

Employment equity

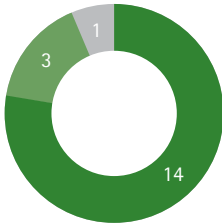
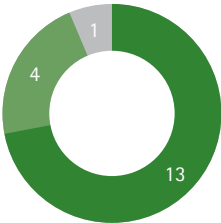
(excluded here are employees at manufacturing and business activities outside of South Africa)

% = percentage of employees from designated group per category.

Figures in all the graphics refer to employee numbers.

2008

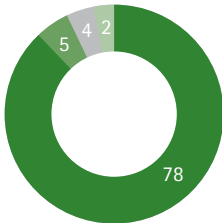
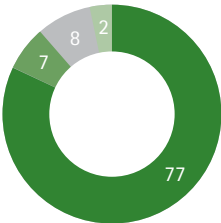
2007



White males ■
 Black males ■
 White females ■
 Black females ■

Top management – 28%

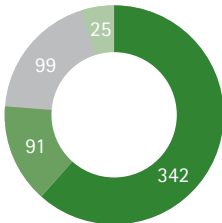
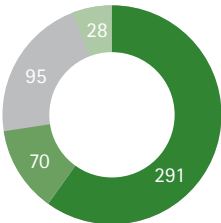
Top management – 22%



White males ■
 Black males ■
 White females ■
 Black females ■

Senior management – 18%

Senior management – 12%

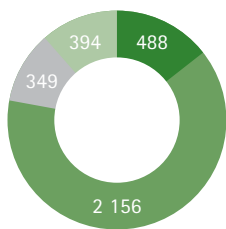


White males ■
 Black males ■
 White females ■
 Black females ■

Middle management and professionals – 40%

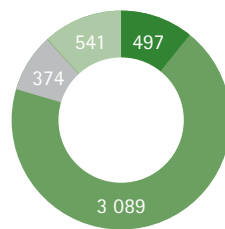
Middle management and professionals – 39%

2008



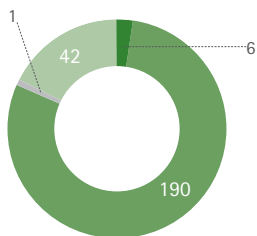
Skilled and semi-skilled – 86%

2007

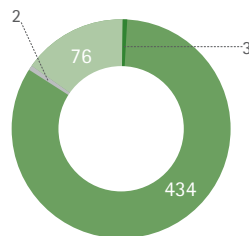


Skilled and semi-skilled – 89%

White males ■
Black males ■
White females ■
Black females ■



Unskilled – 97%



Unskilled – 99%

White males ■
Black males ■
White females ■
Black females ■

In addition to targeted recruitment practices, in-service training, and career and succession planning, AECI's businesses have consultative processes in place for dealing with employment equity issues. With input from steering committees, formal development programmes are in place for the advancement of employees from designated groups.

Overall in the Group, some progress has been made in the top and senior management categories, with representation of designated groups increasing by 6 per cent in both categories. Representation in other categories is generally unchanged and efforts to improve representation at all levels continue to be made.

Since its first employment equity report in 2002, the **mining solutions** businesses' designated group representation has improved by 15 per cent. Challenges have been experienced with regard to making significant demographic changes due to ever-increasing skills requirements as well as skills shortages experienced by the country.

Particular attention will be given to continually improving employment equity, particularly in the middle to senior management categories.

The skills shortage is especially acute in the mining engineering discipline. To secure an independent source of suitable engineers, **AEL** has initiated a bursary programme for second year students, where the students work at AEL customers' mines but are on AEL's payroll.

Chemserve's development programmes have been introduced to facilitate the achievement of employment equity goals. Recruitment and promotion practices remain the main focus in addressing demographic imbalances and under-representation of designated employee groups. In 2008, the majority of recruits and promotions were from designated groups.

AECI's property business has recognised the shortage of skilled persons, from designated groups, with specific knowledge in land development. Consequently, **Heartland Properties** instituted a planned and constructive programme aimed at enabling previously disadvantaged individuals and organisations to gain full and equal access to opportunities appropriate to their competence and potential. Suitable candidates have been identified for in-service training and future employment has been extended to include a much wider pool of potential participants.

In compliance with the Employment Equity Act, the AECI Group continues to use the two-tier consultation structure and process, where one representative from each business-specific committee attends and participates in the centralised, Group committee. As in the past, AECI's consolidated Employment Equity report was submitted to the Department of Labour.

Economic empowerment

Investigations into a transaction to facilitate a black ownership initiative in AECI's ordinary shares are at an advanced stage. Such a transaction would complement the Group's other, well established Broad-Based Black Economic Empowerment (BBBEE) strategies. One such long-standing strategy is to involve historically disadvantaged South Africans as equity partners in Group businesses, or as preferred suppliers to Group companies, to the extent that they are the true beneficiaries of such initiatives, without undue disadvantage to shareholders of the Company.

The BBBEE transaction under investigation comprises two elements, the first being the empowerment of permanent South African employees of the AECI Group through an employee share trust and the second being the creation of a perpetual community service trust promoting education and development in areas immediately adjacent to the factories and operations of the AECI Group in South Africa.

It is contemplated that the transaction will be finalised and implemented in 2009.

Employee well-being

Several years ago, AECI's executive committee took a strategic decision to encourage all employees to join AECI's Medical Aid Society. To facilitate this, a low-cost membership option was introduced and, as a result, the vast majority of Group employees and their dependants now have access to affordable medical aid cover. Membership of the medical aid is the first step in moving from a fragmented approach to employee well-being to a consolidated and holistic system.

It is intended that, ultimately, employee assistance programmes, occupational health initiatives, HIV/Aids and other chronic illness interventions, stress management and overall employee health and well-being will be integrated into an overall care system. This should have a positive effect on the cost of providing quality employee benefits and care in future years. In addition, costs associated with factors such as disability cover and employee absenteeism, and impacts on retirement funds, should reduce as a result.

Over and above Group-based initiatives, each AECI company has employee assistance programmes catering for its specific needs. Individual counselling is available for HIV/Aids, trauma, family-related matters, addiction, bereavement and stress-related issues in the workplace or at home.

HIV/Aids

HIV/Aids continues to ravage communities worldwide, with South Africa and Africa as a whole being among the most afflicted regions. AECI recognises that people are a crucial asset and as such the Company is committed to their health and safety. Minimising the effects of this pandemic is an important element of the Company's strategy.

Interventions are concentrated in three main areas:

- prevention against infection, with training and awareness-raising being the main components. A multi-faceted approach is employed, including seminars, newsletters, intranet-based quizzes and plays. Condoms are provided to employees at no cost to them;
- Voluntary Counselling and Testing is available to employees and they are encouraged to make use of the service. This provides an opportunity for one-on-one discussions, tailored to the needs of the individual; and
- treatment for HIV-positive employees. Most of the Company's employees and their dependants are members of medical aids and as such have access to the "Aid for AIDS" programme. The programme provides a practical, comprehensive and caring structure within which infected individuals can receive the best possible care.

A recent knowledge and perception survey showed that a significant stigma is still associated with being HIV-positive. As a result, infected individuals frequently put off testing and treatment until they are already seriously ill. Once this stage is reached, recovery to a reasonable level of health may take a substantial period of time, and is sometimes impossible.