

01<sup>st</sup> March 2018  
HNG/WS/blhunt

BY HAND

The Regional Director: Mineral Regulation  
Department of Mineral Resources  
Gauteng Regional Office  
1<sup>st</sup> Floor  
Mineralia Building  
78 De Korte Street  
Cnr De Korte and De Beer Streets  
Braamfontein



Dear Sir,

**SUBMISSION OF ERGO MINING (PTY) LIMITED'S SOCIAL NEW FIVE YEAR SOCIAL AND LABOUR PLAN MINING AND PROSPECTING RIGHTS :**

GP 105 MR	TOP STAR	*
GP 158 MR	ERGO	
GP 165 MR	BENONI	**
GP 184 MR	CROWN MINES	
GP 185 MR	CITY DEEP LIMITED	
GP 186 MR	CMR MINES & ESTATES LTD	
GP 187 MR	KNIGHTS CROWN GOLD RECOVERIES	
GP 10007 MR	LYCASTE	
GP 10044 PR	GROOTVLEI	
GP 10349 PR	MARIEVALE	
GP 10385 PR	4/L/40	

\*Mining Rights expired on 20 August 2013 – currently completing final rehabilitation.

\*\* Mining Rights expired on 11 June 2015 – currently completing final rehabilitation.

Ergo Mining (Pty) Limited is pleased to submit its new Social and Labour Plan for 2018 – 2022 as per the requirements of the MPRDA.

Ergo Mining is fully committed to socio-economic empowerment of employees, poverty eradication in the affected communities and transformation of the mining industry as embodied in the MPRDA and Mining Charter. We trust that this will be clearly evident during the implementation of our new five year Social and Labour Plan.

Yours faithfully



\_\_\_\_\_  
H N GOUWS  
MANAGING DIRECTOR

Received a copy hereof this      day of March 2018

\_\_\_\_\_  
For: The Department of Mineral Resources  
The Regional Director: Mineral Regulation, Gauteng Regional Office

*Mineral and Petroleum Resources Development Act (28/2002) 46 (a)*  
*- (f) for the following mining and prospecting rights:*

GP 105 MR -Top Star \*  
GP 158 MR - ERGO  
GP 165 MR - Benoni \*\*  
GP 184 MR - Crown Mines  
GP 185 MR - City Deep Limited  
GP 186 MR - CMR Mines & Estates Ltd  
GP 187 MR - Knights Crown Gold Recoveries  
GP 10007 MR - Lycaste  
GP 10044 PR - Grootvlei  
GP 10349 PR - Marievale  
GP 10385 PR - 4/L/40

\*Mining Right expired on 20 August 2013-currently completing final rehabilitation.

\*\*Mining Right expired on 11 June 2015-Currently completing final rehabilitation.

# **SOCIAL AND LABOUR PLAN**

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**ERGO Mining (Pty) Ltd**

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## ABBREVIATIONS AND ACRONYMS

ABBREVIATION	DESCRIPTION
AET	Adult Education and Training
BEE	Black Economic Empowerment
BSES	Baseline Socio-Economic Study
CoJ	City of Johannesburg Metropolitan Municipality
DMR	Department of Mineral Resources
DoL	Department of Labour
EMM	Ekurhuleni Metropolitan Municipality
FET	Further Education and Training
FF	Future Forum
GDM	Gauteng District Municipality
HDSAs	Historically Disadvantaged South Africans
HET	Higher Education and Training
HLC	Housing and Living Conditions
HRD	Human Resources Development
IDPs	Integrated Development Plans
LED	Local Economic Development
MHSA	Mining Health Safety Act
MOU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
NQF	National Qualifications Framework
RDP	Reconstruction and Development Programme
SEBSS	Socio-Economic Baseline Study Survey
SETA	Sector Education and Training Authority
SHEQ	Safety, Health, Environment, and Quality
SLP	Social and Labour Plan
WSP	Workplace Skills Plan



# SECTION 1

**PREAMBLE:**

**INTRODUCTION AND  
BACKGROUND TO THE  
OPERATION**

**REGULATION 46 (A)**

## 1 INTRODUCTION AND BACKGROUND INFORMATION

### 1.1 Introduction and Mine Development Schedule

The objectives of this Social and Labour Plan (SLP) are to bring about socio-economic transformation, empowerment of Historically Disadvantaged South Africans (HDSAs) and poverty eradication in affected communities.

ERGO Mining operations (Pty) Limited (ERGO) holds various Prospecting Rights in Gauteng Province. It is the controlling company for various other companies conducting tailings reclamation operations on the Witwatersrand, located within the Ekurhuleni Metropolitan Municipality (EMM) and City of Johannesburg Metropolitan Municipality (CoJ). The ERGO plant is situated in EMM on the East Rand of the Gauteng province of South Africa. EMM was established in 2000. It covers a vast area from Germiston in the west to Springs and Nigel in the east. Figure 1 provides a summary of the regional setting of ERGO's operations.



Figure 1: Location of ERGO Tailings Reclamation

ERGO's objectives for this SLP, aligned with the requirements set by the DMR, are to:

- a) Promote employment and advance the social and economic welfare of all South Africans;
- b) Contribute to the transformation of the mining industry; and
- c) Ensure that holders of mining rights contribute towards the socio-economic development of the areas in which they operate.

This Social and Labour Plan (SLP) Implementation Programme is based on the new commitments for the period 2018 – 2022. The following principles govern the use of this Programme:

1. All the information in this SLP implementation programme is based on new commitments for the period of 2018 – 2022.
2. The Implementation programme contains detailed information on the core activities, projects, programmes, targets, action plans, resources, facilitators, facilities, budgets and timeframes pertaining to the implementation of the Human Resource Development Programme (HRDP), the Local Economic Development Programme (LEDP) and the Management of Downscaling and Retrenchment Programme (MDRP).
3. The Implementation Programmes have been designed as Working Documents to facilitate the appropriate implementation of the ERGO SLP.
4. This Implementation Programme will also be used for reporting purposes, for operational management of the SLP and for progress reporting to the DMR.
5. The five-year targets for the SLP Programmes will be reassessed annually and new Programmes and targets established where relevant. These will constantly be fine-tuned, according to the success and effectiveness of a given Programme.
6. Contracting companies involved in core mining activities at ERGO will be required to conduct their activities within the ambit of the ERGO SLP. The Mine is responsible for ensuring the compliance of its Core Contractors within the ERGO SLP in terms of the Section 1 and Section 101 of the definitions of the MPRDA.

## 1.2 Particulars of the Operation

<b>Name</b>	ERGO Mining (Pty) Ltd.
<b>Physical Address</b>	ERGO Mining (Pty) Ltd. Vlakfontein Road Vulcania Brakpan
<b>Postal Address</b>	P.O. Box 12442 Selcourt Springs 1567
<b>Responsible person</b>	Wayne Swanepoel: Senior Manager Human & Social Capital
<b>Telephone &amp; Fax</b>	T: 011 742 1003 F: 086 695 7457
<b>Commodity:</b>	Gold
<b>Life of Mine:</b>	11 years
<b>Breakdown of Employees per Sending Area:</b>	Available in section 1.3
<b>Financial Year End:</b>	30 June

### 1.3 Breakdown of Employees per Labour Sending Area

ERGO's consolidated workforce currently consists of 827 permanent employees and fixed term contractors working across the various operations. ERGO's largest core contractor, Fraser Alexander Tailings (FAT), which is a subdivision of the Fraser Alexander (Pty) Ltd Group, provides mining, deposition and management of waste materials from ERGO's metallurgical plants. FAT's permanent labour force is included in this SLP. ERGO also employs temporary contractors for non-core services such as security and cleaning services. The contractors' employees are not incorporated into ERGO's HRD plans and programmes, however will benefit from the community focused programmes.

ERGO's workforce is drawn from various labour sending areas as indicated in Table 1.

Table 1: Labour Sending Areas of the ERGO Workforce

Sending Area	ERGO	FAT
Ekurhuleni Metropolitan Municipality	493	120
Johannesburg Metropolitan Municipality	304	370
Other	30	17
<b>Total</b>	<b>827</b>	<b>507</b>

Most of the ERGO permanent employees (96%) are from the Ekurhuleni and Johannesburg Metropolitan Municipalities (incorporating the city of Johannesburg, Southern Johannesburg and West Rand). The permanent workforce consists primarily of local citizens. A similar picture is portrayed by the core contractor, FAT, with 97% of employees drawn from both Ekurhuleni and Johannesburg.

