

MP 30/5/1/2/2 (306) MR Khwezela Colliery SLP 2019 – 2023| In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations



SOCIAL AND LABOUR PLAN FOR KHWEZELA COLLIERY

LANDAU COLLIERY

MP 30/5/1/2/2/306 MR

APPLICATION FOR SECTION 102 FOR PERIOD 2019 – 2023

MP 30/5/1/2/2 (306) MR **Khwezela Colliery SLP 2019 – 2023** | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

CONTENTS

1	INTRODUCTION AND BACKGROUND	5
1.1	INTRODUCTION	5
1.2	OVERVIEW OF KHWEZELA COLLIERY.....	5
1.3	OPERATIONAL STRUCTURE	7
1.4	THE PURPOSE OF THIS REPORT.....	7
1.5	DEFINITIONS.....	8
1.6	LEGISLATION AND REGULATIONS	8
1.7	ASSOCIATED DOCUMENTS.....	8
1.8	PARTICULARS OF THE MINING RIGHT HOLDER	9
2	HUMAN RESOURCES DEVELOPMENT PROGRAMME	11
2.1	INTRODUCTION.....	11
2.2	APPROACH	11
2.3	SKILLS DEVELOPMENT PLAN	11
2.4	SKILLS DEVELOPMENT FACILITATOR.....	12
2.5	SKILLS DEVELOPMENT PLAN	12
2.6	CORE BUSINESS TRAINING.....	13
2.7	LEARNERSHIPS (INTERNAL)	13
2.8	LEARNERSHIPS (EXTERNAL)	14
2.9	ARTISANS TRAINING.....	14
2.10	HARD TO FILL VACANCIES.....	15
2.11	CAREER PROGRESSION, MENTORING FOR EMPLOYEES AND COACHING.....	17
2.12	MENTORSHIP.....	18
2.13	BURSARIES AND INTERNSHIPS.....	18
2.14	COMMUNITY SKILLS DEVELOPMENT (PORTABLE SKILLS TRAINING)	20
2.15	SCHOOL SUPPORT AND POST MATRIC PROGRAMMES (FET SCHOLARSHIP).....	21
2.16	EMPLOYMENT EQUITY.....	22
2.17	HDP IN MANAGEMENT	24
2.18	LABOUR SENDING AREAS	24
3	MINE COMMUNITY ECONOMIC DEVELOPMENT	27
3.1	SOCIO-ECONOMIC BACKGROUND INFORMATION.....	27
3.1.1	<i>Provincial and District Municipalities:</i>	27
3.1.2	<i>eMalahleni Local Municipality (ELM)</i>	27
3.1.2.1	Unemployment	28
3.1.2.2	Education	28
3.1.2.3	Household Size and Type	28
3.1.2.4	Household Income	28
3.1.2.5	Health	28
3.1.2.6	Access to Water	29
3.1.2.7	Sanitation	29
3.2	KEY ECONOMIC ACTIVITIES.....	29
3.2.1	<i>Socio-economic Profile</i>	29

MP 30/5/1/2/2 (306) MR **Khwezela Colliery SLP 2019 – 2023** | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

3.2.2	<i>Other Mining Companies Operating in the Area</i>	30
3.2.3	<i>Local Economic Development Key Focus Areas</i>	30
3.2.4	<i>Stakeholder Consultation and Involvement</i>	31
3.3	NEGATIVE IMPACTS OF MINING OPERATIONS	31
3.4	MINE COMMUNITY DEVELOPMENT PROJECTS	32
3.4.1	<i>LOCAL ECONOMIC DEVELOPMENT PROJECT SUMMARY</i>	33
3.5	MEASURES TO ADDRESS HOUSING AND LIVING CONDITIONS: REGULATION 46 (C) (IV)	36
3.5.1	<i>Thungela Resource Housing Strategy</i>	36
	PART FOUR	39
4	MANAGEMENT OF DOWNSCALING AND RETRENCHMENTS	40
4.1	ESTABLISHMENT OF FUTURE FORUM	40
4.2	MECHANISMS TO AVOID JOB LOSSES AND A DECLINE IN EMPLOYMENT	40
4.3	MANAGING RETRENCHMENTS	41
4.4	MECHANISMS TO AMELIORATE SOCIAL AND ECONOMIC IMPACT ON INDIVIDUALS, REGIONS AND ECONOMIES WHERE RETRENCHMENTS OR CLOSURE IS CERTAIN	41
5	FINANCIAL PROVISION	43
5.1	HUMAN RESOURCE PROGRAMME	43
5.2	LOCAL ECONOMIC DEVELOPMENT	43
	PART SIX	45
6	UNDERTAKING	46

MP 30/5/1/2/2 (306) MR Khwezela Colliery SLP 2019 – 2023| In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

PART ONE

PREAMBLE:

Regulation 46 (A)

MP 30/5/1/2/2 (306) MR **Khwezela Colliery SLP 2019 – 2023** | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

1 INTRODUCTION AND BACKGROUND

1.1 Introduction

Effective 7 June 2021, Thungela Resources Ltd (“Thungela”) has started trading, following Thungela’s admission to the Johannesburg Stock Exchange, and on the London Stock Exchange, which follows the completion of the demerger of Thungela from Anglo American plc. It is important to note that the legal name change from Anglo Operations (Pty) Ltd (“AOPL”) to Thungela Operations (Pty) Ltd (“TOPL”) will officially be effective early 2022 and at which point the change will be communicated to all relevant parties. In anticipation of the formal name change, where reference is made to Thungela it will mean AOPL as the mineral right holder. Thungela is the parent company of AOPL which will be changed to TOPL.

Thungela owns interests in and produces its thermal coal predominantly from six mining operations, namely Goedehoop, Greenside, Isibonelo, Khwezela, AAIC (operating the Zibulo colliery), Mafube Coal Mining (operating the Mafube colliery) and Butsanani Energy (operating the Rietvlei colliery). Thungela is the sole owner of each of these operations, except for AAIC, Mafube Coal Mining and Butsanani Energy, in which the Group has a 73%, 50% and 66.7% interest, respectively. The Group also has plans for two proposed mining operations in the form of the Elders Project and Dalyshope Project. The Elders Project, in which the Group has a 73% interest, is a proposed underground mine (at the exploration and technical study stage) and the Dalyshope Project is a proposed open cast mine for which a mining right application is pending approval. The Group also holds a 50% interest in Phola, which owns and operates the Phola Coal Processing Plant and a 23.22% indirect interest in RBCT, which owns and operates the Richards Bay Coal Terminal. Thungela also holds an interest of approximately 67% in Butsanani Energy, which in turn holds a 51% interest in RMC, which operates the Rietvlei colliery. Accordingly, the Company indirectly holds a beneficial interest of 34% in RMC.

1.2 Overview of Khwezela Colliery

Khwezela Colliery exist out of two mining rights namely Kleinkopje (with DMRE reference number MP30/5/1/2/2/307 MR) and Landau (with DMRE reference number MP30/5/1/2/2/306 MR) and is managed as one operation. The reference to Khwezela Colliery will thus refer to the aforementioned mining rights. Khwezela Colliery is an open pit mine situated 8 kilometers (km) south of eMalahleni in the Mpumalanga Province.

In February 2021, Greenside Colliery submitted a Section 102 Application in terms of the MPRDA to include a portion of portion 9, portion of portion RE, portion of portion RE/145, portion of portion

MP 30/5/1/2/2 (306) MR **Khwezela Colliery SLP 2019 – 2023** | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

RE/1, portion of portion 171/145, portion of portion 172/27, portion of portion RE/27/1, portion of portion 28/1 and portion of portion 167/1 of the Farm Klipfontein 322 JS from the Khwezela Kleinkopje (“Bokgoni”) Mining Right with DMRE reference number MP 30/5/1/2/2/307 MR into the Greenside Colliery Mining Right with DMRE reference number MP 30/5/1/2/2/304 MR. Khwezela Colliery submitted a simultaneous application to exclude the above mentioned portions from its Kleinkopje (“Bokgoni”) Mining Right with DMRE reference number MP 30/5/1/2/2/307 MR. The area to be excluded is known as the East Block area measuring 616.4995ha in extent. This section 102 application is still pending at the DMRE.

