



IRON ORE
KUMBA IRON ORE LTD

SISHEN IRON ORE COMPANY

EMPLOYMENT EQUITY PLAN

For

2012 to 2014

CONTENTS:

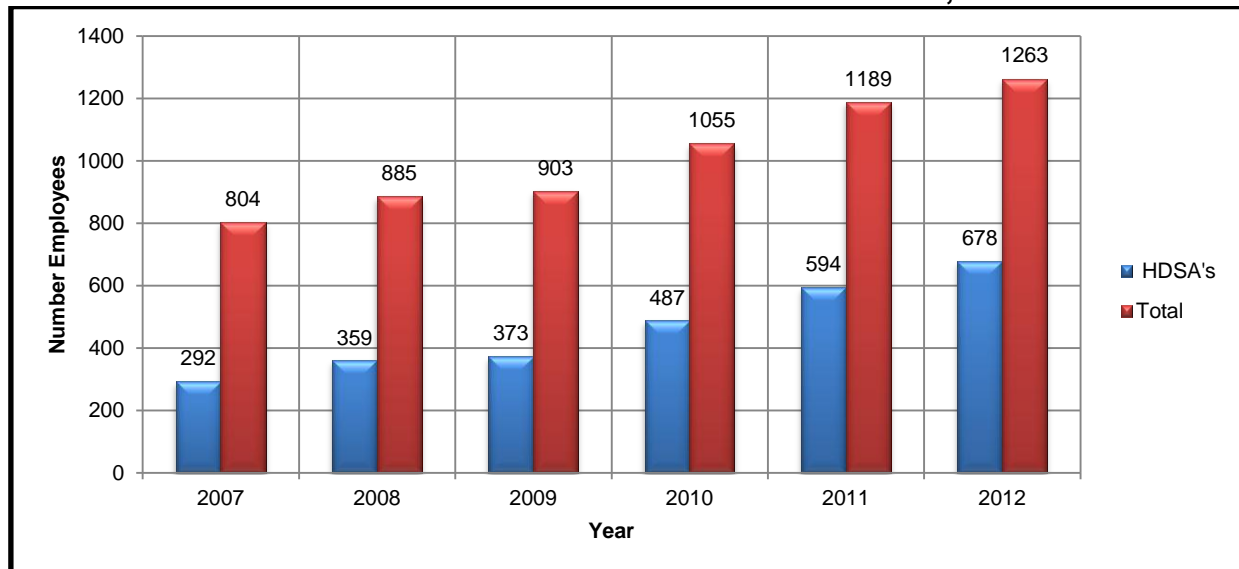
| | Page number | |
|----|--|----|
| 1 | Introduction | 3 |
| 2 | Employment Equity Objectives | 4 |
| 3 | Policies, practices and procedures: | 6 |
| 4 | Methods to further diversity in the workplace: | 6 |
| 5 | Strategies for establishing equality and equal opportunities: | 6 |
| 6 | Strategies for ensuring no discrimination and harassment in the workplace: | 7 |
| 7 | Numerical goals for 2012 to 2014 | 7 |
| 8 | Employee training and development: | 8 |
| 9 | Methods for ensuring no discrimination against HIV and AIDS: | 8 |
| 10 | Methods for monitoring progress of the plan: | 9 |
| 11 | Methods for handling internal disputes: | 9 |
| 12 | Annexure 1 | 10 |

