To enable the Board to efficiently carry out its responsibilities and duties, certain responsibilities have been delegated to the sub-committees as recommended by King III. Each sub-committee has detailed terms of reference approved by the Board.

Our Sub-Committees are as follows:

- Operations Committee (OPCO) – Chaired by the CEO
- Finance Committee (FINCO) – Chaired by one of the Shareholder nominated members
- Remunerations Committee (REMCO) – Chaired by an Independent Board member
- Social and Ethic Committee (SECOM) – Chaired by an Independent Board member
- Projects Committee (PROCOM) – Chaired by the CEO

These sub-committees do not diminish the Board's overall responsibilities. The Chairman of each sub-committee reports, as well as makes recommendations to the Board at each Board meeting. The minutes of all sub-committee meetings are submitted to all directors prior to Board meetings and any matters of concern or progress are discussed by the Board.

### OPCO

The OPCO operates in terms of its mandate from the Board of Directors. The Committee deals with mutual matters relating to the operations of the Terminal in order to provide an effective and efficient service to all RBCT users. The following members form part of the Operations Committee:

Members	Alternates
N Siwisa-Damasane (Ms) (Chairperson)	
A Bernic	N Gooding (Ms)
N Burger (Ms)	
RV Chetty	J Ramdass
B Dalton	V Deeplaul
J Jonker	SJ Ferreira
M Lamprecht	
KC McNeice	
A Moepadir	L Andrews
M Steyn (Ms)	C Taljaard
E Theron	S Mely (Ms)
H Viljoen (Ms)	C Taljaard
GFT Warnasuriya	
D Yiotopoulos	C Burns (Ms)
N Ziphethe	V Deeplaul

### FINCO

The FINCO functions include matters relating to finance, the Shareholders' Agreement (governing relations between shareholders and the company), taxation and various administrative matters.

The audit committee functions of the FINCO include assisting the Board on matters of monitoring and control, as well as the practice of good corporate governance. The committee also oversees the internal audit function. During 2013 it was approved that the internal audit function be outsourced to the shareholders and Anglo Business Assurance Services (ABAS) was the first. Their mandate was to review the reliability and integrity of financial, as well as operating information, systems of internal control and the safeguarding of RBCT's assets, as well as financial information.

The following members form part of the Finance Committee:

Members	Alternates
R Lawson (Chairman)	
Z Borat (Ms)	NG Schneider
N Cebekhulu (Ms)	
R Cohen	
E Hanekom (Ms)	
M Immelman (Ms)	
M Lamprecht	
RJ Langford	V Chaithram (Ms)
FJ Lopez Campo	
P Mohan	
KT Nondumo (Ms)	
N Siwisa-Damasane (Ms)	
G van den Heever	
M Walker	I Coetzee (Ms)

### REMCO

RBCT's philosophy is to set remuneration levels that are able to attract and retain the executive directors and General Management needed to manage RBCT successfully. A portion of executive directors and General Management's remuneration is structured so as to link corporate and individual performance ensuring a sustainable organisation.

In accordance with these objectives, the REMCO annually reviews and evaluates the contribution of the executive director, as well as the General Management members and determines their annual salary adjustments.

## Governance and Administration

For this purpose, 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 committee also determines the annual and long term performance bonus of the executive director while it confirms that of the General Management, as determined by the executive director.

The following members form part of the Remuneration Committee:

Members	Alternates
AJ Rogan (Chairman)	
MS Teke	
Z Docrat	R Chetty
C Ephron	MJ Houston
MJ Fraser	PK Masia

### SECOM

The Social and Ethics committee was established on 19 April 2012 and the roles and responsibilities of the Committee were incorporated into those of the already established Remuneration Committee.

The responsibilities of the committee are as follows:

- Monitoring the Company's activities with regard to matters relating to:
  - o Social and economic development, including RBCT's standing in terms of the goals and purposes of -
    - » the ten principles set out in the United Nations Global Compact Principles
    - » the recommendations of the Organisation for Economic Co-operation and Development, regarding corruption
    - » the Employment Equity Act
    - » the Broad-Based Black Economic Empowerment (BBBEE) Act
  - o Good corporate citizenship, including the Company's commitment to the promotion of equality, prevention of unfair discrimination, reduction of corruption, contribution to development of the communities in which its activities are predominantly conducted, the environment, health and public safety, including the impact of the company's activities and of its products or services like:
    - » consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws,
    - » labour and employment

- Monitor the company's performance and interaction with its stakeholders and ensure that this interaction is guided by the Constitution and Bill of Rights
- Determine clearly articulated ethical standards and ensure that RBCT takes measures to achieve adherence to these in all aspects of the business, thus achieving a sustainable ethical corporate culture within the company
- Provide effective leadership based on an ethical foundation and ensure that the company is a responsible corporate citizen

RBCT subscribes to the highest ethical standards and behaviour and requires total honesty and integrity from its employees at all times. A "Code of Business Conduct and Ethics" has been approved by the Board of Directors and all employees are required to subscribe to the code.

### PROCOM

In September 2014 the Board formally established the PROCOM. This committee is required to meet 4 times per year.

PROCOM members deal with Major Projects, as well as Engineering matters and other matters as may be referred to it by the Board. The committee also makes recommendations to the Board for final decision.

The following members form part of the Projects Committee:

Members	Alternates
N Siwisa-Damasane (Ms) (Chairperson)	
B Murphy (Vice Chairman)	
W Bezuidenhout	
AE Conradie	BH Miles
M du Plessis	
R du Plooy	
F de Waal	
RP Hugo	
GC Leibbrandt	
J Lucini Baquerizo	
T Schmidt	
L Turvey	

The Board reviews and provides guidance on the performance of the company and ensures that RBCT adheres to triple bottom line reporting



## Our Board

Providing strategic direction



MS Teke (Chairman)



ND Baloyi



Z Docrat



CM Ephron



MJ Fraser



FJ Lopez Campo



KT Nondumo (Ms)



AJ Rogan



IA Swanepoel



N Siwisa-Damasane  
(Ms) (CEO)

## RBCT Senior Management as at 31 December 2015



Nosipho Siwisa-Damasane (CEO)



Alan Waller  
GM: Finance



Jabu Mdaki  
GM: Operations



Judith Nzimande  
GM: Human Resources



Bill Murphy  
GM: Projects



Kubendren Naidoo  
GM: Asset  
Management



Zanele Mthiyane  
GM: HSEC



Casper Mbuyazi,  
GM: Strategy and  
Compliance

Modelling the Way

# Our Strategy and Governance Approach

## Internal Controls

The Directors are cognisant of their responsibility with internal controls and the monitoring of their effectiveness as a Board. The ethical behaviour, compliance with legislation and sound accounting practices, underpins the internal control process at RBCT. This robust process included the engagement of the services of ABAS to perform the internal audit and risk management function in a co-sourced arrangement with RBCT. The audit focuses not only on financial processes but also on operational processes to ensure that there are no gaps in the plant and that best practices are applied at all times while enhancing stakeholder value and primarily focusing on cost savings initiatives.

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

The Board acknowledges their responsibility for the Internal Audit function as this ensures RBCT keeps up to date with the complexity and rapid changes of the business environment, organisational dynamics and regulatory frameworks.

The Internal Audit function plays an important role in the combined assurance framework by providing independent assurance over governance, systems of internal control and risk management, as well as over the combined assurance framework.

The key responsibility of Internal Audit to the Board and/or its committees is discharging its governance responsibilities by:

- Performing reviews of the company's governance process including ethics, especially the "tone at the top"
- Performing an objective assessment of the adequacy and effectiveness of risk management and all other elements of the internal control framework
- Systematically analysing and evaluating business processes and associated controls
- Providing a source of information, as appropriate, regarding instances of fraud, corruption, unethical behaviour and irregularities

The RBCT internal audit function with ABAS applied a risk-based approach to planning and assessing the needs and expectations of its key stakeholders and ensured a level of audit reporting was maintained to meet the needs of management and FINCO.

The assessment of RBCT's strategic, financial, IT, operational, human and environmental risks were conducted to ensure:

- Alignment of RBCT risk assessment process and an assessment of the effectiveness of the control environment
- Addressing risks identified by management
- Keeping up to date with emerging industry risks

In 2015, we enhanced the strong working relationship between RBCT risk management and internal audit personnel, ABAS and the FINCO, who meet quarterly to present reports on their audits conducted.

The Internal and Risk Management Audits covered in 2015 included the following:

- Payroll
- Legal appointments
- Contracts management
- Employee legislation
- Insurance and event risk management
- Information management and IT general controls
- Coal handling and sampling
- Overall licence usage
- Stockpile accounting
- Enterprise wide risk management
- Business continuity management
- Executive risk summary

While there was no major breakdown in the internal controls in 2015 which could materially compromise the system of internal controls, control breakdowns and weaknesses were identified. These breakdowns were addressed timeously by management.

## Risk Management

At RBCT, work is carried out daily to identify, measure and manage risk. RBCT classifies its risks into two main categories:

- Strategic risks including a possible source of loss that might arise from the pursuit of an unsuccessful business plan. For example, strategic risk might arise from making poor business decisions, from the substandard execution of decisions, from inadequate resource allocation, or from a failure to respond well to changes in the business environment
- Operational risks including a probability of loss occurring from internal inadequacies of a business or a breakdown in its controls, operations or procedures

The Board of Directors is ultimately 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 forms of known risks, in liaison with the CEO and General Management.

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.

The RBCT management team is inherently accountable to the Board for designing systems, implementing and monitoring the process of effective risk management and integrating this process into day-to-day activities at RBCT, including the management of risks to ensure adherence to the risk tolerance levels set by the Board.

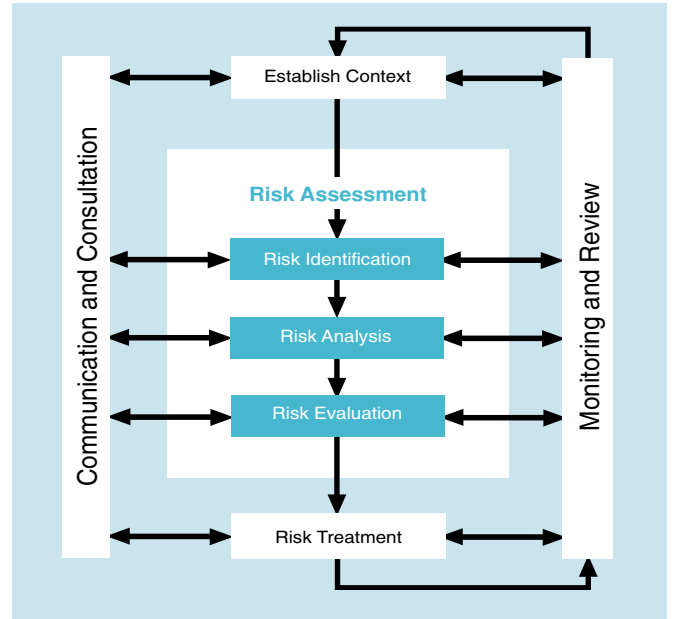
RBCT risk management have aligned their risk framework to comply with ISO 31000 and the King III report as risk management processes are directly aligned to the company strategic and business processes.

### ISO 31000 Risk Management Process

All risk assessments and risk information both strategic and operational, are stored within the CURA system which is the in house RBCT risk management tool available to management only.

RBCT uses a number of business tools in the management of risk which include:

- Declaration of interest annually or whenever there is a change in the conflict of interest status of the employee
- Code of conduct booklet issued to employees annually
- Formal policies and procedures are in place to assist with the application of company standards



- Gift registers to manage gifts received and issued by employees and management with reports issued to the RBCT risk committee to ensure adequate monitoring is in place to comply with RBCT policy
- Monthly audits are conducted by management to identify risk areas
- Through Jardine Lloyd Thompson (JLT) as an insurance broker, RBCT runs an insurance programme which covers all assets and liabilities
- Control self-assessment (CSA) process is in place, where management conduct reviews of key business objectives, risks involved in achieving those objectives and internal controls designed to manage those risks
- Monthly status reports are generated to track and close out audit findings from reports issued both internally and by external service providers, these reports are issued to the RBCT risk committee and FINCO quarterly
- Monthly reviews of the risk report with General Management which addresses operational risks at RBCT

In 2015, we revised the business continuity management plan from the company's 13 key risks. The next phase is to standardise the company-wide business continuity management plan across RBCT.

## Integrated Business Policy (IBP)

The IBP is RBCT's mandatory, company-wide policy for appropriate business behaviour and responsibility towards our stakeholders. Its content is based on both national and international policies, including the United Nations Global Compact (UNGC).

The IBP applies to all employees and relevant stakeholders. RBCT managers are responsible for communicating and demonstrating the content and spirit of the policy and for complying with its rules and objectives. The IBP includes the business ethics, human rights, social justice and environment principles to be applied in all our policies, decisions and activities and outlines RBCT's principles and minimum standards for conducting business in an appropriate, responsible and transparent manner.

It is complemented by around 20 other policies relating to areas such as accounting and reporting, code of conduct, anti-discrimination and environmental care that describe in more detail how to address the policy's minimal standards.

Our code is reviewed every three years and continuously updated as and when required. It is publicly available on RBCT SAP DMS. All new employees, as part of the formal induction programme, are trained on the content of the Integrated Business Policy.

## Adhering to Ethical Standards and Preventing Corruption

### Business Ethics

For many sectors globally, business ethics was a hot topic in 2015, with various stakeholders demanding greater transparency from Corporations. Ethics is not just a policy statement at RBCT but a way of life in conducting the business with all relevant stakeholders.

As a globally recognised entity, we are aware that corruption is a high risk to any business. We have robust systems in place to ensure we respond and adapt our business practices and activities to address identified risk areas.

As RBCT adheres to the principles of the King III report, the Board and Management ensure RBCT is managed with integrity and ethically as this is the foundation of and reason for Corporate Governance.

## Fair Competition

In 2015, RBCT developed an Anti-Trust and Competition Compliance Procedure. The procedure was rolled out through a workshop to those employees affected by Anti-Trust and Competition Compliance. Each employee was required to sign and submit a self-certification letter to confirm that they understand the procedure and acknowledge that they will comply with antitrust law as set out in the Procedure.

The purpose of the procedure is to:

- Outline how RBCT will comply with the Competition Act 89 of 1998
- Provide basic guidance to RBCT employees with regards to the Competition Act
- Enable RBCT employees to recognise dangerous competition situations, which require care and possible legal advice, when conducting business

In addition, the intention of the RBCT Anti-Trust and Competition Compliance Procedure is to set out the 'Do's' and 'Don't's' in respect of the types of activities that must be avoided and where caution must be exercised and advice given.

The standard purpose of competition law is to sustain a free market economy where vigorous, but fair competition will result in the most efficient allocation of goods and services, the lowest prices, the highest quality with the maximum innovation. The ultimate goal is to establish a free system where each company takes its business decisions independently and where enterprises do not restrict or distort competition by colluding or engaging in other unlawful business practices.

FINCO undertakes to ensure compliance with all legislation applicable to RBCT including but not limited to the Competitions Act 89 of 1998 as amended.

FINCO consists of representatives of RBCT's shareholders who may be competitors of each other.

RBCT ensures that the Shareholders are guided by the Competition Law principles, contained in the Terms of Reference from various Shareholder Committees, which apply to all RBCT Shareholders.

FINCO members take cognisance that engagements with competitors or potential competitors may contravene the competition laws if it is intended or is likely to have adverse effect on competition.

All employees are expected and encouraged to report any suspected violations of our IBP to their superiors or risk management department.

