Reaching out to the world from the heart of Zululand is Richards Bay Coal Terminal, the single largest export coal terminal in the world. The terminal has a design capacity of 91 million tons per annum and six berths, well positioned to serve the needs of international coal buyers.
Richards Bay Coal Terminal Company Limited (RBCT) is one of the single largest export coal terminals in the world. Established in 1976 with an original capacity of 12 million tons per annum, RBCT has grown into an advanced 24-hour operation with the capacity to export 91 million tons of coal per annum.

RBCT provides a valued link in South Africa’s coal export chain, to the benefit of all stakeholders.

To be the terminal of choice, optimising stakeholder value.

VALUES

- Growth
- Reliability
- Efficiency
- Accountability
- Trust

Coal to the world, growth to the nation
RBCT BOARD

RBCT is governed by a board of directors which, as at 31 December 2009, was made up of an independent non-executive chairman, 18 non-executive directors, 15 alternate directors and 1 executive director. Given that RBCT is a South African company, the appointment of a female independent non-executive chairman during 2009 is indicative that RBCT is mindful of the need for transformation at the highest levels of the organization.

BOARD PURPOSE AND FUNCTION

The board provides strategic direction to RBCT through its quarterly board meetings and the delegation of authority to board committees and executive management. It reviews and directs the company’s strategic objectives and annual budget. The board reviews and provides guidance on the non-financial performance of the company, i.e. those issues relating to the ‘triple bottom line’.

In addition to upholding sound principles of corporate governance, the board recognizes the interests of the communities in which RBCT operates and ensures that the company acts as a responsible corporate citizen, creating value for all stakeholders.

BOARD COMMITTEES

To enable the board to properly carry out its responsibilities and duties, certain of the responsibilities have been delegated to sub committees. Some of these committees are:

- Remuneration Committee
- Finance Committee
- Operations Committee

These committees do not diminish the board’s overall responsibilities and the chairmen of the committees report and make recommendations to the board at each board meeting. The minutes of all committee meetings are submitted to all directors prior to board meetings.
MEMBERS OF RBCT COMPANY LIMITED BOARD OF DIRECTORS AS AT 31 DECEMBER 2009:

<table>
<thead>
<tr>
<th>DIRECTOR</th>
<th>ALTERNATE DIRECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alvarez, JM</td>
<td>Pitarque, I</td>
</tr>
<tr>
<td>Chirwa, RL</td>
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<tr>
<td>Docrat, Z</td>
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<td>Myburgh, JL</td>
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<td>Beere, J</td>
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<td>Nombewu, MR</td>
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<td>Kyriacou, B</td>
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<td>Gain, DR</td>
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<tr>
<td>Venter, PE</td>
<td>Groenewald, L</td>
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</tbody>
</table>

*Chief Executive
**French
***Zambian
****Spanish
*****British

COMPANY SECRETARY

RBCT’s company secretary plays an active role in RBCT’s compliance with good corporate governance principles.

The company secretary supports the chairman, the chief executive officer and the board in:

- Providing directors with guidance as to their duties, responsibilities and powers.
- Making directors aware of any law relevant to or affecting the company.
- Reporting to the board any failure on the part of the company or a director to comply with the Companies Act.
- Ensuring that minutes of all shareholders meetings, board meetings and the meetings of any committees of the directors, are properly recorded.
- Certifying in the annual financial statements whether the company has filed required returns and notices.
- Ensuring that a copy of the annual financial statements is sent to every person who is entitled to it.

The company secretary assists in ensuring that board decisions and instructions are clearly communicated to the relevant people, internally and externally, and is available to provide a central source of guidance and advice within RBCT on matters of ethics and good governance.

Coal to the world, growth to the nation
## RBCT SHAREHOLDING STRUCTURE AS AT 31 DECEMBER 2009

<table>
<thead>
<tr>
<th>SHAREHOLDER / ENTITY</th>
<th>SHAREHOLDING (%)</th>
</tr>
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<tbody>
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<tr>
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<tr>
<td>Optimum Coal Terminal (Pty) Limited</td>
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<td>Kangra Coal (Pty) Limited</td>
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<td>Siyanda Coal (Pty) Limited</td>
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<td>Exxaro Coal (Pty) Limited</td>
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</tr>
<tr>
<td>Exxaro Coal Mpumalanga (Pty) Limited</td>
<td>1.16</td>
</tr>
</tbody>
</table>

Coal to the world, growth to the nation
THE 2009 STRATEGIC AREAS

RBCT is committed to sound principles of sustainable development being integrated into all aspects of its business activities, allowing us to create value for all stakeholders, in terms of social, economic and environmental perspectives.

Focus areas of sustainability for 2009 included:

- Safety, Health and Environment (SHE) Strategy
- Human Capital: Leadership and Management through MDWT strategy
- Operations: Operational Excellence
- Technical: Plant and Equipment Integrity, Energy Management and Phase V
- Finance: Cost Optimisation
- Risk and Compliance

RBCT SENIOR MANAGEMENT TEAM AS AT 31 DECEMBER 2009

Raymond Chirwa
Chief Executive

Allan Waller
GM: Finance

Ndumi Khoza
GM: Human Resources

Steph van Jaarsveldt
GM: Technical

Gwen van Zyl
Company Secretary

Douglas Morris
GM: Risk, Compliance and Site

Richard Zitha
GM: Operations
CHIEF EXECUTIVE’S STATEMENT

Our sustainable development, corporate citizenship and stakeholder engagement programmes continue to touch on every aspect of our business. It is our hard earned reputation in these areas that has ensured our success through all our different growth phases as a company ensuring that we remain a great company that we are today.