1 INTRODUCTION:

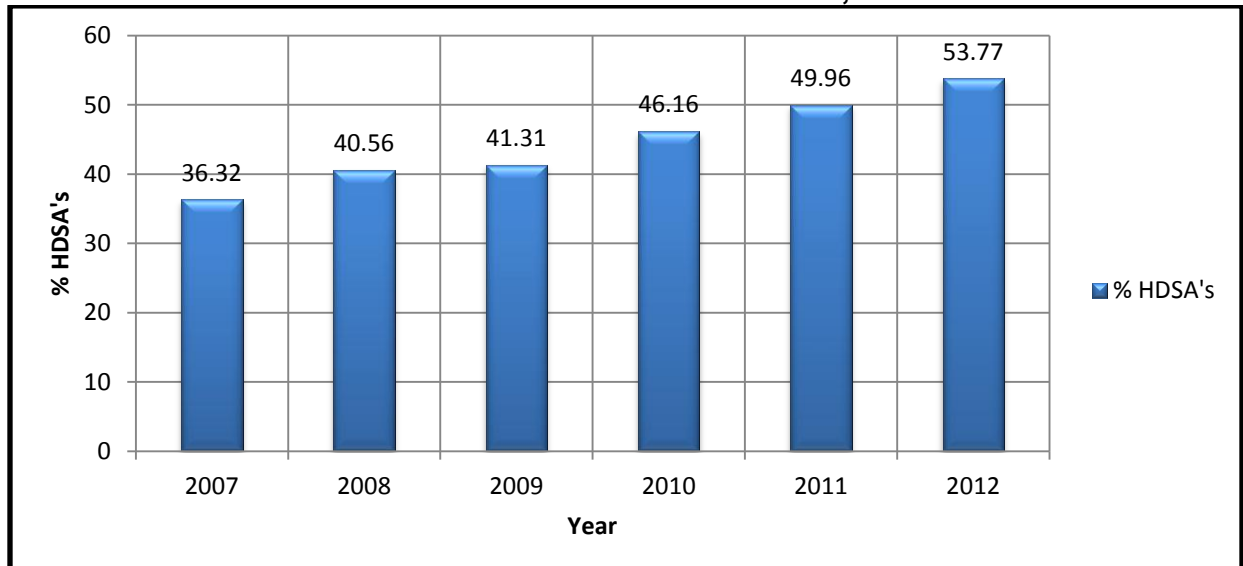
SIOC will ensure that the principles of fairness and equity are incorporated into all aspects of employment, including recruitment, training, promotion, retention and accommodation in the workforce. It is committed to and will take steps to ultimately achieve employment equity in all its management levels and this employment equity plan focuses on the goals and objectives to move towards that goal.

SIOC's commitment to fair employment practices for all its employees has been reflected in the Company's transformation programme over the past 6 years. Since its inception in 2006 the HDSA's in management of the permanent workforce, including PIT's (since they were also included in all the previous reports), have increased from 292 (36.32%) in 2007 to 678 (53.77%) in 2012. The results are shown in graph 1 and 2 below.

GRAPH 1: GROWTH IN THE NUMBER OF HDSA IN GBF 2 TO 7, INCLUDING PIT'S:



GRAPH 2: GROWTH IN THE % OF HDSA IN GBF 2 TO 7, INCLUDING PIT'S:



2 EMPLOYMENT EQUITY OBJECTIVES:

| Objectives | Responsible Person | Target Month | Target Year |
|--|--------------------------|--------------|-------------|
| <p>1. Compliance to the Employment Equity Act: The Executive Management of SIOC recognizes its obligations in terms of the Employment Equity Act and understands that the primary purpose of the legislation is to advance transformation through the setting of time specific targets for achieving equity in all the levels of management.</p> | Executive Management | Ongoing | 2014 |
| <p>2. Participation and Consultation: SIOC endeavours acceptance of its Employment Equity policy as required by the Act throughout the organisation by ensuring participation of all the relevant stakeholders. The process of developing the employment equity plan shall be transparent and consultative.</p> | Human Resources Managers | Ongoing | 2014 |
| <p>3. Equality and Equal Opportunities: SIOC recognizes that certain actions are required in order to create a platform from which equal opportunities can be legitimately and effectively practiced, and from which the race and gender imbalances in the management structures can be addressed. Precautions should be taken, however, that the affirmative action programme does not result in the creation of new forms of disadvantage and unfair discrimination or in the marginalization of any group on the basis of race, gender or disability. Management is, accordingly, committed to the elimination of any form of direct or indirect unfair discrimination in any policy or practice and is committed to review on an ongoing basis all its policies and related procedures to ensure alignment with its employment equity policy.</p> | Human Resources Managers | Ongoing | 2014 |
| <p>4. Diversity in the workplace: SIOC recognises the fact that diversity brings substantial potential benefits such as better decision making and improved problem solving, greater creativity and innovation. The act of recognizing diversity also allows for those employees with these talents to feel needed and have a sense of belonging, which in turn increases their commitment to SIOC and allows each of them to contribute in a unique way. SIOC will, therefore, continue to subject all its employees to an Embracing Diversity intervention.</p> | Human Resources Managers | Ongoing | 2014 |
| <p>5. Recruitment Policy: Using SIOC's recruitment policy and procedures as a framework, every reasonable effort will be made to appoint suitable internal and external candidates from the designated groups to vacant positions. To make the recruitment strategy an effective tool for employment equity, the focus of the strategy will strive to be proactive and long term, rather than reactive and short-term. Hence, succession planning will be used, and an attempt will be made to identify the potential of internal and external candidates from the designated groups, with a view also to provide appropriate skills development opportunities.</p> | Heads of Departments | Ongoing | 2014 |
| <p>6. Organizational Culture: SIOC's workforce is diverse in terms of race, gender and origin and it commits itself to consciously cementing a strong and effective organizational culture through the development of a shared set of common values rooted in the basic equality and dignity of all people. The organizational culture shall, accordingly, be underscored by respect for individuals irrespective of different backgrounds and traditions, and an appreciation of the negative consequences of stereotyping. In this way it will create a positive, nurturing and welcoming environment conducive to the growth, development and retention of its employees irrespective of race, gender, nationality or disability status.</p> | Heads of Departments | Ongoing | 2014 |

