



# **SOCIAL AND LABOUR PLAN**

**MAFUBE COAL MINING (Pty) Ltd**

**MP 30/5/1/2/2/ 172 MR**

**Springboklaagte Reserve**

**Application for Section 102 For Period: 2019-2023**

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# PART ONE

## 1.Preamble

### 1.1. Background

Mafube Coal Mining (Pty) Ltd (“Mafube”) is a 50/50 Joint Venture between Anglo Operations (Pty) Ltd (“AOPL”) and Exxaro Coal Mpumalanga (Pty) Ltd. The operation is located approximately 25km east of the town of Middelburg and 30km west of the town of Belfast in the Mpumalanga Province.

Effective 4 June 2021, Thungela Resources Limited (“Thungela”) has started trading, following Thungela’s admission to the Johannesburg 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 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. Thungela is the parent company of AOPL which will be changed to TOPL. Further to the above, Mafube will remain unchanged.

Operations at Mafube Coal started out as a mini-pit operation in June 2004, to supply coal to Eskom’s Arnot Power Station. Since its final commissioning in January 2008, it has expanded to produce an annual 2,5 million tonnes (Mt) of low ash coal for the export market and 1,2Mt of steam coal for the domestic thermal market. The Operation’s Mineral Reserve is referred to as the Nooitgedacht Reserve covered by a Mining Right with Department of Mineral Resources and Energy (“DMRE”) reference number MP 30/5/1/2/2/ 10026 MR as well as the Springboklaagte reserve with DMRE reference number MP 30/5/1/2/2/ 172 MR (Springboklaagte) and is managed as one Operation. The Nooitgedacht Reserve has secured the extension of the Mafube Coal Life of Mine (LOM) to 2030. Springboklaagte reserves were depleted in May 2018, with Nooitgedacht mining operations commencing in August 2018. Continuous rehabilitation is taking place at Springboklaagte, with the Beneficiation plant and Mafube main offices still operating on the site. Coal from Nooitgedacht is transported using an overland conveyor belt to the existing washing plant at Springboklaagte where processing takes place. All Run of Mine (ROM) coal is beneficiated through the existing Springboklaagte DMS plant and the “as-arising” discards is disposed onto the existing discards disposal facility. As Nooitgedacht entered into operational phase in August 2018, all mining activities ceased in Springboklaagte with majority of the operational employees and contractors transferred to the Nooitgedacht operations, while some remained to continue with the rehabilitation and plant processing activities at Springboklaagte.

The initial plans for the Nooitgedacht reserves included land use which required grave and household relocations. However, in response to this identified social impact and resistance from the community, the project designs and planned footprint was altered to exclude any grave relocation or impact on grave access by communities. The business strategy entails that a grave and household relocation project will be undertaken in 2020 for business continuity and extension Life of Mine plans.

## 1.2. Overview

In accordance with Regulation 42 (2) (b) of the Mineral and Petroleum Resources Development Act No. 28 of 2002, Mafube Coal hereby compiles the amended SLP which addresses the issues listed in the DMRE directive in term terms of Section 29 of the MPRDA. The Social and Labour Plan (SLP) has been compiled in accordance with the Mineral and Petroleum Resources Development (MPRD) Act 2No. 8 of /2002(MPRD) and Regulations for Mafube Coal operations

This SLP provides detailed commitments for Mafube Coal as an entity with two (2) associated mining rights. Therefore, the contents of this SLP is for the **Springboklaagte Reserve** mining right with DMRE reference number **MP 30/5/1/2/2/ 172 MR** and will be similar to the lodgment of the below associated mining right:

- MP 30/5/1/2/2/ 10026 MR (Nooitgedcaht Reserve)

## 1.3. SLP Outline

This SLP outlines the proposed mine plans and objectives pertaining to:

- Human Resource Development;
- Employment Equity;
- Mine Community Development;
- Housing and Living Conditions;
- Management of downscaling and retrenchments; and
- Financial Provisions.

## 1.4. Objectives of this SLP

The objectives of this SLP is:

- To promote economic growth, mineral and petroleum resources development in the Republic [Section 2 (e) of the (MPRDA);
- To promote employment and advance the social and economic welfare of all South Africans [section 2 (f) of the MPRDA];
- To ensure that Mafube Coal contributes to the socio-economic development of the communities in which it operates, including major labour sending areas (Section 2 (i) of the MPRDA) and
- To utilize and expand the existing skills base for empowerment of HDSA's and to serve the community.

## 1.5. Our philosophy:

Our philosophy is enhanced on a strong pursuit to preserve and uplift the socio-economic well-being of our host communities. Our sustainable development principles define that we will:

- Be ethical, efficient and create value;
- Create meaningful employment in a safe, healthy environment;
- Reduce our environmental footprint and contribute to biodiversity;
- Increase innovation, technology and process involvement; and
- Contribute to building more adaptable societies.

The objectives of the MPRDA and the SLP are central to strategic and operational parameters of Mafube Coal and we will endeavor to meet these objectives for the benefit of our employees, our local communities, the mining industry and South Africa.

We will contribute to minimizing the socio-economic impacts of job losses in the communities surrounding

MAFUBE COAL SOCIAL AND LABOUR PLAN 2019-2023 \_ MP 30/5/1/2/2/ 172 MR | In compliance with Regulation 46 of the Mineral and Petroleum Resources and Development Act No. 28 of 2002 and Regulation

Mafube Coal. We plan to build skills that are recognised by the National Qualifications Framework and are portable outside the workers current employment. The success of this plan relies on both Mafube Coal and its employees taking responsibility for their well-being and energetically pursuing the opportunities available to ensure potential is realised.

Mafube Coal will support the well-being of its surrounding communities through initiatives that will be integrated into the local and district municipality's Local economic Development and Integrated Development Planning process.

## 1.6. Definitions

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

- **Mafube Coal:** A specific business unit and joint venture between AOPL and Exxaro Coal Mpumalanga (Pty) Ltd.
- **Secondees:** Refers to employees who are seconded to Mafube from its two shareholders being Exxaro Coal Mpumalanga propriety limited and AOPL.
- **Mafube Coal Mining:** Propriety Limited
- **Exxaro:** 50% shareholder
- **Anglo Operations (Pty) Ltd:** 50% shareholder
- **MPRDA:** Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations, as amended from time to time.
- **GNR1147:** Regulation 1147 of the MPRDA, regulating the financial provision for prospecting, exploration, mining or production operations.

This document follows Regulation 46 of the MPRDA which outlines the required contents of the SLP.

