



**COAL**

# **SOCIAL AND LABOUR PLAN**

**MINING RIGHT: MP 30/5/1/2/2(122)MR  
GOEDEHOOP COLLIERY**

**PERIOD: 2015-2019**

A large, light gray topographic map of a mountainous region, showing contour lines and a central peak, serving as a background for the lower half of the page.

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# **PART ONE**

## **PREAMBLE**

## 1. Background

### 1.1 Anglo American Coal

Anglo American Coal, referred to as Coal, is the fourth largest exporter of seaborne coal in the world, and is wholly owned by Anglo American, one of the world's largest mining and natural resources groups. Anglo American's primary listing is on the London Stock Exchange and it has a secondary listing on the Johannesburg Stock Exchange. In 2012, Coal contributed 13% or US\$482 million to the Group's operating profit.

Coal's resources base, comprising Measured and Indicated resources totals 3.8 Billion tonnes on a 100% basis (2.6 billion tonnes on an attributable basis) and our attributable production in 2012 was 68.7 million. Coal has approximately 14 406 permanent employees and contractors at our managed operations.

We wholly own and operate seven mines in South Africa and have a 50% interest in Mafube Colliery which is jointly owned by Exxaro. We also have a 73% interest in Zibulo and Kriel collieries, both of which are 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 (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.

### 1.2 Overview of Goedehoop Colliery

Goedehoop Colliery is situated about 40km south-east of eMalahleni, in the heart of the Witbank coalfields. The mining boundaries cover an area of some 28 000 hectares.

Goedehoop Colliery was officially opened in 1983, and incorporated the old Springbok Colliery under the new name. Production from Hope 2 Seam Shaft started in April 1983 and was washed in the newly constructed dense medium separation plant. An extensive operational project resulted in the development of the Vlaklaagte 2 Seam and 4 Seam mines. Production started in September 1995 and October 1995 respectively.

The operation merged with Bank Colliery in 2005 and currently produces some 7 – 8 million run of mine tons per annum from two underground shaft complexes. The two processing plants produce in the region of 4, 5 million saleable tons of coal annually, which is sold primarily to the export thermal coal market.

From its establishment in 1983, Goedehoop Colliery used conventional mining methods i.e. drilling and blasting. Continuous Miners were introduced into the Colliery between 1993 and 1998 and the most recent mining method introduced into the operation has been the Flexible Conveyor Train (FCT) system which was introduced during April 2012.

Currently, the mine operates 8 Continuous Miners in the 4 Seam, 1 Continuous Miner in the 2 Seam and 1 Continuous Miner in the 1 Seam.

### **1.3 Objectives**

The aims of our Social and Labour Plan are:

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

### **1.4 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 Operations Limited.
- Coal operations include all operational and technical personnel, but exclude staff from our head office.
- Goedehoop Colliery is a specific operational entity and business unit of Coal.

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

## 1.5 The particulars of the holder of the mining rights

<b>Name of the company</b>	Anglo American Coal
<b>Name of the mine</b>	Goedehoop Colliery
<b>Physical address</b>	Mining and Property Law Department
	First Floor, 45 Main Street
	Johannesburg
	2001
<b>Postal address</b>	Anglo Operations Limited
	PO Box 61587
	Marshalltown
	2107
<b>Telephone number</b>	+27 (11) 638 3781
<b>Fax number</b>	+27 (11) 638 4608
<b>Mine address</b>	Goedehoop Farm
	Portion 12
	2245
<b>Mine postal address</b>	Goedehoop Colliery
	Private Bag X401
	Vandyksdrift
	2245
<b>Telephone number</b>	+27 (13) 687 5300
<b>Mine fax number</b>	+27 (13) 687 5426
<b>Location of mine</b>	Goedehoop Colliery is situated between eMalahleni, Middelburg and Bethal, within the Witbank coalfields of Mpumalanga. It is approximately 140 kilometres east of Johannesburg in the Republic of South Africa.
<b>Commodity</b>	Coal
<b>Life of mine</b>	14 years
<b>Breakdown of employees per sending area</b>	See Attachment 2
<b>Financial year</b>	January to December
<b>Reporting Year</b>	31 March of following year
<b>Responsible Person</b>	Erik Becht, General Manager

# PART TWO

## Human Resources and Development Programme

## 2. Human Resources and Development Programme

A workforce with the right skills, experience and training is one of the industry's most basic needs. We invest significant resources into developing the skills of our employees.

To reach our goal of becoming the Employer of Choice in the mining industry, we provide world class and sustainable education for employees across our business, while also extending our capacity building initiatives to members of our immediate communities.

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 during the 2010 - 2014 SLP period. This included compulsory training in Anglo American's A1.2, A2 and A3 courses as well as the Safety Leadership Programme for those in supervisory roles. This focus on safety will continue throughout the period of this Social and Labour Plan.

This section of the SLP highlights the current status of Goedehoop Colliery (GH) and the targets for the next five years:

- Our Skills Development Legislative compliance
- The GH Skills Development Plan
- Hard – to- Fill vacancies
- Career progression and planning
- Mentorship and Talent Management
- The internship and bursary plan
- Employment Equity

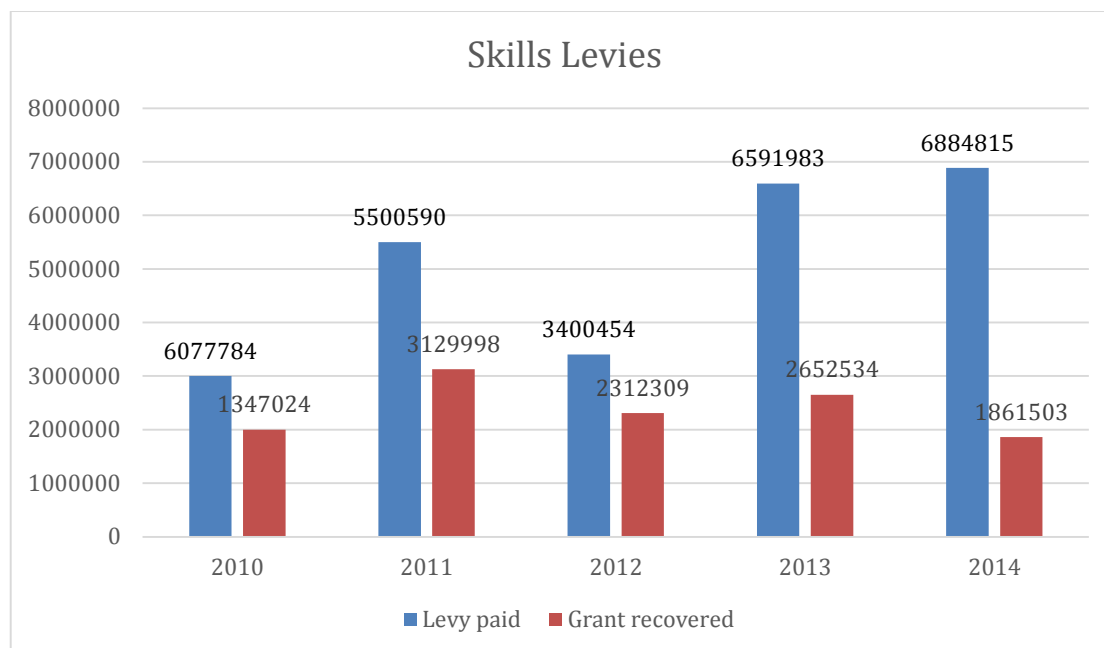
### 2.1 Skills Development Legislation Compliance

Goedehoop Colliery is registered with the Mining Qualifications Authority (MQA), which is the appropriate Sector Education and Training Authority (SETA) for the mining industry. Our Levy Number is L270214811.

#### 2.1.1 Skills Development levies

Goedehoop Colliery pays levies and claims grants in accordance with the provisions of the MQA. The amount of levies paid and grants claimed over the 2010 – 2014 period is reflected below (in ZAR):





### 2.1.2 Skills Development Facilitator

We have two Skills Development Facilitators (SDF's) at Goedehoop Colliery.

- i) Ferdi Kemp, who is the colliery Training Manager. He is appointed by the General Manager of the colliery into this role.
- ii) Sandra Maseko, who is from the National Union of Mineworkers. She has been nominated from their Education sub-structure to fill this position.

Both SDF's are responsible for coordinating the Workplace Skills Plan and Annual Training Report for the operation on an annual basis. This process is done in consultation with the Employment equity and Skills Development Committee.

### 2.1.3 Workplace Skills Plan and Annual Training Report

As mentioned above, Goedehoop Colliery compiles and submits the Workplace Skills Plan (WSP) and Annual Training Report (ATR) to the MQA annually. Both of these documents have been accepted for every year of the prior Social and Labour Plan period. The WSP and ATR are compiled according to the requirements as communicated annually by the MQA.

## 2.1.4 Training Investment

The colliery spends in the region of 7-10% of our annual wage bill on training and development. The target in the revised Mining Charter is 5% of the annual wage bill.