| | | | |
|--|--|-----------|------|
| <p>7. Employee Development: SIOC is committed to the creation of an enabling environment which allows individuals to achieve their full potential and thus contribute to excellent performance. Senior Management accordingly commits itself to the development of all employees irrespective of race, gender and disability status. At the same time it is recognized that, as a result of past discriminatory practices, some groups may be at a disadvantage relative to others and that special programmes may be warranted in order to achieve equality of opportunity for all.</p> | Heads of Departments and Human Resources Managers | Ongoing | 2014 |
| <p>8. Succession Planning and Capacity Building: SIOC recognizes the challenges inherent in recruiting and retaining staff in scarce skills and highly specialized disciplines where there is a small pool of candidates from the designated groups. In this regard succession planning and capacity building are crucial to the success of this policy, but it should have due regard to the rights and expectations of all employees with the necessary talents to obtain the scarce skills. Capacity building may include secondments, mentoring, internships and structured professional development.</p> | Heads of Departments and Managers of Talent & Sourcing | Ongoing | 2014 |
| <p>9. Harassment in the Workplace: SIOC is committed in creating an enabling work environment, which promotes the social and personal wellbeing of all employees and fosters the realization of their full human potential. In this context harassment is an important issue for SIOC because of the negative impact it may have on the physical and psychological wellbeing of affected employees. The Senior Management is committed to the elimination of any form of direct or indirect unfair harassment in the workplace. This includes any acts or threats that interfere with the performance at work of any individual or group on account of race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, HIV/Aids status, sexual orientation, age, disability, religion, conscience, belief, political opinion, culture, language or birth.</p> | Executive Management and Human Resources Managers | Ongoing | 2014 |
| <p>10. Numerical Goals for 2012 to 2014: SIOC will compile numerical goals for the period 2012 to 2014 in accordance to the guidelines provided by the Executive Management Committee of Sishen Iron Ore Company. The Heads of Departments of each of the departments within SIOC will accept the accountability for achieving the goals in the set time frame. They will submit quarterly reports to the Chairpersons of Employment Equity Committees and the Employment Equity Committees will monitor the progress at their meetings. (see annexure 1 for the numerical targets for 2013 and goals for SIOC for 2014)</p> | Heads of Departments and Human Resources Managers | September | 2012 |
| <p>11 HIV and AIDS Policy: In line with its HIV and AIDS policy SIOC shall continue to play a significant role in the combating of the HIV/AIDS pandemic.</p> | Executive Head Safety and Sustainable Development | Ongoing | 2014 |
| <p>12.Social Development and Upliftment Programme: SIOC shall continue to play a significant role in the social development and upliftment of communities and people in its operating areas through its various socio-economic programmes as contained in its Social and Labour Plan.</p> | Human Resources Managers | Ongoing | 2014 |
| <p>13. Safety, Health and Environment Policies and Practices: SIOC will ensure that the highest standards are always adhered to regarding the Safety, Health and Environment Policies and Practices. An employee wellbeing programme will be implemented on all levels.</p> | Managers SHERQ | Ongoing | 2014 |
| <p>14. Dispute resolution: SIOC shall use its dispute resolution procedure to ensure that any disputes regarding Employment Equity will be resolved in an amicable way.</p> | Human Resources Managers | Ongoing | 2014 |

3 POLICIES, PRACTICES AND PROCEDURES:

Consistent with principles of employment equity, SIOC is committed to review on an ongoing basis all its policies and related procedures to ensure alignment with its employment equity policy. This will be done to identify practices, whether formal or informal, which have a detrimental effect on the recruitment, selection, appointment, retention, development and promotion of members of designated groups.

