



COAL

SOCIAL AND LABOUR PLAN

KRIEL COLLIERY

MINING RIGTING PERIOD:HT MP 30/5/1/2/2 (236) MR

PERIOD: 2014-2018

PART ONE

Preamble

1. Background

About Anglo American Thermal Coal

Anglo American Thermal Coal (referred to in this document as Thermal Coal) is a division of Anglo American plc. We wholly own and operate seven mines and have a 50% interest in Mafube Colliery, which is jointly owned by Exxaro. We also have a 73% interest in Kriel and Zibulo collieries, both Anglo American Inyosi Coal (AAIC) operations.

All our mines, with the exception of one situated in the Free State, are located in the Mpumalanga province. Our mines supply thermal coal to both the export and local markets and metallurgical coal for export.

Our coal is exported via the Richards Bay Coal Terminal in which we have a 27% interest. In addition, our Kriel, New Vaal, New Denmark and Mafube mines supply thermal coal to Eskom, South Africa's state-owned electrical power utility.

Our Isibonelo Colliery produces five million tonnes of coal for Sasol Synthetic Fuels per annum under a 21-year supply contract. We employ a total of 9,300 employees and 7,100 contractors.

About Kriel Colliery

Kriel Colliery is situated in Ga-Nala, a unit of the eMalahleni Local Municipality, in the Nkangala District Municipality of the Mpumalanga province. It is located 160km east of Johannesburg, 45km south of eMalahleni and 30km north of Secunda and Bethal. Ga-Nala, formerly known as Kriel Town, is located about 12km from the colliery, with the Thubelihle township 19km away. Several farming communities are also in close proximity to the mine.

Kriel Colliery forms part of AAIC, an empowered coal company, housing key current and future domestic and export-focussed coal operations.

In terms of an agreement signed on 8 February 2007, Inyosi, a newly-formed broad-based BEE company, acquired 27% of AAIC and created a company valued at R7 billion. This incorporated several key Thermal Coal assets, namely Kriel Colliery, and the projects at Elders, Zondagsfontein, New Largo and Heidelberg. Final transaction documents were signed on 23 November 2007. Zondagsfontein has commenced operations and is now known as Zibulo Colliery.

Inyosi is led by the Lithemba Consortium and Pamodzi Coal, and has a beneficiary base that will benefit in excess of 27,000 individuals, the majority of whom are female Historically Disadvantaged South Africans (HDSAs). Women's Development Bank Investment Holdings is also a shareholder and Inyosi has created an independent broad-based Community Trust that will benefit HDSA communities around AAIC operations.

Kriel Colliery was established by Thermal Coal in 1975, and produces coal for power generation by Eskom's Kriel Power Station. The colliery covers 179km² of land and produces over 10 million tonnes of coal per annum. Its underground operation uses mechanised bord and pillar mining methods and produces five million tonnes per annum.

Its opencast operation makes use of draglines, trucks and shovels to extract 5.5 million tonnes a year, which contributes 55% of the colliery's total production. The mine also manages a mini-pit operation that produces one million tonnes a year. At the end of 2009, the mine had 974 permanent employees

2.3 Compliance with Anglo American Corporate Policy Requirements

Anglo American has a firm commitment to good citizenship, hence ethics being the foundation for the organisation, guiding behaviour of individuals both locally and globally. Anglo American is known for best practice stakeholder engagement.

Anglo American complies with those standards set out by the Department of Minerals (DMR), Mine Health and Safety Act (MHSA) and the Department of Labour (DOL), through these statutes they uphold their company values, show good citizenship to all stakeholders and live up to their commitments of good ethical qualities, thus giving them a good, sustainable reputation and creating a competitive edge which places them one step ahead of their competitors. Anglo American may be described as both ethical and successful in their operations.

2.4 Future Capital Investments and Expansion Plans

Planned future capital investments of the colliery with regards to rising labour costs, the colliery has a process for identifying major factors facing the workplace in the next 5-10 years. The following critical factors have been identified:

- The need for Collective Bargaining i.e. Wage Negotiations
- Improvement of technology – this will assist to reduce raising labour costs
- Training people smarter
- Specialised skills will improve
- Reduce the number of contractors
- Natural Attrition
- Utilising best practices

Future projects are set to take place from 2014 to 2019. In 2014 Block 7 (North West Shaft), 2 mini pits are in the forecast. Pits 5 and 6 will be on a stop between 2015 and 2016, rehabilitation will take place. In addition, Kriel Colliery has a contract to supply coal to Eskom's Kriel Power Station. Kriel Colliery intends on extending their mining operations to meet the Power Station's coal requirements, in so doing, this includes the construction of a Beneficiation Plant (Washing plant) in order to supply coal to the correct quality

2.5 Existing Closure Plans

Kriel Colliery acknowledges the fact that mine closure could have significant social and economic impacts on its employees, this being said, Kriel Colliery will ensure that it leaves a positive environmental, social and economic legacy. As part of sustainable development planning, Anglo American has the SEAT (Socio-Economic Assessment Tool) along with the Anglo Environmental Way.

Community Development abides to its policies and procedures in place for mine closure. A close relationship with stakeholders is maintained and other forums in place to address social and economic impacts on the community. Anglo American strives to be sustainable in the communities in which they operate. Business Integrity is critical success factor in mine closure plans

1.1 The purpose of the SLP

The aims of our Social and Labour Plan are:

- To promote employment and advance the social and economic welfare of those who work for us and to uplift all the stakeholders in 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 they operate, including major labour sending areas.

1.2 Definitions

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

- Thermal Coal includes all employees at head office, technical divisions and mining operations, and is a wholly-owned division of Anglo Operations Limited.
- Thermal Coal operations include all operational and technical personnel, but exclude staff from our head office.
- Kriel Colliery is a specific operational entity and business unit of Anglo American's thermal coal business.

This document follows Regulation 46 of the Regulations of the Mineral and Petroleum Resources Development Act (2002), which outlines the required contents of the Social and Labour Plan. Progress is aligned to the pillars of the Mining Charter.

1.3 Particulars of the holder of mining rights

Name of the company	Anglo American Thermal Coal
Name of the mine	Kriel Colliery
Physical address	Mining and Property Law Department
	First Floor, 45 Main Street
	Johannesburg
	2001
Postal address	Anglo Operations Limited
	PO Box 61587
	Marshalltown
	2107
Telephone number	+27 11 638 3781
Fax number	+27 11 638 4608
Mine address	Kriel Power Station Road
	Farm Driefontein
	Kriel
	Mpumalanga
Mine postal address	PO Box 27
	Kriel
	2271
Telephone number	+27 17 617 1111
Mine fax number	+27 17 617 3910
Location of mine	Kriel Colliery is situated between eMalahleni, Ogies and Bethal in the Mpumalanga province, and forms part of the Witbank Coalfield within the Bethal Magisterial District and the Nkangala District Municipality
Commodity	Coal
Life of mine	19 years, with further opportunities being explored
Breakdown of employees per sending area	See section 2.4.3
Financial year	January to December

PART TWO

Human Resources and Development Programme

2. Human Resources Development Programs

At Thermal Coal our aim is to be an employer of choice for people in the mining industry. As part of our drive to achieve this, we provide world class and sustainable education for employees across our business, while also extending our capacity-building initiatives to members of our host communities.

During 2012, time spent on training across our entire business was the equivalent of 7 days per employee, representing 9% of the company's wage bill.

The safety of our employees is our number one priority. To ensure that we reach our goal of Zero Harm, much of our focus was placed on safety risk management training across the organisation.