There are a number of properties in the Greenside (304MR) and Landau Mining Right (306 MR) which are common to both. There is accordingly an overlap of the Greenside and Landau Mining Rights. These rights were approved by the relevant regulatory authorities between 2005-2008, and provided that mining of seam 5 is permitted in terms of the Landau Mining Right and that mining of the other seams (1 – 4) is permitted in terms of the Greenside Mining Right. It is intended that all the seams (1 – 5) will be mined for purposes of the SACE Lifex Project. A section 102 application will be submitted to incorporate all seams (1 – 5) into either one of the aforementioned Mining Rights, and most likely into the Greenside Mining Right. The section 102 application will be submitted early 2022.

The shrinking footprint meant that it became economically unviable for the two operations to continue as separate entities with their own overheads and individual support structures.

Khwezela Colliery currently operates 4 pits of which 2 are mini-pits and are contractor operated.

The following are expected life of the pits:

- Excelsior – (Contractor) – June 2019
- Kromdraai (Owner operated) – July 2019
- Umlalazi (Contractor) – March 2021
- Bokgoni (Owner Operated) – 2025.

The benefits of managing the colliery as a single operation were that there would be no loss of employment, enhanced levels of productivity, cross transfer of equipment, people and the ability to leverage economies of scale. Active mineral reserves have been envisaged to extend the life of Khwezela Colliery to 2026. Further investigations will have to be conducted in this regard. Another significant advantage is that local communities will continue to benefit from the mine’s corporate social investment and local economic development programmes.

MP 30/5/1/2/2 (306) MR **Khwezela Colliery SLP 2019 – 2023** | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

Khwezela Colliery's long-term strategy relies heavily on the replacement of the Kromdraai and Excelsior Pits by the Navigation Life Extension Project. The current life of this pit is estimated at 5 years till 2026. The initial strategy of the Navigation Life Extension Project was to mine a much larger footprint. Due to economic considerations, the footprint was reduced to the more profitable areas. These areas will remain an option to be mined after due consideration.

Coal that is produced for the local market is dispatched from Khwezela operations by road and rail transport while export coal is conveyed to the Rapid Loading Terminal where it is loaded into rail-wagons for transportation to the Richards Bay Coal Terminal. Khwezela Colliery provided permanent employment to 954 and 3800 contractors as of December 2018.

It is imperative to mention that this SLP cycle is incorporative of current Khwezela operations, the closure of Kromdraai, Excelsior a portion of Bokgoni 2 West Pit, Landau 3 Mineral Residue Deposit (MRD) and the Navigation operations.

1.3 Operational Structure

This SLP lodgement provides detailed commitments for Khwezela Colliery as an entity with two associated mining rights. Therefore, the contents of the SLP for the associated mining rights listed below will be similar to this lodgement:

- MP30/5/1/2/2 (306) MR (Landau Colliery)

1.4 The Purpose of this Plan

In accordance with Regulation 42 (2) (b) of the Mineral and Petroleum Resources Development Act No. 28 of 2002, AOPL hereby compiles the amended SLP which addresses the issues listed in the Department of Mineral Resources and Energy ("DMRE") directive in term terms of Section 29 of the MPRDA.

The aims of the Social and Labour Plan are:

- To promote employment and advance the social and economic welfare of all employees and to uplift all stakeholders within the communities in which we operate;
- To contribute to the transformation of our industry; and
- To ensure that the holders of mining rights contribute to the socio-economic development of the communities in which we operate, including major labour sending areas.

The purpose of this Social and Labour Plan is to provide assurance to the Department of Mineral Resources and Energy (DMRE) on future contribution committed by the mine. A minimum of three progress update meetings with relevant stakeholders will be convened each year.

MP 30/5/1/2/2 (306) MR **Khwezela Colliery SLP 2019 – 2023** | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

1.5 Definitions

In the text that follows, these terms should be clearly understood:

- Anglo Operations (Pty) Ltd (“AOPL”), a member of the Thungela Resources Limited Group includes all employees at head office, technical divisions and mining operations.
- AOPL operations include all operational and technical personnel but exclude staff from our head office.
- Khwezela Colliery is a mine wholly owned by AOPL.

This document follows Regulation 46 of the Mineral and Petroleum Resources Development Act (2002), which outlines the required contents of the Social and Labour Plan.

1.6 Legislation and Regulations

The following Legislation and regulations are relevant to the Social and Labour Plan:

- Mineral and Petroleum Resources Development Act and Regulations Act No 28 of 2002.
- DMRE Guidelines for Social and Labour Plans.
- Skills Development Act No 97 of 1998.
- Employment Equity Act No 55 of 1998.
- Labour Relations Act of 1995.
- Basic Conditions of Employment Act of 1997.
- Broad-based Black Economic Empowerment Act No 53 of 2003

The aforementioned will be amended from time to time.

1.7 Associated Documents

The following are the guided documents related to the Social and Labour Plan. Updating all the baseline and target tables in this document to ensure continuous monitoring of successes and failures;

- Social Impact Assessment Report
- Mine Workplace Skills Plan
- Mine Employment Equity Plan
- Mine Recruitment Plan (working document)
- Integrated Development Plans for eMalahleni Local Municipality and Nkangala District
- Policies and procedures related to:
 - ✓ Employment Equity Policy
 - ✓ Human Resource Development Policy
 - ✓ Retrenchment Policy

MP 30/5/1/2/2 (306) MR **Khwezela Colliery SLP 2019 – 2023** | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

- ✓ BEE Specification Policy
- ✓ Preferential Procurement Principles Policy
- ✓ Learnership Procedure
- ✓ Mentorship Procedure

1.8 Particulars of the Mining Right Hold

Name of the company	Anglo Operations (Pty) Ltd, a member of Thungela Resources Limited Group
Name of the mine	Landau Colliery
Physical address	Mineral, Property Rights and Permitting Department
	25 Bath Avenue, Rosebank
	Johannesburg
	2196
Postal address	Anglo Operations (Pty) Ltd
	PO Box 1521
	Saxonwold
	2132
Telephone number	076 822 0399
Fax number	N/A
Mine Physical address	1 Farm Road, Klipfontein,
	eMalahleni
	Mpumalanga
	1035
Mine Postal address	PO Box 2851,
	eMalahleni
	Mpumalanga
	RSA
Telephone number	+27 (13) 693 0377
Mine fax number	
Location of mine	Landau Colliery is situated between eMalahleni and Bethal in the Mpumalanga province and forms part of the Witbank Coalfield within the Highveld Magisterial District and Regional Services Council
Commodity	Coal
Life of mine	2026
Breakdown of employees per labour sending area	See section 2.18
Financial year	January to December
Reporting Period	31 March of each year

MP 30/5/1/2/2 (306) MR Khwezela Colliery SLP 2019 – 2023| In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

PART TWO

**HUMAN RESOURCE
DEVELOPMENT PROGRAMME:**

Regulation 46 (B)

MP 30/5/1/2/2 (306) MR **Khwezela Colliery SLP 2019 – 2023** | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

2 HUMAN RESOURCES DEVELOPMENT PROGRAMME

2.1 Introduction

The SLP guidelines requires mines to formulate and implement an HRD Programme to enable transformation and empowerment of the workforce; in particular, the Historically Disadvantaged Persons (HDP) employees to progress to higher levels of employment in the organisation, and to be able to exploit alternative income generating opportunities outside of the organisation.

This section will outline Khwezela Colliery's HRD Programmes as required by Section 46 of the Regulations to the MPRDA. Khwezela Colliery aims to comply with the requirements of the Skills Development Act (No 97 of 1998) and will submit Workplace Skills Plans and Annual Training Reports to the Mining Qualifications Authority (MQA).