### Legislation and Regulations

The Following Legislation and Regulations are Relevant to the Social and Labour Plan:

- Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations.
- DMRE Guidelines for Social and Labour Plans.
- Skills Development Act No 97 of 1998.
- Employment Equity Act No 55 of 1998.
- Labour Relations Act No 75 of 1995.
- Basic Conditions of Employment Act of 1997.
- Broad-based Black Economic Empowerment Act No 53 of 2003

The aforementioned as amended from time to time.

## 1.7. Associated Documents

Guided Documents Related to the Social and Labour Plan are:

- Social Impact Assessment Report
- Mine Workplace Skills Plan
- Mine Employment Equity Plan
- Mine Recruitment Plan (working document)
- Integrated Development Plans for the Steve Tshwete Local Municipality and Nkangala District
- Policies and procedures related to:
  - Employment Equity Policy
  - Human Resource Development Policy
  - BEE Specification Policy
  - Preferential Procurement Principles Policy
  - Learnership Procedure
  - Mentorship Procedure

**Particulars of the holder of the mining rights**

<b>Name of the company</b>	Mafube Coal Mining (Pty) Ltd
<b>Company Registration Number</b>	2004/017532/07
<b>Name of the mine</b>	Mafube Coal
<b>Physical address</b>	Mineral, Property Rights and Permitting Department 25 Bath Avenue, Rosebank Johannesburg 2196
	District Middelburg Mpumalanga.
	P.O. Box 3385
	Middelburg
	P.O Box 1521
	Saxonwold 2132
<b>Registered Office</b>	
<b>Telephone number</b>	076 822 0399
<b>Fax number</b>	N/A
<b>Mine address</b>	Farm Springboklaagte
	District Middelburg
	PO Box 3385
<b>Mine postal address</b>	Middelburg 1050
<b>Telephone number</b>	+ 27 13 246 9410
<b>Mine fax number</b>	+ 27 13 246 9543
<b>Location of mine</b>	Mafube Coal is situated 37 kilometers east of the Middelburg Magisterial District and the Nkangala District Municipality
<b>Commodity</b>	Coal
<b>Life of mine</b>	2032
<b>Breakdown of employees per sending area</b>	See section 2.6
<b>Financial year</b>	January to December

# PART TWO

## 2. Human Resources & Development Programme

### 2.1. Compliance with Skills Development Legislation

Skills Development Facilitator	
Levy Registration Number	L410763223
Confirmation of having appointed a Skills Development Facilitator	Daniel Mamba
Proof of submission of workplace skills plan and date of submission	Mining Qualifications Authority: 30/04/2018

### 2.2. Skills Development Plan

Mafube has a fairly young and literate workforce with an average age of 35 years and a minimum qualification of AET level 4 and above. However, we are considering AET training for our doorstep community to address the need as most of our doorstep community members are not in possession of a Grade 12 or AET level 4 and thus they are disadvantaged in terms of possible employment at Mafube Coal or elsewhere as they do not meet the minimum requirements.

#### 2.2.1. AET needs for Mafube Coal employees

AET 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

#### 2.2.2. Training Planned Community AET

AET Level	Targets and Timeline					
	2019	2020	2021	2022	2023	Total budget
AET 1	N/A	N/A	N/A	0	0	0
AET 2	N/A	N/A	N/A	0	0	0
AET 3	N/A	N/A	N/A	7	7	14
AET 4	N/A	N/A	N/A	8	8	16
<b>Total Number</b>	N/A	N/A	N/A	15	15	30
<b>Budget Provision</b>	N/A	N/A	N/A	<b>R 150 000</b>	<b>R 150 000</b>	<b>R 300 000</b>



### 2.2.3. Core Business Training

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

Category Targets and Timeline						
	2019	2020	2021	2022	2023	Total budget
<b>Officials</b>	102	102	102	102	102	<b>102</b>
<b>Senior Skilled</b>	58	58	58	58	58	<b>58</b>
<b>Skilled</b>	186	202	226	226	234	<b>234</b>
<b>Total Number</b>	<b>346</b>	<b>362</b>	<b>386</b>	<b>386</b>	<b>394</b>	<b>394</b>
<b>Budget Provision</b>	R 4 518 475	R 4 700 000	R 4 700 000	R 4 700 000	R 4 700 00	R 23 318 415

### 2.2.4. Learnerships (Internal recruits 2019 – 2023)

Area/Type of Training	Internal Learnership Targets & Timelines					
	2019	2020	2021	2022	2023	TOTAL BUDGET
Electrician	2	2	0	0	1	3
Fitter	1	1	1	0	1	2
Instrumentation Mechanician	1	1	0	0	0	1
Rigger	0	0	0	0	1	1
Auto Electrician	0	0	0	0	0	0
Diesel Mechanic	1	1	0	0	0	2
Boilermaker	0	0	1	0	0	1
Mining	0	0	0	1	0	1
Metallurgy Coal Prep	0	0	0	1	0	1
<b>TOTAL 18.1 Learners</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>12</b>
<b>Budget Provision</b>	<b>R 1 333 300</b>	<b>R 1 333 300</b>	<b>R 1 333 300</b>	<b>R 1 333 300</b>	<b>R 1 333 300</b>	<b>R 6 666 500</b>

Note: The committed number for Learners indicated in the above table is not accumulative each year; however, the budget allocated is based on the ongoing 4 years Learnership Programme.

**2.2.5. Learnerships (external recruits 2019 – 2023)**

Area/Type of Training	Internal Learnership Targets & Timelines					TOTAL BUDGET
	2019	2020	2021	2022	2023	
Electrician	0	0	1	0	0	1
Fitter	1	1	1	0	0	2
Instrumentation Mechanician	0	0	1	0	0	1
Rigger	0	0	0	1	0	1
Auto Electrician	0	0	0	1	0	1
Diesel Mechanic	1	1	0	1	0	2
Boilermaker	1	1	0	0	0	1
Mining	0	0	0	1	1	2
Metallurgy Coal Prep	0	0	0	1	1	2
<b>TOTAL 18.2 Learners</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>13</b>
<b>Budget Provision</b>	<b>R 666 700</b>	<b>R 666 700</b>	<b>R 666 700</b>	<b>R 666 700</b>	<b>R 666 700</b>	<b>R 3 333 500</b>

