SLP 3 (Final)

AngloAmerican

KUMBA IRON ORE

DEPARTMENT OF MINERAL RESOURCES
2021 -03- 25

Sishen Iron Ore Company (Pty) Ltd

Mining Right No: MPT 50/2009

DMR Ref: NC 30/5/1/1/2/069 MR

KOLOMELA MINE

SOCIAL AND LABOUR PLAN

2020 – 2024

HOW THIS DOCUMENT IS ARRANGED

The organisation of this document follows the sequence of Regulation 46 of the Mineral and Petroleum Resources Development Regulations, published under Government Notice R527 in Government Gazette 26275 dated 23 April 2004, which outlines the required contents of a Social Labour Plan.

The document is also aligned to satisfy the requirements of Mining Charter III of 2018, in terms of the Mineral and Petroleum Resources Development Act 28 of 2002.

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ABBREVIATION	EXPLANATION
LED	Local Economic Development
LRA	Labour Relations Act 1995
MC	Broad- Based Socio-Economic Empowerment Charter for South African Mining Industry
MCI	Mining Charter I issued in 2002
MCII	Mining Charter II issued in 2010
MCIII	Mining Charter III issued in 2018
MHSC	Mine Health and Safety Council
MOHS	Mining Occupational Health and Safety
MPRDA	Mineral and Petroleum Resources Development Act, No 28 of 2002 (as amended)
MHSA	Mine Health and Safety Act
MQA	Mining Qualifications Authority
NDP	National Development Plan
OD	Organisational Development
OEM	Original Equipment Manufacturer
OHS	Occupational Health and Safety
PIT	Professional in Training
SANCA	South African National Council on Alcoholism
SDA	Skills Development Act 97 of 1998
SDF	Skills Development Facilitator
SETA	Sector Education and Training Authority
SIB	Stay In Business
SIOC	Sishen Iron Ore Company (Pty) Ltd
SLP	Social and Labour Plan

ABBREVIATION	EXPLANATION
TETA	Transport Education and Training Authority
TLM	Tsantsabane Local Municipality
TMM	Trackless Mobile Machinery
WSP	Workplace Skills Plan

TERMS AND DEFINITIONS

TERM	DEFINITION
Accredited Training Facility	Training facility that is accredited with the relevant SETA.
Annual Training Report	The ATR is a legally mandated training report submitted to the SETA on an annual basis. The purpose is to track compliance to commitments made in the preceding year by the organisation relative to training and development activities for both permanent employees, contractors and host communities as well as financial spend towards these activities. The ATR is submitted together with the WSP.
BEE Entity	An entity of which a minimum of 25% + 1 vote of share capital is directly owned by HDP as measured in accordance with flow through principle.
Beneficiation	The transformation of minerals (or a combination of mineral) to a higher value product, which can either be consumed locally or exported. The term is often used interchangeably with mineral "value-addition" or "downstream beneficiation".
BBBEE	The economic empowerment of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to – Increasing the number of black people manage, own and control enterprises, and productive assets; Facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprisers; Human resources and skills development; Achieve equitable representation in all occupational categories and 20 levels in the workforce; Preferential procurement; and Investment in enterprises that are owned and managed by black people.
Bursary	It is an award in terms of monetary assistance given to an individual by

TERM	DEFINITION
	Kumba who is undertaking tertiary studies at a recognised higher education institution. Such an external bursar is not an existing employee of the company.
Career paths diagrams	Generic career path & pipeline diagrams that which indicate the succession requirements and opportunities within each business stream at the mine.
Contractor	Any third-party organisation which is engaged or commissioned by the company to undertake work or provide services.
Core and critical mining occupations/skills	Any occupation at the mine which relates to the core business of mining (production orientated, i.e.: Mining, Plant, Engineering, Material Resource Management, not support/ administrative)
Core skills	Means Skills that are: i. Value-adding to the activities of the company in line with its core business ii. In areas that cannot be outsourced Within the production/operational part of the company' value chain, as opposed to the supply side, services or downstream operations.
Critical skills	Occupations in which there is a scarcity of qualified and experienced people, currently or anticipated in the future, either: i. because such skilled people are not available or ii. they are available but do not meet employment criteria
Demographics	The numerical characteristics of a population (e.g. population size, age, structure, sex/gender, race, etc.
Downscaling	Reduction in production to sustain the operations, which may lead to a reduction in the workforce.
Employee	Any person who works for the holder of a reconnaissance permission, prospecting right, mining right, mining permit, retention permit, technical corporation permit, reconnaissance permit, exploration right and production right, and who is entitled to receive any remuneration, and includes any employee working at or in the mine, including any person working for an independent contractor.
Employment Equity Plan	A Plan that which articulates on how the company is going to achieve employment equity numerical goal. It includes objectives, numerical targets for each year and a timeframe for the achievement of the goals. The Employment Equity Act requires companies to draw up an employment equity plan to be submitted to the Department of Labour.
Enterprise development	Monetary and non-monetary support for existing or fostering of new HDP companies in the mining sector of the economy, with the objective of contributing to their development, sustainability as well as financial and operational independence.
Financial	Financial commitment (monetary value) being the sole responsibility

TERM	DEFINITION
provision	of the mining right holder, provided for the implementation of the social and labour plan in terms of the implementation of: i. The human resources development programme ii. The local economic development programmes; and iii. The processes to manage downscaling and retrenchment
Form Q	Form to be completed in terms of regulation 46(b) (i) (aa) of the MPRDA Regulations in relation to the Social and Labour Plan to report the number and education levels of employees.
Form R	Form to be completed in terms of regulation 46(b) (i) (bb) of the MPRDA Regulations in relation to the Social and Labour Plan to report the number of vacancies that the mining operation has been unable to fill for a period longer than 12 months.
Form S	Form to be completed in terms of regulation 46(b) (v) of the MPRDA Regulations in relation to the Social and Labour Plan to report employment equity statistics.
Form T	Form to be completed in terms of regulation 46(c) (vi) of the Social and Labour Plan to report procurement progression plan and its implementation for HDP.
Future Forum	It is a strategic association between Kolomela Mine management, workers and their representatives, established to look ahead for problems, challenges and potential solutions to the problems facing the organisation. The Future Forum is consisting of management and employee representatives that meet regularly to promote on-going discussions between employee representatives and employers about the future of the mine and matters related to it.
HDP	Refers to South African citizens, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) came into operation which should be representative of the demographics of the country.
Individual Development Plan/Career Progression	Provide a detailed career progression (path) plan, which is in line with the skills development on how the company would progress the employees through the employment levels.
Infrastructure Development Projects	Infrastructure Projects that which contributes to raising the quality of life by creating amenities, providing consumption of goods (e.g. transport & communication services), and contributing to macroeconomic stability. Infrastructure does not create economic potential, but only develops it where appropriate conditions (i.e. other inputs such as labour and private capital) exist. It is an enabler of socio-economic development.

TERM	DEFINITION
	Example: i. Physical – water, roads, sanitation, electricity availability. ii. Social – Clinics, schools, houses, recreation facilities. iii. Economic – Enterprise development centre, Zimele Business Hub.
Integrated Development Plan (IDP)	A process through which municipalities prepare a strategic plan containing short, medium and long-term development objectives, strategies and programmes for the municipal area. The IDP is a principal instrument that guides and informs budgeting, management and decision making related to service delivery and development in a municipality. The IDP process enables municipalities to work together with communities and other stakeholders to find innovative and cost-effective ways of eradicating poverty and growing the local economy. It serves as a guide to the private sector in making decisions with regard to areas and sectors to invest in.
Internship	An internship is a means to provide practical workplace experience/exposure to individuals studying an industry related qualification at a tertiary institution. It is also referring to experiential training.
Junior Management	It refers to persons that have some decision-making powers and responsibilities with less levels reporting to them.
Learnership	Learnership means a learning programme which: i. consist of a structured learning component, including work experience of a specified nature and duration; ii. Would lead to a qualification registered by the South African Qualification Authority (SAQA) and lead to an occupation.
18.1 Learners	Section 18(1) learner means a learner that was in the employment of the company when the learnership agreement was concluded.
18.2 Learners	Section 18(2) learner means a learner who was not in the employment of the company when the learnership agreement was concluded.
Local Economic Development	The objective of Local Economic Development is building economic capacity of an area to improve its economic future and quality of life for all. It is a process by which the public, businesses and non-governmental sector work collectively to create better conditions for economic growth and employment generation.
Local Procurement	Local procurement is referred to as providing fair opportunities for competitive local suppliers/companies to purchase goods and services that can contribute economic development of local communities.

TERM	DEFINITION
Mentorship	The process of assisting employees to gain further knowledge, experience and skills; it is an activity that can be successfully used where senior employees develop junior employees within a company to enhance their career development. A process through which one person (protégé/mentee) receives structured career development guidance from a seasoned employee (mentor). This process is usually formalized in a written agreement referred to as a Mentorship Agreement.
Middle Management	Middle managers are responsible for implementing the top management's policies and plans and typically have management levels below them.
Mining Charter	The Broad-Based Socio-Economic Empowerment Charter for South African Mining and Minerals Industry.
Mining Charter "Calendar Year"	The one year period that begins on January 1st and ends on December 31st
Occupation levels	Job evaluation or grading systems used by the organisation to measure jobs according to their content and establish comparative worth between jobs.
Senior Management	The Senior Management, like all managers, is responsible for planning and directing the work of a group of individuals, monitoring their work, and taking corrective action when necessary. Comprises of managers who head specific departments such as finance, engineering, supply chain.
Skills Development Expenditure	Monetary value that the company spends on skills development. It excludes the skills development levy payable by the company under the Skills Development Levies Act.
Skills Development Facilitator	The Skills Development Facilitator (SDF) is responsible for the development and planning of the enterprise's skills development strategy for a specific period. This includes the development and implementation of the annual WSP and submission of an ATR.
Skills Development Levy	The skills development levies payable in terms of Skills Development Levies Act.
Skills Programme	A skills programme that is i. occupationally based; ii. when completed, will constitute a credit towards a qualification registered in terms of National Qualification Framework as defined in section 1 of the SAQA; iii. uses training providers referred to in section 17(1)(c) of SDA;

TERM	DEFINITION
	iv. Complies with the prescribed requirements.
SLP Annual Report	Social and Labour Plan report submitted annually to DMRE's Regional Manager.
SLP Budget	Financial provision for all the initiatives in the Social and Labour Plan.
Stakeholder	Refers to a person, group, organization, or system which affects or can be affected by the organisation's actions which may relate to policies intended to allow the aforementioned to participate in decision making in which all may have a stake
Sustainable Development	The integration of social, economic and environmental factors into planning, implementation and decision- making to ensure that the mineral and resources development serves present and future generations.
Women in Mining	All women employed in Core and Non –Core Mining occupations.
Women in Core	Women employed in Core Mining occupations.
Workplace Skills Plan	The WSP is a legally mandated training plan submitted to the SETA on an annual basis. The purpose is note commitments made in the following year by the organisation relative to training and development activities for both permanent employees, contractors and host communities as well as planned financial spend towards these activities. The WSP is submitted together with the ATR.
Organised Labour	Any organisation of workers for the purpose of furthering and defending the interests of workers with regards to working conditions and terms of employment. They are typically referred to as trade unions or labour unions.
Working Conditions	Refers to conditions in the workplace and treatment of employees. Conditions in the workplace include the physical environment, health and safety precautions, and access to sanitary facilities. Treatment of employees includes disciplinary practices, reasons and process for termination of employees and respect for the employee's personal dignity (such as avoiding physical punishment or abusive language.

PREAMABLE 1

INTRODUCTION TO AND BACKGROUND INFORMATION ON THE OPERATION

REGULATION 46 (a)

1. PREAMABLE 1 – INTRODUCTION TO AND BACKGROUND INFORMATION ON THE OPERATION

Kolomela Mine, operating under Mining Right Number MPT 50/2009 hereby submits its new Social and Labour Plan (SLP3) for the period 2020 – 2024. This is Kolomela Mine's third generation SLP, following SLP 1 (2010 to 2014) and SLP 2 (2015 – 2019).

The objectives of an SLP are as follows:

1. Promote economic growth and mineral and petroleum resources development in the Republic (Section 2(e) of the MPRDA);
2. Promote employment and advance the social and economic welfare of all South Africans (Section 2 (f) of the MPRDA);
3. Ensure that holders of mining or production rights contribute towards the socio-economic development of the areas in which they are operating, as well as the areas from which the majority of the workforce is sourced (Section 2 (i) of the MPRDA and the Charter;
4. To utilise and expand the existing skills base for the empowerment of HDPs and to serve the community;
5. To eradicate poverty in mine affected communities (surrounding the operation and labour sending).

In addition to above stated SLP objectives this five-year plan is further aligned to the elements and targets of Mining Charter III (2018). In short, the compliance score elements are stipulated below. Kolomela Mine commits to comply with the following elements and targets:

- Ownership (26% BEE ownership)
- Mine Community Development Projects (100% implementation per year)
- Housing and Living Conditions (as per new Housing and Living Conditions Standard)

Furthermore, a 100% distributed compliance will be adhered to on the following:

- Employment Equity - 30%
- Procurement, Enterprise and Supplier Development – 40%

- Human Resources Development – 30%

Apart from the above-mentioned legislative requirements and objectives, Kolomela's SLP3 is further aligned to its company values and agenda. As part of Anglo American, the Sustainable Mining Plan (a sustainability strategy) has been developed through extensive internal and external engagement and analysis of critical opportunities and risks, including the UN Sustainable Development Goals (SDGs). The strategy goes far beyond compliance with mining law or regulatory requirements. It is about making a more strategic and holistic impact on the ground and it comprises mutually reinforcing elements that will positively transform how our stakeholders experience our business, both locally and globally. The strategy is built around three **Global Sustainability Pillars**.

- Trusted Corporate Leader
- Thriving Communities
- Healthy Environment

1.1 Particulars of Operation

The full particulars of the applicant are as follows:

Name of Applicant:	Kumba Iron Ore
Name of mine:	Kolomela Mine
Name of Owner:	Sishen Iron Ore Company (Pty) Ltd
Physical Address:	21 Main Street Postmasburg 8420
Postal Address:	Private Bag X3003 Postmasburg 8420
Telephone Number:	053 313 9000
Fax Number:	086 579 5390
Municipal Authority:	Tsantsabane Local Municipality
Commodity:	Iron Ore – Fe

Life of Mine:	11 years
Financial Year:	January - December
Responsible Person:	Masala Mutangwa – General Manager

1.2 Locality

Kolomela Mine is situated in the town of Postmasburg in the Northern Cape Province. Postmasburg is in the Tsantsabane Local Municipal area (NC085) in the Z.F. Magcawu District Municipality. Kolomela Mine is owned by Kumba Iron Ore company. Kumba Iron Ore is a leading supplier of high-quality iron ore to the global steel industry operating primarily in South Africa. The mine was completed at the end of 2011. The name Kolomela means 'to dig deeper' or 'to persevere'. (Please see attached SD Diagram – **Annexure A**). **Figure 1** below shows the site-layout of Kolomela Mine.