The picture for the 2010 – 2014 period is shown in the table below:

**Table 2.1: Training Spend statistics**

Year	Training spend as a % of wage bill	Average training days per annum
2010	8%	9 days
2011	9,2%	7 days
2012	10%	7 days
2013	8,5%	7 days
2014	7,3%	4 days

## 2.2 Skills Development Plan

### 2.2.1 Education Profile for Goedehoop Colliery

The education profile for Goedehoop Colliery is shown in Table 2.1. Analysis of this table highlights the following key items:

- i) 66% of employees have a Further Education and Training (FET) or higher level of education
- ii) 16% of employees have A Higher Education and Training (HET) level of education
- iii) There are 110 employees who have lower than an ABET Level 4 education level; of which 23 are women
- iv) The majority of employees with lower than ABET Level 4 education levels are in the 55 - 60 year age group.
- v) 81% of the women on the workforce have Grade 12 or higher education level

### 2.2.2 Goedehoop Colliery Training Centre

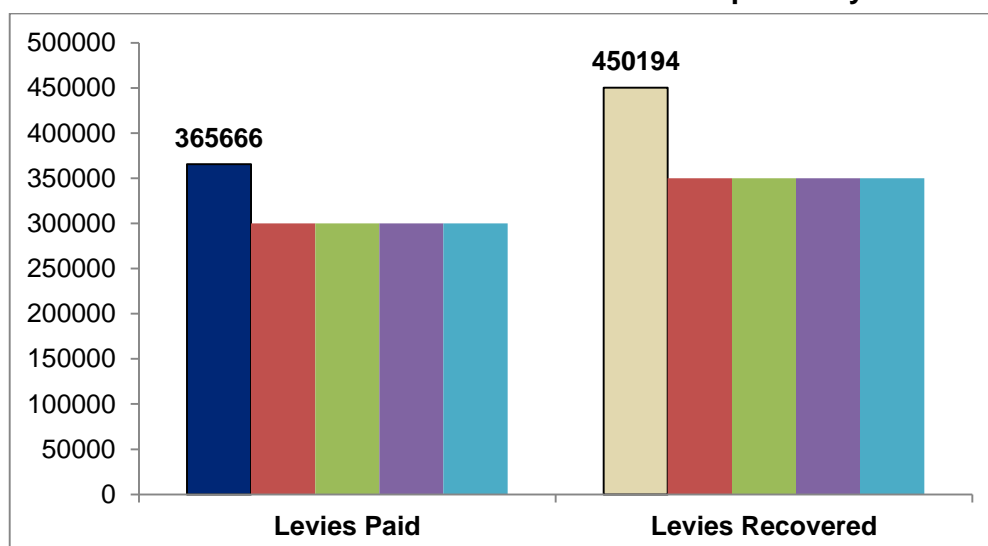
Goedehoop Colliery has a training centre that is ISO 9001: 2008 certified and has training provider status from the Mining Qualifications Authority (MQA). The Training Centre operates in partnership with the Anglo American Coal SA Learning and Development Centre, based in eMalahleni. This centre leverages from the expertise of the group to source, draft and present key competence and development courses for members of the Coal SA workforce.

The GH training centre is responsible, inter alia, for the following:

- i) Maintaining and presenting the annual refresher training for mine personnel and business partners
- ii) Managing the licensing system for GH employees and business partners
- iii) Maintaining skills and training matrices for GH employees
- iv) Ensuring that Goedehoop Colliery remains compliant with safety legislation in terms of training and competence
- v) Implementing directives from Anglo American plc and Coal SA that have reference to safety, training and competence

The Training Centre has a staff complement of 14 employees to fulfil its mandate. Use is made of outside training providers and consultants where necessary to ensure service delivery.

**Total Skills Levies Paid and Recovered: Goedehoop Colliery**



**Table 2.2 Number and education levels of employees: Goedehoop Colliery (December 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	0	0	0	0	22	0
		Grade 0 / Pre	6	0	0	0	0	0	0	0	6	0
		Grade 1 / Sub A	1	0	0	0	0	0	0	0	1	0
		Grade 2 / Sub B	4	0	0	0	0	0	0	0	4	0
		Grade 3 / Std 1 ABET 1	49	0	0	0	4	0	0	0	49	4
		Grade 4 / Std 2	58	0	0	0	3	0	0	0	58	3
		Grade 5 / Std 3 / ABET 2	58	0	0	0	4	0	0	0	58	4
		Grade 6 / Std 4	69	0	0	0	7	0	0	0	69	7
		Grade 7 / Std 5 / ABET 3	85	0	0	0	5	0	0	0	85	15
		Grade 8 / Std 6	50	0	0	8	4	0	0	0	58	4
		Grade 9 / Std 7 / ABET 4	53	0	0	0	4	0	0	0	53	4
Further Education and Training (FET)	2	Grade 10 / Std 8 / N1	65	0	0	30	5	0	0	2	95	7
	3	Grade 11 / Std 9 / N2	63	0	0	33	7	0	0	0	96	7
	4	Grade 12 / Std 10 / N3	287	0	5	115	103	1	0	17	407	121
Higher Education and Training (HET)	5	Diplomas / Certificates	62	0	0	37	34	0	0	2	99	36
	6	First degrees / higher diplomas	38	1	1	5	19	0	1	6	45	26
	7	Honours / Master's degrees	11	1	1	5	3	0	0	2	18	5
	8	Doctorates	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>			<b>981</b>	<b>2</b>	<b>7</b>	<b>233</b>	<b>202</b>	<b>1</b>	<b>1</b>	<b>29</b>	<b>1 233</b>	<b>233</b>
											<b>1 456</b>	

### 2.2.3 Goedehoop Colliery Skills Strategy

The GH skills development strategy is based on the following

- > Providing the opportunity for all employees to obtain a minimum educational level equivalent to ABET Level 4
- > Ensuring that the operation has the required skills and competencies within the workforce to enable us to achieve our business and operating mandate
- > providing a conducive environment for employees to develop and pursue clear career paths within the organisation as a whole

The following systems and policies are in place to support these objectives being achieved:

- The ABET programme
- The Learnership programme
- The Professionals In training programme
- The Bursary programme
- The Part Time Study Bursary Scheme
- Internal and External Leadership development programmes
- Competence and skills enhancement and refresher programmes
- Talent Management and Mentorship programmes

#### 2.2.3.1 Adult education and training

The organisation has been running an Adult Basic Education and Training intervention for over a decade. The result is that the overwhelming majority of employees who did not have ABET Level 4 qualifications and who wanted to obtain them have done so. Those remaining do not want to embark on the journey to obtain a qualification. The reasons for this are varied, and include

- employees regarding themselves as too old to start studying again
- employees not wanting to spend time after hours studying
- employees not seeing how they would benefit

The history of employee enrolment for ABET at Goedehoop Colliery over the past 5 years is reflected below:

**Table 2.3 ABET Enrolment statistics for the 2010 -2014 period**

Level	2010	2011	2012	2013	2014
ABET 1	16	10	9	5	
ABET 2	14	13	8	9	8
ABET 3	14	12	8	8	
ABET 4	25	15	14	14	12
<b>Total</b>	69	<b>50</b>	<b>39</b>	<b>36</b>	<b>20</b>

As can be noted, there is a very poor uptake for ABET classes from employees. Following retirements and Voluntary Separation Packages which became effective in January 2015, the number of employees at Goedehoop Colliery with education levels lower than ABET 4 currently stands at 52. We are engaging them on an individual level to ascertain their interest in enrolling for ABET classes.

Goedehoop Colliery will continue to support any employee who wishes to obtain an ABET Level 1 to 4 qualification. An individually customised training plan will be drawn up for each employee who wishes to make use of the opportunity.

### **2.2.3.2 Learnerships**

Anglo American Coal SA has a long history of maintaining an extensive learnership programme. The global economic environment has impacted this development programme, however, we still maintain a thriving and critical learnership pipeline within the company. The aspirational target is to maintain a learnership complement of one learner for every 3, 5 artisans. The company uses this learnership complement as an important tool in addressing the equity profile of the business, and for bolstering the equity pipeline for developmental and career progression.

This is also true of the situation at Goedehoop Colliery. The current status of learnerships as at 31 December 2014 was as follows:

**Table 2.4 Learnerships at Goedehoop Colliery as at 31 December 2014:**

Discipline	Actual	HDSA	Female
Diesel Mechanics	4	3	1
Electricians	23	15	8
Fitters	22	18	2
Platers/Boilermaker	7	4	1
Instrumentation	2	2	1
<b>Total</b>	<b>58</b>	<b>42</b>	<b>13</b>

Thus it can be seen that 73% of the learnership complement is HDSA, and 23% are Women In Mining. Further, it should be noted that 36% are internal learners (they were existing employees who applied and were accepted onto the programme) while 64% are external learnerships (they were recruited from the surrounding communities).

The proposed plan for the learnership complement over the next five years is shown below:

**Table 2.5 Learnership budget for 2015 - 2019**

Discipline	2015	2016	2017	2018	2019
Diesel Mechanics	5	5	5	7	7
Electricians	20	20	20	22	22
Fitters	20	20	20	22	22
Platers/Boilermaker	5	5	5	7	7
Instrumentation	2	2	2	4	4
<b>Total</b>	<b>52</b>	<b>52</b>	<b>52</b>	<b>62</b>	<b>62</b>

Learners will be recruited to fill any vacancies arising from existing learners either qualifying or leaving the programme for any other reason. The following guidelines regarding recruitment which are currently in force will remain in place:

- Aim for 40% internal and 60% external recruitment
- Aim for 75% HDSA candidates
- Size and make up of recruitment will be dependent on operational requirements

Apart from the engineering learnerships mentioned above, there is a Learner Miner programme in place to provide feedstock for the Section Miner / Face Boss complement on the operation.

It is customary for Learner Miners to be recruited from the ranks of the mining operators, and so provide a career development opportunity for this group of employees. The plan is to source one Learner Miner per annum.

### **2.2.3.3 Professionals in Training (Internships)**

Coal SA manages a bursary scheme designed to provide feedstock for the core and critical skills required by the organisation. In terms of this scheme, bursaries are awarded to candidates (sourced both from local communities and elsewhere) to study in key disciplines such as Mining Engineering, Electrical and Mechanical Engineering, Geology, Survey, Metallurgy, Human Resources and Finance. These bursars are managed centrally from one point for the entire division, and upon successful completion of their studies the graduates are placed across the various operations to complete a training (internship) period. This is referred to as the Professionals In Training programme and is designed to prepare graduates for a substantive appointment on one of the collieries.

The colliery takes responsibility for the development of the graduates allocated to the mine each year.

More detail is provided in Section 2.6 below.

### **2.2.3.4 Competency enhancement**

The colliery is aware that even qualified employees may be in need of further education, training and development after they have joined the organisation. There are two broad categories that are addressed:

- i) Technical competency
  - a. The primary focus here is on Engineering skills, and training is structured for skilled, artisan and supervisor levels
  - b. The majority of training interventions are presented at the Coal SA Learning and Development Centre in eMalahleni.
  - c. Examples of such training includes
    - i. Mechanical safety
    - ii. Medium Voltage
    - iii. Rigging
    - iv. Diagram Reading
  - d. Operator training is also offered, which includes simulator experience
  - e. Six-monthly training schedules are compiled based on Training Needs Analyses submitted by each operation.
- ii) Leadership Development



Leadership development and upskilling is driven through a number of different leadership programmes which are all in line with the latest global business trends and aimed at driving a high level of performance. A different level of leadership training is given to all levels of leadership. The following are some of the current leadership training programmes

- **Foundations of Leadership (FLP):** Aimed at all first line and newly appointed supervisors to improve their level of leadership competency, in line with the 21<sup>st</sup> century leadership skills and techniques. Training will continue and cover all first line supervisors.
- **Leadership Development Programme (LDP):** The programme has been a big success and it is now registered as a qualification with Education, Training and Development SETA. The programme serves as a link between the Foundations of Leadership and the Programme for Management Excellence. The Leadership Development Programme will ensure leadership growth in terms of leadership skills and techniques as these leaders progress to higher levels
- **Programme of Management Excellence:** In order to deliver high levels of leadership and management competence this programme was developed as a partnership between Anglo American and GIBS. Senior leadership is equipped to match the global challenges in order for Anglo American to have a competitive edge.

