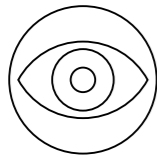






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At a Glance

In 2015 RBM achieved its best ever safety record, and celebrated 26 female employees who reached a decade of service in core operations.

2 060

Employees



26 female employees celebrate

10 Years

of service for the first time

Relaunch of the Leadership Development Programme

3 YEAR

Wage Agreement

1 242 810 tonnes

beneficiated product produced



Visit by the Portfolio Committee on Mineral Resources, as recommended by the Department Of Mineral Resources, to benchmark mine closure processes, especially our work in rehabilitation



Certificates Of Merit in Enviropedia's Eco-Logic Awards in two categories: Eco-Warrior Award and the Biodiversity Award



6%

improvement in **Energy Intensity**

6%

reduction in **CO₂** per tonne of product produced



Two

ZAR2m

deals with local suppliers



Implementation of signed Community Memorandums of Understanding

Completion of the Zulti South Socio-Economic Study



Agreements with all households to be resettled



Best safety year in the history of operations

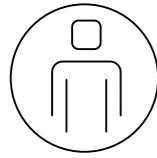
1m

Injury-free hours, three times in a year

Record

AIFR 0.24





About Us

The economic downturn has impacted us all. 2015 was a very challenging year, driven mainly by sluggish market demand for our products. I have been really pleased to see how our employees have responded to this challenge. We are stronger together in dealing with the challenges facing our industry.

MD's Statement

As a company striving to be world class, with a sustainable approach to business, the safety of our workforce is a core value. We have had another fatality-free year, for a second year in a row, as a result of the safety interventions that we have implemented over the years. In particular this year the Zero Harm workshops, which included employees and contractors, made a tangible difference. In a unique move to show our commitment and to build a bottom-up approach workshops are facilitated by leaders in the business as well as leaders within our main trade union.

We have delivered improved safety performance once again this year. We will continue to focus on fatality prevention through the roll out of Critical Risk Management (CRM) process. The CRM process is built on employee engagement and empowerment, as it empowers employees to stop work when a critical control is not in place.

Down to bread and butter issues – the economic downturn has impacted us all. 2015 was a very challenging year, driven mainly by sluggish market demand for our products. I have been really pleased to see how our employees have responded to this challenge, by ensuring that we control our costs better and focus on improving efficiencies and eliminating waste. This response demonstrates what we can do if we work as a team. We are stronger together in dealing with the challenges facing our industry. This has also

shown that as a business, RBM is resilient and we have now laid a foundation to withstand whatever head winds come our way.

We have made a significant investment to meet the emissions targets set for 2020 and we are well on track. Our Energy Leadership Programme (ELP) has played a role in emissions reduction by delivering a reduction of over 30,000Mwh of electricity, approximately 30,500 tonnes of CO₂ equivalence. These are the things that we need to do if we truly want to be a world class organisation.

2015 has brought drought conditions to KwaZulu-Natal and this has put great pressure on our water reserves. I am very proud of the way staff met this challenge head-on and implemented water-saving strategies resulting in reduced water usage per tonne.

Our Business Development Centre is fully operational and making great strides in supporting and creating entrepreneurs who can support our business into the future. Our local spend is showing a steady increase, supporting our vision of making a difference in our world by creating a brighter future and that future includes our communities.

Through the launch of Ubunye – a joint venture between host communities and our long standing supplier Unitrans, local host community entrepreneurs are now providing services in core mining activities, such as haulage of our material from the mine. Another local enterprise development initiative, Albion, is providing services in dry mining. All these efforts will help

Despite the challenges our industry faces, I feel optimistic about our ability to make a difference in our world by creating a brighter future, as we head towards a milestone 40 years in business.

us achieve our target of 30% of local community spend by 2017.

We have invested just under R60 million in infrastructure with the development of Mpembeni (D887) and Maphelane Roads (P232) and have seen success in our collaboration with local government in the building of two Thusong Centres, which bring key services to the people of our host communities.

In 2015 development of the Zulti South project was centred on securing necessary permits for execution in 2017, as well as increasing Zulti South visibility. We will continue in 2016 with progressing the key permits required and also start the relocation and resettlement programme with building the first five houses and finalising compensation agreements.

Our priorities for 2016 include continuing with the sustainable safety improvement journey, with fatality elimination through CRM as a top priority. We are also excited about Project 2020 which will support the reduction on our unit cost per tonne, helping us to be an even more resilient business, effectively responding to the cyclical nature of our industry.

We have developed and successfully rolled out a formal community engagement agreement – the first agreement in the history of the business. In 2016 we will continue with the implementation of the community strategy and sign further agreements and protocols to ensure a mutually beneficial relationship.



Mpho L Mothoa
Managing Director

“Our commitment is beyond mining. We would like to leave this area better than the way we found it. We believe that if we are to make a meaningful contribution to the lives of families living in our host communities then joint partnerships with government are critical.”

Mpho Mothoa, *Managing Director*, Richards Bay Minerals.

Responsible Beyond Mining

Our team strives to conduct our business with both passion and compassion in order to achieve our vision of ‘making a difference in our world by creating a brighter future’ and our uncompromising mission to be ‘the safest, most reliable and sustainable industrial minerals supplier’.

By respecting and applying our values of trust, caring, honesty, courage, respect and fairness, we continue to maintain a careful balance between all stakeholder interests.

Our mission, vision and leadership values, while underscoring principles needed for operational sustainability, are biased toward compassion and care for our people, host communities and the natural environment within which we operate.

There are a number of complex global and local challenges, including a global economic downturn, water scarcity, energy supply, climate change, community employment and local economic development. Responding to these provides opportunities for us to create a robust and sustainable approach to development.

Our business strategy is developed around six pillars.



CARE
A Safe And Caring Workplace



PEOPLE
Empowered and Engaged Employees



MANAGING THE BUSINESS FOR CASH
Maximising Value



OPERATING DISCIPLINE
Completing Every Task the Right Way, First Time

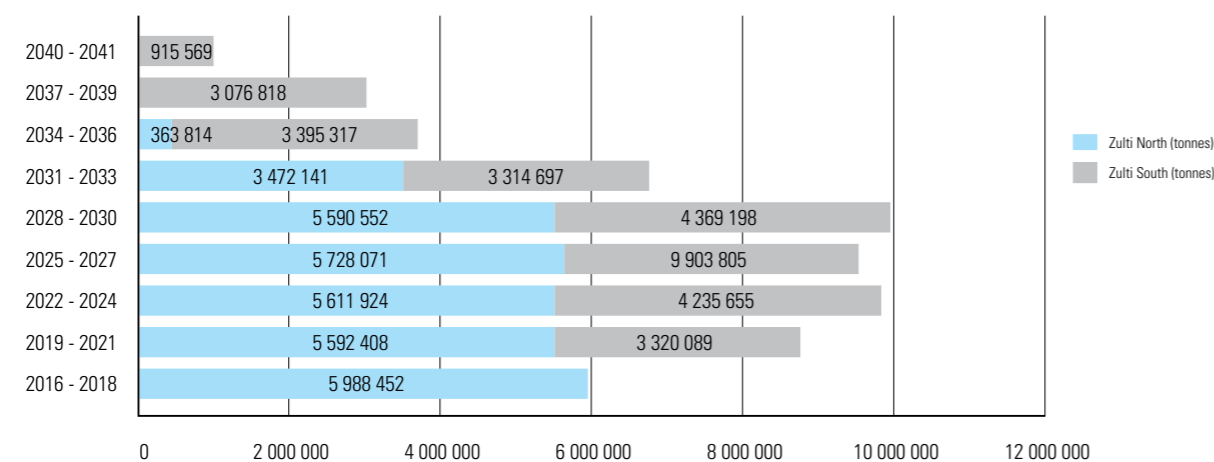


SUSTAINING PARTNERSHIPS WITH OUR COMMUNITIES
Mutually Beneficial Partnerships Creating More Value



GROWTH AND INNOVATION
Striving Towards a High Performing Organisation

ESTIMATED HEAVY MINERAL CONCENTRATES RESERVES (tonnes) 2016-2041



A Culture of Zero Harm

We set a new record for safety performance in 2015, achieving one million injury-free hours three times in the year and an All Injury Frequency Rate (AIFR) of 0.24. This achievement demonstrated RBM is one of RioTinto’s best performers for safe operations.

Our continued improvement in safety year on year is a result of building a culture where safety is a personal matter. In addition to the introduction of our 12 Safety Commitments, a lot of energy has gone into developing our own, customised Zero Harm Culture Change Programme. The programme aims to engage every employee and contractor in a participatory process to ensure the co-creation of a shared belief in zero harm.

Zero harm culture is underpinned by the use of common safety language both in the way we speak and in the visual cues we use.

By building a culture where we own safety, solve problems at the right level and position our leaders as safety ambassadors, critical zero harm knowledge and behaviour is continuously cascaded across the business. Zero harm has become a part of the way we work at RBM.

Organisational Profile

Richards Bay Minerals (RBM) is South Africa’s largest mineral sands producer and beneficiation company and a world leader in heavy mineral sands extraction and refining.

Heading towards our 40th year of operation, Richards Bay Minerals was formed in 1976. Operations began in 1977, mining and beneficiating the mineral-rich sands of the KwaMbonambi area (Tisand mineral lease) with one dredge mining plant and two furnaces producing approximately 400,000 tonnes of titania slag per year.

In 1985 the company acquired the mining rights to additional ore reserves situated both north and south of the original deposit with mining of the Zulti North deposit in the KwaSokhulu area (Zulti North mineral lease) commencing in 1987.

Expansion plans for mining of the Zulti South deposit in the KwaDube and KwaMkhwanazi areas (Zulti South mineral lease) are underway.

The largest major investment in capacity took place during early 1992, increasing RBM’s titania slag capacity to one million tonnes per year and pig iron production to 555,000 tonnes per year.

In 2012, the Department of Mineral Resources confirmed new order mining rights until 2041. RBM currently has the capacity to produce approximately two million tonnes of combined output annually, including approximately 100,000 tonnes per year of rutile and 250,000 tonnes per year of zircon.

Location

We are situated north of Richards Bay in Zululand, within the uThungulu District Municipality in the north-eastern region of the province of KwaZulu-Natal, South Africa.

The district comprises six local municipalities, namely uMhlathuze, Mbonambi, Mthonjaneni, Nkandla, Ntambanana and Umlalazi.

RBM’s lease areas fall within the local Mbonambi and uMhlathuze municipalities. This includes, as the host communities, the Traditional Councils of Mbonambi, Sokhulu, Mkhwanazi and Dube.

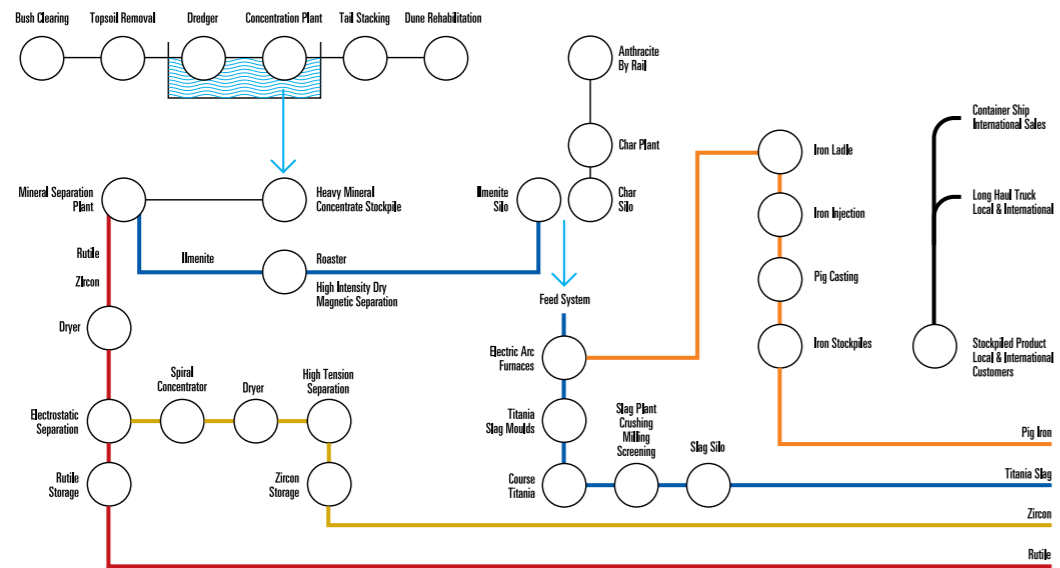
Products

RBM uses a system of ponds and floating dredges to mine the ore body, where heavy valuable minerals such as ilmenite, zircon and rutile are recovered from the sand. The heavy mineral concentrate is then transported to the Mineral Separation Plant (MSP).

Upon arrival at the MSP, located at the smelter site, the heavy mineral concentrate is re-slurried and pumped into the feed preparation circuit. The non-magnetic materials, including zircon and rutile, are concentrated for further processing in the dry mill. Roasting, smelting and slag and iron processes are used to extract the final products.

- 1 Titania Slag
- 2 Zircon
- 3 Rutile
- 4 Pig Iron





Titanium slag, which comes from ilmenite, contains 85 per cent titanium dioxide and is our primary product, while rutile contains 94 per cent titanium dioxide.

The largest application of titanium dioxide is as a white pigment representing between 95 and 98 per cent of worldwide TiO₂ consumption. The remaining uses are as a flux for electric welding rods and in certain metallurgical and electronic applications.

Titanium dioxide is benefited by end-users to provide brilliance and opacity to products such as paints, plastics or paper. It imparts a luminescence to glossy white electronic products such as ultra-modern phones and tablets and kitchen appliances by reflecting and scattering light in the visible spectrum like thousands of tiny mirrors.

Being non-toxic and biologically passive, it is even used in sweets, cosmetics, toothpaste and in sunscreens to absorb ultraviolet rays from the sun. It impedes the weathering and fading action of the sun on products such as paints and plastics.

Manufacturers mainly use rutile in welding rod fluxes as it stabilises the arc and protects the molten metal from oxidation - forming a superior welding joint. In its titanium metal form, it is used extensively in the aerospace and aviation industries because of its lightness, strength and corrosion – and heat-resistance. These properties also make it ideal for use in artificial hip joints, pacemakers and spectacle frames.

Our high purity pig iron, a bi-product of the smelting operation, is used as a raw material in foundries for the production of ductile iron castings. Ductile iron is used extensively throughout the world for the production of safety critical automotive parts, such as brake callipers and steering knuckles in cars and trucks.

Zircon is used in the production of ceramic tiles and sanitary ware. Refined to zirconia, it is used in a wide range of advanced ceramics, refractories, jewellery, electronic applications and many other industrial and domestic products. Zircon sand is also used in the foundry industry.

Product Responsibility

Material Safety Data Sheets (MSDS) for our products are attached to all shipments, providing the following information:

- Content
- Safe use of the product; and
- Safe disposal of the product

Markets

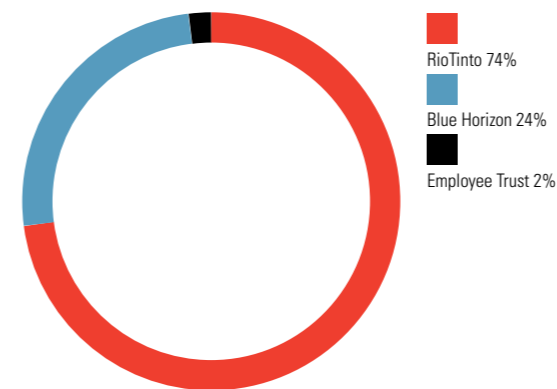
Ninety five per cent of our product is exported, yielding a world market share of about 25 per cent of titanium dioxide feedstock (titanium slag and rutile), 33 per cent of the world's zircon output and 25 per cent of the world's high purity pig iron.