### 1.4 Locality

The ERGO Mine is situated in Gauteng Province of South Africa. Ergo Mining Proprietary Limited (Ergo) has a vast footprint adjacent to Johannesburg on the central and eastern Witwatersrand of South Africa.



Figure 2: Map of the location of the ERGO plant operations

### 1.5 Mine Works Plan: Plant & Tailing Operations

ERGO is a mid-tier, unhedged gold producer and the only South African mining company to focus solely on the re-treatment of surface gold tailings. The company's strategy is to deploy its resources to maximise economic value through sustainable and responsible mining, while releasing land back to the greater Johannesburg for redevelopment.

ERGO has three metallurgical treatment plants (Knights, City Deep, and the ERGO Plant<sup>1</sup>) as indicated in **Figure 3** which were previously held under different company holdings. Each of these plants is or has been fed by tailings pumped from tailing recovery sites which are situated in the urban Johannesburg and Ekurhuleni areas which resulted from historical gold mining activities.

In re-treating these sand dumps and old tailings from defunct mines, the objective is three-fold:

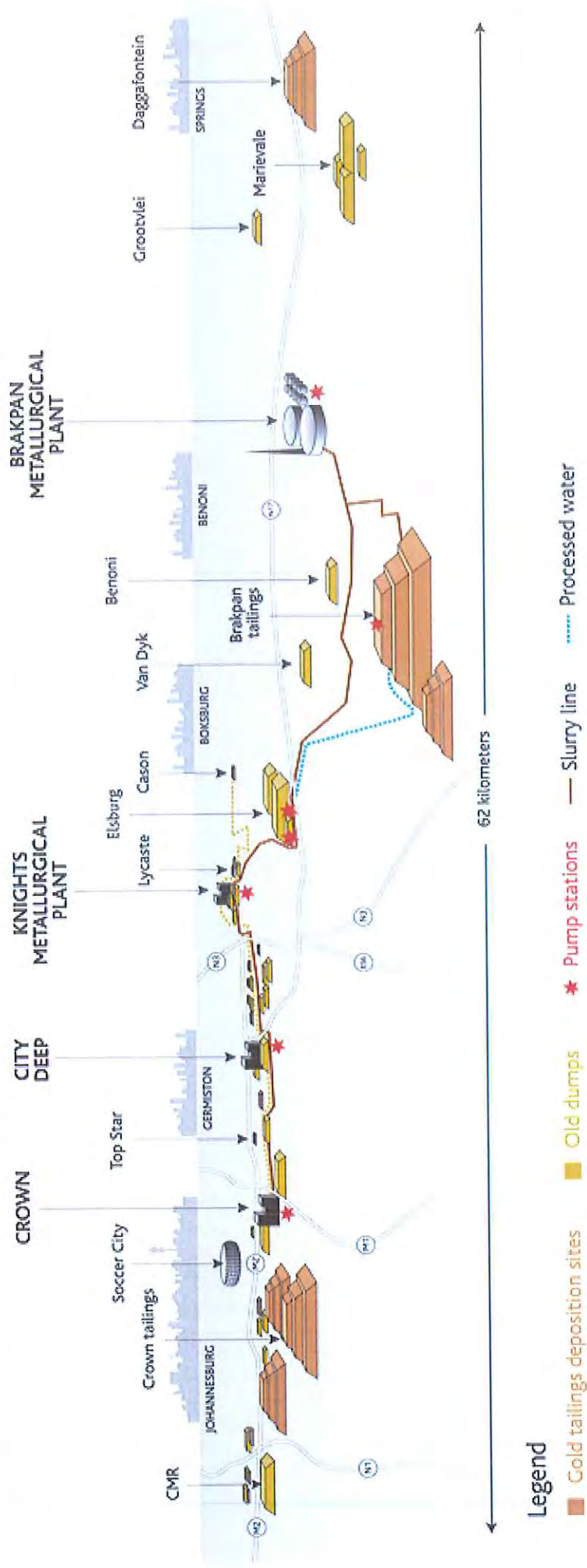
1. To recover gold in a successful and sustainable business model;
2. To release land from the mining of dumps for further development by property developers; and

<sup>1</sup> ERGO Mining (Pty) Ltd and ERGO Mining Operations (Pty) Ltd are different *company* entities under the holding of DRDGOLD Limited. The *ERGO metallurgical plant* has a similar name but refers to a sand treatment operation situated on the far East Rand

3. To rehabilitate the natural environment by removing sources of wind-blown dust and water pollution, and consolidating the material into one controlled area.

The Knights operation will be closing in September 2019. About 134 employees are likely to have their continued employment affected by this closure. ERGO has put together a plan to ensure these employees are fully equipped prior to closure of the plant. Employees, as well as the unions, will be engaged for ERGO to gain an understanding of what skills these employees require, so plans can be put in place by the middle of 2018 to start with portable skills training.

Organised labour has already been informed via the Future Forum of the planned closure of Knights, to allow them enough time to prepare themselves as well. The interests and welfare of employees and their families is being prioritised by ERGO. It is the company's desire to ensure people do not lose their jobs where possible.



**Legend**

- Orange rectangle: Gold tailings deposition sites
- Yellow rectangle: Old dumps
- Red star: Pump stations
- Solid brown line: Slurry line
- Blue dotted line: Processed water

Figure 3: ERGO Plants

## 1.6 Methods to Facilitate SLP Implementation

The following six-step approach, reflected in Figure 4 will be used to facilitate implementation of the ERGO SLP. ERGO will use the SLP implementation lifecycle and the following methods to ensure the successful and appropriate implementation of the SLP:

1. Establish a governance framework which will ensure that the SLP importance is acknowledged by all individuals in management, and that the roles of the relevant individuals are determined;
2. Draft the SLP and the policies, procedures and strategy framework;
3. Implement the targets and commitments stated within the SLP;
4. Monitor and evaluate the level of implementation against the commitments and targets stated in the SLP as well as report on these findings;
5. Acknowledge areas where commitments were not achieved and make improvements through strategic measures and improvement plans; and
6. Communicate the findings and share knowledge regarding the SLP.



## SECTION 2

**HUMAN RESOURCES  
DEVELOPMENT  
PROGRAMME**  
REGULATION 46 (B)

## 2 HUMAN RESOURCES DEVELOPMENT PROGRAMME

### 2.1 Introduction

This section will outline the Mine's Human Resource Development (HRD) Programmes as required by Section 46 of the Regulations to the MPRDA. ERGO takes full cognisance of the provisions of Section 101 of the MPRDA to include Core-Contractors as part of the workforce. ERGO has one core contractor, Fraser Alexander Tailings (FAT). The targets and provision of the HRD Programme outlined in this section will apply to ERGO's permanent workforce, as well as targets that the core contractor have supplied to ERGO. For proper implementation of the HRD Programme, ERGO will utilise accredited providers, where necessary, for their training needs. This will ensure the ongoing facilitation of transferable, accredited skills amongst employees.

ERGO will comply with the requirements of the Skills Development Act (No 97 of 1998) and will submit Workplace Skills Plans (WSP) and annual training reports to the Mining Qualifications Authority (MQA) at the end of June each year as per the requirements of Regulation 46 (b) (i). **Table 2** shows the SETA registration details. The policy is also integrated with the paying and claiming of levies and grants with the MQA.

**Table 2: Details of the SETA registration**

<b>Name of SETA</b>	Mining Qualifications Authority
<b>Registration number with the relevant SETA</b>	L280767049
<b>Has your company appointed a Skills Development facilitator? If yes, provide name</b>	Adelaide Ngubeni
<b>To which institution have you submitted your workplace skills plan? (i) Department of Labour (ii) Mining Qualifications Authority (iii) Mine Health and Safety</b>	(ii) Mining Qualifications Authority

ERGO will continue to use the ERGO Business Development Academy (EBDA) for training and administrative purposes, if cost effective. This institution is fully MQA accredited and has the necessary expertise to provide quality education and skills training. This will ensure that employees are provided access to a full range of programmes. The facility is situated adjacent to the ERGO metallurgical plant on the East Rand. In situations where EBDA costs are higher than outsourcing training, ERGO will utilise contracted services.