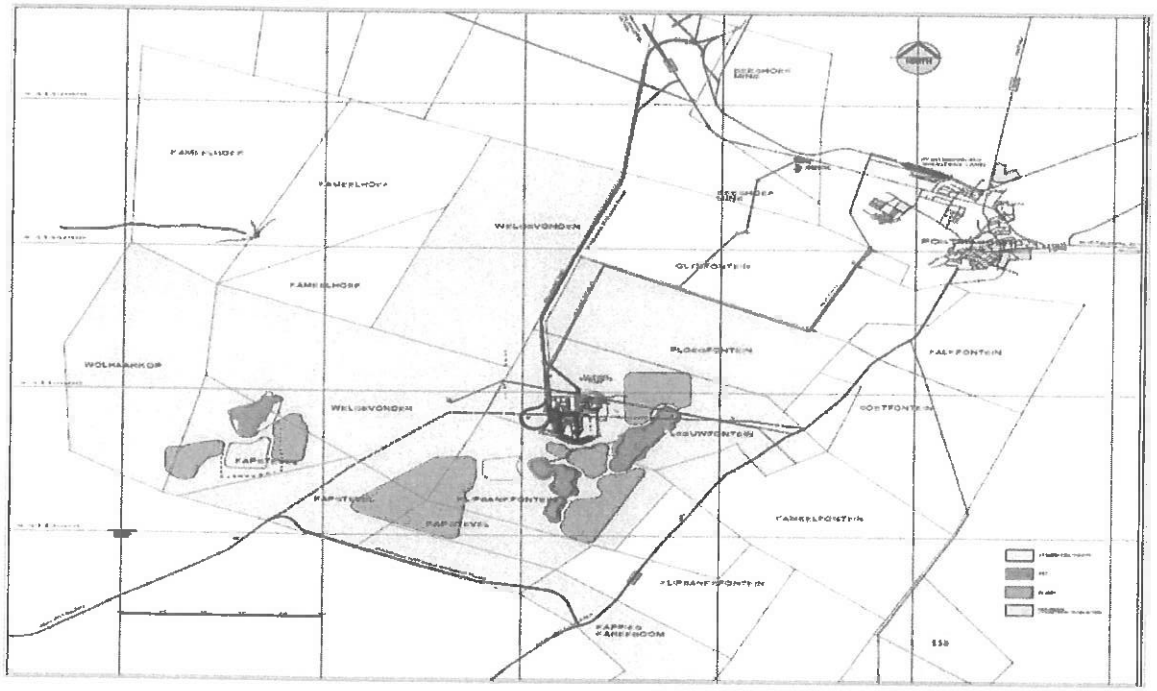


Figure 1: The site layout of Kolomela Mine

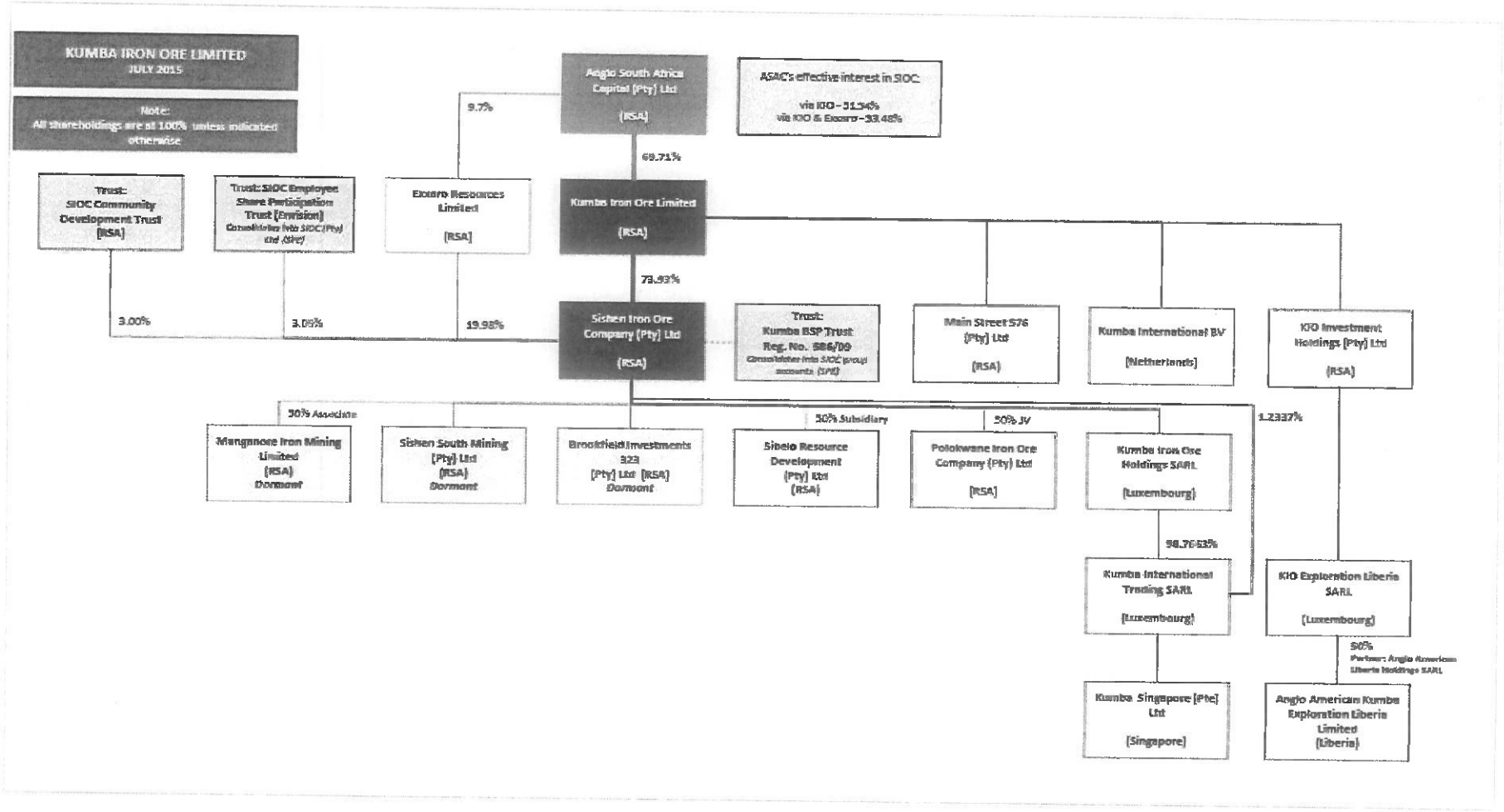


Figure 2: Ownership Structure of Kolomela Mine

1.3 Life of Mine Background

Kolomela mine is an open-cast iron ore mining operation. The mine comprises of 3 pits currently, namely: Leeuwfontein; Kapstevel and Klipbankfontein. Prospecting for Kolomela mine started in 1953. The application for Mining Right was submitted mid-2008. Mining Right nr 69 was approved on 18 September 2008 (Effective date). The bulk of plant, rail and infrastructure construction were started in 2009. By 18 September 2009, mining activities comprised of bush clearing, topsoil removal, blasting activities and the of waste stripping in Leeuwfontein pit only. In September 2010, the Kapstevel Pit was started. The first stockpiled Ore was produced in February 2011. First Ore through Crusher was in May 2011. The first Ore dispatched through the Iron Ore Export Channel was in November 2011. The pit Klipbankfontein was started in March 2013. Nameplate production was achieved in October 2013.

During the 2015 planning cycle, Kumba decided to increase production output for Kolomela to 13.6Mt pa. A new pit called Kapstevel South was then included in the Life of Mine and business plan. Kapstevel South is not an expansion project for Kolomela but rather, a replacement strategy initiative.

Kolomela mine currently has a life-of-mine of 14 years. Mining activities for the Leeuwfontein pit are undertaken by the Kolomela Mining staff compliment (permanent employees) and the other 2 pits (Kapstevel and Klipbankfontein) are undertaken by contractor service providers. **Table 1** below illustrates the production profile for Kolomela mine over the SLP period in consideration (2020 – 2024).

MINING SECTION	2020	2021	2022	2023	2024	TOTAL
WASTE	71 975 515	80 664 002	103 467 351	104 833 538	85 771 010	446 711 416
LEEUWFONTEIN	27 324 523	28 199 734	34 458 100	26 785 913	8 865 172	125 633 442
KAPSTEVEL NORTH	16 560 321	14 219 162	15 354 880	17 378 057	14 580 444	78 092 866
KAPSTEVEL SOUTH	9 797 068	20 787 662	31 944 567	35 888 270	48 459 748	146 877 315
KLIPBANKFONTEIN	18 293 603	17 457 444	21 709 804	24 781 297	13 865 646	96 107 793
EX-PIT ORE	15 373 921	14 733 632	14 585 667	14 030 710	14 404 595	73 128 525
LEEUWFONTEIN	7 093 695	5 403 668	6 853 624	7 706 073	7 006 585	34 063 645
KAPSTEVEL NORTH	3 156 313	3 544 192	3 754 075	2 498 659	2 635 000	15 588 239
KAPSTEVEL SOUTH	0	0	0	143 727	2 593 017	2 736 744
KLIPBANKFONTEIN	5 123 914	5 785 772	3 977 967	3 682 251	2 169 992	20 739 896
DOUBLE-HANDLING	11 332 392	9 010 959	8 714 916	8 383 983	9 064 201	46 506 451
WASTE REHANDLING	3 598 776	4 033 200	5 173 368	5 241 677	4 288 551	22 335 571
TOTAL TONNES HANDLED	102 280 604	108 441 793	131 941 302	132 489 907	113 528 356	588 681 962
PLANT PRODUCTS	13 500 000	13 600 000	13 600 000	13 600 000	13 600 000	67 900 000

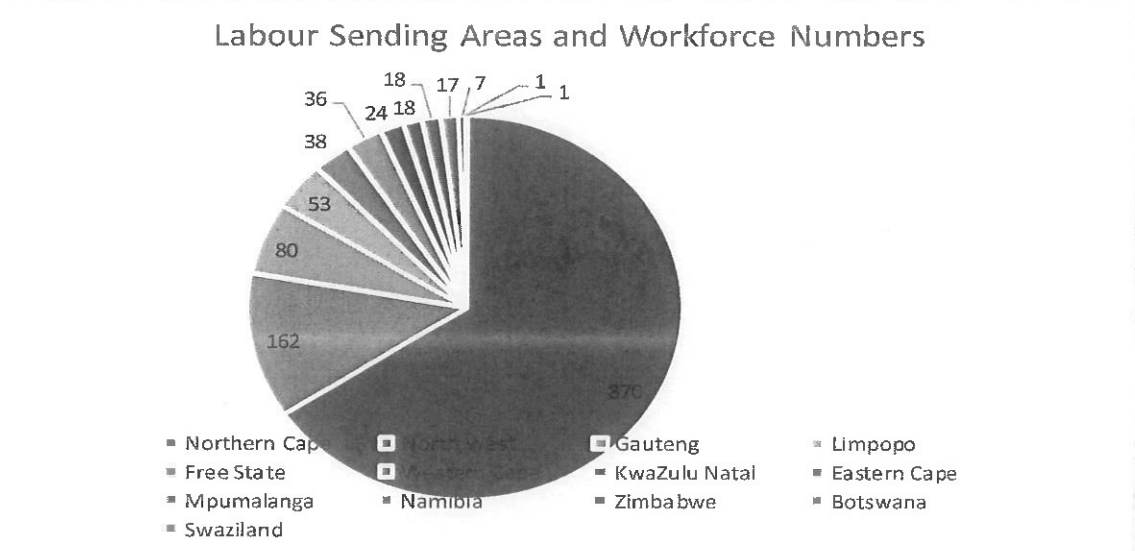
1.4 Breakdown of Employee per Labour Sending Area

At the end of August 2019, Kolomela mine had a total workforce number of 3,969 employees (see breakdown on table below). Of the 1,325 permanent employees, 66% (870) are from Northern Cape. 12% (162) are from North West and 6% (80) are from Gauteng. The rest of the permanent staff compliment (14%) originates from the other South African provinces. The remaining 2% is international employees. **Table 1** provides a breakdown of the total workforce as at 31 August 2019.

Table 1: Breakdown of Total Workforce (31 August 2019)

TOTAL WORFORCE AT 31 AUGUST 2019	
Permanent Employees	1 325
Learner-ships	126
Fixed-term employees	77
Contractors	2 441
Total Kolomela Employees	**3 969**

In terms of labour sending areas, most of the workforce is from the Northern Cape Province, followed by the North West Province.



HUMAN RESOURCES DEVELOPMENT PROGRAMME

REGULATION 46 (b)

2. Introduction

Section 2.3 of Mining Charter III of 2018 notes that Human Resources Development is a critical component in the competitiveness, transformation and sustainable growth of the mining industry. The aim of section 2.3 is further to:

- Produce a skilled, trained and diverse workforce to meet the demands of a modern mining industry;
- Develop skills that enhance productivity of the workforce;
- Improve the employment prospects of Historically Disadvantaged Persons;
- Develop entrepreneurial skills that improve people's livelihoods;
- Create mining - led local and regional economic diversification.

2.1 Skills Development Plan: Regulation 46 (b) (i)

Acknowledging the requirements of the MCIII, as well as constant alignment and re-alignment of HRD programmes to Kolomela business strategies, training and development activities provided at Kolomela Mine to both permanent employees and contracting partners as well as local community members ensures compliance to these requirements, but also provides for the upliftment of employees, contractor partners and local community members. Kolomela Mine has an annual intake of local community members on various skills development initiatives as further expanded on in this section.

People, being Kolomela' s primary asset, are critical in ensuring the Kolomela business strategy is achieved hence continuous training and development is of utmost importance to sustain required skills and competencies applied to this goal. Submission of an annual WSP and ATR to the MQA serves to monitor the ongoing compliance and alignment to the MCIII and alignment to the Kolomela business strategy.

Table 2: Details of SETA registration

Name of SETA	Mining Qualifications Authority
Registration number with the relevant SETA	T999990081
Skills Development facilitator appointed	Daniel Roux (Primary); F van Loggerenberg (Secondary
Proof of submission of Workplace Skills Plan	Yes

Training is performed under a wide range of activities (such as mining, engineering and plant as well as portable skills) to cater for the technical and management skills and competency requirements of the mine for optimal delivery on the Kolomela business strategy over the short to long term.

Kolomela Mine commits to adherence to the requirements of all mandatory and legally required safety training for both permanent and contractor partner employees, whether through provision of training on-mine or through firm requirement for contractor partners to provide proof of such training being completed using accredited external service providers. Typical safety training required by Kolomela Mine is listed below:

- First Aid Level 01
- Basic Fire Fighting (Use of fire extinguishing systems)
- SHE Rep (MQA Skills Programme for full-time SHE Reps and their alternates)
- Haz Chem (Hazardous Chemical Handling)
- Haz Mat (Hazardous Materials Handling)
- Mining Incident Investigation
- MHSA Legal Liability (2.9.2 and 2.6.1 appointments)

Development of local communities is prioritised as an important feeder for the labour force at Kolomela Mine, utilised both by Kolomela itself, as well as the contracting organisations that perform work at and for Kolomela.

As an employer of choice Kolomela believes in and actively pursues developmental activities which will benefit the members of the host communities in which the mine operates, economic empowerment of people is at the forefront of these activities and as such is a priority for the mine. Interventions in the Portable Skills framework is provided to assist in creating local business opportunities which is intended to further enhance financial security and opportunities of employability for recipients of such training.

The complete Skills Development Plan with relevant targets are presented in Sections 2.2.2 – 2.2.10.

