



COAL

# SOCIAL AND LABOUR PLAN

**KLEINKOPJE COLLIERY**

**MINING RIGHT NO:HT MP 30/5/1/2/2 (307) MR**

**5 YEAR REVIEW PERIOD: 2014-2019**

# PART ONE

## Preamble

## 1. Background

### About Anglo American Coal

Anglo American Thermal Coal (referred to in this document as Thermal Coal) is a division of Anglo American plc. Thermal Coal operates seven mines held by Anglo Operations (Pty) Limited (AOL) who also holds a 50% interest in Mafube Colliery, which is jointly owned by Exxaro. AOL also holds a 73% interest in the Kriel, New Largo and Zibulo collieries, all three being Anglo American Inyosi Coal (AAIC) operations.

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

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

Isibonelo Colliery produces five million tonnes of coal to Sasol Synthetic Fuels per annum under a 21-year supply contract. Thermal Coal employs a total of 9,300 employees and 7,100 contractors.

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

### About Kleinkopje Colliery

Kleinkopje Colliery is an open pit mine situated eight kilometres south of eMalahleni in Mpumalanga and forms part of the South African Coal Estates Complex (SACE). The other two mines situated in this complex are Landau and Greenside collieries.

Kleinkopje mines new reserves as well as large areas that were previously mined underground using bord and pillar techniques. Its principal product is steam coal for the export market, with coal from one pit dedicated to Eskom.

Coal is transported by an 8.5 kilometre overland conveyor to the company's Rapid Loading Terminal, from where it is dispatched to the RBCT. The mine produces between 4 and 4.5 million tonnes a year, and currently has 722 permanent employees.

### 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.

### **Existing Closure Plans**

Kleinkopje Colliery acknowledges the fact that mine closure could have significant social and economic impacts on its employees; however Kleinkopje 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) the Anglo Environment Way and the AA Mine Closure Toolbox as guiding principles

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:

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

<b>Name of the company</b>	<b>Anglo American Coal</b>
<b>Name of the mine</b>	<b>Kleinkopje Colliery</b>
<b>Physical address</b>	<b>Mining Law and Property Department First Floor, 45 Main Street</b>
<b>Postal address</b>	<b>Johannesburg 2001</b>
	<b>Anglo Propriety PO Box 61587 Marshalltown 2107</b>
	<b>+27 11 638 3781</b>
<b>Telephone number</b>	<b>+27 11 638 3781</b>
<b>Fax number</b>	<b>+27 11 638 4608</b>
<b>Mine address</b>	<b>Farm Kleinkopje 15-IS Tweefontein Road eMalahleni PO Box 2851 eMalahleni 1035</b>
<b>Mine postal address</b>	<b>+27 13 693 0123</b>
<b>Telephone number</b>	<b>+27 13 691 9417</b>
<b>Mine fax number</b>	<b>Kleinkopje Colliery is situated between eMalahleni and Bethal in the Mpumalanga province and forms part of the Witbank Coalfield within the Highveld Magisterial District and Regional Services Council</b>
<b>Location of mine</b>	<b>Coal</b>
<b>Commodity</b>	<b>10 years</b>
<b>Life of mine</b>	<b>See section 2.4.3</b>
<b>Breakdown of employees sending area per</b>	<b>January to December</b>
<b>Financial year</b>	

## **PART TWO**

### **Human Resources and Development Programme**

## **2. Human Resources Development Programs**

At 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 the past five years, time spent on training across our entire business was the equivalent of 7 days per employee, representing 6% 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 Kleinkopje Colliery has made against the targets set in its Social and Labour Plan for:

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

## 2.1 Skills Development Plan

Kleinkopje 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, these were accepted during the past five years. The payment of levies and the claiming of grants are conducted in accordance with the provisions of the MQA. Kleinkopje Colliery's Levy number is **L270714811**

### 2.1.1 Skills Development Facilitator

Our mine has two dedicated skills development facilitators, **Coreen Botes** and **Luscious Mohlathole**. 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 Kleinkopje 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.