**2.2.6. Artisans Training**

Area/Type of Training	Artisan Training Targets & Timelines					TOTAL BUDGET
	2019	2020	2021	2022	2023	
Medium Voltage RPL	1	1	1	0	0	3
<b>Budget Provision</b>	<b>R 2 263</b>	<b>R 2 263</b>	<b>R 2 263</b>	<b>-</b>	<b>-</b>	<b>R 6 789</b>
Medium Voltage refresher	-	-	6	2	3	11
<b>Budget Provision</b>	<b>-</b>	<b>-</b>	<b>R 13 578</b>	<b>R 4 526</b>	<b>R 6 789</b>	<b>R 24 893</b>
Mechanical Safety refresher	2	3	6	4	9	24
<b>Budget Provision</b>	<b>R 4 521</b>	<b>R 6 780</b>	<b>R 13 560</b>	<b>R 9 040</b>	<b>R 20 340</b>	<b>R 54 241</b>
Leadership Training	-	-	9	27	15	51
<b>Budget Provision</b>	<b>R0</b>	<b>R0</b>	<b>R 67 233</b>	<b>R 1 400 000</b>	<b>R 784 000</b>	<b>R 2 251 233</b>
Legal Training	-	-	1	2	2	15
<b>Budget Provision</b>	<b>R0</b>	<b>R0</b>	<b>R 1 980</b>	<b>R 3 960</b>	<b>R 3 960</b>	<b>R 9 900</b>
<b>Total Budget Provision</b>	<b>R 6 784</b>	<b>R 9 043</b>	<b>R 98 614</b>	<b>R 1 417 526</b>	<b>R 815 089</b>	<b>R 2 347 056</b>

**.2. Hard to fill vacancies**

<b>Occupation Level</b>	<b>Job title of vacancy</b>	<b>Main reason for being unable to fill the vacancy</b>
<b>Top Management</b>	N/A	N/A
<b>Senior Management</b>	N/A	N/A
<b>Professionally Qualified and experienced Specialists and Middle Management</b>	Section Manager OC	It is a legal requirement that the incumbents must be in possession of a Mine Manager's Certificate of competence. The market depicts the availability of such candidates.
	Surveyor/Survey Manager	It is a legal requirement that the incumbents must be in possession of a Government Certificate of Competency. The market depicts the availability of such candidates.
<b>Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents</b>	Technician	The balance of qualifications and experience required is not always available.
	Plant Metallurgists	This skill is not always available.
<b>Semi-skilled and discretionary decision making</b>	N/A	N/A
<b>Unskilled and defined decision making</b>	N/A	N/A

**.3. Number and education levels of employees****Number and education levels of employees: Mafube Coal (2018) Excluding Secondees**

BAND	NQF LEVEL	OLD SYSTEM	MALE				FEMALE				TOTAL	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training (GET)	1	No Schooling / Unknown	0	0	0	0	0	0	0	0	0	0
		Grade 0 / Pre	0	0	0	0	0	0	0	0	0	0
		Grade 1 / Sub A	0	0	0	0	0	0	0	0	0	0
		Grade 2 / Sub B	0	0	0	0	0	0	0	0	0	0
		Grade 3 / Std 1 ABET 1	0	0	0	0	0	0	0	0	0	0
		Grade 4 / Std 2	0	0	0	0	0	0	0	0	0	0
		Grade 5 / Std 3 / ABET 2	1	0	0	0	0	0	0	0	1	0
		Grade 6 / Std 4	0	0	0	0	0	0	0	0	0	0
		Grade 7 / Std 5 / ABET 3	1	0	0	0	0	0	0	0	1	0
		Grade 8 / Std 6	1	0	0	0	0	0	0	0	1	0
Grade 9 / Std 7 / ABET 4	2	0	0	0	0	0	0	0	2	0		
Further Education and Training (FET)	2	Grade 10 / Std 8 / N1	7	0	0	0	0	0	0	1	7	1
	3	Grade 11 / Std 9 / N2	30	0	0	2	0	0	0	0	32	0
	4	Grade 12 / Std 10 / N3	164	3	0	16	59	1	0	0	183	60
Higher Education and Training (HET)	5	Diplomas / Certificates	8	0	0	0	2	0	0	0	8	2
	6	First degrees / higher diplomas	4	0	0	1	2	0	0	1	5	3
	7	Honours / Master's degrees	3	0	0	0	1	0	0	0	3	1
	8	Doctorates	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>			<b>221</b>	<b>3</b>	<b>0</b>	<b>19</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>243</b>	<b>67</b>
											<b>310</b>	

#### .4. Career progression and mentorship

##### 2.5.1. Career development planning

At Mafube Coal, we continuously look for opportunities to enhance our career development planning processes for employees. Generic career paths are developed for all disciplines and customized for each individual. This is an ongoing initiative, which we continue to refine. The company has also developed, implemented and communicated role profiles for all Officials and Senior Skilled positions. In addition, we have extended role profiles to all our Professionals in Training (graduates who have just completed their academic studies) in Band 7. Graduates from the shareholders are also afforded the opportunity to be part of the Professionals in Training programme based at Mafube to further their career development.

This enables members of our workforce to take responsibility of their career progression in order to manage their careers more effectively and to pursue specific career opportunities.

Training Programs within career progression paths	Core Mining Occupation	Position Starting from	Targeted position working towards	2019	2020	2021	2022	2023
				Number of Identified employees	Number of Identified employees	Number of Identified employees	Number of Identified employees	Number of Identified employees
Junior Engineer (GCC Programme)	Engineering	GBF 6	GBF 5	2	2	2	2	2
Leadership Programs and targeted exposure and experience	Engineering	C4#	GBF 6	1	1	1	1	1
Leadership Programs and targeted exposure and experience	Mining	J/G 7	C4#	2	2	2	2	2
Leadership Programs and targeted exposure and experience	Safety	J/G 7	GBF 6	1	1	1	1	1
Leadership Programs and targeted exposure and experience	Mine Planning	J/G 7	GBF 6	1	1	1	1	1
Supervisory Programs and targeted exposure and experience	Engineering	C4#	GBF 6	2	2	2	2	2
Supervisory Programs and targeted exposure and experience	Mining	C4#	GBF 6	2	2	2	2	2
Graduate Program	Business Improvement	GBF 7	GBF 6	1	1	1	1	1
				12	12	12	12	12

### 2.5.2. Coaching and mentoring for employees

Mentoring Program	Career Deliverables	Duration	Target		Gender	
			HDP	Non-HDP	Female	Male
Supervisor Development Program	Planning, Management, Disciplinary and Business Acumen	18 months	32	3	3	32
Performance Management Excellence (PME)	Management Development and Business Acumen	5 months	5	1	1	5
<b>Total Number</b>			<b>37</b>	<b>4</b>	<b>4</b>	<b>37</b>

### 2.5.3. Talent management

We have a talent management strategy that caters for the needs of the company and the individual. This results in a net gain for both, and a competitive edge for our organisation. Our talent management strategy is a continuous process and does not solely rely on recruitment, but focuses strongly on retention and development.

We are a responsible Joint Venture which aspires to provide superior quality, cutting-edge and sustainable energy solutions to the most lucrative markets and thus we focus on appreciating each individual and retaining them by winning their hearts and minds.