2.1.1 Baseline Situation

Table 3 below shows the education levels of Kolomela permanent employees as at 31 August 2019:

Table 3: Form Q – Number and Education Level of all Kolomela Mine's Direct Employees as per Form Q, Regulation 46 (b) (i)

Band	10 Point Scale NQF Level	Education Classification System – Interim	African		Coloured		Indian		White		Total		TOTAL	Age			TOTAL
			F	M	F	M	F	M	F	M	F	M		Younger than 35	35-55	Older than 55	
General Education & Training (GET)	Below NQF 1	No Schooling / Unknown	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Pre-ABET / Sub A, Grade 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		ABET 1 / Std 1, Grade 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		ABET 2 / Std 3, Grade 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		ABET 3 / Std 5, Grade 7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1	ABET 4 / Std 7, Grade 9	0	0	0	2	0	0	0	0	0	2	2	1	1	0	2

Further Education & Training (FET)	2	Std 8 / Grade 10, NATED 1 / NCV Level 1	0	6	0	2	0	0	0	2	0	10	10	1	9	0	10
	3	Std 9 / Grade 11, NATED 2 / NCV Level 2	2	7	0	6	0	0	0	3	2	16	18	9	9	0	18
	4	Std 10 / Grade 12, NATED 3 / NCV Level 3	114	340	100	238	1	0	22	47	237	625	862	445	409	8	862
Higher Education & Training (HET)	5	National / Higher Certificate	28	54	20	43	0	0	8	14	56	111	167	77	87	3	167
	6	Advanced Certificate / Diploma	33	56	13	26	0	0	6	23	52	105	157	61	92	4	157
	7	B Tech / Bachelor's degree	26	20	6	3	0	1	3	11	35	35	70	41	29	0	70
	8	Bachelor Honours Degree	5	9	1	0	1	0	3	7	10	16	26	13	13	0	26
	9	Master's degree	4	4	0	1	0	0	1	3	5	8	13	2	8	3	13
TOTAL			212	496	140	321	2	1	43	110	397	928	1325	650	657	18	1325

2.1.2 Adult Education and Training (AET)

Kolomela Mine provides AET Level 01 to 04 free of charge on a voluntary and part-time basis to a maximum of 20 new learners per annum. Access to AET is provided to community members who are willing to undergo the training and who satisfy the entry requirements per educational level within AET. **Table 4 and 5** depicts the AET commitments for the next five years.

Table 4: AET Commitments: Demographics

Adult Education &	AFRICAN		COLOURED		WHITE		TOTAL		TOTAL	YEARLY	SLP	PER
Training	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	HDP	HDP	TARGET	ANNUM
AET	20	30	20	30	0	0	40	60	100	20	100	20
TOTAL	20	30	20	30	0	0	40	60	100	20	100	20

Table 5: AET Commitments for Direct and Indirect Employees and Community Members: Beneficiaries and Financial Provision

Direct and Indirect Employees and Communities						
AET Programme	2020	2021	2022	2023	2024	Total
AET 1	20	20	20	20	20	100
AET 2						
AET 3						
AET 4 / NQF 1						
TOTAL Number	20	20	20	20	20	100
Financial Provision	R780 000	R780 000	R780 000	R795 600	R962 676	R4 098 276

2.1.3 Core Business Skills Training

The target headcount in terms of Core Business Skills Training is subject to the employee's specific individual development plans. Kolomela Mine is fully committed to its financial target in terms of Core Business Skills and will determine the specific Core Skills Training programme once the IDP's have been completed at the start of each year of the SLP. The details of demographic and specific course completed will be reported annually, as per the Department of Labour and Mining Charter 2018 requirements.

Table 6 and 7 displays Core Business Skills training commitment by Kolomela Mine's core contractors.

Table 6: Core Business Skills Training: Demographics

Core Contractors	AFRICAN		COLOURED		INDIAN		WHITE		TOTAL		TOTAL	YEARLY	2020 - 2024	PER
Training Plan	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	HDP	HDP	TARGET	ANNUM
Plant	252	206	138	150	17	17	20	25	427	398	825	149	825	165
Mining	121	127	131	137	12	12	10	15	274	291	565	103	565	113
Engineering	74	86	74	91	15	15	5	10	168	202	370	74	370	74
TOTAL	447	419	343	378	44	44	35	50	869	891	1760	326	1760	352

Table 7: Core Business Skills Training for Direct and Indirect Employees: Beneficiaries and Financial Provision

Direct and Indirect Employees						
Core Business Skills	2020	2021	2022	2023	2024	Total
Plant	165	165	165	165	165	825
Mining	113	113	113	113	113	565
Engineering	74	74	74	74	74	370
TOTAL Number	352	352	352	352	352	1760
Financial Provision	R3 597 440	R3 590 400	R3 590 400	R3 662 208	R4 431 272	R18 871 720

2.1.4 Learnerships

Recruitment for internal (18.1) learnerships will be done through an application process by prospective learners following an on-mine internal advert calling for applications for the available learnerships. Employees who comply with the minimum entry requirements and who have applied will be considered, and if successful will enter into a formal learnership agreement with Kolomela as well as the MQA. There is no implied automatic placement of learners in positions after completion of their learnerships, as these positions are vacancy driven for which these employees must then apply and be interviewed. Newly qualified but unappointed employees are given opportunity to gain experience in the positions they qualified for on a specific agreed duration, this also serves to create a pool of potential successors.

Recruitment for external (18.2) learnerships will be done through an application process by prospective learners. Following consultation with local authorities, an external advert in local media will be placed calling for applications from local community members for the available learnerships. Only prospective learners who comply with the minimum entry requirements and who have applied will be considered, and if successful will enter into a formal learnership contract with Kolomela as well as a learnership agreement with the MQA for the duration of the learnership only. There is no implied automatic placement of external (18.2) learners in permanent positions after completion of their learnerships, as these positions are vacancy driven, which must be applied and interviewed for. External (18.2) learner contracts lapse at the end of their learnership agreement and is not renewed. Newly qualified but unappointed learners are given opportunity to gain experience in the positions they qualified for on a specific agreed duration, this also serves to create a pool of potential successors.

2.1.4.1 Mining Skills Learnerships

Mining Skills Learnerships will be split equally amongst males and females. 10% of the target number per year will be reserved for people with disabilities.

2.1.4.2 Plant Skills Learnerships

Plant Skills Learnerships will be split equally amongst males and females. 10% of the total target number per year will be reserved for people with disabilities.

2.1.4.3 Engineering Skills Learnerships

Engineering Skills Learnerships will be split equally amongst males and females. 40% (8 in total) of the annual intake will be reserved for internal employees of Kolomela (18.1 Learnerships) in support of further development and career progression. 60% (12 in total) will be used for external candidates (18.2 Learnerships).

Table 8, 9, 10 and 11 below illustrates the target number per HRD discipline for the period of 2020-2024.

Table 8: Learnership Commitments: Demographics

Training	AFRICAN		COLOURED		WHITE		TOTAL		TOTAL	YEARLY	SLP	PER
Discipline	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	HDP	HDP	TARGET	ANNUM
Mining Skills Programme	75	57	40	45	5	3	120	105	220	44	225	45
Plant Learnership	35	36	35	36	5	3	75	75	145	29	150	30
Engineering Learnership	20	26	20	26	5	3	45	55	95	19	100	20
TOTAL	130	119	95	107	15	9	240	235	460	92	475	95

Table 9: Learnership Commitments for Direct and Indirect Employees: Beneficiaries

Direct and Indirect Employees						
Learnerships	2020	2021	2022	2023	2024	Total
Plant	30	30	30	30	30	150
Mining	45	45	45	45	45	225
Engineering	8	8	8	8	8	40
TOTAL Number	83	83	83	83	83	415

Table 10: Learnership Commitments for Community Members: Beneficiaries

Community Members						
Learnerships	2020	2021	2022	2023	2024	Total
Engineering	12	12	12	12	12	60
TOTAL Number	12	12	12	12	12	60

Table 11: Learnership Financial Provision for Direct and Indirect Employees and Community Members

Learnerships	2020	2021	2022	2023	2024	Total
TOTAL Beneficiaries	95	95	95	95	95	475
Financial Provision	R23 929 021	R23 929 021	R23 929 021	R24 407 602	R29 533 198	R125 727 864

2.1.5 Portable Skills Training

A variety of portable skills training required, as informed by requirements of surrounding communities (indicated through local municipality and community engagement) as well as Kolomela Mine IDP's will be provided. 50% of the total target number per year will be reserved for internal employees of Kolomela in support of further development opportunities. **Table 12 and 13** below illustrates the portable skills targets for the period of 2020-2024.

Table 12: Portable Skills Commitments: Demographics

Portable Skills For	AFRICAN		COLOURED		WHITE		TOTAL		TOTAL	YEARLY	SLP	PER
Community and Employees	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	HDP	HDP	TARGET	ANNUM
Portable Skills	90	100	90	100	10	10	190	210	390	78	400	80
TOTAL	90	100	90	100	10	10	190	210	390	78	400	80

Table 13: Portable Skills Commitments for Community Members: Beneficiaries and Financial Provision

Community Members						
Portable Skills	2020	2021	2022	2023	2024	Total
Plant	80	80	80	80	80	**400**
TOTAL Number	80	80	80	80	80	400
Financial Provision	R3 200 000	R3 200 000	R3 200 000	R3 264 000	R3 949 440	R16 813 440

2.1.6 Hard to Fill Vacancies

The Form R table below illustrates the number of hard to fill vacancies in the past 12 months for Kolomela (at 6 November 2019):

Table 14: Hard to fill Vacancies

Occupational level	Department	Job title of scarce and critical skill	Job title of vacancy	Main reason for inability to fill the vacancy	Intervention
Middle Management	Mine Technical Services	Mining Engineering	MAD Engineer	Scare Skill to the Northern Cape. Qualification Requirement.	Local and Internal Skills Development. Head Hunting and External Resourcing.
Middle Management	Mine Technical Services	Geotechnical Engineering	Geotechnical Engineer	Scare Skill to the Northern Cape. Qualification Requirement.	Local and Internal Skills Development. Head Hunting and External Resourcing.
Middle Management	Engineering	Condition Monitoring	Reliability Engineer	Scare Skill to the Northern Cape. Qualification Requirement.	Local and Internal Skills Development. Head Hunting and External Resourcing.
Middle Management	Engineering	Electrical Engineering	Electrical Engineer	Scare Skill to the Northern Cape. Qualification Requirement.	Local and Internal Skills Development. Head Hunting and External Resourcing.
Junior Management	Engineering	Mechanical Engineering	TMM Inspector	Scare Skill to the Northern Cape. Experience Requirement.	Local and Internal Skills Development. Head Hunting and External Resourcing.

2.1.7 Career Progression Plan

Kumba's Talent Management Strategy recognises the value and contribution of all its employees irrespective of their level within the company. All lower level roles have a clearly defined career path which employees can choose to follow. Please view **Annexure B** for the complete Career Progression Plan.

Lower level roles have clearly defined career progression route communicated to all employees. Each employee development is documented in the Individual Development Plan (IDP) in line with the required competencies for their current positions as well as their chosen career paths. Development process prioritise activities/interventions that have an immediate business impact, i.e. those that will make employees to be competent for future aspired roles.

2.1.7.1 Succession Management (Succession Plan)

Succession management is the process where one or more successors are identified to occupy critical positions. Talent reviews are conducted annually to identify future growth potential (see the attached **Annexure B** comprising of the list of names of employees in the succession pool).

2.1.7.2 Talent Pool Development (Talent Pool Development)

We are an equal opportunities Company and believe in giving our people a fair chance to compete for roles. Every employee will have an individual development plan (IDP) which will be driven through talent development interventions that will be prescribed annually. The aim of this program is to ensure maximum availability of competent and skilful pool of employees to feed into a succession pool. Talent development opportunities will be advertised annually, and intake will be based on the approved plan.

The following intervention for talent development will be applied:

- Leadership development
- Front line management development
- Blasting
- Fast tracking
- Emotional intelligence
- Diversity and inclusion
- Technical development program – identified on need bases
- Mine manager certificate
- Government competency certificate
- Change management
- Soft administrative skills

2.1.8 Community Skills Development

Table 15, 16, 17 and 18 below reflects training and skills development skills ear-marked for Community Skills Development and Community Bursary Scheme in the SLP cycle year of 2020-2024.

Table 15: Community Skills Development Commitments: Demographics

Community Skills	AFRICAN		COLOURED		TOTAL		TOTAL	YEARLY	2020 - 2024	PER
Development & Training	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	HDP	HDP	TARGET	ANNUM
Engineering training - N1	5	5	5	10	10	15	25	5	25	5
Engineering training - N2	5	10	5	5	10	15	25	5	25	5
Engineering training - N3	5	10	5	5	10	15	25	5	25	5
Basic Computer skills	30	40	15	15	45	55	100	20	100	20
Learners & driving lessons	15	20	15	25	30	45	75	15	75	15
TOTAL	60	85	45	60	105	145	250	50	250	50

Table 16: Community Skills Development Commitments for Community Members: Beneficiaries and Financial Provision

Community Members						
Community Skills	2020	2021	2022	2023	2024	Total
Engineering - N1	5	5	5	5	5	25
Engineering - N2	5	5	5	5	5	25
Engineering - N3	5	5	5	5	5	25
Basic computer skills	20	20	20	20	20	100
Learners & driving lessons	15	15	15	15	15	75
TOTAL Number	50	50	50	50	50	250
Financial Provision	R3 500 000	R3 500 000	R3 500 000	R3 500 000	R4 000 000	R18 000 000

Table 17: Community Bursary Scheme: Demographics

DISCIPLINE	2020			2021			2022			2023			2024			TOTAL
	M		F	M		F	M		F	M		F	M		F	
Gender	10		19	12		17	10		19	10		19	10		19	135
	B	W	C	B	W	C	B	W	C	B	W	C	B	W	C	
Race	15	4	10	17	4	8	20	2	7	20	2	7	20	2	7	145

Table 18: Community Bursary Scheme for Community Members: Beneficiaries and Financial Provision

Community Members						
Community Bursaries	2020	2021	2022	2023	2024	Total
Bursaries	29	29	29	29	29	145
TOTAL Number	29	29	29	29	29	145
Financial Provision	R4 500 000	R4 500 000	R5 000 000	R5 000 000	R5 000 000	R24 000 000

2.1.9 Mentorship and Coaching

All persons in the development and succession pool will be enrolled into a mentorship and coaching program. Mentors will be identified and developed internally to avail a pool from which mentees can select from. In addition, coaches will be identified internally and externally to provide technical and skills-based development. **Table 19 and 20** below depicts the mentorship and coaching targets for the next five years.

Table 19: Mentorship and Coaching: Demographics

MENTORSHIP &	AFRICAN		COLOURED		WHITE		TOTAL		TOTAL	YEARLY	2020 - 2024	PER
COACHING	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	HDP	HDP	TARGET	ANNUM
Mentorship	29	22	21	17	5	5	55	45	95	19	100	20
Coaching	29	22	21	17	5	5	55	45	95	19	100	20
TOTAL	57	44	42	35	10	10	110	89	190	38	200	40

Table 20: Mentorship and Coaching for Direct and Indirect Employees: Beneficiaries and Financial Undertaking

Direct and Indirect Employees						
Mentor & Coach	2020	2021	2022	2023	2024	Total
Mentorship	20	20	20	20	20	100
Coaching	20	20	20	20	20	100
TOTAL Number	40	40	40	40	40	200
Financial Provision	R140 000	R140 000	R140 000	R142 800	R172 788	R735 588

2.1.10 Internship and Experiential Training

The mine provides for external and internal graduate opportunity to gain practical experience. The mine will advertise, on an annually basis, internship programs and invite local community and provincial graduates to afford them environment for work experience.

Table 21, 22 and 23 displays the internship and experiential training targets for the period 2020 – 2024.

Table 21: Internship and Experiential Training Commitments: Demographics

Internships and	AFRICAN		COLOURED		WHITE		TOTAL		TOTAL	YEARLY	SLP	PER
Experiential Learning	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	HDP	HDP	TARGET	ANNUM
Experiential Training (Technical)	6	5	5	4	0	1	11	11	25	5	25	5
Experiential Training (Non- Technical)	6	5	5	4	0	1	11	11	25	5	25	5
Internship Programme (Technical)	5	4	4	3	0	1	9	9	20	4	20	4
Internship Programme (Non-Technical)	5	4	4	3	0	1	9	9	20	4	20	4
TOTAL	22	18	19	16	0	5	41	38	90	18	90	18

Table 22: Experiential Training Commitments for Direct and Indirect Employees: Beneficiaries and Financial Provision

Direct and Indirect Employees						
Experiential training	2020	2021	2022	2023	2024	Total
Experiential training (Technical)	5	5	5	5	5	25
Experiential training (Non-technical)	5	5	5	5	5	25
TOTAL Number	10	10	10	10	10	50
Financial Provision	R3 840 000	R3 850 000	R3 850 000	R3 938 550	R4 765 646	R20 244 196

Table 23: Experiential Training Commitments for Direct and Indirect Employees: : Beneficiaries and Financial Provision

Community						
Internships	2020	2021	2022	2023	2024	Total
Internship training (Technical)	4	4	4	4	4	20
Internship training (Non-technical)	4	4	4	4	4	20
TOTAL Number	8	8	8	8	8	40
Financial Provision	R3 072 000	R3 080 000	R3 080 000	R3 150 840	R3 812 516	R16 195 356

2.1.11 Employees Bursary Scheme

The mine will provide for annual bursary scheme to its employees to afford them an opportunity to acquire formal qualifications necessary for their development and career path. **Table 24** shows the employee bursary scheme targets for the next five years.