## 2.2 Approach

The integrated HRDP will seek to maximise the productive potential of ERGO’s employees and those of its core contractor, through the implementation of the following plans:

- A Skills Development Plan;
- A Mentorship Plan;
- An Internship and Bursary Plan;
- A Career Progression Plan; and
- An Employment Equity Plan.

The strategic actions in Table 3 will be implemented by ERGO with regard to the HRDP.

Table 3: Action Plan for Implementing the HRDP

ACTION	DELIVERABLES
MHSA and skills training programme	Mining Health and Safety and Mining Induction
Core training programme	Equipping employees with skills to safely and efficiently carry out their jobs
Career Progression	Providing talented employees with skills that enable career progression in a mining environment
Portable skills training programme	Giving employees skills at the appropriate times, which are portable to other industries external to Mining
Plan integrating with the relevant Sector Education and Training Authority, MQA(SETA) requirements, paying and claiming of levies.	Integrate skills development legislation, including the development and submission of a Workplace Skills Plan(WSP) and Annual Training Report

## 2.3 Skills Development Plan: *Regulation 46 (b) (i)*

### 2.3.1 Introduction

ERGO will implement a Skills Development Plan that focuses on equipping employees with the skills to enhance their progression and development in the mining industry.

The objectives for Skills Development at ERGO are to:

- improve the quality of life of employees;
- expand employees' prospects for work enhancement at ERGO;
- enhance safety, productivity and the competitiveness of the employee;
- improve the levels of return on the investment in education and training;
- encourage the use of the workplace as an active learning environment;
- allow new employees to gain relevant work experience;
- advance the employment prospects of employees through education and training; and
- utilise the Workplace Skills Plan as a vehicle to align skills development with both business growth strategies and employment equity plans.

The ERGO Skills Development Plan links with Skills Development legislation, and includes the annual submissions of a Workplace Skills Plan (WSP) and Annual Training Reports (ATR) including payment of Skills Development levies to relevant authorities.

### 2.3.2 Baseline Situation

A summarised list of occupational categories relevant to these positions, including the current number of people per race and gender categories, is provided in **Table 4**. ERGO's Skills Development Plan components are as follows:

- 1 Education and training, including AET;
- 2 Learnerships;
- 3 Skills Programmes;
- 4 Portable Skills Programmes; and
- 5 Hard-to-fill vacancies.

Table 4: Summary of the occupational categories of the total workforce

	Africans		Coloureds		Indians		Whites		Grand Total	Forecast HDSA Targets (%)	Actual HDSA % (%)	Total Women Targets (%)	Actual Women
	Female	Male	Female	Male	Female	Male	Female	Male					
Top Management (Executive)		1						2	3	Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.	33%	Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.	0
Senior Management	1							2	3	Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.	33%	Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.	1
Middle Management	3	5	0	1	0	3	4	21	37	Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.	43%	Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.	7
Junior Management	21	159	5	10	2	6	14	82	299	Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.	73%	Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.	42
Core and Critical Skills	102	353	3	4	1	1	2	13	479	Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.	97%	Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.	109
Disabilities	1	3						2	6	Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.		Ergo will strive to achieve targets as per the prevailing Mining Charter targets as applicable at the time.	1
<b>Grand Total</b>	<b>128</b>	<b>521</b>	<b>8</b>	<b>15</b>	<b>3</b>	<b>10</b>	<b>20</b>	<b>122</b>	<b>827</b>		<b>85%</b>		<b>19%</b>

A = African; C = Coloured; I/A = Indian/Asian; W = White

10

10

### 2.3.3 Adult Education and Training

ERGO will assist in improving the foundations for Skills Development by increasing literacy rates through participation in AET, previously referred to as Adult Basic Education and Training (ABET).

#### 2.3.3.1 *The Baseline Situation*

The skills audit results revealed that 87 ERGO employees have a Grade 9 or below, for which AET would be relevant. Over the years ERGO has offered incentives to employees to enrol for AET. However, despite all the lucrative offers, such as promising to pay employees their shift allowance, Sunday premium and a grant on completion of AET, there has been very little interest in the programme. In this SLP, ERGO will only commit employees for matric bridging courses instead of AET 1, 2, 3 and 4. Ergo commits to put community members in the areas affected by the company's operations through AET as has been done in previous years. There has been a great uptake of AET programme amongst community members in the previous SLP.

**Table 5 & 6** (Form Q) contains the educational levels of the ERGO and FAT workforce. There is a diversity of education levels amongst the workers, ranging from having no schooling at all, to those with a Master's degree. ERGO undertakes to train its employees to become functionally literate and numerate as long as there is interest to enrol for training.

Table 5: Form Q- Number and Education Level of all Ergo Employees as per Form Q, Regulation 46 (b) (i)

Band	NQF Level	Planned as per envisaged organogram	Male				Female				Total		
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
General Education and Training (GET)	1	Individuals who did not respond to survey	98	2	2	18	12	2	3	2	3	120	20
		Grade 0 / Pre	3	1	0	0	0	0	0	0	0	4	0
		Grade 1 / Sub A										0	0
		Grade 2 / Sub B										0	0
		Grade 3 / Std 1 / AET 1										0	0
		Grade 4 / Std 2	6				1					6	1
		Grade 5 / Std 3 / AET 2										0	0
		Grade 6 / Std 4	27				2					27	2
		Grade 7 / Std 5 / AET 3	31				2					31	2
		Grade 8 / Std 6										0	0
Further Education and Training (FET)	2	Grade 9 / Std 7 / AET 4	6	1		2	5				9	5	
		Grade 10 / Std 8 / N1	50	1		14	6			1	65	7	
		Grade 11 / Std 9 / N2	72	0	1	4	28	1	0	2	77	31	
Higher Education and Training (HET)	3	Grade 12 / Std 10 / N3	187	11	5	60	62	4	1	13	263	80	
		Higher Certificates and Advanced Diplomas and Advanced Certificates	30	0	1	8	9	0	0	1	39	10	
Higher Education and Training (HET)	4	Diploma and Advanced Certificates									0	0	
		Bachelor's Degree and Advanced Diplomas	9	0	1	12	0	0	0	1	22	1	
		Honours Degree, Postgraduate Diploma and Professional Qualifications	1			1	1			1	2	2	
		Master's Degree					1						
Higher Education and Training (HET)	5	Doctoral Degree									0	0	
		<b>Total</b>	<b>520</b>	<b>16</b>	<b>10</b>	<b>119</b>	<b>129</b>	<b>8</b>	<b>3</b>	<b>22</b>	<b>665</b>	<b>161</b>	



Table 6: Form Q- Number and Education Level of FAT Employees as per Form Q, Regulation 46 (b) (i)

Band	NQF Level	Planned as per envisaged organogram	Male			Female			Total			
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training (GET)	1	No Schooling	51								51	0
		Grade 0 / Pre	4								4	0
		Grade 1 / Sub A	2								2	0
		Grade 2 / Sub B	2								2	0
		Grade 3 / Std 1 / AET 1	8								8	0
		Grade 4 / Std 2	22								22	0
		Grade 5 / Std 3 / AET 2	26								26	0
		Grade 6 / Std 4	21								21	0
		Grade 7 / Std 5 / AET 3	24								24	0
		Grade 8 / Std 6	36								36	0
Further Education & Training (FET)	2	Grade 9 / Std 7 / AET 4	45								45	0
		Grade 10 / Std 8 / N1	69								69	0
		Grade 11 / Std 9 / N2	62								62	0
		Grade 12 / Std 10 / N3	119			1	1			1	120	2
Higher Education & Training (HET)	3	Higher Certificates and Advanced Diplomas	4			4					8	0
		Diploma and Advanced Certificates	2				2			2	2	2
		Bachelor's Degree & Advanced Diplomas	1								1	0
		Honours Degree, Postgraduate Diploma and Professional Qualifications									0	0
		Master's Degree										
		Doctoral Degree									0	0
<b>Total</b>			<b>498</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>503</b>	<b>4</b>	

### 2.3.3.2 AET Targets

The Mine is committed to the development and transformation of its employees as well as the affected communities within which they are operating. Table 7 and Table 8 provide five-year plans detailing targets for AET for ERGO employees as well as the surrounding communities. Table 9 depicts FAT targets.