Programmes such as the above cater for equipping supervisors with the necessary skills to successfully manage their people.

**Table 2.6 Leadership Development course budget**

Programme	Budget 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019
FLP	6	6	6	6	6
LDP	6	6	6	6	6
PME	2	2	2	2	2
<b>TOTAL</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>

In addition, a complete suite of Safety Organisational Risk Management Programmes is offered. These programmes have been compiled by subject matter experts, drawing on both in-house company expertise and global benchmarking. The A1.2, A2, A2 for Managers, A3

and Safety Leadership programme are targeted at different levels in the organisation but all share the common message of contributing towards a zero harm workplace.

### **2.2.3.5 Part Time Study Bursary Scheme**

This scheme offers bursaries to employees who wish to further their qualifications by studying on a part-time basis. Bursaries are awarded for any discipline which has relevance to the mining industry. 100% of tuition, text book and exam fees to a value of R30 000 p.a. are covered, with a co-sponsorship of costs in place for amounts above R30 000. Employees are required to complete their studies successfully; otherwise the bursary converts into a loan (as per the SARS tax legislation). While there is a specific amount included in our annual budget, each bursary application is considered on its merits and a decision made accordingly.

### **2.3 Hard to fill vacancies**

Coal SA uses a combination of three primary sources to ensure the required supply of skills to mitigate against there being hard-to-fill vacancies on our operations. These are

- i) Internal development and career progression of employees
- ii) Bursaries and internship programmes
- iii) External recruitment from without the business

The most significant of these initiatives are the Learnership programme, bursary scheme and Professionals InTraining strategy (which have been discussed earlier).

We strive to provide training and development opportunities to address the critical skills shortage in South Africa and have created internal trainee positions for surveyors, ventilation, environmental and safety officers to develop these scarce skills internally.

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

- Electrical engineers
- Mechanical engineers
- Mining engineers
- Surveyors

Hard to fill vacancies are addressed through bursary programmes, study assistance schemes and the provision of learnerships and skills programmes. Employees are encouraged to study in the fields where there is a scarcity of skills. Goedehoop Colliery is currently not experiencing any significant hard to fill vacancies.**2.3.1 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.

## 2.4 Career Progression Path (Plan)

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 most suited to them. This is an on-going 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.

A further development has been the launch of the various 'People Ways', such as the HR People Way and the Finance People Way. These are comprehensive websites that contain a myriad of information regarding roles, role profiles, key competencies and levels of proficiency required for different levels within a discipline, and much more. There are also 'Technical Ways' which focus on disciplines such as Engineering and Metallurgy.

## 2.5 Mentorship Plan

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 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 the level of 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.

**Table 2.7 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	

## 2.5.1 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 organization. Our talent management strategy 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 retaining them by winning their hearts and minds.

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

This process is used to identify employees for high-flyer programmes such as Leaders in Anglo, The Achievers Programme, and the Programme for Management Excellence.

## 2.5.2 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 behavioral attributes, knowledge, skills, experience and potential required to succeed as a company and as individuals. This framework and our new interactive development portal provides employees with the tools and information needed to help them take ownership of their career development.

## 2.6 Bursary and Internship Plan

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.
- 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.

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 (see LED section). 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 us with a pipeline of students who could be offered bursaries and ultimately permanent employment. The adopted approach is to offer experiential learning to at least 40 learners per annum.

We also have a Community Development Scholarship which was established solemnly for disadvantaged students within our host communities around Steve Tshwete Local Municipality. A total number of five Scholarships were awarded in 2014 in various study fields not necessarily focusing on mining related courses. This is to develop skill for the country and other industries. Goedehoop plans to be consistent with carrying through 5 students for the duration of the 2015 – 2019 SLP period.

**Table 2.8 Professionals in training for Coal**

Discipline	Budget 2015	Budget 2016	Budget 2017	Budget 2018	Budget 2019
Mining	33	33	43	39	39
Engineering	34	29	32	32	32
Industrial engineering	5	4	5	4	4
Rock engineering	2	2	2	2	2
Geology	10	12	14	11	11
Metallurgy	10	6	8	7	7
<b>Total: Technical</b>	<b>94</b>	<b>86</b>	<b>104</b>	<b>95</b>	<b>95</b>

VOHE	4	4	4	4	4
Environmental	4	4	4	4	4
Human resources	3	2	2	2	2
Commerce (finance and payroll)	6	8	5	0	0
Survey	2	3	2	1	1
Safety	4	4	4	4	4
<b>Total: All</b>	<b>117</b>	<b>111</b>	<b>125</b>	<b>110</b>	<b>110</b>

**Table 2.9 University of Technology bursars (Coal SA)**

Discipline	Budget	Budget	Budget	Budget	Budget
	2015	2016	2017	2018	2019
Mining	9	13	21	23	23
Metallurgy	2	2	2	2	2
Engineering	6	16	16	18	18
Geology	2	2	2	2	2
Survey	5	6	6	7	7
Technicians	3	3	3	3	3
<b>Total</b>	<b>27</b>	<b>42</b>	<b>50</b>	<b>55</b>	<b>55</b>

**Table 2.10 University of Science bursars (Coal SA)**

Discipline	Budget	Budget	Budget	Budget	Budget
	2015	2016	2017	2018	2019
Mining	40	49	41	50	50
Commerce	15	17	12	13	13
Electrical engineering	13	18	17	17	17
Mechanical engineering	24	20	26	21	21
Geology	21	22	15	20	20
Rock engineering	0	0	0	0	0
Metallurgy	20	23	19	20	20
Environmental	11	15	16	18	18
Industrial engineering	11	11	8	5	5
<b>Total</b>	<b>155</b>	<b>175</b>	<b>154</b>	<b>164</b>	<b>164</b>

## 2.6.2 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.

Each year, a number of graduates from the Bursar programme are posted out to the different Coal SA operations in order to commence their practical training programme (internship). The table below indicates the number of such graduates who were at Goedehoop Colliery as at December 2014:

**Table 2.11 Goedehoop Professional in Training**

Discipline	Actual 2014	HDSA	% HDSA	Women	% Women
Mining	5	4	80%	3	60%
Engineering	5	4	80%	3	60%
Industrial Engineering	1	1	100%	1	100%
Technicians in Training	2	2	100%	2	100%
Geology	1	1	100%	1	100%
Metallurgy	3	3	100%	1	33%
Human Resources	1	1	100%	1	100%
Commerce					
Safety	1				
Environmental					
VOHE					
<b>Total</b>	<b>19</b>	<b>16</b>	<b>84%</b>	<b>12</b>	<b>63%</b>

### 2.6.3 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 as a whole.

## 2.7 Employment equity

One of our greatest assets is the diversity of our people and we have moved beyond simple transformation. Apart from the requirements of legislation and the Mining Charter, the organisation has in addition established a number of in-house diversity aspirations. These emanate from both global corporate level through Anglo American plc to the Anglo American Coal Business Unit.



## 2.7.1 Goedehoop Colliery

### 2.7.1.1 Workforce profile

The workforce profile for Goedehoop Colliery as at December 2014 is shown in Table 2.16 .

The following salient points may be noted:

- The HDSA % for the technically and academically qualified level has reached 60%
- The HDSA% for all levels below that is above 60%
- The HDSA % for the Imanagement levels is 37%
- The Women in Mining % is well spread across the levels, particularly in the feedstock pipeline for supervisory and junior management positions.

### 2.7.1.2 HDSA in Management

At Coal SA, we invest in the development of HDSA employees. Preference is given to HDSA candidates during the recruitment process and personal development plans are put in place to further the careers of employees so that they can participate in the management structures of our organisation.

**Table 2.12 HDSA participation in management at Goedehoop Colliery (2014)**

Occupational Levels	2014		Variance
	SLP Target	Actual	
HDSA's in Top management	0	0	0
HDSA's in Senior management	4	2	-2
HDSA's in Professionally qualified and experienced specialists and middle-management positions	46	27	-19
Total management	89	80	-9
<b>Percentage HDSA in management</b>	<b>51%</b>	<b>36,3%</b>	<b>-14,6</b>

The 2014 target for HDSA in management has not been reached; there were 36, 3% of HDSA's in management at the end of the year as against the SLP target of 51%. This percentage representation is also below the Mining Charter target of 40%. Appointments at this level are influenced by divisional talent placement, and thus the GH situation should be seen against the overall Coal SA status. In this respect, the HDSA in management status for Coal SA was 38 % at the end of 2014. Every opportunity will be scrutinised during 2015 in order to ensure we reach the 40%+ mark within the next 18 months.

The HDSA in Management progression plan for the next 5-year period is summarised below:

**Table 2.13 HDSA in Management budget**

Occupational Levels	Target	Target	Target	Target	Target
	2015	2016	2017	2018	2019
HDSA 's in senior management	2	2	2	2	3
HDSA's in professionally qualified and experienced specialists and mid-management	29	31	33	35	37
Total number of HDSA's	31	33	35	37	40
<i>Total number of management</i>	<i>80</i>	<i>80</i>	<i>80</i>	<i>80</i>	<i>80</i>
<b>Percentage HDSA's in management</b>	<b>38,8%</b>	<b>41,2%</b>	<b>43,8%</b>	<b>46,3%</b>	<b>50%</b>

### 2.7.1.3 Women in Mining

Coal SA recognises the strength in diversity to be gained from employing women and has successfully increased the number of women employed at our operations. We ensure that women are engaged in all aspects of our business and the integration of women into previously male dominated roles is a priority. Our objective is to attract, retain and advance women in all disciplines an at all levels of the organisation.