### Skills Development Levies Paid and Recovered in 2014

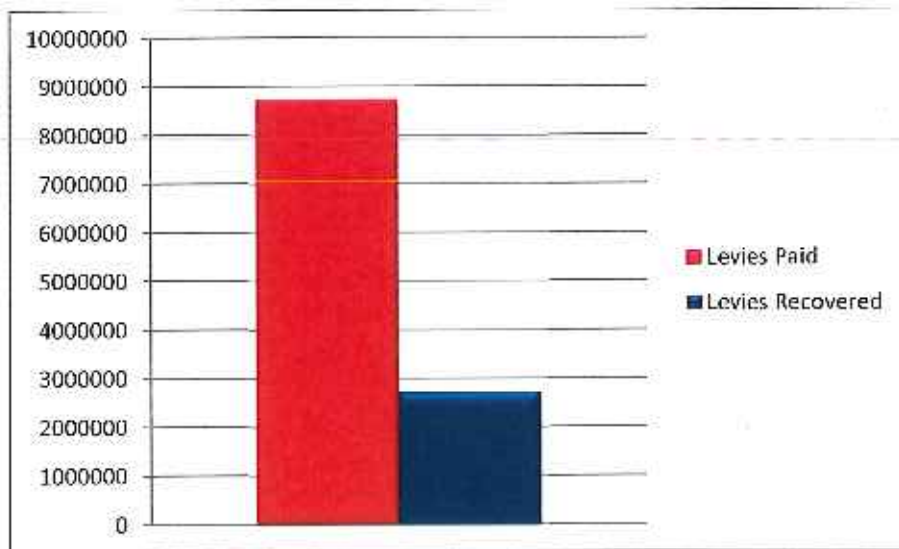
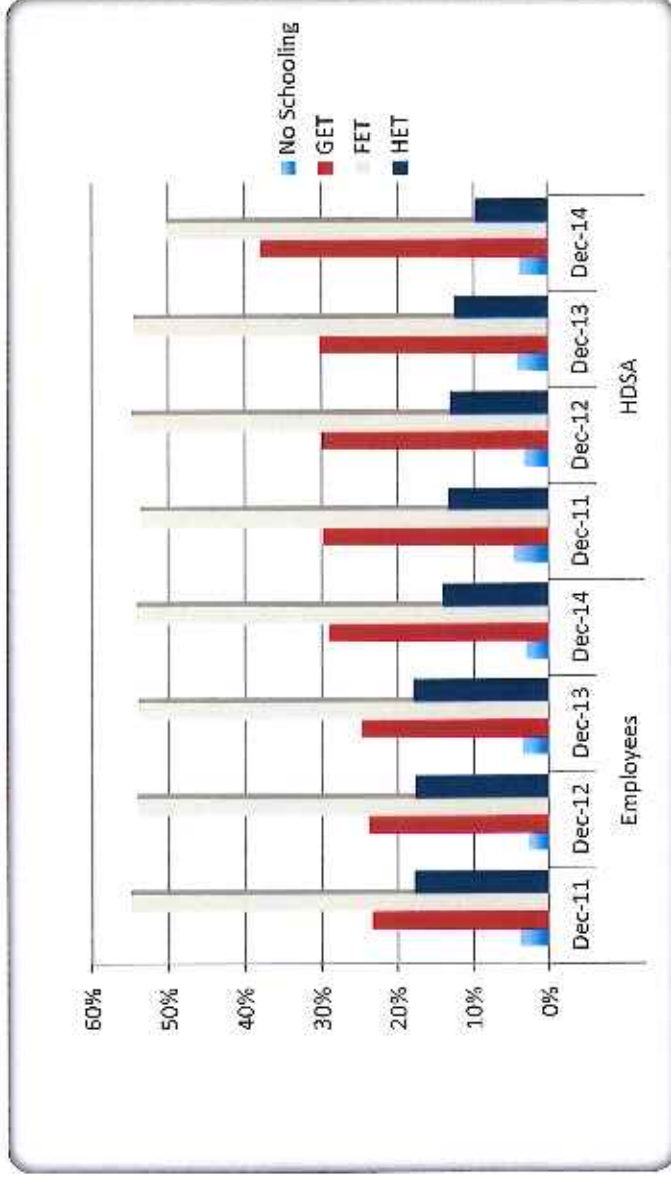