At any one time, no fewer than 20 large ocean-going vessels are either at anchorage or at sea, transporting our products destined for customer markets across the globe.

Ownership

RBM is the trading name for two registered companies:

- Richards Bay Mining Proprietary Limited, which undertakes the mining and minerals separation; and
- Richards Bay Titanium Proprietary Limited, which is responsible for the smelting and beneficiation process



Rio Tinto holds a 74 per cent stake in RBM and manages the operations. Blue Horizon, a B-BBEE consortium consisting of lead investors and the four host communities, owns a 24 per cent stake, while the remaining two per cent of the shares are held in an employee trust.

Operations

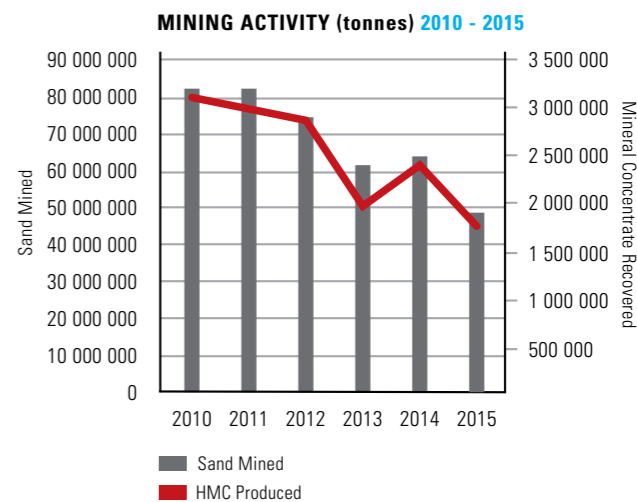
With four mining ponds and two furnaces, RBM currently has the capacity to produce approximately two million tonnes of combined output annually, including approximately 100,000 tonnes per year of rutile and 250,000 tonnes per year of zircon.

We celebrated another fatality-free year in 2015, with record-breaking achievements in safety statistics.

2015 has been a challenging year driven mainly by sluggish market demand for our products. Continuous improvements in efficiency have helped us to survive the global economic downturn. We have now also successfully converted our business from a production-driven one to a demand-driven business. We only produce what customers require. Just-in-time production has helped to reduce our cost-base.

By utilising our final product stockpiles to supply our customers, we have reduced overall inventory and working capital tied up in that inventory. Operating processing plants and operating procedures have been modified so that we can safely and efficiently stop and start operations depending on how demand varies.

Efficiency improvements in the MSP and in the roaster have improved our recovery of ilmenite, which has assisted in closing any short-term gaps in supply.



Operating within severe drought conditions, we have made significant improvement in water usage across all our plants, with mitigation plans that ensure we reduce water used for every tonne we make.

Savings in energy use and reduction in carbon emissions mean that we are well on track to achieve 2020 emissions targets.

We have seen a slight reduction in employees from 2,095 in 2014, to 2,060 in 2015.

LEVEL	Female				Total Female	Male				Total Male	Grand Total
	African	Coloured	Indian	White		African	Coloured	Indian	White		
Top Management	1				1	3		1	3	7	8
Senior Management	3		4	4	11	9	1	7	12	29	40
Professional Qualified & Experienced Specialists & Mid Management	11	1	4	5	21	30		16	50	96	117
Specialist Technical, Qualified Workers, Junior Management, Supervisor, Foremen, Superintendent	78	6	20	24	128	395	19	95	168	677	805
Semi-Skilled & Discretionary Making	99	3	14	18	134	879	6	20	14	919	1 053
Temporary Employees	29				29	3			5	8	37
Grand Total	221	10	42	51	324	1 319	26	139	252	1 736	2 060

Perhaps one of our proudest achievements in 2015 was celebrating ten years of service for our first female employees in core operations. For more on this, please see page 42.

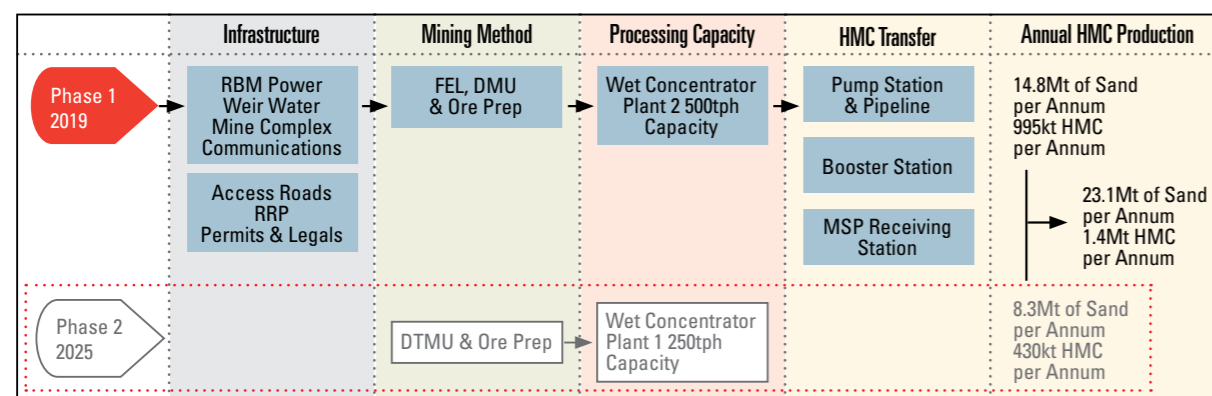
The majority of our workforce remains between the ages of 30 and 50.

Age	Total
Over 50 Years	543
30 - 50 Years	1 258
Under 30 Years	259
Grand Total	2 060

Union	Total	Percentage
NUM Union	1 001	49.59%
UASA	460	22.33%
Non-Union	599	29.08%
Grand Total	2 060	70.92%

NUM represents the largest percentage of our unionised employees. The number of unions active in our business has decreased, without a recognition agreement with Solidarity and the disbandment of RBEU. Most of RBEU members and leaders joined UASA.

The Zulti South project, an expansion of our current reserves, is on track with slight delays due to some critical permits outstanding. The project plan is outlined below:



..... Out of Scope

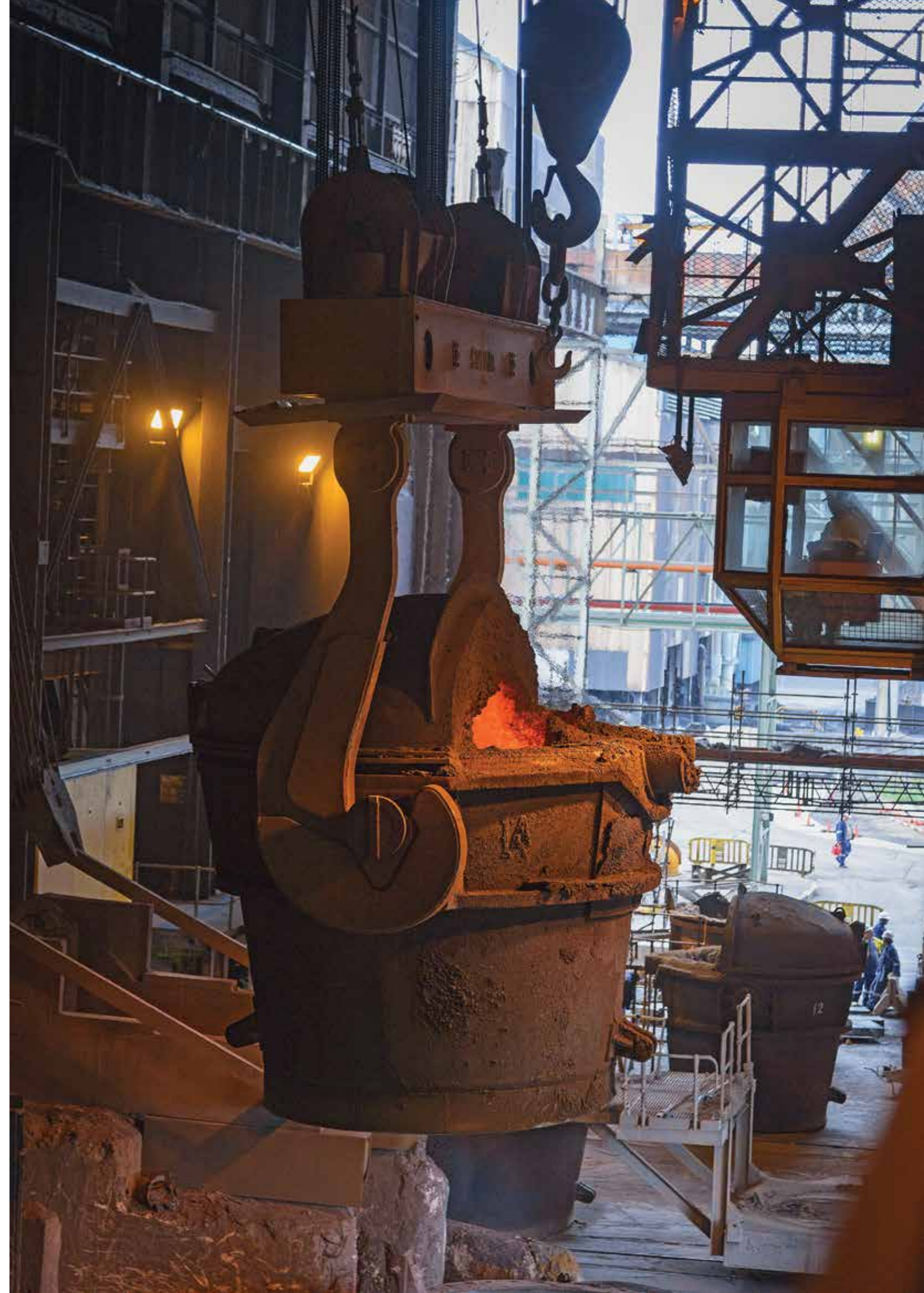
In all that we do, we are guided by:

- International Council on Mining and Metals (ICMM) principles;
- ISO 14000, ISO 9001 and OHSAS 18001;
- Rio Tinto's Business Standards:
 - ◊ The way we work
 - ◊ Business integrity (anti-corruption) standard
 - ◊ Business integrity (anti-trust) standard

- ◊ Business integrity (conflicts of interest) standard
- ◊ Anti-bribery due diligence standard
- ◊ Fraud Standard
- The Mining Charter
- The United Nation's Precautionary Principle of the Rio Declaration on Environment and Development, 1992; and
- The United Nation's Sustainable Development Goals (SDGs)

The ICMM principles:

Principle		Our contribution See page
1	Implement and maintain ethical business practices and sound systems of corporate governance.	13 - 15
2	Integrate sustainable development considerations within the corporate decision-making process.	17
3	Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.	46
4	Implement risk management strategies based on valid data and sound science.	41
5	Seek continual improvement of our health and safety performance.	38 - 42
6	Seek continual improvement of our environmental performance.	27 - 35
7	Contribute to conservation of biodiversity and integrated approaches to land use planning.	34 - 35
8	Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products.	8
9	Contribute to the social, economic and institutional development of the communities in which we operate.	20 - 25, 36 - 38, 46
10	Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.	18 - 19



The Sustainable Development Goals (SDG):

As a subsidiary of a global mining company, located within rural communities, with low investment by government – we recognise our unique ability to form partnerships to impact on the SDG's at some scale. With a sustainable approach to development, we are able to create jobs, spur innovation and bring investment and infrastructure to the area.

Goal	Our Contribution
1	End Poverty Jobs Enterprise development Supplier development Relocation programme
2	Zero Hunger Agricultural development community programmes Rehabilitation of land including growing commercial crops
3	Good Health and Well-being Occupational health & safety Community clinics, including specialised Prevention of Mother to Child Transmission clinic (PMCT)
4	Quality Education Technical training Apprenticeships Learnerships High school maths and science programme Bursaries Internships Graduate development programme
5	Gender Equality Equal pay and opportunities
6	Clean Water and Sanitation Shared use Prevention of contamination Water recycling
7	Affordable and Clean Energy Efficiency Shared use
8	Decent Work and Economic Growth Decent working conditions Mine expansion Enterprise and supplier development
9	Industry, Innovation and Infrastructure Development of roads Shared use Innovation in mining, rehabilitation, reuse, recycling methods
10	Reduced Inequalities Community trusts Participatory planning Social engagement
11	Sustainable Cities and Communities Positive land impact Reduced emissions Reduced water consumption Local economic development
12	Responsible Consumption and Production Materials stewardship Minimising waste
13	Climate Action Reduced emissions
14	Life Below Water Zero water discharge
15	Life on Land Managing biodiversity Risk management and mitigation Positive land impact
16	Peace, Justice and Strong Institutions Transparent reporting Good governance Community complaints processes and resolution
17	Partnerships for the Goals Partnerships with local, regional and national government and civil society organisations

Broad-based Black Economic Empowerment (B-BBEE)

Richards Bay Minerals completed its B-BBEE verification in July and managed to improve its status to a level 5. There has been an enormous improvement in the Socio-economic Development score. Elements such as Preferential Procurement, Enterprise Development and Skills Development scores require improvement.

The company will be measured against the Amended B-BBEE Codes of Good Practice for the next verification.

Governance

RBM Board of Directors and Committee Members

Name and surname	Title and committee	RBM Employee
Stephan Leblanc	Chairperson	No
Gary Anthony O'Brien	Director	No
Dr Mark Davies	Director	No
Marion Lesego Dawn Marole	Director	No
Bongukuphiwa Mthethwa	Director	No
Johannes Bhekumuzi Magwaza	Director	No
Dr Emsley Manne Dipico	Director	No
Mpho Mothoa	MD – Board Audit Committee, Social & Ethics Committee, Audit Forum	Yes
Luke Colton	CFO - Board Audit Committee, Social & Ethics Committee, Audit Forum	Yes
Boitumelo Mothaba	Company Secretary - Board Audit Committee, Social & Ethics Committee, Audit Forum	Yes
Fundi Dlamini	GM CCR - Social & Ethics Committee, Audit Forum	Yes
Peter Eaglen	GM HSES - Board Audit Committee, Social & Ethics Committee, Audit Forum	Yes
Ronny Nzimande	GM HR - Board Audit Committee, Social & Ethics Committee, Audit Forum	Yes
Pamala Pereira	Manager: Financial Accounting – Board Audit Committee, Audit Forum	Yes
Muneera Adam	Manager: Management Accounting – Board Audit Committee, Audit Forum	Yes
Nerisha Naidoo	Compliance Specialist - Board Audit Committee, Social & Ethics Committee	Yes
Rey Moodley	Independent Auditor – Board Audit Committee, Audit Forum	No

Board and Committees Demographics

	Women				Men			
	Black	Indian	Coloured	White	Black	Indian	Coloured	White
Local	2	3			5	1		
International								5

RBM Senior Leadership Team



Mpho Mothoa
Managing Director



Luke Colton
Chief Financial Officer



Fundi Dlamini
General Manager
Communities and
Corporate Relations



Joey Kunji-Behari
General Manager
Smelting, Processing
and Logistics



Ronny Nzimande
General Manager
Human Resources



Jacques Venter
General Manager
Technical and
Asset Management



Dawid Erasmus
General Manager
Major Projects



Peter Eaglen
General Manager
Health, Safety, Environment
and Security



Thokwane Moses
General Manager
Mining

The Group Business Compliance Programme is well entrenched at RBM and the necessary structures are in place to maintain an effective integrity and compliance programme for the company.

The Legal and Administrative Services department provides updates and advice to relevant departments on changes to legislation. In specialised areas, use is made of external legal advisors and specialists to assist with compliance and implementation of new legislation.