It is against this backdrop that our primary objective is to provide a safe, reliable and effective service to our shareholders, thus making our overriding priority to be safety, health and environment and our people. This is embodied in our “Terminal of Choice” vision and our values with the acronym GREAT: growth, reliability, efficiency, accountability and trust.

SAFETY, HEALTH AND ENVIRONMENT

RBCT management is committed to demonstrating visible leadership in safety, health and environmental issues. Management’s visible involvement in assessing compliance with SHE rules, standards and procedures has been increased. Actions include SHE audits, safe behaviour reinforcements, corrective and development coaching, planned job observations, job safety analysis and critical safety risk assessments.

**During 2009:**

- RBCT maintained its OHSAS 18001 and ISO 14001 certification, in line with its commitment to maintaining excellence in safety and health management systems.
- Lost Time Injuries (LTI) improved from 4 in 2008 to 3 in 2009 while minor injuries improved from 38 in 2008 to 31 in 2009.
- The implementation process for Behaviour Based Safety commenced during the year.
- Incorporation of contractors into our SHE systems has been identified as key to achieving SHE excellence.

The safety performance of the contractors throughout the Phase V (PHV) project was commendable. It is however sad that a fatality occurred in June 2009 after achieving 1 million LTI free man hours. It is significant to note that PHV did not have another LTI since the fatality and maintained zero injuries for the last 3 months of the year. The project’s Lost Time Injury Frequency Rate (LTIFR) was 0.3 at year end, while Minor Injury Frequency Rate (MIFR) was 2.63. These are remarkable statistics for a project this size.

In recognition of our responsibility towards managing HIV/AIDS, comprehensive HIV/AIDS management programmes are in place with key elements being awareness, prevention, encouraging employees to know their status through Voluntary Counselling and Testing. Good progress is being made with 81% of our employees knowing their status. Each department has dedicated peer educator to assist in handling any HIV/AIDS related question that may arise. Our aim is to continually improve our HIV/ AIDS management systems. We underwent Stage 1 audit of SANS 16001:2007 to assess our readiness for HIV and AIDS Management Systems (HAMS) certification.
RBCT PEOPLE

The focus is on people care, development and transformation. Leadership through Mission Directed Work Teams strategy was identified as one of the top priorities during the year. This saw an enhancement of the team’s process which is a major contributor to our business improvement initiatives. Skills development supported the 9 041 training days at year end. In 2009, labour turnover was 5.72% as opposed to 13.13% in 2008.

In 2009 RBCT developed 45 trainees of which 22 were on formal programs or apprenticeships, with a further 23 trainees participating in our plant operator training program.

EMPLOYMENT EQUITY

We are continuously improving our organisational culture as our workforce becomes more diverse. This assists in ensuring that we are able to retain our employees as the struggle for talent continues. However, scarcity of key skills is posing a challenge to RBCT in meeting the higher equity targets.

PERFORMANCE

We pride ourselves on being one of the most efficiently run and reliable export coal terminals in the world and are fully committed to being a centre of excellence that consistently provides good, world-class service to its customers. This is also underpinned by making a meaningful and long lasting contribution to the lives of the people and communities around its operation and export-coal mining communities.

During the year, while Transnet Freight Rail imported 60.27 million tons to the terminal, we exported 61.13 million tons of coal to users around the world. This included the 3.5 million tons exported on behalf of BEE coal exporters. Stocks ended at 2.49 million tons for the reporting year.

BROAD BASED BLACK EMPOWERMENT

We continue to make good progress by building on our proud history of numerous meaningful and sustainable BBBEE initiatives for the benefit of all stakeholders. Steps continue to be taken to ensure alignment with relevant regulatory requirements and the South African Department of Trade and Industry’s (DTI) Codes of Good Practice.

The 2009 BBBEE audit by EMEX rated RBCT as a level 4 contributor with BBBEE procurement recognition of 100%. The target for 2010 is to become a level 3 contributor with procurement recognition of 110%.

RBCT will continue to work towards the improvement of the scorecard points. We strongly believe that BBBEE is essential to the sustainability of our terminal as the key player in the coal export value chain.
PHASE V EXPANSION PROJECT

The final commissioning of the Phase V Expansion Project took place on 01 May 2010. It is expected that all new users will be incorporated into the RBCT family once they have concluded the signing of their contracts. 9 million tons per annum of expansion capacity has been offered to 9 new shareholders and commercial users with BEE ownership being a priority. Mbokodo, Worldwide Coal Carolina (Pty) Limited, Umcebo, Exxaro and South African Coal Mining Holdings concluded agreements with RBCT at the end of the year and are ready to rail coal. Mmakau, ARM Coal, Tumelo and South Dunes Coal Terminal have agreements that are in the final stages of negotiation.

STAKEHOLDER ENGAGEMENT

Effective and continuous engagement with all our relevant stakeholders is pivotal to RBCT’s business. This has seen an improvement in our relationship with Transnet Freight Rail and the KwaZulu Natal Provincial Government. Our relationship with our common users continues to strengthen, with eighteen coal exporters participating in the Quattro program (maximum 4 Million tons allocated as part of enterprise development).