Table 2.1 Number and education levels of employees:  
Kleinokopje Colliery (2014)

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	22	0	0	0	1	0	0	0	22	1
		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	26	0	0	0	0	0	0	0	26	0
		Grade 4 / Std 2	21	0	0	0	1	0	0	0	21	1
		Grade 5 / Std 3 / ABET 2	26	0	0	0	2	0	0	0	26	2
		Grade 6 / Std 4	23	0	0	0	2	0	0	0	23	2
		Grade 7 / Std 5 / ABET 3	49	0	0	0	6	0	0	0	49	6
		Grade 8 / Std 6 / ABET 4	37	0	0	0	0	2	0	0	37	2
Further Education and Training (FET)	2, 3, 4	Grade 9 / Std 7 / ABET 4	29	0	0	1	1	0	0	0	30	1
		Grade 10 / Std 8 / N1	53	0	0	24	2	0	0	3	77	5
		Grade 11 / Std 9 / N2	84	0	0	6	4	0	0	3	90	7
		Grade 12 / Std 10 / N3	97	4	1	71	35	0	1	14	173	50
Higher Education and Training (HET)	5, 6, 7, 8	Diplomas / Certificates	7	1	0	26	13	0	5	0	34	18
		First degrees / higher diplomas	9	1	0	19	12	0	6	0	29	18
		Honours / Master's degrees	2	0	0	5	3	0	1	0	7	4
		Doctorates	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>			<b>485</b>	<b>6</b>	<b>1</b>	<b>152</b>	<b>84</b>	<b>0</b>	<b>32</b>	<b>544</b>	<b>117</b>	
										<b>761</b>		

**Kleinkopje Colliery Educational levels (2014)**



**No Schooling , GET, FET and HET**

The no schooling number of employees has decreased steadily over the years. This is a resultant of our direct recruitment of both younger workforce who employees who are more educationally affluent and already on the GET and FET bands.

We have seen constant incline in these bands and conversly steady decline in the HET band due to more suitably qualified academics being transferred to other operations or leaving the organisation altogether. In this process candidates who are replaced with a qualified incumbents but not at similar level, reference

eg: incumbent with Masters replaced by diplomandi or First Degree Graduate who also does not aspire to study further in their profession due to several reasons such as no immediate positive reward in terms of promotion or complete lack of interest.

### 2.1.3 Adult-based education and training (ABET)

Kleinkopje Colliery, along with its SACE sister mines, Landau and Greenside, has an adult-based education and training (ABET) centre situated at Coal's central services precinct in eMalahleni. We have an aging workforce and it is a challenge to convince employees to participate in the programme as most have no interest in undertaking courses at this stage of their lives.

However, in an effort to stimulate interest, we re-launch the ABET programme at the start of every year and create awareness of it during induction sessions. We do however enjoy stronger participation from employee dependants and members of the local community.

Table 2. 4 ABET Targets

LEVEL	2014	2015	2016	2017	2018
1	8	6	6	4	0
2	4	4	4	2	0
3	6	6	2	0	0
4	4	2	0	0	4
<b>TOTAL</b>	<b>22</b>	<b>18</b>	<b>12</b>	<b>6</b>	<b>4</b>

## 2.1.4

### Non-mining skills programmes

Unfortunately, little progress has been made on the targets we set for non-mining skills. However, we recently conducted a survey to determine the type of courses that would interest our older employees and assist them in preparing for their retirement. Further investigations on how these skills can be provided are under way.

The mine has both a sewing and pottery centre that provides non-mining skills to local women

Table 2.6 Non-mining skills for 2014-2018

Discipline	2014	2015	2016	2017	2018
Pottery	3	3	3	3	3
Sewing	2	2	2	2	2
<b>TOTAL</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

## 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. Kleinkopje Colliery uses the Anglo American ratio of 3.5 artisans to 1 learner, and employees (18.1 learners) 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
	Electrical	12	8	8	8	8
	Fitters	15	10	10	10	10
	Boilermakers	7	4	4	4	4
	Instrument Mechs	9	6	6	6	6
	Diesel mechanics	1	0	0	1	0
	Riggers	1	0	0	1	0
	Auto-Electrician	2	0	0	2	0
	<b>Total</b>	<b>47</b>	<b>28</b>	<b>28</b>	<b>32</b>	<b>28</b>