This section of the report highlights the progress that Kriel Colliery has made against the targets set in its Social and Labour Plan for:

- The Skills Development Plan
- Career progression and planning
- Mentorship plans
- The internship and bursary plan
- The employment equity plan
- Plans to meet the Mining Charter requirements

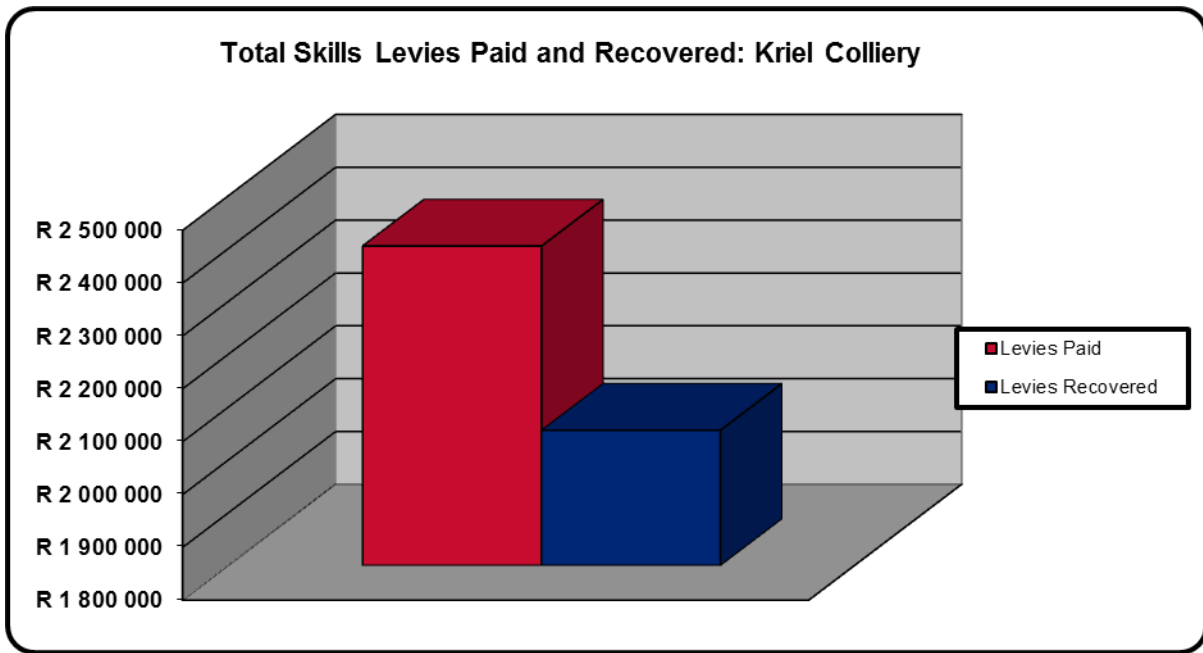
2.1 Skills Development Plan

Kriel Colliery has a fully-equipped training centre which holds ISO 9001:2000 certification and training provider status from the Mining Qualifications Authority (MQA). As per SETA requirements, it submits a Workplace Skills Plan and Annual Training Report to the MQA every year. Both were accepted during 2012. The payment of levies and the claiming of grants are conducted in accordance with the provisions of the MQA.

Kriel Colliery's Levy number is **L930713955**

2.1.1 Skills Development Facilitator

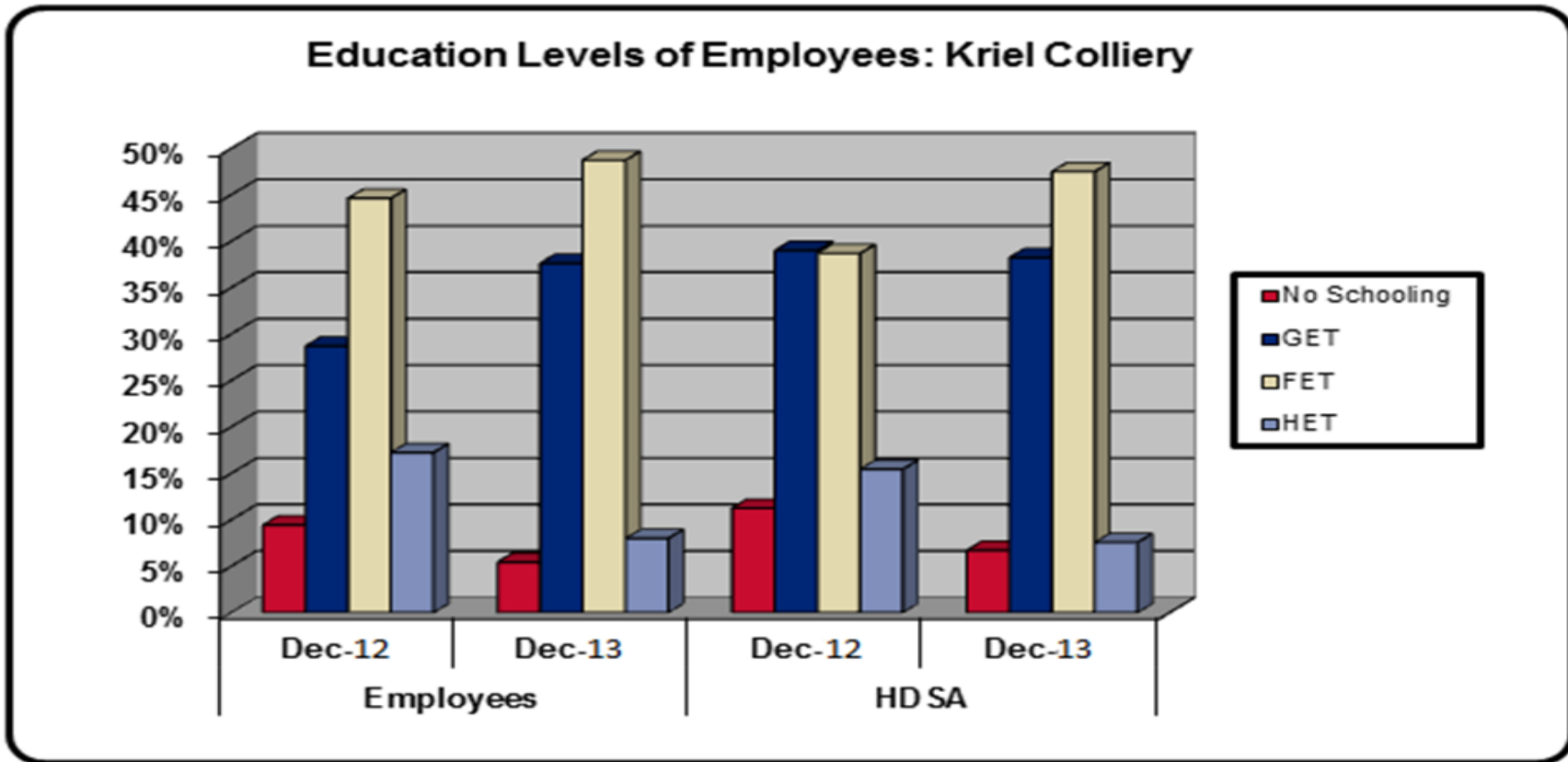
Our mine has two dedicated skills development facilitators, Steve Clarke and Timothy Nkuna. The latter is an executive member of the National Union of Mineworkers Branch Committee. They are responsible for co-ordinating the compilation of the Workplace Skills Plan and Annual Training Report in consultation with Kriel Colliery's joint employment equity and skills development committees. The committee meets at least every two months to discuss compliance, current training programmes, skills development planning and operational requirements. The committee includes management, union representatives and employees from various disciplines.