**Table 2.14 Women participation in mining at Goedehoop Colliery (2014)**

Occupational Levels	2014		Variance
	SLP Target	Actual	
Senior management	1	1	0
Professionally qualified and experienced specialists and mid-management	15	12	-3
Technically and academically qualified workers, junior management, supervisors, foremen and superintendents	140	112	-28
Semi-skilled and discretionary decision-making	87	90	3
Unskilled and defined decision-making	45	13	-32
<b>Total women</b>	<b>288</b>	<b>228</b>	<b>-60</b>
<b>Total workforce</b>	<b>2 056</b>	<b>1 456</b>	<b>-600</b>
<b>% workforce</b>	<b>13,9%</b>	<b>15,6%</b>	<b>1,7%</b>

The table above indicates that the Women in Mining metric as at December 2014 was standing at 15,6%, as against the SLP target of 13,9%. This increased percentage was obtained despite the numerical target of 288 females not being reached; this is owing to the decrease in the overall size of the workforce.

The Women in mining progression plan for the next 5-year period is shown below:

**Table 2.15 Women in Mining budget**

<b>Occupational Levels</b>	<b>Target 2015</b>	<b>Target 2016</b>	<b>Target 2017</b>	<b>Target 2018</b>	<b>Target 2019</b>
Women in senior management	1	1	1	1	2
Women in professionally qualified and experienced specialists and mid-management	12	13	14	15	16
Women in technically and academically qualified, junior management, supervisory roles, foremen and superintendents	112	113	114	115	116
Women in semi-skilled and discretionary decision making roles	90	90	91	91	92
Women in unskilled and defined decision making roles	13	13	14	14	15
Total number of women	228	230	234	236	241
<i>Total workforce number</i>	<i>1 456</i>	<i>1 456</i>	<i>1 456</i>	<i>1 456</i>	<i>1 456</i>
<b>Percentage HDSA's in management</b>	<b>15,6%</b>	<b>15,8%</b>	<b>16,1%</b>	<b>16,2%</b>	<b>16,6%</b>

**Table 2.16 Employment Equity statistics for Goedehoop Colliery (December 2014)**

Occupational Levels	MALE				FEMALE				TOTAL		DISABLED		HDSAs
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	Male	Female	HDSA (%)
Top Management													
Senior Management	1			5	1				6	1			29%
Professionally qualified and experienced specialists and mid management	16			46	5			6	62	11	2		37%
Technical and academically qualified workers, junior management, supervisors, foreman and superintendents	318	2	7	176	92		1	20	616	113	1		60%
Semi-Skilled and Discretionary decision-making	626			5	88	1		1	631	90	7		99%
Unskilled and Defined decision-making	15				6				15	6			100%
<b>TOTAL</b>	976	2	7	232	192	1	1	27	1 217	221	10		84%
Non-permanent employees	5			1	10			2	6	12			94%
<b>TOTAL PERMANENT</b>	981	2	7	233	202	1	1	29	1 223	233	10		84%
									<b>1 456</b>				

# PART THREE

## Local Economic Development Programme

### 3. Social and Economic Background

Coal SA believes in investing in communities and beyond the workforce due to the following reasons:

1. It increases opportunities for outsourcing various Anglo Coal activities, through increasing capacity of local businesses;
2. It decreases the dependence of neighbouring communities on the Anglo Coal operations;
3. It increases the labour pool from which to source local employees (increases in local employment generally has a positive impact on community relations); and
4. Contributing towards a more stable community, particularly where the development of human capital contributes to the increased quality of life and decreased poverty and associated ills.

A copy of the Socio-Economic Assessment Toolbox Report (SEAT 2) for Goedehoop Colliery 2012 available on request. The next report will be published in 2015.

### Social and Economic Background Information

Anglo Coal operates mainly in three municipal districts, namely (1) Nkangala, (2) Gert Sibande and (3) Fezile Dabi. The Social and Economic background on the operations will be common in a number of operations. In the case of Goedehoop Colliery, which operates in the Nkangala District, the same information will be provided by Greenside Colliery, Kleinkopje Colliery, Landau Colliery and Kriel Colliery that are Anglo Coal operations in the same Municipal District (Nkangala).

The Nkangala District Municipality is one of the district municipalities forming the Mpumalanga province namely (1) Nkangala, (2) Ehlanzeni and (3) Gert Sibande

Goedehoop Colliery is situated in the Nkangala Municipality District, which comprises of six local Municipalities. It is situated in the two local municipalities (Steve Tshwete Municipality and Emalahleni Municipality) in Mpumalanga.

The Nkangala District Municipality comprise of an area of approximately 240 km<sup>2</sup> that includes the following local municipal areas:

- Emalahleni Local Municipality
- Steve Tshwete Local Municipality
- Delmas Local Municipality
- Highlands Local Municipality
- Thembisile Local Municipality
- Dr. JS Moroka Local Municipality

### 3.1. Socio-Economic Profile

The following is a breakdown of the population in Nkangala District Municipality:

According to Statistics South Africa (2011), the District Municipality has a total population of 1,308 129 people living in Nkangala District. This is an increase of 287,542 people in a decade (from 2001). The same (2011) census indicated that as at 2011, there were 356,911 households in Nkangala, up from 245,429 in 2001 with 160 towns and villages.

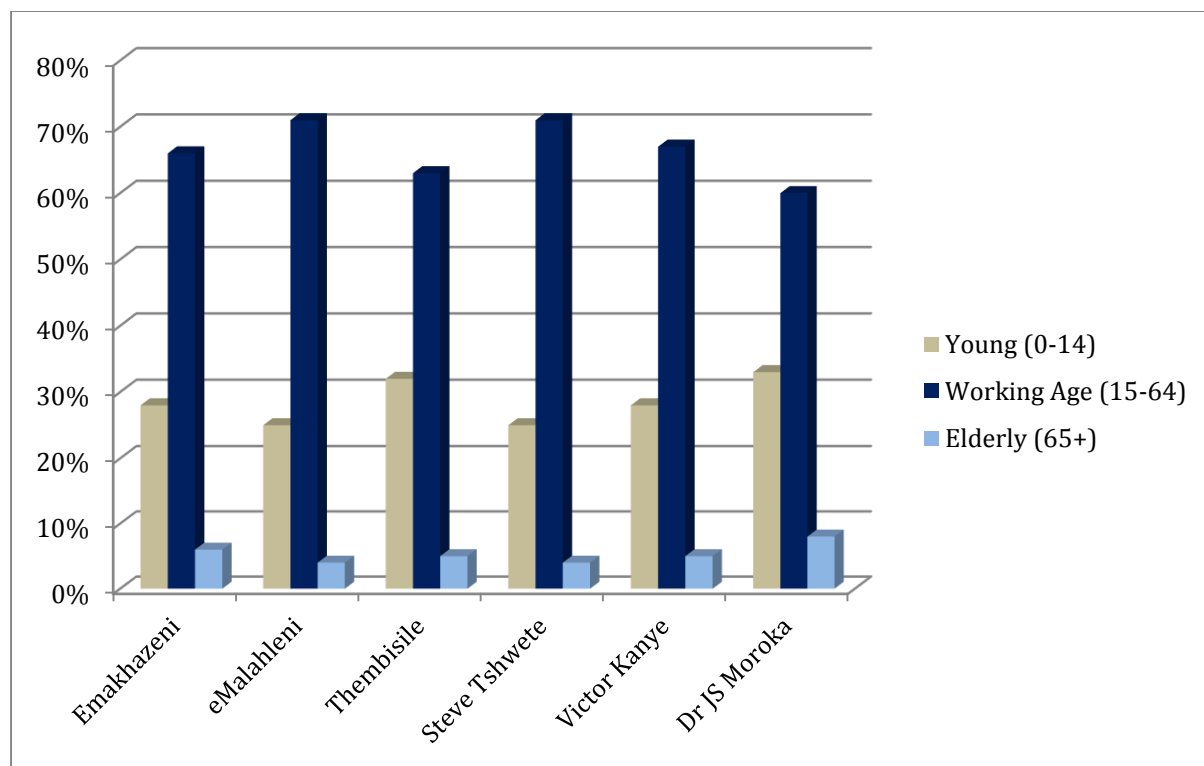
**Table 3.1 Population size and growth**

Local Municipalities	Size (Squared Km)	Population	Population Density/Squared Km
Victor Khanye	1576	75453	47.9
Steve Tshwete	3976	229831	57.8
Emalahleni	2677	395466	147.7
Emakhazeni	4736	47216	10.0
Dr JS Moroka	1416	249706	176.3
Thembisile Hani	2384	310457	130.2

(Source: Nkangala District Municipality: LED 2014/2019)

On age, majority of the population in the district are within the working age bracket (between 15-64 years). Emalahleni and Steve Tshwete municipalities record the highest numbers of the working age (71%) followed by Victor Khanye and Emakhazeni, while Thembisile and Dr JS Moroka feature lower working age population compared to the other municipalities in the District. The implication is that this population requires job opportunities, failing which high levels of unemployment will be inevitable. The elderly population hovers around 7%, while those less than 15 years old average 30%. Job creation initiatives should aim at absorbing the unemployed, but also proactively seek to absorb the incoming labour force, who are currently under 15 years.

**Figure 3.1.1: Age bands in Nkangala District by Local Municipalities**



Source: Statistics South Africa (Census 2011)

**Table 3.2 Education Levels**

Local Municipalities	No Schooling Aged 20+	Matric Aged 20+	Higher Education Aged 20+
Victor Kanye	12%	27%	8%
Steve Tshwete	7%	35%	14%
Emalahleni	6%	31%	14%
Emakhazeni	15%	29%	7%
Dr JS Moroka	17%	25%	7%
Thembisile Hani	18%	26%	5%

(Source: Nkangala District Municipality: LED 2014/2019)



The education levels indicate there is a high number which matriculated than any other education level within the District.