4 METHODS TO FURTHER DIVERSITY IN THE WORKPLACE:

| Methods | Responsible Person | Target Month | Target Year |
|---|--------------------------|--------------|-------------|
| 1. Sishen Iron Ore Company views diversity as a source of creativity and innovation. The successful management of diversity could deliver a stronger, more cohesive and more productive workforce. It could contribute to greater employee satisfaction and commitment resulting in lower staff turnover and stronger stakeholder orientation and satisfaction. SIOC will continue to subject all employees to an Embracing Diversity intervention. | Human Resources Managers | Ongoing | 2014 |
| 2. SIOC acknowledges that, by managing diversity correctly, the dividends could be superior decision making, problem solving, creativity and innovation, while ineffective diversity management could impose additional costs, direct or indirect, to SIOC. The Executive Management is therefore committed to create a culture of diversity that is characterized by values, norms, beliefs, systems and practices that are inclusive and supportive of the development of all its employees with the cooperation of all its stakeholders. | Human Resources Managers | Ongoing | 2014 |
| 3. SIOC realizes that, in order to reap the full benefits of a diverse workplace, it will have to evaluate the diversity programme from time to time as an integral part of their management systems by means of in-house surveys to establish its effectiveness. | Human Resources Managers | Ongoing | 2014 |
| 4. Ineffective language barriers could attribute to confusion, lack of team work and a low morale. It is therefore imperative to publish all important information in as many as possible of the predominantly used local languages and where necessary the content of such information must be explained to employees who cannot understand any of the published languages. | Managers Communication | Ongoing | 2014 |

5 STRATEGIES FOR ESTABLISHING EQUALITY AND EQUAL OPPORTUNITIES:

| Strategies | Responsible Person | Target Month | Target Year |
|---|--------------------------|--------------|-------------|
| 1. SIOC is committed to the values that underlie an open and democratic society based on human dignity and equality. It will operate in such a manner to provide equal opportunities for all and shall not discriminate on any improper grounds in relation to age, race, nationality, disability, health (i.e. HIV status), gender, sexual orientation, religion, culture, social or economic class. | Executive Management | Ongoing | 2014 |
| 2. SIOC will treat all employees equally regardless of physical or mental abilities, unless it is relevant to the position and with due cognizance of relevant legislation. | Executive Management | Ongoing | 2014 |
| 3. SIOC will pursue actively an equal opportunity policy which addresses the need and right of every employee to be treated with respect and dignity, in an environment in which a diversity of background and experiences is valued. | Executive Management | Ongoing | 2014 |
| 4. SIOC shall use its various programmes to identify employees with potential to be developed and trained in accordance with the set targets for 2012 to 2014. | Human Resources Managers | Ongoing | 2014 |
| 5. SIOC will provide opportunities and means for employees to further their education/skills through the Sishen Iron Ore Company's study assistance programme. | Human Resources Managers | Ongoing | 2014 |

6 STRATEGIES FOR ENSURING NO DISCRIMINATION AND HARASSMENT IN THE WORKPLACE:

| Strategies | Responsible Person | Target Month | Target Year |
|--|-------------------------|--------------|-------------|
| 1. Discrimination is typically identified as the unequal and unfair treatment of an individual or a group of people as a result of differences and prejudice. SIOC is committed to create an enabling work environment, which promotes the social and personal wellbeing of all employees and fosters the realization of their full human potential. | Human Resources Manager | Ongoing | 2014 |
| 2. Any unfair discrimination and harassment are important issues for SIOC because of the negative impact they may have on the physical and psychological wellbeing of employees. SIOC is, accordingly, committed to the elimination of any form of direct or indirect unfair discrimination or harassment in any policy or practice. This includes any acts or threats that interfere with the performance at work of any individual or group on account of race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, HIV/Aids status, sexual orientation, age, disability, religion, conscience, belief, political opinion, culture, language or birth. | Executive Management | Ongoing | 2014 |
| 3. Management will at all times refrain from offering benefits to only certain individuals or groups of employees on the same occupational level, contrary to Sishen Iron Ore Company's policy, and their personal philosophy regarding race, religion, sexual orientation, and other potentially contentious issues should not at any time affect their duty to monitor workplace discrimination, nor should it cloud their views regarding what's legal and just. | Executive Management | Ongoing | 2014 |