Table 7: ERGO employees AET Targets (Internal) 18.1

Programme Level	2018	2019	2020	2021	2022	Total
AET 1	0	0	0	0	0	0
AET 2	0	0	0	0	0	0
AET 3	0	0	0	0	0	0
AET 4	0	0	0	0	0	0
Matric Bridging Course	10	10	10	10	10	50
<b>TOTAL Number</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>50</b>
<b>Financial Provision<sup>2</sup></b>	<b>R150 000,00</b>	<b>R165 000,00</b>	<b>R181 500,00</b>	<b>R199 650,00</b>	<b>R219 615,00</b>	<b>R915 765,00</b>

Table 8: AET Targets for Community Members (External) 18.2

Programme Level	2018	2019	2020	2021	2022	Total
AET 1	0	0	0	0	0	0
AET 2	0	0	0	0	0	0
AET 3	20	20	20	20	20	100
AET 4/ NQF 1	20	20	20	20	20	100
<b>TOTAL Number</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>200</b>
<b>Financial Provision<sup>3</sup></b>	<b>R600 000,00</b>	<b>R660 000,00</b>	<b>R726 000,00</b>	<b>R798 600,00</b>	<b>R878 460,00</b>	<b>R3 663 060,00</b>

<sup>2</sup> Based on prices for outsourcing training

<sup>3</sup> Based on prices for outsourcing training

Table 9: FAT AET Targets

Programme Level	2018	2019	2020	2021	2022	Total
AET 1	8	0	0	0	0	8
AET 2	3	8	0	0	0	11
AET 3	11	3	8	0	0	22
AET 4/ NQF 1	9	11	3	8	0	31
Matric Bridging Course	0	0	0	0	10	10
<b>TOTAL Number</b>	<b>31</b>	<b>22</b>	<b>11</b>	<b>8</b>	<b>10</b>	<b>82</b>
<b>Financial Provision</b>	<b>R313 800,00</b>	<b>R345 180,00</b>	<b>R181 698,00</b>	<b>R145 664,00</b>	<b>R152 000,00</b>	<b>R1 138 342,00</b>

### 2.3.3.3 AET Action Plan

The following table (Table 10) contains the Action plan for the AET Programme at ERGO.

The actual enrolments might differ from the targets, depending on the participation of employees or community members.

Table 10: Action Plan for AET

ACTION	DELIVERABLES
Review and assess the future AET programme and review the current programme in terms of potentially improving: <ol style="list-style-type: none"> <li>1. Appropriateness of current education programmes.</li> <li>2. Access to education and training for employees</li> <li>3. Awareness of employees to programmes and the benefits of higher education</li> <li>4. Communication plan of education and training opportunities for employees</li> <li>5. AET programmes, courses, facilitators, location and times</li> </ol>	A report containing the findings of the assessment exercise and recommendations on the types of programmes to be implemented at ERGO in the future
Discussions with the Training Committee about their perceptions of the proposed AET Programme.	Meetings with the Training Committee and recording their perceptions and suggestions
Implement education and training programmes with revised targets and action steps.	Implementation Report
Annual assessments and revision of the implementation programme.	A new action plan table for the next reporting period.

### 2.3.4 Operational (Core Business) Skills Training

The purpose of core skills programme is to equip employees with the required skills and competencies to successfully implement their employment responsibilities. These Programmes are also designed to equip employees with the required capacity and skills to progress to higher levels of employment within ERGO.

#### 2.3.4.1 The Baseline Situation

A detailed breakdown of the 5-year training Programme targets for ERGO and FAT are provided in Table 11 and Table 12 respectively. This excludes induction training done with all employees on an annual basis.

The primary focus of the skills Programmes is on training individuals in skills required by the Mine, to enable employees' individual Career Progression and to ensure safe and productive operations.

#### **2.3.4.2 Action plan**

ERGO will actively promote education and skills training opportunities among its employees as well as reassess and refine the Mine's Skills Development Programme. **Table 13** provides a set of action plans for this.

1. Skills development Programmes will be offered to employees at the on-site training centre with accredited external service providers where required.
2. As part of a skills assessment which will be conducted in 2018, both the currently available and required skills will be determined. The training Programme will then be refined to address any shortcomings.
3. The Skills Development Programme will link with the Career Progression Plan, Mentorship Plan, Internship and Bursary Plan and Employment Equity Plan.

Table 11: Projected Core Business Skills Training Targets at ERGO Mining (Pty) Ltd (FY 2018 – 2022)

Type/Area of Training	2018		2019		2020		2021		2022		Totals	
	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision
Engineering Aides	10	R580 800,00	10	R319 440,00	5	R175 690,00	5	R193 260,00	5	R212 585,00	35	R1 481 775,00
Minerals Processing	20	R300 000,00	20	R330 000,00	10	R200 000,00	10	R220 000,00	10	R242 000,00	70	R1 292 000,00
Technical Skills	50	R150 000,00	50	R165 000,00	50	R181 500,00	25	R100 000,00	25	R110 000,00	200	R 706 500,00
<b>TOTAL Number</b>	<b>80</b>		<b>80</b>		<b>65</b>		<b>40</b>		<b>40</b>		<b>305</b>	
<b>Financial Provision</b>	<b>R1 030 800,00</b>		<b>R814 440,00</b>		<b>R557 190,00</b>		<b>R513 260,00</b>		<b>R564 585,00</b>		<b>R3 480 275,00</b>	

Table 12: Projected Core Business Skills Training Targets at FAT (Pty) Ltd (FY 2018 – 2022)

Type/Area of Training	2018		2019		2020		2021		2022		Totals	
	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision	Number	Financial Provision
Slimes reclamation	40	R700 000,00	40	R700 000,00	30	R525 000,00	30	R525 000,00	30	R525 000,00	170	R2 975 000,00
Tailings deposition	30	R540 000,00	10	R180 000,00	10	R180 000,00	10	R180 000,00	10	R180 000,00	70	R1 260 000,00
Supervision	6	R129 000,00	4	R86 000,00	4	R86 000,00	4	R86 000,00	4	R86 000,00	22	R473 000,00
SHE Rep	30	R75 000,00	10	R25 000,00	10	R25 000,00	10	R25 000,00	10	R25 000,00	70	R 175 000,00
First Aid – Level 1	10	R15 000,00	10	R15 000,00	10	R15 000,00	10	R15 000,00	10	R15 000,00	50	R75 000,00
Basic Fire Fighting	10	R15 000,00	10	R15 000,00	10	R15 000,00	10	R15 000,00	10	R15 000,00	50	R75 000,00
<b>TOTAL Number</b>	<b>126</b>		<b>84</b>		<b>74</b>		<b>74</b>		<b>74</b>		<b>432</b>	
<b>Financial Provision</b>	<b>R1 474 000,00</b>		<b>R1 021 000,00</b>		<b>R846 000,00</b>		<b>R 930 600,00</b>		<b>R1 023 660,00</b>		<b>R5 295 260,00</b>	

Table 13: Action Plan for Skills Programmes

ACTION	DELIVERABLES
Conduct a Skills Audit to identify training needs aligned to the core business functions	Skills Audit Report
Verify and record all qualifications of employees	Qualification list
Develop a comprehensive skills training plan with targets, budgets and timeframes (in line with commitments made in the SLP and the business plan)	Skills Training Plan and/or Training Matrix
Compile findings and include them into Workplace Skills Plan	Workplace Skills Plan
Provide training and education in accordance with specified guidelines, skills gaps and in line with HDSA in management targets	Training Report

### 2.3.5 Learnerships

A Learnership is a registered and accredited learning programme that includes practical work experience, as well as theoretical studies, thereby integrating both workplace and institutional learning. Through a learnership, people are able work towards a qualification whilst employed. It provides both vertical and horizontal articulation within the qualifications framework, and produces meaningful competencies for productive work. The structured learning part of the learnerships will include the unit- standard categories required to make up a qualification, i.e. fundamental learning, core learning and specialisation. Work experience must relate to structured learning and prepare learners for competence assessment.

ERGO undertakes to provide Learnership opportunities to both employees (18.1) as well as non-employees (18.2). Placement of learners, particularly 18.2's will be determined by the existence of employment opportunities at the time of their completion.