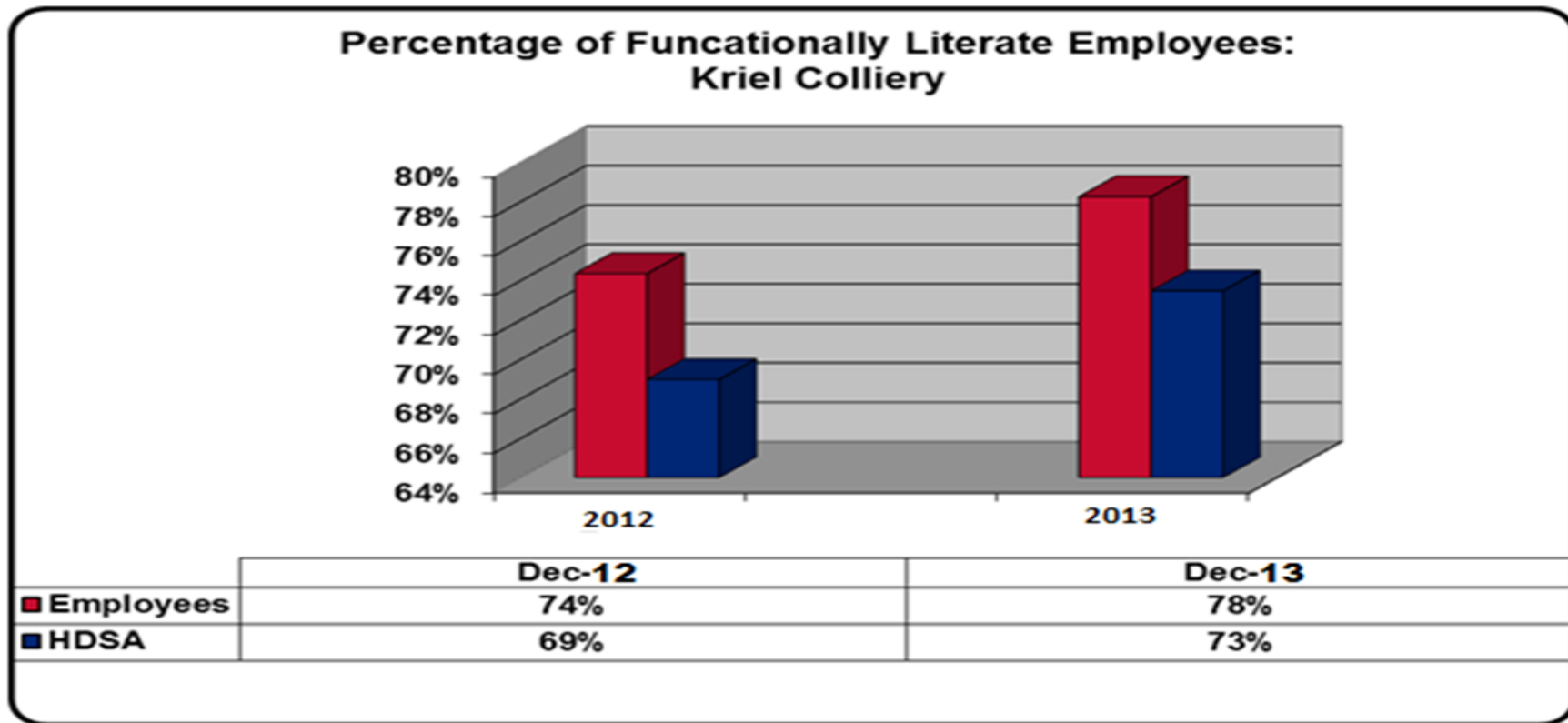


2.1.2 Number and education levels of employees

Table 2.1 Number and education levels of employees: Kriel Colliery (2014)

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	40	0	0	0	7	0	0	0	40	7
		Grade 0 / Pre	20	0	0	0	0	0	0	0	20	0
		Grade 1 / Sub A	30	0	0	0	1	0	0	0	30	1
		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	35	0	0	0	0	0	0	0	35	0
		Grade 5 / Std 3 / ABET 2	34	0	0	0	3	0	0	0	34	3
		Grade 6 / Std 4	15	0	0	0	1	0	0	0	15	1
		Grade 7 / Std 5 / ABET 3	13	0	0	1	1	0	0	0	14	1
		Grade 8 / Std 6	35	0	2	27	2	0	0	1	64	3
		Grade 9 / Std 7 / ABET 4	40	17	1	29	17	0	0	87	17	
Further Education and Training (FET)	2	Grade 10 / Std 8 / N1	35	0	2	27	2	0	0	1	64	3
	3	Grade 11 / Std 9 / N2	62	0	0	29	21	0	0	0	91	21
	4	Grade 12 / Std 10 / N3	160	0	0	32	40	1	1	7	192	49
Higher Education and Training (HET)	5	Diplomas / Certificates	17	0	0	8	10	0	0	5	25	15
	6	First degrees / higher diplomas	11	0	0	6	4	0	0	3	17	7
	7	Honours / Master's degrees	2	0	0	2	1	0	0	0	4	1
	8	Doctorates		0	0	0	0	0	0	0	0	0
TOTAL			549	17	5	161	110	1	1	17	732	129
											861	





2.1.3 Adult-based education and training (ABET)

We have a fully-functional ABET centre on mine property. This is open to employees, their dependents and members of the surrounding community and courses are funded by the colliery. Unfortunately, employee attendance is not as high as we would like. Investigations show that social issues and fatigue play a role in this. In addition, employees say that they do not attend classes as there is not enough time to prepare meals before and after work. They also believe that it is too challenging to work shifts and study.

To overcome these barriers, we present classes at times that are convenient to shift workers, and provide food after classes. Classrooms are modern and conducive to learning and we have graduation ceremonies at the end of each year to inspire greater numbers of employees to participate. Twenty-one community members participated in ABET in 2012. We believe that the ABET targets set in our Social and Labour Plan cannot be achieved and have therefore set more achievable targets in this area.

Table 2. 4 ABET Targets

LEVEL	2014	2015	2016	2017	2018
1	3	3	3	3	3
2	3	3	3	3	3
3	3	3	3	3	3
4	12	7	6	6	5
TOTAL	21	16	15	15	14

2.1.4 Non-mining skills programmes

During 2011 a total of 254 community members, 61 dependants and 29 employees received training at our computer centre. The following gives a reflection on non-mining skills training for employees.

Table 2.5 Target on non-mining skills training: 2014 – 2018

Discipline	Target	Target	Target	Target	Target
	2014	2015	2016	2017	2018
Basic welding	3	3	3	4	3
Bricklaying	2	2	2	3	2
Carpentry	3	3	3	4	3
Computer training	20	20	20	20	20
Financial skills	50	50	50	50	50
TOTAL	78	78	78	81	78

2.1.5 Learnerships and other training plans

Learnerships and training programmes ensure capacity for the future of the mining industry and the country as a whole. Kriel Colliery uses the Anglo American ratio of 3.5 artisans to 1 learner, and employees (18.1 learner) will have the opportunity to have a career development pathway from operator to artisan, increasing their skills and quality of life. It is also in our interest to employ 18.2 learners from the surrounding communities to ensure that opportunities are also given them.

Table 2.6 Learnerships and other training plans

YEAR	Discipline	Target 2014	Target 2015	Target 2016	Target 2017	Target 2018
	Electrician	15	15	15	15	15
	Fitter	14	14	14	14	14
	Boilermaker	3	3	3	3	3
	Diesel mechanic	7	7	7	7	7
	Mechanicians	2	2	2	2	2
	Rigger	3	3	3	3	3
	TOTAL	44	44	44	44	44

2.1.6 Skills programmes

Skills programmes provide employees with the technical skills needed to meet operational requirements and their own goals for personal development and growth.

Table 2.7 Skills programmes for Kriel employees: 2014 – 2018

YEAR	Discipline	Target 2014	Target 2015	Target 2016	Target 2017	Target 2018
2012	Competent person A	245	20	20	20	20
	Competent person B	25	25	20	20	20
	Machine Licenses	250	200	100	100	80
	TOTAL	520	245	140	140	120

2.1.7 Hard to fill vacancies

At Thermal Coal, we have initiated a number of capacity-building initiatives to become self-sufficient in the supply of labour. One of these initiatives is the existence of an in-house bursary scheme. In 2009, this included 166 group vacation students, 135 trainees and eight technikon students who were employed as part of the Joint Initiative for Priority Skills Acquisition (JIPSA). In addition, we had 321 learners in the system. We continuously 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.

The following positions are regarded as hard to fill within Thermal Coal:

- Geologists
- Electrical engineers
- Mechanical engineers
- Mining engineers
- Surveyors
- Metallurgists
- Tradesmen

Hard to fill vacancies are addressed through bursary allocation programmes, study assistance schemes and the provision of learnerships and skills programmes. Employees are encouraged to study in fields where there is a scarcity of skills. Kriel Colliery experienced no hard to fill vacancies during the reporting period.

2.1.8 Role and activities of the MQA

Thermal Coal works with the MQA to identify scarce skills and develop unit standards and qualifications to address these. The MQA offers bursaries to students mainly on the scarce skills identified in the sector skills plan and offers practical training in these areas.

2.2 Career progression and mentorship

2.2.1 Career development planning

At Thermal Coal, we continuously look for opportunities to further enhance our career development planning processes for employees. We strive to have generic career paths for all disciplines and work with individuals to develop a customised career path that will be most suitable for them. This is an ongoing initiative, which we continue to refine. The company has also developed, implemented and communicated role profiles to all employees in Band 6 and above. In addition, we have extended role profiles to all our Professionals in Training (graduates who have just completed their academic studies) in Band 7.

This enables members of our workforce to manage their careers more effectively and to pursue specific career opportunities, not only within Thermal Coal, but within the Anglo American Group.

2.2.2 Coaching and mentoring for employees

As per the Mining Charter's requirements, we have investigated further opportunities to enhance our mentorship programme. A refresher programme will allow for the better matching and closer monitoring of mentor-mentee relationships. We also provide employees with the opportunity to be mentored as part of the talent management and personal development planning process. We specifically focus on HDSAs, with emphasis on the development of women.