Table 24: Employee Bursary Scheme: Demographics

Employee	AFRICAN		COLOURED		WHITE		TOTAL		TOTAL	YEARLY	SLP	PER
Bursaries	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	HDP	HDP	TARGET	ANNUM
Undergraduate (Technical)	12	11	10	9	5	3	27	23	45	9	50	10
Undergraduate (Non-Technical)	7	6	5	4	0	3	12	13	25	5	25	5
Posgraduate (Technical)	12	10	9	9	5	5	26	24	45	9	50	10
Postgraduate (Non-Technical)	9	6	5	4	0	1	14	11	25	5	25	5
TOTAL	40	33	29	26	10	12	79	71	140	28	150	30

Table 25: Employee Bursary Scheme for Direct and Indirect Employees: Beneficiaries and Financial Provision

Direct and Indirect Employees						
Employee Bursaries	2020	2021	2022	2023	2024	Total
Undergraduate (Technical)	10	10	10	10	10	50
Undergraduate (Non-technical)	5	5	5	5	5	25
Postgraduate (Technical)	10	10	10	10	10	50
Postgraduate (Non-technical)	5	5	5	5	5	25
TOTAL Number	30	30	30	30	30	150
Financial Provision	R4 699 697	R4 012 720	R3 154 074	R3 495 677	R6 605 432	R21 967 600

2.1.12 Foundational Learning Competence (FLC) Training

FLC is an important initiative for Kolomela in order to bridge the gap between AET Level 4 (NQF 1) which is equivalent to Grade 9 and NQF 4, which is equivalent to Grade 12.

FC training is provided to adults who have either completed their AET Level 4 training, with the desire to study further to complete their NQF 4 (Grade 12 equivalent), which provides them with access to further opportunities, such as Learnerships, Bursaries and Internships, to mention a few.

FLC consists of Communication in English and Mathematical Literacy and Science and includes the NQF 2 (Grade 10 equivalent), NQF 3 (Grade 11 equivalent) and NQF 4 (Grade 12 equivalent) qualifications. FLC training has also proven to be beneficial for attitude and behaviour change in terms of personal development, and suits all industry type organisations from Mining to Agriculture.

Table 26 and 27 displays the targets for the next five years in terms of Kolomela's FLC Training commitments.

Table 26: FLC Training: Demographics

School	AFRICAN		COLOURED		WHITE		TOTAL		TOTAL	YEARLY	SLP	PER
Programme	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	HDP	HDP	TARGET	ANNUM
Grade 10	14	10	9	9	5	3	28	22	45	9	50	10
Grade 11	29	22	21	18	5	5	55	45	95	19	100	20
Grade 12	29	22	21	18	5	5	55	45	95	19	100	20
TOTAL	71	54	51	45	15	13	138	112	235	47	250	50

Table 27: FLC Training for Direct and Indirect Employees and Community Members: Beneficiaries and Financial Undertaking

Direct and Indirect Employees and Communities						
FLC Training	2020	2021	2022	2023	2024	Total
Grade 10/ NQF 2	50	50	50	50	50	250
Grade 11/ NQF 3						
Grade 12/ NQF 4						
TOTAL Number	50	50	50	50	50	250
Financial Provision	R4 000 000	R4 000 000	R4 000 000	R4 000 000	R4 000 000	R20 000 000

2.1.13 Learner Empowerment Training

Learner Empowerment Training consists of annual Career guidance programme and direct learner support targeting (intermediate and senior phase).

This programme will entail:

i. Aptitude test for grade 9 learners

ii. Subjects choice for grade 9 learners

iii. Career choice for Grade 12

iv. Continuous motivational talks in form of psychology support at local schools

v. Co-fund career exhibition day for grade 12 with tertiary institutions, career day will be held on seperate days for each high school

vi. Maths & Literacy programme to increase the uptake (Intermediate & Senior phases)

Table 2628 and 29 displays the targets for the next five years in terms of Kolomela's Learner Empowerment Training commitments.

Table 28: Learner Empowerment Training: Demographics

Training	African		Coloured		White		Total		Yearly	Per
	Male	Female	Male	Female	Male	Female	Male	Female	HDP	Annum
Learner Empowerment	71	54	51	45	15	13	138	112	235	50

Table 29: Learner Empowerment Training: Beneficiaries and Financial Undertaking

Direct and Indirect Employees and Communities						
FLC Training	2020	2021	2022	2023	2024	Total
NQF 2	50	50	50	50	50	250
NQF 3						
NQF 4						
TOTAL Number	50	50	50	50	50	250
Financial Provision	R1 000 000	R1 000 000	R1 500 000	R1 500 000	R1 500 000	R6 500 000

2.1.14 Employment Equity

Section 2.4 of Mining Charter III of 2018 aims to ensure that equity in the workplace is achieved. The following are promoted under the section:

- Equal opportunity and fair treatment in employment, to eliminate unfair discrimination;
- The implementation of affirmative action measures, to redress disadvantages experienced by designated groups;
- Ensuring equitable representation in all occupational levels of the workforce.

MCIII further stipulated that permit holders shall submit a five-year Employment Equity Plan for approval by the DMR. To this effect, Kolomela submitted the required EE Plan on 21 September 2019 at the Regional offices in Kimberley.

The following factors were considered in developing targets:

- Mining Charter III and Northern Cape Economically Active Population (EAP) requirements; and
- Leveraging the talents of a diverse workforce.

Table 30: Form S Kolomela's Employment Equity Statistics as per October 2019 (Baseline)

Level	African	Coloured	Indian	White	African	Coloured	Indian	White	Foreign Nationals		Total
	Male				Female				Male	Female	
Senior Management (Exco)	5	1	0	4	1	1	0	0	0	0	12
Middle Management	27	11	1	34	28	5	1	9	2	0	118
Junior Management	62	37	0	37	31	11	0	9	1	0	188
Core & Critical Skills	397	272	0	35	152	123	1	25	2	0	1,007
Total number of Permanent Employees	491	321	1	110	212	140	2	43	5	0	1,325

The company has compiled its EE plan in line with SIOC's EE strategy. The Kolomela Mine's EE plan has been duly communicated to all relevant internal stakeholders and is quarterly reported upon in the EE Forum to comply with MC requirements. EE also takes centre stage in the company's HRD strategy where our WSP and ATR have been duly submitted to the MQA as per the requirements of the Skills Development Act 97 of 1998. In developing the EE plan, the company engaged with organised labour in the HRD and EE Forum as required by the Employment Equity Act 55 of 1998 as well as the SDA. **Table 31** below indicates the current EE status of Kolomela as well as the target commitments set-out for this SLP cycle (2020-2024), versus MCIII targets.

Table 31: Kolomela's Employment Equity Targets

	KOLOMELA MINE - HDP PROFILE						
OCCUPATIONAL LEVELS	MCIII Target	ÁUG 2019	2020	2021	2022	2023	2024
Senior Management	60%	67%	73%	73%	73%	73%	73%
Middle Management	60%	71%	71%	71%	71%	71%	71%
Junior Management	70%	80%	80%	80%	80%	80%	80%
Core and Critical Skills	60%	95%	95%	95%	95%	95%	95%

Kolomela Mine stays committed to increasing the number of female representations in the workforce. Focussed and dedicated drives will be rolled out by the company, for the purpose of attracting and retaining a satisfiable women compliment. **Table 32** below indicates the current status of women representations at Kolomela, as well as target percentages relevant for the new SLP cycle of 2020-2024.

Table 32: Kolomela's Employment Equity Targets – Women in Mining

	KOLOMELA MINE - FEMALE PROFILE						
OCCUPATIONAL LEVELS	MCIII Target	AUG 2019	2020	2021	2022	2023	2024
Senior Management	25%	17%	21%	23%	24%	25%	25%
Middle Management	25%	37%	40%	40%	40%	40%	40%
Junior Management	30%	27%	30%	30%	30%	30%	30%

To address the gaps, Kolomela Mine endeavours to do the following:

- Identify positions and be intentional about filling these roles with women;
- Managers need to actively drive and commit to Inclusion and Diversity within their teams and have targeted development plans for women in talent populations. It is vital to assess current and future development and exposure for succession building;
- Introduce 'hard core' technical mentoring for women in technical fields by means of acting, swopping of roles, and technical projects;
- Increase graduate pipeline women targets on areas that are not represented;
- Leverage on new technologies that will benefit women within core mining operations and allow them to perform on the same level as their male counterparts;
- Dedicated tracking and monitoring of progress against plans to ensure targets are reached within the set period;
- Continue with inclusion and diversity training and awareness initiatives within the company.

The Career Progression table below illustrates intended interventions to drive up female representations for Kolomela:

Table 33: Plan to drive up female representations in Kolomela

Training programme within career progression path	Occupation	Position starting from	Current training intervention	Target position working towards	Year 1 -5
					No of identified female employees
Engineering Learnership	Engineering	Engineering Learnership	Learnership Programme	Artisan	11
Mining Learnership	Mining	Mining Learnership	Learner Miner Programme	Operator Mining Equipment, Primary and Secondary	10
Plant Learnership	Plant	Plant Learnership	Learnership Programme	Plant Operator	7
Supervisor	Core Operations	Operator	Supervisor Training Programme	Supervisor	3

Kolomela remains unshakeable in its commitment to diversity. To support this, the mine is committed to the inclusion and integration of disabled persons in our workforce. Initiatives like upgrading of our infrastructure and facilities to enable ease of mobility are in progress and will be beefed to further support persons with disabilities represented in our workforce. **Table 34** below illustrates the intended targets for the SLP cycle in consideration.

Table 34: Kolomela's Employment Equity Targets – People with Disabilities

	KOLOMELA MINE - EMPLOYEES WITH DISABILITIES						
OCCUPATIONAL LEVELS	MCIII Target	ÁUG 2019	2020	2021	2022	2023	2024
Disabled Persons	1.5%	1%	1.5%	1.5%	1.5%	1.5%	1.5%

SECTION 3

LOCAL ECONOMIC DEVELOPMENT PROGRAMME

REGULATION 46 (c)

3. Local Economic Development: Regulation 46(c)

3.1 Overview

Kolomela Mine is committed to promoting local economic development and the social upliftment of communities in the host and labour sending areas. Kolomeal mine will use its SLP to meaningfully contribute towards the socio-economic development of communities, both in terms of size and impact, in line with the social license to operate as guided by the MPRDA and Mining Charter 2018. The SLP is further aligned to Tsantsabane Local Municipality's IDP. Kolomela Mine is committed to implementing LED projects which are contextually appropriate to both the Company, the operational regions and the local communities surrounding the operation, and which comply with relevant legislation, the companies' business strategy and have broad-based long-term impact.

In compliance with the Mining Charter, this section addresses interventions, which Kolomela Mine intends to implement in the local municipal area. These interventions will focus on three areas, namely community development, infrastructure and local economic development (LED). The intention is to adhere to the following:

- Co-operation with local government in formulating and assisting with the implementation of integrated development plans for surrounding communities where Sishen South mining activities will take place.
- Regular engagements with host communities.
- Contribute significantly to addressing poverty eradication and upliftment of host communities.
- Identifying and engaging with key stakeholders in existing and emerging forums

To this end, Kolomela Mine has undertaken two critical process, namely:

a) Proactive stakeholder engagement

Kolomela Mine bases its SLP on undertaking regular and effective stakeholder engagement to developing and maintaining a social license to operate, and to identifying and implementing LED programmes that are relevant and impactful.

See summary of stakeholder engagement activities and outcomes for the past 12 months (Annexure C).

b) Social Impact Assessment Study (SIA)

A Social Impact Assessment and community perception survey were conducted in 2019 as follow ups to previous social impact assessment study (conducted in 2014) and a community perception survey (conducted in 2017).

The 2019 SIA research results serve as key input for an update of the Kolomela Mine local economic development plan. The research conducted provides an updated snapshot of the current socio-political landscape in Tsantsabane and considers Kolomela Mine's new strategy and current operational environment.

See Social Impact Assessment Study (Annexure D).

Apart from the stakeholder engagement process and the SIA, the LED process also involved the review of Tsantsabane local municipality's IPD. In the end, the following primary plans will form the basis of Kolomela Mine's LED Programme:

- LED and Mine Community Rural Development Projects;
- A Housing and Living Conditions Plan; and
- A Procurement, Enterprise and Supplier Development Plan.

Each will be discussed respectively in the following sub-sections.

3.2 Social and Economic Background Information - Regulation 46 (c) (i)

Kolomela Mine has undertaken several baseline studies to determine the socio-economic conditions in the area. Together with this identify who its key stakeholders are and what the key issues are related to their specific interest into the mining operations. Kolomela Mine operates in the Tsantsabane Local Municipal area which is also its host community and biggest Labour sourcing area. The local municipality falls within the ZFM District Municipality (previously Siyanda)

3.2.1 Tsantsabane Local Municipality Profile

Figure 4 below indicates the locality of Tsantsabane local municipality within the wider Northern Cape Province.

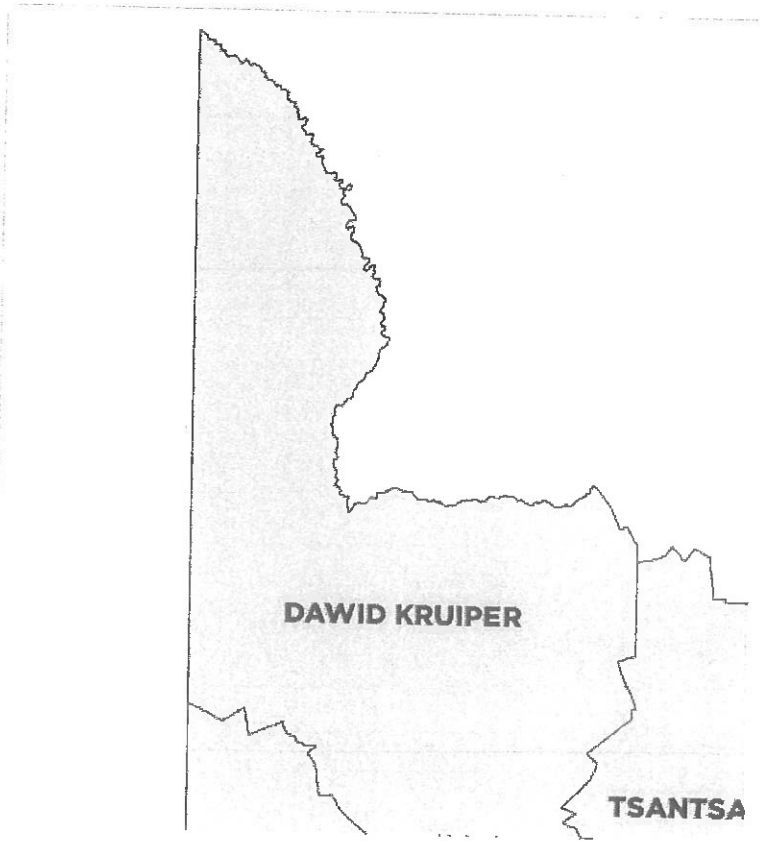


Figure 4: The locality of Tsantsabane local municipality
(Source: Municipalities of South Africa, 2019)

Tsantsabane Local Municipality (TLM) is located within the north-eastern parts of the Northern Cape Province and falls within the boundaries of the ZF Magcawu District Municipality (ZF MDM). Tsantsabane was the original name given to the town by the Batswana because of the presence of many shiny stones (e.g. the hematite). The nearest business centre is Kimberley, which is about 200km away. The municipality's main town is Postmasburg. Three main traffic routes provide access to other cities, namely Johannesburg via Kuruman and the Kalahari and Cape Town via Kimberley. The rest of the Tsantsabane Municipality area comprises of Boichoko, Postdene, Newtown, Station, Groenwater, Skeyfontein, Jen Haven, Maremane, and the well-known Lohatlha Army Base.