## Our Strategy and Governance Approach

FINCO Members have no intention and shall not collude with each other in any way, including:

- Discussing, fixing, raising, lowering or stabilizing prices for goods and services sold or purchased or fixing the pricing formulae for goods and services sold or purchased
- Discussing of fixing other competitive terms such as discounts, margins, rebates, allowances, commissions, or credit terms
- Limiting production, or agreeing to reduce or limit production capacity
- Rigging or colluding in respect of a bid or otherwise illegally coordinating bidding or tendering activities or discussing actual or intended response to tender invitations and tenders awarded
- Allocating markets, customers, suppliers, specific types of goods or services or geographic territories
- Boycotting any customer or supplier

All employees are expected and encouraged to report any suspected violations of our IBP to their superiors or risk management department. If reporting to superiors or risk management is not feasible or possible, the Whistleblower procedure is available, which gives employees access to the Whistleblower Committee consisting of the CEO, GM Strategy and Compliance, GM Finance and Risk Specialist.

RBCT does not tolerate retaliation against a person for making complaints of suspected improper behaviour in good faith. All incidents are investigated and appropriate action taken.

In 2015, one case was reported through the Whistleblower hotline. This case was dismissed following the investigation as there were no grounds for the allegations.

All cases investigated are reported to the FINCO. Monthly reports are issued by the independent Whistleblower hotline management company on the status of reported cases from RBCT. A status of these reports is discussed by the RBCT Risk Committee.



## Functional Structures

RBCT has standing committees that are assigned to manage, monitor and guide the organisation 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.

### Tender Committee

Terms of reference of the committee is ensuring procurement activities are in compliance with RBCT procurement processes.

The Committee comprises of:

- General Manager Capital Projects
- General Manager Finance
- General Manager Health, Safety, Environment and Compliance (HSEC)
- General Manager Human Resources
- General Manager Strategy and Compliance
- General Manager Asset Management
- General Manager Operations

By Invitation:

- Supply Chain Manager
- Management Accountant

### Risk Committee

As part of our risk management strategy, RBCT uses the Risk Committee as the final gate keeper of risk within the company. This committee consists of the CEO, GM Finance, GM Strategy and Compliance, GM HSEC, Risk Specialist and Senior Internal Auditor.

### Value Chain Risk Management Forum

RBCT is represented on the Value Chain Risk Management Forum which consists of risk management representatives from TNPA, TFR, Engen and Bidvest Tank Terminals. The committee's primary objective is to review risks which would affect the South Dunes Region, as these risks will have an impact on the respective value chains in which these organisations operate. Meetings are held on a regular basis and feedback is provided to the senior management of these organisations.

### uMhlathuze Risk Management Forum

RBCT is represented on the uMhlathuze Risk Management Forum which consists of representatives of organisations operating within the uMhlathuze region. Meetings are held on a regular basis and feedback is provided to Senior Management of these organisations.

### Protection of Personal Information Act (PoPI)

The PoPI Act was passed in November 2013 in line with other jurisdictions that have similar legislation. PoPI will place a significant compliance burden on companies and public bodies; as such bodies are likely to possess substantial personal data records both on electronic and hard copy format. PoPI will significantly affect the manner in which companies collect, store, process and disseminate personal information.

RBCT embarked on training management and employees who are directly involved in the handling of personal information to ensure compliance with this new legislation. This process involved the use of an external service provider and the training covered the following areas:

- Effect to the constitutional right to privacy
- Regulations on the manner in which personal information may be processed
- Rights and remedies to protect personal information
- The protection of personal information processed by private and public sectors

The PoPI process is currently in the implementation stage and ongoing meetings have been held with those affected by the PoPI process in order to assess readiness in preparation for when this new legislation becomes effective.

### Executive Safety, Health and Environment (SHE) Committee

The executive SHE committee is the custodian of health, safety and environmental compliance at RBCT. The committee meets monthly to discuss, evaluate and make decisions pertaining to occupational health, safety and the environment. The committee comprises of 22 members, including all General Managers, 7x divisional committee chairpersons, 2x union shop stewards, 2 x health representatives, 4x safety and environment specialists. The divisional committees are an important link between the executive SHE committee and employees. The divisional committees meet monthly and the meetings are attended by the section managers, safety representatives, employee wellness representatives and site contractor representatives.

### Corporate Social and Investment Committee

The committee is responsible for executing RBCT's CSI initiatives.

The 13 member strong committee is made up solely of RBCT employees:

- J Nzimande (MS) (Chairperson)
- N Mgabhi (MS)
- M Mhlongo
- C Bhengu
- M Forbay (MS)
- C Gumbi
- Z Lembede
- R Llale
- S Mbuyazi
- L Meneon
- K Ramgobin
- P Sibiyi (MS)
- T Zwane



## Our 10 Golden Safety Rules to live by

<p><b>1. VEHICLE AND MOBILE EQUIPMENT</b> Respect speed limits of 40km/h on tar roads and 20km/h on gravel roads. The section from the Main Gate to the T-junction after the Clinic is now strictly a 20km/h zone.</p>	
<p><b>2. LIFTING EQUIPMENT AND MATERIAL HANDLING</b> Do not stand or walk under suspended loads; protect your hands from sharp edges.</p>	
<p><b>3. RAILWAY AND LOCOMOTIVE</b> As a vehicle driver: Stop at railway level crossings. Check both sides - trains can come from either direction at any time.</p>	
<p><b>4. ROTATING MACHINERY</b> Beware of unprotected pinch points/ingoing nip points; ensure rotating or moving machinery is safeguarded.</p>	
<p><b>5. WORKING AT HEIGHTS</b> Protect yourself against falling when working at heights of 1.8m and above.</p>	
<p><b>6. ENERGY AND MACHINERY ISOLATION</b> You must turn off, lock-out and tag-out all energy sources and test that they are isolated before working on equipment.</p>	
<p><b>7. PERSONAL PROTECTION EQUIPMENT (PPE)</b> Wear your Personal Protective Equipment for the task you are doing.</p>	
<p><b>8. PERMIT TO WORK</b> Know which permit is required; work with a valid permit when required.</p>	
<p><b>9. CONFINED SPACE</b> Obtain authorisation before entering a confined space.</p>	
<p><b>10. HAZARDOUS CHEMICAL SUBSTANCES</b> Conduct a chemicals assessment and wear specified PPE when required as per MSDS.</p>	



# Sustainable Health and Safety Performance



RBCT continued to focus on safety, health and wellbeing of employees as well as on environmental stewardship during 2015.

RBCT's HSEC Management systems are assessed against the requirements of OHSAS 18001:2007, ISO 14001:2004 and SANS 16001:2013. In 2015 RBCT was successfully recertified to ISO 14001 and OHSAS 18001. RBCT was audited for SANS 16001: 2013 (Wellness and Disease Management) in September 2015. The outcome of the audit confirmed RBCT to be compliant to the requirements of the standard expected. We are looking for a certification body, and plan to go for certification by December 2016.

## Safety

Providing a safe and healthy workplace is a core RBCT value and remains our priority. Effectively and efficiently managing workplace safety is a direct objective in our workforce and the business.

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.

## Delivering on our Safety Strategy

Our safety strategy and management approach focuses on improving our ability to anticipate and prevent injuries to our people. Our principal safety risks relate to railway, vehicles and mobile equipment, rotating machinery, working at heights, energy and machinery isolation, lifting equipment and material handling. In 2015 RBCT focused on the following golden safety rules:

- Vehicle safety
- Isolation
- Railway safety
- Lifting equipment and material handling

Providing a safe and healthy workplace is a core RBCT value and remains our priority. Effectively and efficiently managing workplace safety is a direct objective in our workforce and the business.

## Sustainable Health and Safety Performance

Our risk-based approach is outlined in our HSEC strategy document which is a comprehensive framework of safety roadmaps supported by a set of safety procedures. This underpins the delivery of our safety strategy, which is built on the value of “we will not engage in any unsafe activity”.

Safety-related training extends to our workforce in various forms, from formal training initiatives to regular or daily safety briefings. Over the past year we have concentrated on embedding and reinforcing six specific steps of our safety programme:

- Personal risk attitude
- Caring and respect
- Management safety, leadership and commitment
- Safety accountability
- Workforce involvement in safety and consultation
- Safety coaching and mentoring

These will remain the key areas of focus for 2016.

### Our Safety Culture Journey

RBCT continues to focus on safety. A dipstick of RBCT’s safety culture was conducted to evaluate employee perception on safety. The objective for 2015 was for safety to become a way of life at RBCT, to be proactive beyond compliance, both anticipating and preventing issues.

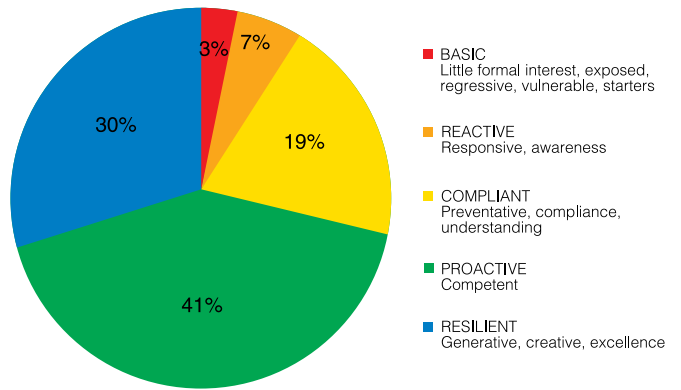
Our focus for 2015 was to:

- Engage leadership and the entire workforce on safety
- Simplify safety systems, processes and procedures
- Rollout the RBCT 10 golden safety rules
- Learn from and share incidents and risks
- Implement safety innovations meant to mitigate these risks

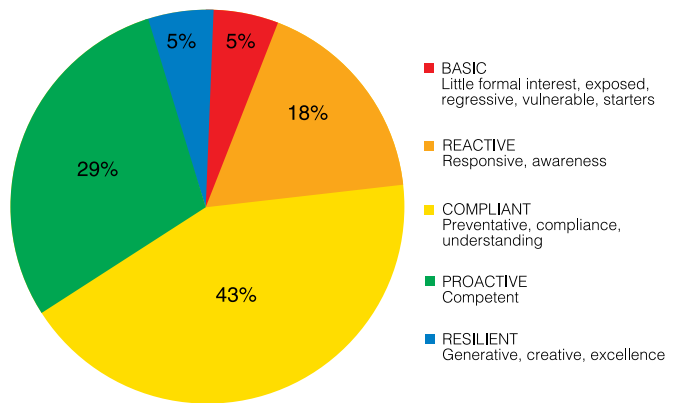
The overall Safety Culture results for the survey conducted in 2015 revealed that RBCT employees’ safety perceptions had matured beyond compliance to proactive and even resilient.

We encourage the sharing and exchanging of safety ideas through various platforms at RBCT, including innovations. While we acknowledge that there is currently a window of opportunity to make a meaningful change, we know where we are going – together. We will use the safety successes to leverage a wider safety objective of Zero Injuries to all our employees and contractors.

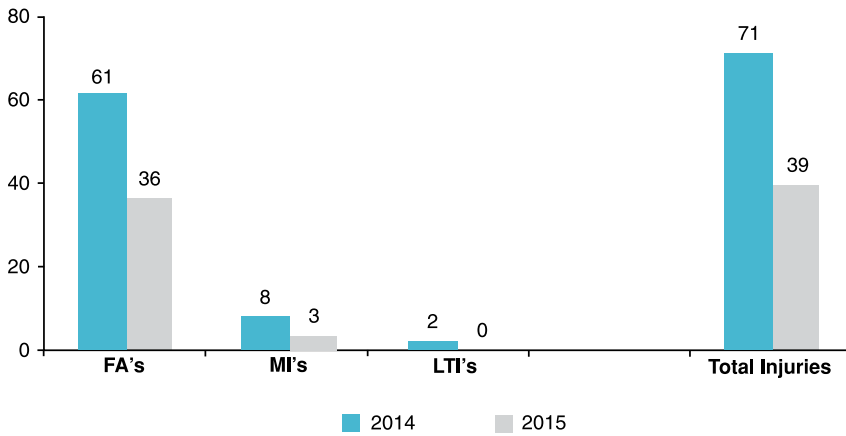
**2015 SAFETY CULTURE SURVEY RESULTS**  
(Generative, Creative and Excellence)



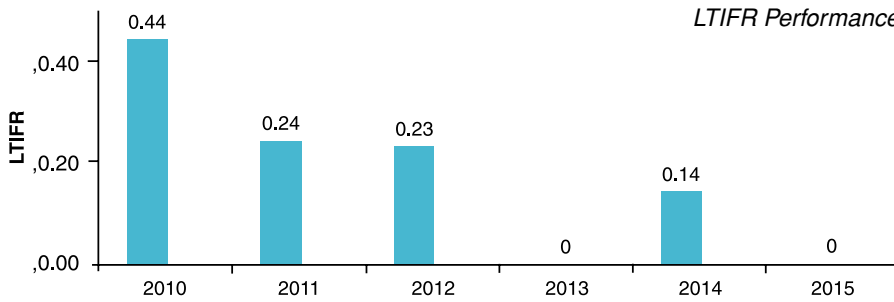
**2014 SAFETY CULTURE SURVEY RESULTS**  
(Preventative, Compliance and Understanding)



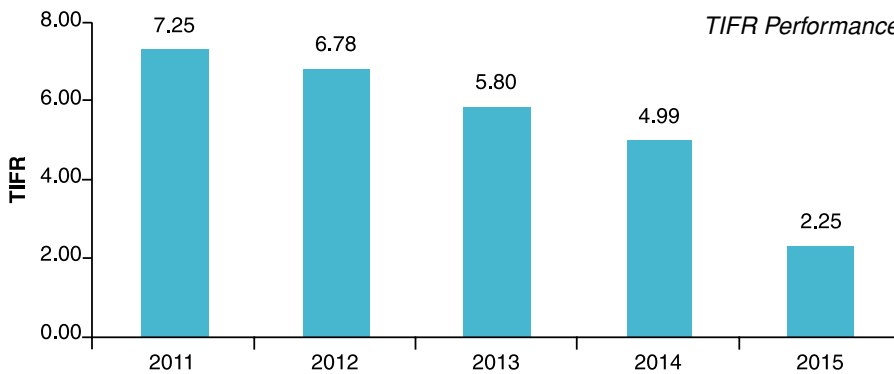
Types of Injuries



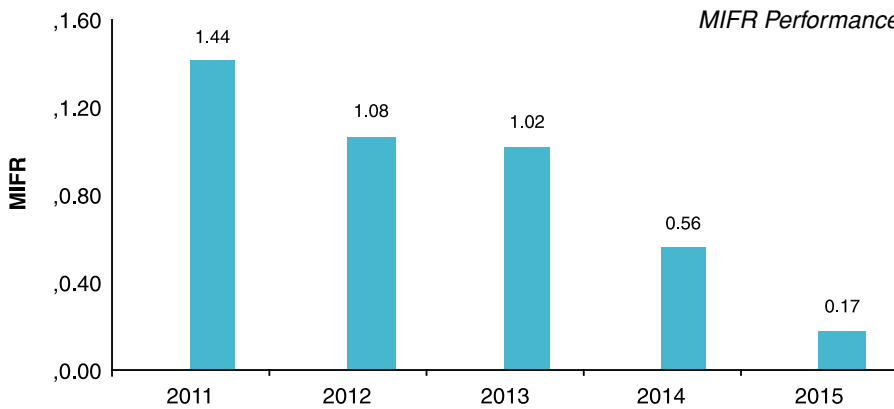
LTIFR Performance



TIFR Performance



MIFR Performance



**Our Safety Performance**

RBCT is proud to report that we continued to make a significant improvement in safety. Our quest to create and sustain an injury-free work environment for our employees and contractors continued during 2015 and our safety performance improved considerably over 2014. There were no fatalities at RBCT during the year and the LTIFR for the year was at 0.00 per million man-hours worked. The MI frequency rate for the year was 0.17 per million man-hours worked. This is an excellent performance by RBCT employees and its contractors.