Employees are afforded the opportunity to participate in mentoring relationships with an individual they feel could add value to their growth and development. This occurs particularly at the following levels:

- All graduates brought into the organisation are assigned 'buddy' and technical mentors who provide support and guidance in the early stages of their careers
- Middle to senior management – aimed at employees in Bands 5 and 6
- Senior leadership – aimed at Band 4 and above
- Executive leadership – aimed at members of the mine executive committee

The effectiveness of the mentoring relationship is monitored through our career development plans. We also use external coaches who are contracted to provide support and guidance to employees at different levels of the organisation.

Emphasis is placed on developing and coaching senior-skilled employees to progress to first-line supervisors. The focus is specifically on HDSA employees and seeks to ensure that we prepare sufficient numbers of future leaders for the demands created by the growth of our company.

Coaching and mentorship development checklist

Item	Yes	No
Annual identification of coaching and mentoring requirements is aligned to career paths	X	
Appropriate guidelines are in place to administer the coaching and mentoring process	X	
A formal system is in place to monitor, evaluate and improve the coaching and mentoring process	X	
The provision of external coaching and mentoring	X	
A diverse group of trained coaches and mentors is in place	X	

2.2.3 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. Talent management is a continuous process and does not solely rely on recruitment but focuses strongly on retention and development. Our goal is to become the employer of choice and thus we focus on appreciating each individual and keeping them by winning over their hearts and minds.

The People Development Way

We have refreshed our existing WiWTTSiA framework to create one common global capability framework called the People Development Way. This sets out the behavioural attributes, knowledge, skills, experience and potential required to succeed as a company and as individuals. This framework and our new interactive development portal will provide employees with the tools and information needed to help them take ownership of their career development.

2.2.4 Scholarships, bursaries and internships

In living up to the Mining Charter's objective to address the skills gaps in the industry by working with a number of stakeholders. Activities in this area include:

- Regular interaction with statutory bodies such as the MQA on the formulation of skills development strategies. This includes the conducting of annual skills audits.

- Working closely with educational authorities and providing scholarships and bursaries to promote mining as a career option.
- We also provide resources to improve the level of education in maths and science which will increase the number of learners who will be able to study further in professions related to the mining industry.
- We actively promote mining as an exciting career opportunity by hosting career exhibitions, school visits and participating in initiatives such as the annual Take a Girl Child to Work Day.
- On an internal level, we provide skills training opportunities so that employees can improve their income-earning capacity after mine closure.

Bursaries and internships

At Thermal Coal, we have a well-established bursary scheme which aims to develop suitable students who – once they have completed their studies – are afforded professional career opportunities within our organisation.

We aim to attract bursars in the areas that surround our operations and have launched a number of drives to improve marks in maths and science among local learners for this reason. In addition, the scheme is open to the general public as well as the children and relatives of employees. We award bursaries to those interested in studying the following disciplines:

- Geology
- Metallurgical and chemical engineering
- Electrical and mechanical engineering
- Mining engineering
- Mine surveying
- Industrial engineering
- Rock engineering
- Environmental management
- Finance and accounting

We offer experiential learning to a number of students, which not only affords them an opportunity to complete the practical component of their studies but provides Thermal Coal with a pipeline of students who could be offered bursaries and ultimately permanent employment within the company. The adopted approach is to offer experiential learning to at least 40 learners per annum.

Table 2.8 Professionals in training for Thermal Coal

Discipline	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	% HDSA as of current month actual	Budget	Budget	Budget	Budget	Budget
	2010	2010	2011	2011	2012	February	2013	February		2014	2015	2016	2017	2018
Mining	22	33	24	39	28	39	32	29	90%	26	33	33	43	39
Engineering	43	61	30	64	34	64	33	39	92%	28	34	29	32	32
Industrial engineering	5	6	6	7	7	7	5	4	80%	6	5	4	5	4
Rock engineering	2	2	2	2	2	2	2	3	100%	3	2	2	2	2
Geology	6	10	13	16	11	16	16	16	69%	15	10	12	14	11
Metallurgy	10	15	7	18	7	12	12	9	78%	15	10	6	8	7
VOHE	3	6	4	6	5	6	5	7	71%	6	4	4	4	4
Environmental	4	4	5	4	5	4	8	5	80%	8	4	4	4	4
Human resources	4	5	5	4	5	4	6	5	100%	4	3	2	2	2
Commerce (finance and payroll)	8	12	11	12	6	12	5	3	100%	5	6	8	5	0
Survey	3	2	4	3	3	3	5	2	100%	3	2	3	2	1
Safety	5	3	6	3	5	3	5	5	80%	4	4	4	4	4
TOTAL: ALL	115	159	117	178	118	172	134	127		123	117	111	125	110

Table 2.9 University of Technology bursars for Thermal Coal

Discipline	Budget	Actual	Budget	Actual	Budget	February 2011 Actual	Budget	Actual	% HDSA as of current month actual
	2010	2010	2011	2011	2012		2013	2013	
Mining	20	14	16	10	16	9	17	12	100%
Metallurgy	4	2	4	0	5	0	4	1	100%
Engineering	7	2	7	4	5	4	6	0	0%
Geology	2	2	4	2	4	2	2	0	0%
Survey	3	6	2	1	3	1	3	3	100%
Technicians	9	12	9	5	7	5	6	3	100%
TOTAL	45	38	42	22	40	21	38	19	

Table 2.10 University of Science bursars for Thermal Coal

Discipline	Budget	Actual	Budget	Actual	Budget	Actual 2012	Budget	Actual 2013	% HDSA as of current month actual
	2010	2010	2011	2011	2012	February	2013	February	
Mining	36	36	31	31	34	31	33	33	84%
Commerce	13	13	14	15	16	15	15	15	93%
Electrical Engineering	20	20	13	13	10	13	14	10	90%
Mechanical Engineering	22	22	18	19	22	19	23	23	74%
Geology	22	22	17	18	18	18	19	19	68%
Rock Engineering	0	0	0	0	2	0	0	0	0%
Metallurgy	18	18	21	21	19	21	23	21	86%
Industrial Engineering	6	6	7	7	10	7	11	11	82%
TOTAL	137	137	90	124	97	124	138	132	

Bursar Training Programmes

Thermal Coal has well-established training and development programmes for all graduates in the different disciplines. These are reviewed on an annual basis and are updated where necessary. Programmes allow for continuous monitoring and evaluation to ensure that our trainees get the best exposure available. The company encourages trainees to take ownership of their development and has processes in place to allow for further studies where required.

Table 2.11 Internships and bursaries to be awarded by Thermal Coal (five-year plan)

FIELD OF STUDY	2014	2015	2016	2017	2018
University of Science					
Mining engineering	36	40	49	41	50
Mechanical engineering	21	24	20	26	21
Electrical engineering	10	13	18	17	17
Metallurgy	14	20	23	19	20
Geology	20	21	22	15	20
Commerce	13	15	17	12	13
Other (Industrial engineering, environmental)	15	22	26	24	23
TOTAL	129	155	175	154	164
University of Technology					
Mining	9	9	13	21	23
Engineering	4	6	16	16	18
Metallurgy	2	2	2	2	2
Survey	2	5	6	6	7
Geology	2	2	2	2	2
Technicians	3	3	3	3	3
TOTAL	22	27	42	50	55

In-House Study Assistance Programme: Kriel Colliery				
Mining	1	1	1	1
Engineering	2	2	2	1
Metallurgy	1	0	0	0
Human resources	1	0	1	1
Finance	1	2	1	1
VOHE - environment	2	2	1	0
Safety	2	1	2	1
Security	2	1	1	0
Survey	1	1	1	0
TOTAL	13	10	10	5

Budget provision

Budget provision for the company's bursary and internship schemes is managed centrally. The budget is drawn up and approved on an annual basis, specifically to address the educational needs of the organisation.

2.3 Employment Equity

One of our greatest assets is the diversity of our people and we pride ourselves for having moved beyond compliance over the past couple of years . At the end of 2012, 71% of our management was made up of HDSAs, well beyond the Mining Charter's requirement of 40%. We have an excellent pipeline of talent and continuously focus on ways of improving our performance in this area.

