

# Sustainable development

Kumba Iron Ore offers significant opportunities for its stakeholders on a sustainable basis.

From the outset, the group's equity holdings credentials met with the requirements of the *South African Mining Charter* set for 2014. This will assist conversion of the group's mineral rights.

Kumba Iron Ore aims to be a role model in respect of legislative compliance and governance standards, a responsible custodian of South Africa's mineral resources and a significant contributor to growth and prosperity wherever it operates.

## Approach to sustainable development

With skilled and committed sustainable development teams in place, Kumba Iron Ore will continue to build on the foundation laid by the former Kumba Resources in creating a company that is rooted in South Africa, global in its reach, and focused on economic, social and environmental criteria that will deliver sustainable prosperity.

It will continuously report to stakeholders on an integrated triple bottom-line basis as part of its annual reporting.

In formulating a group-wide approach to sustainable development and its inextricable component of local economic development, Kumba Iron Ore is guided by the requirements of South African legislation, recommendations on corporate governance and international benchmarks such as the *Global Reporting Initiative*.

Given our belief that sustainable development is the foundation on which our future rests, we have developed a tiered approach to ensure that our sustainable development initiatives complement government's identified priorities.

Whilst currently utilising the policies and procedures of the former Kumba Resources, the objective is to customise these to the specific needs of Kumba Iron Ore in 2007.

The group's sustainable development practices are reflected in some of the local economic development community projects that were handed over to communities in 2006.

## 1. Kgalagadi Charcoal and Firewood Project



The project focuses mainly on eradicating the indigenous invader plant, Black Thorn, on stock and game farms. The invader plant decreases grazing capacity on the farms, which in turn results in job losses due to lower carrying capacity. These plants are cut and processed into various products, including charcoal, firewood and compost.

The project is aimed at creating jobs for historically disadvantaged individuals in the Deben area where there is an 80 percent unemployment rate. The project currently employs a total of 109 people in the production and twelve in the distribution sections.

During November 2006 the project received a Nedbank Green Mining Award as one of the national top three projects in the socio-economic category. Sishen Mine spent R3,5 million on the establishment of the project, of which R500 000 was spent during 2006.

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### 2. Tshono Leather Craft and Tannery

Sishen Mine launched the Tshono Leather Craft and Tannery project in 2002 to train women in leather making and stimulate job creation in Deben in the Northern Cape. Initially the women had difficulty in generating profits but sales increased after exhibiting their products in July 2005 at Decorex in Johannesburg, the biggest interior decorating show in South Africa. The show stimulated demand to the extent that the women are now fully occupied.

A craft facilitator was appointed by Sishen Mine to help the women design, manufacture and market a new product range. The project is now run as a privately owned BEE business. The plan is to expand the capacity of the tannery. The total project cost during the three and a half years amounted to R3 million.

### 3. Vuk'uzenzele Arts and Craft Learnership



This trendy cultural enterprise produce upmarket clay, art and concrete products. It also renders training services in the surrounding communities. Waste clay from Sishen Mine is used to start what could be a sustainable business for students in the area. This forms part of the imaginative arts and craft initiative sponsored by Sishen Mine at the Kathu Technical College. Learners are being trained in the fine arts and the different techniques for making ceramic products.

Skills offered at the training centres include fabric painting, glass work, woodworking, tiles and basins for bathrooms. Using the local

clay, mosaic tiles are being made to complete a huge mural of the Kalahari on a wall at the campus. Sishen Mine's investment in this project was R474 000 in 2006.

### 4. Tshwaranang Jewellery group


The project teaches unemployed and unskilled people at Thabazimbi the skills to manufacture jewellery. With the involvement of Mintek, a group of seven individuals was selected to begin the project. Mintek provides all the necessary training and equipment for the students. At the end of the training programme students receive an accredited qualification.



A number of products have already been manufactured and sold at the TBZ Expo in 2005 and some products were sold to Mintek, bringing a steady income for the students. Through Mintek, the group is also receiving orders for manufacturing jewellery items for specific clients such as the Foschini Group. Kumba Iron Ore sponsored a fully equipped R50 000 workshop that was opened in September 2006.

### 5. Iterileng Skills Development Centre

This centre at Thabazimbi Mine has been operating since 2003 and is focused on improving local capacity and promoting development by empowering residents, creating jobs and improving qualifications. Training for predominantly unskilled and unemployed people ranges from general training in life skills, adult basic education and computer literacy to specialised technical skills and entrepreneurship. In the life skills area, basic training is provided in pottery, découpage and jewellery whilst the clothing factory produces overalls to SABS standards. In the technical area, students receive basic training in welding, civil construction, plumbing and carpentry. All Iterileng students complete a basic entrepreneurial course to learn the skills needed to start their own businesses.



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Vuk'uzenzele Arts and Craft – Sishen Mine.