#### 2.3.5.1 *The Baseline Situation*

ERGO has enrolled twenty-seven (27) 18.1 apprenticeship programmes in electrical, fabrication/boilermaker, fitter and rigger, and eighty-six (86) 18.2's in similar programmes in the previous SLP. ERGO will continue into the future to enrol employees in various apprenticeships/learnership programmes, focusing more on 18.2 participants.

#### 2.3.5.2 *Learnership Targets*

The 5-year targets which indicate the new enrolments and roll-over per annum, as the learnerships run over 2-3 years, are indicated in **Table 14** and **Table 15**. The FAT targets are reflected in **Table 16**.

#### 2.3.5.3 *Learnership Action plan*

ERGO will continue to provide learnerships to equip employees with the necessary skills to improve efficiency in their work. **Table 17** highlights the Action plans ERGO will take into consideration. The following will be taken into consideration when refining the learnership programmes:

- Offering learnerships registered by the MQA in terms of the Skills Development Act. The company will enter into learnership agreements with Learners in accordance with Sections 16, 17 and 18;
- Enabling the Learner to assume higher levels of responsibility within the workplace and in this way, develop intellectual, interpersonal and communicative skills;
- Providing the Learner with appropriate training in the working environment; and
- Facilitating access to appropriate learning facilities through ERGO and independent training providers.



Table 14: ERGO Five (5) year Learnership Commitments (Internal) 18.1

Type/Area of Training	Target 2018		Target 2019		Target 2020		Target 2021		Target 2022		Total (2018 -2022)
	Intake		Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	
Electrical	2		0	2	2	2	0	2	2	2	6
Fitting	2		0	2	2	2	0	2	2	2	6
Boilermaker	2		0	2	2	2	0	2	2	2	6
<b>Total Learnership Enrolments</b>	<b>6</b>		<b>0</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>18</b>
<b>Financial Provision</b>	<b>R434 320,00</b>		<b>R400 752,00</b>		<b>R440 826,00</b>		<b>R484 908,00</b>		<b>R533 398,00</b>		<b>R2 294 204,00</b>

\* Note: The 2022 intakes will be carried over into the new SLP commitment.

Table 15: ERGO Five (5) year Learnership Commitments (External) 18.2

Type/Area of Training	Target 2018		Target 2019		Target 2020		Target 2021		Target 2022		Total (2018 -2022)
	Intake		Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	
Electrical	3		0	3	3	0	0	3	3	0	9
Fitting	3		0	3	3	0	0	3	3	0	9
Boilermaker	4		0	4	4	1	0	4	4	2	12
Rigger/Ropesman	2		0	2	2	1	0	2	2	1	6
<b>Total Learnership Enrolments</b>	<b>12</b>		<b>0</b>	<b>12</b>	<b>12</b>	<b>2</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>3</b>	<b>36</b>
<b>Financial Provision</b>	<b>R1 007 040,00</b>		<b>974 304,00</b>		<b>R1 068 852,00</b>		<b>R1 171 416,00</b>		<b>R1 282 788,00</b>		<b>R5 504 400,00</b>

Table 16: FAT Five (5) year Learnership Commitments

Type/Area of Training	Target 2018		Target 2019		Target 2020		Target 2021		Target 2022		Total (2018 -2022)
	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	
Fitting	1	1	1	2	1	3	0	2	0	2	4
Boilermaker	0	0	1	0	1	2	0	2	0	2	2
Diesel Mechanic	0	1	0	1	1	3	0	2	0	2	3
<b>Total Learnership Enrolments</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>9</b>
<b>Financial Provision</b>	<b>R50 000,00</b>	<b>R150 000,00</b>	<b>R300 000,00</b>	<b>R550 000,00</b>	<b>R300 000,00</b>	<b>R300 000,00</b>	<b>R300 000,00</b>	<b>R300 000,00</b>	<b>R300 000,00</b>	<b>R300 000,00</b>	<b>R1 350 000,00</b>

Table 17: Learnership Action Plan

ACTION	DELIVERABLES
Evaluate the future skills needs of ERGO and the current workforce for potential candidates to be enrolled in Learnership Programmes.	List of future skills and positions. List of candidates to be offered the opportunity to be enrolled in the Learnership Programme
Consultation with the Training Committee on the proposed Learnership Programme.	Meetings and Agreement on the way forward with regards to the Learnership Programme
Provide the Learner with appropriate training in the working environment.	Record of training provided
Provide appropriate facilities to the Learners and provide adequate Learner supervision.	Training provider facilities and ERGO facilities training
Conduct on-the-job assessment of Learners and provide records of learning.	Record of training provided and assessor signatures

## 2.4 Career Progression Plan - Regulation 4b (b) ii

### 2.4.1 Introduction

The Career Progression Plan aims to illustrate a career path for employees, indicating possible routes to move or change from one role or position to another within a specific discipline. This will be achieved through defining competencies, such as skills and experience required by the various job categories. The Mine's training and development Programme thus becomes a mechanism for developing employees' capabilities to progress to either a different post within their same level or higher. The path of Career Progression could also be applied during selection and recruitment, training and development and talent management.

### 2.4.2 The Baseline Situation

Currently ERGO has relevant departmental talent management forums, with overall talent management governed by an Executive Committee chaired by the Managing Director. In addition to this, regular consultation takes place with the workplace forum with regard to career development.

The objective of career pathing is to ensure that the selected employees advance into technical and managerial positions where suitable vacancies arise in line with the requirements of the Broad-Based Socio-Economic Empowerment Charter. In this regard the following activities must be undertaken:

1. ERGO employees need to be complemented with skills through job related short courses.
2. The career pathing planning process must be regularly reviewed, and progress monitored on an annual basis.

### 2.4.3 Career Progression Targets

The 5-year targets for career progression are as indicated in **Table 18** and **Table 19**.

### 2.4.4 Action plan

ERGO will actively promote Career Progression and succession opportunities among its employees. ERGO will refine the current Career Progression Programme, as indicated by the action plan in **Table 20**. The Career Progression Programme will be implemented by means of the following:

1. Career pathways for Instrumentation, Metallurgy and Engineering have been developed and are highlighted in figure 4, 5 and 6;
2. Figure 7 highlights FAT's employees' progression guide;

3. ERGO will continue to implement a Career Progression policy, procedure and Programme, which recognises the mature state of the operation, is operation-specific and contextually relevant to the employment levels, organogram, workforce, skills needs, and Employment Equity needs of ERGO;
4. The Career Progression Programme will be implemented for a five(5)-year period and will be reassessed every five (5) years;
5. Career progression should be used to improve the sustainability of the Company, its business efficiency, employee development, productivity, employee satisfaction and labour stability;
6. The Career Progression Programme will be linked to the Skills Development Programme, Learnership Programme, Internship and Bursary Programme, Mentorship Programme and Employment Equity Programme;
7. These must be closely aligned and linked to scarce skills needs, job-related skills and employee development/progression at ERGO;
8. Mechanisms are in place for individuals to progress from lower-skilled working levels to higher-skilled working levels and management levels should job opportunities arise and positions become vacant;
9. The Career Progression Plan will ensure that the qualifications, aspirations, developmental needs, and potential capabilities of employees with potential are accounted for in line with the needs and capabilities of the Mine; and
10. ERGO will identify those employees who demonstrate potential, and require further skills in their current position, as well as employees who need skills aimed at Career Progression to fill a future position.

*ERGO will use its Career Progression Programme as a primary mechanism to empower its employees with potential and meet the employment needs of the Company.*

Table 18: ERGO's Career Progression Targets

Training Programmes within Career Progression Paths	Position Starting from	Target Position Working Towards	2018	2019	2020	2021	2022	Totals
Metallurgical Training	Shift Foreman	Met Foreman	2		2		2	6
Engineering Training	Artisan	Engineering foreman	1	1	1	1	1	5
Management Development	Junior Management	Middle Management	2	2	2	2	2	10
Junior Management Development	Semi-Skilled	Junior Management	6	6	6	6	6	30
<b>TOTAL</b>			11	9	11	9	11	51
<b>Financial Provision<sup>4</sup></b>			<b>R628 500,00</b>	<b>R571 500,00</b>	<b>R610 500,00</b>	<b>R675 500,00</b>	<b>R727 500,00</b>	<b>R3 213 500,00</b>

\* The Career Progression Programme is based on the needs of the Company. Although ERGO will strive to achieve these targets individuals will only be appointed into targeted positions should vacancies exist.