To ensure proper implementation of the HRD Programme, Khwezela will utilise accredited providers, where necessary, for their training needs, to ensure the on-going facilitation of transferrable, accredited skills amongst employees. Safety of our employees is our number one priority, therefore, to ensure we reach our goal of Zero Harm, our focus was placed on safety risk management training across the organisation. This included compulsory training in Khwezela Colliery's Safety Risk Management Programme i.e. A1, A2, A2 Acceleration for Managers and the newly integrated Safety Frontline Leadership Alignment Day programme, Critical Controls as well as the Safety Leadership Programme for Supervisors.

2.2 Approach

The integrated HRD Programme will seek to maximise the productive potential of people employed by Khwezela, through the implementation of the following plans:

- a) Skills Development Plan;
- b) Career Progression Plan;
- c) Mentorship Plan;
- d) Internship and Bursary Plan; and
- e) Employment Equity Plan.

2.3 Skills Development Plan

The purpose of the Skills Development Plan is to provide skills development for employees through the creation of a skills base necessary for the achievement of Khwezela Colliery's business strategies and objectives. This includes the proactive development of individuals, including career planning and continuous benchmarking to ensure best practice, as well as alignment with current legislation.

MP 30/5/1/2/2 (306) MR **Khwezela Colliery SLP 2019 – 2023** | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

Khwezela Colliery has a training centre that is ISO 9001: 2015 certified and have obtained the Workplace approval from the Mining Qualifications Authority (MQA). We pay levies and claim grants in line with the provisions of the set out by the MQA. Khwezela Colliery's levy number is L270714811 with T999990104.

Skill Development Facilitator	
Name of SETA	Mining Qualification Authority
Registration number with SETA	L270714811 – primary T999990104 – secondary
Name of Skills Development Facilitator	Edwin Monchusi and Stanley Hlophe
Work Skills Plan proof of submission	Yes

2.4 Skills Development Facilitator

Khwezela Colliery has dedicated skills development facilitators (SDF) being:

- Edwin Monchusi, Training Manager appointed by the General Manager into the role
- Stanley Hlophe, National Union of Mine Workers, nominated from the Education sub-structure to fulfil the employee representative role

They coordinate the workplace skills plan and the annual training report (WSP/ATR) with inputs from the mine's skills development committee. This structure meets four times a year to discuss skills development progress, key priorities in terms of skills development and meeting the sector skills plan strategy. Owing to ongoing union labour elections, COVID 19 restriction and the section 189 restructuring process, the above has not always materialised in all instances as planned in the past reporting year.

2.5 Skills Development Plan

Table 1 Illiteracy Level and AET needs for employees (2019 – 2023)

Level	Number of Illiteracy	Need	Cumulative need
No Schooling	N/A	N/A	N/A
AET 1	N/A	N/A	N/A
AET 2	N/A	N/A	N/A
AET 3	N/A	N/A	N/A
AET 4	N/A	N/A	N/A

MP 30/5/1/2/2 (306) MR **Khwezela Colliery SLP 2019 – 2023** | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

Training Planned

The now defunct Adult School resources will be allocated in the new programme for employee's contractors and community. The plan is to outsource an AET Training Provider specialist in managing this function with more focus on our contractors and host communities.

Although AET marketing has taken place periodically; internal employees have in a declaration indicated no interest in embarking into AET, however a few of our contractors don't have basic numeracy and literacy and this will help the uptake for the programme.

For the signed off financial year 2022, no budget provision was made, however Khwezela will make provision for 2023. In this process Khwezela will embark on identifying candidates from the host communities for enrolment into the AET training.

Table 2: AET Training Community (2019 – 2023)

AET Level	Targets and Timeline					Total Budget
	2019	2020	2021	2022	2023	
AET 1	0	0	0	0	2	0
AET 2	0	0	0	0	2	0
AET 3	0	0	0	0	2	0
AET4	0	0	0	0	2	0
Total Number	0	0	0	0	8	8
Budget Provision	R0	R0	R0	R0	R120 000	R120 000

2.6 Core Business Training

Training planned will consider of all the different number of levels within the organisation. These will include short courses and technically and operationally aligned programmes crafted internally and other programmes outsourced as per evolving needs of the mine.

2.7 Learnerships (Internal)

As per our commitment to Human Resources Development; employees upliftment and development are key and at the centre of our strategic intent in meeting individual and mine future human capital needs within the artisan and tradesman space.

MP 30/5/1/2/2 (306) MR Khwezela Colliery SLP 2019 – 2023| In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

Table 3: Learnership 18.1 (2019-2023)

Type/area of training	Targets and Timeline					
	2019	2020	2021	2022	2023	Total budget
Engineering	6	6	2	8	3	18
Mining	1	1	1	4	2	5
Total Number	7	7	3	12	5	23
Budget Provision	R522 713	R651 944	R225 754	R874 083	R1 104 699	R3 379 193

2.8 Learnerships (external)

Our continued endeavours in decreasing the lack of unemployment and ensuring adequate feed to national artisan grid and we continue to maintain a 70% above recruitment of local candidates for our external learnership (18.2).

Table 4: Learnership 18.2 (2019-2023)

Type/area of training	Targets and Timeline					
	2019	2020	2021	2022	2023	Total budget
Engineering	9	9	4	4	5	30
Total Number	9	9	4	4	5	30
Budget Provision	R654 922	R698 432	R324 954	R374 255	R395 994	R2 448 557

2.9 Artisans Training

Developing the skills and abilities of Khwezela Colliery employees follows a defined process which ensures appropriate consideration is given to human resources strategies and activities. While the process and scheduling are shared in a step-by-step format nomination process, in practice some of the steps will overlap when the processes are implemented.

Our artisan training will carry all the hallmarks of the above dynamics in ensuring skills are acquired by the right people at the right time. Based on the human capital development these will include technical training, most not siding internally but sourced from external providers and original equipment manufacturers. Health and Safety, funding and costing remain a focal point in the decision-making model.

MP 30/5/1/2/2 (306) MR **Khwezela Colliery SLP 2019 – 2023** | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

Table 5: Artisan Training (2019 – 2023)

Type/area of training	Targets and Timeline					
	2019	2020	2021	2022	2023	Total budget
Semi-skilled	25	35	45	60	75	240
Total Number	25	35	45	60	75	240
Budget Provision	R82 000	R102 000	R204 000	R198 000	232 000	R818 000

2.10 Hard to fill Vacancies

Thungela has initiated a number of capacity building initiatives to become self-sufficient in the supply of labour. One of these initiatives is an in-house bursary scheme. This includes a group of vacation students, trainees and university of technology students who have been employed as part of the Joint Initiative for Priority Skills Acquisition (JIPSA). We also have a number of learners in the system. We strive to provide training and development opportunities to address the critical skills shortage in South Africa and have created internal trainee positions for surveyors, ventilation, environmental and safety officers to develop these scarce skills internally.

Hard to fill vacancies are addressed through bursary programmes, study assistance schemes and the provision of learnerships and skills programmes. Employees are encouraged to study in the fields where there is a scarcity of skills.