## 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 Kleinkopje employees: 2014 – 2018**

YEAR	Discipline	Target 2014	Target 2015	Target 2016	Target 2017	Target 2018
	Competent person A	4	4	4	4	4
	MOA OHS Reps	5	5	5	5	5
	Machine Licenses	2	2	2	2	2
	<b>TOTAL</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>

## 2.1.7 Hard to fill vacancies

At Coal, we have initiated a number of capacity-building initiatives to become self-sufficient in the supply of labour. One of these initiatives is an in-house bursary scheme. This includes 166 group vacation students, 135 trainees and eight technikon students who have been employed as part of the Joint Initiative for Priority Skills Acquisition (JIPSA). In addition, we have 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 Coal:

- Geologists
- Electrical engineers
- Mechanical engineers

Kleinkopje Colliery 2014 In compliance with Regulation 46 (a) of the Mineral and Petroleum Resources Development Act, 2002

- 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 the fields where there is a scarcity of skills. Kleinkopje Colliery experienced no hard to fill vacancies during the reporting period.

### **2.1.8 Role and activities of the MQA**

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.

Kleinkopje Colliery participates in the MQA's structures through company working groups, and its skills development facilitator is a member of the MQA's Technical Reference Group 16.

- It participates in the writing and validating of unit standards,
- The design and validation of qualifications, and
- The design and validation of skills programmes and learnerships.

## **2.2 Career progression and mentorship**

### **2.2.1 Career development planning**

At 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 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 ensure 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 processes. We specifically focus on Historically Disadvantaged South Africans (HDSAs) with special 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 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. Our strategy on talent management is based on the idea of 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 winning them through their hearts and minds.

From January 2011, we will be introducing changes to the way we manage the development of our people. These changes will mean that, for the first time, we have a common global capability framework for Anglo American plc.

#### **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 the new interactive development portal we will be launching soon 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**

Coal is living up to the Mining Charter's objective to address the skills gap in the mining 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 (Please see Part Three of this report).
- 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 and or retirement.

## Bursaries and internships

At 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. 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 Coal with a pipeline of students who could be offered bursaries and ultimately permanent employment within the company.

**Table 2.8 Professionals in training for Coal**

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

**Table 2.9 University of Technology bursars for Coal**

Discipline	2010		2011		2012		2013		% HDSA as of current month actual
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
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%
<b>TOTAL</b>	<b>45</b>	<b>38</b>	<b>42</b>	<b>22</b>	<b>40</b>	<b>21</b>	<b>38</b>	<b>19</b>	

**Table 2.10 University of Science bursars for Coal**

Discipline	2010		2011		2012		2013		% HDSA as of current month actual
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
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%
<b>TOTAL</b>	<b>137</b>	<b>137</b>	<b>90</b>	<b>124</b>	<b>97</b>	<b>124</b>	<b>138</b>	<b>132</b>	

### Bursar Training Programmes

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 Coal (five-year plan)**

FIELD OF STUDY	2014	2015	2016	2017	2018
<b>University of Science</b>					
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
<b>TOTAL</b>	<b>129</b>	<b>155</b>	<b>175</b>	<b>154</b>	<b>164</b>
<b>University of Technology</b>					
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
<b>TOTAL</b>	<b>22</b>	<b>27</b>	<b>42</b>	<b>50</b>	<b>55</b>

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FIELD OF STUDY	2014	2015	2016	2017	2018
<b>In-House Study Assistance Programme: Kleinkopje Colliery</b>					
Mining	2	1	2	1	2
Engineering	2	2	2	2	2
Metallurgy	1	0	0	1	2
Human resources	1	2	2	1	2
Finance	2	2	2	1	2
VOHE - Environment	0	1	1	2	2
Safety	2	2	2	1	0
Security	0	0	0	0	0
<b>TOTAL</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>9</b>	<b>12</b>

## **2.4 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. Year to date, 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 2013, women accounted for 17% of our total workforce and 49% 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





**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	35%	57%	35%	50%	35%	60%	35%
Middle Management	45%	64%	45%	60%	45	60	45
Junior Management	40%	84%	40%	70%	40%	70%	40%
Core Skills	15%	87%	20%	80%	30%	70%	35%

# **PART THREE**

## **Local Economic Development Programme**

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### **3. Social and Economic Background**

#### **Local Economic Development Programme**

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 number of improvements for the people living within the area.