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. At the end of 2012, women accounted for 16% of our total workforce and 14% of management. A number of initiatives are in place to increase the number of women in mining and to address their particular needs, including the physical aspects and health

7. Table 2.14 Employment equity statistics for Kriel Colliery (Q1, 2014)

Occupational Levels	MALE				FEMALE				TOTAL		DISABLED		HDSA
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	Male	Female	HDSA (%)
Top management	0	0	0	0	0	0	0	0	0	0	0	0	NA
Senior management	4	0	0	1	1	0	0	0	5	1	0	0	83.33%
Professionally qualified and experienced specialists and mid-management	22	0	0	21	5	0	0	3	43	8	0	0	58.82%
Technical and academically qualified workers, junior management, supervisors, foreman and superintendents	141	0	3	73	31	0	0	2	217	33	0	0	70.80%
Semi-skilled and discretionary decision-making	51	0	0	5	10	2	1	12	56	25	0	0	93.83
Unskilled and defined decision-making	394	1	0	7	89	0	0	1	402	90	1	0	98.58%
	612	1	3	107	136	2	1	18	723	157	1	0	87.84
Non-permanent employees	1	0	0	3	0	0	0	1	4	1	0	0	40.%
	613	1	3	110	136	2	1	19	727	158	1	0	87.57%
									885				

8. Table 2.7.2 Employment equity targets

Occupational Levels	2014	Minimum Progress to be achieved	2015	Minimum Progress to be achieved	2016	Minimum Progress to be achieved	2017
Executive Management	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Senior Management	42%	30%	55%	30%	55%	30%	55%
Middle Management	59%	30%	70%	30%	70%	30%	70%
Junior Management	62%	40%	70%	40%	70%	40%	70%
Core Skills	96%	40%	100%	40%	100%	40%	100%

PART THREE

Local Economic Development Programme

3. Social and Economic Background

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

Thermal Coal operates mainly in three municipal districts, namely Nkangala, Gert Sibande and Fezile Dabi. Nooigedacht, along with Landau, Kleinkopje, Goedehoop and Kriel collieries, is situated in the Emalahleni Local Municipality. Emalahleni Local Municipality is located within the Mpumalanga Province and is situated in the jurisdictional area of the Nkangala District Municipality. The district is located to the North-West of the province and is the smallest district in land mass (21%) and has the second largest population concentration (35%) in the province. The Nkangala District Municipality (NDM) comprises an area of approximately 240km² 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

3.1. Socio-Economic Profile

Population size and growth

DEMOGRAPHIC INDICATORS	Stats SA Census 2001	Stats SA Census 2011	Share of Nkangala's figure 2011	Share of Mpumalanga's figure 2011	Ranking: highest (1) – lowest (18)
Population number	276 413	395 466	30.2%	9.8%	3
Number of households	82 298	119 874	33.6%	11.1%	3
Area size (km ²)		2 677.67	16.0%	3.5%	13
Population per km ²		163			

Source: Census South Africa 2011

- According to Stats SA (2011 Census) 395 466 people were recorded in 2011 – 30.2% of Nkangala's population.
- Population grew by 43.1% between 2001 & 2011 while annualized population growth rate was measured at 3.6%.
- 81.3% Africans, 15.7% Whites, 1.7% Coloured, 0.9% Asians and other 0.3%.
- Youth up to 34 years – 65.6% of Emalahleni's population.
- Number of households 119 874 (3.3 people per household) – 33.6% of Nkangala's households.

(See attached IDP and LED Strategies for ELM's baseline data)

Economic Indicators

Contribution by Local Municipal Areas to Nkangala's industries (GVA constant 2005 prices)

INDUSTRY	Victor Khanye	Emalahleni	Steve Tshwete	Emakhazeni	Thembisile Hani	Dr JS	Nkangala
Agriculture	30.8%	13.0%	42.8%	6.8%	2.0%	4.6%	100.0%
Mining	2.4%	52.8%	40.6%	3.3%	0.8%	0.0%	100.0%
Manufacturing	1.4%	19.0%	74.9%	1.7%	2.4%	0.6%	100.0%
Utilities	0.3%	74.1%	20.9%	1.2%	1.9%	1.7%	100.0%
Construction	4.4%	52.5%	27.7%	3.9%	6.7%	4.8%	100.0%
Trade	5.8%	46.1%	26.0%	3.2%	14.7%	4.3%	100.0%
Transport	8.5%	48.3%	25.9%	9.9%	4.8%	2.6%	100.0%
Finance	5.1%	48.9%	39.6%	2.3%	2.3%	1.9%	100.0%
Community services	6.6%	34.5%	26.1%	3.6%	14.9%	14.3%	100.0%
Total	4.5%	45.2%	38.7%	3.5%	4.9%	3.2%	100.0%

- Contribution to Nkangala economy 45.2% - largest of the 6 municipal areas.
- Dominant contributions especially in utilities (74.1%), mining (52.8%) and construction (52.5%), to relevant district industries.
- Leading industries in terms of % contribution to Emalahleni economy – mining (52,8%), finance (48,9.2%) and utilities (74,1%).
- Increasing role/share of finance & transport and decreasing role/share of mining (but still more than one-third of the local economy).

3.2. Key Economic Activities

At district level Emalahleni contributes 46% of the GDP of the region. This clearly indicates the nature of concentration of economic activities in the area followed by Steve Tshwete (at 37%). Emakhazeni, Dr JS Moroka, Thembisile Hani and Victor Khanye (Delmas) have the least contributions.

The economic dominance of Emalahleni within Nkangala has the potential of influencing population migration from nearby localities thereby putting a strain on the provision of job opportunities and basic services. Growth and development within neighbouring municipalities is therefore a key priority at the district level.

The Economy of the municipality is driven by the Mining sector which contributed more than 50% in 2009 followed by Electricity at 12.1% and Finance at 10.8%. Over the three year period, mining has had a steady increased contribution to the economy of Emalahleni; from 41% in 2007, 50.8% in 2008, with a slight decline to 49.8% in 2009.

Electricity has also had significant contribution as well, although marginal decline was experienced. However, Agriculture's contribution to the economy of Emalahleni is relatively low compared to the other sectors of the economy. It is critical to investigate and establish the current state of the primary agricultural activities and the value chain activities associated with the sector. The other sectors with potential include Finance, Trade and the green economy (given the dominance of mining and electricity and their environmental degradation potential).

From the socio-economic analysis, it is evident that Emalahleni faces a number of challenges that should be addressed by growing certain sectors of the economy that are capable of generating employment opportunities, reduce poverty as well as the poverty gap in line with the terms of the New Growth Path. This is the challenge that must be addressed through the development of the Emalahleni LED plan. The following sectors have the potential to grow the economy:

Potential development sectors and investment opportunities

- Mining
- Manufacturing
- Agriculture and rural development
- Tourism and hospitality
- SMME and cooperative development

(See the attached IDP and LED for further details)

Other mining companies in the area:

- BHP Energy Coal South Africa
- Glencore
- Exxaro
- Total Coal

3.2 Community Engagement

3.2.1 Socio-Economic Assessment

To improve our understanding of both the positive and negative impacts of our operations on our host communities, Thermal Coal utilizes Anglo American's Socio-Economic Assessment Toolbox (SEAT) process, which facilitates more structured dialogue with our stakeholders.

This three-year cycle, involves profiling of communities as well as gathering information on the impacts (negative and positive) of our operations on host communities. Management responses to the concerns and priorities of stakeholders are published in a form of 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 by the SEAT process is taken forward through the social management plan, which is updated annually.

During the SEAT process, stakeholders are identified and engagement takes place through formal and informal meetings and interviews.

We subscribe to the Anglo Social Way, which sets out non-negotiable standards across more than 20 dimensions of social performance. It covers all activities that have the potential to impact on communities during the entire life cycle of our operations – from exploration through to project design, development, operation, decommissioning, closure and post closure.

Each year our mines undertake an assessment of their level of compliance against the various social requirements. Kriel Colliery strives to maintain a performance rating of 4 which means pro-active in dealing with social and community issues.

3.3 Stakeholder Engagement Planning

We subscribe to Anglo American's Good Citizenship principles 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 the issues that may affect them. Our engagement planning include, stakeholder mapping, profiling – determining their interests, influence on the business and the relation health.

We have quarterly Synergy forums, including directly and indirectly affected parties, interested parties and local authorities. These enable our stakeholders to bring issues to our attention so that they can be resolved promptly. We have a broad stakeholder base which includes both internal and external stakeholders. Our internal stakeholders include mine management, labour unions, permanent employees and contractors. Our external stakeholders are made up of various communities, regulators and provincial and local authorities, non-governmental organisations, local enterprise and competing mining organisations.