### Bursaries and internships

#### 2.5.4. Bursaries to be awarded Internal (Part-Time Bursary)

Area/Type of Training	Targets & Timelines					
	2019	2020	2021	2022	2023	TOTAL BUDGET
Safety	1	1	1	1	1	1
Labour Relations	1	1	1	1	1	1
Natis Certificate Engineering	1	1	1	1	1	1
Logistics Management	2	2	2	2	2	2
Programme in Blasting	0	0	1	1	1	1
<b>Total Bursars</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Budget Provision</b>	<b>R 150 000</b>	<b>R 150 000</b>	<b>R 150 000</b>	<b>R 150 000</b>	<b>R 150 000</b>	<b>R 750 000</b>

**Note:** The budget allocated is based on variable number of internal applicants approved by Mafube Coal.

**2.5.5. Bursaries/ Scholarships to be awarded Externally (University Scholarship)**

Bursary/Scholarship Field	Targets and Timeline					
	2019	2020	2021	2022	2023	Total budget
Electrical Engineering	2	2	2	1	1	3
Mechanical Engineering	-	-	-	1	1	1
Nature Conservation	1	1	1	1	1	2
Medicine	1	1	1	1	1	1
Financial Accounting	1	1	1	1	1	2
Human Resources	-	-	-	1	1	1
<b>Total Number</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>9</b>
<b>Budget Provision</b>	<b>R 800 000</b>	<b>R 800 000</b>	<b>R 800 000</b>	<b>R800 000</b>	<b>R 800 000</b>	<b>R 4 000 000</b>

**Note:** The committed number for Bursaries indicated in the above table is not accumulative each year; however, the budget allocated is based on the ongoing Bursary programme and progressive replacements of incumbents as the current incumbents complete their programme in university. Three (3) incumbents will be added to the scholarship programme during the 4th year (2022) as the current students are expected to complete their studies in 2021 with a medical student completing in 2024.

**2.5.6. School Support and Post Matric Programmes (FET Scholarship)**

Type/area of training	Targets and Timeline					
	2019	2020	2021	2022	2023	Total budget
Electrical Engineering	7	7	7	7	7	7
<b>Budget Provision</b>	<b>R 37 333</b>	<b>R 37 333</b>	<b>R 37 333</b>	<b>R 37 333</b>	<b>R 37 333</b>	<b>R 186 665</b>
Mechanical Engineering	5	5	5	5	5	5
<b>Budget Provision</b>	<b>R 26 666</b>	<b>R 26 666</b>	<b>R 26 666</b>	<b>R 26 666</b>	<b>R 26 666</b>	<b>R 133 330</b>
Civil Engineering	1	1	1	1	1	1
<b>Budget Provision</b>	<b>R 5 333</b>	<b>R 5 333</b>	<b>R 5 333</b>	<b>R 5 333</b>	<b>R 5 333</b>	<b>R 26 666</b>
Business Management	2	2	2	2	2	2
<b>Budget Provision</b>	<b>R 10 666</b>	<b>R10 666</b>	<b>R10 666</b>	<b>R10 666</b>	<b>R10 666</b>	<b>R 53 330</b>
Meat Classification	-	-	5	5	5	5
<b>Budget Provision</b>	<b>-</b>	<b>-</b>	<b>R 157 543</b>	<b>R 157 543</b>	<b>R 157 543</b>	<b>R 472 629</b>
Plant Production	-	-	5	5	5	5
<b>Budget Provision</b>	<b>-</b>	<b>-</b>	<b>R 157 543</b>	<b>R157 543</b>	<b>R157 543</b>	<b>R 472 629</b>
<b>Total Number</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>23</b>	<b>23</b>	<b>23</b>
<b>Budget Provision</b>	<b>R 80 000</b>	<b>R 80 000</b>	<b>R 395 084</b>	<b>R 395 084</b>	<b>R 395 084</b>	<b>R 1 008 836</b>

**2.5.7. Professionals in Training for Mafube Coal**

Type/area of training	Targets and Timeline					
	2019	2020	2021	2022	2023	Total budget
Engineering		1	1	1	1	1
Mining	2	2	2	1	1	2
Metallurgy	-	-	-	1	1	1
VOHE	-	-	-	-	-	0
<b>Total Number</b>	2	3	3	3	3	4
<b>Budget Provision</b>	<b>R1 200 000</b>	<b>R 1 800 000</b>	<b>R 1 800 000</b>	<b>R 1 800 000</b>	<b>R 1 800 000</b>	<b>R 6 600 000</b>

**2.5.8. Community Skills Development (Portable Skills Training)**

In alleviation of youth unemployment and poverty, community skills development in Non-Mining Skills (Portable Skills Training) is tactically aligned to our objective in ensuring that we create an employable youth whilst combatting some of the socio-economic ills. The below table details the potable skills plan for the 5-year period.

Type/area of training	Targets and Timeline					
	2019	2020	2021	2022	2023	Total budget
Basic Computer Skills	-	61	70	60	40	231
Yellow Machines	-	21	25	25	20	91
Hospitality	20	20	-	-	-	40
<b>Total Number</b>	20	102	95	85	60	362
<b>Budget Provision</b>	<b>R 800 000</b>	<b>R 800 000</b>	<b>R 800 000</b>	<b>R 800 000</b>	<b>R 800 000</b>	<b>R 4 000 000</b>



## **.6. Employment Equity**

One of our greatest interests is the diversity of our people, and in this regard, we have moved beyond simple transformation. At the end of Q3 2018, 93% of our total workforce is made up of HDP's, which far exceeded the MPRDA requirements. 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.

Mafube Coal has consistently met and exceeded the requirements set by the MPRDA and has adopted an approach which strives for improvement and performance beyond compliance. Mafube has put a strategy towards alignment with Economically Active Population (EAP) for Mpumalanga, as far as practicable. Mafube has been meeting and exceeding its Historically Disadvantaged Persons (HDP) targets for the past five years, 2015 – 2019. The current figures have thus far met some of the requirements and will endeavor to meet the requirements, particularly for WIM at all levels, and exceed them.

We pay a great deal of attention to the attraction, retention and advancement of women in all disciplines and at all levels of our organisation. 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 representative in core and critical skills categories.

Mafube currently has a total workforce of 330 employees, and 93% accounts for HDP's. Although the company's turnover is low, we continue to ensure that the HDP representation at all levels is 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.