In order to gain an understanding of the socio-economic environment of both TLM and ZF MDM, the next section looks at the following key socio-economic indicators: water and sanitation, source of energy, population and education, population by age, levels of employment and income levels.

For this section, the results from the 2016 Community Survey are used. In cases where no data was available from the 2016 Community Survey, the 2011 census data were used.

3.2.2 Water and Sanitation

According to the 2016 Community Survey, there are a total of 11 820 households in Tsantsabane Local Municipality (TLM). In terms of water supply, 91.2% of the households in the municipality are getting water from a regional or local service provider. This is about the same as the rate in ZF Magcawu District Municipality (ZF MDM) with 90% of the households getting water through a regional or local service provider.

In terms of water sources, 49.8% of the households have piped water inside the house, and 35.7% of the households have piped water inside the yard.

Turning now to ZF MDM, there are a total number of 74 090 households in this district municipality. In terms of water sources, 47.7% of the households have piped water inside their houses and 40.3% have piped water inside their yards.

The remainder of the dwellings in the municipalities accessed water by borehole, spring, rain tank, dam, stream, water vendor or other means. **Table 35** provides a detailed breakdown of the type of water sources in these three municipalities.

Table 35: Source of water

Source of water	TLM	ZF MDM
Borehole in the yard	2.5%	0.6%
Borehole outside the yard	0.6%	0.4%
Flowing water/stream/river	0%	1.2%
Neighbours tap	1.4%	0.9%
Other	1.4%	0.9%
Piped (tap) water inside the dwelling/house	49.8%	48.7%
Piped (tap) water inside yard	35.7%	40.3%
Piped water on community stand	6.7%	3.3%
Public/communal tap	1.3%	1%

Rain-water tank in yard	0%	0%
Spring	0%	0%
Watercarrier/tanker	0.6%	2.3%

(Source: 2016 Community Survey)

According to **Table 35,** it is evident that more than 50% of the households have piped water in their houses.

However, water sources and access to reliable water supplies are not the primary cause for concern for residents from these regions. The Northern Cape Province is experiencing severe water shortages, with lower than expected rainfall for extended periods. Entire communities have recently reported being without water for days, due to a lack of supply. Farmers are hardest hit, as many have lost livestock and crops due to the drought. The National Disaster Management Centre of national Department of Cooperative Governance and Traditional Affairs (COGTA) recently made an allocation of R 42 million to the Northern Cape for the purchasing and distribution of relief feed through Department of Agriculture, Land Reform and Rural Development (DALRRD).

The situation on the ground is dire, as below average rainfall continues to impact the province. Commercial farmers continue to report losses, but those that are hardest hit are the subsistence farmers, who have few options available to them, and little hope of financial recovery.

Despite the fairly positive statistics, the reality of the drought is one of the more severe socio-economic factors at present. Given the directly link between water supply and adequate level of sanitation, the next section looks at the sanitation conditions across the three municipalities.

According to the Community Survey 2016 data, 81.1% of the households in Tsantsabane Local Municipality have access to flush toilets connected to a public sewerage system. This is nearly the same as ZF Magcawu District Municipality's statistics with 67.7% of the households having access to flush toilets. Furthermore, as indicated in **Table 36** below 9.4% of people in Tsantsabane Local Municipality and 5.5% in ZF Magcawu District Municipality have no access to sanitation services.

Table 36: Toilet facilities

Toilet Facility	TLM	ZF MDM
Bucket toilet (collected by municipality)	2%	6%
Bucket toilet (emptied by household)	0.8%	1.8%
Chemical toilet	0%	0.1%
Ecological toilet (e.g. urine diversion; enviro-loo)	0%	0%
Flush toilet connected to a public sewerage system	81.1%	67.7%
Flush toilet connected to a septic tank	1.6%	6.5%
None	9.4%	5.5%
Other	1.6%	1.6%
Pit latrine/toilet without ventilation pipe	0.1%	4.2%
Pit latrine/toilet with ventilation pipe	3.4%	6.7%

(Source: 2016 Community Survey)

3.2.3 Source of Energy

In terms of energy used for cooking, a significant number of households within the Tsantsabane Local Municipality (83%) and ZF Magcawu District Municipality (70.3%) have access to electricity through an inhouse prepaid meter. In Tsantsabane Local Municipality 9.4% of the households do not have access to electricity. This is more than 1.5 times the rate in ZF Magcawu District Municipality (6.4%) with no electricity. **Table 37** below depicts the breakdown of access to electricity in the two municipalities.

Table 37: Source of Energy

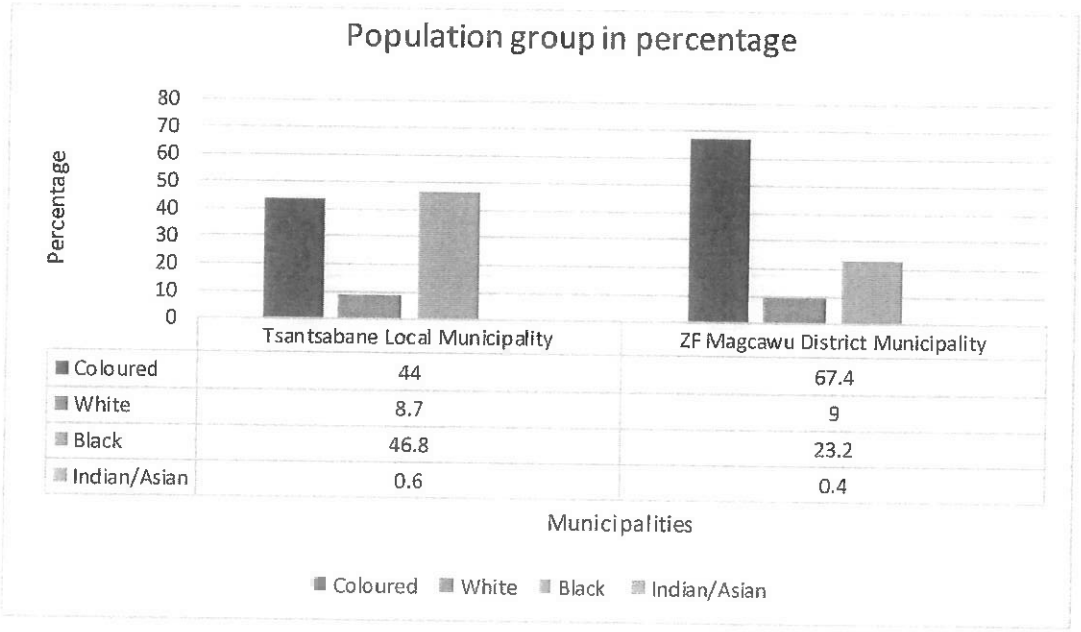
Electricity source	TLM	ZF MDM
Battery	0%	0.1%
Connected to other source which household is not paying for	0.2%	0.3%
Connected to other source which household pays for	1.1%	1.4%
Generator	0%	0.1%
In-house conventional meter	5%	18%
In-house prepaid meter	83%	70.3%
No access to electricity	9.4%	6.4%
Other	0.5%	1.8%
Solar home system	0.9%	1.7%

(Source: 2016 Community Survey)

3.2.4 Population and Education

According to the 2016 Community Survey data, Tsantsabane Local Municipality has a total population of 39 344 people. Most of the population in the municipality 46.89% are Black, 44% are Coloured, 8.7% are White, with Indian or Asian making up the remaining 0.6%. ZF Magcawu District Municipality has a total population of 252 691 of which 67.4% are Coloured, 23.2% are black, 9% are white and 0.4 are Indian or Asian.

In terms of education levels in Tsantsabane Local Municipality, it is estimated that of those aged 20 years and older, 6% have completed primary school, 36% have some secondary education, 36% have completed matric and 1% have some form of higher education. Of the mentioned age group, 7% have no form of schooling (see **Table 38**).



In ZF Magcawu District Municipality of those aged 20 years and older, 7% completed primary school, 39% have some secondary education, 30% completed Grade 12, 2% have some form of higher education and only 6% have no schooling (see **Table 38**).

Table 38: Education Levels

Education levels	TLM	ZF MDM
None	7%	6%
Other	1%	1%
Some primary	9%	13%
Primary	6%	7%
Some secondary	36%	39%
Grade 12 (Matric)	36%	30%
Undergraduate	1%	2%
Post-graduate	1%	2%
n/a	2%	2%

(Source: 2016 Community Survey)

The educational statistics imply that there is a low level of literacy in both Tsantsabane Local Municipality and ZF Magcawu District Municipality, and therefore scope for the implementation of basic education and training programmes exist. As highlighted in **Table 38** above there is a low percentage of people with some secondary and an even lower percentage people with a matric qualification. The educational levels of the populations should be increased as a priority. If not, the unemployed population will continue to be bypassed by employment opportunities due to a lack of the necessary skills and capacity, and unemployment levels will remain unchanged.

3.2.5 Population by age

Table 39: Population breakdown by age groups

Population by age group	TLM	ZF MDM
< 18	34%	35.5%
18 – 64	61.8%	59.5%
>= 64	4.2%	5%

As can be seen from **Table 39** , most of the population in Tsantsabane Local Municipality is between the ages of 18 yr. – 64 yr. As for the district municipality, the majority of the population (59.9%) is also between the age group of 18 yr. – 64 yr.

3.2.6 Employment

In Tsantsabane Local Municipality a total of 10 760 persons are employed. A total number of 3 795 are unemployed, and 419 are classified discouraged work-seekers. The overall unemployment rate recorded in this area is 10.8%, and youth unemployment rate was recorded at 32.3%.

In ZF Magcawu District Municipality there are a total number of 74 449 people that are employed. It is estimated that 4 961 people are classified as discouraged work seekers. For this municipality, the unemployment rate was recorded a 7.5%. **Table 40** depicts the status of employment in the two municipalities.

Table 40: Status of employment

Employment Status	TLM	ZF MDM
Employed	10,760	74,449
Unemployed	3,795	17,696
Discouraged Work Seeker	419	4,961
Not Economically Active	8,764	60,210

(Source: Stats SA 2011)

The socio-economic profile in terms of employment and unemployment of both municipalities is concerning. **With the lack of employment, poor education levels and high poverty levels**, there is a need to create sustainable initiatives which will lift and develop the local municipalities and population therein. There is a need in Tsantsabane Local Municipality for LED projects that promote the creation of employment opportunities. Thus, the primary focus of the SLP initiatives should be on economic regeneration, job creation and skills development.

3.2.7 Income Levels

As derived from

Table 41 below, a large portion of individuals receive between R 9 601 - R 19 200 annually.

Table 41: Income Levels

Annual Income	TLM	ZF MDM
R 1 - R 4800	2.2%	2.3%
R 4801 - R 9600	4.1%	5.2%
R 9601 - R 19200	15.6%	37.1%
R 19201 - R 38400	21%	15.4%
R 38401 - R 76800	18.1%	11.6%
R 76801 - R 153600	15.5%	10.7%
R 153601 - R 307200	8.5%	6.2%

R 307201 - R 614400	3%	1.6%
R 614401- R 1228800	0.6%	0.4%
R 1228801 - R 2457600	0.3%	0.2%
R2457601 or more	0.3%	0.2%
No income	6.6%	5.2%
Unspecified	4.2%	3.8%

(Source: Stats SA 2011)

Using a global standard poverty line of less than $1.90 per day (R28.09 per day or R842.70 per month or R10 112.4 annually as per the exchange rate on 14 October 2019), about 6.2% of the individuals in Tsantsabane Local Municipality and 7.5% in ZF Mgcawu District Municipality live below the poverty line.

The low levels of permanent and reliable income amongst the district and local population, coupled with the high levels of unemployment, are indicative of a limited base of income-earning opportunities in other sectors of the economy outside core mining and manufacturing. This reinforces the need to increase the educational and skills levels of much of the population, who currently can perform only elementary or semi-skilled tasks, by supporting a strong local economic development drive focusing on enterprise creation and the development of sustainable livelihoods for rural communities. However, given the low skills base and education levels of most people, skills development programmes have to be implemented in order to allow impoverished households to have a chance at gaining meaningful employment in the higher-income-earning sectors of the economy.

As stated under Point 3.1, apart from the desktop review, the LED process also entailed a comprehensive Social Impact Assessment (SIA). An overview of the latest SIA as well as some key findings are presented in the next section.

3.3 Key Findings of the Social Impact Assessment (SIA)

The survey for the latest SIA (**Annexure D**) was conducted between 15 April 2019 – 2 May 2019. A total of 1,284 face to face interviews were conducted. In total, data was collected from 4,039 individuals as members of the households where interviews were conducted. The sample size and data collection methodology resulted in a representative sample with results

that can be generalised to the different residential areas and communities, as well as the Tsantsabane population as a whole.

Further, empirical data for the 2019 social impact assessment and community perception survey was collected in one go, as part of a representative household survey conducted in all residential areas and communities within the Tsantsabane municipal area. The survey focused on (1) socio economic indicators and (2) community perceptions as two main content categories.

The research was conducted in compliance with the Anglo Social Way and IFC standards. The design applied Anglo American's SEAT methodology and definitions of impacts and issues. It focused on historical impacts and issues, existing internal and external data, as well as stakeholder experiences and opinions to identify current impacts that are likely to continue in the next three to five years. **Some key findings of the SIA can be summarised as follows:**

- The most significant finding of the social impact study is that the extent of in migration to Tsantsabane is diminishing the overall positive socio-economic impacts of job creation, employment and local economic development in the area, linked to mining and other economic activities.
- Kolomela Mine's positive impacts on Tsantsabane in terms of employment, local procurement, education, health and municipal support are almost not making any difference on socio economic indicators for the overall area, due to the rapid influx of job seekers and growing informal settlements.
- The influx of job seekers also aggravates social ills in Tsantsabane as can be seen from community members' high levels of exposure to various social ills.
- The charts on page 9 of the SIA illustrate the arguments made demonstrating overall higher unemployment rates, especially for the youth, as well as high risk levels of exposure to social ills.
- A youth survey conducted at the end of 2018 in Tsantsabane, identified various youth issues and risks related to the youth, indicating that unemployed youth has become a vulnerable group, often unable to capitalise on opportunities for personal and economic development.
- All is not lost, however. A detailed analysis of household data revealed some shifts and signs of hope in the two bigger residential areas in Tsantsabane Boichoko and Postdene where comparisons over time can be made with more reliability than in

smaller, newer areas, or informal areas (e.g. Mountain View, Maranteng , White City and others)

- The same analysis also shows significant deterioration in socio economic indicators for Postmasburg town.
- With regard to the perceptions of local stakeholders, the overall picture is positive. On Kolomela Mine's general impact, respondents are convinced that the impact is positive and to their benefit, and that negative impacts are mitigated and managed effectively. It is clear that the Tsantsabane community is convinced of Kolomela Mine's commitment to the local area, since the mine started operating.
- There is, however, a red flag of overdependency on the mine, also acknowledged by respondents especially with regard to the Tsantsabane Local Municipality, local businesses and the local economy in general.
- The mine's impact on employment is generally regarded as positive, and the mine's policy on local employment, well understood. The overall opinion about the impact on employment, was however, less positive than in 2017. The reason could be the rising unemployment levels in Tsantsabane, with most socio-economic indicators declining for the overall population, since 2014.
- Deteriorating socio economic conditions, despite a growing economy with an increase in employment opportunities from mines and solar power companies, can be contributed to a rapid increase in the population with job seekers flocking to Tsantsabane in search for opportunities and a better life.
- The inability of the local economy to absorb the influx of job seekers and resulting slide in socio economic conditions and living conditions, has resulted in more pressure on Kolomela Mine to offer opportunities to local business.
- Local procurement is an issue around which communities are rallying at the moment, with pressure groups and business forums being formed in various areas. The survey found generally positive sentiments about Kolomela's contribution to, and impact on local procurement, but ratings are noticeably lower than in 2017.