Sustainable community development is one of the vehicles we use to engage effectively with our surrounding communities. During 2009, in line with the KZN Premier’s campaign of “One Home One Garden”, RBCT assisted 65 subsistence farmers in the area of Port Durnford. Details of the value we add to the community are captured further in this report. RBCT aims to provide an efficient and reliable service to our shareholders but doing so in such a way as to make a real lasting contribution to the communities within which we operate.

I trust you will enjoy reading this our sustainability report for 2009 and I would welcome your feedback. Our contact details are on the last page of this report.

RL CHIRWA
CHIEF EXECUTIVE
SAFETY, HEALTH AND ENVIRONMENT

Safety comes first: the wellbeing of our workforce and contractors is our number one priority. A strong health and safety culture is instilled at every level of the company and is supported by a robust set of safety, health and environmental standards. The company is committed to continuous safety improvement to reach its goal of zero fatalities and injuries. RBCT is guided by the Safety, Health and Environment policy which is implemented at company level.

In accordance with our commitment to safety, health and environment, we remain committed to:
• Complying with current national, provincial and local safety, health and environmental laws.
• Preventing accidents, injuries, occupational ill-health and environmental pollution by the application of OHSAS 18001 and ISO 14001 management systems and by following approved work methods and systems.
• Setting, monitoring and continuously reviewing safety, health and environmental objectives and targets at every level of the organisation thus improving our performance in these areas.
• Informing or involving and training all our employees, customers, suppliers, contractors and interested and affected parties regarding our safety, health and environmental policy.
• Requiring that all employees, suppliers, contractors and other personnel on site comply with SHE legislated requirements, RBCT SHE policy, SHE procedures.

SAFETY PERFORMANCE DURING 2009
• RBCT maintained its OHSAS 18001 certification.
• 3 LTI’s and 31 minor injuries were recorded.
• The company target of a LTI free year, a million LTI free hours and a minor injury frequency rate of less than five was not achieved.
• Implementation of Behaviour Based Safety (BBS) progressed well during the year under review, with training of the BBS Steering Committee members complete. Training of observers commenced in February 2010.
• Engagement of all stakeholders has been identified as key to achieving SHE excellence. Formal joint health and safety committees, comprising management, the workforce, contractors and unions meet regularly ensuring consultation with all relevant stakeholders concerning all matters relating to health and safety in the workplace.

PHASE V PROJECT SAFETY PERFORMANCE
The safety performance of the contractors throughout the contract was exemplary. It is however sad that a fatality occurred in June 2009 after achieving 1 million Lost Time Injuries free man hours. It is significant to note that the project did not incur another LTI since the fatality and maintained zero injuries for the last 3 months of 2009. LTIFR project as at end of the year was at 0.3 and MIFR at 2.63, remarkable statistics for a project this size.

RBCT remains committed to reducing injuries on site and SHE plans will be implemented to reverse the adverse trends on injuries.

Coal to the world, growth to the nation
ENVIRONMENTAL RESPONSIBILITY

As a responsible corporate citizen concerned about the welfare and sustainability of the environment, RBCT is committed to managing the impact of its operations on the natural environment in its surroundings.

In 2009, we maintained our ISO 14001 certification, in line with our commitment to maintaining excellence in environmental systems. During the year, no major environmental incidents and no valid environmental complaints were reported. Protection of the environmental remains paramount to us. Stringent environmental monitoring and site cleaning services can be attributed to the good environmental performance during the year. The Environmental Systems Upgrade Project (ESUP) has been commissioned. A serious drive towards conservation of energy was also maintained during the year. Significant savings have been realised. Energy saving programmes continue, the goal being to achieve the site’s objective for reducing energy consumption by between 12 to 15% by 2015.

RBCT is firmly committed to protecting the environment and to resource conservation. As part of our risk assessment process we have identified the following as our key environmental risks:

• Dust generation.
• Discharge of coal contaminated water into the harbour.
• Used oil generation.
• Waste generation.
• Use of natural resources.

Controls have been put in place to reduce the negative impact of our business onto the environment.

ENVIRONMENTAL PERFORMANCE INDICATORS

The following environmental monitoring is done to measure the impact of our operation to the environment:

• DUST FALLOUT MONITORING

Dust fallout rates recorded during 2009 have averaged well below 0.6g/m2 (which is the maximum allowable level).

• SEWERAGE EFFLUENT MONITORING

Sewerage effluent parameters of the final effluent have in the past 12 months met the requirement of the National Water Act, 1998.

• SETTLING POND SAMPLES

The storm water from our site does not go flow directly into the harbour; instead it is drained into settling ponds, where contaminants are separated from the water before it is discharged into the ESUP dam. There is little or no water from RBCT that flows into the harbour, and thus RBCT does not have any negative effect on marine life.

• BOREHOLE SAMPLES

Boreholes samples are taken on a quarterly basis to measure the impact that RBCT has on the ground water, the results are sent to an independent geologist for analysis and all samples were within legal limits in the past year.

Coal to the world, growth to the nation
WASTE MANAGEMENT AND RECYCLING

RBCT recognizes that managing the environmental impact of its business is an important aspect of the triple bottom line in corporate responsibility. Management of waste remains one of RBCT’s most important environmental challenges. The implementation of a comprehensive waste management strategy aims to reduce the amount of waste being consigned to local dumpsites. As one of our waste management strategies, we have now started recycling all our paper and cardboard.