7 NUMERICAL GOALS FOR 2012 TO 2014:

| Strategies | Responsible Person | Target Month | Target Year |
|---|--------------------------|--------------|-------------|
| 1 In determining its numerical goals for the period 2012 to 2014 SIOC will be considering: a) Retirements and possible space creation b) Normal staff turnover (historical trends) c) Growth and new developments. | Human Resources Managers | August | 2012 |
| 2 SIOC's objective is to move towards its employment equity goal at an appropriate rate of progress. In order to achieve this objective SIOC endeavour to promote suitable members from the designated group whenever vacancies or new positions become available and, if no suitable internal candidates are available, SIOC will make all reasonable efforts to source external candidates from the designated group, which includes bursars. | Executive Management | Ongoing | 2014 |
| 3 SIOC will institute clear lines of responsibility and accountability mechanisms for the implementation of the numerical goals. Regular review mechanisms will be established to ensure that, as far as possible, time frames are adhered to and goals are being met. | Human Resources Managers | Ongoing | 2014 |

8 EMPLOYEE TRAINING AND DEVELOPMENT:

| Methods | Responsible Person | Target Month | Target Year |
|--|----------------------|--------------|-------------|
| 1. Audit the required workplace skills needs on an ongoing basis and ensure that the workplace-skills profile, including the required level of those skills, for all the positions is updated on an ongoing basis. | Training Managers | Ongoing | 2014 |
| 2. Determine possible skills gaps by comparing the required workplace profiles with the actual employee skills profiles and audit training programmes to ensure that they are still meeting SIOC's requirements. Ensure that programmes promote capacity building as a pre-condition in meeting strategic objectives. | Training Managers | Ongoing | 2014 |
| 3. Determine and audit individual development plans for all employees on an ongoing basis. | Training Managers | Ongoing | 2014 |
| 4. SIOC is committed to create of an enabling environment which allows individuals to achieve their full potential and thus contribute to excellent performance. Senior Management accordingly commits itself to the development of all employees irrespective of race, gender and disability status. At the same time management recognizes that as a result of past discriminatory practices some groups may be at a disadvantage relative to others and that special programmes may be warranted in order to achieve equality of opportunity for all. | Executive Management | Ongoing | 2014 |
| 5. SIOC recognizes the challenges inherent in the training and retention of staff in scarce skills and highly specialized disciplines where there is a small pool of candidates from the designated groups. In this regard succession planning and capacity building are crucial to the success of this policy. SIOC will identify employees with the necessary talents to obtain the scarce skills and will develop a personal development plan for each of those identified. | Executive Management | Ongoing | 2014 |
| 6. Ensure that the special needs of the disabled people are included in the training strategy. | Training Managers | Ongoing | 2014 |

9 METHODS FOR ENSURING NO DISCRIMINATION AGAINST HIV/AIDS:

| Methods | Responsible Person | Target Month | Target Year |
|--|--------------------------|--------------|-------------|
| 1. SIOC has a policy of non-discrimination against employees who have contracted HIV/AIDS and will operate in such a manner to provide equal opportunities to these employees. | Human Resources Managers | Ongoing | 2014 |
| 2. SIOC will create a supportive environment so that employees living with HIV/AIDS are able to continue working under normal conditions in their current employment for as long as they are medically fit to do so. | Human Resources Managers | Ongoing | 2014 |
| 3. SIOC recognises that HIV/AIDS is preventable and will provide sufficient resources to support holistic wellbeing programmes that enlighten workers to the dangers and implications of contracting HIV and AIDS. | Human Resources Managers | Ongoing | 2014 |
| 4. Encourage workers to visit on- and off-site medical facilities for testing and treatment. | Human Resources Managers | Ongoing | 2014 |
| 5. Encourage workers to apply precautionary measures to safeguard themselves against contraction by means of various awareness programmes. | Human Resources Managers | Ongoing | 2014 |
| 6. Conduct AIDS training programmes for Employee Well-being Representatives, Peer Educators and the workforce. | Human Resources Managers | Ongoing | 2014 |
| 7. Implement a "Know Your Aids Status" strategy and conduct voluntary counseling and testing programmes. | Human Resources Managers | Ongoing | 2014 |