3.4 Socio-Economic Activities and Impact of Operations – Regulation 46 (c) (ii)

As per Regulation 46 (c) (iv), (Infrastructure Development, Poverty Eradication and Welfare Creation Projects) Kolomela Mine commits to implementing the local economic development programmes listed in **Table 42 and Table 43.** These projects have been identified based on the SIA as well as the review of relevant documents such as the IDPs and the information detailed in Section 3.1 – 3.3 of the LED programme.

3.4.1 DRIVING SUSTAINABILITY THROUGH COLLAROBATIVE REGIONAL DEVELOPMENT

1. **Context**

The development of Social and Labour Plans (SLPs) and associated spend is a legal requirement in the context of South Africa. However, projects are often ad-hoc in nature and limited in systemic intent, not fully aligned to strategic programmes and approaches and consequently often have limited impact. This often dilute the broader and bigger anticipated impact of what priority projects are set out to achieve.

While some are beneficial, the majority of SLP projects do not have the desired impact on poverty alleviation, sustainable job creation and local economic development. In the current socio-economic climate in SA, the promotion of projects with higher job creation potential and economic inclusion will contribute significantly to improving livelihoods and our Social License to Operate.

In 2018, AA developed and adopted the new Sustainable Mining Plan (SMP) with ambitious goals in line with the Sustainable Development Goals (SDG's). The SMP outlines stretched goals on Health, Education and Livelihoods that the business must achieve by 2030. **Collaborative Regional Development** (CRD), which also forms a core component of the SMP, aims to promote sustainable livelihood creation by promoting diversification of local economies away from mining, and to deliver impact at scale in the wider region in partnership with public and private stakeholders. Most of these programmes will require significant investment until 2030 to deliver on the ambitious targets also aligning to the NDP.

1. **Rationale**

Our aim is to promote integrated planning between communities, municipalities and the mine where differing sources of funding complement each other and additional 3rd party funding are being leveraged. To support this, SLP spend needs to be better aligned to programmatic themes of the **Sustainable Mining Plan**, including **Collaborative Regional Development** and **Municipality Capacity Development (MCDP)** and the thriving communities' programme. It is proposed that a larger percentage of the SLP spend supports the SMP to improve socio-economic development outcomes in South Africa.

Government departments such as the Departments of Basic Education and Cooperative Governance and Traditional Affairs have been very supportive of strategic national development programmes especially in education and building capacity with municipality for quality joint delivery and local government to enhance on it's key performance areas. Anglo American will and have engaged with key stakeholders such as government and communities on the Sustainable Mine Plan to advocate for the new SLPs to focus on activities that promote sustainable job creation and livelihoods.

2. Proposed Guidelines

Having engaged extensively and consulted senior business leaders and BU SLP leads, we are proposing the following guidelines for consideration in the development of SLPs going forward:

- Prioritise SLP spend1 towards Sustainable Mining Plan2 programmes, especially sustainable job creation opportunities as part of CRD and the Anglo American Education Programme and / or skills development.
- Include projects that promote innovation and technology adoption in communities to assist communities in adapting to the implications of the fourth industrial revolution.
- Over time decrease infrastructure spend by reducing the level of spend from the current extreme high to incremental lower as needs are addressed.
- Where infrastructure spend does still occur, align such spend with strategic pillars in the Sustainable Mining Plan (e.g. building schools and other education infrastructure in support of the Education Programme).
- Switch from defined spend / projects to specific outcomes and impacts, adopting a Theory of Change3 approach and the monitoring and evaluation (M&E) framework. This ensures that we are focused on impact creation rather than delivering inputs.

[3] Theory of Change refers to defining the outcomes and impact we want to achieve with each project first, and then mapping backwards to identify necessary requirements and activities for success.

- Aggressively promote collaboration on projects by seeking project partnerships (leveraging existing CRD partnerships) with both private and public sector players.
- Empower both local government and traditional authorities by building sustainable capacity / skills through MCDP programme.
- Improve conceptualization and economic viability of projects and adopt strict project management principles to curb budget and timeline overruns.

We aspire to achieve the following engagement approaches with key stakeholders:

- As part of consultation process for SLP 3, engage communities on the benefits of strategic, programmatic interventions such as CRD, Education and Health (e.g. job creation potential, improved education and health outcomes)
- Communicate the Anglo Sustainable Mining Plan across local government and explore alignment between IDP projects and Sustainable Mining Plan (integrated planning)
- Engage DMR and other national government departments on Sustainable Mining Plan and its value proposition to limit preference for infrastructure
- Where we are partnering on projects with government, seek binding agreements on obligations (as opposed to MoUs) to ensure they are being met
- Lobby wider industry, especially the mining sector to support and collaborate on sustainable job creation and other sustainability programmes.

Table 42: Mine Community Development Programmes (Theme One – Community Upliftment Programmes)

PROJECTS	DESCRIPTION	KPA	BENEFICIARY COMMUNITY	KEY STAKEHOLDERS	ALIGNMENT	Jobs Supported	TIMELINE	FINANCIAL COMMIT-MENT
Upgrade of existing Primary Health Care Facilities & Medical Equipment	Improvement of primary health care facilities and services in Groenwater, Postdene, Boichoko and Jenn Haven	Facilities upgrade and medical equipment provision	Groenwater, Postdene Boichoko, Jenn Haven	Kolomela Mine, Department of Health and Tsantsabane Local Municipality	SIA, Youth strategy, NDP, SDG's, IDP	10	60 Months Q1 2020 – Q4 2024	R 9 000 000
Facilitate the co-funding of High Learning Institution Satellite Campus	Facilitate establishment of High Learning Institution Satellite Campus in the Tsantsabane mucipal area leveraging on the existing infrastructure. The courses to focus on the post matric qualification	Establishment of TVET Satellite College	Tsantsabane Community	Kolomela Mine, Department of Labour and Tsantsabane Local Municipality	Youth Strategy IDP	10	36 months Q3 2020 – Q4 2023	R 13 000 000
Construction of Library in White City	Construction of new library in White City to retain the community in the area to study and encourage reading and research	Construction of Library	White City, Newtown, Marantheng and Mountain View Community	Tsantsabane LM and DSAC	IDP	10	36 Months Q1 2020 – Q4 2023	R 15 000 000
Co-fund of Establishment of Disability Centre	Co-funding of establishment of the Disability Centre in Tsantsabane.	Construction of the disability centre	Tsantsabane Community	Kolomela Mine, Lesedi Solar Plant & DSD and Tsantsabane Local Municipality	IDP, Stakeholder engagement, NDP	15	24 Months Q1 2020 – Q4 2021	R 10 000 000
Upgrade of the community halls at the rural areas	Upgrade of the community halls at the rural areas (Skeyfontein, Jen Haven, Maremane and Groenwater)	Upgrade of the community halls halls	Skeyfontein, Maremane, Groenwater, Jenn Haven	Tsantsabane Local Municipality, CPAs	IDP, Stakeholders,	15	24 months Q1 2022 – Q4 2023	R10 000 000
Financial commitment for all Community Upliftment Projects								**R 57 000 000**

Table 43: Mine Community Development Programmes (Theme Two – Infrastructure and Services Programmes)

PROJECTS	DESCRIPTION	KPA	BENEFICIARY COMMUNITY	KEY STAKEHOLDERS	ALIGNMENT	Jobs Supported	TIMELINE	FINANCIAL COMMIT-MENT
Co-fund Water and Sanitation project at Skeyfontein	Co fund the water supply and sanitation for the extended informal areas. The co fund is in Skeyfontein 3.	Water Supply improvement	Skeyfontein 3	Kolomela Mine, Tsantsabane Local Municipality and Dept of COGHTA	IDP, SDF & SIA	10	12 Months Q1 2020 – Q4 2020	R 4 600 000
Closure of current Landfill Site and establishment of new Landfill Site	Closure and rehabilitation of current Landfill Site and establishment of new Waste Management Site to accommodate population growth, development and environment in the Tsantsabane Municipal area.	Closure of current site; Establishment of new site	Tsantsabane Community	Tsantsabane LM and Environmental affairs	IDP, SDF & SIA	40	60 Months Q1 2020 – Q4 2024	R 20 000 000
Co-fund the Construction of New Wastewater Treatment Plant	Construction of new Wastewater Treatment Plant to relieve the current plant which requires high maintenance on an annual basis	Construction of new Wastewater Treatment Plant	Tsantsabane Community	Kolomela Mine and Tsantsabane Local Municipality	IDP, SDF & SIA	25	60 Months Q1 2020 – Q4 2024	R 37 000 000
Co-fund the improvement of water supply in Postdene	Create new alternative water source in Postdene to increase the water supply capacity	New water source	Postdene	Kolomela Mine, Tsantsabane Local Municipality and Assmang	IDP, SDF & SIA	20	48 Months Q1 2020 – Q4 2023	R 5 000 000

PROJECTS	DESCRIPTION	KPA	BENEFICIARY COMMUNITY	KEY STAKEHOLDERS	ALIGNMENT	Jobs Supported	TIMELINE	FINANCIAL COMMIT-MENT
Upgrade of internal streets	Upgrade the internal roads as part of town upliftment programme (Hout Street and Gagiano Street)	Upgrade of the town internal roads	Postmasburg	Kolomela Mine, Tsantsabane Local Municipality and SETAs	IDP, SDF, Stakeholder engagement,	30	36 Months Q1 2020 – Q4 2023	R 18 000 000
Intergrated Water Improvement Programme	Water networks construction at mountain view and installation of bulk water meters to ensure water supply	Water Supply improvement	Tsantsabane Community	Tsantsabane LM	IDP, SDF & SIA	20	36 Months Q1 2022 – Q4 2024	R 15 000 000
Financial commitment for all Infrastructure and Services Projects								R 105 100 000

Table 44: Mine Community Development Programmes: Financial Undertaking

NO	COMMUNITY UPLIFTMENT	2020	2021	2022	2023	2024	Total
1	Upgrade of existing primary health care facilities and medical equipment (Groenwater, Postdene & Jenn Haven)	1 000 000	2 000 000	2 000 000	2 000 000	2 000 000	**9 000 000**
2	Facilitate the co-funding of High Learning Institution Satellite Campus		5 000 000	5 000 000	3 000 000		**13 000 000**
3	Construction of Library in White City		2 000 000	6 000 000	7 000 000		**15 000 000**
4	Upgrade of the community halls in rural areas			5 000 000	5 000 000		**10 000 000**
5	Co-fund of Establishment of Disability Centre	5 000 000	5 000 000				**10 000 000**
TOTAL - COMMUNITY UPLIFTMENT		**6 000 000**	**14 000 000**	**18 000 000**	**17 000 000**	**2 000 000**	**57 000 000**
NO	**INFRASTRUCTURE & SERVICES**	**2020**	**2021**	**2022**	**2023**	**2024**	**Total**
6	Co fund Water and Sanitation project at Skeyfontein	4 600 000					**4 600 000**
7	Closure of the current landfill site and establishment of new landfill site	4 000 000	4 000 000	4 000 000	4 000 000	4 000 000	**20 000 000**
8	Co-fund the construction of new waste water treatment plant		15 000 000	15 000 000	2 000 000	5 000 000	**37 000 000**
9	Co fund the Improvement water supply in postdene		5 000 000				**5 000 000**
10	Upgrade of internal streets	6 000 000	6 000 000	6 000 000			**18 000 000**
11	Integrated Water Improvement Programme	5 500 000	7 000 000	2 500 000			**15 000 000**
TOTAL - INFRASTRUCTURE AND SERVICES		**20 100 000**	**37 000 000**	**27 500 000**	**6 000 000**	**9 000 000**	**99 600 000**

1.1 Housing and Living Conditions – Regulation 46 (c) (iv)

Kolomela Mine is committed towards the provision of home ownership options for its employees. Moreover, the mine is fully aware of the compliance requirement for Core Contractors as it relates to Housing and Living Conditions (HLC). To this end, several initiatives have been undertaken to-date, including the provision of a housing allowance, as well as, a subsidised mortgage loan instalments to any employee who is buying a residential property locally. Despite these efforts, challenges have been experienced including a limited housing market in Postmasburg and creditworthiness constraints amongst the employees.

Kolomela Mine has therefore determined a need for a transformed housing strategy; which encompasses the requirements of:

- Mining Charter III, and in respect of the Housing & Living Conditions Standard;
- Kolomela Mine's fulfilment of its' Social & Labour Plan (SLP);
- The eradication of present and future accommodation shortages; resulting in mine employees' resorting to informal settlements within its mining community.

To develop such a housing strategy, a dedicated Project Team and a joint Housing Task Team have been established, including employees in the form of Organised Labour. The developed strategy will seek to better respond to employees' home ownership investment aspirations and overcome their home ownership investment constraints.

Depending on these needs, the strategy will incorporate support to enable employees to undertake a range of housing transactions or options, which is likely to include:

- Promote housing options for a range of income groups;
- Offer rental accommodation based on the needs of employees; and
- Adequately address the housing needs of employees consistent with Kolomela Mine's growth plans.

This will be done on a basis which is sustainable and enhances Kolomela Mine employees' wellbeing and financial status. It also needs to be aligned-with and contribute to the development strategies of the local and provincial authorities for the surrounding area.

Kolomela Mine will specify its commitments with regards to the transformed housing strategy in an amendment to the SLP by July 2020.

In compliance with Mining Charter III Kolomela Mine acknowledges its responsibilities in this regard and will implement the following requirements in the mine's Housing and Living Conditions (HLC) plan:

Housing Implementation Plan for 2020 – 2024

Responsible	Action	Timing
Housing Team and Organised Labour	As per the draft Housing and Living Conditions Standard 2019, Kolomela Mine will, within a period of 12 months from the date of publication of the standard, consult with organized labour, relevant municipalities and the Department of Human Settlements and enter into a housing and living conditions agreement with organized labour regarding its mine employee housing and living conditions;	Within 12 months from the date of publication of the standard
Housing Team and Organised Labour	Kolomela Mine, in collaboration with organised labour, will draft and finalise a Housing and Living Condition (HLC) plan outlining the commitments to comply and implement the finalised Housing and living Conditions principles	
Housing Team and Organised Labour	Kolomela Mine will foster the development of an HLC agreement and Employer Assisted Housing Scheme. Upon reaching an agreement with organized labour Kolomela Mine will develop such a scheme. The scheme will outline various housing options offered. Furthermore, when the scheme is signed by Kolomela Mine and organized labour, the scheme will be submitted to the department within 21 days from the date of signing.	Within 21 days from the date of signing
Housing Team	**Report** to the DMR annually on all requirements of the SLP and mining Charter, for Mine and Core-contractor HLC plans and spend.	Annually

During H2 2019, Kumba appointed a Development Management Consultancy (Shisaka) to assist with a strategy and development methodology to transform the current housing policy.