Ensuring the safety of our employees and contractors in the workplace is of paramount importance and RBCT continues to focus on the increased and improved reporting of, and learning from high risk incidents as a preventative tool to improve safety performance.

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.

**Safety Leadership**

Strong leadership is the first step in making safety part of all our decisions and actions. Our management team regularly visit our operations and play a visible role in daily activities. Visible felt leadership (VFL) was a key area of focus during the year.

We will not engage in any unsafe activity

2015 Objective	2015 Target	2015 Performance
Maintain OHSAS 18001 Certification	Recertification to OHSAS 18001 No major findings	Recertified
Maintain ISO 14001 Certification	Recertification to ISO 14001 No major findings	Recertified
Obtain certification to SANS 16001:2013	Certification to SANS 16001:2013	Certified
Fatality free year	Zero Fatality	Zero Fatality
Reduce Lost Time Injuries	LTIFR $\leq$ 0	0
Reduce Minor Injuries	MIFR $\leq$ 0.56	0.17
Total Injury Frequency Rate (TIFR)	TIFR $\leq$ 4.99	2.25
COBRA Observations conducted	$\geq$ 95%	100%
No external environmental complaints	0	1

**Preparing for Potential Emergencies**

Our emergency preparedness committee conducts annual exercises to prepare for a range of scenarios that may affect the corporation or require coordination across multiple operating divisions.

In 2015, RBCT worked extensively on emergency preparedness planning. This plan was piloted to test its effectiveness. RBCT revised the full suite of emergency preparedness and response procedures at our disposal, and we piloted these procedures during the course of the year to help us further develop our emergency preparedness plan. The pilot provided us with an opportunity to learn and further streamline our procedures.

Our emergency management plans are focused on prevention, preparedness, response and recovery. We have streamlined our emergency response, crisis management and business continuity efforts to ensure swift response and recovery in the event of an unforeseen event.



**SHE Seminar**

In the last quarter of 2015 a two day SHE seminar was held for RBCT employees, contractor SHE representatives and divisional SHE Chairpersons where they shared learnings and best practices with each other.

Representatives from the most improved divisions each did a presentation on how they used the SHE systems to help them achieve their targets.

Presentations were also done by the RBCT Peer Educators and a representative from Careways.

During the seminar, random questions were posed to employees present and small incentives were awarded to those providing the correct responses.



## Occupational Health and Wellness

Effective management of health risks protects our people, enhances productivity and is essential for minimising potential long term liabilities.

### Delivering On Our Health and Wellness Strategy

During 2015, RBCT put a number of occupational health and wellness strategies in place, including:

- Biggest loser competition – all employees are encouraged to adopt a healthy lifestyle by exercising and eating healthy. A healthy workforce is a happy workforce
- An ongoing occupational hygiene programme for monitoring stressors in the workplace i.e. noise, gravimetric dust and silica, ergonomic, illumination, vibration, diesel, belt splicing and welding fumes , thermal stress
- Development of a plan to reduce the above based on recommendations from the occupational hygienist
- Risk based medical surveillance programme
- A programme to manage and reduce the impact of musculoskeletal disorders such as repetitive strain injuries and backaches of our workforce through early identification, tracking and incidence reporting. Qualified Biokineticists are working with RBCT medical staff on an ongoing basis to identify opportunities to improve employees' posture through adjustments to the working environment and individual behaviors.

### Occupational Health and Hygiene

The health and well-being of our employees is important to us and a healthy workforce means a productive, efficient and energized workforce. RBCT aims at providing a working environment that maximizes wellness and minimizes incidents, illnesses and disorders through health related activities. Our occupational health programme seeks to prevent and mitigate occupational health risks that may impact the health and wellbeing of our employees.

The wellness management programme focused on the overall wellness of employees and contractors. RBCT has an onsite Biokineticist working hand-in-hand with the company doctor and clinic to improve the wellness of employees and contractors in order to sustain a healthy and productive workforce.

RBCT's approach to managing health related issues in the workplace covers the following:

- Health risk management which focuses on occupational health and hygiene- thus ensuring legal compliance
- Employee wellness programme (EWP) is a promotive exercise that seeks to optimize employee productivity
- Primary Health care (support services) provides for treatment of health issues thus minimizing lost time through ill health
- Strategic management includes environmental health, HIV/Aids, incapacity and any other conditions which may affect the long-term success of the business.

### Our Occupational Health and Hygiene Performance

#### Primary Healthcare Management (PHC)

RBCT provides a first level/essential diagnostics and therapeutic Health Care Service founded on the principals of evidence based medicine to accurately diagnose and treat acute/ common ailments. Our PHC programmes include the following components:

- Assessment and treatment of illnesses;-e.g. (Colds, diarrhoea, headaches etc.)
- Reproductive health programme
- Health screening and promotion programme including vaccination of our employees and tests such as:
  - o blood pressure
  - o blood sugar
  - o cholesterol
  - o HIV counseling and treatment
- Emergency care
- Chronic disease monitoring (Anaemia, diabetes, hypertension, gout, high cholesterol, Tuberculosis (TB) etc.)
- We have a visiting Dietician who manages the employees on the biggest loser programme or who need chronic disease monitoring

#### Non-Occupational Disease Management

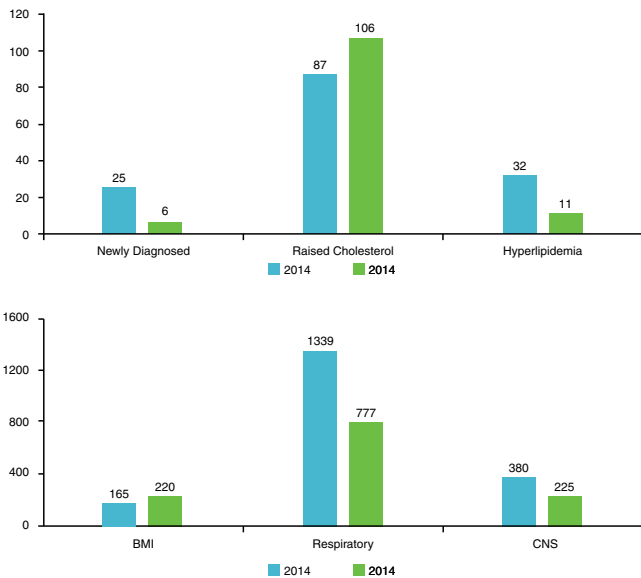
RBCT continued to focus on Wellness for both employees and contractors during 2015. Monitoring and management of employees with clinical risk factors (Body Mass Index (BMI), Blood Pressure (BP), glucose, cholesterol) remained a priority during the year.

There were some improvements on these chronic conditions. BMI has remained the same at 56% for the year, however, there are commitments from employees to lose weight based on the increased number of employees seeing the Biokineticist and adopting a controlled exercise regime.

## Sustainable Health and Safety Performance

In 2016, we will continue to focus on awareness of healthy lifestyle programmes, especially weight control management. Awareness and engagement of employees on these clinical risk factors, as well as the top 4 wellness risks, which are the major contributors to the burden of disease at RBCT, is an ongoing process.

There was an improvement in the number of employees doing monthly checks for their chronic conditions. The status of the 2015 medical surveillances is at 100%. The HIV prevalence rate at RBCT is 13.26%, with 67.65% of the HIV positive employees on Anti-retrovirals (ARV's). 71% of our employees know their HIV status.



### Occupational Health Management

Occupational Hygiene surveys conducted for the year were noise, whole body vibration, diesel emission, ventilation, dust, silica monitoring and welding fumes.

### Coal Dust and Silica

Our principal occupational health risks relate to coal and silica dust, ergonomics and noise. RBCT has taken reasonable steps to ensure dust and silica exposures to employees and contractors are kept to a minimum. Dust and silica monitoring takes place annually, and where dust levels are found to be high, measures to minimize dust are applied.



### Noise

Accredited occupational health and hygiene specialists conduct baseline, periodic, transfer and exit audiometric examinations on employees. Noise is generally treated at source but where noise cannot be eliminated, signage is posted to remind employees and contractors to wear their hearing protection. All affected personnel are appropriately trained and provided with the necessary personal protection equipment to deal with possible dangers.

Medical surveillance, including examinations, biological monitoring and specific testing (such as lung function and audiograms) are scheduled and conducted in order to meet legal and company requirements. Lung function testing by spirometry is carried out regularly to address concerns regarding dust and silica exposure in conjunction with chest X-rays. Last year, no occupational illness or noise-induced hearing loss (NIHL) cases were identified.

### Health Risk Assessment (HRA)

The review of the HRA and occupational risk and exposure profiles (OREP) is an ongoing process. Preliminary preparation for HRA and OREP was conducted and medical baselines per position at RBCT identified. Each year RBCT conducts a HRA in order to identify, evaluate, quantify and control all non-occupationally induced health risks that may impact negatively on the RBCT employee's health status.

HRA Conducted by RBCT risk Assessment Process utilising the following Methodologies – SANS 16001:2013 Wellness and Disease Management System (WDMS) e.g.



SANS 16001: 2013 certification

### Ergonomics Management Programme

An onsite Biokineticist works with Clinic staff with the aim of improving the wellness of our employees thereby ensuring a healthy and productive workforce. The Biokineticist operates from our fitness centre and runs the rehabilitation programme for employees recovering from different conditions i.e. stroke, musculoskeletal injuries etc. and conducts various ergonomic assessments of employees driving and operating mobile equipment.

### RBCT's EWP

SANS16001:2013 (Wellness and disease management system standard – including HIV and TB) requires the employer to assess non-occupationally induced health risks that may negatively impact the workplace. Research has shown that most workplace health cases are not caused by occupationally induced injuries or illnesses but by non-occupationally induced illnesses or injuries.

The key priority areas identified from our risk assessment analysis were headaches, BMI, flu and financial well-being. To mitigate the risk our areas of intervention are on prevention, early diagnosis, treatment, care and support. As at end of 2015 significant improvements in these areas were noted.

RBCT recognizes that personal problems may have an impact on work performance, production and behaviour thus RBCT has an onsite EWP which works in partnership with Careways. This service is an integral part of the EWP and operates 24 hours per day, seven days a week and 365 days a year. Employees and their immediate family members are able to access the service via short message sending (SMS), telephone or e-mail.

The purpose of the EWP is to have a referral system in place through which RBCT employees can use the services provided by Careways to overcome personal, performance and behaviour problems. The EWP is a voluntary and confidential programme that provides problem identification and referral services for RBCT employees and their families. The scope of interventions provided within the EWP addresses all aspects of health and wellbeing.

### Wellness Week

The first step to improving the health status of our employees is to identify the areas of risk. Unlike reactive health care, RBCT proactively identifies the symptoms of diseases, providing the opportunity for maximizing prevention and aims to treat the root cause of the disease followed by the implementation of measures to prevent the progression of the disease.

A healthy employee is a happy employee



Annual RBCT wellness week offered the following services:

- Health screening and assessments
- Vision screening
- V Box classes
- Psychological assessments
- Flu vaccines
- Free massages
- Biokineticist services
- Financial wellness and wills
- Awareness on drug and alcohol abuse

### ZCCI Excellence Award: SABCOHA Wellness

RBCT is committed to employee wellness and has taken related initiatives in ensuring a healthy and productive workforce hence the recognition afforded. The award recognised that RBCT has successfully demonstrated leadership in health and wellness programmes and services by implementing related initiatives that have resulted in significant and measurable benefits to the organization.

We care for the wellbeing of our employees

### HIV Counselling and Testing

HIV/Aids remains a significant risk to the South African society. RBCT recognises that the management of HIV/Aids is an integral part of its approach to ensuring the wellbeing of its employees and raising awareness of HIV/Aids among employees remains a high priority.

Access to help regarding HIV related problems is available on a 24hr basis at our onsite occupational health centre where we are working in partnership with the Lifesense disease management programme. The purpose of the programme is to assist RBCT employees with maintaining ARV adherence, to help them overcome any barriers that may prevent adherence to coordinate and centralize the HIV treaters and treatment records and to ensure that employees are able to maintain a healthy, productive lifestyle.

RBCT has a WDMS policy in place thus ensuring that the workplace is free of unfair discrimination of HIV/Aids sufferers. Our policy aims to create and sustain a work environment that will support and promote quality of life, healthy development and healthy behaviours through various programmes developed for RBCT.

In 2015, we continued our efforts through initiatives such as our World aids day campaign, wellness week, clinic consultations and annual medical testing. At the same time we ceased providing employees with incentives when testing. In 2015, 71% of our employees tested without being incentivised. RBCT is targeting 100% of employees to know their status by the end of 2016.

### World Aids Day

On 30 November 2015, RBCT commenced a week of voluntary HIV/Aids testing in commemoration of World Aids Day. On 1 December, a candle lighting ceremony was held in every division in remembrance of those who have lost their lives to HIV/Aids. Pamphlets were also handed out with information pertaining to HIV/Aids.



### SANS 3000-4: 2011 Railway Safety Regulator (RSR): Human Factors

SANS 3000-4 is a national standard for health assessment of rail safety workers that RBCT subscribes to and is based on a risk management approach. RBCT has adopted this standard and has developed procedures for the management of human factors in order to mitigate the potential effects of these factors on railway safety. These factors include:

- Human factors in design (human-system interface)
- Psychological factors: e.g. shift work, physical and mental stress, return to work after a period of absence
- Psychosocial factors e.g. substance abuse (the abuse of medication, drugs and alcohol)
- Psycho physiological factors e.g. chronic, acute and life threatening illnesses, impact of medication on the ability of affected employees to execute their duties
- Physical environmental factors e.g. noise, lighting, vibration, toxic substances and thermal conditions
- Organizational factors e.g. shift pattern, procedures and policies

The RSR conducted a human factors audit at RBCT during September 2015 and the audit report confirms that we have made good progress.

### Managing our Environment

RBCT has a legal and social responsibility to minimise the impact on the environment, as well as to eliminate unplanned events, such as unsanctioned water discharges and exceeding air emission standards.

### Delivering on our Environmental Strategy

RBCT's coal logistics activities are conducted within the framework of ISO 14001:2004 and a site specific EMP. 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 2015, the ISO 14001 recertification audit was a success. This is in line with RBCT's commitment to maintaining excellence in EMS's.



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 our environment.

**Our Environmental Performance**

During the year, no major environmental incidents occurred, however we received one external environmental complaint. This performance comes under extremely unfavourable conditions where we had the lowest average rainfall per annum. 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 processed water to prevent pollution of the harbour and to recycle water, was commissioned in 2009. An analysis carried out in 2015 shows that potable water consumption has been reduced by approximately 19% compared to 2014. A serious drive towards conservation of energy was also maintained during the year and significant savings have been realised. Energy saving programmes continue with the goal being to achieve the site's objective for reducing energy consumption by up to 15%.

