

SOCIAL AND COMMUNITY DEVELOPMENT REVIEW





Children at an early childhood development centre which Kumba supports

SOCIAL AND COMMUNITY DEVELOPMENT REVIEW

STAKEHOLDER SANCTION

Kumba has long known that its social and community development programme is a core pillar of its strategy. The sanction of local people, businesses and government is extremely important to the company.



A MULTI-PRONGED APPROACH

Kumba's social and community development interventions focus on improving local infrastructure, facilitating the establishment of small and medium enterprises, improving education and health services, increasing community safety and alleviating poverty.



Social and community development (SCD) is coordinated by Kumba's SCD Department. Previously, SCD was managed by a combined environment and SCD department. During the year, the two were separated, with environmental again combining with safety and falling under the leadership of the new safety and sustainable development executive. A corporate manager for SCD was appointed, reporting to the public affairs executive.

The SCD Department is responsible for meeting Kumba's social and labour plan commitments, specifically local economic development in the sense of the Mining Charter (the revised charter calls for the company to "conduct ethnographic community consultative and collaborative processes to delineate community needs analysis" which will be measured by the implementation of community approved projects). In addition to being directly responsible for local economic development at the operational level, the SCD Departments at each mine are responsible for ensuring that each mine meets its SLP commitments by engaging with the relevant departments. In other words, the SCD departments are the custodians of the SLPs at each mine.

The SCD function extends beyond the compilation and execution of social and labour plans. In fact, much of Kumba's development work is not guided by the SLP. Kumba chooses to regard its SCD programme, whether SLP or not, as part of the same commitment to South Africa, irrespective of whether the budget is for SLP or not. Furthermore, the way in which Kumba decides what projects to support is the same irrespective of who or what the project is for. Kumba is committed to supporting development programmes and projects that are based on good research and that are suitable and necessary for the people and areas for which they are intended. Support is provided for education, skills development, enterprise development (discussed in the economic review section, page 38), infrastructure and health and welfare. The SCD Department is also closely involved with the Dingleton relocation (refer to page 20).





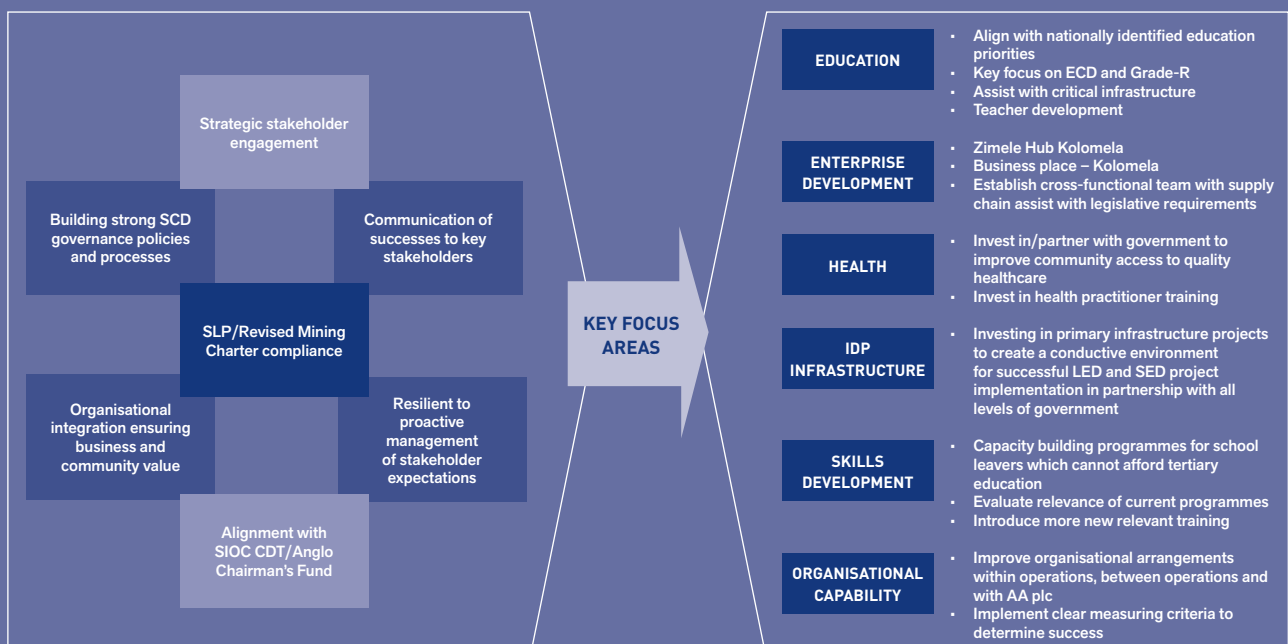
STRATEGY AND MANAGEMENT

The SCD Department improved the process whereby projects are identified and supported.

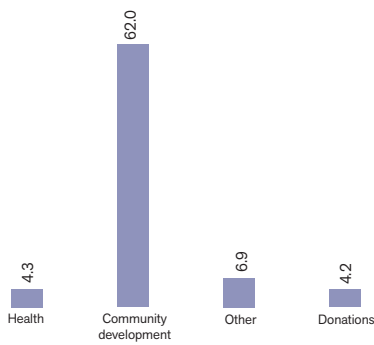
The revised process consists of six steps, as follows:

- Strategy development, target setting and business planning: new opportunities will be assessed in line with legislative requirements, IDP requirements and internal guidelines. Input into projects will be sought from relevant business units within Kumba as well as from the Anglo American Social Performance Unit. The strategy will be approved annually and individual projects subject to approval by the appropriate approval authority.
- Planning and budgeting: projects will be identified at various forums e.g. educational, LED, SLP negotiation, environmental, skills development, etc. Projects which fit with Kumba's strategy will then be formally registered for further investigation.
- Project review: the SCD project review committee will meet monthly to review all project plans for approval and further action.
- Approval and release of funds: recommended projects will be forwarded to designated signatories for final approval and release of funds.
- Project implementation: this phase deals with the implementation of the approved project plan and requires the establishment of a performance framework. The project will be reviewed, monitored and evaluated on an ongoing basis.
- Project closure: the project is handed over to the beneficiaries at a formal launch or handover function. After sufficient time has elapsed, the project should be assessed to determine whether the benefits were delivered and what the project impact was. Lessons learnt should be captured for future reference and shared with other operations.