Local community needs

No	Needs	Purpose	Partner
1	Unemployment	Generate employment opportunities by setting up cooperatives to reduce poverty	SEDA
2	Skills Development	Empower the community with skills that will create jobs and generate income	DoL
3	Waste Management	To improve the environmental conditions within the community	ELM
4	Learner Development	Provide resources to improve learners performance in Maths and Science to enable them to get access to tertiary education	Department of Education

3.4 Skills programmes that contribute to poverty alleviation

Sakhimfundo Trading, previously known as the Siyaphambili Commercial Sewing Project: This project started in 2004, and is run by five women from the community. The women provide embroidery of employees' uniforms and overalls, design golf shirts and engage in other sewing-related work within the community. There is a need to relocate this project to the Ga-Nala central business centre to ensure greater exposure and the growth of the business, however, there are challenges with acquiring a suitable venue for the project. The project is registered on the Anglo supplier database.

Masizakhe Makhosikazi Trading, previously known as the Zenzeleni Skills Development Project: This Skills Development Project started in 2003, to enable dependents, mainly spouses, to acquire various skills, which they can use to start up small businesses. The project has six members from the community. The women are trained in flower arranging, creating table settings, and in producing Invitation cards and artwork. The project started making reflector vests in May 2008. Kriel Colliery is its first major client for reflector vests with the client base expected to grow as it expands. The project is registered on the Anglo supplier database.

Ulwazi Computer Centre: The colliery actively seeks to contribute to the educational well-being of the community by supporting the Ulwazi Computer Centre, a computer training facility situated on the colliery and managed by an independent party. The Ulwazi Computer Centre has been registered as a closed corporation with the assistance of Anglo Zimele, operating as a successful, sustainable project. This computer centre is ISO 9001:2000 certified and is also ISETA-accredited the objective of the centre is to impart computer literacy skills to employees and their dependents as well as to

provide nearby schools and communities with an accessible computer facility. Another benefit is that skills are provided that will enable the beneficiaries to have a competitive advantage in the job market. All employees are encouraged to attend computer classes at this facility at no cost. Teachers from community schools are also invited to undergo training at the mine's expense. The invitation has been extended to include pupils from secondary schools, as well as children from local orphanages. A total of 444 people participated in training during 2012. In the year 2013, the Colliery contributed an amount of R602 350.00 towards computer training.

Maths and Science Supplementary Classes

By way of Learner development Programme the Colliery strives to improve the learners' academic performance in Mathematics, Science and English to a level where they can obtain access to tertiary education and funding to tertiary studies. In order to achieve this, the Colliery has appointed TEN (Tsebo Education Network) to provide supplementary classes to the grade 10,11 and 12 learners within the community where we operate. In the year 2012 the Colliery contribute R1 600 000.00 towards supplementary classes in Mathematics and Science. In the year 2013 an amount of R2 300 180 was contributed towards the Maths and Science Supplementary classes.

3.5 Local Economic Development projects

In its Social and Labour Plan, Kriel Colliery committed to five major community development projects. The following provides an update on their status:

Table 3.5.1 LED PROJECTS

CATEGORY	PROJECT DESCRIPTION	BUDGET	PROJECT PARTNER
Skills Development	Training of community youth on Carpentry skills	R7 million	Department of Labour
Enterprise Development Waste management	Refuse removal and waste recycling	R 3 million	eMalahleni Local Municipality
Infrastructure Development	Construction of Bonginhlanhla Primary School	R10 million	eMalahleni Local Municipality Department of Education
Education and Training Learner Development	Maths and Science -Learner Development Program	R7 million	Department of Education
Education and Training	Community Scholarship Scheme – provision of scholarships per study cycle	R 1. million	Department of Education,
Total		R 28 million	

Project 1: Skills Development

Project Name	The name of the project : Carpentry Skills Training			Classification of project: Income generation			
Background	The Community is characterised by high unemployment rates, low income levels and skill shortage. Need to create jobs and enterprise development by training community on carpentry skills and set them up as a business and earn an income.						
Geographic location of the project: Thubelihle	District Municipality Nkangala	Local Municipality Emalahleni		Project start date 2015		Project end date End of 2018	
Output: Securing the training facility and funding towards the provision of carpentry skills training, setting up a business	Key Performance Area Income generation	Key Performance indicator Qualified Carpenters, Job creation, Sustainable Wood shop	Responsible entity(inclusive of all role players) AATC DMR DoA	Quarterly timelines and year Q3 Feasibility studies	Quarterly timelines and year Q4 Finalisation of institutional arrangements and funding agreements	Quarterly timelines and year 2015-2017 implementation	Budget R7 million
No of jobs to be created	Classification of jobs	Male adults	Female adults	Male youth	Female youth	Total	Comments
Short term		0	0	0	0	0	A cooperative to be set up as a business
Medium term	Tech	7	8	7	8	30	
Long term	0	0	0	0	0	0	
Completion date and exit strategy 2017 exit and link with Zimele for financial support as independent business							

Project 2: Waste Management and Recycling

Project Name	The name of the project : Waste removal and recycling			Classification of project: Infrastructure support			
Background	The Ganala area is not environmentally friendly with excessive dumping sites and insufficient resources to manage waste. The project will assist in creating jobs, skills training and SMME development.						
Geographic location of the project: Ga Nala	District Municipality Nkangala	Local Municipality Emalahleni	Village name Thubelihle Rietspruit Kriel	Project start date 2015		Project end date End of 2018	
Output: Procurement of waste trucks and waste management related equipment including training on waste management and recycling	Key Performance Area Waste management and recycling cooperative	Key Performance indicator Clean and Healthy Environment Job creation, Skills Training, enterprise development	Responsible entity(inclusive of all role players) AATC ELM	Quarterly timelines and year Q3 Feasibility study	Quarterly timelines and year Q4 finalisation of funding agreements	Quarterly timelines and year 2015-2017 Implementation	Budget R3 million
No of jobs to be created	Classification of jobs	Male adults	Female adults	Male youth	Female youth	Total	Comments
Short term							The mine to incubate the project for 2 years
Medium term	Tech	4	6	4	6	20	
Long term	0	0	0	0	0	0	
Completion date and exit strategy Exit in 2017 Hand-over of waste management project to the cooperative to run it. Link with Zimele for financial support							

Project 3: Learner Development Project.

Project Name	The name of the project : Maths & Science Supplementary Classes		Classification of project: Learner Development				
Background	Poor performance in Mathematics and Science is a barrier for learners to get access to tertiary education and financial aid.. This project will provide resources to improve learners performance in Maths and Science which will enable learners to get access to tertiary learning.						
Geographic location of the project: Ga Nala	District Municipality Nkangala	Local Municipality Emalahleni	Village name Thubelihle Rietspruit Kriel	Project start date 2014		Project end date End of 2016	
Output: Improve learners performance in Maths and Science	Key Performance Area Education	Key Performance indicator Improvement in learners performance Increased number of learners getting access to tertiary education	Responsible entity(inclusive of all role players) AATC DoE	Quarterly timelines and year Q2 Finalise funding agreements	Quarterly timelines and year Q3 Implementation	Quarterly timelines and year 2014-2016 Implementation over 3 years	Budget R7 million
No of jobs to be created	Classification of jobs	Male adults	Female adults	Male youth	Female youth	Total	Comments Project to be reviewed after 3 years
Short term	0	0	0	0	0	0	
Medium term	Non Tech	0	0	0	0	0	
Long term	0	0	0	0	0	0	
Completion date and exit strategy 2016 project review							

Project 4: Construction of Bonginhlanhla Primary School

Project Name	The name of the project : Bonginhlanhla Primary School			Classification of project: Infrastructure Development			
Background	The only primary school in Thubelihle township prefabricated and made out of asbestos material which poses a health risk to both learners and educators. The environment is not conducive for learning.						
Geographic location of the project: Ga Nala	District Municipality Nkangala	Local Municipality Emalahleni	Village name Thubelihle	Project start date 2016		Project end date End of 2018	
Output: Funding towards the construction of the school	Key Performance Area Education	Key Performance indicator Newly built school Improved educational wellbeing of learners and educators in Thubelihle township	Responsible entity(inclusive of all role players) AATC DoE ELM	Quarterly timelines and year Q3 Feasibility study, Scope work, funding agreements	Quarterly timelines and year Q4 Tendering and adjudication process	Quarterly timelines and year 2015-2017 Construction and hand over to the DoE	Budget R10 million
No of jobs to be created	Classification of jobs	Male adults	Female adults	Male youth	Female youth	Total	Comments
Short term	Non Tech	15	10	15	15	55	Non-technical skills to be recruited from local community to support job creation
Medium term							
Long term							
Completion date and exit strategy : 2017 School handover to DoE							

Project 5: Scholarship Bursary Scheme

Project Name	The name of the project : Bursary Scheme			Classification of project: Community Development			
Background	High unemployment rate in the community which hinders access to tertiary education for learners in the community.						
Geographic location of the project: Ga Nala	District Municipality Nkangala	Local Municipality Emalahleni	Village name Thubelihle	Project start date 2014		Project end date End of 2018	
Output: Financial Assistance for Tertiary education	Key Performance Area Education	Key Performance indicator Number of learners supported through the scholarship scheme Improvement in learners' performance in terms of maths and science	Responsible entity(inclusive of all role players) AATC DoE ELM	Quarterly timelines and year Q1 Implementation		Quarterly timelines and year 2014-2018 Implementation	Budget R1. million
No of jobs to be created	Classification of jobs	Male adults	Female adults	Male youth	Female youth	Total	Comments
Short term	Non Tech	0	0	0	0	0	
Medium / Long term	Tech	0	0	0	0	0	
Completion date and exit strategy	Project is on going						

3.8 HIV/AIDS

Thermal Coal's HIV/AIDS workplace programme was named the best in the world when it won an award from the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria at the organisation's Business Excellence Awards hosted in Washington DC in June 2009.