RBCT is firmly committed to protecting the environment together with resource conservation. RBCT has assessed the environmental impacts of our operation and keeps an environmental impacts and aspects register. Controls have been put in place to reduce the negative impact of our business on 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 processed water discharges into Richards Bay Harbour and surrounding waterways
- Reducing our fresh water usage
- Energy efficiency
- Waste management

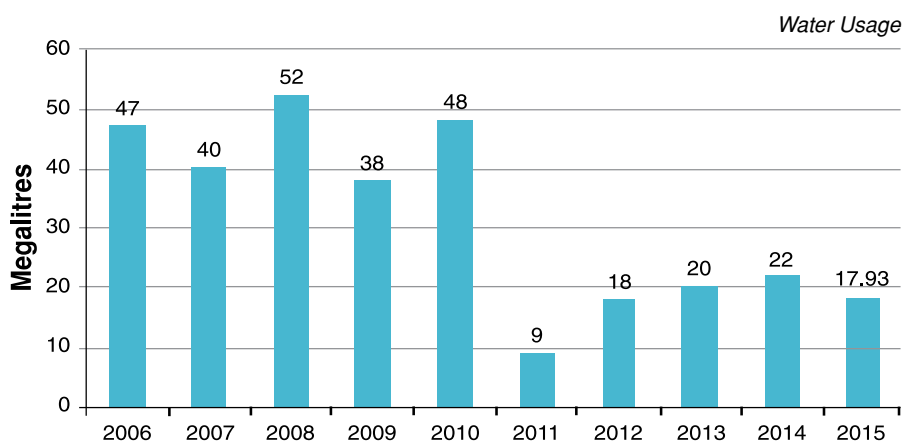
**Water Usage and Management**

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 (DWA). The main objectives of the IWWMP are to:

- Provide technical and management related information to underpin the application for the 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

The nature of the product we handle contaminates storm water. To prevent contamination of the surrounding environment, storm water and water collected from the coal stockpiles does not go directly into the marine environment; instead it is drained into settling ponds. In the settling ponds, contaminants are separated from the water before it can be pumped into an offsite storage dam known as "the ESUP dam". At the ESUP dam water is further chemically treated through a chlorination process and RBCT uses this recycled water for the suppression of dust, mostly from coal stockpiles. RBCT treats and recycles its sewage effluent and the quality of the final effluent has in the past 12 months met the requirements 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 2015 RBCT conducted a site assessment to better understand RBCT's waste footprint and the stockyard area soil layout.



**Potable Water Usage**

The quality of potable water is continuously monitored and treated to prevent and minimize the risk of potable water contamination. In 2015, 179.27 megalitres of potable water were used compared to 220 megalitres used in 2014. This is a 19% improvement on water usage during a tough year where the site had the lowest rainfalls on record.

**Air Quality**

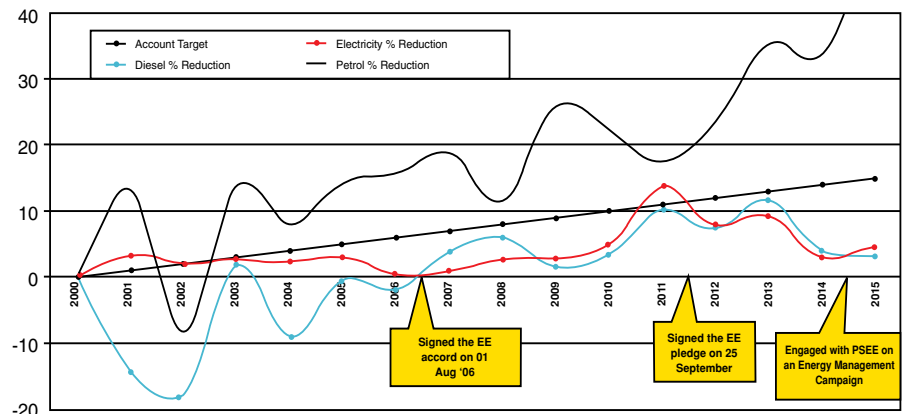
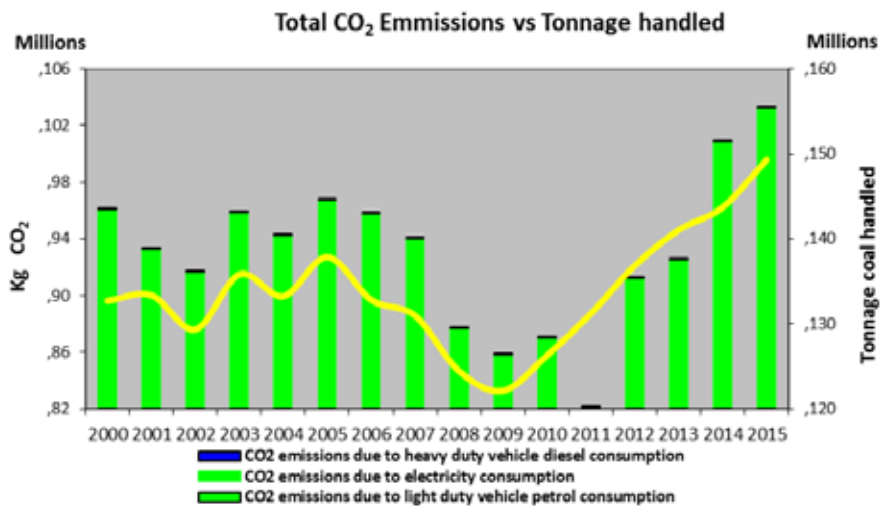
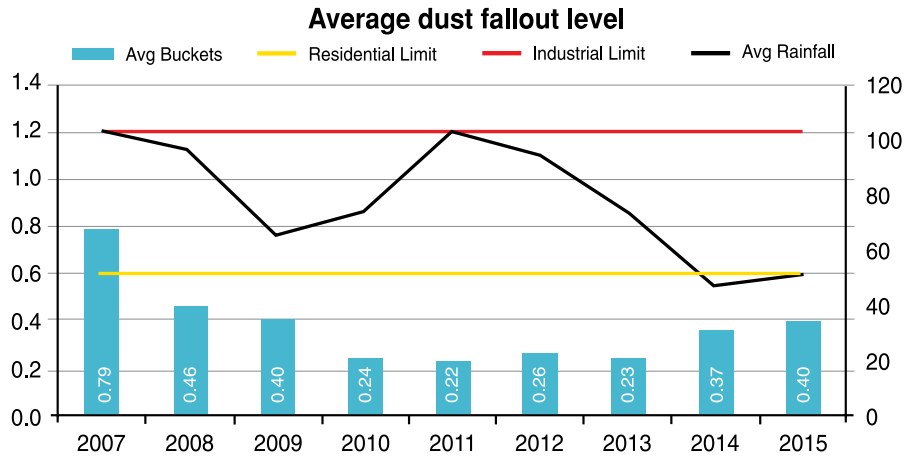
Dust management is a priority at RBCT. There was a slight increase on dust fallout recorded in 2015 compared to 2014, however the results averaged well below 0.6 g/m<sup>2</sup> which is the maximum allowable level.

In line with RBCT's focus on the well-being of employees and our stakeholders, RBCT monitors ambient dust through real time particulate dust monitors. RBCT Monitors PM<sub>10</sub> as well as PM<sub>2.5</sub> to effectively deal with dust ambient and currently uses RDC20 as dust suppressant on dirt roads around the stockpiles. RDC20 is a water-based binding agent that forms a layer on the road surface to suppress dust.

**Resource and Energy Use**

During 2015 there was a significant improvement in the use of electricity and petrol.

Diesel however still requires a more focused approach which will be seen in 2016 with the addition of a vehicle monitoring system. It was also noted that a new baseline would need to be established as a result of the Phase V equipment coming on line and this would lead to a new 5% reduction target being set for 2016 to 2020.



We care for the environment

## Waste Management

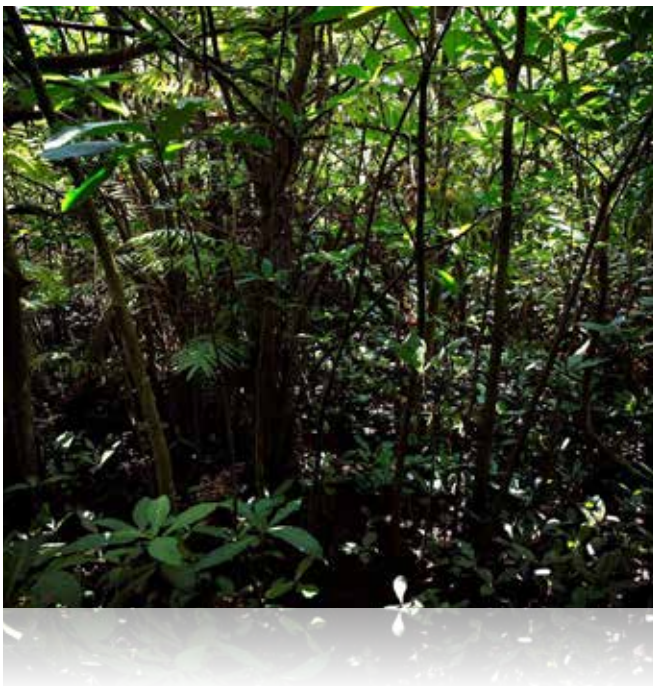
The management of waste remains one of RBCT's environmental challenges. RBCT believes that protection of the environment is an integral part of good business practice and that it has a duty to minimize and manage waste without any environmental risks. RBCT provided separate waste bins for different types of wastes generated that can be recyclable. Improving waste sorting and disposal has become an extremely important aspect for RBCT.

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

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

In 2014 RBCT obtained a Waste License 59 of 2008, RBCT improved its waste management programmes by improving its waste audits and implementing sustainable plans. The implementation of a comprehensive waste management strategy aims to reduce the amount of waste being consigned to local dumpsites.

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. 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).

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 Coasts.

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.

On an annual basis, RBCT partners with the Department of Agriculture and Environmental Affairs to commemorate specific days such as environmental week and water week. Employees and their families are always encouraged to participate in our annual coastal clean-up programme which is very popular with employees.

RBCT's activities have not impacted 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

# Operational Performance

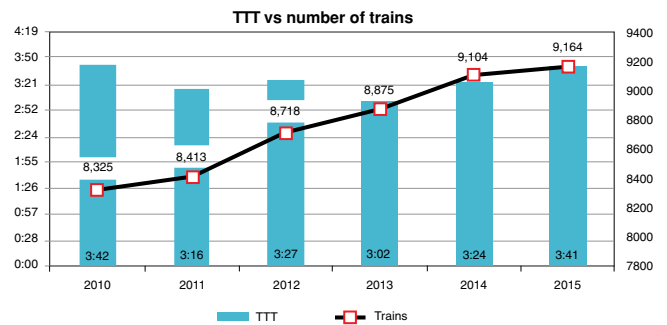


We work to the best of our ability

## Sustainable Development Performance

RBCT is a world class Port Terminal. As a vital link in the coal export chain, we work closely with our key partners TFR, TNPA and CEPs. RBCT coal is railed by TFR, the only National Rail Operator. TNPA provides the marine services to berth and un-berth the vessels.

RBCT prides itself on being an efficient and reliable export terminal and it's efficiency is dependent on the different business functions and all stakeholders working together. The joint effort of RBCT and our partners ensured that the performance targets were exceeded in 2015.



## Railings

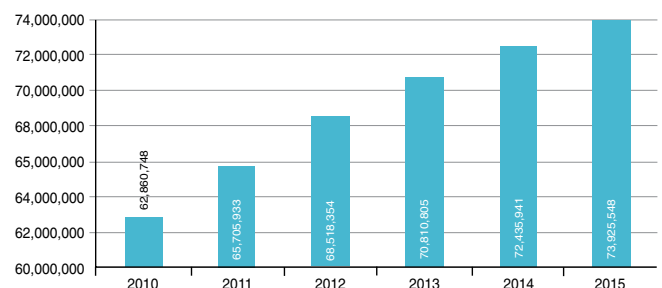
The terminal offloaded 9 164 trains in 2015 and achieved a TTT of 3 hours 42 minutes which is within the target of 4 hours 18 minutes. 18% of the trains received were bypassed directly to the vessel. This assisted RBCT to improve vessel load rates and save energy by avoiding double handling, i.e. stacking the coal on the ground and reclaiming it later to load onto the vessel.

The TTT is the contracted duration for handling a train after it is handed over to RBCT by TFR (offloaded and handed back to TFR). The TTT is reflected in the signed service level agreement (SLA) between the terminal and TFR.

RBCT continues to work with TFR to improve rail efficiencies.

## Coal Deliveries to RBCT

RBCT received a total tonnage of 73,93mt in 2015 which represents an increase of 2.07% from the 72,44mt in 2014. This performance once again underlined the important progress made by the CEPs and TFR in delivering coal to the terminal.

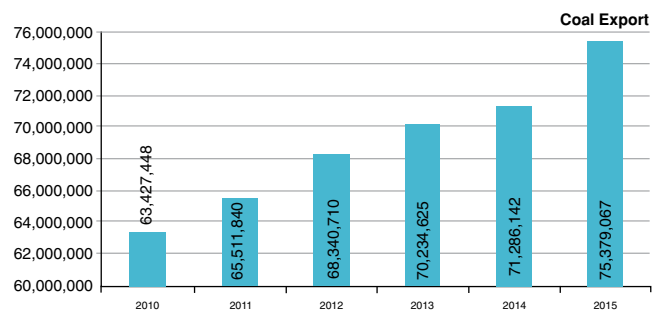


## Exports

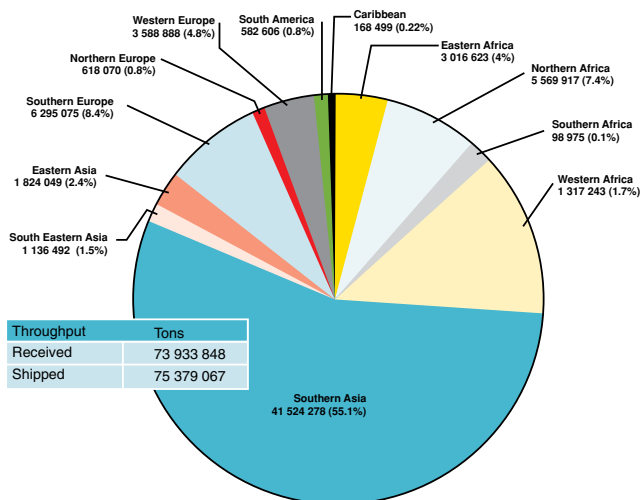
RBCT exported 75,38mt in 2015, which is an improvement of 5.7% from the 71.29mt that was exported in 2014 and the first time in the Terminal's history that we reached and exceeded 75 Mt's. This impressive growth in volumes was achieved under challenging global economic conditions and depressed commodity prices.

A record 925 vessels were loaded in 2015 compared to 786 vessels loaded in 2014.

The key performance indicator on the water side is Port Load Rate (PLR) and we achieved 1828 tons per hour against a target of 1 748 tons per hour.

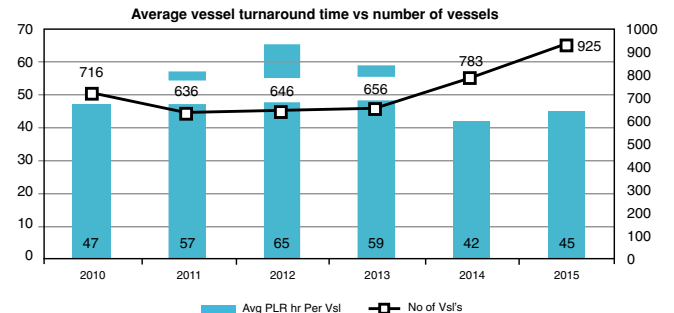


### Export Destinations



## Shipping Performance

The turnaround time of the vessels is what the terminal uses to measure world class performance and RBCT achieved an average of 45hrs in 2015 compared to a target of 41.98hrs.