A **Status Quo Assessment** was conducted during the period of September 2019 – December 2019. The Status Quo Assessment comprised of:

- A statistically valid **Employee Survey** to determine the current housing situation, housing needs and preferences of the workforce. Organised Labour jointly assisted in the developing of the survey questionnaire. The survey was designed to capture the following broad categories of information:
    - Employee profile;
    - Accommodation at work;
    - Transport arrangements;
    - Alternative homes; and
    - Home ownership aspirations, amongst the workforce.
- **Affordability and Creditworthiness Assessment** to understand the ability of Kumba's employees to afford home ownership and the extent to which they are able to access housing loans. Also, to identify whether home ownership linked creditworthiness support will be required.
- **Spatial and Housing Market Assessment** to determine population and housing data as well as economic performance and public sector performance, as well as, the status of the housing market in our operating communities.
- **Stakeholder Analysis/ Engagement** with local and district municipalities.

Results from the Status Quo Assessment were presented to Management and Organised Labour during December 2019. The Status Quo Assessment, as well as, the principles of the Housing and Living Conditions Standard served as foundational guidance in crafting the new policy components under consideration.

The Housing and Living Conditions Standard was gazzetted in December 2019.

During Q1 2020, several engagements were held with Organised Labour to further elaborate, debate and discuss the results and the emerging key findings from the Status Quo Assessment. Arising from these engagements were submissions from Organised Labour which have been incorporated as policy components.

Thus, the scope and policy components have been identified and during Q2 & 3 2020, the policy components have been subjected to a robust financial evaluation, reviewed by Kumba HQ Finance and Anglo Group Tax. The financial evaluation has a dual purpose, to identify (1) the cost and cash-flow impact on Kumba, and (2) the cost-impact on employees through the various Home Ownership and Rental options, under-consideration.

The Study Working Group has developed an initial Implementation Plan; which details the institutional arrangements to be crafted and put in place, prior to an effective launch date of the new housing policy.

Plans and Intentions Going Forward:

1. Complete Finance Reviews:
    - Cost, cash-flow and uptake sensitivities to Kumba by introducing the new housing policy; and
    - Cost-impact on employees through the various Home Ownership and Rental options, under-consideration
2. Subject to a viable and balanced Policy, proceed for formal sanction & mandate
3. Initiate engagement with Organised Labour to settle the proposed Transformed Housing Policy
4. Develop and finalise Housing and Living Conditions Plan by November 2020
5. Aspirational launch date of the housing policy by March 2021

Housing Performance as of 31 December 2019:

In order to promote home ownership a bond subsidy scheme available to the employees. The current policy includes the payment of housing allowance to employees in the bargaining unit. By 31 December 2019, 1043 employees received a housing allowance and 1002 employees were living in company accommodation (company owned and rented-in) at Kolomela Mine.

1.2 Nutrition Regulation 46 (c) (v)

MPRDA Regulation 46 (c) (v) states that "the measures to address the nutrition of the mine employees" should be attended to by the company. Kolomela Mine is not providing meals to employees since none of its employees live in hostels. However, to ensure employees are familiar with the advantages of a balanced diet, the following actions have been and will continuously be considered:

Good nutrition is essential because:

- Assists to maintain a healthy body and mind ensuring preventing absenteeism and presenteeism at work;
- Assist in combating Fatigue, major hazards associated with most PUE's within the Mining industry;
- Assist maintain a healthy immune system;
- Reduction of obesity – BMI <32;
- Reduce risks of disease of lifestyles - e.g. High blood pressure or Diabetes;
- Assist in control and management of chronic diseases.

At Kolomela good nutrition is important to us. To this effect, Kolomela has the following interventions to ensure good nutrition to our employees:

- Health education is given by all health professionals at all our service points, with every contact with the employee.
- Dietary recommendations given to Shift workers to improve quality of sleep when off – duty and to stay alert when on duty.
- Low GI supplemental shakes are issued to all shift workers at the start of every shift, which will ensure that the employee remain alert throughout the shift.
- Dietician services has been outsourced to attend to all Kolomela employees and provide advise at the canteen to ensure that a balanced menu is served to the workforce
- Dyslipideamia / Hypercholesteroleamia screening – screening is done for cholesterol at all of our service points with upon request by employee and at medical surveillance examinations and dietary advise is given thereafter.

1.3 Inclusive Procurement, Enterprise and Supplier Development - Regulation 46 (c) (vi)

Kolomela Mine strives to ensure compliance to the mining charter, enabling diversity and inclusion to transform our business. One of our key focus areas for the future is to increase participation of youth and women owned businesses in procurement activities whilst still ensuring that we have an effective enterprise and supplier development programme.

Mining Charter III implementation shall be done in a progressive and cost-effective approach. The Plan shall not be implemented in isolation but shall align and be supported by Category Management Planning and AA inclusive Procurement Framework and Standards. In terms of the transformation of our supplier base, the focus in this section will be on increased spend on and development of HDP, Women and Youth owned entities.

Please view Kolomela's Transitional Arrangement Plan September 2019 (**Annexure E**) that was submitted to the DMR during 2019 for complete details the company's procurement strategy. Also, please view **Annexure F** for the complete **Form T**. **Table 45** provides only the baseline information in terms of procurement.

Table 45: Baseline 2019 (extract - From T)

Baseline 2019	Total Procurement spend (Rm)(1A)	Non-Discretionary spend (Rm)(1B)	Discretionary Spend (Rm) (1A-1B =1C)	Spend with BEE Entities (Rm)(1D)	% Spend with BEE entities (1D as % of 1C)
Procurement of capital goods	206	-	206	167	81%
Procurement of services	1 382	54	1 328	1 030	78%
Procurement of consumables	1 269	-	1 269	1 147	90%

Table 46 and Table 47 below indicate Kolomela Mine's Procurement targets for the next five years respectively. As alluded, these targets were set according to Mining Charter III.

Table 46: Mining Goods Targets

Mining Goods	MC18	2018 Performance	Kumba Comment	Target 2019	2020	2021	2022	2023	2024
Mining Goods procurement spend on South African manufactured goods[1], split as follows:	70%		**No data/baseline available for local content requirement (Goods with 60% local content)**						
HDP Owned and Controlled entities [2]	21%	25%	Spend on HDP Owned and Controlled entities, **excl. local content requirement**[6]	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Women[4] or Youth[5] owned and controlled enterprises (51% and more)	5%	2,70%	Spend on Black Women Owned, **excl. local content requirement,** Youth and all SA Women currently not tracked	2.80%	3.00%	3.50%	4.50%	5.00%	5.00%
BEE Compliant Companies [3]	44%	48%	Spend on BEE Compliant Companies, **excl. local content requirement**	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%
Verification of local content									
Certification of local content by SABS or other entity designated by the Minister	100%	0%	Goods purchased on standardised coding system (Designed by DTI, not yet available)	0.00%	0.00%	20.00%	50.00%	100.00%	100.00%

Table 47: Mining Services Targets

Mining Services	MC18	2018 Performance	Kumba Comment	Target 2019	2020	2021	2022	2023	2024
Spend from South African companies, split as follows:	80%			70.00%	80.00%	80.00%	80.00%	80.00%	80,00%
HDP Owned and Controlled entities [2]	50%	46%		47.00%	50.00%	50.00%	50.00%	50.00%	50,00%
Women owned and controlled enterprises (51% and more)	15%	3.80%	Black Women Owned only, no data currently for all SA Women	3.80%	5.00%	7.50%	10.00%	15.00%	15,00%
Youth owned and controlled enterprises (51% and more)	5%	0%	No data in system for Youth Owned	1.00%	2.00%	3.00%	4.00%	5.00%	5,00%
BEE Compliant Companies [3]	10%	69%		18.20%	23.00%	25.00%	28.00%	30.00%	30,00%

Kolomela Mine as part of Anglo American has a systematic programme to deliver on the objectives to achieve effective ESD to support, train and capacitate SMME's to make them more eligible to get access to Kumba procurement opportunities. Anglo American's ESD objectives through the Anglo Zimele Model which is revised to respond to the current and future needs and development of sustainable black owned enterprises. Since its inception, Anglo Zimele has supported over 2,300 SMMEs that have collectively employed more than 57,000 people across South Africa.

- ESD objectives at Kolomela Mine will be driven with the assistance of Anglo Zimele and strategic expert partners
- Assistance comes in the form of training/ mentoring as well as financial assistance where required. Zimele also has a strong focus on the development of youth and assisting with access to markets for entrepreneurs under development.
- This programme covers all of the business units within Anglo American. The ESD programme is entrenched in the inclusive procurement strategy and category strategies to ensure the development of suppliers and enterprises who are able to operate independently and sustainably.

A new ESD model was introduced a with a new strategy designed to better serve communities in terms of local economic development and to support job creation by focusing on providing mentorship and advisory services, while building a network of partnerships to provide qualifying SMMEs with access to market opportunities and financing. The new strategy also places greater focus on mentoring young people entering the job market or starting their own businesses. The ESD programme is entrenched in the inclusive procurement strategy and category strategies to ensure the development of suppliers and enterprises who are able to operate independently and sustainably. The Zimele programme and service offering to host community suppliers also includes mentoring and coaching entrepreneurs for all business units within Anglo American. Zimele being the strategic partner will work closely with the Supply Chain and Inclusive Procurement teams to grow and develop suppliers that will be able to operate independently and become sustainable beyond the life of mine.

The Zimele mentorship and advisory service offers three development programmes:

- Supplier Development
- Enterprise Development

- Youth Development

Kolomela mine SMME Hub in Postmasburg town serving our Kolomela Mine host community and surrounding communities. The first in-take of suppliers for the Supplier Development Programme will kick off in the second half of 2019 thereafter the programme will run various waves for intake of entrepreneurs for various programmes. The Supplier Development programme will be followed by roll out Enterprise & Youth Development Programmes.

Table 48: Details of the Supplier Development Programme

Hub Name – Targets	Supplier Development Participants	Enterprise Development Participants	Youth Development Participants
Kolomela	48	75	300

Zimele has partnered with ABSA as financial institution to provide loan administration services and loans to SMMEs at a fixed interest rate of 6%. Zimele will collaborate with, SIOC-CDT, IDC, SEFA, SEDA and various other funding institutions to support SMMEs with the funds required for their business.

Inclusive Procurement, Enterprise and Supplier Development Plan for 2020 – 2024

Strategy	Timing	Responsible Person
Align internal data capturing and reporting mechanisms to align with the new Mining Charter requirements.	2020 Q1	Procurement Manager
Undertake an assessment of all Kolomela Mine's vendors to: • Ascertain their BEE compliance levels; • Identify which vendors are not BEE compliant; and • Verify what measures the non-compliant vendors will put in place to become compliant. Based on the outcome of this assessment, the Procurement plan of Kolomela Mine will be updated to indicate specific measures for increasing the Company spend on BEE and community-based enterprises	2020 Q1	Procurement Manager
Update Kolomela Mine's preferential procurement policy, procedure and plan for all of Kolomela Mine vendors, to be aligned to the latest Mining Charter requirements. Put in place measures for all aspects of procurement.	2020 Q1	Procurement Manager

Liaise with those vendors who are not HDSA compliant to ascertain what plans they are putting in place to become compliant.	2020 Q1	Procurement Manager
Implement progress reporting mechanisms on the implementation of the Procurement Plan.	2020 Q4	Procurement Manager
Annual review and monitoring of the implementation of the SLP.	Annually	Procurement Manager

1.3.1 Framework for 5-year contracts for ESD Beneficiaries

The aim of ESD is to increase the competitiveness, capacity and capability of the South African supply base where there are comparative advantages and potential competitive advantages of local supply. This can be achieved through skills transfer, increasing the local content of items procured, as well as building new capability in the local supplier base. In addition, SD has its roots grounded firmly around the transformation of South Africa and the empowerment of previously disadvantaged individuals and enterprises.

Not all contracts will have a 5-year duration. Providing all SMME's with 5-year agreements may have the unintended consequence of becoming a barrier to entry for another SMME's and as such only select SMME's will be awarded 5-year contracts to ensure that all the contractual and developmental objectives are achieved.

The following types of agreements may be considered for 5-year agreements. This list is not exhaustive and other agreements may be added based on a case specific motivation and approval by the Anglo-American Commercial Committee:

1) Core mining activities for which an extended period of skill transfer and development is required
2) Contracts requiring significant upfront capital investment in the form of debt financing from a financial institute or equity financing from investors or venture capitalists
3) Contracts related specifically to establishing local manufacturing capability (industrialist activities) and import replacement

Table 49: Enterprise Development and Poverty Alleviation Programmes

PROJECTS	BENEFICIARY COMMUNITY	KEY STAKEHOLDERS	Jobs Supported	TIMELINE	FINANCIAL COMMIT-MENT
Training and Development of SMME's	Local SMMEs; Local Youth	Kolomela Mine, Tsantsabane Local Municipality and ABSA	30	60 Months Q1 2020 – Q4 2024	R 10 000 000
Development of Township Economies through SMME Hubs	Local SMMEs; Boichoko, Newtown and Postdene	Kolomela Mine and Tsantsabane Local Municipality.	20	12 Months Q1 2021 – Q4 2021	R 5 000 000
Job creation acceleration Programme	Local SMMEs; Local Youth	Kolomela Mine, Tsantsabane Local Municipality and Department of Labour	30	48 Months Q1 2021 – Q4 2024	R 7 500 000
Total					**R 22 500 000**

1.3.2 Processing of Samples

Kolomela Mine is currently compliant and use South African based facilities or companies for the analysis of samples. No issues have been identified which could potentially negatively influence the target of 100% samples analysed locally. Should Kolomela Mine require conducting sample analysis using foreign-based facilities or companies, permission will be obtained following the internal processes.

SECTION 4

Programme for Managing Downscaling and Retrenchment

REGULATION 46 (d)

2. MANAGEMENT OF DOWNSCALING AND RETRENCHMENTS: REGULATION 46(D)

2.1 Management of Downscaling and Retrenchments

Guided by current legislation and aligned with organised labour arrangements (in accordance with the retrenchment policy), SIOC will enter into an agreement with the relevant union(s) on managing retrenchment and downscaling in Kolomela Mine. The parties will agree to the following:

- Prevent job losses and a decline in employment through turnaround or redeployment strategies and seek alternative solutions to threats against job se4curity and potential measures to prevent a decline in employment.
- Promote a new culture of self-employment and self-maintenance, aimed at improving access to employment opportunities for those who are unemployed.
- Seek to improve the quality of life of all retrenched employees and affected communities.
- Promote ongoing discussions between Kolomela Mine, union(s) and other relevant parties on any problems and challenges experienced by any of the parties, and possible alternative job-creation projects.
- Mutually and openly discuss issues that concern employees' futures and jointly structure and implement potential solutions to job losses.
- Co-operatively engage in strategic planning, deployment or other appropriate strategies that affect jobs and evaluate progress at regular intervals.

In relation to its practices of good faith, by aligning itself with the guidelines of the social and labour plan and requirements of the mining charter, Kolomela Mine will adhere to regulations set out below.

2.2 Regulation 46(d)(i): Establishment of Future Forum

A new mining application must make provision for the establishment for Future Forum, and an operational mine must have an operating Future Forum. The Future Forum should comprise of management and workers or their representatives. Must have an agreed constitution between management and organized labour.

The functions of the Future Forum include but are not limited to:

- Promote ongoing discussions between worker representatives and employers about the future of the mine;
- Look ahead to identify problems, challenges and possible solutions with regard to productivity and employment;
- Develop turnaround and redeployment strategies to help reduce job losses and to improve business sustainability; and
- Implement strategies agreed upon by both employer and worker parties.

In conjunction with all affected stakeholders, Kolomela Mine has established the Future Forum (FF) within two years of commissioning of the mine. The forum is consisting of representatives of employees through their unions, both directly employed and employed by contractors and Kolomela Mine management.