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### Employment equity statistics for Mafube Coal (Q3:2018)

Occupational Levels	MALE				FEMALE				TOTAL		DISABLED		HDP
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	Male	Female	HDP (%)
Top management	1	0	0	7	0	0	0	0	8	0	0	0	13%
Senior management	4	0	0	3	0	0	0	1	7	1	0	0	63%
Professionally qualified and experienced specialists and mid-management	14	1	0	4	5	0	0	3	19	8	0	0	85%
Technical and academically qualified workers, junior management, supervisors, foreman and superintendents	67	0	0	13	20	0	0	1	80	21	0	0	87%
Semi-Skilled and Discretionary decision-making	131	1	0	2	44	1	0	0	134	45	0	0	99%
Unskilled and Defined decision- making	6	1	0	0	0	0	0	0	7	0	0	0	100%
<b>TOTAL PERMANENT</b>													
Non-permanent employees	223	3	0	29	69	1	0	5	255	75	0	0	93%
<b>GRAND TOTAL</b>													

330

## HDP in Management

Mafube Coal recognises 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.

### Annual HDP Progressive Targets

Occupational Levels	2019 Progress to be Achieved	2020 Progress to be achieved	2021 Progress to be achieved	2022 Progress to be achieved	2023 Progress to be achieved
Top Management (Mafube Board)	0%	0%	0%	0%	0%
Senior Management (Site EXCO)	63%	67%	67%	67%	67%
Middle Management	89%	89%	89%	89%	89%
Junior Management level	86%	86%	87%	87%	88%
Core Skills	95%	94%	93%	93%	93%
Employees with Disabilities	1.1%	1.1%	1.7%	2.2%	2.8%

### Annual Females Progressive Targets

Occupational Levels	2019 Progress to be achieved	2020 Progress to be achieved	2021 Progress to be achieved	2021 Progress to be achieved	2023 Progress to be achieved
Top Management (Mafube Board)	0%	0%	0%	0%	0%
Senior Management (Site EXCO)	13%	22%	22%	22%	22%
Middle Management	50%	50%	50%	50%	50%
Junior Management level	14%	19%	23%	27%	29%

## Labour Sending Areas

The number of migrant labourers in Mafube Coal workforce remains at 2.7%. 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:

Country of origin	Province	No of Employees	% Per Area
Zambia		0	0%
Zimbabwe		9	2.7%
South Africa		330	97.3%
	Gauteng	0	0%
	Mpumalanga	330	93%
	Eastern Cape	0	0%
	Kwazulu-Natal	0	0%
	Free State	0	0%
	Limpopo	0	0%
	North-West	0	0%

# PART THREE

## 3. Mine Community Development

### Mine Community Development

As a good corporate citizen and partner of choice, our commitment to sustainable development dictates that while our operations may deplete a natural resource, they should in return provide a combination of improvements for the people living around them.

Mafube Coal is committed to delivering improvements in the social and human capacities of the people who surround our operations, not only to maintain our social license to operate, but to create real opportunities for socio-economic advancement.

#### .1. Socio-economic background information

Mafube Coal operates in the Nkangala District which is one of the three district municipalities forming the Mpumalanga province. These include Nkangala, Ehlanzeni and Gert Sibande.

The Nkangala District Municipality (NDM) comprises an area of approximately 240km<sup>2</sup>, which includes the following municipalities:

- The eMalahleni Local Municipality
- The Steve Tshwete Local Municipality
- The Delmas Local Municipality
- The Emakhazeni Local Municipality
- The Thembisile Hani Local Municipality
- The Dr JS Moroka Local Municipality

Mafube Coal forms part of the Steve Tshwete Local Municipality.

#### 1.1. Socio-economic profile

The Steve Tshwete Local Municipality's main economic activities are manufacturing, mining and agriculture. It is an industrial zone and the undisputed stainless-steel capital of the Southern Hemisphere. Eskom power stations, coal mining and tourism activities also sustain the area.

#### Leading sectors taken from LED Strategy 2015/2020

SECTOR	CONTRIBUTION TO GDP (%)	CONTRIBUTION TO EMPLOYMENT (%)
Agriculture	1.9	3.4
Mining	45.8	20.7
Manufacturing	17.2	6.5
Electricity/utilities	5.2	2.5
Construction	1.8	6.9
Trade	7.1	21.4
Transport	2.8	3.1
Finance	8.7	11.3
Community services	9.5	13.8
Private households	-	10.4

The NDM has a population of about 1.4 million people living in approximately 160 different towns throughout the region. The breakdown is as follows:

#### Population breakdown of NDM

No	Municipality	Population
1	Delmas	4%
2	eMalahleni	35%
3	Dr JS Moroka	20%
4	Emakhazeni	3%
5	Steve Tshwete	15%
6	Thembisile Hani	23%

(Source: NDM: IDP 2009/2010)

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 problems. These include parents spending very little time at home, high accident rates, and significant annual subsidy costs (in excess of R550 million per annum on transport subsidies provided by the district).

The following are the key economic activities in the NDM:

1. Mining
2. Manufacturing
3. Agriculture
4. Electrification/power generation
5. Construction
6. Trade
7. Transport
8. Finance
9. Community services
10. Tourism

The breakdown of employment by area of economic activity in the district is as follows:

- 15,8% in community and social services;
- 13,6% in wholesale and retail;
- 12,9% in mining and quarrying; and
- 12, 7% in private households

#### Most important industries per local municipality in the NDM

No	Municipality	Most important industry	% of GDP
1	Delmas	Agriculture	23
2	eMalahleni	Mining and quarrying	23
3	Dr JS Moroka	Community and social services	30,3
4	Emakhazeni	Agriculture	25,8
5	Steve Tshwete	Mining and quarrying	14,8
		Wholesale	14,1
		Community services	14,3
6	Thembisile Hani	Private households	22,6

(Source: NDM: IDP 2017/18-2021/2022)

### 3.2. Negative Impact of the mining operation

Possible Negative Impact	Yes	No	If Yes, how will you address it?
Relocation of people	X		Resettlement of homesteads to their preferred location. Construction of houses including compensation according to the International Finance Corporation (IFC) Performance Standard.
Exhumation of graves	X		Re-interment to be conducted in consultation with affected families. The process will be conducted according to social norms and cultural values and adequate time will be invested in the process.
Influx of people	X		Partner with Local and District Municipality on their RDP administration programme to dealing with influx issues within the Municipality.
Loss of employment in the farming community	X		SMME Development and preferential employment in non-specialised fields.