We have a robust risk management programme, which is backed by the Rio Tinto Risk Management system. Our risk analysis and management follows a standard process to ensure consistency and quality.

Risk workshops are conducted for operational, strategy and compliance risk evaluations. Risk registers are maintained on RioRisk System and all class III and IV risks are reported to the Audit Committee and Audit Forum.

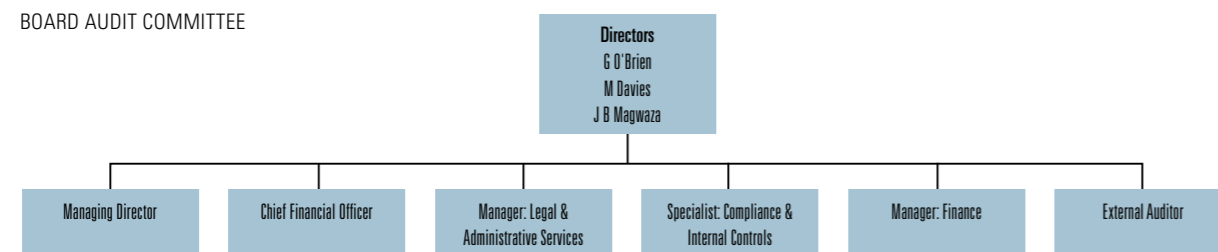
Committees

Board committees include the Board Audit Committee, the RBM Audit Forum and the Board Social and Ethics Committee.

Board Audit Committee

This committee oversees compliance and audit matters on behalf of the Board.

BOARD AUDIT COMMITTEE



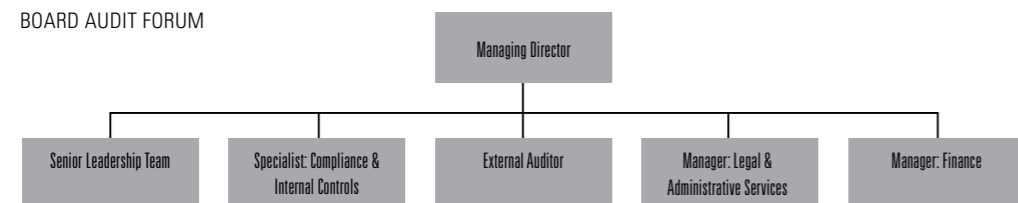
RBM Audit Forum

The objective of the RBM Audit Forum is to oversee the group business compliance programme. It has the following responsibilities and provides guidance with respect to:

- Integrity and compliance;
- Compliance risk management;
- Internal control environment; and
- Insurance risk management

The Audit Forum reports and makes recommendations to the Board Audit Committee (BAC) on significant matters.

BOARD AUDIT FORUM



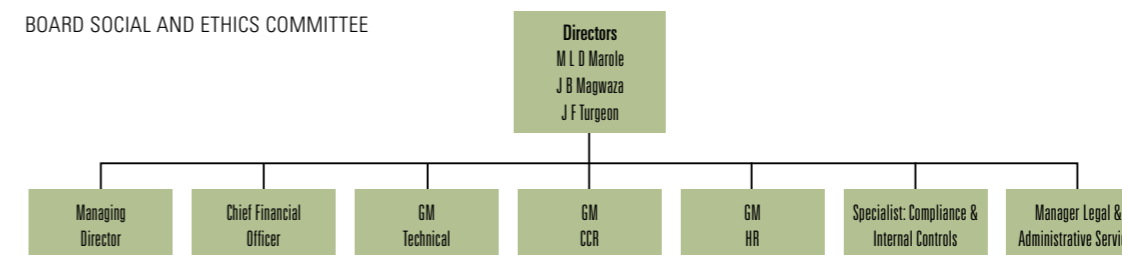
Board Social and Ethics Committee

This committee assists the Board in fulfilling its oversight responsibilities in respect of the company's social and economic development programme, good corporate citizenship, human

rights standards, anti-corruption measures, environmental, health and public safety, product stewardship and labour and employment practices.

The committee is established pursuant to the requirements of the Companies Act 71 of 2008.

BOARD SOCIAL AND ETHICS COMMITTEE



RBM uses Rio Tinto's confidential and independently operated whistleblowing programme called Speak-OUT. This offers an avenue where employees, contractors, suppliers and customers of Rio Tinto-managed sites can report concerns anonymously if they so choose. This can include any significant concerns about the business, or behaviour of individuals, including suspicion of violations of financial reporting, safety or

environmental procedures or business integrity issues generally. In 2015, 22 reports were made using Speak-OUT, all of which have been closed.

Speak-OUT reports are investigated internally and the General Manager: Human Resources reports the closeout to the Executive team and in summary to the Board Audit Committee and Audit Forum.



About This Report

This report covers the 2015 calendar year and is our fifth Global Reporting Initiative (GRI)-aligned report. This report is produced in accordance with the GRI G4 Core Option.

Sustainability Framework

Our mission, vision and leadership values, while underscoring principles needed for operational sustainability, are biased toward compassion and care for our people and the natural environments within which we operate



Towards a Culture of Zero Harm at RBM

RBM believes that safety and health are linked: an unhealthy or tired worker is an unsafe worker. Our vision is to create an injury and illness free workplace. Safety is about people. Numbers, policies, standards, programmes and targets are all important indicators achieved for our performance improvement, but it is only once all employees and contractors have the knowledge, competence and desire to work safely that we will achieve a true zero harm culture. We are determined to succeed in this. An important part of managing health is identifying and managing the major health risks with a view to minimising the occurrence of occupational illness and encouraging healthy lifestyles for our employees.



Sound Environmental Practices

The minerals we mine are biologically inactive and their extraction has little or no impact on forest regeneration. Since RBM's operations started, the mining of sand dunes has been followed by a rehabilitation programme. The dune forest at Richards Bay is a narrow, young forest that only occurs on coastal sand dunes and seldom extends further inland than 500 metres from the coastline. It is a rich and diverse melting pot of species and is of special value, not only for the conservation of species, but also for the economic value it provides to society.



Stakeholder Engagement

RBM appreciates that its actions affect all stakeholders around its operations. In 2015, RBM revised and relaunched its Communities Strategy, which is aimed at building mutually beneficial relationships and contributing to the long-term sustainability of local communities. Dedicated teams hold regular consultative meetings with stakeholders on a host of issues. The Relocation and Resettlement Process, related to the pending Zulti South expansion project, is a key focus area in our community engagement efforts.



Community Development

Since 1977 RBM has practiced a philosophy of partnership in its approach to development and has partnered with a number of government departments and non-governmental organisations to plan, fund and implement a variety of highly effective community development projects. Our spend on LED projects is significant in host communities, including small-scale farming, business development, construction and refurbishment of community roads, houses for destitute families, education and healthcare. As an example, in 2015, community HIV/AIDS and health programmes benefited 35 local primary schools and more than 20,000 community members. Awareness campaigns on road safety, water conservation, electricity safety and energy saving were also rolled out in local communities.

Material Aspects and Boundaries

Our reporting process begins with a materiality test. We are guided by the Global Reporting Initiative (GRI) guidance on materiality and completeness. While there are always standard items to report each year, as well as topics that are top of mind, the materiality test provides valuable time to reflect on which topics and indicators substantively influence the assessments

IMPACT ON THE BUSINESS	High	Air emissions Waste Employee retention	Health & safety Economic value Security Community relations Water Energy Carbon footprint Compliance Environmental grievances Materials stewardship Skills development
	Medium		Industrial relations Employment Equity Biodiversity
	Low		
	Low	Medium	High
	LEVEL OF IMPORTANCE TO STAKEHOLDERS		

and decisions of our stakeholders. These indicate the most significant economic, environmental and social impacts. Issues that are relevant to the mining industry and in South Africa in general, issues raised by internal and external stakeholders in various forums, as well as issues with current or future potential to impact the business are considered. Our materiality matrix plots the level of importance to stakeholders against the impact on the business.

Stakeholder Engagement

We view anyone who has an impact on, or can be impacted by our business, as a stakeholder, including:

- Shareholders
- Employees and unions
- Host communities
- Traditional Councils
- National, regional and local government
- Customers
- Community Trusts
- Service providers
- Special interest groups (e.g. Non-profit organisations, academic institutions)
- Business chambers
- Utilities, in particular Eskom and Transnet
- National, regional and local media

Our engagement channels vary across stakeholders, but include face-to-face meetings and interviews, community izimbizo, workshops, MD Townhall sessions, newsletters, conferences and site visits. We were pleased to host a number of high profile representatives from various stakeholder groups, including:

- The Portfolio Committee on Mineral Resources, as recommended by the Department of Mineral Resources
- Visit by the US Consul General
- Visit by the National Police Minister
- Inspector of Mines with his delegation from the Department of Mineral Resources

Engagement is multi-level and integrated, with overall responsibility lying with the Communities and Corporate Relations division.

Report Profile

We publish our Sustainable Development report annually on-line and also print a limited number of reports.

The report covers the two entities that make up RBM:

- Richards Bay Mining (Pty) Ltd, which undertakes the mining and minerals separation; and
- Richards Bay Titanium (Pty) Ltd, which is responsible for smelting and beneficiation processes

This report covers the 2015 calendar year and is our fifth Global Reporting Initiative (GRI)-aligned report, with the last report published in 2014. This report is produced in accordance with the GRI G4 Core Option.

The report is not externally assured, but rather internally reviewed.

There are no significant re-statements or changes in scope and boundaries.

For any comments or queries, please contact: communications@rbm.co.za

STAKEHOLDER ENGAGEMENT SCHEDULE

STAKEHOLDER GROUP	ENGAGEMENT OBJECTIVE	FREQUENCY
Traditional Council (TC) • Mkhwanazi • Dube • Mbonambi • Sokhulu	Promote partnership Information sharing Promote good relationships Social license to operate Zulti South engagement Relocation & resettlement agreements, land takes, compensation principles & rates	Once a month
Community Trust • Mkhwanazi • Dube • Mbonambi	Partnership Empowerment Relationship building	Monthly As necessary
Local Recruitment Committee • Mkhwanazi • Dube • Mbonambi • Dube	Promote skills & employability Promote partnership Information sharing Promote good relationships & social licence to operate	Monthly
Four Host Communities Forum for Employability	Promote skills & employability Promote partnership Information sharing Promote good relationships & social licence to operate	Monthly As necessary
Uthungulu District Municipality	Partnership Information sharing Social license to operate Service delivery	As necessary
Mhlathuze Municipality	Partnership on LED projects Zulti South project plans	Monthly Quarterly
Environmental Forums	Promote partnership Community information Control encroachment Land use management & future developments	Once a year
ZS Resettlement Advisory Committee	Consultative agreements	Quarterly
RRP Steering Committee	Consultative agreements	Monthly
Affected Committees Forum	Consultative agreements	Monthly As necessary
Mbonambi Heritage Task Team	Preservation of Cultural Heritage Resources	Monthly
Sokhulu Heritage Task Team	Preservation of Cultural Heritage Resources	Monthly
Amafa KZN	Engagements on heritage issues Compliance with legislation	Twice per year
DEARD	Engagements on environmental issues Compliance with legislation	As necessary
DAFF	Regulatory compliance & best practice	As necessary
DWA	Regulatory compliance & best practice	As necessary
Ingonyama Trust Board	Regulatory compliance & best practice	Regularly
Mthunzini Community Forum	Compliance & Social License to Operate	Regularly
KZN Wildlife	Partnership on environmental conservation and development projects	Regularly
Wildlands Conservation Trust	Partnership on environmental conservation and development projects	Regularly
RBM Departments namely • Engineering • SHEQ • Mine • HR • ZS Project	Alignment & collaboration with internal customers	Monthly
Dept of Health	Provision of infrastructure & health promotion Student Nurse practical training	As necessary
COGTA	Community relations	As necessary
DramAidE	Health promotion & HIV & TB prevention	Quarterly
Sports Associations	Health & wellness Promote good relationship	As necessary



Economic

RBM remains the single largest taxpayer in KwaZulu-Natal, having contributed over R8.5 billion over the past ten years – five per cent of the province's Gross Domestic Product (GDP).

Economic Performance

Our employees have risen to the challenges of operating within a tough economic climate, by ensuring that we control costs, focus on efficiency and eliminate waste. Ours is now a resilient, demand-driven, lean business, able to safely and quickly respond to our customers' needs.

RBM remains the single largest taxpayer in KwaZulu-Natal, having contributed over R8.5 billion over the past ten years – five per cent of the province's Gross Domestic Product (GDP).

For financial performance, please refer to our Annual Financial Statements for 2015.

Market Presence

Unemployment is a critical issue in our host communities. It is a business imperative to increase employability of members of our host communities, both for the benefit of community members and ourselves. Local business development and employment has a positive impact on lead-time, quality control, relationships with suppliers, transport costs, absenteeism, security and the stability of our operating environment.

Seventy two per cent of our workforce hail from KwaZulu-Natal, with 34 per cent from our host communities. They are employed in positions across the business including employees in professionally qualified, specialist, junior management, supervisory and semi-skilled positions.

Four local recruitment forums, one in each host community, work together with an RBM recruitment office to ensure RBM contractors'

first port of call for labour is from within host communities. Only once it is established that candidates with required skills do not exist within the host communities, are RBM contractors permitted to source labour from elsewhere.

We place strong emphasis on increasing the employability of members of our host communities through training and development and stimulation of small business development. The success of our Business Development Centre can be seen in our ability to increase procurement from businesses established in our host communities to just under 10 per cent of contestable spend. This has had a direct impact on employment, with the creation of over 180 jobs within local businesses.

Unemployment in host communities stands at over 60 per cent. RBM alone will not be able to address this high rate of unemployment. In 2015 we took a step further in supporting employment and established a database of unemployed youth in host communities. We are in the process of agreeing an Employment Framework, outlining how employment and small business development link with community skills development, bursary, learnership and apprenticeship programmes.

Progress is monitored by both our Human Resources and Communities and Corporate Relations departments and evaluated regularly by our Senior Leadership Team.

Indirect Economic Impacts

Sustaining partnerships with our host communities is one of the pillars of our business strategy. We aim to nurture mutually beneficial partnerships that create value for the business and our host communities.

Dynamic Timber, established in 2013 in the Sokhulu community, began supplying RBM with wooden chocks this year.



In our drive to deepen our understanding of our real socio-economic impact, we commissioned a baseline study, which was completed in 2015. While RBM has contributed to socio-economic development since mining began, these investments, in what was largely an undeveloped rural area, have only been measured since 1987.

Our investment, which is now over R100 million per year, is largely in the areas of education, health, agriculture and poverty alleviation, enabling the development of schools, houses, clinics and roads, among other infrastructure development.

In addition to our on-going community investments, in 2009, each of the four host communities received a R17.5 million endowment as part of one of KwaZulu-Natal's biggest B-BBEE transactions. This money, plus trickle dividends are managed via community Trusts. These Trusts are further entitled to a portion of the company's social investment spend, provided they receive a clean audit.

Over R10 million has been spent in developing capacity and supporting the functioning of these Trusts through an administrative office in Richards Bay CBD. A Fund Administrator - Ngubane and Co (a local accounting and auditing firm)

Infrastructure and business development

Project Name	Approved Budget 'R	Spend to Date 'R	Status
Sokhulu Clinic	4 200 000	4 984 285	Completed
Mbonambi Clinic	4 000 000	2 900 000	On Track
Tisand & Mkhayideni Technical High Schools	7 500 000	6 906 663	On Track
Subsistence to small-scale farming	3 300 000	10 588 142	On Track
Khayaletu Home for Care	1 000 000	1 000 000	Completed
Mpembeni Road (D887)	43 000 000	29 020 202	On Track
Maphelane Road (P232)	30 000 000	30 834 225	Behind Schedule
Zulti South water reticulation (uMhlathuze)	9 000 000	0	Behind Schedule
Zulti North water reticulation (uThungulu)	8 000 000	0	Behind Schedule
Housing for the destitute - 11 houses	25 000 000/4	17 570 507	On Track
Enterprise/Supplier Development Programme	7 500 000	8 937 490	Completed
Thusong Centres (ZN & ZS)	8 000 000	3 608 843	On Track

- Completed
- On Track
- Behind Schedule

Those Local Economic Development projects not yet complete will be continued in 2016 along with our new projects. A large portion of the forthcoming projects will reinforce the work already done in local communities to develop sustainable community enterprises.