The GBC Awards for Business Excellence are earned by companies that have demonstrated extraordinary commitment, action and results, and have achieved exceptional success in putting their assets to work in the fight against HIV/AIDS, tuberculosis and malaria.

All employees at the company are encouraged to find out their HIV status and undergo free voluntary counselling and testing (VCT) on an annual basis. By the end of 2009, 88% of Thermal Coal's workforce was tested, representing a 2% rise on the previous year's figure. The prevalence rate declined slightly to 14% and more than 1,200 employees are currently enrolled in our HIV disease management programme.

During 2011, 89% of Kriel employees underwent VCT, while 195 employees are on the company's disease management programme. In 2012, 84% of the employees knew their status and in 2013, there was a 6% increase giving rise to 90% of employees knowing their status. We have a team of 8 wellness peer educators. Who are being trained by Education Training & Counselling. They are being trained on HIV/AIDS and wellness as a whole. Their tasks include the following:

- To educate employees on HIV/AIDS
- Provide frontline counseling
- Assist in driving HIV/AIDS campaigns at the mine and in the community
- Assist with the communication of HIV/AIDS information to stakeholders
- To organize and present educational sessions at their respective shafts
- To conduct informal individual and small group discussions on HIV/AIDS and related topics
- To facilitate discussions around issues of wellness
- To motivate a behavior change among employees
- To provide support and proper guidelines on treatment programmes
- To refer employees for VCT and other counseling services, if necessary
- To provide detailed information to employees on safe sexual practices
- Interpret the Anglo American HIV/AIDS policy to employees
- Explain Thermal Coal's five-pillar approach to employees

All HIV-infected employees at Thermal Coal have had access to free anti-retroviral treatment for the last six years, and in late 2007, we implemented a compulsory medical aid scheme for employees who were not previously covered. This means that dependants who are registered as beneficiaries of the scheme now have access to HIV disease management at no cost.

Our HIV/AIDS programme is increasingly being extended into our local communities, and our wellness peer educators provide home-based care and counselling, VCT and educate people at schools and community events about the disease.

3.9 Housing and living conditions

Thermal Coal promotes home ownership with the long-term goal of meeting the Mining Charter's requirement that all employees live in sustainable human settlements. The Mining Charter has been revised as follows: By 2014, mining companies must implement the following measures to improve the standards of housing and living conditions for mineworkers:

- Demolition of hostel blocks
- Attain the occupancy rate of one person per room,
- Facilitate home ownership options for all mine employees in consultation with organised labour.

3.9.1 The type of housing provided for employees

The table below provides a summary of the accommodation provided for Kriel employees, and the number of those who receive a housing allowance:

Table 3.7 Types of accommodation per employee type: Kriel (January 2014)

Employee type	Houses (Anglo and Eskom)	Married quarters	Flatlets	Single quarters	Total in housing	*Total on housing allowance
Officials	47	1	6	0	54	189
Senior-skilled	189	0	0	0	189	49
Skilled	23	27	126	0	176	329
Other	0	0	0	0	0	0
TOTAL	259	28	132	0	419	567

3.9.2 Progress against targets

In terms of the first two revised targets, Kriel Colliery has met its targets in 2013 by ensuring that all employees stay with their families in owned company provided accommodation, all employees resides in family flats which are in liveable conditions. The company has introduced housing allowances to promote home ownership and 60% of employees cater for their own accommodation in sustainable areas.

Kriel Colliery has achieved mining charter compliance in 2013 by having no single employee residing in the single quarters. Hostel demolition is in progress and is aimed to be completed by no later than December 2013. A plan is underway to start demolishing vacant family units since the demand for occupancy has dropped, employees opt for own accommodation it will kick start in 2014 in the first quarter.

Table.3.8 Progress made against the housing targets: Kriel (January 2014)

Kriel 2013 Employee type	2014 Milestone		Home Ownership Milestone	
	Target	Actual	Target	Actual
Officials	100%	100%	N/A	65%
Senior-skilled	100%	100%	N/A	55%
Skilled	100%	100%	N/A	60%
Other	100%	100%	N/A	N/A
TOTAL	100%	100%	N/A	60%

3.9.3 Thermal Coal Housing Strategy

Our vision for housing is long-term home ownership. 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 frameworks of the regions where our new and existing operations are based.

The primary aims of this vision are:

- To meet the new requirements outlined in the revised Mining Charter for 2014.
- To support the integration of future corporate social investment activities within the regional municipal framework and infrastructure development.
- To assist the Chamber of Mines to meet the Housing Forum commitments and to ensure that the Social and Labour Plan and Mining Charter’s obligations are met and are sustainable.
- To enhance the social and economic sustainability of the regions in which Thermal Coal operates through a housing model that is integrated within the greater metropolitan centres and aligned with the Integrated Development Plans for those regions.

Key challenges:

- Lack of affordable housing which encourages employees to remain in mine-provided accommodation in unsustainable areas.
- Bulk infrastructure costs and constraints which have delayed the delivery of serviced stands for residential developments in sustainable areas and which have added to the cost of housing and selling prices.
- Chronic housing backlogs. This has resulted in long waiting lists and delivery lead times.
- Limited municipal resources, particularly funding and capacity, to provide infrastructure and services for residential developments.

3.9.3 Housing action plan

In 2007, Thermal Coal initiated a project to manage the transition from housing provision at its operations to full home ownership. This plan is based on the following pillars:

- The adjustment of housing allowances in line with market conditions to encourage employees to relocate to sustainable residential settlements in established areas.
- To support bulk infrastructure development within the local municipal spatial framework with funding and technical expertise to fast-track the delivery of housing and contain house prices within acceptable levels.
- To specifically source and support housing delivery within metropolitan urban areas that is sustainable in the longer term.
- To facilitate and market home ownership to all employees.

Table 3.9 Thermal Coal housing allowances per employee grade

Employee grade	2011 RATES	2012 RATES	2013 RATES
GBF5	R9,000	R9,000	R9,000
GBF6	R8,000	R8,000	R8,000
C4#	R 5,250	R7,007	R7,532
CU	R 4,500	R6,006	R6,456
CL and B Band	R 3,600	R4,876	R5,242
Senior-skilled	R 3,600	R4,876	R5,242
Skilled	R 2,636	R4,434	R5,242

Bulk infrastructure for residential development

Capacity surveys in the Kriel area were undertaken and one major development in Thubelihle was identified as a possible option for infrastructure funding and development. The estimated cost for bulk infrastructure to meet current demands for houses by employees is R32 million. The development at Thubelihle is still being investigated and is pending. The company is investigating extensions 5 and 17.

Discussions with the local municipality to provide sub-soil drainage as well as the tarring of roads have been entered into. However, proper negotiations on the provision of infrastructure for housing have been delayed owing to numerous changes to senior management within the local municipality. In addition, there is a severe lack of capacity within the local municipality and this has delayed most initiatives in this area. We are attempting to resolve these issues and have submitted a proposal to the local municipality for which we are awaiting a formal response.

Sourcing and supporting housing delivery

The above development has been specifically targeted to supply houses to employees at Kriel because of its proximity and location. This is in line with our strategy of sourcing from sustainable areas. The company housing team is actively involved in discussions with the local municipality, technical design personnel, urban planners and private property developers. This is an ongoing process for each project identified.

Facilitation and marketing to employees

We have initiated a training and development scheme for all employees interested in buying or renting property in urban areas. This programme is designed to educate employees about the responsibilities of buying, owning and managing their own homes. This has been developed at the request of employees canvassed during surveys conducted in 2007 at some of the commercial mines which identified that many employees do not fully understand the complexities of home ownership.