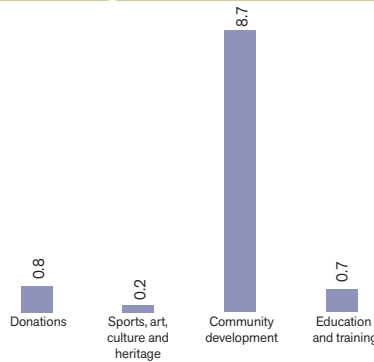
Kumba's social and community development strategy and focus areas:



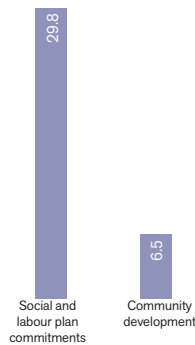
2010
SOCIAL AND COMMUNITY DEVELOPMENT SPEND SISHEN MINE (R million)



2010
SOCIAL AND COMMUNITY DEVELOPMENT SPEND THABAZIMBI MINE (R million)



2010
SOCIAL AND COMMUNITY DEVELOPMENT SPEND KOLOMELA MINE (R million)



THE ANGLO SOCIAL WAY

During the year, ABAS conducted audits at Sishen and Thabazimbi Mines to determine compliance with the Anglo Social Way.

Results from the self-assessment and the ABAS review performed indicated that Sishen and Thabazimbi Mines have processes in place to assist in addressing compliance in line with the Anglo Social Way. Overall, Kumba received a moderate rating as there were some non-compliances at the operations.

Moderate non-compliance issues included contractor social impact management processes not being fully implemented at both operations and Thabazimbi Mine's community engagement plan not being fully aligned to the Socio-economic Assessment Toolbox (SEAT). It was recommended that more vigorous cost control measures regarding CSI spend should be implemented at the Thabazimbi Mine.

All three operations will be undergoing SEAT II processes due to commence in May 2011.

SOCIAL AND LABOUR PLAN REVIEW

Sishen and Thabazimbi Mines will be preparing new social and labour plans for the period 2012 – 2016. Sishen Mine has already updated and completed a

draft of the plan which is being reviewed internally. Projects identified in Sishen Mine's updated SLP will first be pre-approved by a special mining sector subcommittee of the JTG District Municipality. Sishen Mine, and other local mining operations, commissioned a widespread LED and SMME review of operations of the Northern Cape. The research, which has been submitted to the committee, will aid in the identification of suitable projects for local mines to support. This means that the identified projects in the SLPs will be supported by a clear need on the ground. Of course, all SLP reviews will take into account the requirements of the revised Mining Charter.

SPEND

Kumba's combined SCD spend for the year was R134 million. This figure includes monies spent on infrastructure projects.

PROJECTS

Kumba supports a range of developmental interventions – local infrastructure, facilitating the establishment of small and medium enterprises, improving education and health services, increasing community safety and alleviating poverty. Kumba's flagship projects are shown below.

Category	Project
Infrastructure	<ul style="list-style-type: none"> Paving and tarring of Regorogile Ext 5 road (Thabazimbi Mine) Upgrade Khuting Stormwater (Kolomela Mine) Construction of Stasie Street (Kolomela Mine) Upgrade of bus and taxi terminus (Kolomela Mine)
Community development	<ul style="list-style-type: none"> Organic Honey Bee Project at Dibeng (Sishen Mine) Alternative Energy: Zinc Air Fuel Cells Pilot Project (Sishen Mine) Schools Sport Development Programme (Kolomela Mine) Business Simulation Hub (Sishen Mine)
Education and training	<ul style="list-style-type: none"> Mabogopedie Science Laboratory (Thabazimbi Mine) Marakele Environmental Education Centre (Thabazimbi Mine) Simba Kleuterliefies Early Childhood Development Centre (Sishen Mine) EQUIP: Sishen Intermediate School (Sishen Mine)
Health and welfare	<ul style="list-style-type: none"> Mobile health clinics in Kathu (Sishen Mine) Ulysses Gogi Modise Wellness Clinic (Sishen Mine) Dingleton Soup Kitchen (Sishen Mine) Thabazimbi Wellness Clinic (Thabazimbi Mine)



Tending to a vegetable field – an agricultural enterprise supported by Kumba

LOOKING AHEAD 2011 – 2016

Kumba's focus for the next five years is summarised as follows:

Enterprise development

- Implementation of Zimele Hub in Postmasburg
- Implementation of the Business Place franchise in Thabazimbi

Education

- Alignment with national education priorities
- Key focus on Early Childhood Development (ECD), Grade R and primary schools, including ECD and Grade R teacher development programmes
- Addressing infrastructure

requirements to make institutions of quality early learning available to all children in the communities where Kumba operates, including labour-sending areas

Skills development

- Capacity building programmes for school leavers who cannot afford tertiary education
- Assess current programmes offered in areas where the mines operate to determine where improvements are required

Health and welfare

- Investing in health infrastructure (clinics, mobile clinics and hospitals) to improve access to quality healthcare
- Investigate possible investment in healthcare practitioner training to assist with capacity constraints

Primary infrastructure

- Investing in primary infrastructure projects to create a conducive environment for successful LED and SED project implementation