We have been faced with some challenges on the development of Maphelane Road P232, with the Department of Transport not being available to assist with the project as planned. The condition of

was also appointed to support the Trusts with financial systems and governance. RBM pays for the office rental and has employed a full-time office administrator to help the communities accomplish their development work through the Trust funds. This initiative attests to RBM's long established commitment to co-existence with and empowerment of host communities.

It is estimated that approximately 800 to 1,000 people will be employed at any given time during construction of the Zulti South expansion.

RBM is currently responsible for the employment of approximately 4,000 people, including permanent employees, as well as contractors' employees and casual labour. This translates into the support of over 30,000 individuals.

The baseline study has also informed our reviewed Communities Strategy with a continued effort to align with local, regional and national government strategies.

Community Investment

RBM has invested over R70 million in local economic development programmes over the past five years.

the road has deteriorated since development began, due to these contractual issues. We plan to appoint a contractor to complete the road, which is 26km long. The biggest proportion of spend on water reticulation projects will be realised in 2016 and 2017, with approximately R1 million spent in 2015.

A significant amount of time has been spent assisting the Zulti South project, with the newly established business forum. The Dube Business Forum has been familiarised with Rio Tinto's 'the

way we work' standard, to create awareness and ensure alignment in business practices. It has been a challenging process to get buy-in from

the forum around the imperative of all suppliers adhering to the same set of rules and processes as those adhered to by RBM.

THUSONG CENTRES

RBM is building two Thusong Centres in partnership with local government. Both Thusong Centres are on track, with the Port Dunn Ford Thusong Centre, in Mkhwanazi launched in 2015 by the new Minister of the Department of Mineral Resources.

In 1999 government introduced the concept of Thusong Centres – one-stop community development centres – that will provide access to information, services and resources from government and other stakeholders to community members in their areas of residence e.g. banking, postal services, financial services, government departments such as Home Affairs, Social Development and SASSA.

Three contractors from our host community were appointed to undertake the refurbishment work at Port Dunn Ford Thusong Centre, which included electrical as well as major internal and external construction work.

Skills Development

Skills development in our host communities will continue to increase. We have offered many short skills programmes as well as three year programmes for unemployed youth to create a pool of employable people who could become eligible for employment with us, or other companies. We have been able to extend our reach, despite limited budgets, by partnering with programmes funded by government's National Skills Fund, with our support in the form of a daily travel stipend. This has proven to be successful as the distances youth have to travel to get to training institutions were one of the main reasons for them not tapping into government funded programmes.

In April, 30 unemployed youth from the four host communities had skills training with us in preparation for an intake for apprenticeship training in July. A total of 25 youth were accepted on our apprenticeship programmes and 20 young females from the communities started the Imbokodo programme in July.

In August, we welcomed 12 youth for the on-the-job component of a Transport Education and Training Authority (TETA) sponsored electrical apprenticeship having completed Phase 1 of their training at uMfolozi College.

A group of 31 people with disabilities also completed a Fundamental Literacy course fully funded by the Mining Qualifications Authority (MQA).

The Bambisanani Learning programme continues to grow from strength to strength, not only supporting Grade 10 to 12 learners in Maths and Science, but also supporting school principals and heads

of department from local high schools. This year, a second cohort graduated with an Advanced Certificate in Education from the University of Johannesburg. This programme is specifically aimed at increasing quality of education through empowering school leaders with management and leadership skills as part of ensuring sustainability for all our education programmes.

Zulti South construction skills training is planned in line with project time lines.

We plan to officially launch and handover all completed infrastructure projects for Basic Education to the MEC for Education in 2016 when we celebrate our 40 years in business. Thereafter, our work in this area will continue.

HIV/AIDS PROGRAMMES IN HOST COMMUNITIES

RBM collaborates on two HIV/AIDS programmes run in all four host communities.

In collaboration with the Department of Health and Basic Education, Uthungula District Municipality and the two local municipalities, RBM supports community health workers who conduct home visits for patients referred to them by local rural clinics. The community health workers monitor the health of the patient and give advice and assistance where needed. This programme has contributed positively towards anti-retroviral treatment compliance in these areas.

In schools, we work in partnership with local non-profit, DramAidE, who run an awareness programme which benefits approximately 35 000 primary school learners, 5 000 youth out of school, 300 pregnant women and more than 10 000 parents and teachers.

The programme offers peer education training to more than 140 learners per year. These learners are given responsibility to mentor other learners from each school on issues such as HIV/AIDS, sex and sexuality issues, teenage pregnancy, leadership, communication, health and hygiene, among others.

Primary school learners participate in workshops and drama performances to encourage learning through play. For the pre-primary school learners the programme offers puppet shows to help them to learn through associative learning.

Procurement Practices

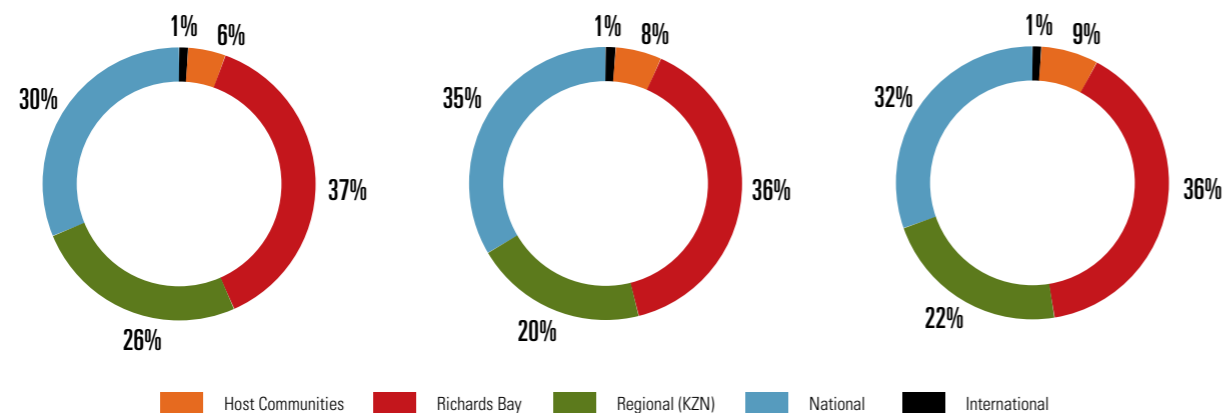
In order to develop solid relationships with our suppliers, ensuring safety, consistency and continuity, contracts are put in place for a minimum of three years for all our repetitive operational requirements. Upon expiry these contracts are put out for tender and the current incumbents are always included in considered bids.

While safety and service excellence are non-negotiable when selecting suppliers, our Preferential Procurement Strategy focuses on creating an enabling environment where increased procurement is possible from the following suppliers:

- Host community enterprises
- Historically disadvantaged South African companies (≥51% black-owned)
- Joint ventures between B-BBEE compliant companies and host community enterprises, where the host community enterprise has a minimum of 30% ownership in the JV company
- Black women and youth-owned enterprises; and
- B-BBEE compliant companies with ≥26% black ownership

While certain spend is competitively ring-fenced for suppliers who meet the above requirements, we also target our top-spend with suppliers with transformation credentials.

SUPPLIER SPEND (%) 2013-2015



Business Development Centre

After extensive stakeholder engagement, RBM's Business Development Centre was opened in 2014, with the objective of increasing the development of small businesses within our host communities. By 2015, the Centre was fully operational, recruiting potential local entrepreneurs and identifying procurement opportunities within RBM.

There are three types of opportunities for identified beneficiaries, 100 per cent ring-fenced opportunities, joint ventures and subcontracting. A challenge for the project team has been the

lack of specialist entrepreneurial skills from most local businesses. This led to a partnership with Monash University to provide specialist business training. They, in turn, established a partnership with the University of Zululand to ensure that small business owners could attend courses at its business school in Richards Bay, with integrated local content. A partnership with Business Skills of South Africa (BSSA) was also established to provide business training in pricing and costing, bookkeeping and financial management, tendering and similar topics. Workshops were conducted with financial institutions on obtaining funding for small businesses, meeting tax obligations, etc. as well.

RBM SIGNS TWO MULTI MILLION RAND EMPOWERMENT DEALS

RBM took its journey of empowering local businesses a step further in November 2015, when two multi-million Rand deals were signed. The first deal is between Unitrans and Ivysea (a 100% black owned enterprise representing Sokhulu, Mbonambi, Dube and Mkhwanazi entrepreneurs) now known as Ubunye Mining Services. The second deal was the awarding of dry mining services to Albion Services, a community dry mining company that represents the four Traditional Authority Trusts and community entrepreneurs.

Unitrans has been a significant service provider and partner to RBM for approximately 30 years providing a range of materials transport and handling services. The Ubunye deal addresses the ownership component (30% community shareholding) for local entrepreneurs coupled with a vital component of this agreement - transfer of skills.

Albion Services is the first black majority-owned company awarded a mining contract of this magnitude by RBM. Albion has been providing a service to RBM for the past 12 years, responsible for dry mining and general housekeeping work at mining plants.

This momentous achievement speaks directly to RBM's vision of seeing communities playing a significant role in the value chain of the business. Albion Services' contract is integral to the mining optimisation project currently underway, as dry mining is required to mine out areas that are required for ore body optimization and tails stacking. This ensures that production and ore reserves are not compromised.

Ithala Bank has played a significant role in facilitating the Ubunye transaction and has provided Ivysea a loan to purchase the 30% equity, while Standard Bank provided Albion Services with loans to purchase the required equipment.

RBM will continue to forge partnerships of this nature with its traditional contractors, as a method of increasing the participation of black entrepreneurs in the mainstream of the economy. Managing Director of RBM, Mpho Mothoa, said: "RBM's objective is to build mutually beneficial relationships with its host communities and in so doing leave this place better than the way it was found." He added that both Ubunye and Albion should be applauded for this significant milestone and emphasized the importance of working with strategic partners to bring about sustainable change.

GROWING LOCAL, SMALL BUSINESSES

In 2013 RBM assisted a young group from Sokhulu to establish a sanitation business, linking the newly established company to RBM's procurement opportunities. The business began with RBM as their only client. Today, two years later, Danvera (Pty) Ltd offers its services to the likes of Scribante, uMfolozi Local Municipality, Elicon, local schools and the general public within Sokhulu and the surrounding communities.

These entrepreneurs understand the importance of marketing their business in order for it to grow. When asked where the young entrepreneurs see themselves in two years, they confidently responded, "In two years our business will be twice its current size."



Environmental

Rio Tinto aspires to have a positive affect on our mined environment by minimising impacts and contributing to conservation to ensure the region ultimately benefits from Rio Tinto's presence.

We are proud of the recognition we have received for excellence in environmental care. RBM were awarded Certificates of Merit in Enviropedia's Eco-logic Awards in 2015 in two categories:

The Eco-Warrior Award and the Biodiversity Award.

Our environmental concern is not only for our own internal operation, but extends beyond the borders of the mine. Our team is involved in a number of community initiatives including the RBM WESSA EcoSchools programme, beach clean ups and Wildlands Conservation Trust's Wastepreneur and Greenpreneur programmes.

RBM WESSA ECOSCHOOLS

In 2012 RBM launched an environmental education program at ten primary schools within the four host communities. This age group was targeted because at mine closure, approximately 20 years from now, those that do not migrate to cities will be the stewards of the land.

The program had small beginnings, with Arbour Day drawing competitions and a large tree-planting campaign co-championed by Wildlands Conservation Trust. In 2013, we expanded the project by assigning a graduate trainee to go to schools to talk to the children about important environmental issues (including dumping and waste management, water conservation, biodiversity and fire management). These sessions were very well received and schools began to get involved in initiatives such as beach clean-ups and birding days.

As momentum gathered, we began talks with the Wildlife and Environmental Society of South Africa (WESSA) to introduce their Eco-Schools programme. This is a programme aligned to the national curriculum, with an emphasis on the link between a healthy environment and the wellbeing of people.

During the last quarter of 2014 a group of seven youth from the Mbonambi community 'Tshalanathi' approached RBM, wanting to get involved with the programme on a volunteer basis. Our graduate trainee managed their activities and together this team facilitated the EcoSchools programme through regular school visits and facilitation of the school environmental committees.

In 2014, all participating schools achieved their Bronze award and were able to continue with the program.

With additional funding and support from Ensign Solutions, we hosted an Eco-Schools workshop, facilitated by the Tshalanathi group, for the ten participating schools to assist with preparation of portfolios to be submitted to WESSA. The Tshalanathi team attended a WESSA facilitation course at their Umgeni Valley facility, funded by RBM. WESSA reported that the team had shown great enthusiasm and potential.

In 2016, with the help of the Tshalanathi team, we hope to enroll ten schools in the program for the third year running.

Energy

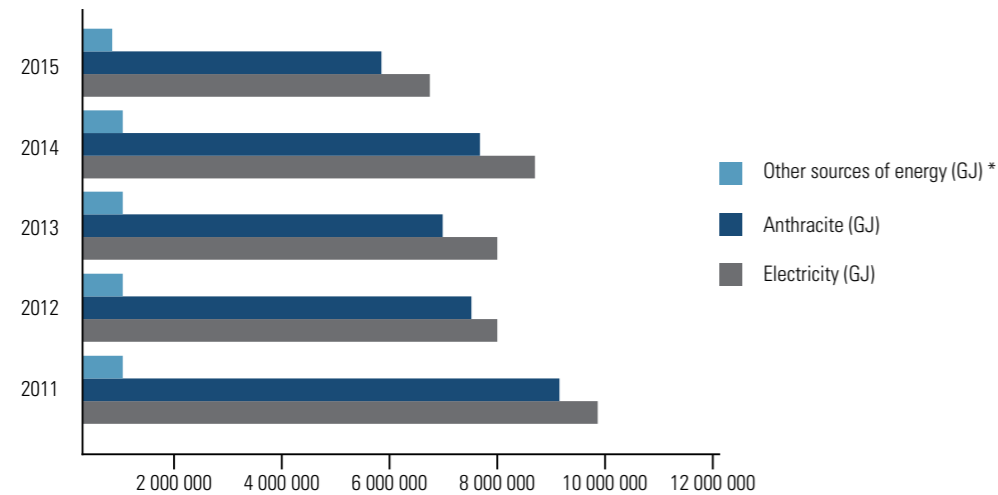
RBM uses approximately the same energy as half a million rural households at any given time. Our ability to make a material impact on the consumption of energy from a constrained grid, together with the cost-savings in 'doing more with less' has motivated the implementation of our Energy Leadership Programme.

This programme aims to identify potential areas to reduce energy consumption and greenhouse gases.

In 2015, initiatives resulted in a reduction of over 30,000Mwh of electricity, equivalent to 30,500 tonnes of CO₂. Two key projects drove these savings:

- Re-use of our waste CO gas from the Smelter as a source of alternative energy to other plants; and
- Investments into refurbishing four of our Smelter Furnaces to improve production efficiency and reduce waste in order to save energy and improve on process efficiency, and minimise air quality impacts.