### 3.3. Provide Needs of the area in order of priority

General	Specific	Type of Need	Municipality
Health	Clinic	Health facilities	Steve Tshwete Local Municipality
Social	Cemetery	Social Facilities	Steve Tshwete Local Municipality
Employment	Preferential employment and SMME development	Income generation	Steve Tshwete Local Municipality

### 3.4. Stakeholder consultation and involvement

Mafube Coal has established an Engagement Forum that awards stakeholders an opportunity to raise issues related to Socio-Economic impacts due to mining operations. Issues that cannot be addressed are carefully documented and investigated before the relevant action is taken. There are follow-up meetings with the party or parties concerned to ensure that the matter has been adequately dealt with. Issues usually dealt with include, among others, blast monitoring and reporting, issues surrounding local employment, local procurement, and skills development.

Mafube participates in Steve Tshwete Local Municipality's Local Economic Development and Integrated Development Plan meetings and Quarterly Future Forum meetings. We believe that this is vital to ensuring an immediate buy-in of our major projects, which must be aligned to the needs of both the local authority and the community.

### 3.5. Local economic development projects

Mafube Coal committed to three major community development projects in its Social and Labour Plan. Annexure A provides the endorsement letter from STLM for the below projects.

#### Project 1: Development of a Cemetery at Sikhululiwe Village

Development of a Cemetery at Sikhululiwe Village				Infrastructure			
<b>Project Description:</b> Development of a cemetery at Sikhululiwe Village as per report 20374-REP-006 (Engineering Services Report: in support of the proposed Mafube Cemetery Steve Tshwete Local Municipality Mpumalanga Province) 20 September 2016.							
<b>Geographical Location of Project</b>	<b>Nkangala District Municipality</b>	<b>Steve Tshwete Local Municipality</b>	<b>Sikhululiwe Village</b>	<b>Project Start Date:</b> January 2019		<b>Project End date:</b> December 2023	
<b>Output</b>	Suitable land identified for the Cemetery.	Specialist Studies and Environmental Impact Assessment.  Fully Functioning Cemetery at the Village	Mafube Coal, Steve Tshwete Local Municipality, Department of Social Services. Department of Home affairs	<b>Q1</b>  <b>2019</b>	<b>Q4</b>  <b>2020</b>	<b>Q4</b>  <b>2023</b>	<b>Budget:</b>  <b>R15 000 000</b>
<b>Classification of jobs</b>	<b>No. of jobs created</b>	<b>Male Adults</b>	<b>Female Adults</b>	<b>Male Youth</b>	<b>Female Youth</b>	<b>Total</b>	<b>Comment</b>
<b>Short term</b>	15	5	5	2	3	15	
<b>Medium term</b>	0	0	0	0	0	0	
<b>Long term</b>	0	5	5	0	0	10	
<b>Completion date and exit strategy:</b> Project will be completed in year 5 and handed over to the local municipality for sustainability.							

#### Project 2: Supply and install Clinic equipment at the Sikhululiwe Village Clinic

Supply and Install Equipment at the Sikhululiwe Village Clinic				Health			
<b>Project Description:</b> Contributing towards the establishment of the Sikhululiwe Village Clinic by Supplying and Installing equipment for a Type II – 8 hour Clinic.							
<b>Geographical Location of Project</b>	<b>Nkangala District Municipality</b>	<b>Steve Tshwete Local Municipality</b>	<b>Sikhululiwe Village</b>	<b>Project Start Date:</b> January 2019		<b>Project End date:</b> December 2020	
<b>Output</b>	Required Equipment for the Clinic.	Fully Equipped Clinic.	Mafube, Steve Tshwete Local Municipality, Department of Health Nkangala	<b>Q1</b>  <b>2019</b>	<b>Q4</b>  <b>2019</b>	<b>Q4</b>  <b>2020</b>	<b>Budget: R1</b>  <b>500 000</b>
<b>Classification of jobs</b>	<b>No. of jobs created</b>	<b>Male Adults</b>	<b>Female Adults</b>	<b>Male Youth</b>	<b>Female Youth</b>	<b>Total</b>	<b>Comments</b>
<b>Short term</b>	0	0	0	0	0	0	
<b>Medium term</b>	0	0	0	0	0	0	
<b>Long term</b>	27	10	10	4	3	27	
<b>Completion date and exit strategy:</b> Project to be completed in year 2. The facility will be handed over to the Department of Health in 2019 and the equipment will be handed over in 2020 for sustainability purposes.							



**Project 3: Purchase an Ambulance for the Department of Health Nkangala District.**

<b>Purchase an Ambulance for the Department of Health Nkangala District</b>					<b>Health</b>		
<b>Project Description:</b> Purchasing a general/operational ambulance, to operate as an Obstetric ambulance.							
<b>Geographical Location of Project</b>	<b>Nkangala District Municipality</b>	<b>Steve Tshwete Local Municipality</b>	<b>Sikhululiwe Village</b>	<b>Project Start Date:</b> January 2019		<b>Project End date:</b> December 2019	
<b>Output</b>	Identify the Required ambulance for the Municipality.	Ambulance serving the community of Steve Tshwete Local Municipality.	Mafube, Steve Tshwete Local Municipality, Department of Health Nkangala.	<b>Q1</b> <b>2019</b>	<b>Q4</b> <b>2019</b>	<b>Q4</b> <b>2019</b>	<b>Budget:</b> <b>R500 000</b>
<b>Classification of jobs</b>	<b>No. of jobs created</b>	<b>Male Adults</b>	<b>Female Adults</b>	<b>Male Youth</b>	<b>Female Youth</b>	<b>Total</b>	<b>Comment</b>
<b>Short term</b>	0	0	0	0	0	0	
<b>Medium term</b>	0	0	0	0	0	0	
<b>Long term</b>	0	0	0	0	0	0	
<b>Completion date and exit strategy:</b> The project will be completed in year 1 and handed over to the local Department of Health: Nkangala District for sustainability.							

**Financial Breakdown for LED Projects:**

<b>Project</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Cemetery Development	R0	R0	R5 000 000	R5 000 000	R5 000 000	<b>R15 000 000</b>
Supply and install Clinic equipment at Sikhululiwe Clinic	R 500 000	R1 000 000	R0	R0	R0	<b>R1 500 000</b>
Purchase an Ambulance for the Department of Health Nkangala District	R 500 000	R0	R0	R0	R0	<b>R 500 000</b>
<b>Total</b>	<b>R1 000 000</b>	<b>R1 000 000</b>	<b>R5 000 000</b>	<b>R5 000 000</b>	<b>R5 000 000</b>	<b>R17 000 000</b>

**3.6. Measure to address housing and living conditions****3.6.1. Preferred requirements to address housing:**

Mafube Coal continues to offer a market-related housing allowance to all its employees in order to encourage home ownership and enable employees to buy their own properties in developed areas. The adjusted allowances were determined against national property market price indices for entry- level to middle- and higher-income level housing to ensure that all employees are able to afford houses within these price ranges.