## RBCT Plant

Plant availability and reliability are key operational elements of RBCT's performance. Plant availability of 95.23% was achieved against a target of 90% and the plant reliability was 95.31% against the target of 95%, both better than 2014. The plant downtime was below the target of 14.50 minutes per 10 000 tons (annual target: 13.82 minutes per 10 000 tons), this is however an impressive 9.6% improvement on the 2014 plant downtime of 16.24 minutes per 10 000 tons. The maintenance and engineering teams continue to improve the overall reliability and availability of the terminal infrastructure with continued focus on preventative maintenance as opposed to responding to breakdowns. A restructuring of existing manpower to achieve greater 24 hour coverage has significantly enhanced the plant reliability as well as the turnaround times on outages. Good co-operation between maintenance and operations continues to facilitate increased opportunities for maintenance through greater access to plant.

Long-term plant health, through Plant Life Cycle planning focuses on operational and strategic aspects ensuring periodic inspection programmes and refurbishment outages are strictly followed.

The engineering team completed all the planned plant outages through sound planning with operations and ensuring priorities are adhered to with no roll over's into 2016.

The terminal has completed the life cycle replacement plan for all major equipment.

In July 2015, the terminal officially announced a Major Machinery Replacement exercise which will see the replacement of the four Phase 1 machines namely Stacker Reclaimers 1 and 2 and Ship loaders 1 and 2 and also see the addition of one new electrical substation and the reconfiguration of the ten existing substations.





On completion of the replacement, increased reliability in operations will be achieved. The project value is substantial and South African suppliers as well as Richards Bay based companies will benefit through this investment. The project is due for completion in 2018.

## New Coal Sampling Laboratory

The need for a new coal sampling laboratory was realized when RBCT Management noticed limitations on current operational efficiencies.

Besides supporting efficient laboratory operations and workflow, the new building will increase the throughput capacity of the current laboratory from 91Mt to 120Mt per annum, facilitated by a 60% increase of physical space. The overall efficiency will increase by 25% and this will be achieved in the coal preparation, analysis and certification areas.

Construction is taking place without disruptions to the current facility and the project is expected to be complete by May 2016 at an estimated cost of R50-million. RBCT is pleased to confirm that keeping in line with local economic development (LED) imperatives as mandated by government, the project will create job opportunities and the architectural design will sustain the terminals world class status, therefore positively impacting global buy-in.



## Terminal Control System (TCS) Upgrade

The TCS is the heartbeat of RBCT comprising of many different software programmes which live off of each other and create a symbiotic relationship but, because these programmes age differently – the relationship between them started to break up putting the whole system at risk.

In 2015, RBCT embarked on a 4 Phase project to re-establish the symbiotic relationship by replacing or upgrading the current software in order to keep the terminal running.

Phase 1, which dealt with the operations side of the system i.e. how the Ops Planning schedules and Ops Production team run the plants, was completed in the 4th quarter of 2015. The main components of phase 1 were:

- Re-writing of all forms and reports into a Microsoft platform, almost 1 000 000 lines of code
- Upgrading the Oracle Database and moving it to a Windows platform
- Replacing Promace Software with Wonderware Software
- Re-writing of G2 (intelligent version) to Windows format
- Re-writing and migration of all software integration and bridges

The unique and advantageous aspect of this project was that the contractor re-wrote all the software onsite allowing the old and new system to run concurrently and also allowing for live testing.

The final phases of the project will concentrate on the Wonderware SCADA software upgrade which drives what engineering and maintenance use for managing and maintaining the plant.

A key deliverable of this project phase is machine standards that will be used in all future plant expansion projects. The Object -Oriented Programming (OOP) model, organised around objects rather than 'actions' and data rather than 'logic' is a key standard that the project will adopt and apply.



The project is due for completion in 2017 with the end result being one picture, one integrated system seen by operations, engineering and maintenance.



## Finance

In 2015 the market conditions facing our stakeholders further declined with commodity prices falling significantly across the board including coal.

This has rightfully placed increased pressure on the Terminal to reduce expenditure further while enhancing the effectiveness of the service provided. The true value of the Terminal continues to be how efficiently we are able to move a ton of coal within the context of the full value chain.

As an integral part of the value chain, the focus continues to be a low cost terminal. The 2015 budget was approved on the basis of RBCT taking the cost per ton back to 2013 levels in real terms. RBCT in 2015 managed to deliver against this target with a 0.1% increase against our budget. The efforts in maintenance over the last three years have yielded good results, with expenditure remaining largely unchanged while downtime continues to decrease.

Critical challenges remain keeping overtime and temporary labour under control, while ensuring operational efficiencies are maintained at all times. All areas of the business have and continue to be reviewed to identify further opportunities to reduce expenditure. Manpower is being optimized with vacancies frozen unless positions are regarded as critical together with working together with contractors to extract efficiencies out of existing resources as well as eliminating unnecessary waste.

Our approach continues to drive a holistic approach which balances RBCT's spend, however which is aligned to optimising the overall cost impact to the coal export value chain.

We continue to strive to be a low cost facility with increased efforts on cost control through driving continuous improvements within the key elements of our business.

## Valuing and Empowering our People



Our ability to attract, retain and develop high-performing, values driven employees depends on providing a safe and stimulating work environment that reflects the diversity of the communities in which we operate. Our people are the backbone to the success of our business and factor in every policy formed and each decision taken.

In 2013 RBCT commenced with the strategy of organisational health, which yielded really good results throughout all aspects of the business. We have continued along these lines with an increased focus on people performance and talent management. Due to the increasingly difficult economic climate, RBCT has made some significant adjustments in terms of how we celebrate as well as recognise achievements. This requirement and process has been broadly communicated to employees with a key focus on the sustainability of the greater business and thereby job retention.

We treat each other with respect and dignity

## Enhancing Workforce Diversity

### Attracting, Developing and Retaining Talent

RBCT has a proud record and as 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 an intensive recruitment and selection process to attract and select skills that serve as an input to RBCT coal export strategy.

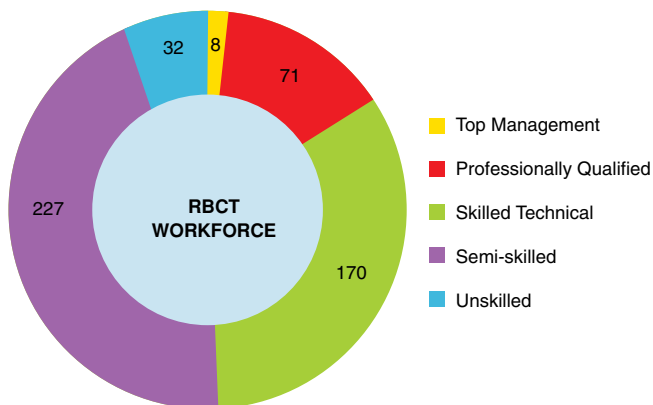
In 2015, our labour turnover marginally increased from 6.7% in 2014 to 6.9%. In line with our cost optimisation process, where possible vacancies have not been filled while we continue to make good progress with filling critical vacancies through internal appointments and restructuring. This is aligned to our talent management strategy and is ensuring the retention of key skills. There has and will continue to be a major drive to optimise on manpower, and more specifically in the services areas of the business.



We conduct intensive searches for local candidates, relying on our relationships with reputable local recruitment agencies and our own databases of local professionals. We seek to ensure strong internal candidate representation for employment opportunities and this is supplemented by external recruitment. The recruitment and selection process is executed in such a manner that the incumbent joining RBCT is assessed for suitability to the job itself and having the right character aligned to the company's mission, vision and values. The recruitment and selection strategy and decision is to ensure that *"the right people were on the bus and the wrong people off the bus, and ensure that the right people were in the right seats"* – Jim Collin, Good to Great. It is critical to our recruitment and selection decisions that our new recruits have an ideal fit to work for RBCT.

To achieve this, we embark on intensive and rigorous pre-employment processes because attracting and employing the right fit, talented and motivated people is critical to RBCT's long-term strategy.

In 2015, 26 appointments were made with 87% being recruited from the local community. Local employment is important to minimise the negative impact of Fly in, Fly out (FIFO) candidates on our retention targets. Our endeavour is to minimise, where possible, employment of FIFO candidates.



Workforce profile as 31 December 2015

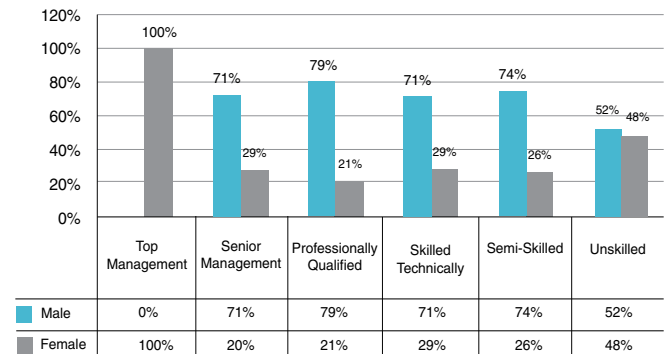
### Employment Equity (EE)

Diversity and transformation are critical imperatives at RBCT and significant progress has been made in building a more representative workforce. In 2015, we achieved most of our EE targets.

Our Top Management, for example, is made up of 8 members, representing Blacks, Indian and White. Three members are Black Female, two are Black Males, one Indian Male and two are White Males. Our Employment Equity Plan ended in 2015 and a new Employment Equity Plan (2016-2019) has been submitted to the Department of Labour.

There are various noticeable achievements in the plan. Firstly, the composition of our top management structure is reflective of the demographics of the country and in consideration of skills pool in our industry. Secondly, female participation is increasing in all occupational levels and the business remains committed to narrowing the gap between male and female representation. Thirdly, we have maintained our target achievement of employing People Living with Disability (PLWD) and we have modified access points and other facilities for friendly use by PLWDs.

### Gender Representation



### Employment Equity Analysis

The objectives of the EE plan for RBCT remained:

- To eliminate unfair discrimination which may exist in employment policies, practices and procedures
- To implement affirmative action measures to achieve reasonable progress towards the equitable representation of suitable qualified person in the workplace
- To promote diversity and respect for all employees in the workplace
- To implement appropriate measures regarding the training and retention of designated persons
- To address barriers identified in the previous year

### RBCT EE Targets

Occupational Level	Target 2015	Status	2014	2013
E & F Band	75%	75%	75%	75%
DU Band	57%	64%	52%	56%
DL Band	83%	92%	93%	80%
C Band	86%	82%	83%	83%
B Band	88%	88%	93%	88%

## Valuing and Empowering our People

In 2015, RBCT made significant progress in respect of all components of the EE plan for 2014/2015, however C Band remains a key focus area. The target for C Band is 86%, as at 30 December 2015 we had achieved 82%. This is the only level where we remain under target. Trainee development programmes aim to address this challenge.

### Employment Equity Consultative Committee (EECC)

EE is one of RBCT's strategies towards achieving operational excellence and it is through the implementation of EE that we can achieve diversity in the workplace.

The objectives of EECC at RBCT are:

- To eliminate employment practices and procedures that are barriers to employment equity
- To review career management practices
- To ensure equitable access to training and development opportunities
- To eliminate employment barriers for people with disabilities
- To promote a culture that values diversity in the workplace
- To ensure effective communication of objectives of EE to all staff in order to ensure understanding and buy-in

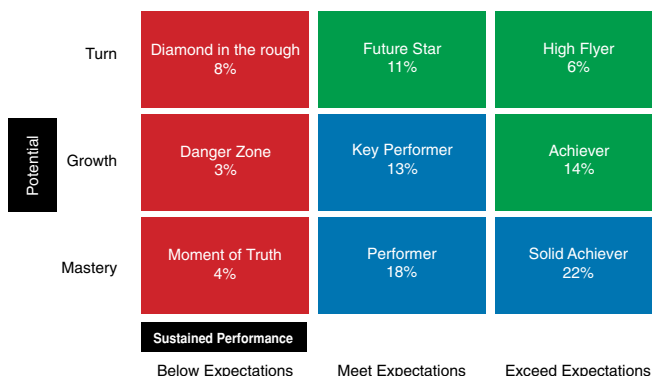
### Talent Management

At RBCT we apply a rigorous approach to managing employees, especially in identifying those employees who bring competitive advantage to the business. The talent management strategy continues to add significant value to the organisation. The process embodies a nine box matrix and requires open and transparent discussions between managers and subordinates while at the same time incorporating the greater view of the larger organisation. Employees are provided with clear understanding of their performance while at the same time formulating individual development plans. The process has now been rolled out across the company. This also provides a key input into future succession planning which is part of the process.

RBCT considers the whole workforce to be talent, but differentiates the way in which parts of the workforce are managed. Our formal talent management process yields benefits for both employees and the business. Employees enjoy increased satisfaction with current and future career development opportunities.

The business benefits from improved workforce skills and competencies, long-term planning, cost saving through staff retention and narrowing of the skills gap. In a skills constrained environment such as South Africa, effective management of talent is critical to achieving business goals.

RBCT 2015 Company Talent Profile is shown below:



Talent management assists not only in identifying talent in middle management but also assists in creating a talent pool from the lower levels right up to top management. Below are some of the successes of talent management at semi-skilled and skilled level. Also through this tool we are able to gauge trainee and contractor talent and put effort in place not to lose talent that creates value for the business.

### RBCT Effective Leadership

In 2015 a total of 19 leaders attended a three day session post the assessment of their leadership effectiveness style. This assessment was done through the means of a well utilised leadership assessment tool known as the 360 degree assessment. Each leader on the programme was appraised by his/her direct leader, his/her team, and peers. One of the strengths of this programme can be attributed to the varied source of information provided by different participants who have first-hand experience of the candidate. Post this assessment, the leader was sent to a 3 day coaching programme – coached on world class effective leadership tools. All candidates received comprehensive feedback and a report on their dominant styles. The strength of this assessment tool is found in its focus on style not personality – this suggests that change can be effected and should be embraced.

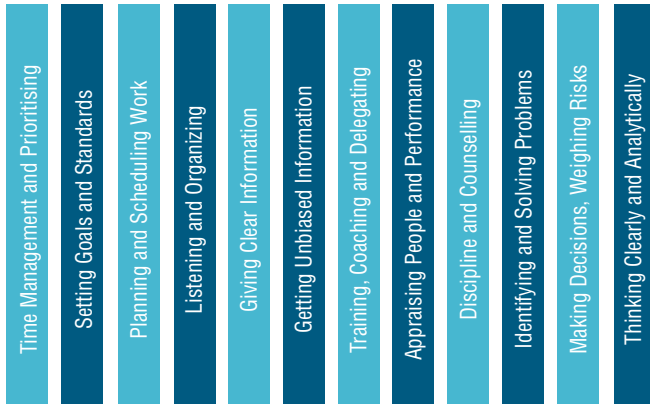
### Managerial Assessment of Proficiency (MAP)

A total of 16 leaders attended MAP. MAP has provided us a means of taking stock of our management talent. This process evaluates managers against twelve management core competencies that influence management style and values. The outcome of this process is a detailed report on the managers' level of competence against global and organisational levels of competence.

Managers are then coached in a group and one-on-one to assist them to gain awareness on their competency levels. It is only through awareness that we can change or improve. MAP has become a good vehicle of choice in preparing identified talent for management roles as well as in accelerating the newly appointed and promoted managers.

## 12 MAP Competencies

Our managers have received personal one-on-one coaching on the following competencies.