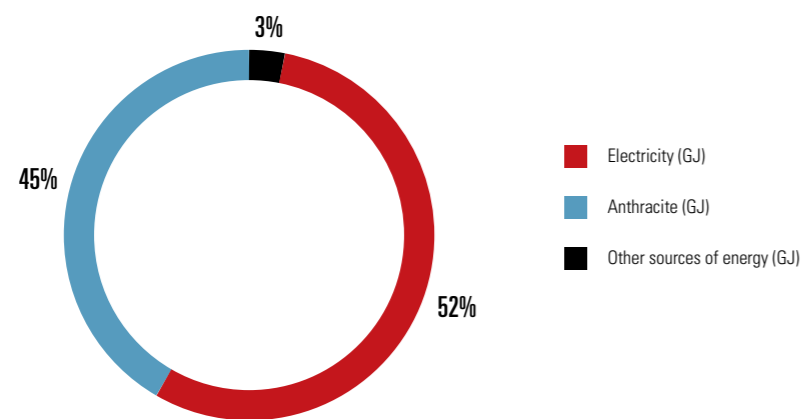
TOTAL ENERGY CONSUMPTION (GJ) 2011 - 2015



* Includes electrodes, diesel, petrol, paraffin and carbide

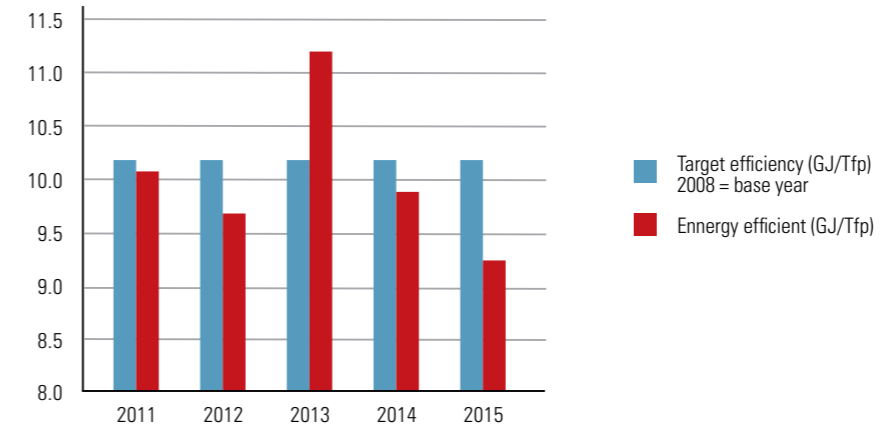
There was a decrease of almost 25 per cent in the overall use of electricity, our main energy source, compared to 2014. This can be attributed to a decline in production, due largely to a reduction in demand, but also to mechanical issues.

ENERGY CONSUMED PER SOURCE (GJ) 2015



Along with decreased energy consumption, energy intensity has improved by 6 per cent, from 9.86 Gigajoules per tonne of finished product in 2014 to 9.28 in 2015.

ENERGY INTENSITY (GJ/Tfp) 2011 - 2015



Emissions

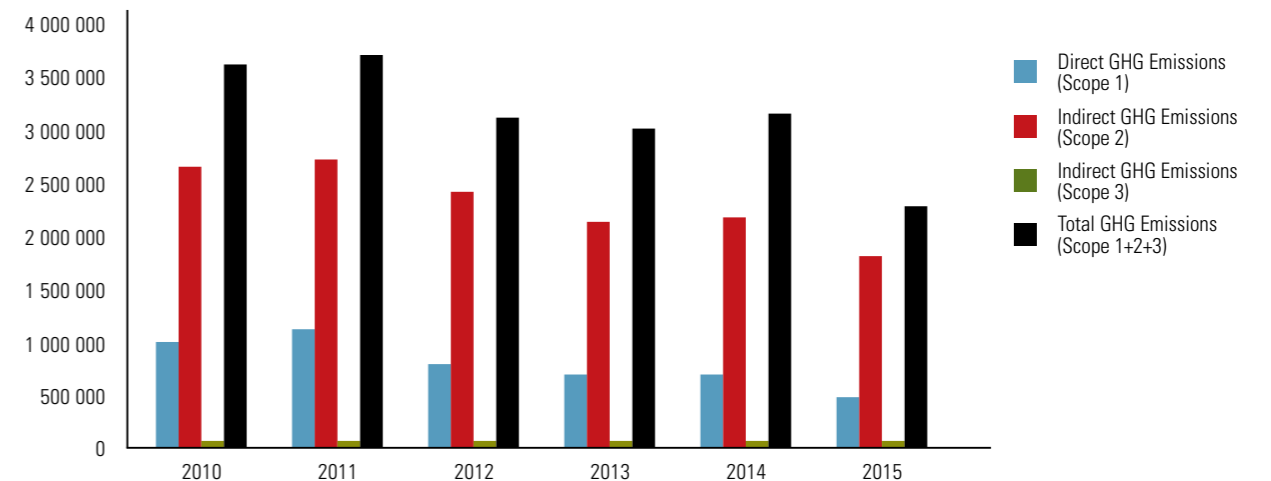
Greenhouse gas emissions

The South African government plans to implement a carbon tax. An objective of the tax is to provide an incentive to change behaviour. South Africa has agreed to curb greenhouse gas emissions by 34 per cent by 2020 and 42 per cent by 2025. The carbon tax will see many industries, businesses and

utilities seeking to reduce energy consumption and increase energy efficiency. RBM has a head start in this regard.

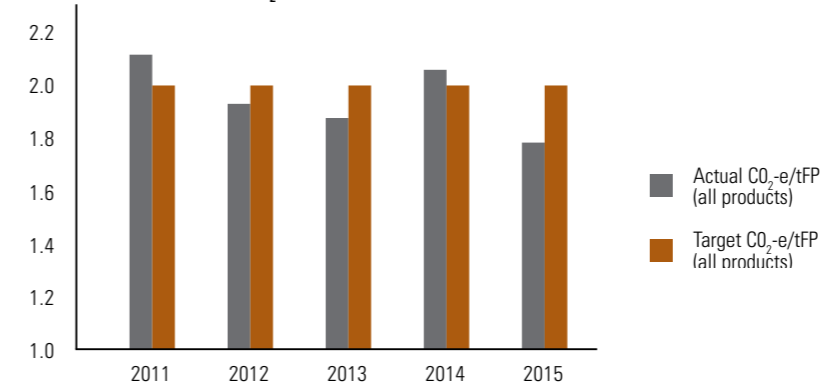
There was a decrease across all three scopes of greenhouse gas emissions. Total emissions dropped by 25 per cent compared to 2014. This was mainly due to reduced production as a result of a worldwide reduction in product demand.

TOTAL GHG EMISSION (CO₂e) 2010 - 2015



Actual CO₂e per tonne of final product was reduced to 1.70 down from 1.81 in 2014.

GHG EMISSION INTENSITY (CO₂e/tFP) 2011 - 2015

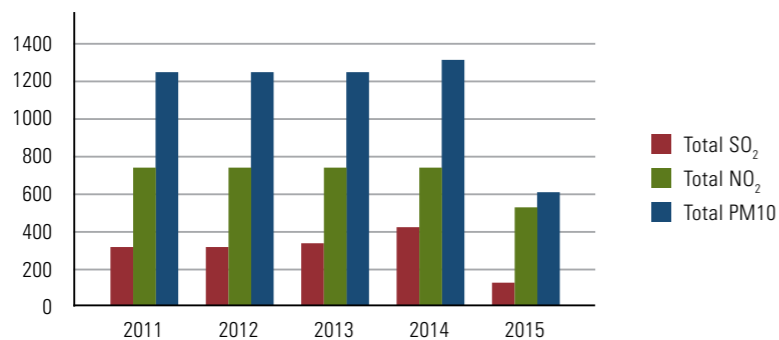


Other emissions

RBM has phased out all ozone depleting substances and only remains with 27kgs of Halon (1211)

Bromochlorodifluoromethane (CF₂ClBr) is used as a fire extinguisher at the Main Lab library. These are monitored closely by our Fire and Rescue Brigade and will be replaced as soon as they are out of service.

AIR EMISSIONS (SO₂, NO₂ & PM) tonnes/annum 2011 - 2015

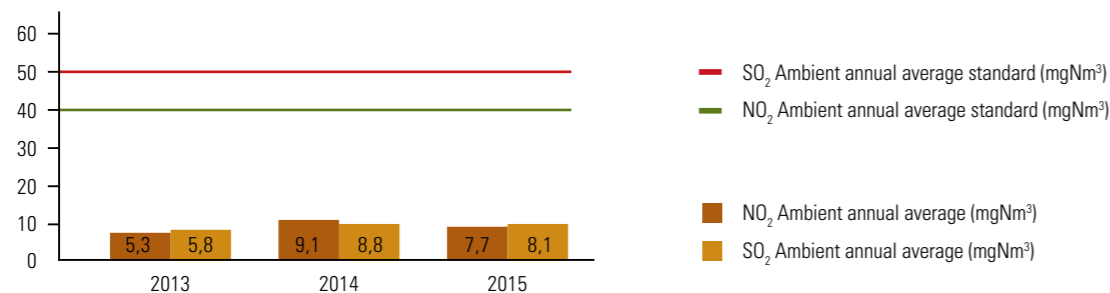


Air quality emissions from different sources have remained relatively the same compared to previous years. 2015 emissions reduced largely due to low demand of product leading to low plant capacities.

RBM has in the last couple of years embarked on long term improvement projects aimed at ensuring

that we not only operate within the stipulated legal limits, but also conserve and protect the surrounding forest and communities in which we operate. A five-year plan to 2020 is in place to refurbish and introduce baghouses, scrubber systems and cyclones for key operational areas.

AMBIENT AIR MEASUREMENT SO₂, NO₂ (mg/Mm³) 2013 - 2015



On-site measurements of NO₂ and SO₂ continues at our air quality station, Dubu. Data coverage for both emissions was 100 per cent. Although our air quality station is situated on site, a stricter benchmark of ambient air standards is used for comparison than that prescribed by law.

In 2015, NO₂ results complied with both the hourly ambient average standard of 200 micrograms per cubic metre and the annual average of 40

micrograms per cubic metre. The annual average was measured at 7.7 micrograms per cubic metre for NO₂, significantly below the standard.

The SO₂ results for 2015 also indicate compliance with all standards. The annual average concentration at 8.1 micrograms per cubic metre on site was very similar to that of 2014 and is well within the ambient standard of 50 micrograms per cubic metre.

WILDLANDS GREENPRENEURS

Over the past few years, RBM has facilitated the efforts of the Wildlands Conservation Trust Greenpreneurs project where local households grow indigenous trees in return for livelihood support. A Wildlands field team then eradicates weeds and plants these trees across communal areas. This team comprises 19 women, and two men working in areas adjacent to the RBM lease on a constant basis with the guidance and facilitation of the RBM Ecology team. The RBM Ecology team also provides PPE and ensures alignment of the team's practice with safety procedures.

Waste

Having won an award from the Institute of Waste Management South Africa last year, we remain committed to disposing of both mineral and non-mineral waste in a responsible manner. We take a holistic view on waste. Our Integrated Waste Management Plan incorporates water quality and land rehabilitation as well as mineral and non-mineral waste.

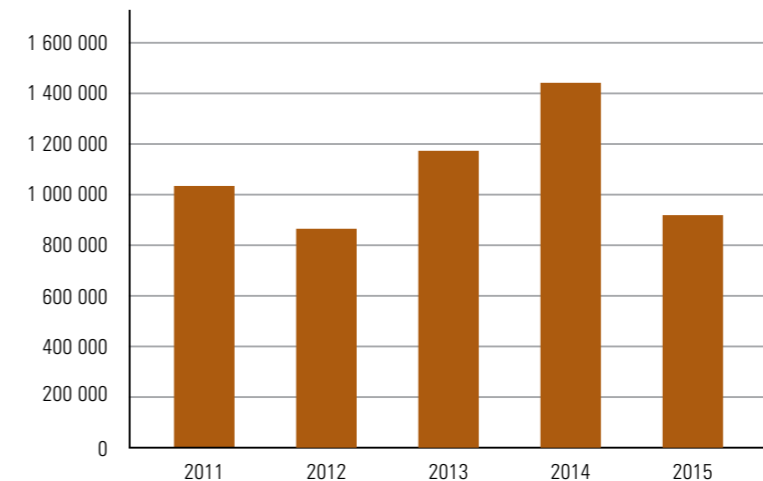
There was a reduction in total mineral waste in 2015,

again as a result of lower production, due to reduced product demand.

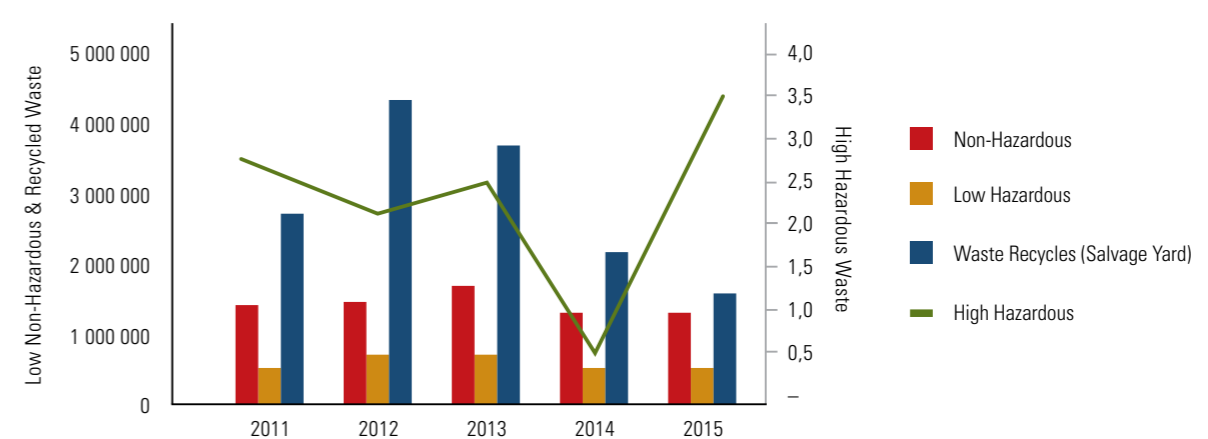
We are in the process of researching ways to further reprocess our Clarifier mineral waste. This will increase our overall extraction efficiency and eliminate the need for the current controlled smelter waste disposal site.

The Tailings Treatment Plant was commissioned in March 2011 and continues to treat tails arising from the Mineral Separation Plant and historical tails previously stored at Stockpile H within the lease area.

TOTAL MINERAL WASTE (tonnes) 2011 - 2015



TOTAL NON-MINERAL WASTE (tonnes) 2011 - 2015



Non-hazardous waste consists of general municipal waste and salvageable waste such as scrap metal, non-compressible waste such as wood and building rubble.

Low hazardous waste consists of rubber waste, asbestos, paint and hydrocarbon contaminated waste, sewerage sludge and oil drums. Other non-mineral waste consists of baghouse dust from the Char Plant.

Highly hazardous waste consists of tetrabromoethane-contaminated waste, fluorescent tubes and bio-hazardous waste from our clinic. The increase in high hazardous waste is due to an increase in the disposal of redundant fluorescent tube waste.

Non-mineral waste is collected in designated waste skips from site by the municipality and disposed of at the municipality's authorised landfill site. Approved waste service providers collect low hazardous and high hazardous waste. For proper recording and tracking of our waste as generators, the service providers issue certificates of safe disposal.

Non-mineral waste recycled is mainly scrap. There was a reduction in 2015 against target, mainly due to reduced maintenance work. A recycling rate of just over 1 500 tonnes was realised against a salvage target of 2 100 tonnes.