No employees at Mafube Coal reside in hostel accommodation. All employees receive a housing allowance and provide for their own accommodation.

**Steve Tshwete Local Municipal strategy to address housing**

In 2016 the population of Steve Tshwete Local Municipality was sitting at 278 749 and is projected to grow to an estimated 410 000 by 2030. This translates into an additional estimated 60 000 households. A large portion of the population (40%) is in the 20-39 age category which indicates a young working age population presenting an opportunity to grow the economy or a huge social challenge if job prospects are constrained.

There is mushrooming of informal settlements in areas close to work opportunities due to insufficient serviced land that is being made available for housing. Municipal owned land is insufficient to meet demand for proclaimed and serviced land. The municipality with provincial human settlements department has purchased 557 Ha of land recently with 6 000 housing opportunities.

**Mafube Coal Housing and living conditions plan over a five-year period**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
		<b>25%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>
Home Ownership	50%	62,50%	75%	100%	100%
Family units	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Other	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

**Occupancy rate**

<b>Occupancy Rate</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Target 2011-2014	25%	40%	50%	75%	100%
Home ownership	100%	100%	100%	100%	100%
Rent to buy	0%	0%	0%	0%	0%

**Mafube Coal Housing and Living Conditions Plan**

The Mineral and Petroleum Resources Development Act, 2002 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 where Mafube 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.

**3.7. Procurement Progression**

The tables below detail the procurement progression as at December 2018.

**Top 20 Capital Spend**

<b>SUPPLIER NAME</b>	<b>HDSA (%)</b>	<b>SUPPLIER ADDRESS</b>	<b>CAPITAL SPEND %</b>
KOMATSU SOUTHERN AFRICA (PTY) LTD	25%	WITBANK	40%
JEDD CIVILS PTY LTD	51%	FARMALL	9%
FLSMIDTH SOUTH AFRICA	25%	ROODEPOORT	7%
PROXA SA (PTY) LTD	0%	RIVONIA	7%
BARLOWS EQUIPMENT CO.	0%	KEMPTON PARK	5%
SIEMENS LIMITED 4790104428	60%	ISANDO	3%
REID & MITCHELL (PTY) LTD.	52%	BENONI SOUTH	2%
MECOPOL CONSTRUCTION	26%	GLEN MARAIS	2%
FLSMIDTH SA PTY LTD TA FLSMIDTH	25%	ROODEPOORT	2%
VENN & MILFORD (HOUGHTON)	51%	HOUGHTON	2%

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REID & MITCHELL DIV OF ACTOM	52%	BENONI	1%
HITACHI CONSTRUCTION MACHINERY	26%	MIDDELBURG	1%
KEELEY GRANITE PTY LTD TA	15%	BRITS	1%
BARLOWORLD EQUIPMENT DIV BARLOWO	52%	MIDDELBURG	1%
SUPER GROUP TRADING T/A SUPER RE	42%	SANDTON	1%
SMEI PROJECTS NEWCO PTY LTD	25%	WADEVILLE	1%
ZEST WEG ELECTRIC	52%	SANDTON	1%
J EN L LININGS (PTY) LTD	51%	MIDDELBURG	1%
SEMANE ENGINEERING SOLUTIONS	39%	PARKTOWN	1%
HYDROMULCH PTY LTD	51%	ELANDSFONTEIN	1%

### Top 20 Consumable Spend

SUPPLIER NAME	HDSA (%)	SUPPLIER ADDRESS	CONSUMABLES SPEND (%)
TOTAL SOUTH AFRICA	52%	ROSEBANK	47%
AFRICAN EXPLOSIVES LIMITED	56%	MODDERFONTEIN	7%
KOMATSU SOUTHERN AFRICA (PTY) LTD	25%	WITBANK	7%
HITACHI CONSTRUCTION MACHINERY	26%	MIDDELBURG	5%
FLSMIDTH SA PTY LTD TA FLSMIDTH	25%	ROODEPOORT	5%
BARLOWORLD EQUIPMENT DIV BARLOWO	52%	MIDDELBURG	3%
STURROCK AND ROBSON INDUSTRIES	0%	GERMISTON	2%
BARLOWORLD TOYOTA WITBANK	55%	WITBANK	1%
ASTRON ENERGY SOUTH AFRICA	27%	CAPE TOWN	1%
FLSMIDTH SA PTY LTD AGENT KREBS	25%	ROODEPOORT	1%
NJR ENTERPRISE	100%	MIDDELBURG	1%
DUNLOP INDUS.PROD. PTY LTD TA	52%	NESTADT	1%
ZINDOGA TRADING AND PROJECTS	0%	MIDDELBURG	1%
RIPINDA COMMUNICATIONS SYSTEMS	100%	LOMBARDY EST JHB	1%
A.S.K. CATERING SUPPLIES CC	100%	LESLIE	1%
ANZER PROJECTS CC 4740201829	56%	WITBANK	0%
GOOD FUTURE TRADING & PROJECTS	100%	WITBANK	0%
EPIROC SOUTH AFRICA	26%	BOKSBURG	0%
BEARING MAN GROUP PTY LTD	30%	WITBANK	0%
MAXIPREST TYRES PTY LTD TA MAX T	19%	WITBANK	0%

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### Top 20 Services Spend

SUPPLIER NAME	HDSA (%)	SUPPLIER ADDRESS	SERVICES SPEND %
INAYO MINING	51%	WITBANK	16%
TORNOWIZE (PTY) LTD	100%	RIVER CRESCENT	13%
ANDRU MINING (PTY.) LIMITED	54%	FARREMERE	9%
BARLOWORLD EQUIPMENT DIV BARLOWO	52%	MIDDELBURG	7%
KOMATSU SOUTHERN AFRICA (PTY) LT	25%	WITBANK	4%
HITACHI CONSTRUCTION MACHINERY	26%	MIDDELBURG	3%
SANDVIK MINING SYSTEMS RSA	25%	EAST RAND	3%
MARSH PTY LTD	26%	BENMORW	2%
JEDD CIVILS PTY LTD	51%	FARMALL	2%
BIDVEST PROTEA COIN PTY LTD	35%	HIGHVELD	2%
SOKOMA TRANSPORT AND PROJECTS CC	100%	MIDDELBURG	2%
AFRICAN EXPLOSIVES LIMITED	56%	MODDERFONTEIN	2%
STREWED BUILDING CONSTRUCTION	0%	EMALAHLENI	2%
FLSMIDTH SA PTY LTD TA FLSMIDTH	25%	ROODEPOORT	1%
PREPQUIP (PTY) LTD	0%		1%
KUTLOANO-NGWANO CONSTRUCTION	100%	MIDDELBURG	1%
GUNDO INVESTMENT PROJECTS (PTY)	0%	MIDDLEBURG	1%
MULTOTEC MANUFACTURING (PTY) LTD	26%	KEMPTON PARK	1%
VISTA WA SEROKA TRADING	100%	MIDDELBURG	1%
PROXA SA (PTY) LTD	0%	RIVONIA	1%

# PART FOUR

## 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

Mafube Coal 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 Mafube Coal mining activities that relate to the life extension project, employment, procurement socio-economic development and health and safety.
- Promote ongoing discussions between worker representatives, the Department of Mineral Resources, Nkangala District Municipality and Steve Tshwete 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 losses and a decline in employment

Should prevailing economic conditions and the life of mine come to an end, Mafube Coal 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.