WASTE EFFLUENTS

The following waste is generated on site:
- Used oil.
- Clinic waste.
- Oil contaminated waste.
- Sewerage effluent.
- Settling pond effluent.

The waste is measured on a monthly basis and targets have been set to reduce the quantity thereof. All waste is disposed of in an environmentally responsible manner.

RECYCLING

Used oil taken from site is sold to various companies for re-use. The commissioning of the Phase V ESUP project at a cost of R40 million enables the company to recycle all the ground and run-off water for re-use on site for the heavy water-consuming dust suppression system.

MARINE RESERVE

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.
RISK MANAGEMENT

The overall aim of RBCT’s risk management policy is to reduce the risk it is exposed to as much as reasonably possible. RBCT’s business, financial, technological, legal and operational risks are identified, assessed and managed efficiently on monthly, quarterly and annual basis.

In support of the Finance Committee requirements and the Risk Management Committee, the RBCT Risk Management objective is to protect the organization, its people, assets and resources, against the physical and adverse financial consequences of risk. It involves planning, coordinating and directing the risk-control and risk activities of the organization.

Though RBCT’s board of directors bear the ultimate responsibility for the company’s risk management, equally the chief executive officer, general manager: SHE, Risk and Compliance, general management and the Risk Committee are responsible in ensuring that systems and procedures are in place to mitigate any risks that has been identified.

An efficient Risk Committee ensures that the management of risk and sustainability is inherent in the operational function, with RBCT’s management team being accountable to the board for designing systems, implementing and monitoring the process of risk management and integrating this process into the day-to-day activities at RBCT. In addition, the Risk Committee ensures that the counter-fraud policy and procedures are adhered to, while establishing and maintaining a sound system of internal controls that support the achievement of the Company’s policies, aims and objectives.

Included in these systems is a regular programme of internal and external audits of various aspects of the business, such as legal compliance, projects, review of effectiveness of mitigating controls, human resources, health, safety and environment, emergency planning, business continuity and disaster recovery planning, and information management.

ADDITIONAL RISK MANAGEMENT PROCESSES

• RBCT’s Anti–Fraud Policy encompasses the culture of zero tolerance on bribery and corruption. It also sets out the Company’s responsibilities and fraud response plan. RBCT believes that the creation of a culture of honesty and openness is a key element in tackling fraud, as is raising the level of awareness and understanding of the key policies and procedures and their role in preventing or detecting fraud. All RBCT’s stakeholders have been advised of our position concerning fraud and unfair business practices at RBCT (through regular awareness updates / articles) and any instance of which can be confidentially reported to the chief executive officer, our secure tip off line “Whistleblowers” or the Risk Management department.

• RBCT staff subscribes to the company’s Code of Business Conduct and Ethics and are required to update the conflict of interest register should they have any potential conflict areas.

• Employees are reminded to record gifts, hospitality or benefits of any kind received from a third party in our electronic gift register, which must be approved by their relevant line manager.

• Emergency preparedness is incorporated into the risk matrix and separate Emergency Preparedness meetings are conducted on a quarterly basis

• Disaster recovery has been adequately addressed and tested and has been populated into the risk database.

• A Business Continuity policy and procedure is in place and individual plans are monitored and updated annually.
BROAD-BASED BLACK ECONOMIC EMPOWERMENT

OWNERSHIP
In 2009, 17.5% of the ownership of the terminal was in black entrepreneurs. This percentage will increase to greater than 32% when all Phase V project new entrants’ contracts have been concluded.

INVESTING IN OUR PEOPLE
In the pursuit of being a GREAT company, people remain our greatest assets. Human Capital, focusing on leadership and management through the Mission Directed Work Teams strategy, was identified as one of the top priorities during the year. This saw an enhancement of the team’s process as a major contributor in our business improvement initiatives.

EMPLOYMENT EQUITY
Employment equity underpins our Human Capital strategy and a key transformation imperative. A strong employment equity culture has been entrenched at RBCT with a well-defined employment equity policy comprising specific objectives and action plans which are integral to our strategic objectives.

These strategies are consistently reviewed to promote equal opportunity, diversity and elimination of barriers that could exist and affect progress on employment equity. An indication of RBCT’s commitment to employment equity is that 50% of employees at a senior management level are from historically disadvantaged groups.

EMPLOYMENT EQUITY STATISTICS FOR 2009

<table>
<thead>
<tr>
<th>E&amp;F Band</th>
<th>DU Band</th>
<th>DL Band</th>
<th>C Band</th>
<th>B Band</th>
<th>Trainees</th>
<th>Plant Trainees</th>
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Coal to the world, growth to the nation
RECRUITMENT
Targeted recruitment and market related remuneration practices, coupled with effective performance and talent management, play an integral part in our recruitment processes. Employment Equity underpins RBCT’s recruitment philosophy. Within this context, thorough selection processes are designed to ensure the best possible match between the competencies required for effective job performance and the skills and experience of the individual.

REMUNERATION PHILOSOPHY
RBCT’s philosophy is to ensure that RBCT’s remuneration strategy creates the appropriate competitiveness to attract and retain employees of the right calibre and skills.

By participation in a number of reputable national and international surveys and our own in-house surveys we ensure that our remuneration strategy remains competitive.