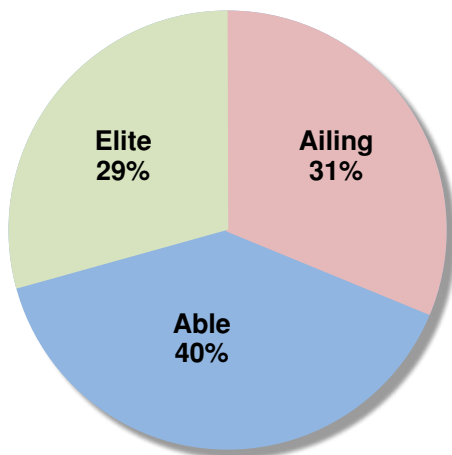


## Organisational Health Survey

RBCT conducts an annual Organisational Health Survey that is aimed at validating how healthy RBCT is. The process is built on a test-action-re-test approach. Whether at the individual, group, or organizational level, the process remains the same:

- measure what is currently happening
- develop strategies for change
- implement these
- re-test to evaluate the effectiveness of the change strategies

### Overview



**Ailing:** Below Expectations

**Able:** Meeting Expectations

**Elite:** Meeting and Exceeding Expectations

In 2015, the results showed a 6% improvement in the overall attitude of employees. What makes this achievement more impressive is the continued difficult economic climate, together with the pressures that this places a business under.

RBCT's health was rated by both employees and management as healthy in the following categories:

- Direction
- Leadership
- Culture and climate
- Accountability
- Coordination and control
- Motivation
- Learning and innovation
- Building capabilities

## Culture Initiatives

RBCT celebrates Heritage Day as we recognise and value the diversity of our employees.

Heritage Day is a national holiday where South Africans have the opportunity to celebrate their cultural heritage and embrace their diverse traditions and values. These values contributed to the national theme for the 2015 Heritage Month which was 'living heritage'. At RBCT we were celebrating "UBUNTU". UBUNTU are the values and principles that represent our humanness and how we value the community. At RBCT we embrace heritage through our vision, mission and values that sets the tone and ethos for this company.

RBCT employees dressed in their traditional attire and shared an array of meals.

## Maintaining Positive Employee Relations:

### Communication

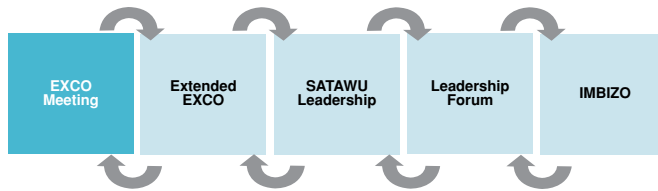
A transparent and open line of communication with all our stakeholders remains integral in fostering a shared vision. In 2015, RBCT management and employees were informed, consulted and provided with feedback about company performance. Cost optimisation measures were discussed with employees and all employees were given an opportunity to ask questions, and to suggest more cost optimising ideas. In each department, employees are empowered to run their area of operation as a mini business and to be entrepreneurs in their area of operation. This is further embedded in their teams through the Mission Directed Work Teams (MDWT) process.

Information was communicated swiftly and in an open and honest manner. The following structures/forums were used to communicate key information:

## Valuing and Empowering our People

### RBCT Established Communication Channels

This communication structure has further strengthened the internal stakeholder relations. Employees are abreast with the Terminal strengths, opportunities and possible threats and they are part of the solution. Employees are engaged on all subjects that matter the most to them. They are given the opportunity to shape the future of RBCT, as we learn and share together. We view communication as a sign of respect and we respect and acknowledge that we all have a role to play in keeping RBCT sustainable, in all matters that relate to moving coal and people.



### Listening and Engaging with Employees

Our employees play a crucial role in our success. We have developed progressive and productive partnerships with trade union South African Transport and Allied Worker's Union (SATAWU) on collective bargaining and other matters.

We regularly solicit employees' views and listen to their ideas. In 2015 we held 3 Leadership Forums and IMBIZOs and conducted an Organisational Health Survey.

Over 90% of RBCT employees took part in the Organisational Health Survey. About 75% of respondents said they believe strongly in RBCT's strategic direction and leadership. They are motivated to work for RBCT and are willing to go the extra mile to help RBCT be sustainable. Almost 70% of respondents believe that RBCT systems are not cumbersome and are well coordinated and controlled, making it easy to collaborate with other teams.

63% of employees believe that:

- people are truly and fully held accountable
- people receive appropriate performance corrective measures for poor performance
- those who perform exceptionally well receive appropriate recognition for a job well done

We are implementing initiatives across all divisions to improve how we show appreciation for the hard work of our people and how we can effectively manage poor performance.

Throughout all IMBIZO sessions, the CEO emphasised the following:

- Safety
- Cost
- Productivity

## Developing and Empowering High-performing People

### Employee Development

Our structured employee development and training programmes aim to raise competence levels, encourage engagement and productivity, and retain talent. Our leadership development programmes develop skills and competence in specific areas.

During 2015 the RBCT talent management and performance management systems continued to operate, with no real changes. The Nine Box Method was conducted for senior managers, middle managers and supervisory staff. This was underpinned by the performance management comprising of individual performance management, an individual scorecard for Managers, D Band and above, The company scorecard – linked to the monthly and annual performance bonus, individual (at manager level), team and departmental scorecards.

### Training and Development

The overall goal of training and development at RBCT is to ensure that RBCT permanent staff members have 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 is primarily 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 at 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

## Average Hours of Training

The average hours of training per year per employee by occupational category of employee as at 31 December 2015 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	1959	30	65
2000	Professionals	454	5	91
3000	Technicians and associate professionals	6958	89	78
4000	Clerks	1718	45	38
7000	Craft and related trades workers	17263	97	178
8000	Plant and machine operators and assemblers	9444	157	60
9000	Elementary occupations	14252	45	317
<b>Grand Total</b>		<b>52048</b>	<b>468</b>	

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 programmes, managers and staff who have attended training or development programmes 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.

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

## Staff Development

RBCT's career development strategies continued to focus on management development, supervisory and leadership development, the employee development programme (EDP), operator training as well as technical and general skills development of employees. The implementation of the coaching and mentoring processes are on-going.

### Management Development

In 2015, the focus remained on CORE skills and leadership development, especially for the front-line leaders. Training was delivered to close the gap as identified through the Individual Development Planning (IDP) process. MAP and 369 degree assessment as well as coaching were done for all D Lower (middle management) and C Upper (supervisory) leaders.

### Management Development Programme (MDP)

RBCT continues to develop management and supervisory skills, through an intense MDP 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 University of South Africa (UNISA) MDP and FMP programmes, while foundational skills are laid through more hands-on SAQA accredited skills programmes at the supervisory (CORE) and management (BMS) levels.

### International Executive Development Programme (IEDP)

RBCT is proud to be represented by two senior managers in the IEDP that incorporates local and global immersion. This programme is proudly sponsored by the Transport Education Training Authority (TETA) and delivered jointly by GIBS, SA and Rollins College, USA. The programme brings together 25 managers from different transport sector industries. This Executive Development Programme is designed to lay a solid foundation for those executives who are assuming strategic and business leadership responsibilities, with a joint focus on local and global business.

One of the strengths of this programme is the wide variety of delegates it attracts from both the private and public sector, which provides a wonderful opportunity for networking and building relationships that will be mutually beneficial long after the programme has ended. This provides delegates the opportunity to think beyond their industry and contribute meaningfully to their respective positions while preparing them for more strategic and senior roles.



## Valuing and Empowering our People

### EDP

The aim of the programme is to develop the core competencies required by employees making the transition to management or supervisory positions.

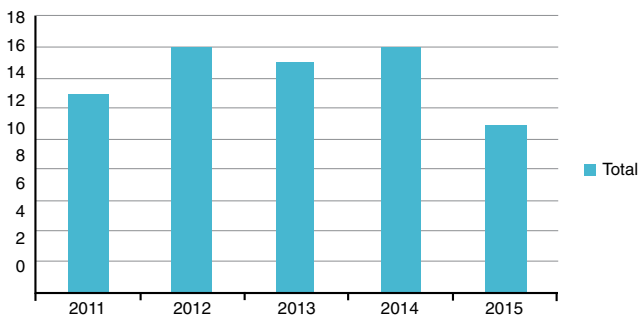
The key focus is on managing yourself and a project is identified, investigated and where possible completed. After completion of this programme, delegates present their projects to the General Management.

Those requiring further work or capex and deemed suitable are then further developed via the bright ideas system.

*'I enjoyed last year's EDP, I found it interesting and informative. It definitely made me think differently about certain situations, especially in the workplace.'*  
 – Lika Becker

*'Informative, useful and great for entry level management.'*  
 – Alain Bezuidenhout

*'It highlighted many areas which we are involved with daily enabling us, well me anyway, to apply and make use of on a regular basis. I found it useful and I recommend it to anyone.'* – Theo Schoeman



### EDP Attendees

Once projects have been approved, the Business Improvement division facilitates implementation.

### Status on 2015 EDP Projects

Projects	Responsible	Status
Smart Track on vehicles	Chris Varney (Garage)	● ● ●
Bulldozer training philosophies	Alain Bezuidenhout	● ● ●
Revising maintenance schedules	Stephani du Plessis	● ● ●
Automated grease port at ship loader tripper	Vusi Nzuzza	● ● ●
Aligning of remittances with payments proposals	Estelle Paxman	● ● ●



### 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. In 2015, RBCT awarded 9 open bursaries sponsoring 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 and in 2015 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 grow their knowledge through practical application. This approach helps each bursar bridge the gap between education and the world of business.

Harina Ndaba has been on the RBCT Open Bursary Scheme since 2013 and this year she received the Wits Dean's Recognition Award for Accounting.

Says Harina, "Much of my motivation comes from the desire to build a house for my mother as the condition of the house we live in is not good. I am also motivated to study hard, get good results and a good job so that I can live a decent life where we will never go hungry again".

Harina thanks RBCT for their financial assistance, vocational work opportunities and continuous support.

#### Closed Bursary Scheme

As an extension of the bursary system, in 2015, RBCT offered 16 study grants to employees' children who are registered to study at a recognised tertiary institution. 50% of these grants should be focused on continued education.



*Harina Ndaba is congratulated by Ms Nosipho Siwisa-Damasane, RBCT CEO and Jabu Mdaki, RBCT GM Operations*

### Artisan Recognition Training/Artisan in Training (ART/AIT)

The ART and AIT programme 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 2015/16, depending on the individuals pace of learning and application of the skills.

### Education Assistance Programme (EAP)

Employees have access to funding for part-time education through our 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. 74 staff members participated in this scheme during 2015.

### Apprenticeships and Traineeships

At RBCT we have an apprenticeship system registered with TETA (Transport Education and Training Authority). Apprentices are registered with the MERSETA via a Memorandum of Agreement (MOA) between the SETA's. Bursars who have completed their degrees and diplomas are often given opportunities to gain the experience required.

In 2015, RBCT's commitment was as follows:

Trainee Type	Number	Comment	Bursar
Apprentices	16	Millwright Apprentices	
Electronic Technician	1	Automation and Control	Y
Electrical Engineer	1	Diploma Technician	Y
ART/AIT Trainees	10	Current maintenance assistants	
		identified for artisan development	
Electrical Technician	1	Diploma Technician doing P1 & P2	Y
IT Trainee	1	Bsc. Computer Science	N

### Technical Training Infrastructure

With the 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. During 2013, a mini substation, PLC racks and small conveyor system were completed to assist with electrical fault finding and a larger number of RBCT specific technical training programmes were run with the aim to improve the quality of artisans and reduce down time, based on skill set is identified by line managers. During 2014/15 this was further developed to include backstops training and basic hydraulics training. During 2015 RBCT applied for Manufacturing, Engineering and Related SETA (MERSETA) accreditation through the MERSETA Board. This accreditation is imminent and the plan over the next two years 2016/2017 is to move the maintenance assistant training on-site, reducing costs and work disruption to the relevant sections. The centre is also used as an artisan assessment centre to test new artisans during the recruitment phase ensuring they have the appropriate minimum skills.

### Plant Operator Traineeships

RBCT also has a one year training programme for plant operators to ensure succession is in place and operations are therefore not interrupted in the event of a resignation. RBCT has reviewed and implemented Key Operations Training Programmes as part of our ongoing continuous improvement programme. We are currently registering a learnership for the 12 months with the TETA, which will mean the trainee's should achieve a national certificate in plant operations.

### 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 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.

Assessments on the programmes 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.

### CAT Training Aid

In 2015, RBCT purchased a CAT training aid. The purpose of this training aid is to improve the skills of Bulldozer Operators and to allow practice and lessons to be conducted in a safe and cost effective environment. This prevents bulldozers being taken out of production and a saving on approximately 48 hours of diesel usage per trainee. Trainees do the CAT E-learning module, the RBCT specific theory and then do the lessons on the CAT training aid.

The training aid is a mock-up of a bull dozer but does not have motion. Each lesson provides the candidate with feedback which is something that a normal instructor would not be able to do. When doing pushing, slot dozing, levelling and trench back filling exercises the candidate gets feedback on the % that the blade is full as well as how often the blade dug below the intended level and over revs. Operators requiring to be relicensed or who have not operated a dozer for some time can quickly and safely be re-orientated.

The training aid simulates in a normal construction environment but the operating principles remain the same, thus the candidate still has to do observed training in the yard on climbing coal dumps and building platforms. It is believed that the training aid will improve operator performance, reduce wear and tear on equipment, achieve training best practices and save on training costs.



### Industrial Relations

The Industrial Relations climate of 2015 was stable without any labour disputes, stayaways from work, or industrial action impacting on the operational requirements of the Company.

The following initiatives were implemented during 2015 enabling a sustainable Industrial Relations Climate:

#### Collective Agreements

Revised grievance and disciplinary procedures were negotiated with the trade union, as part of ensuring that collective agreements do not become outdated and non-compliant with changes in labour law provisions and/or in terms of continuously required assessment and improvement in relation to aspects of fairness and effectiveness. The Company's disciplinary code was also reviewed and amended as necessary.

#### Productivity and Remuneration

The existing company performance incentive scheme expired on 31 December 2015 and it was therefore required that the scheme be reviewed and together with the new measures be implemented for the next 3-year term, i.e. 2016 – 2018. The measures are designed to promote alignment to the overall company objectives which drive productivity initiatives. It was not necessary to negotiate annual wage increases and wage-related matters with the trade union, because the parties are still bound by the last leg of a 3-year wage agreement.

#### Conditions of Employment

Conditions of employment were reviewed and updated as required to ensure ongoing legal compliance, particularly in the light of recently legislated amendments to the Labour Relations, EE and Basic Conditions of Employment Acts. The Company's industrial relations policies and procedures were also reviewed in terms of a required in-company 3-yearly revision process. The 12 hour shift work system exemption, conditional to exonerate Company operations from the previous Basic Conditions of Employment Act in terms of working hour's limitations, expired in November 2015, so it required that the Company re-apply for the next 2-year period. This was done successfully and exemption was reaffirmed for 2016 and 2017 by the Department of Labour.

#### Disputes

No disputes were lost at the CCMA. There was a 3-hour work stoppage by employees in one department, who were demanding to be paid earlier than the official pay date. The necessary corrective action was taken to defuse the situation. Two National Protest Action (NPA) marches were called for by Trade union Federations because of socio-economic issues but RBCT was not directly affected by these as its employees did not participate.



## RBCT Focuses on Diversity and Development of Women

### Zululand Chamber of Commerce (ZCCI) – Women in Business Conference

The RBCT ladies who attended the ZCCI's Annual Women in Business Conference came back motivated and enthusiastic. This event showcases women leaders with success stories and is a unique opportunity for women to learn from, connect with and inspire one another.

Inspired was certainly the unofficial theme of the event, with guest speakers like Zelda la Grange and Margaret Hirsch together with RBCT's GM Human Resources, Judith Nzimande.

### Women's Day Cook Off

Celebration of Women's month took the form of a cook off in 2015.

Ladies were split into teams and each team had to choose 'cooks' and 'decorators'.

The cooks were given everything they needed to prepare a delicious meal from a variety of ingredients including, beef, chicken, prawns, mince and fresh fish.

The cooks were given 90 minutes to prepare a meal and salad which was then presented to the judges for tasting.