RBM MANDELA DAY CLEAN-UP AND WILDLANDS WASTEPRENEURS

Illegal dumping of waste is a big problem in our host communities. Hotspots present major health and environmental concerns. On the 17th of July 2015, the RBM Ecology section teamed up with the Wildlands Wastepreneurs team to host a clean-up of the Nzalabentu-Ntongande area.

RBM staff, contractors and a number of community members joined in for five hours of relentless waste collection. Any recyclable waste was loaded onto the Wildlands truck for further processing at their site at Alton, everything else was loaded into RBM's blue skips for municipal removal.

Community members interested in participating in the Wildlands Wastepreneurs programme, where recyclable waste is bartered for household goods and vouchers, were also invited to the event and at the end a Wildlands representative explained how the programme works and assisted with registration. There are now 33 women from Mbonambi signed up to the programme. Expansion of the programme into Sokhulu is planned for 2016.

Water

Water is a vital resource for our business. It is required at every stage of our operation, both for production and safety. South Africa is classified as a "water scarce" country and in 2015 continued to experience severe drought conditions, which has affected different water resources countrywide, including those we rely on. We have three sources namely, Lake Nhlabane, uMfolozi River and Lake Nsezi.

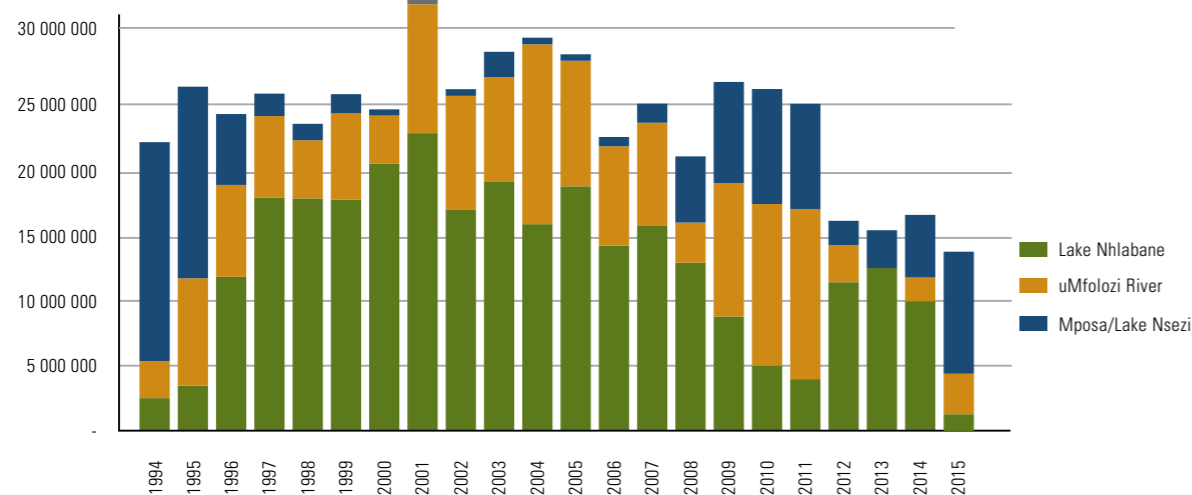
Operating within drought conditions, we have had to strategically manage water security in and around our operations. This has included strictly managing how much water we abstract from all sources, ensuring that the storage facilities are maintained to store as much water as possible, coming up with

more innovative ways to reduce water usage on site and increasing awareness among employees and our host communities.

The use of water sources is based on permit requirements, reliability, cost and quality. RBM is committed to reducing fresh water abstraction and continuously improving both water recycling and efficiency.

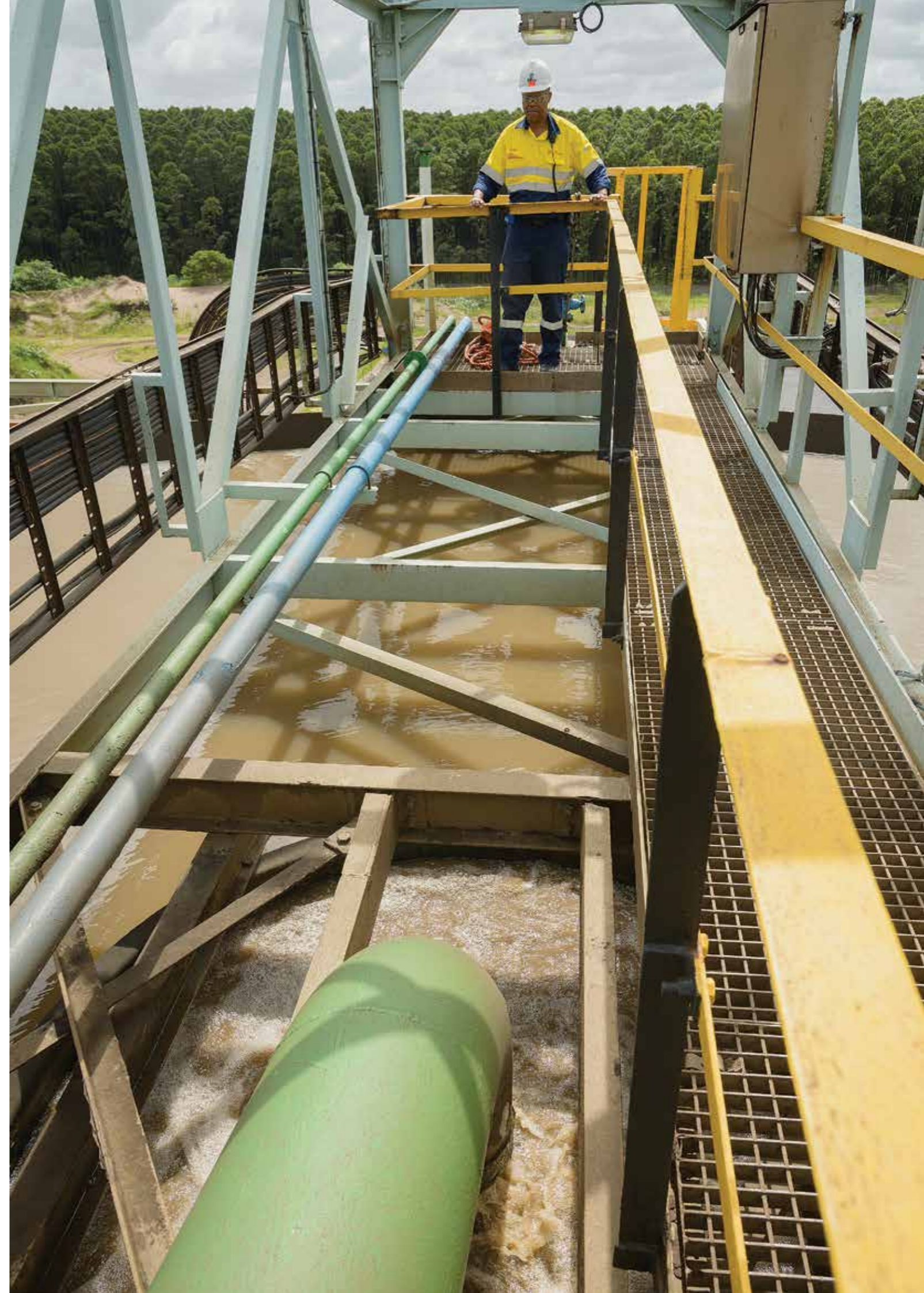
We follow a Water Management Plan and Water Supply Strategy. There are Water Working Groups at an operational level that report to the Water Steering Committee at senior level to monitor and evaluate usage and develop communication strategies. As a result, water infrastructure management has improved as has communication with both internal and external stakeholders.

TOTAL WATER WITHDRAWAL BY SOURCE (m³) 1994 - 2015



Where water levels are too low, we do not abstract water in order to protect the ecological integrity of the resource. RBM continues to comply with

its permits and regulatory requirements and is committed to responsible use of water.



We have made some significant gains by applying reduce, reuse and recycle principles to maximize water resources. The storm water run-off and process water from the smelting and processing site is reused at the mine to maintain the pond elevation. Approximately 5.9 million cubic meters of water was captured and reused in 2015, which is 43 per cent of the raw water withdrawn from the lakes and rivers.

Biodiversity

RBM aspires to achieve a positive impact on biodiversity by closure of operations, by minimising impacts and contributing to biodiversity conservation to ensure the region ultimately benefits from Rio Tinto's presence. This is achieved by applying and implementing the mitigation hierarchy (avoid, reduce, restore and offset) at operations by closure.

RBM operates within mining leases that border the Indian Ocean and contain a variety of land-uses including communal lands, indigenous coastal dune forests, commercial plantations and coastal recreational areas. This complex landscape requires us to balance the needs of land uses in accordance with the requirements of the Rio Tinto Land Use Stewardship Standard. This is done through the use of an internal Land Use Management Plan and a Biodiversity Action Plan.

We are not only concerned about the fauna and flora in our lease areas, but also seek to facilitate sustainable land stewardship in our host communities.

Protected areas and areas of high biodiversity value

The RBM operational footprint contains the following priority biodiversity and ecosystem service features:

- 2110 ha of remnant indigenous coastal forest which will have been removed during the expected life of the mine (from 1976– 2038). This value includes 140 ha of critically endangered coastal dune forest in the Zulti South mining lease;
- One site of conservation importance directly overlaps the Rio Tinto landholdings, namely the North Coast Dune forest which is 'critically endangered' on the National List of threatened ecosystems. The iSimangaliso Wetland Park, a World Heritage Site, is located three kilometres north of the Zulti North Mining lease boundary and the Richards Bay Game Reserve, a listed Important Bird Area, is less than two kilometres from northern boundary of the Zulti South Mining Lease;
- 28 species of high conservation significance may occur on site including seven species listed as Critically Endangered

on the IUCN Red List of Threatened Species and/or National Environmental Management: Biodiversity Act; and

- Ten high priority ecosystem services were identified during a stakeholder workshop, including local climate regulation of rainfall and hydrological regulation of surface and groundwater.

RBM has considered and is addressing impacts that have occurred since project commencement (i.e. baseline year of 1976). Key biodiversity impacts/risks identified during the biodiversity action planning process include:

- Direct habitat loss from bush clearing and mining activities;
- Fragmentation and isolation of remnant patches of dune forest;
- Indirect degradation of ecosystem services, habitat and species as a result of unplanned influx of people;
- Long-term degradation of Coastal Dune Forest resulting from a lack of connectivity to other forest areas outside lease areas, including protected areas;
- RBM rehabilitated forests may be degraded after handover to new owners; and
- Abstraction of water

Together with external conservation bodies, we have identified priority conservation areas. These are excluded from our mine plans and incorporated into Environmental Management Plans. These areas are detailed in our 2014 Sustainable Development report.

Impact on land

Mining Lease Areas	Ha
Tisand	1 720.0
Zulti North	2 389.0
Zulti South	1.5
Smelter site	188.0
Total Mining Footprint	4 298.5

Operational Areas	Ha
Current operational area	1 176.5
Portion open cast dredge-mines	771.6

Rehabilitated Area	Ha
Indigenous rehabilitation	1 084.8
Commercial afforestation	2 037.2
Total	3,122.0

Rehabilitation

We have been restoring coastal dune forests after mining since inception and are now regarded as a world leader in dune rehabilitation. One-third of mined land is rehabilitated into indigenous forest. In accordance with legal obligations, the remaining two-thirds of the land is rehabilitated with commercial plantation, intended to provide income for the surrounding communities. Commercial plantation is run in conjunction with the Department of Agriculture, Forestry and Fisheries (DAFF). We are currently developing a community conservation and ecotourism plan that can be implemented by the host communities to not only conserve the regenerating forests, but also provide alternative economies for the people surrounding the forests. Although a number of conservation NGOs are present, their capacity for the management of biodiversity on site is limited. They are being encouraged to improve as part of RBM's engagement programme.

Mining and rehabilitation take place concurrently, as close to a 1:1 ratio as possible, to stabilise the sand as soon as possible and reduce environmental risks such as erosion and loss of top soil. The first step is stacking mined tailings to approximate the topography of the dunes prior to mining. Heavy mobile equipment is then used to shape the dunes to mimic that achieved by natural processes such as wind erosion. Once the dunes are rebuilt to approximate pre-mining conditions, topsoil collected from bush clearing operations in front of the mining face is spread over the dunes and sown with the seeds of annuals (e.g. sunflower, sorghum, babala) and indigenous grasses to quickly stabilise the soil. Shade netting is erected to prevent wind erosion and to protect the seedlings from the elements. Within two to three years pioneer tree species that were dormant have germinated and formed a low shrubland.

Scientific research by the Conservation Ecology Research Unit (CERU) at the University of Pretoria has shown that the assemblages of these new-growth forests will resemble that of old-growth coastal dune forests of Mapelane within a maximum of 68 years. Aside from an extensive ecological research programme, this group also conducts long-term monitoring of the rehabilitating sites, whereby any deviations can be investigated and acted upon in a timely manner to ensure the success of the restoration program. The rehabilitating sites are therefore not only an ecological asset, but serve as

Hectares	2010	2011	2012	2013	2014	2015
Land disturbed	131.5	156.8	172.7	119.39	89	81.01
Land rehabilitated	150.5	159.8	131.1	135	90.47	88.98
Operational area at year end	739	772	809	785	780	776.6

an ideal outdoor laboratory in which to test ecological principles and theories.

RBM has financially and technically supported the CERU at the University of Pretoria. This support has enabled RBM to gather valuable site data, which has improved understanding of the progress and success of the rehabilitation program. CERU's work at the RBM mining leases has been on-going for over 20 years and lessons learnt are embedded back into the rehabilitation program. The partnership between CERU and RBM also contributes greatly to improving the general understanding and implementation of rehabilitation programmes.

Impact on species

Our prioritised species list for rehabilitation contains species identified from three sources:

- Environmental Impact Assessment Report: Richards Bay Mining Zulti South Project;
- CERU baseline and field assessments across the mining leases during the 2012 survey season; and
- Assessments made by RBM staff.

The prioritisation of species selected to be part of rehabilitation efforts is allocated as follows:

- Species listed as critically endangered or endangered under the IUCN Red list or nationally (under the National Environmental Management: Biodiversity Act) classified as high priority (28 species);
- Vulnerable (and near threatened species listed under IUCN) were classed as medium priority (21 species);
- Data deficient species were variously classified as high, medium or low priority, depending on various factors including their distribution, threats, and the reasons for which they were assessed as data deficient; and
- Species of least concern (LC) and those not listed (NL) were classified as low



Social

Our community investment, which is now over R100 million per year, is largely in the areas of education, health, agriculture and poverty alleviation, enabling the development of schools, houses, clinics and roads, among other infrastructure development.

RBM's contribution to the development of communities and employees is outlined in the Social and Labour Plan (SLP) submitted to the Department of Mineral Resources (DMR). Our license to operate depends on the regulator's acceptance of our plans and progress towards meeting the commitments we make.