EMPLOYEE BENEFITS
In our commitment to being an employer of choice, RBCT provides employees with a wide range of benefits to ensure talent is attracted and retained in a competitive market. It’s further designed to assist them financially in the event of retirement, death or disability. We also provide employees with a comprehensive medical aid scheme, with the monthly subscription based on the family size and income.

LABOUR TURNOVER
Formal labour turnover amounted to 5.72% of the average number of employees employed during 2009, which is a major reduction from 13.13% in 2008, which supports RBCT strategies of retaining knowledge and skills. Our labour turnover is continuously monitored and, given industry standards and prevailing circumstances, is well within industry norms.
DEVELOPING OUR PEOPLE

To achieve superior performance which is key to success in a challenging business environment, skilled staff of the highest calibre are required. A shortage of skilled people, particularly in the technical disciplines, has resulted in RBCT experiencing challenges in recruiting, developing and retaining key skills in this fiercely competitive environment for scarce talent. RBCT recognises the need to ensure an appropriate pipeline of skilled people to meet future skills requirements for succession planning.

Training and development is primarily carried out to meet the business needs of RBCT, but is aligned to the wider skills development needs of the country.

Training and development is pursued on the basis of the following guidelines.

• All training and development is based on the needs of the company as established through a needs analysis, conducted at organisational, departmental and/or individual level where applicable.

• Managers are responsible for the competency levels of their staff, ensuring that they are adequately equipped for the work at hand and that sufficient development has taken place to ensure succession in their departments.

• All activities are aimed at optimally satisfying the long and short term needs of education, technical, behavioural, management and leadership competencies required by RBCT as a company.

In order to maximise the investment in our staff and the training development programmes, managers, and staff who have attended training or development programmes are required to provide mentorship and coaching where required to candidates on training and development. As part of RBCT’s company-wide commitment to attract, develop and retain valuable talent, skills management programmes are in place in all divisions.

Our focus is to facilitate continuous operational improvement through the development of intellectual capacity; therefore it is our aim to provide everyone in RBCT with a conducive 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.
AVGAE TRAINING DAYS
The average days of training per year per employee by category of employee.

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>Total</th>
<th>Average Training Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000000 Legislators, Senior Officials and Managers</td>
<td>226</td>
<td>4</td>
</tr>
<tr>
<td>2000000 Professionals</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>3000000 Technicians and Associated Professionals</td>
<td>664</td>
<td>8</td>
</tr>
<tr>
<td>4000000 Clerks</td>
<td>292</td>
<td>6</td>
</tr>
<tr>
<td>7000000 Craft and related trades workers</td>
<td>606</td>
<td>8</td>
</tr>
<tr>
<td>8000000 Plant and machine operators and assemblers</td>
<td>3029</td>
<td>19</td>
</tr>
<tr>
<td>9000000 Elementary occupations</td>
<td>2854</td>
<td>35</td>
</tr>
<tr>
<td>1010000 Other</td>
<td>1360</td>
<td>62</td>
</tr>
<tr>
<td>Grand Total</td>
<td>9041</td>
<td>17</td>
</tr>
</tbody>
</table>

STAFF DEVELOPMENT
RBCT’s career development strategies include Performance and Talent Management, Management Development Programme (MDP), supervisory and leadership development, Employee Development Programme (EDP), operator training, technical and general skills development of shop floor employees. The implementation of coaching and mentoring processes is on-going.

Our investment in skills development at RBCT was evident with the recovery of 109% of the skills levy via the recovery of the skills levy and discretionary grants from Transport Education Training Authority (TETA). 48% of courses run at RBCT in 2009 were SETA accredited against a TETA target of 40%.

PERFORMANCE AND TALENT MANAGEMENT
Key to success in a challenging business environment and in demonstrating commitment to employee development is an effective Performance Management system. In addition, Succession planning and Talent Management has been linked to critical positions and Performance Management to identify talent from a pool of ambitiously driven individuals for succession at RBCT. Development plans form a vital part of the process and are linked to our workplace skills plans.

TEAM LEADERSHIP
A team leadership module was revived in 2009, with upper senior and middle managers completing a 360 degree analysis and a Team Leadership Analysis, the results of which were addressed by the leaders during the monthly one on one meeting’s identifying weakness and strengths and leveraging these.
MANAGEMENT DEVELOPMENT PROGRAMME (MDP)
The MDP is an intensive training programme 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 programme covers strategy implementation, operations and supply chain management, marketing and information management, mobilising people, financial and management accounting and economics for business.

EMPLOYEE DEVELOPMENT PROGRAMME (EDP)
This custom-designed EDP programme is aimed mainly at employees from previously disadvantaged groups. Approximately 15 employees with development potential are identified annually to participate in this programme, which includes the core competencies required by employees making the transition to management or supervisory positions.

ADULT BASIC EDUCATION AND TRAINING (ABET)
RBCT is busy completing an ABET programme for adults who want to improve their basic education. This outcomes-based programme provides learning tools, knowledge and skills to ensure that each and every employee has at least a Level 4 Adult English Literacy Level (equivalent to Grade 9) by 2011.

Employees selected for this programme are given a three-month leave of absence from their workplace, to enable them to attend the ABET classes full-time, and to make the most of their learning experience. During 2009 only one group was conducted due to cost constraints.

BURSARIES
RBCT grants bursaries to assist with sourcing and developing bright young talent in anticipation of meeting our future skills requirements. During the year, RBCT sponsored 10 learners with study bursaries.