### 4.4. Managing retrenchments

Should Mafube Coal 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

#### **4.6. 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.

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>No. of employees to Downscale</b>	0	0	0	0	0
<b>Budget</b>	R20 000	R20 000	R20 000	R20 000	R20 000

Mafube Coal currently has a life of mine until 2032, with a possible extension into Lifex2. Mafube has not planned any retrenchments or downscaling during the current SLP (2019-2023). Cost allocation is based on the Quarterly Future Forum meetings that will be held.

# PART FIVE

## 5. Financial Provision

### 5.1. Human resources programme

The following represents the financial provision allocated to Mafube Coal's human resources programmes:

#### Financial provision for human resources development

Financial Provision for a 5-year period						
Item	2019	2020	2021	2022	2023	Total
<b>Human Resource Development</b>						
Skills Development Levies	R 4 439 358	R 5 100 000	R 3 566 666	R 1 933 333	R 933 333	<b>R15 972 690</b>
AET	R 0	R 0	R 0	R 150 000	R 150 000	<b>R 300 000</b>
Core Business Training	R 4 518 475	R 4 700 000	R 4 700 000	R 4 700 000	R 4 700 000	<b>R 23 318 415</b>
Learnerships (Internal)	R 1 333 300	R 1 333 300	R 1 333 300	R 1 333 300	R 1 333 300	<b>R 6 666 500</b>
Learnerships (External)	R 666 700	R 666 700	R 666 700	R 666 700	R 666 700	<b>R 3 333 500</b>
Artisan Training	R 6 784	R 9 403	R 98 614	R 1 417 526	R 815 089	<b>R 2 347 416</b>
Bursaries internal (Part time)	R 150 000	R 150 000	R 150 000	R 150 000	R 150 000	<b>R 750 000</b>
Bursaries/Scholarship External	R 880 000	R 880 000	R 880 000	R 880 000	R 880 000	<b>R 4 400 000</b>
FET Scholarship	R 80 000	R 80 000	R 395 084	R 395 084	R 395 084	<b>R1 345 252</b>
Professional in Training	R 1 200 000	R 1 800 000	R 1 800 000	R 1 800 000	R 1 800 000	<b>R8 400 000</b>
External Training Programme	R 800 000	R 800 000	R 800 000	R 800 000	R 800 000	<b>R 4 000 000</b>
<b>Local Economic Development</b>						
Cemetery Development	R0	R0	R5 000 000	R5 000 000	R5 000 000	<b>R15 000 000</b>
Supply and install Clinic equipment at Sikhululiwe Clinic	R 500 000	R 1 000 000	R0	R0	R0	<b>R1 500 000</b>
Purchase an Ambulance for the Department of Health Nkangala District	R 500 000	R0	R0	R0	R0	<b>R 500 000</b>
<b>Management of Downscaling</b>						
Budget of Downscaling	R20 000	R20 000	R20 000	R20 000	R20 000	<b>R100 000</b>
<b>Total Financial Provision</b>						
Total Financial Provision	<b>R 15 094 617</b>	<b>R 16 539 403</b>	<b>R19 410 364</b>	<b>R20 595 943</b>	<b>R18 993 506</b>	<b>R90 633 833</b>



## 5.2. Management of downscaling and retrenchments

The financial provision for management of downscaling and retrenchment is given below:

### Financial provision for management of downscaling and retrenchments

No.	Process	Remarks
1	Consultation with stakeholders	Financial provision will be made available for all the processes involved in managing downscaling and retrenchments.
2	Informing employees of possible retrenchments	
3	Informing other affected parties	
4	Informing outside parties	
5	Assessment and counselling services for affected employees	
6	Self-employment training programmes	
7	Life skills training programmes	
8	Regeneration of local economies	

# PART SIX

## 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 Mafube Coal (Pty) Ltd undertake to adhere to the information, requirements, commitments and conditions as set out in the Social and Labour Plan.

Signed at Mafube Coal on January 2022

*Letlotlo Modise*

03 February 2022 | 11:00 SAST

Letlotlo Modise

**Acting Human Resources Manager**

*Bontle Mfola* 03 February 2022 | 11:04 SAST

Bontle Liza Mfola

**Regional Social Performance Manager**

*Leonore van Wyk*

Leonore van Wyk

**Head of Mineral Property Rights and Permitting**

*Sherperd Nkadimeng*

03 February 2022 | 08:38 SAST

Sherperd Nkadimeng

**General Manager**

# **ANNEXURES:**

## **Annexure A: Letter of support from Steve Tshwete Local Municipality**



Steve Tshwete  
Local Municipality

PO Box 14 | Middelburg | 1050  
Cnr Walter Sisulu Str & Wanderers Ave  
Middelburg | Mpumalanga  
T: +27 (0)13 249 7000 | F: +27 (0)13 243 2550  
council@stlm.gov.za

Your reference: B Mfolo

our reference: 3/2/4/1/7 M Nkosi

Mafube Coal

Sprngboklaagte Farm

**MIDDELBURG**

1050

Attention: Londolani Rampfumedzi

**CONFIRMATION OF SOCIAL AND LABOUR PLAN PROJECTS 2019 - 2023**

Reference is made to the above matter.

The municipality hereby wishes to confirm the Social and Labour Plan projects identified through the community consultative process (IDP) are as follows:

- a) Environment Impact Assessment study for the establishment and development of a cemetery at Sikhululiwe Village (Ward 7).
- b) Expansion of the MPPC through Procurement and installation of clinic equipment at the Sikhululiwe Village clinic.
- c) Procurement and equipping of an ambulance for utilization by the Ward 7 community

It is thus recommended that the project be included in your Social and Labour Plan report for approval by the Department of Mineral Resources.

For any further information, please do not hesitate to contact the undersigned or Michael Nkosi at 013 – 249 7153 or [michaeln@stlm.gov.za](mailto:michaeln@stlm.gov.za)

Yours faithfully

Municipal Manager

Mr Bheki Khenisa

22 January 2019