At 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.

#### **3.1 Socio-economic background information**

Coal operates mainly in three municipal districts, namely Nkangala, Gert Sibande and Fezile Dabi. Kleinkopje, along with Landau, Greenside, Goedehoop and Kriel collieries, is situated in the Nkangala district and therefore shares the same socio-economic background as these mines. Nkangala is one of the three district municipalities forming the Mpumalanga province. These include Nkangala, Ehlanzeni and Gert Sibande.

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

Kleinkopje Colliery forms part of the eMalahleni Local Municipality.

**Table 3.2 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

## 3.2 Community Engagement

### 3.2.1 Socio-Economic Assessment Toolbox process

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

This three-year process involves the profiling of communities as well as gathering information on the impact of our operations. Management responses to the concerns and priorities of stakeholders are published in a SEAT 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 three-year Community Engagement Plans, which are 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 minimum 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.

In 2013, each of our mines undertook an assessment of their level of compliance against the various social requirements and, based on this, developed social and community improvement plans to assist them to achieve full compliance.

### 3.2.2 Stakeholder consultation and involvement

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.

We have quarterly stakeholder engagement forums, including directly and indirectly affected parties, interested parties and authorities. These enable our stakeholders to bring issues to our attention so that they can be resolved promptly. Some of our stakeholders include the following:

- **The management teams of the SACE collieries**
- **Union associations**
  - The National Union of Mineworkers
  - Solidarity
  - The United Association of South Africa
- **Permanent employees**
  - Officials
  - Senior-skilled
  - Skilled
- **Contract employees**
- **Supplier representatives**
- **Communities**
  - Representatives of KwaGuqa and eMalahleni
  - Farmers
  - Farm dwellers
- **Authorities**
  - The Mpumalanga Department of Education
  - The Mpumalanga Department of Agriculture
  - The Department of Water Affairs
  - The Department of Mineral Resources
  - The Department of Health and Welfare
  - The Department of Labour
  - The Premier's office
  - The Department of Roads and Transport
  - The eMalahleni Local Municipality
- **Non-governmental organisations**
  - Local environmental and health services groups
  - HIV/AIDS-related groups
  - Tourism groups
  - Recreational and sporting groups
  - Organisations dedicated to the care and upliftment of women and children
  - Youth groups

- Religious groups
- Schools
- **Local business**
  - Small, medium and micro enterprises

## **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, 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. Kleinkopje 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 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

#### Pottery

Kleinkopje Colliery has a pottery center situated within Coal's Matimba Village in eMalahleni. This community social investment project's long-term goal is to alleviate unemployment by uplifting the skills base of local people, starting with employees' dependents. The project is also open to local residents.

The Centre provides women with the skills necessary to produce quality products for a variety of markets. Products include garden pots, fountains, lamps; animal sculptures, dinner services and bowls, and potential outlets include nurseries, game parks, gift shops and galleries. The long-term goal is to link participants to our eMalahleni Small Business Hub, which provides entrepreneurs with seed and working capital to start their own enterprises.

The mine provided the funding required to establish the studio and covers the cost of all materials. However, the Centre aims to become self-sufficient through the sale of its products.

#### Sewing

Kleinkopje also established a group of women who sew. This has since been turned into a small enterprise which receives ongoing contracts for the embroidery of the overalls worn by mine employees.

### 3.5 Local Economic Development projects

Kleinkopje Colliery 2014 In compliance with Regulation 46 (a) of the Mineral and Petroleum Resources Development Act, 2002

In its Social and Labour Plan, Kleinkopje Colliery committed to five major community development projects.