Bursars are selected on merit, with 80% of bursaries awarded to previously disadvantaged persons, to obtain a tertiary qualification in various fields of study at recognised tertiary educational institutions. To add practical experience to academic knowledge, each bursar has a dedicated mentor in order to fully prepare them for the business world. Bursars who have completed their Degrees and Diplomas are often given opportunities to gain the work experience required at RBCT.

STUDY GRANTS
Each year, RBCT offers 10 study grants to employees’ children who are registered to study at a recognised tertiary institution - with five of the grants focused on school leavers and five on continued education. The grants are limited to one per family and applicants are selected based on defined criteria.
EDUCATION ASSISTANCE PROGRAMME
Employees have access to funding for part-time tertiary education through our Education Assistance Programme where RBCT pays for tuition and employees are only required to pay back for subjects that they do not pass. This is done in order to encourage employees to improve their knowledge and skills related to their field of work and prepare themselves for the next step in their careers.

APPRENTICESHIPS AND TRAINEESHIPS
At RBCT we have an apprenticeship system registered with the TETA; apprentices are registered with the MERSETA via a Memorandum of Agreement (MOU) between the SETA’s. During 2009, 24 apprentices were trained and 2 Trainee Electronic Technicians. In addition, 2 disabled learners on a Business Administration Learnership with Athena (service provider) were accommodated for experiential training at RBCT.

In partnership with Bateman, as part of the Phase V Project, 7 Mechanical Trainee Technicians were given an opportunity to complete the National Diploma Mechanical Engineering S4 over the period 2008 to 2009.

TRAINING ACCREDITATION
In addition to being accredited with the MERSETA for onsite training of Millwrights and Boilermaker Apprentices, RBCT is also a fully accredited training provider with the TETA for Operations Training courses that include the Ship loader, Bulldozer, Tippler, Stacker Reclaimer and Shunting courses. All trainees who undergo this training can have their credits registered on the National Learner Record Database. We are currently busy registering training programmes for Loco Drivers. The Training Team is also involved in the development and updating of unit standards where required.

We are also currently working towards the registration of a certificate in coal handling (plant operation and supervision) and we aim to register two skills programmes during 2011 that will culminate in this certificate, once registered, being recognised as a national qualification.

DIVERSITY
RBCT believes that it is through the implementation of employment equity that we achieve diversity in the workplace. We continuously monitor both elements, to ensure that significant progress is made on both qualitative and quantitative aspects of diversity. To this end, RBCT promotes awareness of diversity through:

• Ongoing training programme on diversity management aimed at actively promoting understanding and the benefits of diversity in the workplace.
• Ongoing internal communication, to raise awareness on diversity issues

Coal to the world, growth to the nation
MISSION DIRECTED WORK TEAMS (MDWT)

In 2009, the company embarked on a project to revitalise the teams’ process, the focus of the project was to enhance organisational culture and improve productivity through teamwork.

With this project the company managed:

• Implementation of teams at all levels, from shop-floor to senior management within the organization, thus promoting effective employee engagement
• Creation of a continuous improvement culture.
• Instilling a culture of problem solving and innovation.

CLIMATE SURVEY

RBCT measures the effectiveness of its Human Resources programmes through participating in external climate surveys, such as the Deloitte’s Best Company to Work For survey, which is conducted every two years and is aimed at identifying areas of strengths and weaknesses of any company culture. In 2009 RBCT did not participate in the survey but will be participating in 2010 to benchmark progress.

LABOUR RELATIONS

RBCT takes pride in its relationship with the current trade union as one of its key stakeholders. During the year, 49% of employees were represented by SATAWU.
PREFERENTIAL PROCUREMENT

The objective of Preferential Procurement under the DTI’s Codes of Good Practice includes the promotion of BEE compliance by all entities and targets for procurement from black owned and women owned enterprises. With RBCT’s enhanced recognition given for preferential procurement from value adding suppliers and enterprise development beneficiaries, the procurement of locally produced goods and services is actively supported to assist in developing sustainable income streams for these developing enterprises.

Systematic and deliberate actions resulted in performance, in terms of RBCT BBBEE spend, increasing from 68.85% in 2008 to 74.24% during 2009. Strategic planning required for the maintaining and improving of this performance, during 2010 and beyond, includes the rationalization of the vendors list. BBBEE credentials have become a pre-requisite for inclusion onto the RBCT vendor’s database. Performance measures for this year dictate a 90% accreditation rate in terms of all our service providers.

COST OPTIMIZATION 2010

Following a challenging financial year, our primary focus remains the life extension strategy of RBCT, ensuring reliable plant and machinery. This however needs to be done within the boundaries of world class cost control and containment structures. The Materials Management department will be focusing on the following areas:

• Investigation of all sole supply scenarios and the enforcing of the principle of competitive bidding.
• The facilitation of the renewal of all scope of work documentation to ensure accuracy of RBCT requirements and the elimination of inefficiencies.
• Questioning of all procurements requests that seem less critical or lavish.
• Revisit and scrutinize all business cases relating to the RBCT service contracts and outsource agreements. This needs to be done both from a financial and productivity point of view.
• Ensure continuation of the stock optimization exercise by revisiting safety stock and re-order levels and also the identification and elimination of dead and/or obsolete stock.
• Ensure sound business and commercial systems are in place and the enforcement of such systems to optimize RBCT spends and eliminate wastage and risk.