Meanwhile their team mates (the decorators) were busy preparing the tables from an assortment of table clothes, flowers, vases and various other décor. The tables were then judged which formed part of the final scoring.

After the judging lunch was enjoyed by all with the added excitement of the CEO arriving to share in the festivities and offer some words of wisdom.



RBCT ladies at the ZCCI Women in Business Conference



The cook off winners



Womens Day cook off in action

Diversity and Development of Women

## Terminal Highlights and Achievements

### Africa's most influential women in logistics and shipping: RBCT CEO: Nosipho Siwisa-Damasane

RBCT's CEO, Miss Nosipho Siwisa-Damasane was recognised as Africa's most influential woman in logistics and shipping in the SADC region in 2015. The awards were hosted by Celebrating Excellence in Organisations Communication (CEOC).

The judging criteria that made her a winner was based on demonstrated impact and evidence in the following areas:

- Sector influence and professional achievements
- Leadership elements that the nominee developed in her industry
- Contribution to the company overall sustainability objectives
- Promotion of best practices through implementation of performance standards
- Individual social responsibility

It is evident that Nosipho is a visionary and relevant leader with the necessary skills and acumen that is recognised in Africa as a whole and she is a befitting brand ambassador for RBCT.



### Top Award for RBCT CEO - Businesswomen's Association (BWA)

RBCT CEO, Miss Nosipho Siwisa-Damasane was named 2015 Business Woman of the Year by the Business Women's Association of SA.

The annual Business Woman of the Year Awards (BWOYA) honours the country's most outstanding female leaders in the corporate and entrepreneurial sectors.

Nosipho was chosen amongst high performing finalists in the Corporate Category and made history as she is the first KZN based woman to win the award.

Through her leadership there has been a renewed focus on transformation and mentorship within RBCT and in the surrounding communities. All these resulted in business success.



### CEO takes RBCT to Japan

In September, a filming crew from NHK (*Nippon Hōsō Kyōkai*) – Japan's national public broadcasting organisation came to RBCT to interview Nosipho for a programme called International Report.

The programme covers various topics around Africa and is aimed at the overseas market, similar to BBC World News. The interview was for a special on 'Women leading the future of Africa'.

The channel is based in Tokyo, Japan and the service is broadcast through satellite and cable operators throughout the world as well as online and through its mobile apps.

## **BWA Business Woman of the Year – Corporate Category**

Mrs Judith Nzimande, RBCT's GM-Human Resources was awarded this prestigious award in July 2015.

The event was the Women's Achievers Awards and it was organised by the BWA-Zululand Branch.

The category was highly contested as it had 4 finalists all of whom are renowned and phenomenal women leaders and who have made progressive marks in various industries they serve and in their respective professions.

This unique category was looking for an exceptional leader who demonstrated qualities of an ideal role model and who had to be influential and be actively making a difference within the company and community – with specific focus on transformation and beyond.



## **Institute of People Management (IPM) 2015 HR Director of the Year Award**

RBCT GM - Human Resources, Mrs Judith Nzimande won the IPM 2015 HR Director of the Year Award. The IPM Excellence Awards seek to recognise business and people leaders who contribute significantly to furthering excellence in people management for the benefit of employees, organisations, communities and the country as a whole.

Judith, a leader in the People Management (PM) space represented RBCT and was assessed and recognised as leading the way with innovative and excellent people programmes and practices.

The IPM has been recognising and rewarding excellence since 1956.



## Delivering Social Value



We bring commitment and growth, improve livelihoods and help build local communities. At RBCT we know that many of the communities where we work face big challenges in their environments and societies, which we share with them. We know that when they prosper, so do we.

We have not had any incidents of community discontent. This includes demonstrations, operations stoppage and formal complaints. The CSI Programmes are monitored by a robust CSI Committee that meets monthly to approve, review and track the status of CSI programmes. This committee is made up of RBCT permanent employees from different divisions and indifferent organisational structures/levels.

Responding effectively to community needs and expectations is important for maintaining good relations. Community expectations and the lack of development in some of our neighbouring communities continue to motivate us to remain committed in our long standing programmes. In 2015 a total of R8 949 801.00 was spent on CSI programmes. We pride ourselves with the long-standing relationships with our communities within the uThungulu District.

Our approach to community development is based on understanding local contexts and using our core business to promote development.

Our CSI efforts predominantly focus on:

- Education
- Early Childhood Development
- Skills Development
- Community welfare
- Environment
- Crime Prevention
- HIV/Aids
- Sport Development

Criteria for funding of projects:

- It must benefit a wider community
- It must be developmental in nature
- It must be sustainable

## Creating Value through Social Investment

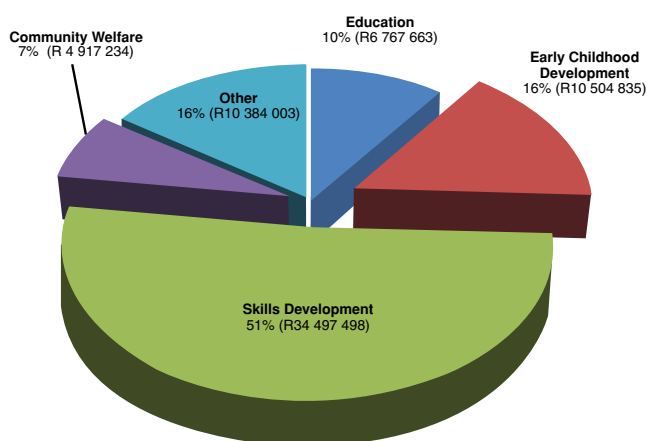
## Our Commitment

Our slogan, “Coal to the world, growth to the nation” depicts our sustainable commitment to community development over the years. Our aim is to participate in programmes that benefit the wider community and sustainable projects that can build a better South Africa. In 2015 we recognised the need to focus on early childhood development and education as we regard this as an integral component in building a better future and life for all.

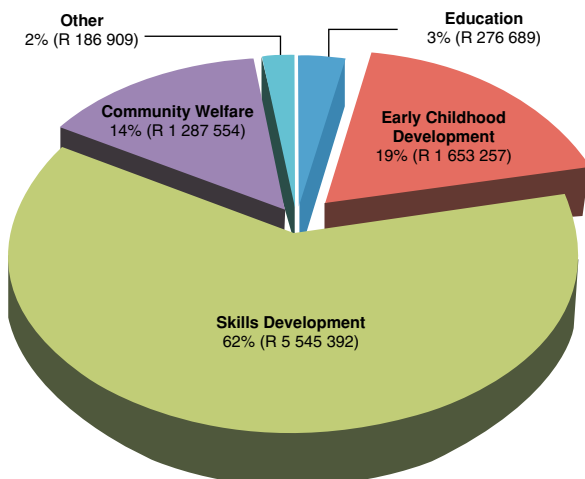
### Our communities matter to us

Over the last five years RBCT committed the following amounts to our communities:

Our approach to Socio-Economic Development (SED) has moved towards a philosophy that is fully accountable and geared towards providing sustainable solutions to real needs identified in the community. The success of this philosophy hinges on the recognition that any social involvement should make a meaningful improvement to the lives of the people and communities that it is designed to benefit.



Total CSI from 2010 to 2015: R67 071 233



## Environmental Initiatives

### Coastal Cleanup

In September 2015, RBCT employees and 50 students from two RBCT assisted schools - Ntabeni Primary and Khula High School, joined forces to assist with the Coastal Cleanup.

Despite the gloomy weather, spirits were high and the participants were very enthusiastic.

Breakdown of some of the items collected:

Polystyrene = 35%, Alcohol bottles = 20 %, Plastic packets = 10%, Plastic bottles =30%, Cans = 5 %, Other = 10%

Stranger items collected = Remains of a sting ray fish, paint brush, PVC gutter pipe.

The RBCT participants enjoyed a sponsored meal after the event.

### Ntabeni Primary School

Hosting the RBCT Board of Directors once a year is custom but in 2015 RBCT decided to do things a little differently. Instead of hosting the Board on site it was decided to take them to the RBCT's flagship CSI Projects – Ntabeni Primary School.

It was a first time visit to Ntabeni for the Board members and, together with RBCT General Management; they were warmly welcomed with traditional dancing and singing.

Following the Board meeting, the Wildlands Conservation Trust did a presentation on the Trees for Life project and graciously donated sports kits and much needed Jo Jo tanks to assist the school with water preservation.

The founding school principal, Mrs Thandi Magubane thanked RBCT and the Board for their continued support and for their life changing contribution to the community of Ndindima.



Ms Nosipho Siwisa-Damasane, RBCT CEO, Mrs Judith Nzimande, RBCT GM Human Resources and Alister Rogan, RBCT Board member at Ntabeni Primary School



### About Ntabeni Primary School

Prior to RBCT's involvement with Ntabeni Primary School, lessons for approximately 70 learners were conducted under a tree. Over the years RBCT, through the SDC Committee has assisted the school to the value of over R4.5 million for the construction of classrooms, ablution facilities, playground equipment, fencing, a kitchen, an administration block as well as a fully equipped computer centre.

Today, 850 students are registered at the school which is a truly remarkable achievement for the community of Ndidima, clearly depicting RBCT's commitment to community development.

### Trees for Life Project

RBCT does not only make a difference to the lives of people, but also to the environment. Each year RBCT is a catalyst for many Treepreneurs to be able to feed their families, buy school uniforms, receive bicycles, and purchase basic building materials for their homes.

This is achieved by Treepreneurs growing indigenous trees and then exchanging the trees for items or consumables they need. The project teaches the communities entrepreneurial skills as well as educating them about the environment.

In 2015, RBCT once again supported this project by donating R300 000 to the Wildlands Conservation Trust who oversees the management and long term sustainability of this project. The handover took place at Ntabeni Primary School in October 2015 and the Ndidima community was there in large numbers to be a part of this annual occasion.

### Amangwe Village

RBCT once again showed commitment to Amangwe by donating R350 000.

Amangwe Village renders services to people infected and affected by HIV/Aids through strengthening communities by implementing activities that will enable and empower communities to take care of their vulnerable members.

The money will be used for:

- Crèche - R50 000
  - o Sponsorship of 12 children for 1 year
  - o Building security
  - o Maintenance of the buildings, playground equipment and toys
  - o Transport costs for attending the Regional Toy Library meetings



- Home Based Care Programme - R300 000
  - o Stipends for the 28 Home Based Carers for 1 year
  - o Non-medical supplies for the treatment of 411 patients
  - o Food parcels for patients in need
  - o Transport/fuel for the weekly visits to the patients and Home Based Carers
  - o Monitoring of the 17 patient support groups – visits/ training/mentoring
  - o Facilitation fees (staff costs)
  - o Quarterly meetings/training of the Carers 4 x a year – this will cover their travelling to Amangwe Village and light refreshments. Training is also given during these visits on topics requested by the carers

### Ubuhlebomhlanga Women’s Cooperative

In October 2015, RBCT proudly handed over 350m<sup>2</sup> of fencing to the Ubuhlebomhlanga Women’s Cooperative in the Ngwelezane Community just outside of Empangeni.

Food security is a daily struggle for many households and it was for this reason that RBCT undertook to partake in this agricultural initiative and assist these ladies in the good work that they are doing in their community. The vegetables and crops that are grown are vital as they are used to feed the community as well as offering sustainable income through the sale of the crops.



### Old Mill High School

The Old Mill High School was the recipient of 100 desks and 200 chairs generosity donated by RBCT. The decision to donate these items was taken after the management of the school wrote to the Terminal to request some help in obtaining the much needed furniture.

### Martha Beyers School

Martha Beyers is the only English medium school in Nongoma – affording mostly previously disadvantaged learners an opportunity to develop their English vocabulary without relocating to the private schools which are often beyond parents means.

In 2015, RBCT supplied palisade fencing to the value of R200 000 for the school after being approached by the school management requesting help in curbing the criminality (break-ins) that had been taking place.

The school was started by the community after identifying a vital need for a school in the area. In 2015 the Martha Beyers Academy proudly graduated their first grade 12s.

RBCT donated a mini science laboratory in order for the pupils to carry out their science practical exams.



## Delivering Social Value

### Vumukukhanya Crèche

The Community of Port Dunford, situated just outside of Esikhaweni, will remember 2015 as a historical year after RBCT replaced a shack crèche with a fully-fledged crèche consisting of four classrooms, two admin offices, a kitchen and ablution facilities.

After lengthy consultations with the community leadership, RBCT made a commitment to build the crèche to the value of R1.3 million and today children can access education without walking long distances. The crèche also doubles up as a multipurpose centre for the community making this the first centre of this kind in the area.



### Computer Donation Handover

RBCT is continuously changing the lives of the uThungulu communities for the better and creating new partnerships to ensure that our communities grow with us.

Working hand in hand with the Department of Education, uThungulu District, RBCT donated ten computers to schools identified by the department in collaboration with the uThungulu District Municipality.



### Vuyakhe Soccer Club

The RBCT CSI committee members handed over a soccer kit to the under 13 soccer team of Vuyakhe Soccer club based in Esikhaweni.



### Zamani Disabled People Wheelchair Donation

Zamani Disabled People Centre became part of the RBCT CSI beneficiaries in 2013 when RBCT committed to donate an embroidery machine to the value of R120 000.

In 2015, RBCT handed over six wheel chairs to the centre. Two of the recipients were the centre chairperson and the centre secretary who were both very grateful to be able to move around the centre with ease.





### RBCT Open Days and Career Expo

RBCT played host to approximately 720 scholars during the open day and career expo in 2015. Scholars arrived at RBCT and were shown the RBCT Corporate and Safety DVD's.

A presentation on the importance of making the right choices was given which emphasized that students should work hard at school as the greater the effort they put in the greater the reward they will reap when choosing careers.

Educational Institutions such as Boston, Mega Training, Umfolozi TVET College, DUT, UNISA and Zululand University were on hand to give the scholars career and study advice.

After the presentation, scholars enjoyed a complete site tour and a light lunch.

Schools that attended were:

- Richards Bay Secondary
- Richards Bay Christian School
- John Ross College
- Ngebeza High School
- Isikhalenisenkosi High School
- Emkhayideni Technical High School
- Martha Beyers Academy (travelled all the way from Nongoma)
- Birdsvie Academy
- Mgitshwa High School
- Duduzile High School (travelled all the way from the South Coast)

### Computer and Technology Kit Donations

As a result of a partnership between RBCT and the Department of Education, in September 2015, the RBCT CSI committee handed over 30 computers to various schools in the uThungulu District.

A technology kit was also donated to Thambolini High School in Esikhwani to assist with their learning outcomes.



We are innovative and proactive



### Ikhwezi Welfare Organisation

From a building in desperate need of renovations to a revamped building which is bright and beautiful – that is the change which RBCT made to the Ikhwezi Welfare Organisation in Mandeni when it approved R170 000 to paint the outside of the buildings.



### Annual Standard Donations

RBCT fully understands that it is operating within local communities and thus always strives to ensure growth through its community development initiatives.

In July 2015, RBCT invested an amount of R680 000 in its local communities through the annual standard donations. These funds go a long way in helping charities with all the wonderful work that they do in the communities.

The receiving charities were:

- Business Against Crime
- Empangeni Child and Family Care
- Empangeni SPCA
- Life Line Zululand
- National Sea Rescue Institution, Station 19
- Pathway School for Autism
- Richards Bay Family Care
- Richards Bay SPCA
- Reaching Out
- SANCA
- Siyabonga Shelter
- The SA Red Cross Society
- Thuthukani Special School
- University of Zululand Science Centre
- UThungulu Community Foundation
- Zululand Hospice
- Zululand Mental Health
- Izulu Orphan Projects
- Ezemvelo Wildlife Honorary Group



# Driving Enterprise and Supplier Development

## Procurement

In line with the Department of Trade and Industry's BBBEE Codes of Best Practice, RBCT works closely with our suppliers to ensure compliance thereby embracing the codes and assisting in the empowerment of our business partners.