Occupation Level	Job title of vacancy	Main reason for being unable to fill the vacancy
Top Management	N/A	N/A
Senior Management	N/A	N/A
Professionally Qualified and experienced Specialists and Middle Management	Section Manager Surveyor/Survey Manager	It is always required that the Incumbent should hold an MMC (Mine Manager's Certificate) and it is difficult to source incumbents with this certificate. The incumbent should hold a Government Certificate of competency, which is difficult to obtain.
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	Technician Plant Metallurgists	The balance of qualifications and experience required is not always available This skill is not always available Internally.
Semi-skilled and discretionary decision making	N/A	N/A
Unskilled and defined decision making	N/A	N/A

Number and education levels of employees: Khwezela Colliery as at December 2018

			MALE				FEMALE				TOTAL	
Band	NQF Level	System	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training (GET)	1	No Schooling										
		Grade 0/Pre										
		Grade 1/Sub A	24	0	0	0	1	0	0	0	24	1
		Grade 2/Sub B	0	0	0	0	0	0	0	0	0	0
		Grade 3/Std1/ABET 1	0	0	0	0	0	0	0	0	0	0
		Grade 4/Std 2	10	0	0	0	0	0	0	0	10	0
		Grade 5/Std 3/ABET 2	18	0	0	0	1	0	0	0	18	1
		Grade 6/Std 4	26	0	0	0	2	0	0	0	26	2
		Grade 7/Std 5/ABET 3	33	0	0	0	2	0	0	0	33	2
		Grade 8/Std 6	31	0	0	0	6	0	0	0	31	6
		Grade 9/Std 7/ABET 4	47	0	0	0	2	0	0	0	47	2
Further Education Training (FET)	2	Grade 10/Std 8/N1	19	0	0	0	1	0	0	0	19	1
	3	Grade 11/Std 9/N2	134	0	0	24	4	0	0	3	158	7
	4	Grade 12/Std 10/N3	75	1	0	4	78	0	1	2	80	81
		Diplomas/Certificates	161	4	1	46	40	0	0	1	212	41
Higher Education and Training (HET)	5	First degree/higher	32	1	0	31	15	0	1	9	64	25
		NQF Level 5 - Diplomas	21	1	0	16	13	0	0	2	38	15
	10	Honours/Masters degree	3	0	0	4	2	0	0	0	8	2
		Doctorate	0	0	0	0	0	0	0	0	0	0
TOTAL			634	7	1	125	167	0	2	17	768	186
GRAND TOTAL											954	

2.11 Career Progression, Mentoring for Employees and Coaching

The company has a Talent Management Strategy and Policy that looks at succession planning and development planning for band 6 and above roles. These are reviewed yearly, through conducting annual operational talent reviews, discipline reviews and then concluded with a company review. In these session's succession plans are amended and development actions agreed for individuals.

Formalized development plans are an area that is currently under review. The system is available where development plans for band 6 and above need to be captured and monitored. There has been a slow up take of this by individuals, however plans are in place for these to be completed and monitored to ensure development gaps are closed.

In terms of development we follow a 70/20/10 rule, 70% of learning should be on the job learning, 20% coaching and mentoring and 10% formal learnings (courses/programs). Development should include possible exposure stints and opportunities in order to ensure that employees gain the right exposure, experience and skills required for the next level.

This involves creating a learning relationship with a mentor, it is our norm and practice to allocate a more senior manager for this role even though the trainee has a final decision. Our mentors act as both coach and role model and promote the employees' career development at length.

This is planned one-to-one instruction usually by competent higher-grade employees, Supervisors, Managers, Workplace Trainers or in rare circumstances an external coach. The Coach sets a good example of what is to be done, answers questions and generally helps the trainee develop their skills. At Khwezela all our trainees have mentors.

Table 6: Career Progression (2019 – 2023)

Discipline	Position Starting from	Targeted position working towards	2020	2021	2022	2023	2024
			# of employees Targeted	# of employees Targeted	# of employees Targeted	# of employees Targeted	# of employees Targeted
Engineering	GBF 6	GBF5	4	4	4	4	3
Mining	GBF 6	GBF5	1	1	1	1	1
Environment	GBF 6	GBF5	1	1	1	1	1
Survey	GBF 6	GBF5	1	1	1	1	1
VOHE	GBF 6	GBF5	1	1	1	1	1
Mine Planning	GBF 6	GBF5	1	1	1	1	1
Engineering	C4#	GBF 6	6	6	6	6	6
Mining	C4#	GBF 6	5	5	5	5	5
Engineering	GBF 7	GBF 6	3	3	3	3	3
BI	GBF 7	GBF 6	1	1	1	1	1

VOHE	GBF 7	GBF 6	1	1	1	1	1
Rock Engineering	GBF 7	GBF 6	1	1	1	1	1
Geology	GBF 7	GBF 6	2	2	2	2	2
TOTAL			28	28	28	28	27

2.12 Mentorship

In terms of mentorship, we have followed the Thungela Mentorship policy. This policy is in the process of review, to ensure it is fit for purpose for Thungela. By reviewing the policy, we will ensure more effective tracking of mentors. Assistance is given in linking up employees with the correct mentor and this is reviewed in manager once removed discussions.

Table 7: Mentorship Targets (2019 – 2023)

Mentoring Programme	Career Deliverables	Duration	Target		Gender	
			HDSA	Non-HDSA	Female	Male
Mentoring Programme (self-managed with Mentor and Mentee)	Improve Social Processing Skills, improve leadership Skills	Self-determine and dependent on relationship, generally 12 - 24 months	7	4	8	3
Graduate Mentorship	Improve Social Processing Skills, improve leadership Skills	Self-determine and dependent on relationship, generally 12 - 24 months	7	1	4	4
TOTAL			14	5	12	7

2.13 Bursaries and Internships

At Khwezela Colliery, we recognise the importance and organisational benefits derived from professional and career development of bursars on the programme. As such, Khwezela will provide successful candidates with much needed financial support for the education, training and development of skills and knowledge that will be of direct benefit to both the candidates and future organisational needs. Our bursary systems are based on academic merits and other elements pertinent to Khwezela Colliery Community Development and Social Performance needs.

Although much work has been done in supporting students towards the fulfilment of their curricular requirement for P1 and P2 before completing their qualifications, this however falls short in meeting Internships requirements.

In the next five years our focus will be directed at embarking on up taking local diplomats and graduates for the sole fulfilment of the Internship requirements in line with the MQA Guidelines on Internships as our regulatory body for mines in Education Training and Development.

Table 8: Bursaries to be awarded Internal (2019 – 2023)

Type/Area	Targets and Timeline					Total budget
	2019	2020	2021	2022	2023	
Safety	1	1	1	0	0	3
HR	1	1	2	2	0	6
Mining	1	1	0	0	0	2
Ore Processing	1	1	0	0	1	3
Engineering	1	1	0	0	1	3
Total Number	5	5	3	2	2	17
Budget Provision	R472 933	R481 314	R522 314	R526 154	R542 322	R2 545 037

Table 9: Bursaries/Scholarships to be awarded External (2019 – 2023)

	Targets and Timeline					Total
	2019	2020	2021	2022	2023	
Mechanical Engineering	1	0	1	1	1	4
Medicine	1	0	0	0	0	1
Accounting/Finance	0	2	1	2	1	6
Computer Sciences	1	1	1	0	1	4
Administration Management	1	1	1	0	2	5
Education	1	0	1	1	0	3
Humanities	0	1	0	1	0	2
Total Number	5	5	5	5	5	25
Budget Provision	R271 556	R221 417	R247 000	R312 422	R288 341	R1 340 736

Table 10: Internships MQA (2019 - 2023)

	Targets and Timeline					Total
	2019	2020	2021	2022	2023	
Safety	1	1	1	0	0	3
HR	1	1	1	1	1	5
Mining	1	1	1	1	1	5
Ore Processing	1	1	1	1	1	5
Engineering	1	2	2	1	1	7
Finance	0	1	1	1	1	4
Total Number	5	7	7	5	5	29
Budget Provision	R386 640	R563 808	R587 328	R436 320	R453 780	R2 427 876

Table 11: Professionals in Training (2019 – 2023)

	Targets and Timeline					
	2019	2020	2021	2022	2023	Total budget
Metallurgical and chemical engineering	3	0	1	0	0	3
Electrical and Mechanical engineering	0	0	3	0	0	3
Rock Engineering	0	0	1	0	0	3
Finance and Accounting	0	3	1	0	0	3
Environmental Management	0	0	0	3	0	3
Geology	0	0	1	0	0	1
Total Number	3	3	7	3	3	19
Budget Provision	R1 126 980	R1 165 689	R1 206 000	R1 246 320	R1 288 260	R 6 033 240

2.14 Community Skills Development (Portable Skills Training)

In alleviation of youth unemployment and poverty the community skills development Non-Mining Skills (Portable Skills Training) is tactically aligned to our Social Performance in ensuring that it is combatting some of the socio-economic ills.