**Table 3.3 Income Categories in the District**

<b>INCOME</b>	<b>Victor Khanye</b>	<b>Emalahleni</b>	<b>Steve Tshwete</b>	<b>Emakhazeni</b>	<b>Thembisile Hani</b>	<b>Dr JS Moroka</b>
<b>No Income</b>	<b>15%</b>	<b>14%</b>	<b>13%</b>	<b>12%</b>	<b>14%</b>	<b>16%</b>
<b>R1 – R4,800</b>	<b>4%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>6%</b>	<b>6%</b>
<b>R4,801- R9,600</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>	<b>5%</b>	<b>10%</b>	<b>10%</b>
<b>R9,601-R19,600</b>	<b>17%</b>	<b>11%</b>	<b>11%</b>	<b>21%</b>	<b>20%</b>	<b>25%</b>
<b>R19,601-R38,200</b>	<b>21%</b>	<b>17%</b>	<b>16%</b>	<b>22%</b>	<b>24%</b>	<b>22%</b>
<b>R38,201-R76,400</b>	<b>16%</b>	<b>18%</b>	<b>17%</b>	<b>16%</b>	<b>15%</b>	<b>11%</b>
<b>R76,404-R153,800</b>	<b>20%</b>	<b>14%</b>	<b>14%</b>	<b>11%</b>	<b>7%</b>	<b>6%</b>
<b>R15.,801-R307,600</b>	<b>6%</b>	<b>11%</b>	<b>7%</b>	<b>6%</b>	<b>3%</b>	<b>3%</b>
<b>R307,601-R614,400</b>	<b>3%</b>	<b>6%</b>	<b>2%</b>	<b>3%</b>	<b>1%</b>	<b>1%</b>
<b>R614,001-R1,228,800</b>	<b>1%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>
<b>R1,228,801-R2,457,600</b>	<b>0%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>R2,2457,601+</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

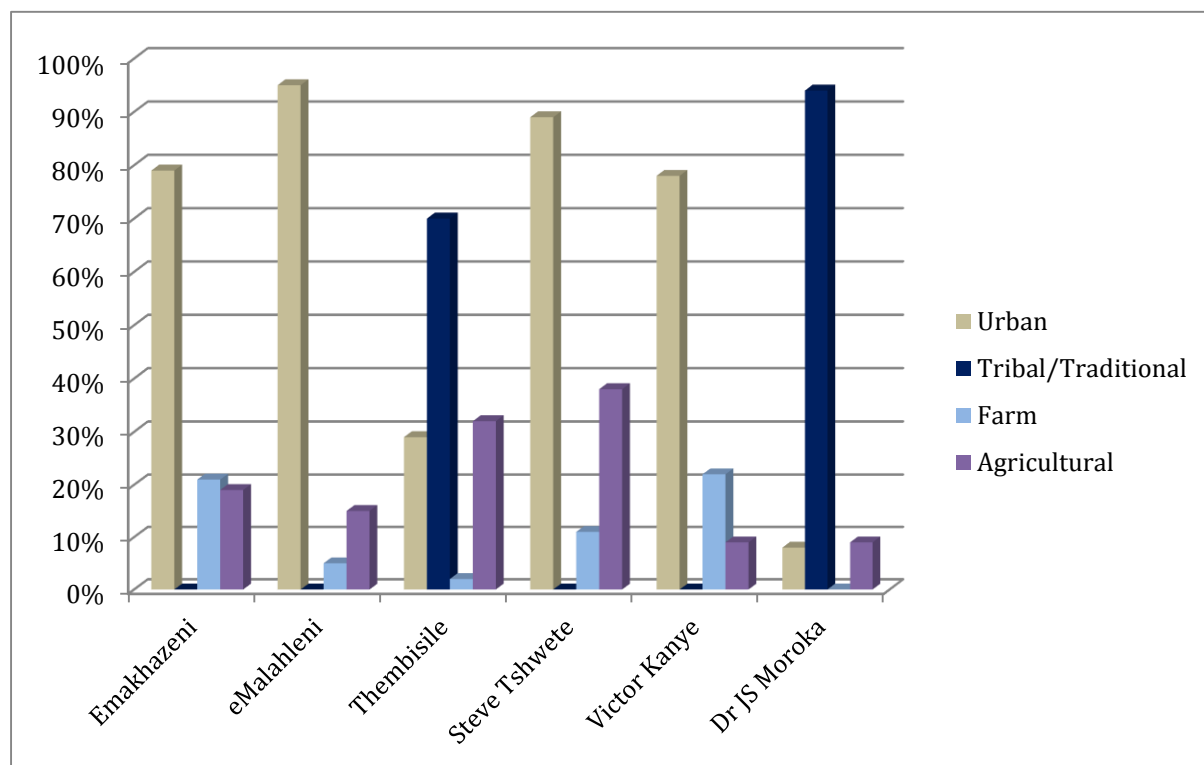
(Source: Nkangala District Municipality: LED 2014/2019)

The income category information on the above indicate that an average of 14% in each Municipality have no source of income. It also suggests that at least one in every ten households.

### **3.1.4 Settlement Types**

As indicated in the graph below, Nkangala District is mainly urban with rural areas mainly found in Dr JS Moroka and Thembisile. Farm settlements seem higher in Emakhazeni and Victor Kanye than the rest.

**Figure 3.1.2: in Nkangala District by Local Municipalities**



(Source: Nkangala District Municipality: LED 2014/2019)

### 3.1.5 Basic Services (Water, Sanitation, Electricity)

Local Municipalities	Flush toilet connected to sewage	Weekly refuse removal	Piped water inside dwelling	Electricity for lighting
Victor Khanye	71%	74%	48%	85%
Steve Tshwete	82%	85%	62%	91%
Emalahleni	69%	67%	55%	73%
Emakhazeni	74%	72%	55%	84%
Dr JS Moroka	13%	14%	14%	97%

<b>Thembisile Hani</b>	<b>7%</b>	<b>5%</b>	<b>16%</b>	<b>92%</b>
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## 3.2 Key Economic Activities

**Table 3.2 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 Moroka	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%
<b>Total</b>	<b>4.5%</b>	<b>45.2%</b>	<b>38.7%</b>	<b>3.5%</b>	<b>4.9%</b>	<b>3.2%</b>	<b>100.0%</b>

- 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 (34.9%), finance (14.2%) and utilities (13.3%).
- Increasing role/share of finance & transport and decreasing role/share of mining (but still more than one-third of the local economy).

At district level eMalahleni contributes 45% of the GDP of the region. This clearly indicates the nature of concentration of economic activities in the area followed by Steve Tshwete (at 39%). Emakhazeni, Dr JS Moroka, Thembisile Hani and Victor Khanye (Delmas) have the least contributions.

Seeing that Steve Tshwete is second to eMalahleni on economic dominance within Nkangala this has the potential of attracting population migration from nearby localities

thereby putting a strain on the provision of job opportunities and basic services. Growth and development within neighboring 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%.

Electricity has also had significant contribution as well, although marginal decline was experienced. However, Agriculture's contribution to the economy of Steve Tshwete has increased as well 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 Steve Tshwete 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 Steve Tshwete 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

#### **Other energy companies in the area:**

- BHP Energy Coal South Africa
- Glencore
- Exxaro
- Komati
- Transnet
- Eskom

### **3.3 Impacts of the Mining Operation**

#### **3.3.1 Environmental and Communities**

Goedehoop Colliery extends over 14,000 hectares and encompasses the immediate mining community as well as surrounding communities comprising of farming communities and informal settlements. In order to involve and inform these communities affected by

the mining operations, a stakeholder forum has been established which addresses possible impacts on these communities as well as mechanism to address concerns raised by the communities.

Goedehoop Colliery subscribes to the Anglo American Good Citizenship principles, which sets out values and standards that guide us in the conduct of our business. In respect of communities, Goedehoop Colliery will:

- Aim to promote strong relationships with, and enhance the capacities of, the communities of which we are part;
- Seek regular engagement about issues which may affect them;
- Support community projects which will reflect the priorities of local people, sustainability and cost effectiveness;
- Increasingly seek to assess the contribution we make to local social and economic development and to report upon it.

Goedehoop Colliery an Anglo Coal Operation and is ISO14001 certified and thus has a management system that makes the link between their activities and potential impacts. There are informal settlements and communities around the areas where Goedehoop Colliery is operating and are in one way or the other affected by dust from the mine, the use of clean water and blast and ground vibrations. Goedehoop Colliery has committed itself to monitor dust around the mine and nearby communities as per chapter 6 of the approved EMPR. Currently the mine has installed 13 monitoring stations for dust control and consultants manage these stations. In terms of social and environmental responsibilities, Anglo Coal South Africa as part of Anglo American plc, publishes an annual report to society and a sustainable development booklet on its commitment and activities towards attaining its goal on social and environmental aspects. The mine is also monitoring blast and ground vibration around the area. Water entering and leaving the mine is monitored on a monthly basis to ensure compliance with the EMPR. The results are recorded on a monthly basis and discussed in the Environmental Management Systems meeting.

## **3.4 Community Engagement**

### **3.4.1 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 10 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.

### **3.4.2 Stakeholder Engagement**

Our main aim is to promote strong relationships with the communities that surround our operations through regular engagement on the issues, challenges and feedback on the mine's performance that may affect them. Our engagement planning include, stakeholder mapping, profiling – determining their interests, influence on the business, health and wellness.

To facilitate on-going dialogue with all our stakeholders we adhere to the Anglo American Coal SA Good Citizenship Principles which guide the way we conduct our business. Our stakeholders are of utmost importance to us, so we encourage relationship building and maintenance with the communities that surround our operations through regular engagement on issues, challenges and programmes that may affect or impact them.

This is attained through us knowing our stakeholders via the Stakeholder Map which identifies all our stakeholders that reside within all our Zones of Influence. The Stakeholder Management Plan is our engagement guideline as it determines the frequency of all our consultations and involvement on different and various engagement forums. Our main engagement platforms being two stakeholder days hosted annually in order for the mine to provide information on the Life of the operation as well as to award the communities an opportunity to voice their views and perceptions in order for us to work together towards finding amicable solutions; and the Future Forum which is designed to discuss the life of the operation, environmental impact, employment/skills development, procurement, Local Economic Development etc.

These engagements provide a sound platform for our local stakeholders to voice their opinions and concerns, and at the same time provide an opportunity for the mine to promptly rectify any complaints or clarify possible misconceptions concerning the colliery's operations. Our key stakeholders include, among others: employees, contractors, our three recognised trade unions, community members, councillors, farmers, residents of farms and informal settlements, concerned groups, schools and their governing bodies, the Steve Tshwete Local Municipality, the Community Policing Forum, various government departments, the South African Police Services and the Komati Power Station.