Aligned with driving sustainability in the Zululand environment, procurement preference is often focused on local suppliers with additional considerations to the small and medium enterprise categories where ever possible.

RBCT has actively and progressively driven preferential procurement spend for the past 13 years and insists on suppliers providing approved verification certificates to ensure compliance within the codes. We maintain an extensive, customized database in our SAP system and are able to continuously improve our position with up to date and reliable statistics on the various criteria as defined in the codes. Decision making is therefore easily facilitated when considering elements such as black ownership, as well as black woman controlled business that are suppliers or potential suppliers to RBCT. To ensure maximum procurement spend contributes towards RBCT's empowerment performance, it is our preference to engage with businesses that maintain a minimum level four BBBEE rating.

Where commercial criteria are the same, preference is given to the higher BBBEE rated supplier. RBCT does not pay a premium to empowered companies, as commercial competitiveness is a key determinant in decision making. From time to time, RBCT may require long-term contractors and suppliers to share their plans to maintain and improve their empowerment ratings.

### Standard Procurement Criteria

- Compliance with RBCT's health, safety and environmental standards
- Adherence to RBCT's quality specifications
- Competitive market related pricing
- Valid BBBEE verification certificate
- Service excellence

## Enterprise Development

Enterprise development has always been a key focus at RBCT, and one of our ongoing initiatives facilitated through our shareholders was making available four mt of export capacity to junior miners at commercially attractive rates. The allocation of the four million ton capacity is managed by the Department of Mineral Resources.

This means that junior miners can now have access to export markets through RBCT, and maintain improved operational performance and profitability within their businesses. The South African export facilities are often constrained due to infrastructure challenges, so the allocation of this capacity contributes significantly to enterprise development within the mining environment.

Supplier and enterprise developments initiatives within the procurement area further contribute to RBCT's responsible procurement strategy. We partner with committed exempt micro enterprises and qualifying small enterprises that are both suppliers and potential supplier to RBCT in developing self-sufficient business partners. This is achieved via a stringent selection criteria due to the nature of the terminal's maintenance spend being predominantly on specialized high quality engineering items.

## Maintaining Positive Relations with 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.

### Quality Management

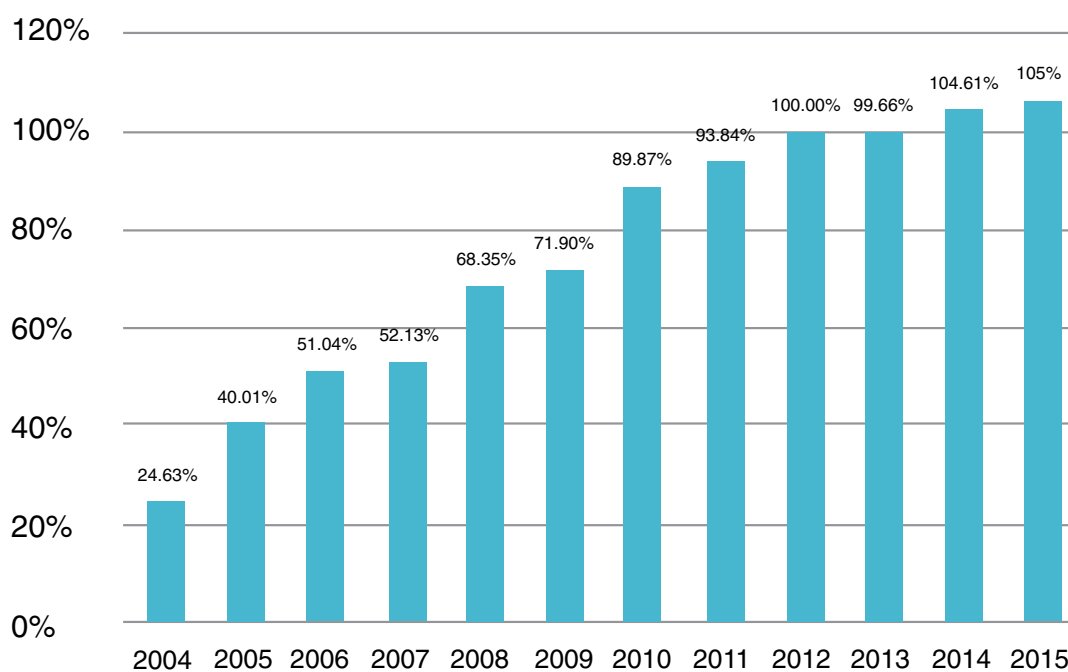
All coal at RBCT is sampled and analysed for quality. RBCT has continuous sampling plants that meet ISO 13909 standard. RBCT laboratory is managed by an independent service provider, SGS, who are internationally renowned and are ISO accredited.

### 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.



### BBBEE Procurement Spend





## Innovations

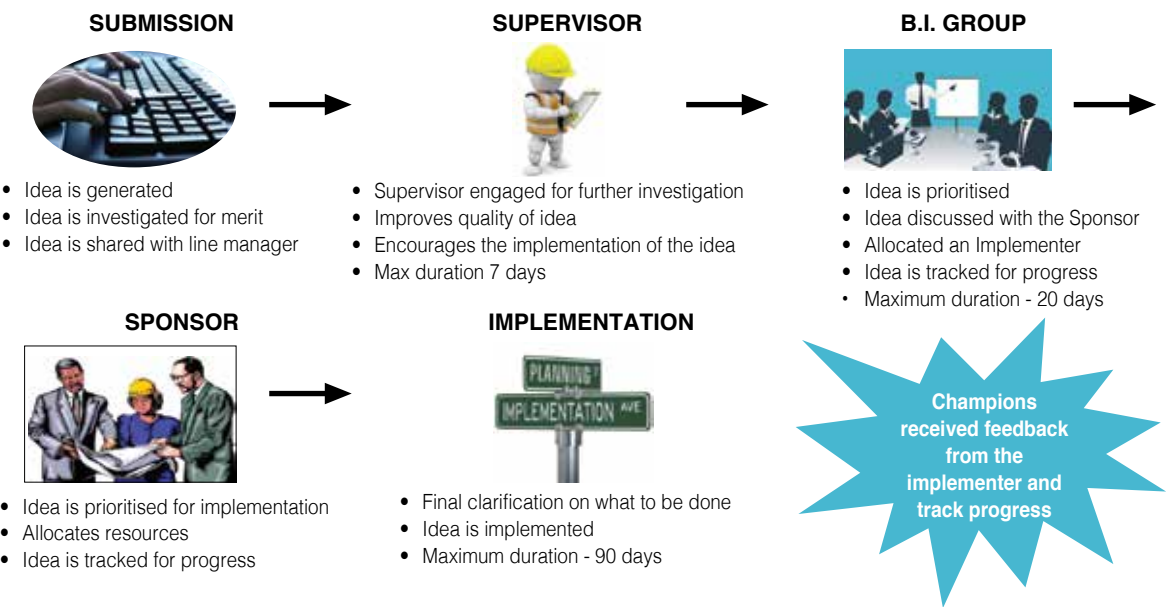
RBCT's Innovation System is a living tool, where the entire organisation gets an opportunity to take part in generating ideas that promote safety, efficiency and cost saving. Ideas are logged onto the Workflow System and follow the path depicted below:

The innovation process is facilitated by the business improvement team, in conjunction with innovation champions from all the divisions.

### INNOVATION PROCESS - Requirements for a good Innovation ✓

**A good innovation must solve a problem or enhance a system**  
**The investigation stage must address the following questions:**

- **What is the problem?**
- **How do you know it's a problem, and for how long has it been a problem?**
- **How do you propose the problem is solved?**
- **How much is it going to cost?**
- **How much will RBCT benefit?**



### Innovations logged and implemented in 2015

ORIGINATORS	TITLE	SPONSORS
Rob Wickham	Improve apprentice quality	Clive Honman
Scelo Mhlongo	Display number of primary cutter cuts per hour on the SCADA	Scelo Mhlongo
Melinda Forbay	Align GL Codes to Managers on Workflow	Michael Mhlongo
Elize Hall	Courier Prepaid Vouchers	Anri Du Toit
Khumbulani Tenza	Finger saver tool	Bheki Ngcobo
Perumal Reddy	Link operator licence expiry date on SAP with entrance into RBCT	Mabutho Zulu
Muzi Mlotshwa	A wash basin installed at the loco shop	Mcebo Sangweni
Lavinia Govender	SHD & CRP planner group	Pearl Nxumalo
Sithembiso Ndlovu	Pay slips not to show confidential information outside	Cynthia Dlamini
Elize Hall	Vox monthly telephone usage reports	Anri Du Toit
Nelson Murugan	Printing of SAP PM schedules on double sided A4 paper	Deshigan Padayachee

# Energy Management Journey

RBCT first embarked on their energy management journey in 2006 and in 2015, the 'Yongamandla' team was re-energised to ensure the successful implementation of new projects and to ensure the long term sustainability of all existing energy initiatives at RBCT. In November 2015, the themes for Energy Saving were well articulated and role played by an employee industrial theatre team at the year-end Imbizo. This team brought to life the key drivers of energy saving at RBCT and made learning fun and enjoyable.



**ONE DAY AT THE IMPORT SECTION ...**

**Note!** A STACKER RUNNING 10 MINUTES WITHOUT COAL FLOW IS MONEY LOST! 10 MINUTES EQUALS R500!

**Take Action!**

... how may I assist you?

Good day, this is the control tower ...

Thank you very much! We will stop that route until the belt has been fixed. Your action has saved us all some valuable time and energy!

# Glossary

ABAS	Anglo Business Assurance Services	EAP	Education Assistance Programme
Aids	Acquired Immune Deficiency Syndrome, a disease of the immune system caused by HIV infection	EDP	Employee Development Programme
AIT	Artisan in Training	EE	Employment Equity
ART	Artisan Recognition Training	EECC	Employment Equity Consultative Committee
ARV	Anti-retroviral	Employee turnover rate	Calculated from the number of employees who left the Company during the reporting period
BBBEE	Broad-based black economic empowerment. This represents a broadening of earlier BEE (see below) policy and attempts to spread the benefits of economic empowerment to the widest possible spectrum of black South Africans	EMP	Environmental Management Programme
BEE	Black economic empowerment. BEE is a policy of the South African Government, aimed at increasing the access black South Africans have to productive assets. It seeks to 'promote new opportunities for and increase the levels of participation of black people in the ownership, management and control of economic activities'	EMS	Environmental Management System
BMI	Body Mass Index	Energy use	Sum of energy from electricity purchased, total energy from fossil fuels and total energy from renewable fuels.
BP	Blood Pressure	EWP	Employee Wellness Programme
BWA	The Businesswomen's Association	EXCO	Executive Committee
BWOYA	Business Woman of the Year Awards	FIFO	Fly In, Fly Out
CCMA	Commission for Conciliation, Mediation and Arbitration	FINCO	Finance Committee
CEO	Chief Executive Officer	Fuels	Diesel, petrol and paraffin consumed by processes and utilities
CEOC	Celebrating Excellence in Organisations Communication	GIBS	Gordon Institute of Business Science
CEP	Coal Exporting Parties	GM	General Manager
CITT	Coal Industry Task Team	HIV/Aids	Human immunodeficiency virus/acquired immune deficiency syndrome
CSA	Control Self-Assessment	HRA	Health Risk Assessment
CSI	Corporate Social Investment	HSEC	Health, Safety, Environment and Community
CURA	Governance Risk and Compliance Software/Enterprise Risk and Compliance Software	IBP	Integrated Business Policy
C Upper	This is a grading statement level, a level assigned to a manager responsible for the department	IDP	Individual Development Plans
D Upper	This is a grading statement level, a level assigned to a manager responsible for the department	IEDP	International Executive Development Programme
D Lower	Is a grading system level, a level assigned to a manager responsible for a shift	IMBIZO	An open forum chaired by the CEO to address all employees on business performance and all key matters.
DWA	Department of Water Affairs	IPM	Institute of People Management
		ISO	International Standard for Organisation. Published in 1996 by the International Organisation for 14001 Environmental Standardisation, it specifies the actual requirements for an environmental management system.
		ISO 14000	An environmental management system standard published by the ISO
		IWWMP	Integrated Waste and Water Management Plan



JLT	Jardin Lloyd Thompson	RBCT	Richards Bay Coal Terminal
King Report	The King Committee on Corporate Governance in South Africa was formed in 1992 (under the auspices of the Institute of Directors in Southern Africa and	REMCO	Remunerations Committee
LED	Local Economic Development	RSR	Railway Safety Regulator
LTI	Lost-time injury. Refers to an injury resulting in the injured person being unable to attend/return to work to perform the full duties of his/her regular work, as per the advice of a suitably qualified medical professional, on the next calendar day after the injury.	SANS	South African National Standard
LTIFR	Lost-time injury-frequency rate. The number of lost-time injuries (see above) per 200,000 hours worked.	SAP DMS	Systems Application Product Document Management System
MAP	Managerial Assessment of Proficiency	SATAWU	South African Transport and Allied Workers Union
MDWT	Mission Directed Work Teams	SECOM	Social and Ethic Committee
MDP	Management Development Programme	SED	Socio-Economic Development
MERSETA	Manufacturing, Engineering and Related SETA	SHE	Safety, Health and the Environment
MI	Minor Injury	SLA	Service Level Agreement
MIFR	Minor Injury Frequency Rate	SMS	Short Message Sending
MOA	Memorandum of Agreement	TB	Tuberculosis
Mt	Million Tons	TCS	Terminal Control System
Mt/a	Million ton per annum	TETA	Transport Education Training Authority
NHK	Nippon Hòsò Kyòkai	TFR	Transnet Freight Rail
NIHL	Noise-induced Hearing Loss	TIFR	Total Injury Frequency Rate
NPA	National Protest Action	TNPA	Transnet National Port Authority
OHS	Organisational Health Survey	TPH	Tons per Hour
OHSAS	Occupational Health and Safety Assessment Specification	TTT	Train Turnaround Time
OOP	Object-Oriented Programming	UNGC	United Nation Global Compact
OPCO	Operations Committee	UNISA	University of South Africa
OREP	Occupational Risk and Exposure Profiles	USA	United States of America
PHC	Primary Healthcare Management	VFL	Visible felt leadership: Process in which management regularly visits all workplaces/operations in an organisation, and engages with employees and contractors to address safety issues.
PLR	Port Load Rate	WDMS	Wellness and Disease Management System
PLWD	People Living with Disability	ZCCI	Zululand Chamber of Commerce and Industry
PM	People Management		
PoPi	Protection of Personal information		
PROCOM	Projects Committee		

## Boundary and scope of this report

This sustainability report covers our financial calendar year which is the period from 1 January to 31 December 2015. Our 2014 report, though not externally assured, is available on our website.

In this report we cover all our operational activities during that relate to coal handling. We handle coal effectively and efficiently once the train is handed over to us by TFR. The report does not cover any data on derailments as these are not direct part of our operations.

The arrival and departure of all vessels is managed and coordinated by TNPA. The report excludes the quality of coal and analysis processes as these are conducted by the on-site independent laboratory.

The report excludes any information on how BEE companies can get an allocation in the 4 mt Quattro programme. RBCT is not directly involved in the selection process or criteria of who has allocations or entitlements within Quattro; this is handled by Department of Mineral Resources and the Coal Industry Task Team (CITT).

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

For this report:

- Safety data is inclusive of data for our employees and contractors on site
- HIV/Aids data is only for our permanent employees





To share your views or comments,

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