10 METHODS FOR MONITORING PROGRESS OF THE PLAN:

| Methods | Responsible Person | Target Month | Target Year |
|---|---------------------------|---------------------|--------------------|
| 1. Draft an Employment Equity Plan and workshop it with the elected Employment Equity Committee. Records should be kept to effectively monitor and evaluate the Plan. | Human Resources Managers | June/July 2012 | 2012 |
| 2. Mechanisms to monitor and evaluate the implementation of the Plan should be agreed upon and should include benchmarks that would permit assessment of reasonable progress. | Human Resources Managers | July | 2012 |
| 3. The Plan should be evaluated at regular intervals to ensure that reasonable progress is made. This evaluation should be integrated into mechanisms that the employer normally utilizes to monitor its operations. | Human Resources Managers | Quarterly | 2014 |
| 4. Publish the accepted Employment Equity Plan via the intranet and/or by means of hard copies. | Human Resources Managers | September | 2012 |
| 5. The Employment Equity Committees should continue to meet on a regular basis, and should receive progress reports. Progress should be recorded and communicated to employees. Such meetings should take place at reasonable intervals to ensure feedback and inform the ongoing implementation process. | Human Resources Managers | Quarterly | 2014 |

11 METHODS FOR HANDLING INTERNAL DISPUTES:

| Methods | Responsible Person | Target Month | Target Year |
|--|-------------------------------|----------------------|--------------------|
| 1. In the first instance endeavour to resolve the dispute through the normal channels of command. | Industrial Relations Managers | As and when required | 2014 |
| 2. If no agreement has been reached, the said issue is to be discussed at the next EE consultative committee meeting and all parties must endeavour to reach consensus on the nature of the problem and the corrective steps to be taken. Should such consensus be reached, the decision and corrective steps are to be recorded and monitored at subsequent meetings. | Industrial Relations Managers | As and when required | 2014 |
| 3. If the Employment Equity Committee does not reach consensus, the dispute will be dealt with in terms of the Dispute Resolution Procedure as contained in the Recognition Agreement. | Industrial Relations Managers | As and when required | 2014 |
| 4. If the matter is still not resolved, any party may declare a dispute as per the provisions of the Employment Equity Act, Act No. 55 of 1998. | Industrial Relations Managers | As and when required | 2014 |

Annexure 1

Numerical Targets for 2013

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|--|-------------|-------------|-----------|-------------|------------|------------|-----------|------------|-------------------|----------|-------------|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top management | 1 | 0 | 0 | 6 | 2 | 0 | 0 | 1 | 1 | 0 | 11 |
| Senior management | 16 | 4 | 5 | 85 | 4 | 1 | 2 | 23 | 0 | 1 | 141 |
| Professionally qualified and experienced specialists and mid-management | 108 | 44 | 13 | 269 | 62 | 12 | 9 | 95 | 1 | 0 | 613 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 617 | 463 | 3 | 910 | 136 | 91 | 5 | 255 | 6 | 1 | 2487 |
| Semi-skilled and discretionary decision making | 2631 | 551 | 1 | 129 | 329 | 160 | 1 | 90 | 4 | 0 | 3896 |
| Unskilled and defined decision making | 186 | 47 | 0 | 14 | 86 | 18 | 0 | 4 | 0 | 0 | 355 |
| TOTAL | 3559 | 1109 | 22 | 1413 | 619 | 282 | 17 | 468 | 12 | 2 | 7503 |

Numerical Targets and Goal for 2014

| Occupational Levels | Male | | | | Female | | | | Foreign Nationals | | Total |
|--|-------------|-------------|-----------|-------------|------------|------------|-----------|------------|-------------------|----------|-------------|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top management | 1 | 0 | 0 | 6 | 2 | 0 | 0 | 1 | 1 | 0 | 11 |
| Senior management | 20 | 5 | 7 | 93 | 6 | 2 | 3 | 28 | 0 | 1 | 165 |
| Professionally qualified and experienced specialists and mid-management | 121 | 45 | 15 | 275 | 78 | 16 | 10 | 103 | 1 | 0 | 664 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 645 | 485 | 3 | 930 | 153 | 101 | 5 | 265 | 6 | 1 | 2594 |
| Semi-skilled and discretionary decision making | 2671 | 575 | 1 | 137 | 357 | 173 | 1 | 90 | 4 | 0 | 4009 |
| Unskilled and defined decision making | 190 | 48 | 0 | 15 | 89 | 20 | 0 | 4 | 0 | 0 | 366 |
| TOTAL | 3648 | 1158 | 26 | 1456 | 685 | 312 | 19 | 491 | 12 | 2 | 7809 |