**Table 3.5.1 LED PROJECTS**

CATEGORY	PROJECT DESCRIPTION	BUDGET	PROJECT PARTNER
Health/Infrastructure	Building Radiology department at SANTA	R5 million	eMalahleni Local Municipality Department of Health and Welfare
Enterprise Development Waste management	Integrated Waste Management	R 1.65 million	eMalahleni Local Municipality
Infrastructure Development	Upgrade of Vosman Pump Station	R5 million	eMalahleni Local Municipality
Education and Training	Community Scholarship Scheme – provision of scholarships per study cycle. Community up-skilling initiatives	R 7 million	Department of Education Talent and Public Affairs
<b>Total</b>		<b>R 18.65 million</b>	



**Project 1: Health/Infrastructure**

Project Name		The name of the project : Building Radiology department at Santa				Classification of project: Upgrade of infrastructure				
Background		No radiology at Santa Clinic								
Geographic location of the project: Ackerville	District Municipality	Local Municipality	Village name	Project start date	Project end date					
	Emalahleni	Emalahleni	Kwa-Guqa	2018	End of 2020					
<b>Output:</b>	<b>Key Performance Area</b>	<b>Key Performance indicator</b>	<b>Responsible entity (inclusive of all role players)</b>	<b>Quarterly timelines and year</b>	<b>Quarterly timelines and year</b>	<b>Quarterly timelines and year</b>	<b>Budget</b>			
To add a radiology department to the current Santa Clinic	Infrastructure upgrade/addition	Improved Health Care	AATC DoH&W	Q3 Feasibility studies	Q4 Finalisation of institutional arrangements and funding agreements	2018-2021 implementation	R5 million			
<b>No of jobs to be created</b>	Classification of jobs	Male adults	Female adults	Male youth	Female youth	Total	Comments			
<b>Short term</b>	50	20	30	20	30	50				
<b>Medium term</b>										
<b>Long term</b>										
<b>Completion date and exit strategy</b>										
To be completed in 2020 and handed over to the Department of Health.										

**Project 2: Waste Management**

Project Name		The name of the project: Integrated Waste Management			Classification of project: Infrastructure support		
<b>Background</b>		The 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.					
<b>Geographic location of the project:</b> Emalahleni	District Municipality Emalahleni	Local Municipality Emalahleni	Village name Emalahleni Town and townships	Project start date 2015	Project end date End of 2018		
<b>Output:</b> Procurement of waste trucks and waste management equipment including training on waste management and recycling	<b>Key Performance Area</b> Waste management and recycling cooperative	<b>Key Performance indicator</b> Clean and Healthy Environment Job creation, Skills Training, enterprise development	<b>Responsible entity (inclusive of all role players)</b> AATC Local Municipality	<b>Quarterly timelines and year</b> Q3 Feasibility study	<b>Quarterly timelines and year</b> Q4 finalisation of funding agreements	<b>Quarterly timelines and year</b> 2015-2024 Implementation	<b>Budget</b> R1.65 million
<b>No of jobs to be created</b>	Classification of jobs	Male adults	Female adults	Male youth	Female youth	Total	Comments
<b>Short term</b>							
<b>Medium term</b>	Tech	4	6	4	6	20	The mine to incubate the project for 2 years
<b>Long term</b>	0	0	0	0	0	0	
<b>Completion date and exit strategy</b>							
Develop the capacity of the municipality and local cooperatives Link to Zimele for financial support Hand-over the project to the municipality and cooperatives.							

**Project 3: Infrastructure Development**

Project Name		The name of the project : Upgrade of Vosman Pump Stations			Classification of project: Infrastructure Development		
Background		Current facilities not feasible for profitable business					
Geographic location of the project: Emalahleni	District Municipality Emalahleni	Local Municipality Emalahleni	Village name Sinqobile	Project start date 2016	Project end date End of 2018		
<b>Output:</b> Upgrade facilities at the Vosman Pump Station	<b>Key Performance Area</b> Job Creation	<b>Key Performance indicator</b> Job Creation	<b>Responsible entity (inclusive of all role players)</b> AATC DoL	<b>Quarterly timelines and year</b> Q2 Finalise funding agreements	<b>Quarterly timelines and year</b> Q3 Implementation	<b>Quarterly timelines and year</b> 2015-2018 Implementation over 3 years	<b>Budget</b> R5 million
<b>No of jobs to be created</b>	Classification of jobs	Male adults	Female adults	Male youth	Female youth	Total	Comments
<b>Short term</b>	20			10	10	20	
<b>Medium term</b>	Non Tech			0	0		
<b>Long term</b>	0			0	0		
<b>Completion date and exit strategy</b> 2018							

