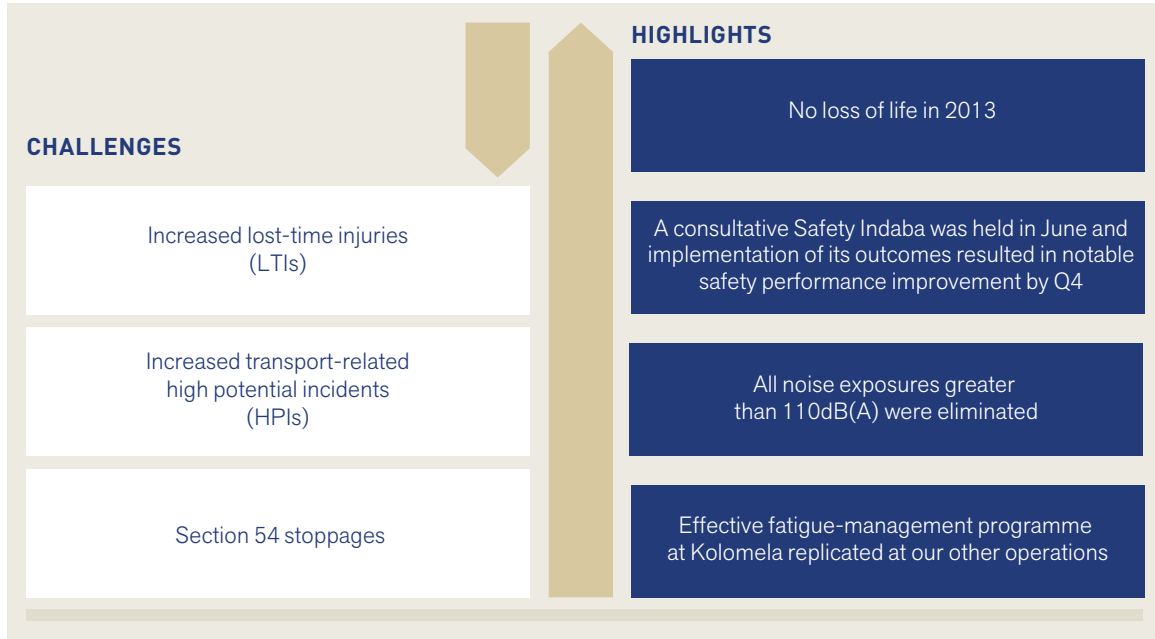


ENSURING THE SAFETY, HEALTH AND WELL-BEING OF OUR EMPLOYEES AND COMMUNITIES

We also aim to promote individual responsibility for safety throughout the organisation



SAFETY

Kumba's vision of Zero Harm commits us to ensuring the safety of our employees and contractors. Our operations continue to expand, with the new Kolomela mine continuing to ramp up production; Sishen mine developing into progressively deeper ore; and Thabazimbi mine embarking on projects to extend its life. In light of this expansion, taking up the challenge to pursue Zero Harm becomes even more important and calls for vigilance from all of us.

While we comply with safety regulations and put in place the necessary systems and standards, we also aim to promote individual responsibility for safety throughout the organisation. Our engagement with both the unions and the DMR through tripartite consultative forums which are in place at all our mines is a key factor that underpins our performance improvement.

Safety performance

The 'real safety begins with me' theme continued through 2013 and was expanded towards the end of the year to 'Plan to be safe. Plan to deliver. Plan together'. With a focus on the importance of everyone's contribution to team effort, this places the responsibility on each employee to ensure they and their colleagues return home safely at the end of each shift.

We are pleased to note there were no fatalities at our operations during 2013 (2012: 2).

2013 however saw a disappointing increase in LTIs in comparison to 2012. While the increase in injuries is a concern, it should be noted that the bulk of these were of low

severity and presented minimum risk to the lives of our employees. In keeping with our Zero Harm philosophy, all injuries are subject to investigation with the objective of eliminating the causes. Efforts to prevent repeats and improve our overall safety culture continue.

Materials-handling incidents resulting in injury to fingers and hands comprised 45% of total injuries. 2013 also saw a rise in back and neck injuries arising from truck and shovel loading activities. This challenge has been flagged as an emerging health risk.

Reporting of high potential incidents (HPIs) has been entrenched. HPIs are incidents which could have resulted in serious injury or death but did not.

The DMR has increased its mine inspections with a view to increasing safety and awareness. In 2013 we received twelve Section 54 safety notices with the most significant relating to the operation of heavy moving machinery at Sishen mine resulting in total closure of the mine for 7.5 days (15 shifts) in February and August. Five of the Section 54 notices were issued to Thabazimbi mine, several of them also relating to specific surface mobile machinery incidents and one relating to precautionary isolation of equipment in the plant. These only affected parts of the mine and the most serious production impact was five days (10 shifts) at one of the pits. This shows an increase in comparison to 2012 when there was a seven-day stoppage at Kolomela mine and no stoppages at Sishen mine.