#### **Table 3.3 Local community needs**

No	Needs	Purpose	Partner
1	Education and training	To promote a culture of learning in the community to	DoHE, DoL., SETA's, Training providers
2	Enterprise development	Promote local procurement and local economic development.	SEDA, ZIMELE HUB, NYDA, MEGA
3	Service delivery	Enhance and improve the capacity of the municipality to deliver basic services	Local municipalities
4	Infrastructure development	Invest, develop and improve community or school infrastructure	Local municipality
5	High Level of unemployment	Support	Local municipality

## 3.5 Local Economic Development

### 3.5.1 Local Economic Development Key Focus Areas

The key local economic development focus areas of the NDM are discussed in this section, and are derived from the municipality's Local Economic Development Plan 2006 and the NDM Integrated Development Plan for 2009/2010. The goal of local economic development is to transform the Nkangala district into a hive of economic activity characterised by levels of investment, sustainable job creation and improved income levels in a way that builds on the distinctive potential of each municipality, preserves the integrity of the environment and avoids negative competition.

The Nkangala District identified the following seven strategic pillars for development of the District.

- Human Resource Development and Community Development
- Good Governance and Capacitation
- Industrial and "Big Business" Development
- SMME Development and Support
- Agricultural Development
- Tourism Development
- Rural-Urban Integration

In addition to the aforementioned strategies, a district economic summit identified four issues as follows:

- Catalytic converters
- Truck port/logistics hub
- Multi-purpose community centres
- Agro-processing
- Convention centre

**Table 20. SWOT analysis of the NDM**

Strengths	Weaknesses
Maputo corridor transverses the district	Low skills levels
Existing steel cluster	Deteriorating rural infrastructure

A number of government initiatives in the area	Spatial inequalities
Availability of natural resources	Underdeveloped sector opportunities
Culturally diverse communities	Uncoordinated development implementation
<b>Opportunities</b>	<b>Threats</b>
Exploiting export opportunities	The impact of HIV and AIDS on the population
Development of SMMEs	Unemployment (increasing)
Scope for large-scale tourism development	Poverty (increasing)
Close location of Gauteng markets	Unbalanced (only urban) development
Opportunities for comprehensive steel and chemical development	Dependence on limited large sectors

**Table 21. Strategic interventions to facilitate local economic development in NDM**

<b>Focus Area</b>	<b>Proposed Intervention</b>
<b>SMME Development</b>	Lack of Support to emerging businesses in the textile industry
	Lack of -wide business linkage centre between big business and SMMEs
	Government/private sector procurement process should prioritise local SMMEs
	Access to funding is still a challenge for emerging businesses
	Lack of targeted support aimed at cooperatives
<b>Tourism Development</b>	Tourism facility and product audit should be conducted
	Promotion of tourism, arts and craft industry
	Upgrading of tourism routes should be prioritized
	Use Zithabiseni tourism belt for development in Dr. JS Moroka and Thembisile Hani rural municipality
	Revitalization of nature reserves in the (Loskop – Zithabiseni Tourism belt)
	Upgrade and develop cultural and historical sites
	Link the blue IQ and Zithabiseni tourism belt and introduce practical and implementable projects
<b>Agricultural Development</b>	Facilitate linkages between emerging farmers with markets
	More effective coordination of Agricultural Development Programmes Training of farmers
	Exploit agricultural opportunities in the Northwest region Resuscitate goat farming project
	Develop local farmers cooperatives and provide input support Alternate water supply for agriculture



	Develop local farmers cooperatives and provide input support Alternate water supply for agriculture
	Establish mentorship programmes for rural communities Revitalise the KwaMhlanga Abattoir
<b>Big Business and Industrial Development</b>	Encourage iron and steel beneficiation incubators Attract local and foreign direct investment into the region
	Improve cooperation and participation by private sector to wide initiatives (CSI) Fast-track implementation of Anchor projects and Kusile Project in particular
	Support from industry and suppliers to EPWP Learner Contractors Facilitate access to land for business development
	Invest in infrastructure in rural areas (Shopping complex, Skills, Marketing stalls)
	Encourage the development of (Mid-Wit) corridor
<b>Skills Development Programmes</b>	Establishment of learnerships & financial support for scarce skills development Influence education curriculum in primary, secondary, tertiary training institutions to match economic demands
	Develop women development strategy Skills development & support for youth, women and the disabled
	Municipalities should consider establishing of forums dealing with disabilities, youth, the elderly, women, children and other vulnerable groups
<b>Big Business and Industrial Development</b>	Encourage iron and steel beneficiation incubators Attract local and foreign direct investment into the region
	Improve cooperation and participation by private sector to wide initiatives (CSI) Fast-track implementation of Anchor projects and Kusile Project in particular
	Support from industry and suppliers to EPWP Learner Contractors Facilitate access to land for business development
	Invest in infrastructure in rural areas (Shopping complex, Skills, Marketing stalls)
	Encourage the development of (Mid-Wit) corridor
<b>Spatial Planning</b>	Moloto Rail Development Project should be used as the economic development and spatial integration catalyst
	Integration of urban and rural areas between the local municipalities Upgrading of informal settlement
	Mechanism to fast track tenure upgrading process and township establishment must be developed Improve social and economic infrastructure in rural areas
	Use local rural facilities for government programmes and activities Government should have a 20 year plan to change the material condition of rural settlement and communities
	Develop youth farms and provide support of extension officers Clarify land ownership in rural villages

(Source: Nkangala District Municipality: IDP 2011-2016)

**Table 3.4 LED Projects**

<b>CATEGORY</b>	<b>PROJECT DESCRIPTION</b>	<b>BUDGET</b>	<b>PROJECT PARTNER</b>
<b>1. Industrial Park Development</b>	Establish an Industrial Park at Mhluzi township next to Mhluzi mall.	R5 million	Steve Tshwete Local Municipality
<b>2. Service delivery</b>	Service delivery package	R 2 million	Steve Tswete Local Municipality
<b>3. Education</b>	<ul style="list-style-type: none"> <li>- Infrastructure Upgrade/Repairs</li> <li>- Community Scholarship Scheme – provision of scholarships per study cycle (Add 2 Learners)</li> </ul>	R 7 million	Steve Tshwete Local Municipality, Department of Education
<b>4. Capacity/ Skills Development</b>	<ul style="list-style-type: none"> <li>- Educators Motivation and Leadership Development</li> <li>- NGO Administrators</li> <li>- Skills Galore Ladies</li> <li>- Home Based Care Training</li> <li>- Skills Development Centres</li> </ul>	R2.5 million	Steve Tshwete Local Municipality, Department of Gender and Social Development
<b>5. Health &amp; Welfare</b>	<ul style="list-style-type: none"> <li>- Invest in the Local Aids Council initiatives</li> <li>- Support NGOs (Vulnerable Groups)</li> <li>- Upgrade Child Welfare</li> </ul>	R2 million	LAC Committee, Department of Health, Steve Tshwete Local Municipality, NGO's and Communities, Department of Gender and Social Development
<b>6. Safety and Emergency Preparedness</b>	<ul style="list-style-type: none"> <li>- Resourcing Disaster Management Centre and Fire Department</li> </ul>	R1,5 million	Tshwete Local Municipality, SAPS, Disaster Management Team
<b>Total</b>		<b>R 20 million</b>	

**Project 1: Mhluzi Industrial Park**

<b>Project Name</b>	<b>The name of the project : Mhluzi Industrial Park</b>			<b>Classification of project: Infrastructure support</b>			
<b>Background</b>	<b>Greatest challenge facing our host communities is the high rate of unemployment. Supporting initiatives that have high potential to create alternative employment opportunities through SMME development is key.</b>						
<b>Geographic location of the project:</b>	<b>District Municipality Nkangala</b>	<b>Local Municipality Steve Tshwete</b>	<b>Village name Mhluzi</b>	<b>Project start date 2016</b>		<b>Project end date End of 2019</b>	
<b>Output:</b> Building an industrial park that will develop SMME's from Mhluzi community within the Steve Tshwete Local Municipality	<b>Key Performance Area</b> SMME Development Alternative employment opportunities	<b>Key Performance indicator</b> Encourage SMME and new business development Support our local communities	<b>Responsible entity(inclusive of all role players)</b> AACSA Steve Tshwete Local Municipality	<b>Quarterly timelines and year</b> Q2 finalisation of funding agreements	<b>Quarterly timelines and year</b> Procurement and delivery	<b>Quarterly timelines and year</b>	<b>Budget</b> R5 million
<b>No of jobs to be created</b>	TBC	TBC	TBC	TBC	TBC	Total	Comments
<b>Short term</b>							
<b>Medium term</b>							
<b>Long term</b>							
<b>Completion date and exit strategy</b>							
Hand-over of infrastructure to Steve Tshwete Local Municipality and a capacity building on operations and maintenance							

**Project 2: Service Delivery Package**

<b>Project Name</b>	<b>The name of the project : Steve Tshwete Local Municipality Service Delivery package</b>			<b>Classification of project: Infrastructure support</b>			
<b>Background</b>	<b>Greatest challenge facing our host municipalities is their ability to deliver basic services which does only reflect badly on government but also on the business community and their ability to attract more investments and the communities who reside in these localities. Improving the capacity of municipalities to deliver basic services will have very positive impacts on our business and communities</b>						
<b>Geographic location of the project:</b>	<b>District Municipality Nkangala</b>	<b>Local Municipality Steve Tshwete</b>	<b>Village name Middelburg</b>	<b>Project start date 2016</b>		<b>Project end date End of 2019</b>	
<b>Output:</b> Procurement of new equipment and assistance with repairs	<b>Key Performance Area</b> Service delivery	<b>Key Performance indicator</b> Improved service delivery	<b>Responsible entity(inclusive of all role players)</b> AACSA Steve Tshwete Local Municipality	<b>Quarterly timelines and year</b> Q2 finalisation of funding agreements	<b>Quarterly timelines and year</b> Procurement and delivery	<b>Quarterly timelines and year</b>	<b>Budget</b> R2 million
<b>No of jobs to be created</b>	TBC	TBC	TBC	TBC	TBC	Total	Comments
<b>Short term</b>							
<b>Medium term</b>							
<b>Long term</b>							
<b>Completion date and exit strategy</b>							
Hand-over of equipment to Steve Tshwete Local Municipality							