Coal to the world, growth to the nation
UPLIFTING OUR COMMUNITIES

We take our slogan: “Coal to the world, growth to the nation” very seriously and are committed to making a difference in the lives of people around us. It is RBCT’s profound belief that business success is inextricably bound with responsible business conduct, through careful consideration of the impact of our actions not only on the bottom line, but also on the surrounding communities within which we operate. For the communities surrounding us, our aim is for sustainable growth, which requires that we take an active interest in their development and well-being.

During the year, a total of R3 372 729 was directed towards funding a variety of sustainable community projects within uMhlathuze Municipality.

The main projects were as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>Funds donated</th>
<th>What the project entails</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual standard donations</td>
<td>R925 000</td>
<td>19 charity organisations received funding to further the work done in communities. Some of these are Umfolozi College, Business Against Crime, WESSA, SANCA, SPCA, Sea Rescue, Zululand Hospice and many others.</td>
</tr>
<tr>
<td>Ntobeni Primary School (phase 8)</td>
<td>R430 920</td>
<td>Final phase of a project that started in 2001. The school is now complete and will be handed to the Department of Education during 2010.</td>
</tr>
<tr>
<td>Homestead Gardens: One Home One Garden campaign</td>
<td>R300 000</td>
<td>65 families in Port Durnford area were trained and assisted with seeds and tools to start their own home food gardens to alleviate hunger and poverty. The project is being monitored and will continue in 2010.</td>
</tr>
<tr>
<td>Swano School and Assessment Centre Trust</td>
<td>R1 050 000</td>
<td>Funding towards the purchase of an existing property to be used as a school. With just over 50 learners, the school caters for children with learning disabilities.</td>
</tr>
</tbody>
</table>
OTHER PROJECTS FUNDED

INKANYEZI ACADEMY PROJECT
RBCT initiated and funded the grade 11 tutoring programme at Khula Secondary School. Dedicated RBCT employees volunteer their Saturday mornings to lend a helping hand to learners in the areas of mathematics, physical science and accounting. This project also affords learners an opportunity to interact with tutors who are able to provide career guidance. The project will continue in 2010.

TREES FOR LIFE
Since 2005, RBCT has donated R619 000 towards assisting Treepreneurs in the Dube/Esikhawini areas. These young Treepreneurs are provided with basic training in the propagation of indigenous trees and these trees are then nurtured until they are big enough to be sold. Wildlands Conservation Trust buys the trees back from the learners and sells them for various greening projects in the province.

To further support the learner’s efforts, RBCT purchased 250 trees which were handed out to employees to plant at their homes.

AMANGWE VILLAGE
Amangwe Village is a place that has become a source of strength to the surrounding communities because of the services provided and sponsored by the local Corporates. RBCT is involved with supporting Amangwe’s Home Based Care project and the Amangwe crèche. R330 000 was donated towards both projects to enable the continuation of these much needed services offered by Amangwe Village to the communities.
ENERGY EFFICIENCY

The target for each category is a 9% improvement on the 2000 base year. 2009 results were as follows:

- Electricity - 2.61%
- Diesel - 1.37%
- Petrol - 25.72%

Improvement on 2000 (base year)

The RBCT Electricity consumption Index [kWh per ton handled] deteriorated from 0.789 in 2008 to 0.790 in 2009, against a target of 0.721

This deterioration will be corrected through various Energy Saving Projects in 2010, including, but not limited to:

- Automatic switching out of unused running plant (i.e. conveyors running empty, excessive motors running).
- Introducing energy efficient air-conditioners.
- Linking air conditioners to occupancy sensors.
- A company wide publicity drive to educate all employees on saving energy.
- Addressing high diesel consumption by the locomotives.

PHASE V EXPANSION PROJECT

At the time of publishing the report, the Phase V Expansion Project had been commissioned on 1 May 2010 after delays which were mainly due to the inherent instability of the Simatic IT portion of the new TCS, which was removed and replaced with the old TCS. In spite of these delays the project cost is within 4% of the budgeted amount of R1.2 billion and will be in full compliance with quality requirements, with the development of the old TCS system to incorporate the Phase V new equipment.

The project is in the process of being closed out and the final BEE content is 31% which is a major achievement, especially in light of a large portion of the technology being imported from overseas. Over R160 million has been spent in the Richards Bay area in addition to more than R90 million in the rest of KwaZulu-Natal. During 2008, the project peaked at 980 people with over 700 persons being sourced from the local area. Currently the number of people has reduced to 120 and will soon be totally demobilised.
ENGAGING STAKEHOLDERS

RBCT understands the value of good stakeholder relationships and the potential costs of falling short of stakeholder expectations. In a very real sense, sound stakeholder engagements and relationships are the foundation of our license to operate.

OUR STAKEHOLDERS ARE CATEGORISED AS FOLLOWS:

Sustainable community development continued to form the cornerstone of our community engagement.

The 25th annual charity relay run, hosted during the month of July 2009 continues to attract a wide range of spectators and participants from shareholders, buyers, communities, employees and other local businesses. All proceeds, in excess of R100 000, were donated to pre-nominated organisations.

Coal to the world, growth to the nation
REPORTING TO STAKEHOLDERS

The annual sustainability report is one of the ways in which RBCT provides a meaningful and accurate account of its sustainability performance, so that key stakeholders are informed on the company’s sustainability efforts each year.

