



**South Africans hit the new year with a collective shock: Bang went our electricity supply and with it our sense of security.**

**Eskom, the national power supplier, switched off the power grid section by section across the country in a load shedding programme because energy reserves had become depleted.**

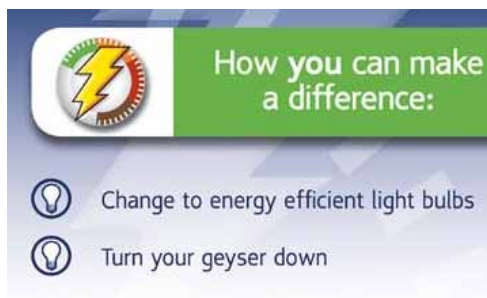
This was a new and unexpected phenomenon to South Africa, sparking an emotional crises amongst South Africans who felt that everything they had was threatened.

However, we have made it through those dark early months and are coping far better. Moreover, ironically, not having the assurance of power has empowered us. We have come to learn that an uncertain energy supply is a global concern, that many other countries have and continue to experience the same threat to their economy. For South Africa, being suddenly without lights was a wake up call. It has forced us to find ways of saving electricity and look for alternative forms of energy both at home and at work.

Scaw South Africa has taken the electricity reduction initiative on board, in line with instructions from Cynthia Carrol, CEO of Anglo American plc and Philip Baum, CEO of the Ferrous Metals and Industries Division of Anglo American plc.

## ENERGY CRISES!

### Scaw SA empowers itself with 66 000 kWh per day saving



South Africans are getting behind the national energy saving programmes

“ don't regard the problems of energy supply here as a disaster. And South Africa is not alone: there are pressures on supply regarding our expansion projects in Chile and Brazil,” said Ms Carrol at a Mining Indaba earlier this year.

“Sure, the problems here are serious; overcoming them will require ingenuity, especially in energy efficiency and energy saving, as well as the development of alternative power supplies. But if all of us can forge strong partnerships to tackle the situation, we will all come through – I hope relatively unscathed. This

is not a time for finger pointing, but for working together in finding solutions.”

Finding solutions is exactly what Scaw South Africa has been doing. Johan Claassen, Union Junction's maintenance engineer, explains, “Eskom sent out a communiqué stating that in order to avoid being load shedded, a 10% savings on our 2007 load profile was required. Scaw decided to drive this 10% saving aggressively and, if achieved, hold Eskom to its promise. The second objective was to make this saving without affecting production output.

“Initially it was seen as almost

impossible to make such a big saving without investing millions. However, we went ahead and requested personnel to switch off air conditioning units and, instead, open windows, blinds and curtains to allow natural light and warmth into their offices; to switch off their monitors and other electrical appliances and chargers when not in use; and switch off geysers where shower facilities were not required. Plant equipment that normally operates 24 hours a day but is not always required was switched off, for example dust, fume extraction, cooling and pumping systems.”

Scaw has joined Eskom's communication drive to solve South Africa's energy crises by distributing informational posters supplied by Eskom for branding with the group's logo. The posters are an Eskom initiative with South African business. Samples are shown on this page.



#### SAVINGS MADE

Scaw Union Junction made a 66 000 kWh/day saving as a result of this drive. This was a massive saving but only 30% of what was required. Consequently, Scaw reviewed the arc furnace power programmes and charge make up, and this has brought about excellent results.

Not only has Scaw gained a better understanding of its energy balance but it has been able to improve production output while using less energy. This was all achieved through better efficiencies and energy utilisation.



#### IN BETTER SHAPE: HEALTHIER STATISTICS FOR THE GROUP AHEAD

At the end of June, Union Junction was at almost 8% and confident of achieving Eskom's required 10%. The operation has reduced its total energy consumption (all energy sources) by 4%

from 6.42 to 6.16 GJ/ton  
Electrical energy has dropped by 69 kWh/ton, 3.6 million kWh or R615 000/month saved.  
The same initiatives were launched at all the other South

African sites as well. Benoni Works has achieved its 10%. No metering has been installed at the Steel Wire Rope operation but indications are that it has also done well.

# One Anglo Supply Chain Project

delivering more together

The Scaw contact for the One Anglo Supply Chain Project is Cheryl Lynn Oelofse at Scaw SA.



On 21 April 2008 the One Anglo Supply Chain Project was officially kicked off at Zebra Lodge in South Africa by Andrew Hinkly, group head of procurement and supply chain, to enable the successful execution of the project vision: **To be the industry leader and global benchmark for supply chain.**

The One Anglo Supply Chain Project is at the heart of the One Anglo strategy to work closer together as a single, integrated organisation.

Through a re-evaluation of Anglo's approach to supply chain, leveraging the organisation's full scale and the transition to the new One Anglo Operating Model, the group will be able to quickly imple-

ment best practice processes and systems across Anglo's global operations.

A cross functional project team with three primary work streams has been mobilised:

- 1) Category Management & Strategic Sourcing.
- 2) Infrastructure, Processes and Enablers.
- 3) Workforce Transformation

and Change Management & Communications.

If you have any questions relating to the One Anglo Supply Chain Project please contact your local business unit change agent (Cheryl Lynn Oelofse at Scaw South Africa) or you may submit your questions to [procurement@angloamerican.co.za](mailto:procurement@angloamerican.co.za).

## Scaw aligns itself with EU export agreement



Above: Firing up the electric arc furnace in Scaw's Union Junction operation in South Africa. End products that are manufactured for the European market fall within the ambit of REACH

## The registration of chemical properties relating to products is under way

**B**y the third quarter of 2008 the group will have pre-registered products exported to Europe under the REACH directive.

REACH is an acronym that stands for the Registration, Evaluation, Authorisation and Restriction of Chemicals and is the application of the new European Union (EU) Chemical

White Paper decided in 2001 and enforced on 11 June 2007. The REACH initiative applies to the manufacturers or importers of chemicals in quantities above 1 tonne per year in the EU.

REACH is based on the understanding that industries should manufacture, import or use substances, or place them on the market in a way that, under reasonably foreseeable conditions,

does not adversely impact on human health and the environment.

In order to ensure compliance manufacturers and importers need to collect or generate data on the substances, and assess how risks to human health and the environment can be controlled by applying suitable risk management measures.

This has consequences for

Scaw because various products are exported to the EU. Scaw will assist the relevant clients in gathering information with regard to the chemical properties of all products exported to the EU.

Scaw's pre-registration commenced in June 2008 and will be followed by a phased approach to registration.