Table 19: FAT's Career Progression Targets

Training Programmes within Career Progression Paths	Position Starting from	Target Position Working Towards	2018	2019	2020	2021	2022	Totals
Mine Residual Disposal (MRD) 101	Supervisor	Site Manager	2	2	2	0	0	6
Mine Residual Disposal (MRD) 102	Site Manager	Contracts Manager	1	1	1	1	0	4
Management Development	Site Manager	Contracts Manager	1	1	1	1	1	5
<b>TOTAL</b>			4	4	4	2	1	15
<b>Financial Provision</b>			<b>R135 000,00</b>	<b>R148 500,00</b>	<b>R163 350,00</b>	<b>R77 000,00</b>	<b>R53 000,00</b>	<b>R576 850,00</b>

\* The Career Progression Programme is based on the needs of the Company. Although FAT will strive to achieve these targets individuals will only be appointed into targeted positions should vacancies exist

<sup>4</sup> The biggest part of the budget covers the Management Development Programme (MDP), Junior Leadership Programme (JLP) and the Foreman's training costs.

2.4.4.1 Ergo's Instrumentation, Metallurgy and Engineering Career Pathways

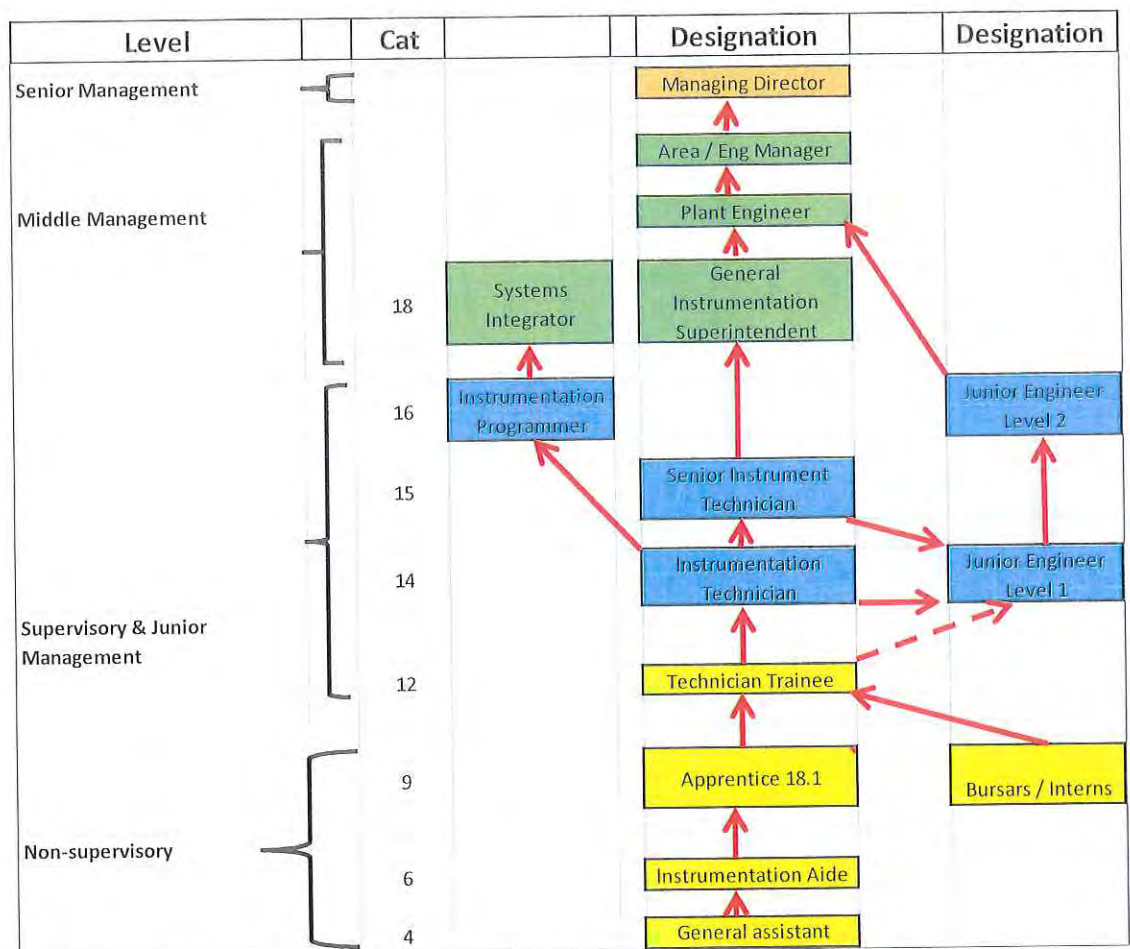


Figure 4: Instrumentation career path

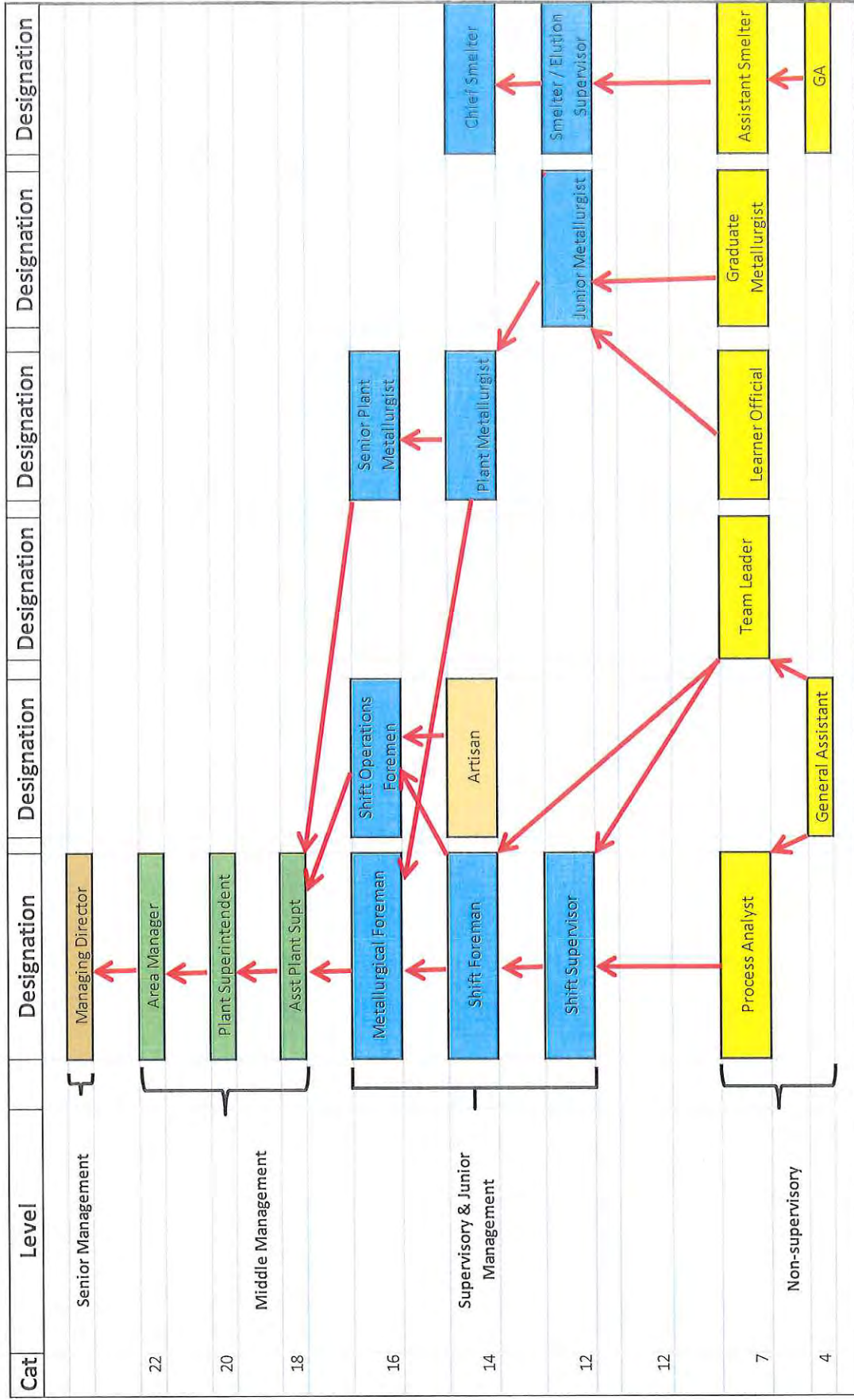


Figure 5: Metallurgical career path

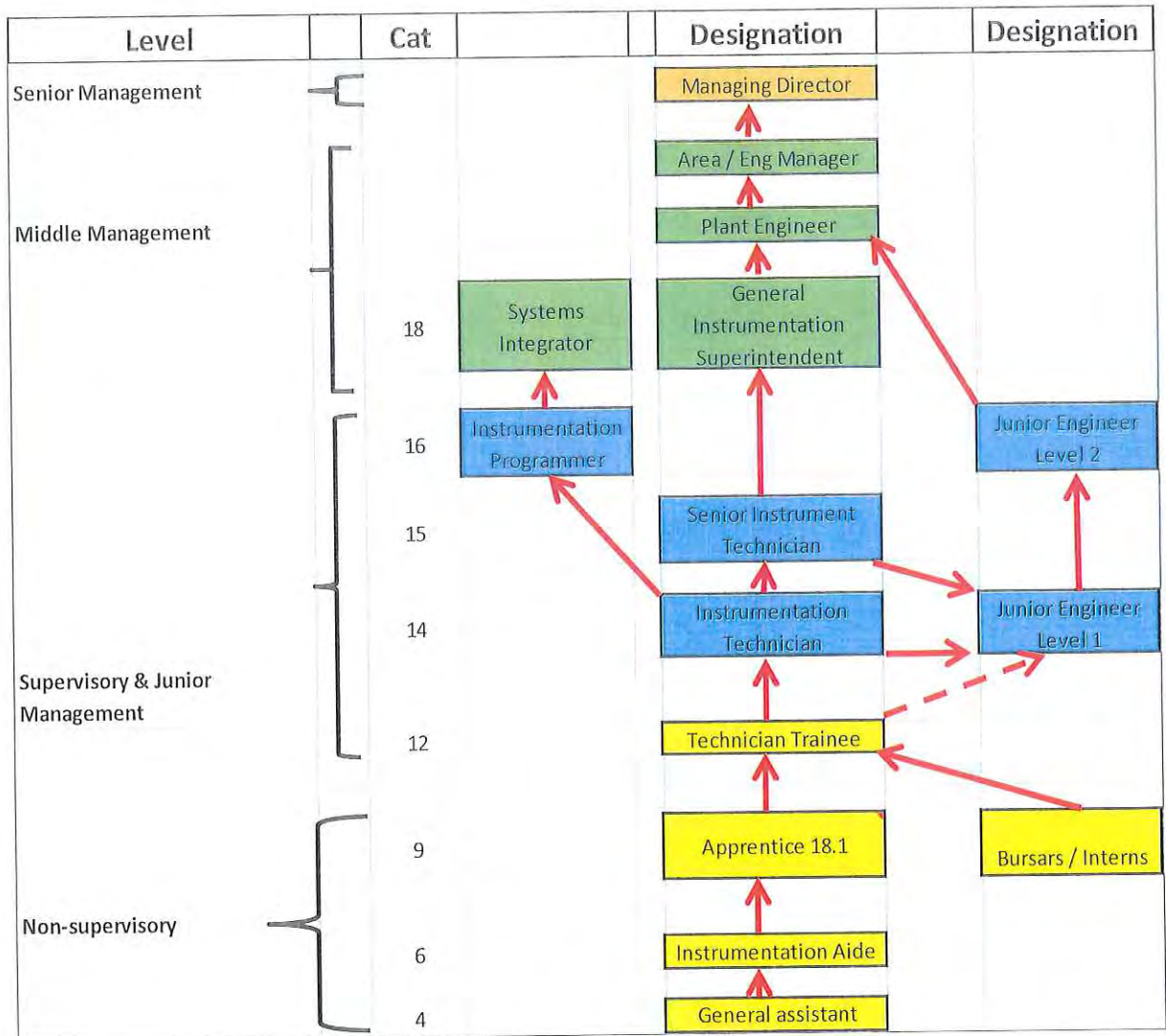


Figure 6: Engineering Career Path



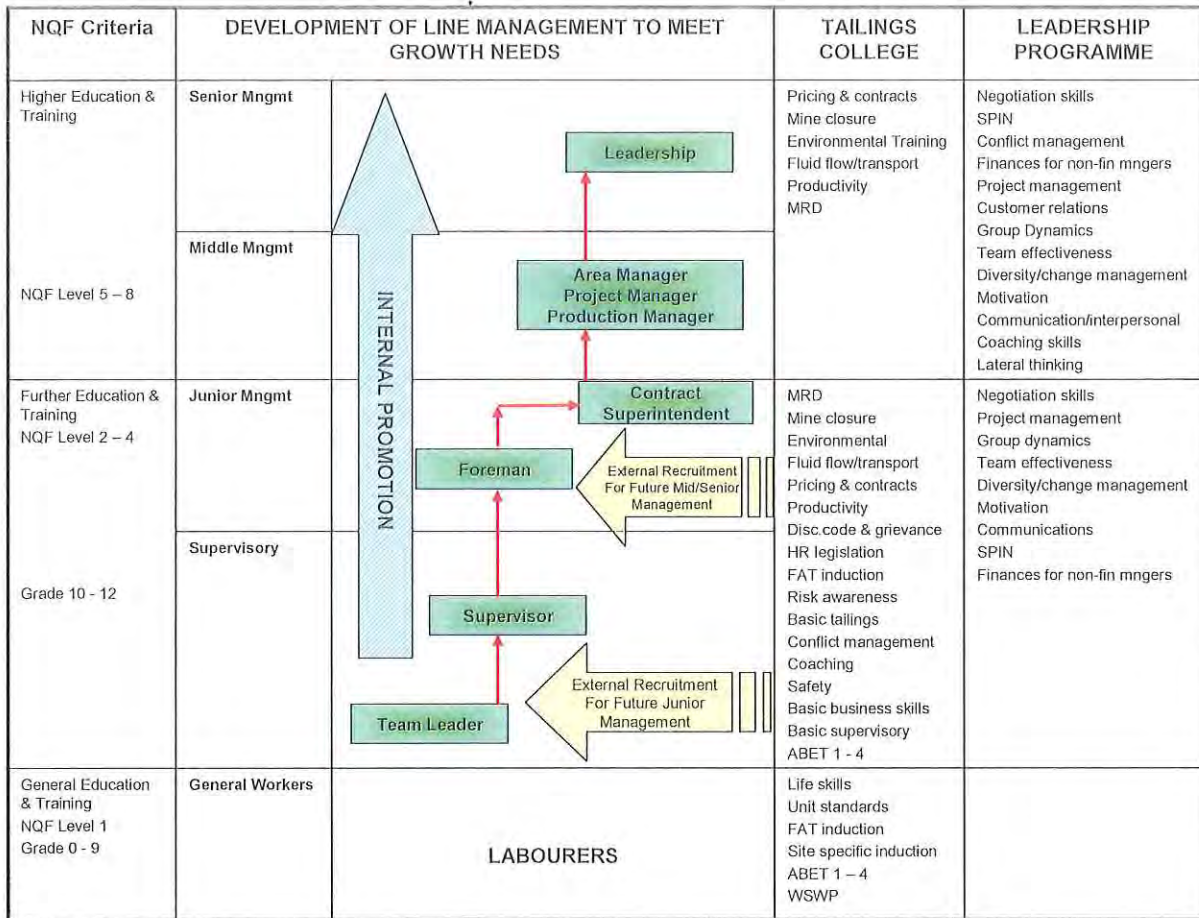


Figure 7

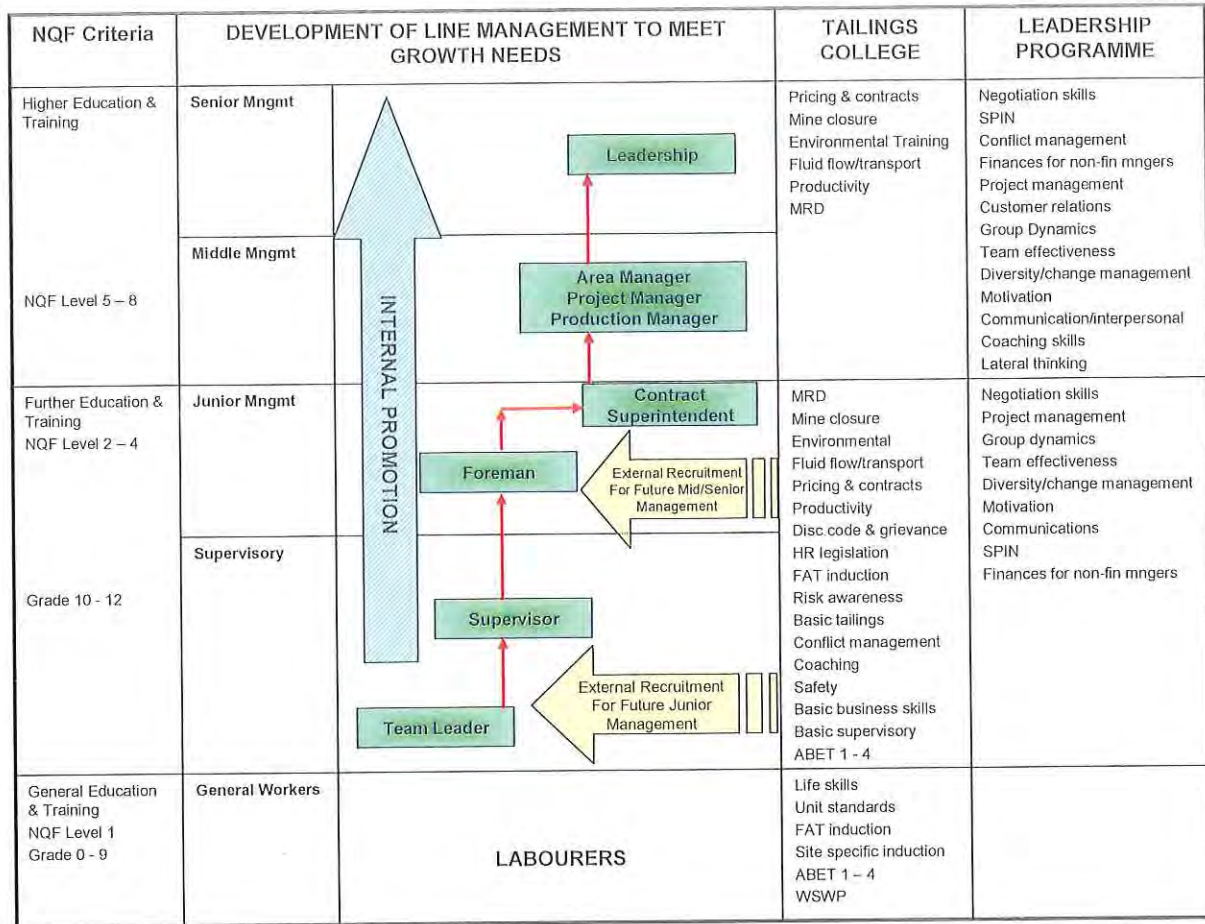


Figure 7: Career progression mechanism at FAT

Table 20: Action Plan for Career Progression Plans

ACTION	DELIVERABLES
Conduct regular individual assessments to enable feedback on performance and identify development needs.	Assessment Reports
Create career paths based on the individual assessments and the needs of the Mine. Communicate these to employees to guide them as to career directions.	Individual Development Plans
Describe and publish minimum requirements for employment positions.	Competency Profiles
Ensure that mentors are familiar with each employee’s career aspirations and well informed about development opportunities	Mentorship Agreements

## 2.4.5 Portable skills Programmes

### 2.4.5.1 *Baseline situation*

ERGO will continue offering skills training Programmes throughout the life of the Mine. A high level of focus will be when there is a possibility of retrenchment, downscaling and a possible closure of the mine. The aim of the programme is to equip employees with alternative skills to utilise outside the mining environment.