The plan going forward is to identify those skills needed to unlock employment and sustainability for youth within our greater communities and partner with SETA accredited local skills development providers for skills programmes identified in the community engagement forums IDP etc. Carefully crafted scope of work will be in place with clear deliverables and timelines.

Table 12: Community Skills Development (2019 – 2023)

Programme	Targets and Timeline					
	2019	2020	2021	2022	2023	Total budget
Operator (TMM) Training	25	0	0	0	0	25
Plumbing	0	35	0	0	0	35
Security	0	0	45	0	0	45
Basic Welding	0	0	0	15	0	15
Beautician	0	0	0	15	15	30
Early Childhood Development	0	0	0	0	15	15
Hospitality	0	0	0	0	15	15
Total Number	25	35	45	30	45	180
Total Provision	R254 990	R352 000	R390 000	R542 331	R613 442	R1 664 665

2.15 School Support and Post Matric Programmes (FET Scholarship)

Our continued support for the education and training for our host communities through numerous avenues are noticed and have had an impactful for the beneficiaries. We continue to focus on advancing the youth development elements as stated in the Human Resources Development Strategy [3] and National Development Plan 2030.

During the next five years the co-creation of synergies between Khwezela and FET colleges will be key in meeting and increasing funding and support of learner post matric. This will help and serves as direct feed to our learnership recruitment drive and processes.

Table 13: School Support and Post Matric Programmes (2019 – 2023)

Type/area of training	Targets and Timeline					
	2019	2020	2021	2022	2023	Total budget
Mechanical Engineering (N1 – N6)	0	2	2	2	2	8
Administration	3	2	2	1	1	9
Business Management and Marketing	2	1	1	2	2	8
Total Number	5	5	5	5	5	25
Budget Provision	R221 713	R242 923	R261 991	R282 874	R311 724	R1 321 225

Table 14: Budget Provision for HRD (2019 – 2023)

Programme	Target	Target	Target	Target	Target
	2019	2020	2021	2022	2023
Skills Development Levies Act	R 5 640 000	R 6 000 000	R 6 360 000	R 6 741 600	R 7 146 096
Learnerships	R 1 308 759	R 1 387 132	R 3 111 905	R 2 128 236	R 2 956 867
Internal training	R 8 305 840	R 8 836 000	R 9 400 000	R 10 000 000	R 10 600 000
External training	R 16 611 680	R 17 672 000	R 18 800 000	R 20 000 000	R 21 200 000
Community Scholarship	R 500 000	R 1 000 000	R500 000	R 250 000	R250 000
Internship TVET (S1/S2 & P1/P2)	R 386 640	R 563 808	R 587 328	R 436 320	R 453 780
Community Skills Development	R250 000	R 350 000	R 390 000	R 540 000	R 600 000
TOTAL	R 33 002 919	R 35 808 940	R 39 149 233	R 40 096 156	R 43 206 743

2.16 Employment Equity

One of our greatest interests is the diversity of our people, and in this regard, we have moved beyond simple transformation. We have an excellent pipeline of talent within our workforce, as well as our shareholding companies, and we continuously focus on ways of improving our performance in the area of transformation.

Khwezela Colliery has consistently strived to improve. Khwezela Colliery has put a strategy towards alignment with Economically Active Population (EAP) for Mpumalanga, as far as practicable. Khwezela has been meeting and exceeding its Historically Disadvantaged Persons (HDP) targets for the past five years.

We pay a great deal of attention to the attraction, retention and advancement of women in all disciplines and at all levels of our organization. Our focus is to ensure an increase in the number of women in the organization, particularly in junior and middle management categories. We also endeavour, through skills development, to ensure that women are adequately represented in core and critical skills categories.

Khwezela Colliery currently has a total workforce of 551 employees, and 87% accounts for HDP's. Although the company's turnover is low, we continue to ensure that the HDP representation at all levels are maintained. We submit our EE Reports annually to the Department of Labour, and they are reflective of the strides we have made towards transformation. Please see below the progressive targets for the 2019-2023 period.

Table 14: Employment Equity Statistics for Khwezela Colliery (2021)

Occupational Levels	MALE				FEMALE				TOTAL		DISABLED		HDP
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	Male	Female	HDP (%)
Top management	3	0	0	4	1	0	0	0	8	1	0	0	44%
Senior management	3	1	0	1	1	0	0	1	5	2	0	0	86 %
Professionally qualified and experienced specialists and mid-management	17	1	1	13	4	0	0	4	32	8	0	0	68%
Technical and academically qualified workers, junior management, supervisors, foreman and superintendents	26	2	1	13	15	0	0	1	42	16	0	0	78%
Semi-Skilled and Discretionary decision-making	103	1	1	29	37	0	1	5	134	43	0	1	84%
Unskilled and Defined decision- making	195	3	0	13	48	0	0	0	211	48	0	0	95%
TOTAL PERMANENT													
Non-permanent employees	0	0	0	0	0	0	0	0	0	0	0	0	0 %
GRAND TOTAL													

2.17 HDP in Management

Khwezela Colliery recognizes the need to implement affirmative action measures to redress the disadvantages in employment experienced by historically disadvantaged persons, in order to ensure that there is equitable representation in all occupational categories and levels. We ensure that there is identification, attraction and retention of employees from designated groups in order to achieve this representation. Furthermore, we endeavour to actively recruit people with disabilities to ensure their participation in the work environment.

Table 15: Annual HDP Progressive Targets

Occupational Levels	2019	2020	2021	2022	2023
Top Management	22%	33%	44%	55%	66%
Senior Management	60%	60%	60%	60%	60%
Middle Management	63%	66%	70%	70%	72%
Junior Management level	72%	75%	75%	75%	79%
Core Skills	89%	89%	91%	91%	92%
Employees with Disabilities	0.3%	1.5%	1.5%	1.5%	1.5%

Table 16: Annual Females Progressive Targets

Occupational Levels	2019	2020	2021	2022	2023
Top Management	11%	11%	11%	22%	22%
Senior Management	25%	25%	25%	25%	25%
Middle Management	26%	27%	31%	31%	32%
Junior Management level	23%	26%	28%	28%	31%

2.18 Labour Sending Areas

The number of migrant labourers in Khwezela Colliery workforce remains at 2.2%. This number is made up of employees whose roles were previously deemed to be scarce skills and have since been retained. Once these positions are vacated, they would be replaced with HDP's. As part of our focus on uplifting the people who surround our coal mining operations, we make every effort to source labour from our local communities.

Our total permanent workforce distribution is represented as follows:

Table 20: Labour sending Areas (2019 – 2023)

Country of origin	Province	No of Employees	% Per Area
India		1	0.18
Lesotho		4	0.74
Mozambique		2	0.37
Zambia		2	0.37
Zimbabwe		3	0.55
South Africa		529	97.78
	Gauteng	42	7.76
	Mpumalanga	368	68.02
	Eastern Cape	16	2.96
	Kwazulu-Natal	22	4.07
	Free State	9	1.66
	Limpopo	55	1.85
	North-West	10	1.85
	Northern Cape	5	0.92
	Western Cape	2	0.37

PART THREE

**MINE COMMUNITY
ECONOMIC DEVELOPMENT:**

Regulation 46 (C)

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

3 MINE COMMUNITY ECONOMIC DEVELOPMENT

Greenside along with Khwezela, Goedehoop, Mafube and Zibulo collieries, are situated in the Nkangala district and therefore share the same socio-economic background as these mines. Nkangala is one of the three district municipalities forming the Mpumalanga province. These include Nkangala, Ehlanzeni and Gert Sibande

3.1 Socio-Economic Background Information

3.1.1 Provincial and District Municipalities:

The eMalahleni Local Municipality is situated in the Nkangala District Municipality (NDM) in Mpumalanga Province. The NDM is situated to the north-western side of the Province and although it is the smallest district in Mpumalanga Province in terms of land mass, covering an area of approximately 2677, 67 km² (21%), it has the third largest population in the Province (Statistics South Africa, 2018). The NDM connects to the rest of the country through an extensive road infrastructure, in particular, the N4 and N12 national highways. The N4 and the N12 converge at eMalahleni town. The N4 connects the province internationally to Mozambique. The NDM also boasts a significant rail infrastructure connecting it to industrial corridors and major ports at Richards Bay and Maputo in Mozambique (eMalahleni Local Municipality, 2018).

