

A stable, skilled and motivated employee base is critical for the Group to achieve its goals. In 2007, the Group recorded a 15% turnover in skilled and semi-skilled employees attributed primarily to the general skills shortage in the country and the buoyant economy.

TALENT MANAGEMENT

The growing shortage of critical skills in the mining industry in South Africa, combined with Anglo Platinum's heightened need for these skills in light of its expansion programme, has further highlighted the importance of talent management and people development. Anglo Platinum has a talent management process to identify, develop and retain high-potential and high-performing individuals to sustain the success of the business into the future. The talent identification process influences other human resources-related decisions such as recruitment, succession planning, rotation plans, career development and retention. The war for talent and the scarcity of skills is introducing a highly fluctuating labour market and requires Anglo Platinum to consider specific measures to retain skills.

Retention interviews were undertaken to determine risks associated with incumbents in critical positions and those with critical skills. Findings from this survey have served as a guide to introduce a number of skills retention initiatives and to provide for enhanced leadership succession.

CAREER AND EMPLOYEE DEVELOPMENT

The focus of our skills development initiatives is to build human capital, ensure the transferability of skills and contribute to Anglo Platinum's performance and results. To maintain a strong complement of well-trained and motivated people, the Group emphasises developing a culture of lifelong learning and encourages employees to maintain a personal career development plan based on continuous learning and development. This is supported and formalised through career development panels. For a number of our employees, reading and writing remains a challenge. The promotion of adult basic education and training (ABET) has resulted in large numbers of employees enrolling in the various courses throughout the year. More than 3,000 employees are currently enrolled in ABET programmes

that support candidates in acquiring basic literacy skills and beyond.

LEADERSHIP SUPPLY

To enhance performance at supervisory level, various appropriate development programmes have been initiated. This has seen over 3,000 supervisors attending interventions in areas such as personal and professional leadership mastery, generic supervision skills, change management, performance management, employee relations and employee communications.

Anglo Platinum remains concerned about the skills shortage resulting from the national decline in the number of registered engineering learners across all industry sectors. The Group's bursary and graduate development programmes, as well as the engineering technical centre for technical learnerships, are some of the means employed to reverse the effect of skills shortages. Given the Group's growth plans, the target number of bursary awards for 2007 has been increased. In total 486 bursaries were awarded in 2007 with a target of 747 set for 2008.

PERFORMANCE MANAGEMENT

Anglo Platinum is committed to effective employee performance management through regular formal and informal feedback and review, and open communication. Our aim is that every employee will have a face-to-face meeting with a direct line manager to agree performance targets and review performance and development needs annually. Feedback and discussions on performance help employees work more effectively by building on strengths and identifying ways to address any shortcomings. These conversations ensure that employees understand what is expected of them and how their individual contributions support the business strategy.

TRANSFORMATION

Anglo Platinum's efforts in this area are founded on the value that a diverse workforce brings to an organisation. We endeavour to create an inclusive culture where all employees feel appreciated for their uniqueness and contribution. By focusing on building an inclusive culture, we benefit from the many advantages of a

richly diverse workforce. Anglo Platinum's 2007 employment equity status shows satisfactory progress towards achieving equitable representation of designated groups across all occupational levels and categories of the workforce. The Group's employment equity strategy, typified by special interventions such as attracting high-potential candidates, employee development programmes, mentoring, shadowing, fast-tracking and talent pool management, continues to deliver positive results to achieve our strategic employment equity targets.

During 2007, 212 candidates participated in our various historically disadvantaged South Africans (HDSA) fast-tracking programmes. A special programme, aimed at senior management appointments, developed 24 candidates in the mining, engineering and information communication technology disciplines.

EMPLOYEE RELATIONS

Positive engagement with labour unions was maintained through established forums and communication structures. There was a strike in the Group's processing division by NUMSA over wages and other conditions of employment in September 2007. The strike lasted for three days and 959 man-days were lost. Production was not affected as a result of the strike action.

There were, however, numerous contractor strikes at both managed and non-managed operations in 2007, which had a material impact on operational performance.

JIC contractors embarked on a strike in October 2007 at BRPM, Rustenburg and Union mines. The strike was resolved when Anglo Platinum intervened between NUM and JIC management. It had lasted for four working days with four shifts lost at three operations, resulting in 1,530 man-days being lost.

The non-managed Modikwa Joint Venture suffered a month-long labour strike in the first quarter over conditions of employment.

HUMAN RESOURCES PLANNING

Labour forecasts have been generated to support Anglo Platinum's growth strategy and labour requirements associated with existing operations defined to 2015. Plans are in place to ensure the projected labour demand and related training, housing and recruitment requirements are met. A model has also been implemented to manage the ratio of contract employees to enrolled employees employed by the Group in core mining operations. Further information about the Group human resources programme appears in Volume 2.



Employees receiving training at Polokwane robotic laboratory