### 2.4.5.2 *Portable Skills Targets*

The 5-year targets set for portable skills training at ERGO are reflected in **Table 21**. Employees will be given the opportunity to select from options provided in **Table 22**, a portable skills course to enrol into and complete. Additional courses will be considered as the need arise.

### 2.4.5.3 *Action plan*

Presently ERGO is anticipating the closure of the Knights plant in September 2019. Therefore, the mine will be greatly focused on equipping its employees with suitable portable skills to enable them to find other forms of livelihood in other sectors of the economy. These skills Programmes will include, but are not limited to, the following: moving machinery, computer courses, soft skills, construction and other.

Table 21: Portable Skills Training Non-Mining Fields

Portable Skills Programmes	2018	2019	2020	2021	2022	Totals
Portable Skills Programmes (moving machinery, computer courses, soft skills, construction & Other)	80	100	40	40	40	300
<b>Total Number</b>	80	100	40	40	40	300
<b>Financial Provision<sup>5</sup></b>	<b>R1 600 000,00</b>	<b>R2 000 000,00</b>	<b>R200 000,00</b>	<b>R200 000,00</b>	<b>R200 000,00</b>	<b>R4 200 000,00</b>

Table 22: Portable Skills Training Programme Action Plan

ACTION	DELIVERABLES
Determine suitable economic opportunities/sectors outside of mining, through consultation with relevant stakeholders and review of the municipality's Integrated Development Plan	Feedback report on suitable economic opportunities outside the mining sector
Conduct a survey to determine which portable skills are in demand by Mine employees	Survey Results
Compile a detailed portable skills training Programme	A detailed portable skills training Programme
Evaluate and appoint suitable training Service Providers as required	A detailed list of training service providers

<sup>5</sup> The first two years, the training costs are higher at between R20 000 & R40 000 per person as the mine will be preparing for closure of 2 plants. From 2020 the portable skills training will be focused on cheaper variety of training (such as machine operating, licensing & computer skills, etc., at between R2000 and R4000 per person)

#### 2.4.6 Hard-to-fill vacancies

Hard-to-fill vacancies represent both currently filled and vacant positions that are difficult to satisfy due to the limited availability of relating skills. This may represent future challenges for ERGO to remain compliant in terms of its Employment Equity obligations in accordance with the Mining Charter. Currently, ERGO has no hard-to-fill vacancies as highlighted in Form R in **Table 23**.