Our report on progress was submitted to the DMR during 2015. While significant progress has been made, including investment of over R70 million on

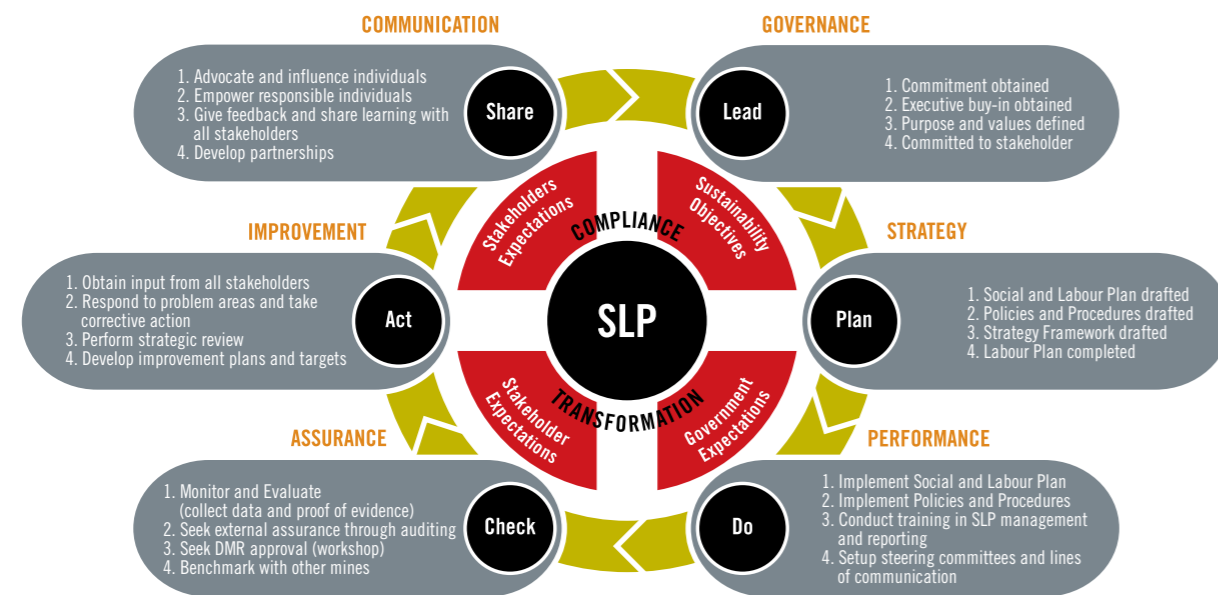
skills development, infrastructure, environment, education and health over the 2009 to 2014 period, we were required to submit a further catch-up plan to close the gaps where targets may have not been achieved. The plan includes further activities in human resource development, local economic development and ownership.

Our SLP for 2015 to 2019 was also submitted to the DMR during the year and includes the following aspects, as per regulated requirements:

Human Resources Development Programme	Skills Development Plan
	Hard-to-fill vacancies
	Career progression
	Mentorship plan
	Internship, bursary and study assistance plan
	Employment equity plan
Local Economic Development Programme	Baseline survey
	Infrastructure development, poverty eradication and welfare creation projects
	Measures to address housing, living conditions and nutrition
	Procurement progression targets
Programme for Managing Downscaling and Retrenchment	Mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided
	Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of rbm is certain



The SLP implementation lifecycle model below will be followed to achieve compliance and sustainable development.



For more detail on our investment in communities, please see 'Community Investment' on page 22.

Employment

Our employees are our largest assets. The safety improvements, together with efficiency improvements and cost savings we have been able to realise are due to the hard work, innovation and dedication of our teams. Operating in extremely challenging times, our employees' ability to pull together is what has mattered most.

Occupational health and safety

Safety

In 2014 we set a new record by achieving one million man-hours injury-free, twice in one year. In 2015, we exceeded that by achieving the one million man-hours injury-free milestone three times. We are exceptionally proud of the culture of zero harm that we are creating, which enabled us to achieve the best safety year in the history of operations, with an All Injury Frequency Rate (AIFR) of 0.24 against a target of 0.26.

Safety is part of everything we do and is based on the principles:

- Be your brother's keeper at all times;
- Have the courage to be able to stop any unsafe work; and
- Do not forget to celebrate success

We have developed a common safety language across the business. Our Zero Harm Cultural Change Programme engages our people on zero

FUTURE LEADERS

In 2015 we hosted a career day for children of RBM employees. 75 high school children attended. The children were exposed to a variety of science-based careers, with invaluable input provided on career development, study avenues and enrolment requirements. Each presenter shared their own personal journey from leaving school to where they are today. Many of the children were amazed at careers they had never heard about or even dreamt existed.

harm through a participatory process of shared experience, and interactive and engaging activities that can be applied directly in the workplace. Our leaders have become our Zero Harm ambassadors through facilitating Zero Harm workshops themselves.

We have made a number of improvements in our approach to safety and everyday safety practices. The engagement of leaders and health, safety and environment (HSE) representatives has become more inclusive, involved, driven and committed to make a positive difference in all aspects of health and safety. HSE representatives have been empowered to assist managers in safety actions and the executive HSE representative committee has also been revived. Hazard awareness videos have been introduced where employees watch enactments of real scenarios and identify hazards. Discussion and feedback is provided, the video is watched again with new eyes and initial blind

spots become clear. The Take 5 has also been revamped, so that it is easier to understand with visuals and is now available in isiZulu. The Job Hazard Assessment has been improved through a redesign. HSE representatives now dedicate an hour a day to HSE representative duties, which includes identifying hazards in the workplace. Quarterly 'stand downs' are held, where teams take time to identify potentially hazardous conditions or behaviours, create an action plan for improvement and review progress on previous action plans. A new hazard identification training course has been developed and a Hazard Park is being constructed. The park will be an area in which mock-ups of potential hazards will be constructed. Practical training in the Park will form a vital adjunct to theoretical training. Seeing hazards in a real-life situation is a vital aspect of internalising hazard awareness, and a process that all new employees will go through as part of their induction programme.

A recertification audit for the RBM Health, Safety, Environment and Quality Management System was successfully conducted during 2015, resulting in maintaining our certification for ISO 9001, ISO 14001 and OHSAS 18001.

Work on our Fatality Prevention Programme (FPP) has continued with the addition of a fifth work stream – Traffic Management.

FATALITY PREVENTION PROGRAMME

1. Leading Adaptive Change

The objective of this work stream is to achieve the behavioural changes that are required to prevent fatalities and that are essential to achieve a zero harm safety mind-set and culture.

2. Risk & Hazard Identification

The objective of this work stream is to raise the level of awareness on hazards and risk to prevent serious injury and fatalities.

3. Permit-to-Work

The objective of this work stream is to strengthen the permit-to-work process to ensure that fatal and process risks are managed effectively.

4. Preventing an Imminent Fatality

The objective of this stream is to eliminate the risk of an imminent fatality or serious injury.

5. Traffic Management

The objective of this stream is to ensure safe interaction between pedestrians and trackless mobile machinery (TMM), including heavy mobile equipment (HME).

The FPP is now in its third year, with each stream regularly evaluated in order to ensure continued relevance and effectiveness. Maintaining invigoration in the programme is vital to its success. Early work in the design of the programme highlighted how familiarity can breed complacency. Even the most capable and experienced workers can develop "hazard blindness" through overexposure to their environment.

The design process of the FPP as a whole culminated in the identification of concrete actions that would result in an environment in which fatalities are prevented. In all, 55 separate actions were identified. By 2015, 50 of these actions had been completed (the remaining five are designed to take place over the long term).

Our annual Titan Awards are an acknowledgement of those employees who are making a significant contribution to safety. This occasion also recognises our contractor workforce for their pivotal contribution to safe operations and production.

This year, our Titan Awards also provided a platform for the launch of our new 12 Lifesaving Commitments.

We have moved from Lifesaving Rules to Lifesaving Commitments, because a commitment indicates everyone must be involved with saving lives. Our 12 Lifesaving Commitments are key themes from our extensive safety standards on specific issues that will help everyone save lives, both employees and contractors.

LIFESAVING COMMITMENTS

01	KEEP CLEAR OF HME		HEAVY MOBILE EQUIPMENT I will only approach operating HEAVY MOBILE EQUIPMENT (HME) after making positive contact with the operator.
02	ARRIVE ALIVE		VEHICLES AND DRIVING I will ensure my vehicle is SAFE FOR DRIVING and I will drive responsibly according to conditions.
03	IF THERE IS A RISK OF A FALL, I WILL NOT DO THE JOB AT ALL		WORKING AT HEIGHTS I will never WORK AT HEIGHTS without appropriate fall protection or prevention.
04	IF THE LOAD IS IN THE AIR, I WILL NOT GO THERE		SUSPENDED LOADS I will never work in the line of fire of a SUSPENDED LOAD .
05	IF IT IS LIVE, I WON'T SURVIVE		ELECTRICAL HAZARDS I will ensure all ELECTRICAL HAZARDS are understood and controlled before starting any work.
06	IF I AM GOING IN, I NEED TO MAKE SURE I CAN GET OUT		CONFINED SPACES I will not enter a CONFINED SPACE without appropriate authorisation, equipment and training.
07	FIT FOR WORK = SAFE FOR WORK		FATIGUE, ALCOHOL AND/OR DRUGS I will talk to my supervisor if I am feeling FATIGUED and I will not come to work under the influence of ALCOHOL AND/OR DRUGS .
08	STAY CLEAR STAY SAFE		RAILWAYS I will not work within three metres of a RAILWAY LINE without appropriate authorisation.
09	IF THERE IS AN ANCHOR IN PLACE, STAY CLEAR		MOORING LINES I will never work in the line of fire of ANCHOR ROPES and plant ropes.
10	NEVER BE AROUND UNSTABLE GROUND		UNSTABLE GROUND OR STOCKPILES I will never approach UNSTABLE GROUND OR STOCKPILE or work in any EXCAVATION without appropriate authorisation and risk assessment.
11	PPE IS A MUST IF IT IS MOLTEN		MOLTEN MATERIALS I will never work near MOLTEN MATERIAL without the appropriate training and PPE.
12	I AM COMMITTED MY WORK IS PERMITTED and LOCK OUT FIRST BEFORE YOU TOUCH		PERMIT TO WORK AND ISOLATION OF ENERGY SOURCES I will ensure I have the required PERMIT TO WORK , that all ENERGY SOURCES have been IDENTIFIED, CONTROLLED, ISOLATED and my personal locks are in place before starting any work.

PROXIMITY WARNING SYSTEM

The Proximity Warning System, which was piloted last year in the mining areas, has been completed and roll out has moved to the smelter and service areas.

All heavy mobile equipment will be fitted with the Proximity Warning System and all employees and contractors working in or entering high-risk areas will be required to wear an electronic tag.

The system warns both the pedestrian and the operator of the mobile equipment that they are coming too close to each other for their safe working conditions.

	2010	2011	2012	2013	2014	2015
Fatalities	0	0	0	1	0	0
Lost Time Injuries	7	12	11	20	6	7
Medical Treatment Cases	18	11	8	8	5	2
First Aid Cases (minor injuries)	78	55	67	74	53	65
All Injury Frequency Rate (AIFR)	0.50	0.54	0.44	0.71	0.28	0.24
Occupational Diseases	0	0	0	0	0	4
Occupational Disease Frequency Rate (ODFR)	0	0	0	0	0	0.11

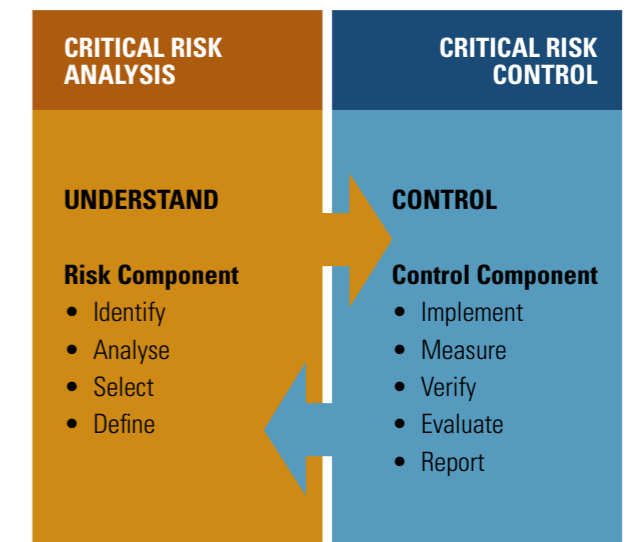
Four Noise Induced Hearing Loss cases were reported during 2015 bringing the Occupational Disease Frequency Rate (ODFR) up to 0.11.

The majority of injuries involved abrasions, lacerations, muscle strains, soft tissue/crush injuries and burns.

Recording, classification and reporting of incidents takes into account local legislative requirements as well as the Rio Tinto Health, Safety, Environment and Quality Management System stipulations. Each case is assessed, classified and reported within the framework, definitions and timelines specified by these requirements.

RBM has developed a formal HSE agreement with the employee representative unions. This agreement covers the entire workforce and sets out a framework for HSE engagement and support. The agreement outlines the safety organisation, constituencies, designation of workplaces, HSE representatives (election, duties, responsibilities, and training), provision of full time HSE representatives, access to information and the rights of employees to leave dangerous working places.

Our Critical Risk Management (CRM) methodology aligns with the requirements of the Rio Tinto group and provides a unique opportunity to identify, recognise and control risks that could otherwise prove to be potentially fatal. The CRM process includes steps to both analyse and control critical risks, as shown below:



Creating a common safety language is not only about the words we use, but also our visual aids. Safety icons have been standardised and are used in the updated Take 5, the 12 Safety Commitments and Critical Risk Management (CRM).

All critical risks can be identified by the use of one of the safety icons.



Health

RBM's Clinic provides an exceptional occupational health service to approximately 4 000 employees and contractors. Services include employee-specific medicals based on the risk exposure profile of each employee to ensure the safe placement of workers.

If employees return to work from an extended illness or if their managers have any concerns about their ability to work safely, the clinic conducts 'fitness for work' assessments.

RBM also has a chronic care programme, for treatment and management of chronic ailments ranging from HIV to diabetes and hypertension. These conditions are often detected when employees undergo wellness testing. A remarkable 80% of employees undergo a regular wellness test each year, which enables early detection of ailments that could later become life threatening.

Health education is an important part of the employee wellness programme and it is for this reason that the clinic has around 20 active wellness educators who provide a point of contact for employees who have health concerns or questions.

Beyond the occupational health services, the clinic also provides limited primary healthcare for employees. A doctor is available each morning and there is a pharmacy on site to dispense prescription medication.

Our clinic staff work in tandem with the Fire and Rescue Brigade (FARB) and are equipped to respond to emergency situations 24 hours a day. FARB staff are trained to provide intermediate life support and the sisters are on standby to provide additional services whenever needed.

Diversity

South African Employment Equity legislation aims to motivate employers to align employee demographics with those of the country, at all levels within the organisation. It also emphasizes the elimination of unfair discrimination. Eighty five per cent of our employees are classified as Historically Disadvantaged South Africans (HDSA). Our commitment to transformation can be seen in an increase in representation of HDSA in top management from 43 per cent in 2014 to 62.5 per cent in 2015, as well as an increase in senior and middle management from 56 per cent in 2014 to 60 per cent in 2015.

While we are fully compliant with this legislation, in line with our Broad-based Black Economic Empowerment and Social and Labour Plan commitments, we place special emphasis on the inclusion and advancement of women in mining. For a detailed breakdown by employee level, gender, race and age group, please see page 9.

The Women in Mining Forum, established at RBM in 2011, provides a forum for us to engage with the challenges women face in what has traditionally been a male-dominated sector.

Retention Rate

A key indicator for us that we are getting it right in creating an enabling environment, conducive to work/life balance, is our 100 per cent retention rate after maternity leave for the past two years. For further details see page 44.

We were extremely proud this year, to be able to celebrate, for the first time, 10 years of service for 26 female employees in core operations. This truly negates the myth that "women don't work in mines."

SmartCaps Fatigue Measurement and Management

Last year's trial of real-time fatigue measurement 'SmartCaps' with crane operators proved successful.

These devices have now been rolled out in the Iron Injection area and contracted haulage operations.