Safety performance 2013

	Fatalities	LTIs	LTIFR	LTISR*	HPIs	TRCFR**	Shifts lost due to injury (days)
Sishen mine	–	20	0.21	81	42	1.03	924
Kolomela mine	–	6	0.20	37	10	0.65	143
Thabazimbi mine	–	3	0.14	17	14	0.61	46
Projects	–	3	0.14	10	3	0.33	27
Corporate office	–	1	0.10	1	1	0.41	1
Geosciences	–	–	–	–	4	2.49	–
Saldanha	–	–	–	–	–	1.08	–
Group	–	33	0.18	49	74	0.82	1,141

*Lost-time injury severity rate

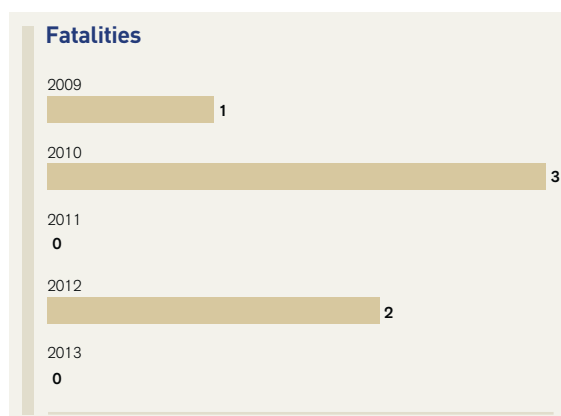
**Total recordable case frequency rate

During 2013 our operations recorded 33 LTIs and 74 HPIs. 64% of all HPIs were transport related. In response, we are working on improving engineering controls on haul trucks which includes speed control and anti-rollback technologies. The LTIFR for the year was 0.18 (per 200,000 hours worked), a deterioration on the rates of 0.10 reported in 2012 and 0.08 in 2011.

Safety initiatives

We have established that one of the most effective ways of improving safety performance is thorough investigation and analysis of incidents. In contrast to the increase seen in injuries, the number of HPIs decreased from 2012. Efforts have been directed at encouraging the reporting of both actual incidents and situations or conditions that could lead to incidents. We have also decided that the reporting and management of high-potential hazards would be introduced as a leading indicator to form part of our 2014 incentive scheme as these can be reported by all employees at all levels.

The undesirable rise in injuries early in 2013 called for concerted action and led to the holding of a Safety Indaba in June 2013. The Indaba brought together all the relevant safety and operational individuals as well as union and contractor representatives.



Analysis of HPIs in 2013

	Analysis of HPIs (%)	Number
Transportation	64	47
Falling objects	13	10
Falling	1	1
Material handling	–	–
Fire/explosion	6	4
Electricity	6	4
Pneumatic energy	1	1
Moving machinery	1	1
Other energy sources	6	4
Other causes (fall of ground)	2	2

Following careful appraisal of the safety trends at this multi-stakeholder event it was established that 'business as usual' would not lead to safety improvements. A holistic approach was called for, including near- and longer-term interventions.

To deal with the near-term challenges we introduced appropriate, narrowly focused safety campaigns directed towards safe materials handling and on minimising hand injuries.

Safety messages are deliberately kept simple and are reinforced by visible felt leadership interventions that have the double benefit of contributing to enhancing trust. Visible felt leadership encourages safe production, placing the value on the individual, and is considered a critical illustration of management's commitment to safety. Leaders at all levels regularly undertake site visits to observe people at work, as well as to discuss operational and safety issues.

At each mine we have joint management-worker health and safety committees in which the entire workforce is represented. We engage in meetings with union representatives monthly to discuss concerns and to develop joint health and safety solutions and interventions. We also participate in tripartite forums that include representatives of the company, the unions and the DMR.

ENSURING THE SAFETY, HEALTH AND WELL-BEING OF OUR EMPLOYEES AND COMMUNITIES CONTINUED

Apart from our employees, contractors are also engaged at regular safety meetings and focused workshops throughout the year. Contractor representatives participate in management reviews twice a year and also other events such as the Safety Indaba.

Fundamental to longer term and progressive safety improvements is the restoration of trust, commitment and accountability through continual engagement and building of relationships.

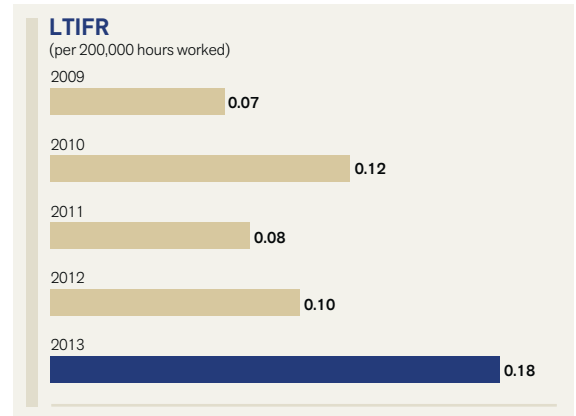
Safety objectives for 2014

In order to focus our limited human and financial resources effectively, three safety focus areas have been prioritised for 2014. We believe that if we address these areas effectively, we can bring about continual improvement in safety performance.

Risk management focuses on fatality prevention. Following our interventions to improve hazard identification in 2013, the focus will now move to those hazards that could cause fatal incidents and to embedding the critical controls required to manage them effectively. The incident management process developed in 2013 will be rolled out by coaching facilitators, who have already received training, until they become competent to work independently. In keeping with our risk profile, proportional efforts will be directed towards improving controls around surface mobile equipment.

Leadership and behaviour will focus on safety leadership at all levels. Interventions are planned to improve the quality of our VFL interactions, equip leaders to be good safety leaders and expand on the successful coaching model that was introduced during the project phase of Kolomela mine.

Simple non-negotiable standards aim to build a solid foundation for compliance with the basics through good operating discipline (the right people doing things right all the time), and efficient close-out of meaningful actions. All the focus areas will be supported by our contractor engagement process to ensure consistent application. Leading parameters have been selected to monitor the progress and effectiveness of our safety improvement plans throughout 2014.



01 Kagiso Matlhomano, artisan fitter, takes feed-flow readings at the UHDM pilot plant at Sishen mine.

02 Fitters Laura Zuba and Bahny Motshabi work on a diesel engine in the newly completed vehicle workshop for mega class equipment at Sishen mine.