**Project 4: Scholarship Bursary Scheme**

Project Name		The name of the project : Bursary Scheme and community up skilling			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: Emalahleni		District Municipality Emalahleni	Local Municipality Emalahleni	Village name Emalahleni –town and townships	Project start date 2015	Project end date End of 2018	
Output:	Key Performance Area	Key indicator	Performance	Responsible entity/(inclusive of all role players)	Quarterly timelines and year	Quarterly timelines and year	Budget
Financial Assistance for Tertiary education, skills development programmes	Human capital development	Number of learners supported through the scholarship scheme and skills development programmes	Improvement in learners' performance in terms of maths and science	AATC DoE ELM	Q1 Implementation	2015-2024 Implementation	R7 million
<b>No of jobs to be created</b>	Classification of jobs	Male adults	Female adults	Male youth	Female youth	Total	Comments
<b>Short term</b>	Non Tech	0	0	0	0	0	Funding to be disbursed in three year cycles
<b>Medium / Long term</b>	Tech	0	0	0	0	0	
<b>Completion date and exit strategy</b>	On-going project for the life of mine						

### **3.8 Housing and living conditions**

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 Kleinkopje employees, and the number of those who receive a housing allowance:

**Table 3.7 Types of accommodation per employee type: Kleinkopje (June 2014)**

### 3.8.2 Progress against targets

Employee type	Houses	Married quarters	Flattlets	Single quarters	Private leased	Other	Total in housing	Total on housing allowance	Labour strength
Officials	28	0	0	0	0	0	28	154	182
Senior-skilled	62	0	0	0	0	0	62	95	157
Skilled	5	0	65	0	0	0	70	313	383
Other	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>							160	562	722

In terms of the first two revised targets, Kleinkopje 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 75% of employees cater for their own accommodation in sustainable areas.

Kleinkopje Colliery has achieved mining charter compliance in 2013 by having no single employee residing in the single quarters. 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: Kleinkopje (January 2014)**

Kleinkopje 2013 Employee type	2014 Milestone		Home Ownership Milestone	
	Target	Actual	Target	Actual
Officials	100%	100%	N/A	80%
Senior-skilled	100%	100%	N/A	66%
Skilled	100%	100%	N/A	81%
Other	100%	100%	N/A	N/A
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>75%</b>

### 3.8.3 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 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.

### **3.8.3 Housing action plan**

In 2007, 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 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**

We identified three projects to accommodate employees who wish to move from mine villages to urban areas in eMalahleni. Internal surveys conducted at the three SACE collieries revealed that employees would prefer to rent or buy their own properties in the Duvha and Kwa Mthunzi Vilakazi suburbs of eMalahleni.

An assessment of SACE's Matimba Village property indicates that it could be incorporated into Duvha Park, the area where those residing in the village would like to remain.

Capacity surveys within eMalahleni and KwaMthunzi Vilakazi have also been undertaken and various developments were identified as possible options for infrastructure funding and development. A fourth option, called the Gypsum Housing Project, is also discussed below.

#### **Project one – Matimba Village, next to Duvha Park Extension One in eMalahleni**

- This project has been shelved owing to the plan to expand mining operations within the Matimba Village.

#### **Project two – Unproclaimed township in the Greater eMalahleni urban area**

- Coal began negotiations to acquire land for residential development in the eMalahleni area as an alternative to the Presidential Project development. This private development was previously identified to accommodate many SACE employees. However, it was plagued by continuous delays. It was anticipated that this development would not only provide accommodation for SACE employees but for those from Goedehoop Colliery too.
- Discussions are in progress with the eMalahleni Local Municipality to acquire suitable land and initiate this project. Two portions of land have already been identified and a proposal is being prepared by Coal to acquire the land from the municipality.
- The estimated number of units ranges from 1,000 to 1,600, depending on final uptake and demand.
- The estimated cost of infrastructure is R62,5 million to R89,5 million, depending on the final number of units to be serviced.