Year	Total employees	Total females	% of Female employees on maternity leave	% Return to work
2010	1 831	245	6.94	76.47
2011	1 880	279	6.09	100.00
2012	2 251	333	7.21	87.50
2013	2 109	308	11.69	97.22
2014	2 095	321	11.27	100.00
2015	2 060	324	9.6	100.00

Benefits

Employees receive the following benefits:

Medical Aid • Retirement Provision • Disability cover • Maternity Leave • Meal Allowance Production Bonus • Short Term Incentive Program • Employee Share Participative Scheme Education grants

Dividends

Year	Month	No. of employees	Amount (R)	Total amount paid (R million)
2010	April	1 646	2 366.67	3.9
2010	September	1 647	2 365.67	3.9
2011	March	1 731	4 776.97	8.3
2011	September	1 757	5 340.24	9.4
2012	March	1 804	5 968.24	10.8
2012	September	1 843	8 577.11	15.8
2013	March	2 139	7 090.34	15.1
2013	September	2 164	7 145.75	15.5
2014	March	2 081	4 375.26	9.1
2014	September	1 985	6 387.83	12.6
2015	March	1 975	6 983.24	13.8
2015	September	2 006	5 018.56	10.1

Training and Education

Zero Harm training and the Leadership Development Programme (LDP) – two sides of the same coin – have formed the cornerstone of our learning and development efforts this year. We are on a drive to equip our people with the skills and tools to be safe, well, productive, caring and satisfied in their work. Our goal is to align our leadership interventions at all levels of the workforce so as to ensure that we are all pulling in the same direction – safe production – and we proudly relaunched the LDP in 2015 to the frontline level.

The frontline LDP sees diverse groups from across the organisation covering all the main aspects of the leadership programme in an intensive two-day session. The programme instils specific practices to support our safety culture: Model the Way, Inspire a Shared Vision, Encourage the Heart, Enable Others to Act and Challenge the Process. Leadership roles

are defined and encouraged so that our leaders become Creator, Challenger or Coach depending on the context.

One of the most significant aspects of the frontline LDP is the homework that people are given on the first day. Each person is invited to ask family, friends or fellow community members what is valuable about them. The answers have been extremely profound as people – some for the first time in the lives – have discovered what they truly mean to others. This is at the very heart of what RBM is trying to achieve with our various learning and development initiatives. Training that impacts hearts and minds lifts people up and gives them a sense of self-worth. This sense of self-worth drives people to care for themselves and others; it drives them to prioritise safety; it drives them to strive to be the best they can be, and, in so doing, ensures that we as the RBM family live our values, our vision and our brand.

AFRICAN LEADERSHIP INSTITUTE'S ARCHBISHOP DESMOND TUTU LEADERSHIP FELLOWSHIP 2015

We were extremely proud when Dr Theresia Ott, Superintendent: Ecology & Rehabilitation Mine Services Department at RBM, was selected to participate in the African Leadership Institute's Archbishop Desmond Tutu Leadership Fellowship 2015 programme. Candidates hailed from a range of sectors, including academic, political, financial, agricultural, aid, and pharmaceutical sectors and from across the continent, including Cameroon, Ethiopia, Ghana, Kenya, Nigeria, South Africa, Sudan, and Zimbabwe.

In the spirit of the venue, where the famous Mont Fleur Scenarios¹ were developed in the early 1990s, groups were formed and required to develop scenarios and associated actions. The aim was to structure how, given global political and socio-economic scenarios, Africa may improve its ability to compete economically and politically in a fast-changing world arena, improve leadership and governance, whilst overcoming corruption and patronage, and enhancing Africa's foreign influence through trade, investment, resource exploitation, and technology transfer.

People from various sectors facilitated sessions and discussions included everything from the psychology of leadership, to the role of education and science, from the South African situation and the xenophobic outbreak of the time to the recent Nigerian elections and ideas of pan-Africanism.

Outings included a historical tour to Robben Island and a visit to Archbishop Tutu's Legacy Foundation offices for discussions with his staff. Unfortunately he was away and unable to see us as is normally arranged.

In the following six months, participants had to complete the scenario group project, begin work on a community project in their own circle of influence, as well as a written assignment on leadership in Africa.

The second set of sessions were held in Oxford and London in September.

Where Mont Fleur was more introspective (both personally and African), the sessions in Oxford were all about widening one's view of the world and adapting one's thinking, managing and leading by considering the thoughts and aspirations of others.

Esteemed academics, thought leaders and leadership experts lead discussions. Activities included presenting group projects at Rhodes House; a role-playing game of leadership lessons from Shakespeare's Henry V; conducting a choir in Oxford's 470 year-old Christ Church; and being hosted for dinner at Balliol College.

In London, delegates tested their ability to work in teams during a cook-off at London's premier cooking school. A tour of the Houses of Parliament at Westminster by Lord Hacking and Lord St John of Bletso was conducted, with discussions on the workings and history of parliament followed by a lavish dinner and discussion on international relations at the House of Lords.

The week in London also included visits to the headline sponsors of the Archbishop Tutu Fellowship: Rio Tinto, Glaxo-Smithkline and Investec, each of whom had arranged high-level speakers to give their insights on the key challenges Africa faces, as well as the risks and opportunities that Africa holds for investment and business from within and outside the continent.

Delegates joined over 200 alumni of the Archbishop Tutu Fellowship, each giving a personal pledge to make a difference.

1 The Mont Fleur Scenarios were developed in early 1992 by a range of political, economic and civil leaders from the oppositional and government stand points on how events might unfold in South Africa over the coming decade.

Twenty employees received certificates this year in Literacy and Numeracy ranging from ABET level one to level four.

Twelve of the graduates are the first-ever to complete all four levels of the programme, a big milestone at RBM.

Labour / Management Relations

Both our SpeakOUT hotline and our formal grievance process prove to be effective mechanisms for our employees to voice their concerns.

Grievances about labour practices filed through formal grievance mechanisms	15
Grievances addressed	12
Grievance resolved	8
Grievances filed in 2014, resolved in 2015	3

The conclusion of a three-year wage agreement ending in June 2018 is a great achievement and allows us to focus our attention on other employee matters, such as skills development.

Human Rights and Society

We have concentrated on strengthening our internal systems to achieve operational excellence in community relations management this year. Building mutually beneficial relationships with our stakeholders is our aim.

Our Community Strategy was revised and refreshed and a supporting Community Plan with Key Performance Indicators was developed and communicated with key stakeholders, including employees, the four Traditional Councils of our host communities and relevant regional, local and national government departments.

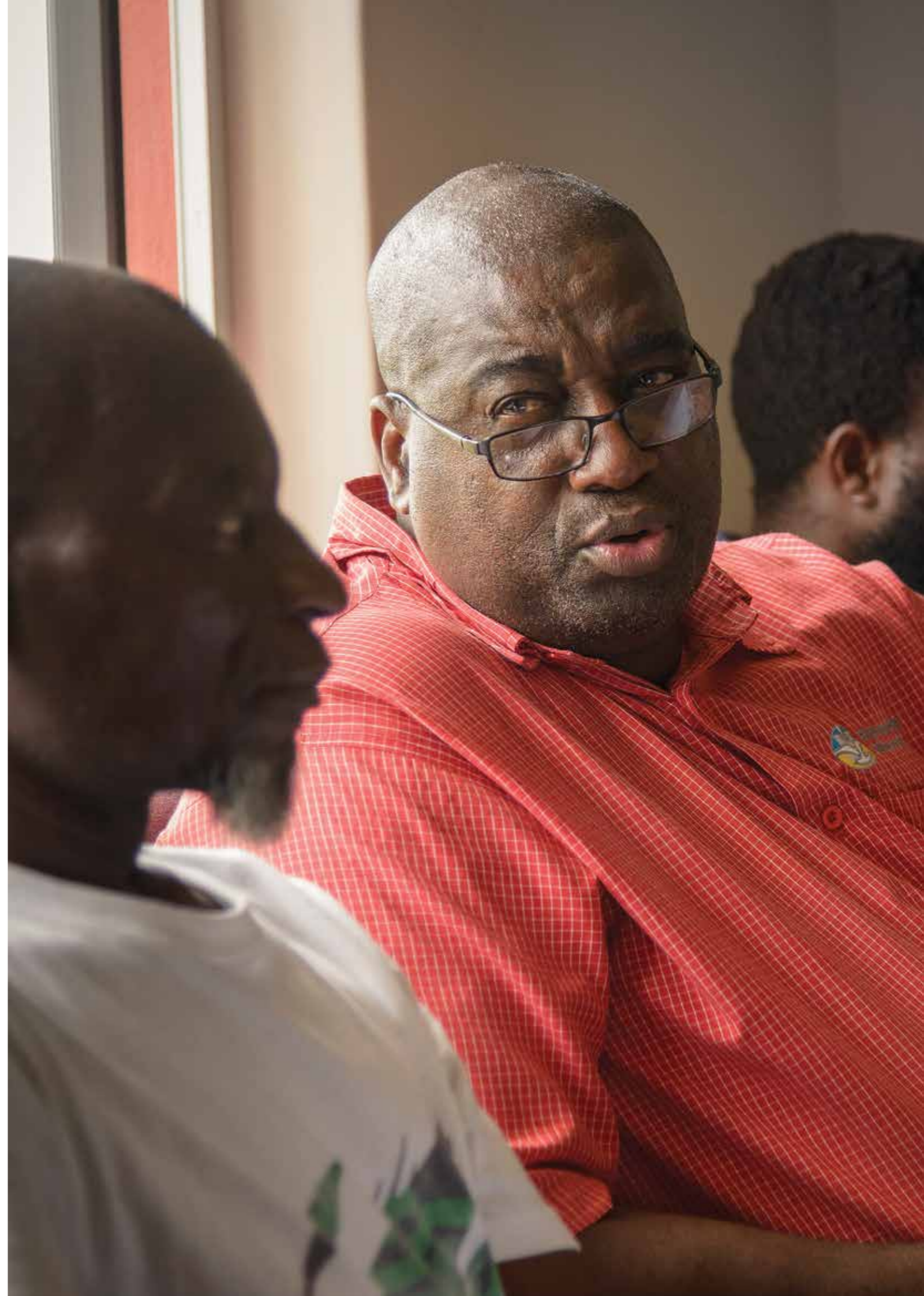
Across South Africa community protest marches are rife. Main issues include youth demanding employment and service delivery protests. This is mainly due to the high unemployment rate and is further politicised in the lead up to local government elections in 2016.

RBM continues to enjoy support from community leaders of all our four host communities. This is due to a number of engagement platforms with community leaders and structures such as weekly Traditional Council meetings, interest groups meetings and quarterly community engagement meetings (izimbizo). We have also ensured that when there are leadership changes, new leaders are welcomed and brought up to speed with RBM programmes, priorities and challenges.

At least four sessions have been held with the Sokhulu and Dube leaders and their Councils respectively. Focus on Zulti South's Resettlement programme and engagement remains a priority for the engagement team.

We have seen less disruption this year with continued work on local recruitment and developing local businesses.

Memorandums of Understanding signed with each community in 2014, are being operationised through the development of frameworks. The most important of these is the Local Employment Framework, which has involved lengthy engagement with each community.



Grievance for Impacts on Society

During 2015, a revised community grievance procedure was formalised and communicated within and outside the business. Positive comments have been received and it is in the final stages of approval.

LEGACY ISSUES			
Complaint	Description	Progress	Status
Mbonambi: Nhlabane Weir - relocation of three households	Prior to the raising of the Nhlabane Weir, an impact assessment was conducted and in 1998 compensation was made per agreement with owners of affected land. In 2013, the matter was raised again and further compensation demanded. Further investigation was made and it was concluded that no further impact had occurred, however an additional three households were identified as being at risk if the automatic opening of the weir fails. A proposal to relocate the families was made and accepted, but an additional upfront payment was also demanded.	This complaint is being handled in collaboration with Department of Environmental Affairs and has been handed over for legal action.	Unresolved
Mbonambi: water seepage at Reservoir 1 and 6	Mbonambi community alleged that the reservoir leaked and damaged their crops and houses. This occurred in 2009/10. This was compounded by leaking water pipes from Mining Pond B and perceived seepage from the Mining Pond B temporary storage dam.	Compensation has been made for the loss of crops. A tender has been awarded to three community contractors. The contractors will open the drains at Reservoir 1 and 6 and then later maintain the trenches. There were some delays due to statutory compliance by the contractors.	Remedial work in progress
Mbonambi: environmental legacy complaint	Previously compensated complainants laid a further complaint regarding soil infertility and poor water quality inhibiting the growth of their plantation. This claim is based on water contamination due to water seepage from mining operations.	Investigations into the complaints raised by the Mbonambi community were completed. The exact location of list of complainants has been verified and confirmed. RBM is currently working with the committee to implement remedial solutions.	Remedial work in progress
Sokhulu: small timber growers	Complaint by Sokhulu small scale commercial timber growers regarding the alleged impact from RBM's operations on plantations adjacent to ZN mining areas. In 2008, water from the mining operations seeped into the adjacent community plantations. Investigation and compensation was concluded in 2009/10. The community claim that there was further impact, which affected the fertility of the soil as a result of this seepage. They only realised this due to poor yield.	Investigations were completed and affected community members were paid compensation in December 2014. Engagement on remedial work is in progress.	Engagement on remedial work in progress
Blocked culverts	Area 1 - along north haul road and close to Mabhodla Crossing. Area 2 - MPB/Nzalabantu near Digidigi. Both require unblocking and opening of the drains to allow flow of water.	Area 1 – work has been done and the complaint has been closed. Area 2 – drain cleared and rubbish removed.	Closed
Stockpile 13	Engagement has been re-opened with Ntuli family who have requested alternative land for production.	Negotiation around alternative land is underway with 3 options on the table.	Engagement in progress
NEW ISSUES RAISED			
Water leakage	Complaints of water leakages from our pipeline impacting houses and crops.	Ten complaints were successfully closed with agreements with the complainants. Six complaints are still under investigation to determine impact to houses and crops. Two still remain disputed with the complainants who have now taken a legal route.	10 – closed 6 – investigation in progress 2 – unresolved

Resettlement

Resettlement continues to be focused on the Zulti South mining lease area. Significant progress has been made to conclude agreements in the priority areas. There has been continuous engagement with the affected people in Dube and Mkhwanazi via the Resettlement and Relocation Steering Committee, Traditional Councils and Affected People's Forum.

A total of 18 households were identified during a comprehensive impact assessment. All household agreements have been signed. This includes sourcing replacement land. Six houses were prioritised for immediate construction, with the remaining 12 expected early in 2016.

Solatum agreements and payment for all graves in the priority area have been signed. Thirteen solatum cheques have been handed over to the affected communities and a decision taken to pay non-priority solatum sooner in response to claimants' requests.

Replacement land has been secured for 16 of the 18 homesteads and 12 sites paid for.

Negotiation for surface rights is in its final stages, with rental proposals exchanged with the landowner.

The remaining work is mainly around fields, where 'in principle' agreements have been reached with field owners. Completion of the agreements is expected early in 2016.

Closure Planning

The Portfolio Committee on Mineral Resources paid an oversight visit to RBM to benchmark on Mine Closure processes as the company is believed to have applied the best process across all mines in South Africa, especially in rehabilitation.

The recommendation was made by the Department of Mineral Resources to ensure that best practice is embedded across all companies in the mining sector. Such recommendations are encouraging and really put RBM on the map as a world leader in key aspects of mining.

All mineral resources have a finite lifespan and all mines will eventually close. As a responsible corporate citizen long-term planning that considers not only logistics, but also the impact on surrounding communities, is essential. We have a comprehensive, consolidated Mine Closure Plan for Zulti North, Tisand and the smelting, processing and logistics operations, with one overall financial provision for closure.

The plan includes:

1. A closure management strategy that aligns with existing environmental, health and safety and community liaison systems;
2. A closure management plan for each operational area; and
3. A detailed bill of quantities for demolition



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