Nkangala District Municipality consists of the following six Local Municipalities:

- Emakhazeni Local Municipality;
- Steve Tshwete Local Municipality;
- Thembisile Hani Local Municipality;
- Dr JS Moroka Local Municipality;
- eMalahleni Local Municipality; and
- Victor Khanye Local Municipality.

At District level, eMalahleni contributes 46% of the GDP of the Nkangala region followed by Steve Tshwete (at 37%) indicating a concentration of economic activities in the area. Key sectors in the District include, energy, steel manufacturing and mining.

3.1.2 eMalahleni Local Municipality (ELM)

The ELM consists of several towns, namely:

KwaMthunzi, Vilakazi	Ga-Nala	Douglas
Wilge	Thubelihle	Springbok
Phola	Transvaal Navigation Collieries	Wolwekrans
Ogies	Clydesdale	Balmoral
Rietspruit	Van Dyksdrift	eMalahleni (Witbank)

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

eMalahleni is considered a secondary city given the size of its population and its function. Most of the residents of ELM reside in eMalahleni. The other settlements exist to either serve the mining, steel or power industries or they exist by virtue of the convergence of railway networks. Some of the towns no longer have the economic base (SACN, 2014).

3.1.2.1 Unemployment

The average unemployment rate in the NDM is 44%, and this is even higher in areas such as Thembisile (51%) and Dr JS Moroka (61%). This results in a large portion of the population having to seek job opportunities outside the district, which in turn results in socio-economic challenges.

The unemployment rate in ELM has decreased from 38.4% to 24.3% in 2001 to 2016. The overall trend is positive but the youth unemployment rate lags behind.

3.1.2.2 Education

The ELM is characterised by low skills, this stems from early childhood education all the way through school and tertiary education. The majority (68,6%) of children under four years are not attending early childhood education facilities. This is higher than the district (65.7%) and the provincial (67.4%) figures.

3.1.2.3 Household Size and Type

The household size is smaller compared to the NDM and the Province, suggesting that there is a higher demand for houses. This has bearing on the demand for land for residential areas in light of the growth rate of ELM. Source: (Statistics South Africa, 2018)

3.1.2.4 Household Income

The average household annual income in 2011 was R57,300, almost double that of the NDM (R29,400) and the Province (R29,400) (Wazimap, 2018).

3.1.2.5 Health

The ELM's IDP states that the HIV prevalence rate is at 40.7% based on 2013 figures. The leading causes of death are influenza/pneumonia and tuberculosis (TB) (eMalahleni Local Municipality, 2018). It is likely that these are HIV related deaths.

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

3.1.2.6 Access to Water

Access to safe drinking water is a key development area for ELM. The statistics shows that the majority (52.1%) of residents do not have access to safe drinking water, lagging far behind the NDM and the Province. Furthermore, 90.8% of ELM residents source their water from a tap (either in a dwelling or yard, or from a communal stand) and 9.2% get their water from other sources such as boreholes and streams (Statistics South Africa, 2018).

3.1.2.7 Sanitation

Between 2011 and 2016 there has been an improvement in the number of households that have access to sanitation (flush/chemical toilets) with 108,868 (72.4%) of households. There is a backlog of 41,554 households that need adequate sanitation. However, there are still houses without any access to toilets. A decrease in the number of households with no access is seen between 2011 and 2016 from 2,987 (2.5%) to 2,186 (1.5%) respectively (eMalahleni Local Municipality, 2018).

3.2 Key Economic Activities

3.2.1 Socio-economic Profile

The NDM has a total population of about 1,3 million people living in approximately 160 different towns throughout the region. The breakdown is as follows:

Table 17: Population breakdown of NDM

No	Municipality	Population
1	Victor Khanye	3.6%
2	eMalahleni	30%
3	Dr JS Moroka	19%
4	Emakhazeni	3.6%
5	Steve Tshwete	18%
6	Thembisile Hani	23.7%

(Source: NDM: IDP 2019/2020)

The eMalahleni Local Municipality (ELM), meaning “place of coal”, owing its existence largely because of the extensive coal reserves. Considered as the energy ‘mecca’ with four coal fired power stations and associated mines present, namely, Duvha, Kriel, Matla and Kendal. The Kusile coal fired power station is also being constructed in the area. It is also home to a well-established steel

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

industry with Evraz Highveld Steel and Vanadium industrial complex housed within the local municipality (SACN, 2014).

3.2.2 Other Mining Companies Operating in the Area

Below are other mining companies operating within the eMalahleni Local Municipality:

- South 32
- Glencore
- Wescoal

Table 18: Most important industries per local municipality in the NDM

No	Municipality	Most important industry	% of GDP
1	Victor Khanye	Agriculture	5.2
2	eMalahleni	Mining and quarrying	2.4
3	Dr JS Moroka	Community and social services	-4.7
4	Emakhazeni	Agriculture	2.0
5	Steve Tshwete	Mining and quarrying Wholesale Community services	2.7 13.4 2.1
6	Thembisile Hani	Private households	2.0

3.2.3 Local Economic Development Key Focus Areas

The key Local Economic Development focus areas of the NDM are discussed in this section and are done through coordination of district economic development and sectorial cluster plans in consultation with relevant stakeholders within the district. The goal of local economic development is to transform the Nkangala District into a hive of economic activity characterised by strong levels of investment, sustainable job creation and improved income levels in a way that builds on the distinctive potential of each municipality, preserves the integrity of the environment and avoids negative competition.

Community Engagement Processes to improve our understanding of both the positive and negative impacts of our operation on our host communities, Thungela utilizes surveys and community engagements processes to facilitate more structured dialogue with our stakeholders. An extensive stakeholder engagement process was conducted between 2018 and 2019 which involved the profiling of communities as well as gathering information on the impact of our operation. The process

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

enables the mine to have a better understanding of community needs as well as municipality's priorities in which the information gathered assists in the identification of LED projects.

Management responses to the concerns and priorities of stakeholders are published in a report, which is distributed to all stakeholder groups, including local, provincial and national government; non-governmental organisations and interested and affected parties. The implementation of the management responses generated during the stakeholder engagement process is taken into a social management plans, which are updated annually.

During this time, stakeholders are identified, and engagements take place through formal and informal meetings and interviews. It covers all activities that have the potential to impact on communities during the entire life cycle of the operations – from exploration through to project design, development, operation, decommissioning, closure and post closure.

3.2.4 Stakeholder Consultation and Involvement

Thungela Resources subscribes to Code of conduct which guide the way we conduct our business. Our main aim is to promote strong relationships with the communities that surround our operations through regular engagement on issues that may affect them.

Khwezela colliery participates in the local municipality IDP & LED forums. Khwezela has monthly stakeholder engagement forums and quarterly future forum meetings, including directly and indirectly affected parties, interested parties and authorities. These enable our stakeholders to bring issues related to socio economic impacts to our attention, so that they can be resolved promptly. Issues that cannot be resolved immediately are documented and investigated.

3.3 Negative Impacts of Mining Operations

Operations Negative Impacts

Below are the Khwezela negative impacts identified by the operation and stakeholders during engagements.