- The estimated duration of this project is three to four years.
- Unfortunately this project has been delayed owing to a lack of capacity at municipal level and tendering delays. No additional work has been undertaken to date.

**Project three –KwaMthunzi Vilakazi development**

- This development has progressed significantly to date. There are approximately 500 stands that have been serviced in this development. Work has been completed on the installation of the electrical, water and sewerage networks at a cost of approximately R31 million.

**Project Four – Gypsum housing project**

- Coal, in partnership with Tower Technologies, has designed a new housing system that makes use of gypsum by-products produced by the company's eMalahleni Water Reclamation Plant.
- A prototype gypsum house has been constructed and has passed all regulatory building test requirements for quality and durability.
- A pilot project involving the construction of 68 of these houses in KwaMthunzi Vilakazi has commenced.
- If successful, this system may be used to alleviate the housing backlogs experienced in the areas where the company has its operations.
- The company has built 67 houses using gypsum by-product from the Water Treatment Plant in the bricks and mortar for these houses. So far, the company has spent R21 million and this project is 100% complete.

**Sourcing and supporting housing delivery**

The above projects have been specifically targeted to supply houses to SACE employees because of their proximity and location. This is in line with the company strategy to source employees from sustainable areas. Our housing team is actively involved in discussions with the eMalahleni 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**

The company has 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 which identified that many do not fully understand the complexities of home ownership. This is an ongoing process and is being run in parallel with the marketing programmes under way for the above developments.

# 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**

Kleinkopje Colliery has not established a forum including both employer and employee representatives from each department. There is a plan to establish the future forum by end of 3<sup>rd</sup> quarter 2014. No Kleinkopje Colliery employees were retrenched during 2013.

#### **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 percent for a continuous period of 12 months, Coal and Kleinkopje 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 Kleinkopje'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**

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 programmes
- Creation of jobs for local economies
- Regeneration of local economies
- Accessing the Social Plan Fund

#### **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**

Kleinkopje 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 Kleinkopje 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 Kleinkopje 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, Kleinkopje 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**

Kleinkopje 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 Kleinkopje 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	R 1 613 000	R 1 513 001	R 1 613 002	R 1 613 003	R 1 613 004
Leaverships	R 1 619 000	R 1 519 001	R 1 519 002	R 1 319 003	R 1 619 004
Internal training programme	R 12 874 000	R11 874 001	R12 874 002	R11 874 003	R 10 874 004
External training programme	R1 276 000	R 2 286 001	R 1 296 002	R 1 000 003	R 1 296 004
<b>TOTAL</b>					

### 5.2 Local Economic Development

Project	2015	2016	2017	2018+	Total
Health Care				R5 000 000	R5 000 000
Waste Management	R500 000	R500 000	R500 000	R650 000	R 1 650 000
Infrastructure Development	R2 000 000	R2 000 000	R2 000 000	R4 000 000	R5 000 000
Human Capital Development	R2 000 000	R2 000 000	R2 000 000	R1 000 000	R7 000 000
<b>TOTAL</b>					<b>R 18 750 000</b>

### 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

Our Ref: CM/W/15/5/KLIENKOPJE

Your Ref: MP 30/5/1/2/2(307) MR

Regional Manager  
Department of Minerals and Energy  
Mpumalanga Region  
Private Bag X7279  
WITBANK  
1035

19 May 2015

### UNDERTAKING TO ADHERE TO THE 5 YEAR REVIEW REPORT ATTACHED TO THE SOCIAL AND LABOUR PLAN

#### MINING RIGHT : KLIENKOPJE COLLIERY

This undertaking forms part of the Social and Labour Plan.

Anglo Operations (Pty) Limited hereby undertakes to adhere to the Annual Progress Report and the 5 year Review Report as required by the Social & Labour Plan approved by your Department.



**BHEKI KHUMALO**

Head of Corporate Affairs, Mineral and Property Rights  
Anglo American Coal, South Africa

*Chantelle Lecker*  
*Mineral & Property Rights Manager*