The FF's aim is to ensure an enduring dialogue between the workforce and management on the mining operation and factors affecting the organization's viability. The duties of the FF will include ongoing consultation between workers and management on matters affecting the mine such as:

- Solutions to identified problems and challenges facing the mining operation, its employees and the communities affected by the mine;
- Assistance in developing appropriate redeployment strategies.
- Implementing solutions agreed by both employer and worker representatives

The FF will meet at least bi-annually or as regularly as members may decide. When closure of the mine is imminent, the forum will meet at least monthly. In establishing the FF, matters of jurisdiction will all be addressed in tits constitution. The parties to the forum will be determined by the Kolomela Mine' FF Constitution and chaired by the General Manager or his assignee.

2.2.1 Purpose of the Kolomela Mine Future Forum

The main objective of the FF is to fulfil the obligations of the Kolomela Mine SLP and the MC. The secondary objective of the Future Forum is to establish a structure for the purposes of the discharging the obligations set out in the Kolomela Mine SLP.

This structure may seek to establish sub forums to further advance the objectives of the company's SLP which may include:

- Employment Equity Forum
- Housing Forum
- Local Economic Development Forum covering Procurement, Enterprise Development and Supplier Development
- Human Resources Development Forum
- SLP Forum

2.2.2 Representation

The Kolomela Mine FF will comprise of the following representation:

- The General Manager as the accountable person for the Kolomela Mine's mining license;
- All Heads of Departments including SIB (Stay-In-Business) Head for projects;
- Representatives of the recognized organised labour, who will be given proportioned representation based on their representation levels (the total number of organised labour representation shall be limited to a maximum of 10), and
- Some subject specialists may be co-opted to FF meetings when necessary.

2.2.3 Meetings and minutes

Kolomela Mine's FF will schedule meetings as per the constitution which will be duly minute by the elective secretariat. Minutes will be stored in the Compliance Register file.

2.3 Regulation 46 (d) (iii): Mechanisms to save jobs and avoid job losses and a decline in employment

The following must be adhered to in an event where job losses cannot be avoided:

- Open and transparent disclosure of financial and production related information by the company.
- The company must provide a plan to save jobs and that plan must have measurable indicators and timeframes wherein turnaround strategies must be identified.
- The proposed plan should be in line with the terms of Section 52 (1) of the MPRDA and Section 189 of the LRA.

- During Kolomela Mine's planned LOM, all efforts will be made to prevent job losses. Initiatives for the planned mine closure are listed in Table 50.

Table 50: Initiatives for Planned Closure

NO	ACTIONS	TIMELINE
1	Suspension on external appointments.	2 years before the Mine closure
2	Moratorium on all new and/or renewal of contracts with external contractors.	2 years before the Mine closure
3	Suspension of employment of temporary staff where permanent jobs can be prolonged.	2 years before the Mine closure
4	Involvement of key stakeholders to look at ways and strategies to eliminate working cost (excl labour) to ease financial burden on operation.	2 years before the Mine closure
5	Offering voluntary severance packages to those employees who wish to do so and feel secure to seek alternative employment or means of income in the area or elsewhere.	2 years before the Mine closure
6	Offering early retirement packages to employees with long service and who are near the retirement age range.	2 years before the Mine closure
7	Redeployment in other group operations where possible.	2 years before the Mine closure
8	Limiting excessive overtime.	2 years before the Mine closure
9	Eliminate or reduce work outsourced to contractors on site where it can be performed by full-time employees.	2 years before the Mine closure
10	Creation of post-mine employment where job losses cannot be avoided by ensuring social and economic aspects are fully considered through the implementation of a comprehensive local economic development programme.	2 years before the Mine closure
11	Offering portable skills training during employment to diversify the skills base of employees. Refer to portable skills training which shall include but not be limited to welding, carpentry, masonry, etc.	Continuous during employment and predominantly 2 years prior to the Mine closure

Kolomela Mine will implement these initiatives through the FF and in consultation with or with assistance from the appropriate local municipal representative body (such as the local economic development forum, the IDP representative forum) and all other appropriate forums that may exist at that point (refer to 9.2.1 above). The applicable provincial and/or national government department(s) will also co-operate to develop infrastructure and provide assistance in establishing an appropriate environment to enable employees to create or access post-time employment.

2.4 Management of Retrenchment Consultations

When an employer contemplates dismissing any employee(s) for reasons based on the employer's operational requirements, the employer will consult with representative/employees as required by section 189 of the Labour Relations Act (66) of 1995, as amended (LRA). It is noted that options to retrench any employee will only be considered as a last resort where necessary, but and if applied, Kolomela Mine will commit itself to give retrenched employees fair packages. This paragraph does not address action on how the consultation process will be carried out and the mechanisms that will be put in place to save jobs and a decline in employment.

In carrying out constructive consultation, Kolomela Mine undertakes to:

- Consult with all parties as required by Organised labour agreements.
- Consult with affected employees or groups.
- Seek and attempt to reach consensus with consulting parties on appropriate measures to avoid dismissals, minimize dismissals and change timing of dismissal and to mitigate the adverse effects of dismissals.
- In an event where retrenchments cannot be avoided, organised labour will be consulted again and given an opportunity to agree and recognize the retrenchment intention.
- Seek and attempt to reach consensus with consulting parties on the method for selecting employees to be retrenched and the severance packages for those employees.
- Provide consulting parties with written information as per the requirements of the LRA.

2.5 Legislative compliance implementing Section 189 of the LRA and section 52 of the MPRDA

In the event of downscaling and retrenchments occurring, consultation with employees will be effected in accordance with section 189 of the LRA and any collective agreement that exists (refer to section on consultation process).

The Minister will be notified as required by section 52 of the MPRDA, where retrenchment of 500 employees or 10% of the labour force, which is lesser, is to take place in any 12 month period and to the Minister of Labour if retrenchment of 500 employees or 10% of the workforce, whichever is greater is contemplated. Ministerial directives will be complied with. Should the Minister impose a legitimate directive, Kolomela Mine will comply with the said directive and confirm in writing that corrective measures have been applied.

2.5.1 Complying with ministerial directive

The company is committed to complying with the provisions of the LRA as amended and Codes of Good Practices on dismissal based on operational requirements whenever retrenchments of employees are contemplated. In compliance with the Minister's directive, the following legislative processes will be taken:

- When initiating a retrenchment process, the parties will jointly notify the Board of the situation at the mine and Kolomela Mine will provide the required information to this board.
- Kolomela Mine and/or all affected parties will comply with the ministerial directive that may be issued in respect of this process.
- Section 189 of the LRA will regulate retrenchment processes to be followed.

2.6 Mechanisms to ameliorate social and economic impact on individuals, regions and economies where retrenchment or closure of the mine is certain.

2.6.1 Assessment and counselling service consultations

Kolomela Mine understands that any process of retrenchment has adverse effects on employees and their extended households. To offer support to affected employees, Kolomela Mine will implement employee assistance programmes (EAP's). Employees who are retrenched by the company will, where possible, practically and reasonably be offered basic life skills, financial life skills and counselling service3s to ameliorate the effects of retrenchments.

Training and other services will be provided by a nominate service provider. All these services will be available for a period set by the company and are completely voluntary. Kolomela Mine will bear all costs of training and counselling services to remove the financial burden on affected employees.

In addition, and in consultation with the relevant stakeholders, Kolomela Mine will implement:

2.6.2 Psychological counselling and financial services

- Portable skills training interventions
- Comprehensive self-employment programmes
- In conjunction with the Department of Labour, facilitate the completion of UIF claim forms at mine premises.

2.6.3 Comprehensive self-employment training programmes

Kolomela Mine will consider various interventions for employees to mitigate the effects of any retrenchments which shall include but not be limited to the following:

- Through successful implementation of its human resources development practices (particularly portable skills), ensure that all employees are equipped with appropriate skills to empower them to seek and be favored for alternative employment.
- Conduct a comprehensive skills audit of affected employees.
- Align training offered to employees that is relevant.
- Develop learnership programs aligned to the interests of affected employees as well as current and forecast skills requirements for the region.
- Implement accredited learnership programs.
- Liaise with other companies on their own employment opportunities through the relevant stakeholders and other active forums like the Northern Cape Mine managers Association, which currently consists of large mining representation from around SIOC operations in the Northern Cape.
- Mechanisms and procedures for skills training on retrenchment:
- Employees to be retr4enched will, apart from portable skills training received during their employment, be offered any other requested portable skills training, basic life skills, financial skills and SMME training

- Training will be limited to the relevant disciplines available for a limited period and to a limited amount, to be determined by the employer in consultation with the consulting parties/affected employees after the date of retrenchment.
- Training will be provided by an external service provider (preferably a BEE company).
- Costs of training will be paid directly to the applicable service provider.
- The employer will pay market related value towards training and development of affected at the duly agreed upon between management and organized labour.

The aim of such training is to provide employees with the necessary skill to ensure a steady livelihood after downscaling. Affected employees will be remunerated in line with Kolomela Mine's and organised labour agreements and retrenchment policy. This includes severance packages, outstanding leave pay, retirement fund and all outstanding amounts due to the employee. This should ensure that employees have some financial assurance in the case of downscaling.

The process will ensure that retrenched employees are more marketable and can capitalize on current and emerging employment or business opportunities that exist in the local labour and business environment.

2.6.4 Remuneration

All affected employees will be remunerated with all the relevant monies agreed on by employee representative bodies and in good faith under the Basic Conditions of Employment Act. This includes severance packages, outstanding leave pay, retirement funds and ISOP scheme fund allocations. This should ensure that employees have some financial assurance in the case of downscaling.

2.6.5 Outstanding Staff Debt

Assistance to affected employees will be provided through the Employee Assistance Program (EAP). The assistance will include, but not be limited to financial planning. The employer does not provide staff loans but where loans were taken through an approve payroll third party, representative from such an institution will be requested to be available to assist employees.

2.6.6 Comprehensive training and re-employment programmes

Kolomela Mine aims to ensure that through the effective implementation of its HRD plan, appropriate systems for creating employee's mobility will be in place. In addition to these plans, to avoid and lessen the effects of job losses, Kolomela Mine will make the utmost attempts to ensure that retrenchments are the last resort in any downscaling of operational activities. These efforts and initiatives will include:

- Where job losses cannot be avoided, the skills base of retrenched employees will be further diversified.
- Comprehensive training plans and strategies as discussed herein, and other strategies to mitigate job losses during the LOM.
- The resource information based on the mine works programme indicates that Kolomela Mine has a remaining 14-year operational life span. This downscaling is associated with the reduction in operational activities as the economically viable resource diminishes.
- Assuming that no additional economically viable resources are available, Kolomela Mine will implement the necessary mechanisms to ameliorate the social and economic impacts on employees and local communities as outlined in the table below.

2.6.7 External Factors

There are global and macro factors which might have an impact on SIOC such as fluctuating iron ore prices on the global market. Fluctuations are observed based on several reasons which can result to downscaling.

Table 51: Activities related to Downscaling

MAIN ACTIVITIES	INDICATOR
KOLOMELA MINE WILL ASSIST AFFECTED EMPLOYEES THROUGH	
Alternative employment.	Number of jobs saved

Should alternative employment at a level (one level/grade) lower be available, the employer may protect the salary and conditions of the affected employee or redeployment within the SIOC or Anglo Group. Selection criteria will be consulted with parties as prescribed by law. The criteria will be objective and fair and applied in all cases of retrenchment. The criteria may include: length of service, skills, qualifications, performance, attendance, experience, succession planning and disciplinary records.	Number of affected employees not retrenched and still in the employ of the company
Time off to seek alternative employment. An affected employee may be given paid time off, where possible, to find alternative employment if the employee cannot be released in the final month of service.	Number of employees finding alternate employment
Retrenched employees will be given first preference here there are employment opportunities within the first 12 months of retrenchment.	
MINE CLOSURE OBJECTIVES AND ALTERNATIVE USE OF INFRASTRUCTURE AND LAND FOR SUSTAINABLE COMMUNITY DEVELOPMENT	
At closure, the land on which the mine is located will be rehabilitated and made suitable for agricultural activities. In the partnership with the local municipality, projects will be set up prior to closure that will ensure optimal, sustainable, land use. This will benefit both employees and community members to ensure that the area stays open to economic activity. Discussion will be held with the local municipality to establish the best use for infrastructure following closure, to ensure buildings that could be used, for example, to house SMME projects are not simply demolished.	Active use of mine resources for alternative local economic development, community development
TO STIMULATE JOB CREATION FOR LOCAL AND PROVINCIAL AREAS, KOLOMELA MINE WILL:	

Consider the feasibility of initiation or expansion of rural development schemes and local development interventions which foster job creation or economic activity at Kolomela Mine and surrounding communities.	Number of employees employed in local communities
Consider the particular socio-economic circumstances of Kolomela Mine and its surrounding communities in all relevant decisions concerning the short- and long-term future of the mine.	Number of employees in alternative employment
If Kolomela Mine is to close, the following additional options will be considered:	
Kolomela Mine in consultation with the relevant stakeholders, will evaluate the viability of transferring ownership of any outstanding initiatives to retrenches or local authorities or any other responsible body in terms of the principles and procedures agreed or reasonably established by the enterprise.	
Kolomela Mine, in consultation with relevant stakeholders, will consider the financial feasibility of transferring particular amenities, land and buildings and other resources to retrenches or the community on beneficial terms, especially where the market value of the resources does not justify open-market disposal and the beneficiaries are able to maintain and make active use of them.	Number of employees economically active

2.6.8 Financial Provision for managing downscaling and retrenchments:

The Mining Charter requires that:

- Mining companies make financial provision for unforeseen downscaling and retrenchment scenarios.
- Financial provisions based on best practice and industry standards.

Kolomela will make a financial provision based on the following assumptions:

- 10% of total compliment per annum.

A once off R20,000 company assistance payment per employee will be applied.

SECTION 5

FINANCIAL PROVISION FOR IMPLEMENTING THE SOCIAL AND LABOUR PLAN

REGULATION 46 (e)

3. FINANCIAL PROVISION: REGULATION 46(E)

According to Regulation 46(e) of the MPRDA Act, companies must provide financially for the implementation of the social labour plan. The sections that must be provided for financially are:

- Human Resources Development Programmes;
- Local Economic Development Programmes and
- The Processes to Manage Downscaling and Retrenchments.

Table 52 below stipulates the financial provision commitments by Kolomela Mine for the SLP cycle period of 2020 - 2024.

Table 52: Financial provision commitments by Kolomela Mine for the SLP cycle period of 2020-2024

PROJECT CATEGORY	2020	2021	2022	2023	2024	TOTAL
COMMUNITY UPLIFTMENT	R6,000,000	R14,000,000	R18,000,000	R17,000,000	R2,000,000	R57 000,000
INFRASTRUCTURE & SERVICES	R20 100 000	R37 000 00	R27 500 000	R6,000,000	R9,000,000	R99,600,000
ENTERPRISE DEVELOPMENT/ POVERTY ALLEVIATION	R2,000,000	R4,500,000	R4,500,000	R7,000,000	R4,500,000	R22,500,000
TOTAL LED PROVISION	R28 100 000	R55 500 000	R50 000 00	R30 000 000	R15 500 000	R179 100 000
HUMAN RESOURCES DEVELOPMENT	R56,258,158	R55,582,141	R55,723,495	R56,857,277	R68,732,968	R293,155,040
MANAGEMENT OF DOWSCALING	R15,900,000 (1,325 x 60% = 795; 795 x R20,000 pp = R15,900,000)					

SECTION 6

UNDERTAKING BY THE HOLDER OF THE MINING RIGHTS

REGULATION 46 (f)

I, Masala Mutangwa, the undersigned and duly authorised thereto by Sishen Iron Ore Company (Pty) Ltd Kolomela Mine undertake to adhere to the information, requirements, commitments, and conditions as set out in Kolomela Mine's Social and Labour Plan.

NAME & SURNAME OF RESPONSIBLE PERSON	Masala Mutangwa
DESIGNATION OF RESPONSIBLE PERSON	General Manager – Kolomela Mine
SIGNATURE	Mutangwa
PLACE	Kolomela Mine
DATE	05 August 2021