- There is also a cafeteria on the premises where employees are able to buy prepared food. They are provided with deduction facilities to purchase from this facility.
- Nutritional supplement (Morvite) to all employees at no cost.

PART FOUR

Management of downscaling and retrenchments

4. Management of downscaling and retrenchments

The primary objective of downscaling and retrenchment management is to ensure that there are no 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 a Future Forum

Future forums are an outcome of the 1997 Presidential Job Summit, where the tripartite parties agreed on the implementation of a “Social Plan” seeks to put in place of three sets of measures, or interventions namely;

- To prevent retrenchments taking place;
- Where retrenchments are unavoidable, they are managed humanely; and
- Where large-scale retrenchments have taken place, then measurements to assist the affected individuals and communities to find alternative form of employment or sustainable livelihood.

The establishment of a Future Forum is a requirement under Regulation 46 (d) (i) of the MPRDA. A Future Forum is a site-specific labour-management body that will focus on the implementation and monitoring of the Social and Labour Plan.

For Anglo American to address the above three objectives, they required to establish structures known as “Future Forum”, consisting of management, employees and / or their representatives and authorities. The mandate of Future Forum is to “look ahead into the future, at problems facing Anglo American and its operations that may result in job losses and / or decline of the Company, and come up with possible solutions to address potential job losses.

A joint labour-management committee has been established at the mine-site level and will be utilised as Anglo American Inyosi Coal Future Forum. This Forum will have the following specific objectives:

- To promote on-going discussion / consultations between workers or their representatives and employers about the future of the mine and industry / sector.
- To look ahead / into the future to identify problems, challenges facing the mine and the industry or sector that may contribute to future job losses or decline of the mine and industry/sector, and agree and propose possible solutions;
- To develop turnaround or redeployment strategies to help reduce job losses and to improve business sustainability;
- To structure and implement proposals agreed on both by Kriel Colliery and worker parties; and

- To notify the Minister of Labour if its proposals and to indicate if the Future Forum requires support in the implementation of its plans / proposals.

4.2 Mechanisms to avoid job losses and a decline in employment

Should prevailing economic conditions cause the profit revenue ratio of any operation to be less than an average of six per cent for a continuous period of 12 months, Kriel Colliery would initiate the following processes which must include, but not be limited to, the following:

- Consultation with all relevant stakeholders
- 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

4.3 Managing retrenchments

Should the mine's operations be downscaled or cease with the possible effect of job losses, the following process would be implemented:

- Consultation with all stakeholders
- The mine would follow the Labour Relations Act as well as the guidelines provided by the Department of Labour to ensure fair opportunities to train, 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

Planning for closure and downsizing takes place throughout the life cycle of the mine, from exploration through to post-closure rehabilitation. Kriel Colliery intends to ensure that the livelihoods of its mineworkers, residents and families are sustained despite the downsizing or closure of the mine.

Strategy

Kriel Colliery will make every effort to ameliorate the social and economic impact of individuals, regions and economies where retrenchment and closure is certain. These initiatives will focus on:

- Assessment and counselling services for affected individuals
- Comprehensive self-employment training and re-employment programmes; and
- Closure planning

Assessment and counselling services

The Company will consider providing counselling through professional counsellors. Requests for such counselling are to be directed to the Manager Human Resources.

Closure Planning

Kriel Colliery has developed a closure plan that considers the optimal use of mine land and infrastructure during the operational phase as well as the closure phase of the mining life-cycle. This plan will be a focus area of Kriel Colliery's LED strategy to diversify the economy and will take into account the potential social benefits of utilising the existing land and infrastructure.

Of the importance is the consideration of alternative uses of the physical infrastructure in the event of mine closure, which will require an amendment to the existing Environmental Management Plan Reports (EMPRs) in consultation with the Department of Mineral And Energy

While the Social and Labour Plan is geared towards mitigating the impact of mine-closure on mine communities and labour sending areas, specific planning is required regarding the concurrent and post-mining use of the physical assets of Kriel Colliery as potential community development purposes. These physical assets include:

- Land holdings by the mine;
- Physical infrastructure;
- Social infrastructure;
- Commercial and industrial infrastructure; and
- Administrative infrastructure

All infrastructure and mine management programmes on projects will be conceived and implemented within the context of the accepted standards of sustainable development.

Land and infrastructure for food production enterprise on mine land

A principal issue in the reduction of risk exposure of mine communities is their lack of food security. More specifically, loss of wage income as a consequence of retrenchment eliminates or reduces the capacity of the urban resident to purchase food. In a rural environment, residents can often undertake subsistence farming as a substitute for purchased food. Inevitably, due to space constraints and the competition for formal sector employment in a urban environment, lower income groups will have the greatest difficulty in gaining alternative employment. They will also be most restricted in their access to land to grow alternative subsistence sources of food.

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:

Transfer of ownership and responsibility of some infrastructure and services

Planning will be undertaken at the operational stage for the nationalisation of physical and social infrastructure owned, managed or subsidised by the mine. Other possibilities include the transfer to local, provincial or national authorities for local authority management of townships and infrastructure.

This infrastructure includes but not limited to:

- Roads;
- Power lines and major transformations
- Sewerage reticulation and disposal;
- Water supply and reticulation;
- Communication infrastructure

The timeous transfer of these facilities and utilities to the appropriate authorities well before mine closure will be vital in creating sustainable mine communities, as will the establishment of permanent communities through home ownership schemes.

Post-closure use mine infrastructure

Once the possibilities for concurrent use of mine land and infrastructure have been exhausted, the future of the remaining land infrastructure belonging to or managed by the mine needs to be concerned. It is not always possible to find alternative uses for mine-specific infrastructure or land-use such as waste dumps and slimes and dams. However, Kriel Colliery will examine each component of its land and infrastructure and assess the extent to which post-mining use is possible

The options will include the following:

- Transfer of land and associated infrastructure to mine communities for conversion and use in local economic development, skills development and training programmes to build capacity in a number of vocational or technical areas;
- Sale of land and infrastructure to private individuals;
- Transfer of land and associated infrastructure to the government or state agencies; and
- Rehabilitation of the land or demolition and removal of the infrastructure.

Training and mentorship of community members

Kriel Colliery undertakes to consider assisting in the establishment of the various business structures where stakeholders or appointers will be trained and mentored in the appropriate business and technical skills as a kernel focus of the LED programme. Other capacity initiatives would include:

- Training and educating community leaders and owners to manage the resources in a sustainable manner,
- Understanding the post-mining use potential of the mining infrastructure, land and natural resources;
- Paying for essential skills such as water and power after mining
- Communication skills;
- Negotiation in terms of the economic aspects after closure; and
- Ensuring that the non-renewable mineral resources can be replaced by enhancement of biologically renewable resources.

PART FIVE

Financial provision

5. Financial provision

5.1 Human resources programmes

The following represents the financial provision allocated to Kriel Colliery's human resources programs:

Table 5.1 Financial provision for human resources development 2014 - 2018

Programme	Committed Budget 2014	Committed Budget 2015	Committed Budget 2016	Committed Budget 2017	Committed Budget 2018
Skills Development Levies Act	R8,118,458	R8,605,565	R9,121,898	R9,669,211	R10,249,363
Learnerships	R3,848,556	R4,079,469	R4,324,237	R4,583,691	R4,858,712
Internal training programme	R2,295,716	R2,433,458	R2,579,465	R2,734,232	R2,898,285
External training programme	R4,513,932	R4,784,767	R5,071,853	R5,376,164	R5,698,733
TOTAL	R18,776,662	R19,903,259	R21,097,453	R22,363,298	R23,705,093

5.2 Local Economic Development

The following table represents the Local Economic Development Financial Provision:

Project	2014	2015	2016	2017	2018	Total
Skills Development		R 500 000	R3 000 000	R2 500 000	R1 000 000	R7 000 000
Waste Management		R1 500 000	R500 000	R500 000	R500 000	R3 000 000
Construction of Bonginhlanhla Primary School				R5 000 000	R5 000 000	R10 000 000
Learner Development Program	R1 500 000	R2 500 000	R3 000 000			R7 000 000
Scholarship Schemes	R 500 000			R500 000		R1 000 000
TOTAL	R2 000 000	R4 500 000	R6 500 00	R8 500 000	R6 500 000	R28 000 000

5.3 Management of downscaling and retrenchments

Financial provision for the management of downscaling and retrenchments is given below:

Table 5.5 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	
9	Other	

PART SIX

Undertaking