**Project 3: Education**

<b>Project Name</b>	<b>The name of the project : Education</b>			<b>Classification of project: Infrastructure support and Learner support</b>			
<b>Background</b>	<b>Greatest challenge facing our host community schools are the deteriorating school infrastructures, high rate of youth unemployment and minimal opportunities for those who pass matric well to progress to tertiary institutions to further their studies</b>						
<b>Geographic location of the project:</b>	<b>District Municipality Nkangala</b>	<b>Local Municipality Steve Tshwete</b>	<b>Village name Mhluzi and Hendrina</b>	<b>Project start date 2016</b>		<b>Project end date End of 2019</b>	
<b>Output:</b> Identify depleted school infrastructure for upgrades and to add to more bursars to our community development scholarship	<b>Key Performance Area</b> Education and infrastructure	<b>Key Performance indicator</b> Improved the quality of our schools learning environments	<b>Responsible entity(inclusive of all role players)</b> AACSA Steve Tshwete Local Muicipality	<b>Quarterly timelines and year</b> Q1 finalisation of funding agreements	<b>Quarterly timelines and year</b> Q3 Procurement and delivery	<b>Quarterly timelines and year</b> Q4 Handover	<b>Budget</b> R7 million
<b>No of jobs to be created</b>	TBC	TBC	TBC	TBC	TBC	Total	Comments
<b>Short term</b>							
<b>Medium term</b>							
<b>Long term</b>							
<b>Completion date and exit strategy</b>							
Hand-over to Department of education							

**Project 4: Capacity /Skills Development**

<b>Project Name</b>	<b>The name of the project : Capacity/ Skills Development</b>			<b>Classification of project: Capacity /Skills Development: Educators and NGO Administrators</b>			
<b>Background</b>	<b>There is a need for capacity/ skills development within education and NGO sectors as often one finds that educators have low morale; NGO's have high staff turnover due to the fact that individuals volunteer and once they find better opportunities they</b>						
<b>Geographic location of the project:</b>	<b>District Municipality Nkangala</b>	<b>Local Municipality Steve Tshwete</b>	<b>Village name Mhluzi and Hendrina</b>	<b>Project start date 2016</b>		<b>Project end date End of 2019</b>	
<b>Output:</b> Capacity and Skills Development workshops focusing on Educators, School Management Teams and NGO administrators	<b>Key Performance Area</b> Education and NGO's	<b>Key Performance indicator</b> - Improved the quality of our schools learning environments -Leadership development & educators motivation -NGO administrators workshops	<b>Responsible entity(inclusive of all role players)</b> AACSA Steve Tshwete Local Municipality	<b>Quarterly timelines and year</b> Q1 finalisation of funding agreements	<b>Quarterly timelines and year</b> Q3 Procurement and delivery	<b>Quarterly and year timelines</b> Q4	<b>Budget</b> R2,5 million
<b>No of jobs to be created</b>	TBC	TBC	TBC	TBC	TBC	Total	Comments
<b>Short term</b>							
<b>Medium term</b>							
<b>Long term</b>							
<b>Completion date and exit strategy</b>							
Working in partnership with Department of education and Department of Gender and Social Development							

**Project 5: Health and Welfare**

Project Name		The name of the project : Health and Welfare			Classification of project: Infrastructure support and Capacity Building			
Background		Limited health facilities in Steve Tshwete to service the growing population within our host communities. Support in a form of facilities will greatly improve the standard of health care in these areas. There is a growing need for capacity/skills development for NGO administrators.						
Geographic location of the project:		District Municipality Nkangala	Local Municipality Steve Tshwete	Village name Mhluzi, Middelburg and Hendrina	Project start date 2017		Project end date End of 2019	
Output:		Key Performance Area	Key Performance indicator	Responsible entity(inclusive of all role players)	Quarterly timelines and year	Quarterly timelines and year	Quarterly timelines and year	Budget
Invest in the Local Aids Council initiatives		Health and welfare	Improved health care and welfare centres	AACSA DoH Steve Tshwete Local Municipality	Q2 Identify workshops and initiatives		2017 - 2018	R2 million
Support NGOs (Vulnerable Groups)								
Upgrade Child Welfare								
No of jobs to be created		TBC	TBC	TBC	TBC	TBC	Total	Comments
Short term								
Medium term								
Long term								
Completion date and exit strategy								
Working in partnership with the department of health, Local Aids Council, Department of Gender and Social Development and Steve Tshwete Local Municipality								

**Project 6: Safety and Emergency Preparedness**

<b>Project Name</b>	<b>The name of the project : Safety and Emergency Preparedness</b>			<b>Classification of project: Capacity Building</b>			
<b>Background</b>	<b>Disaster Management and Emergency Response Departments are under resourced for the growing populations within our communities.</b>						
<b>Geographic location of the project:</b>	<b>District Municipality Nkangala</b>	<b>Local Municipality Steve Tshwete</b>	<b>Village name Mhluzi and Hendrina</b>	<b>Project start date 2016</b>		<b>Project end date End of 2019</b>	
<b>Output:</b> Capacity building	<b>Key Performance Area</b> Safety and Emergency Preparedness	<b>Key Performance indicator</b> Invest in the safety and emergency preparedness of our communities	<b>Responsible entity(inclusive of all role players)</b> AACSA Steve Tshwete Local Municipality	<b>Quarterly timelines and year</b> Q3 finalisation of funding agreements	<b>Quarterly timelines and year</b> Q4 Identify the materials needed by the department	<b>Quarterly timelines and year</b> Q4	<b>Budget</b> R1,5 million
<b>No of jobs to be created</b>	TBC	TBC	TBC	TBC	TBC	Total	Comments
<b>Short term</b>							
<b>Medium term</b>							
<b>Long term</b>							
<b>Completion date and exit strategy</b>							
Working in partnership with Department of education and Department of Gender and Social Development							



## **3.6 LOCAL ECONOMIC DEVELOPMENT**

Coal South Africa and its operations are aligned with the Integrated Development Programme and Local Economic Development plans of their local municipalities and community development personnel participate in IDP and LED forums and seminars when plans are formulated and attend meetings when community needs are identified at provincial and local government levels.

As a company, we direct most of our corporate social investment spend into the following priority areas:

- Poverty alleviation,
- Alternative employment opportunities,
- Infrastructure development,
- Education,
- Healthcare, and
- Small medium enterprise development.

### **3.6.1 Corporate Social Investment Initiatives**

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. Greenside Colliery maintained a performance rating of a 4 which means pro-active in dealing with social and community issues.

This process also enables us to select our SLP projects as per the needs identified during the engagements in accordance with the Steve Tshwete Municipality LED/IDP plan.

Anglo Coal South Africa's community development strategy responds to community needs raised through the SEAT process and focuses on areas where we believe we will maximise benefits both to society and our business. We have committed to investing 1.5% of our operating profit into sustainable community development projects.

**Table 3.6.1 Goedehoop Corporate Social Investments spend during 2010 and 2014 is represented below:**

PROJECTS	ACTUAL SPEND	PAID BY
Education	R500 000	Goedehoop
Health & Welfare	R180 000	Goedehoop
Youth	R80 000	Goedehoop
HIV and AIDS	R20 000	Goedehoop
Crime prevention	R10 000	Goedehoop
Environmental awareness	R10 000	Goedehoop
SMME Development	R200 000	Goedehoop
<b>TOTAL</b>	<b>R1 000 000</b>	

Goedehoop Colliery was involved in a maths and science improvement intervention in conjunction with the Steve Tshwete Local Municipality. The intervention focuses on training teachers and learners. Learners receive free Saturday classes and attend supplementary sessions during the school holidays. A total of 28 teachers have completed maths, science and commercial subject training, while 2,500 learners have received career guidance. More than 600 learners have participated in Saturday classes and the winter school programme.

In an effort to boost enterprise development, Goedehoop Colliery hosted a youth empowerment workshop which served to provide young people with the information required to establish their own small businesses and thereby create jobs in the area. The workshop was attended by around 150 members of various youth-based organisations, including the Doornkop and Steve Tshwete youth councils, the Hendrina and Mhluzi youth organisations as well as young people who reside in Goedehoop's mine villages.

The mine handed over donations to organisations that provide care for children, the elderly and

those affected or infected by HIV and AIDS.

### **3.6.2 Stakeholder Consultation and Involvement**

To facilitate on-going dialogue with all our stakeholders we adhere to the Anglo American Coal SA Good Citizenship Principles which guide the way we conduct our business. Our stakeholders are of utmost importance to us, so we encourage relationship building and maintenance with the communities that surround our operations through regular engagement on issues, challenges and programmes that may affect or impact them.

This is attained through us knowing our stakeholders via the Stakeholder Map which identifies all our stakeholders that reside within all our Zones of Influence. The Stakeholder Management Plan is our engagement guideline as it determines the frequency of all our consultations and involvement on different and various engagement forums. Our main engagement platforms being two stakeholder days hosted annually in order for the mine to provide information on the Life of the operation as well as to award the communities an opportunity to voice their views and perceptions in order for us to work together towards finding amicable solutions; and the Future Forum which is designed to discuss the life of the operation, environmental impact, employment/skills development, procurement, Local Economic Development etc.

These engagements provide a sound platform for our local stakeholders to voice their opinions and concerns, and at the same time provide an opportunity for the mine to promptly rectify any complaints or clarify possible misconceptions concerning the colliery's operations. Our key stakeholders include, among others: employees, contractors, our three recognised trade unions, community members, councillors, farmers, residents of farms and informal settlements, concerned groups, schools and their governing bodies, the Steve Tshwete Local Municipality, the Community Policing Forum, various government departments, the South African Police Services and the Komati Power Station.

## **3.6 Measures to address 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 an occupancy rate of one person per room,
- Facilitate home ownership options for all mine employees in consultation with organised labour.

### 3.6.1 The type of housing provided for employees

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

**Table 3.5 Types of accommodation per employee type: Goedehoop Colliery (Dec 2014)**

Employee type	Company provided Housing	Single quarters	Total in Housing	Total on housing allowance	Percentage in company housing
Officials	82	11	93	274	25%
Senior skilled	48	0	48	319	13%
Skilled	228	6	228	488	32%
<b>TOTAL</b>	<b>358</b>	<b>17</b>	<b>375</b>	<b>1 081</b>	<b>25,7%</b>

### 3.6.2 Progress against targets

In terms of the first two revised targets, Coal has completed all hostel conversions required and has a 100% occupancy level of one person per room. The company has introduced housing allowances to promote home ownership and 75% of employees cater for their own accommodation in sustainable areas.