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

Table 19: Negative Impact

Possible Negative Impact	Description of impact	How will you address it?
Safety, security & Crime	Illegal Mining and theft Public liability	<ul style="list-style-type: none"> Protection services patrols, trenches around the mine area, danger signage, community awareness and education on the dangers of illegal mining and theft. Court orders. court interdicts and restrain letters. Parameter fence warning signs security patrols, raising awareness
Environmental Impacts	Blast, dust, Water quality and noise	<ul style="list-style-type: none"> Installation of seismograph to monitor any possible exceedances Installation of dust buckets to monitor dust particles Ensure compliance with international and AA noise and vibration standards. Minimise disruptions to surrounding stakeholders and manage relationships. Raise awareness about blasting techniques, dust & noise monitoring efforts, and the grievance mechanism. Manage water and air qualities. Increase community participation in order to build trust.
Land access	Land grab	<ul style="list-style-type: none"> Minimise the risk of land invasion Work with authorities to explore opportunities for use of rehabilitated land.

3.4 Mine Community Development Projects

In its Social and Labour Plan, Khwezela Colliery committed to the following projects for incorporation in the SLP for period 2019 – 2023:

Table 20: LED programme for the next 5-year

Project Name	Committed Budget	Target 2019	Target 2020	Target 2021	Target 2022	Target 2023
Obstetrician Ambulance	R2 000 000	R2 000 000	R0	R0	R0	R0
Clewer Health Post	R2 000 000	R0	R0	R0	R2 000 000	
Education Programme	R10 000 000	R0	R0	R10 000 000	R0	R0
Total	R14 000 000	R2 000 000	R0	R10 000 000	R2 000 000	R0

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

3.4.1 LOCAL ECONOMIC DEVELOPMENT PROJECT SUMMARY

PROJECT 1: OBSTETRICIAN AMBULANCE

Project Name	The name of the project: Procurement of Ambulances			Classification of project Health/Service Delivery			
Background	<input type="checkbox"/> Procurement of obstetrician ambulances to assist the local hospital & local clinics during emergencies crisis within eMalahleni communities.						
Geographical location of the project	Nkangala District Municipality	eMalahleni Local Municipality	Village name eMalahleni Township	Project Start Date 2019		Project End date 2023	
Output	Key Performance Area:	Key Performance indicator:	Responsible entity	Year 1	Year 2	Year 3	Budget
	Procurement of obstetrician Ambulances	1 Ambulance procured	Khwezela Colliery and Department of Health	Procurement of ambulance	-	-	R2 M
Classification of jobs	No of jobs to be created will be determined by the feasibility study	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short Term	Ambulance to be fitted with the obstetrician fittings	Nil	Nil	Nil	Nil	1	
Medium Term	Nil	Nil	Nil	Nil	Nil		

Completion date is 2019.

Exit Strategy: This will be a once off procurement and donated to the Department of Health and Khwezela will exit once the project has been handed over to the Department of Health.

Sustainability of the project: The project will benefit the community of eMalahleni in situations of emergencies. Furthermore, over 220 TB patients within and outside eMalahleni Local Municipality Jurisdiction will have access to ambulance services during cases of emergencies.

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

PROJECT 2: Education Programme

Project Name	The name of the project: Education Programme		Classification of project Whole school Development				
Background	The education programme is part of the company's sustainability strategy, is a holistic approach to education from early childhood development learning to matric, in partnership with the Department of Education, the goal of the programme is to improve the educational outcomes of learners in communities surrounding our operations.						
Geographical location of the project	Nkangala District Municipality	eMalahleni Local Municipality	Village name: eMalahleni	Project Start Date 2019		Project End date 2023	
Output	Key Performance Area:	Key Performance Indicator	Responsible Entity	2019	2020	2021 - 2023	Budget
	Support for 10 school across eMalahleni in Maths, Science & English as well as some infrastructure work	Targets specified for Grades 3, 6, 9 & 12 in Maths, Science & English	Thungela Resources and Department of Education	Baseline study	Implementation	Implementation	R10m
Classification of jobs	No of jobs created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short Term	20	5	5	5	5	20	
Completion date is 2022							
Exit Strategy: Upon completion of the programme, an evaluation process will take place thereafter the programme will be handed over to the Department of Basic Education							
Sustainability of the project: Inclusive and quality education for children in our host communities.							

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

PROJECT 3: CLEWER HEALTH POST:

Project Name	The name of the project: Clewer Health Post			Classification of project Infrastructure			
Background	The Community at Clewer is currently served through a mobile clinic/unit for a selected number of days per week. The conditions of how this service takes place is not conducive for the needy community. The mobile clinic/unit appears inadequate considering the township has expanded, this therefore, calls for upgrade of a service to respond to the demand. The offer by Thungela Resources allows us to respond appropriately and to provide a service from a respective structure on a permanent basis (5 days a week). In terms of Thungela Resources we express an interest to avail one of our houses in Clewer for the purpose of PHC facility. The house will be constructed to suit the purpose and can be handed over to the Department of Health for operations.						
Geographical location of the project	Nkangala District Municipality	eMalahleni Local Municipality	Village name: eMalahleni	Project Start Date 2021		Project End date 2023	
Output	Key Performance Area:	Key Performance Indicator:	Responsible Entity	2019	2020	2021 - 2023	Budget
	Build a Health Post	Health Post Completed	Thungela Resources, eMalahleni Municipality and Department of Health	Feasibility Study in the 1st year	Implementation	Complete and handover	R2 M
Classification of jobs	No of jobs created	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short Term	7	2	3	1	1	7	
Completion date is 2022							
Exit Strategy: Hand over to the Department of Health at the completion of the project.							
Sustainability of the Project: Project will be handed over to the Department of Health for operational and maintenance purposes. MOU to be entered into between Khwezela and DOH to ensure readiness to take over upon completion of the project.							

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

3.5 Measures to Address Housing and Living Conditions: Regulation 46 (c) (iv)

3.5.1 Thungela Resource Housing Strategy

Our vision for housing is long-term home ownership for all our employees. As a result, we wish to move away from housing provision entirely and to ensure that employees are accommodated in their own formal accommodation located within the metropolitan and districts frameworks of the regions where our new and existing operations are based.

eMalahleni Local Municipal strategy to address housing

Emalahleni population has increased from 395 466 in 2011 to 455 228 people in 2016. It is the 3rd largest population in the province and 31.5% of total population of Nkangala in 2016. Population grew by 59 762 in the relevant period and recorded a population growth rate of 3.2% per annum between 2011 & 2016.

The population number for 2030 is estimated at 707 530 people given the historic population growth per annum. This will put pressure on infrastructure development, service delivery & human settlement needs.

One of the strategic objectives outlined in the IDP of eMalahleni Local Municipality is to provide access to habitable, sustainable and affordable integrated human settlements for the people of eMalahleni.

3.5.2 Housing and Living Conditions Plan

The law requires mining companies to improve the standard of housing and living conditions of mine employees as stipulated in the Housing and Living Conditions Standard.

The Aim of the Housing and Living Conditions Plan is:

- To promote home ownership with the long-term goal of employees living in sustainable human settlements;
- To promote independence of all employees in terms of accommodation and ensure that employees are accommodated in their own formal accommodation;
- To enhance the social and economic long-term sustainability of the regions

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

where Khwezela operates through a housing model that is integrated within the districts and aligned to the Integrated Development Plans for those districts;

- To contribute to the transformation of our industry; and
- To meet the objectives and principles as outlined in the Housing and Living Conditions Standard for the Minerals Industry.