Other engagement processes undertaken during the year to provide feedback to stakeholders are:

- Board meetings.
- Annual contractors information session.
- Monthly Imbizo.
- Community meetings.
- Community project visits.
- Shareholder visits.
- Presentations at strategic industry conferences by the CEO.
- RBCT website.
- Media.
- Strategic meetings with key stakeholders.

OUR STAKEHOLDER ENGAGEMENT PRIORITIES IN 2010

- Great relationship with our Union.
- Great relationship and service delivery to our clients (users).
- Great relationship with OPCO, Board and Shareholders.
- Great relationship with business partners – Transnet, SABS.
- Great relationship with our communities.
- Great relationship with Government at all levels.
GLOBAL REPORTING INDEX (GRI)

A review of RBCT’s status against each of the GRI’s reporting criteria is provided in the table below:

<table>
<thead>
<tr>
<th>Item</th>
<th>GRI Element</th>
<th>Reference in RBCT Sustainability Report 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RBCT Vision and Strategy</td>
<td>This is addressed in the Company Profile on page 2</td>
</tr>
<tr>
<td>2</td>
<td>RBCT Company Profile</td>
<td>This is addressed on page 2</td>
</tr>
<tr>
<td>3</td>
<td>Governance and Management Systems</td>
<td>Refer to pages 3 and 4</td>
</tr>
<tr>
<td>3.1</td>
<td>Structure and governance</td>
<td>Depicted on pages 3-5 - RBCT’s Shareholder Structure</td>
</tr>
<tr>
<td>3.2</td>
<td>Stakeholder Engagement</td>
<td>This is addressed on page 34 and 35</td>
</tr>
<tr>
<td>3.3</td>
<td>Overarching Policies and Management Systems</td>
<td>A description of RBCT’s approach to stakeholder engagement</td>
</tr>
<tr>
<td>4</td>
<td>Performance Indicators</td>
<td>RBCT has a number of policies in place</td>
</tr>
<tr>
<td>4.1</td>
<td>Integrated Indicators</td>
<td>RBCT participates in a number of benchmarking initiatives to monitor and review performance.</td>
</tr>
<tr>
<td>4.2</td>
<td>Economic Performance Indicators</td>
<td>RBCT has a competitive bidding policy which gives due consideration for BEE preferential procurement. All suppliers are provided with comprehensive SHE documents whereby they commit to all governance structures and the disposal of hazardous material in an environmentally friendly manner prior to commencement of work at RBCT</td>
</tr>
<tr>
<td>4.3</td>
<td>Environmental Performance Indicators</td>
<td>This is addressed on pages 11-13</td>
</tr>
<tr>
<td>4.4</td>
<td>Social Performance Indicators</td>
<td>Performance programmes have been outlined on pages 29 and 30</td>
</tr>
<tr>
<td>4.4.1</td>
<td>Employment</td>
<td>Employment retention strategies (employer of choice, culture, climate, leadership, etc.) and are monitored on an ongoing basis. Breakdown of workforce can be reviewed on page 17 Average labour turnover is addressed on page 18 Employee benefits have been outlined on pages 17-25</td>
</tr>
<tr>
<td>4.4.2</td>
<td>Labour/management relations</td>
<td>This is addressed on page 25</td>
</tr>
<tr>
<td>5</td>
<td>Health and Safety</td>
<td>This has been addressed on pages 11-13</td>
</tr>
<tr>
<td>6</td>
<td>Training and Education</td>
<td>Internal communication, training and development have been reviewed on pages 18-21</td>
</tr>
<tr>
<td>Item</td>
<td>GRI Element</td>
<td>Reference in RBCT Sustainability Report 2009</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>7</td>
<td>Strategy and Management</td>
<td>RBCT has a human rights and code of ethics policy in place. Sexual harassment training is undertaken at RBCT. Female representation at the employment equity consultative forum to address female issues. Industrial relations policies in place used as a guideline for addressing any transgression regarding human rights.</td>
</tr>
<tr>
<td>8</td>
<td>Non-discrimination</td>
<td>RBCT has policies in place to handle any discrimination in the workplace. Climate surveys are conducted on a regular basis to monitor and address this</td>
</tr>
<tr>
<td>9</td>
<td>Freedom of Association and Collective Bargaining</td>
<td>RBCT does not belong to Collective Bargaining unit and addresses all issues in the company through our comprehensive IR policies.</td>
</tr>
<tr>
<td>10</td>
<td>Community</td>
<td>This is addressed on page 29</td>
</tr>
<tr>
<td>11</td>
<td>Bribery and Corruption</td>
<td>RBCT has a policy of zero tolerance on bribery and corruption as outlined on page 14</td>
</tr>
<tr>
<td>12</td>
<td>Political Contributions</td>
<td>RBCT is an A-Political company and does not subscribe to the funding or contribution to political parties. Donations and grants are distributed to the community as per the guidelines of the SCD policy</td>
</tr>
<tr>
<td>13</td>
<td>Competition and Pricing</td>
<td>RBCT has a competitive bidding policy for all tenders and quotes. Consideration is given to the following aspects: pricing, quality and availability. Confidentiality of tenders is maintained at all times.</td>
</tr>
<tr>
<td>14</td>
<td>Respect for Privacy</td>
<td>Confidentiality of tenders and quotes is maintained at all times. There have been no breaches of consumer privacy at RBCT.</td>
</tr>
</tbody>
</table>
To share your views or comments, contact:

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