### 3.6.3 Coal SA 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 agreements outlined in the 'Framework of Principles on Accommodation' with the unions, and to ensure that employees are able to live with their families in normalised, sustainable environments.
- 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.

### **3.6.4 Housing Action Plan**

During 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.(see Table below)
- 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 3.7 Coal housing allowances per employee grade**

Employee grade	2007 RATES	2009 RATES	2010 RATES	2011 RATES	2012 RATES	2013 RATES	2014 RATES
D1 and C4#	R 5,250	R5,775	R6,208	R7,007	R 7 532	R 8 135	R 8 786
CU	R 4,500	R4,950	R5,321	R6,006	R 6 456	R 6 972	R 7 531
CL and B Band	R 3,600	R4,000	R4,320	R4,876	R 5 242	R 5 714	R 6 175
Senior-skilled	R 3,600	R4,000	R4,320	R4,876	R 5 242	R 5 714	R 6 175
Skilled	R 2,636	R3,000	R3,300	R4,434	R 5 242	R 5 714	R 6 175

Goedehoop Colliery works in partnership with the Central Housing Service of Coal SA in the planning and implementation of the bulk infrastructure and housing projects in the greater eMalahleni urban area. The company has also initiated a training and development scheme for all employees interested in buying or renting-to-buy property in urban areas.

# **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, Goedehoop Colliery has put in place various measures outlined below.

### 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” which aims to put in place 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 required 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, we have established a Future Forum, comprising management, the workers and / or their representatives. The mandate of the 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.

The Goedehoop Colliery Future Forum is in place, and operates with 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, challenging 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 Goedehoop 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 implantation of its plans / proposals.

## **4.2 Mechanisms to avoid job losses and a decline in employment**

One of the requirements of the Future Forum is to have structures in place to facilitate the consultation processes so that Goedehoop Colliery management and recognised trade union representatives can meet regularly to discuss workplace issues. The intention is to prove a formal vehicle where all affected parties can consult and discuss challenges and possible solutions to problems facing the workplace that may have the potential to lead to large-scale retrenchments in the future.

In line with the requirements of Regulation 46 (d) (ii) and (iii), Goedehoop Colliery will develop turnaround or redeployment strategies to reduce job losses and to improve business sustainability on an ongoing basis. The two sections of this regulation have been combined, as Goedehoop Colliery strategies to deal with these issues often overlap and are contained within the same policies

### **4.2.1 Processes for creating job security**

The most direct and appropriate intervention is for Goedehoop Colliery to assist employees facing retrenchments to secure alternative employment. Goedehoop Colliery has, in co-operation with the other Coal operations, put a number of mechanisms in place to mitigate the impact of job losses in the event of downscaling or closure of the mine.

Certain processes will be followed when prevailing economic conditions cause the profit-to-revenue ratio of Goedehoop Colliery to drop below 6% on average for a continuous period of 12 months. These processes will include:

- Consultations – the consultation process in terms of Section 52(1) of the MPRDA;
- Implementation of Section 189 of the Labour Relations Act;
- Notifications to the Minerals and Mining Development Board – the notification process to the Board in terms of Section 52 (1) (a) of the Act;
- Complying with the Ministers directive and conforming how corrective measures will be taken;
- Internal transfers to the Coal mines;
- Providing training for proxy earners; and
- Reskilling of workers for other jobs on the mine or for jobs outside the mining sector

## **4.2.2 Internal transfers to other Anglo American Coal mines**

Goedehoop Colliery supports the multi-tasking of employees. One of the mine's strategies encompasses an understanding by employees that jobs and duties, subject to individual skills and capabilities, are flexible within Anglo American Coal's departments and mines such as Goedehoop Colliery. Consequently, as part of the strategy to broaden the skills base, the operation provides training and retraining in the employee's existing career path as well as in new technological developments.

This means that if security of jobs is threatened, Goedehoop Colliery is better placed to transfer an employee to another mine, division, department or section of Anglo American Coal. As per agreements with trade unions and other worker representative bodies, the transfer would only be implemented after consultation and reasonable notice to the employee.

## **4.3 MANAGING RETRENCHMENT**

In line with the requirements of regulations 46 (d)(iii), Goedehoop Colliery will develop turnaround or redeployment strategies to attempt to provide alternative solutions for creating job security should job losses become unavoidable.

### **4.3.1 MEASURES WHEN JOB LOSS IS UNAVOIDABLE**

Besides disciplinary actions, the primary reasons for loss of employment are technological changes, redundancies, retrenchment, mine closure, adverse economic and trading conditions, and business process streaming.

Under these circumstances, the key issues that need to be considered are the degree of dependence of the mine community and labour-sending area on Goedehoop Colliery, and the policies and procedures in place at Goedehoop Colliery to provide financial security for individual employees.

Upon scaling down Goedehoop Colliery (with the possible effect of job losses) or when mining and production are too closed the following process will be followed:

- Consultation-the consultation process in terms of Section 52(1) of the labour relations
- Implementing section 189 of the act, which will deal with possible retrenchment details?
- Notification to the minerals and mining development board in terms of section 52(1) (b) of the act: and
- Communicating possible retrenchments-an effective communication strategy will be followed:
  - informing employees of possible retrenchments at the mine

- Informing other affected parties (such as sending areas at their municipalities) of the possible retrenchments; and
- Informing outside parties (such as the media) of the possible retrenchments.

#### **4.3.2 ALTERNATIVE SOLUTIONS FOR CREATING JOB SECURITY SUPPORT OF SMME'S**

There may be people affected by downscaling operations who are keen to start their own enterprises. In these cases, Goedehoop Colliery will consider the following options, suggested by the Department of Labour:

- Facilitate links with Local Business Service Centre or other appropriate support institutions;
- Provide business support services to workers while they are still at work and can explore the options;
- Give assistance and mentoring in feasibility studies and the development of business plan;
- Include business and technical training for self-employment in the range of the Department of Labour's services;
- Provide time off work, so that workers can undergo necessary training before they terminate their workplace;
- Identify opportunities to supply Goedehoop Colliery with goods or service; and
- Engage with banks and other lending institutions to explore and facilitate arrangements for workers who want to use all or part of their retrenchment packages as collateral security for business loans.

### **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. Goedehoop Colliery intends to ensure that the livelihoods of its mineworkers, residents and families are sustained despite the downsizing or closure of the mine.

#### **Strategy**

Goedehoop 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**

Goedehoop 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 Goedehoop 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 Goedehoop Section is 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 an 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 grow alternative subsistence sources of food.

### **Other enterprises on mine property**

Goedehoop Colliery will consider the option of outsourcing current jobs that could be performed on a contractual basis by existing mineworkers. The mine will develop and implement a policy in this regards in conjunction with labour representatives. A suggestion that will be considered involves the voluntary retrenchments of certain employees who would then be assisted in the establishment through a supplier assistance programme. These employees could be allocated premises from which to operate on mine property. These premises could be:

- Buildings, workshops or land no longer used by Goedehoop Colliery that are essentially redundant;
- Facilities currently used for the functions being considered for outsourcing that could be sub-let to the former employee; or
- New premises specifically constructed on mine land for these functions. These could be financed using funding from SMME assistance schemes offered by Government or development agencies, or possibly as a Goedehoop Colliery LED project.

### **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. The most obvious transfer of ownership is non-critical mine housing. Other possibilities include the transfer to local, provincial or national authorities for local authority management of townships and infrastructure.

This infrastructure includes:

- Roads;
- Power lines and major transformations
- Sewerage reticulation and disposal;
- Water supply and reticulation;
- Communication infrastructure
- Recreation facilities, parks and gardens; and
- Social or other non-operational services such as:
  - Primary and responsive healthcare;
  - Education and training; and
  - Security services

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 of 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 considered. 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, Goedehoop 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**

Goedehoop Colliery undertakes to consider assisting in the establishment of the various business structures where stakeholders or appointees 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 programme

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

**Table 5.1 Financial provision for human resources development**

Programme	2015	2016	2017	2018	2019
Skills Development Levies Act	R 3 287 244	R 3 451 606	R 3 624 187	R 3 805 396	R 3 995 666
Learnerships	R 14 516 201	R 15 242 011	R16 004 112	R 16 804 317	R 17 644 533
Colliery training interventions	R 49 839 336	R 52 331 303	R 54 947 868	R 57 695 261	R 60 580 024
<b>TOTAL</b>	<b>R 67 642 781</b>	<b>R 71 024 920</b>	<b>R 74 576 166</b>	<b>R 78 304 974</b>	<b>R 82 220 223</b>

### 5.2 Local Economic Development

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

**Table 5.2 Financial provision for Community Development SLP Projects**

Projects	2015	2016	2017	2018	2019	Total
Industrial Park Development		R1,500 000	R2,000.000	R1,000 000	R500 000	R5,000.000
Service delivery		R500 000	R500 000	R500 000	R500 000	R2,000.000
Education		R2,000.000	R2,000.000	R 1,000 000	R 2,000 000	R7,000.000
Capacity/ Skills Development		R1,500 000	R500 000	R250 000	R250 000	R2,500 000
Welfare & Health		R1,000 000	R500,000	R300,000	R200 000	R2,000.000
Safety and Emergency Preparedness		R500 000	R500 000	R500 000		R1,5 000 000
<b>Total</b>						<b>R 20 000 000</b>



### 5.3 Management of downscaling and retrenchments

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

No.	Process	Remarks
1	Consultation with stakeholders	<b>Financial provision will be made available for all the processes involved in managing downscaling and retrenchments</b>
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

I Bheki Khumalo the undersigned and duly authorised thereto by Anglo Operations (Pty) Ltd (Company) undertake to adhere to the information, requirements, commitments and conditions as set out in the social and labour plan.

Signed at    Johannesburg    on this     day of                      2015\_

Signature of the responsible person

\_\_\_\_\_

Designation: \_\_\_\_\_

**Approved**

Signed at \_\_\_\_\_ on this     day of \_\_\_\_\_ 20   

Signature: \_\_\_\_\_

Designation: \_\_\_\_\_