Table 20: Khwezela housing allowances per employee grade

Employee grade	2020 RATES	2021	2022 RATES	2022 RATES	2023 RATES
D1 and C4#	R9,000	R9,000	R9,000	R9,000	R9,000
CU	R9,000	R9,000	R9,000	R9,000	R9,000
CL and B Band	R9,000	R9,000	R9,000	R9,000	R9,000
Senior-skilled	R9,000	R9,000	R9,000	R9,000	R9,000
Skilled	R9,000	R9,000	R9,000	R9,000	R9,000
Skilled in Mine Accommodation	R9,000 R9,000	R9,000 R9,000	R9,000 R9,000	R9,000 R9,000	R9,000 R9,000

Matimba Village, next to Duvha Park Extension One in eMalahleni

Khwezela has made provision and allocated to employees who were accommodated at Matimba village to various developed settlements. At the time of reporting, all employees residing in Matimba have been relocated. Hence Matimba is planned to be demolished.

3.5.3 Nutrition Programme

The BE WELL program is multi-faceted, aiming as a primary focus, to support the optimum wellbeing of its employees. Allied to this is the support of employee's direct family members as the second level support to employees.

It is further recognised that employees operate not only in a family context but within the wider community and therefore the wider community will benefit from engagements with the BE WELL Management Program.

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

Wellness Management has emerged as a business priority due to increasing recognition that the health and wellbeing of employees directly impacts on the safety and productivity of the entire organization.

The World Health Organization's Global Plan of Action on Workers Health 2008-2017 [ratified for 2018] calls for effective interventions to prevent occupational hazards and to protect and promote health at the workplace and access to occupational health services.

Promotion of good nutrition through education/awareness and providing access to healthy meals is imperative for Khwezela Colliery.

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

PART FOUR

**PROGRAMME FOR
MANAGING DOWNSCALING
AND RETRENCHMENT:**

Regulation 46 (d)

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

4 MANAGEMENT OF DOWNSCALING AND RETRENCHMENTS

The primary objective of downscaling and retrenchment management is to ensure that there are other viable options to achieve operational requirements before considering the downscaling of workers. To achieve this, the following have been put in place:

4.1 Establishment of Future Forum

Khwezela Colliery has an established and functioning Future Forum which includes all necessary stakeholders. The objective of the Future Forum is to meet the requirements as provided for in the Minerals and Petroleum Resources Development Act (No. 28 of 2002). The forum is designed to enable stakeholders to pro-actively share information on the future of the mine.

The forum looks ahead for future problems and challenges, investigates potential solutions to these. The meetings are held quarterly to discuss all operational issues. The purpose of the forum is to achieve the following:

- Provide an update on Khwezela mining activities that relate to the life extension project, employment, procurement socio-economic development and health and safety.
- Promote ongoing discussions between Unions, the Department of Mineral Resources and Energy, Nkangala District Municipality and eMalahleni Local Municipality about the future of the mine.
- Proactively identify challenges and possible solutions with regards to productivity and employment.

4.2 Mechanisms to Avoid Job Loses and a Decline in Employment

Should prevailing economic conditions and the life of mine come to an end, Khwezela Colliery would initiate the following processes which must include, but not be limited to the following:

- Consultation with all relevant stakeholders.
- Possible redeployment of employees to shareholding companies of their available vacancies.
- The implementation of section 189 of the Labour Relations Act, 1995.
- Notifying the Minerals and Mining Development Board.
- Compliance with the Ministerial directive and confirmation of how corrective measures would need to be taken.

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

4.3 Managing Retrenchments

Should Khwezela Colliery operations be downscaled or cease with the possible effect of job losses, the following processes would be implemented:

- Consultation with all relevant stakeholders;
- the mine would follow the Labour Relations Act 66 of 1995 as amended, as well as the guidelines provided by the Department of Labour to ensure fair opportunities to train, provide portable skills, and/or redeploy employees and establish alternative measures short of retrenchment.
- Our communication strategy would include:
 - ✓ Informing employees of possible retrenchments
 - ✓ Informing other interested and affected parties, including sending areas and local municipalities, of possible retrenchments at the operation
 - ✓ Informing outside parties of possible retrenchments

4.4 Mechanisms to ameliorate Social and Economic Impact on individuals, Regions and Economies where Retrenchments or Closure is certain

Where retrenchments or closure of the operation is imminent, the mine would put in place the following process to ameliorate the social and economic impact on individuals, regions and economies:

- Assessment and counselling services for affected employees.
- Comprehensive self-employment training programmes.
- Comprehensive training (non-mining skills) and re-employment programme.

Table 21: Budget for retrenchment/downscaling

	2019	2020	2021	2022	2023
No. of employees to Downscale	0	0	0	0	0
Budget	0	0	R50 000	R50 000	R50 000

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

PART FIVE

**FINANCIAL PROVISION FOR
IMPLEMENTING THE SOCIAL
AND LABOUR PLAN:**

Regulation 46 (e)

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

5 FINANCIAL PROVISION

5.1 Human Resource Programme

The following represents the financial provision allocated to Khwezela Colliery's human resources programmes:

Table 22: Financial provision for Human Resources Development for the period 2019 - 2023

Programme	Target	Target	Target	Target	Target
	2019	2020	2021	2022	2023
Skills Development Levies Act	R 5 640 000	R 6 000 000	R 6 360 000	R 6 741 600	R 7 146 096
Learnerships	R 1 308 759	R 1 387 132	R 3 111 905	R 2 128 236	R 2 956 867
Internal training	R 8 305 840	R 8 836 000	R 9 400 000	R 10 000 000	R 10 600 000
External training	R 16 611 680	R 17 672 000	R 18 800 000	R 20 000 000	R 21 200 000
Community Scholarship	R 500 000	R 1 000 000	R500 000	R 250 000	R250 000
Internship TVET (S1/S2 & P1/P2)	R 386 640	R 563 808	R 587 328	R 436 320	R 453 780
Community Skills Development	R250 000	R 350 000	R 390 000	R 540 000	R 600 000
TOTAL	R 33 002 919	R 35 808 940	R 39 149 233	R 40 096 156	R 43 206 743

5.2 Local Economic Development

The following represents the financial provision for Khwezela Colliery's Local Economic Development projects:

Table 23: List of identified projects for 2019 – 2023

Project Name	Committed Budget	Target 2019	Target 2020	Target 2021	Target 2022	Target 2023
Obstetrician Ambulance	R2 000 000	R2 000 000	R0	R0	R0	R0
Clewer Health Post	R2 000 000	R0	R0	R0	R2 000 000	
Education Programme	R10 000 000	R0	R0	R10 000 000	R0	R0
Total	R14 000 000	R2 000 000	R0	R10 000 000	R2 000 000	R0

5.3 Management of downscaling and retrenchments

Financial provision for the management of downscaling and retrenchments is given in the following table:

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

		2019	2020	2021	2022	2023
	Consultation with stakeholders Informing employees of possible retrenchments Informing other affected parties Informing outside parties Assessment and counselling services for affected employees Self-employment training programmes Life skills training programmes Regeneration of local economies Other	R	R	R50 000	R50 000	R50 000

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

PART SIX

UNDERTAKING:
Regulation 46 (f)

MP 30/5/1/2/2 (306) MR Khwezela Colliery Section 102 Application 2019 – 2023 In compliance with Regulation 46 (b) of the Mineral and Petroleum Resources Development Act, 2002

6 UNDERTAKING

The person responsible for the Social and Labour Plan, who is responsible to make known the Social and Labour Plan to the employees and who must be contacted for follow-ups, requests, reports, queries, enquiries, discussions, etc. at time of such needs must make the following undertaking on behalf of the Mine or Production Operation. The General Manager or any other person so appointed must approve the Social and Labour Plan.

I, the undersigned and duly authorized thereto by Khwezela Colliery undertake to adhere to the information, requirements, commitments and conditions as set out in the Social and Labour Plan.

Signed at Khwezela Colliery on _____ 20_____

Sipho Mbethe

Sipho Mbethe
Human Resources Manager

Linda Dludlu

Linda Dludlu
Regional Manager Social Performance

Leonore van Wyk

Leonore van Wyk
Head of Mineral Property Rights and Permitting

Luctor Roode

Luctor Roode
General Manager