**Table 23: Hard-to-fill Vacancies as per Annexure II of the MPRDA regulations**

Occupational level	Job title of vacancy	Main reason for inability to fill when vacant
Top Management	None	N/A
Senior Management	None	N/A
Skilled technical and academically qualified workers, junior management, supervisors	None	N/A
Semi-skilled and discretionary decision making	None	N/A
Unskilled and defined decision-making	None	N/A

## 2.5 Mentorship Plan - Regulation 46 (b) (iii)

### 2.5.1 Introduction

Mentorship is a key process and tool in the support of people development, Employment Equity, HRD planning, and performance management. It is a formal relationship between a mentor and a mentee, and is established to enhance the mentee's career by building skills and knowledge. This is a continuous process and ensures that the mentee's potential is unlocked, which benefits everyone, including the mine.

*Internal mentorship* refers to "in-house" mentorship whereby lower-level employees are paired with higher-level employees for a transfer of skills to take place.

*External mentorship* refers to the coaching of outside BEE companies who have an interest in being involved in mining.

ERGO Mentorship Plan will represent a carefully planned and professional intervention to facilitate a larger initiative to support employee and Skills Development within the Operation.

### 2.5.2 The Baseline Situation

Ergo currently has a mentorship programme in place that focuses on transferring of skills within the company.

### 2.5.3 Targets

- a) The Mentorship Plan focuses on mentoring the identified employees to progress into earmarked positions should they become available or to ensure competency in a specific skill;
- b) The Mentorship Plan is linked to Skills Training, Learnerships, Career Progression, Internships, and Employment Equity:
- c) The Mentorship Plan is based on both the aspirations of the employee and business requirements of the company.

Table 24 and Table 25 provide a summary of the mentorship targets for ERGO and FAT for the next 5 years.

Table 24: ERGO Mentorship Targets

Mentoring Programme	Duration	2018			2019			2020			2021			2022			Totals					
		HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals						
Mentoring Programme	Until vacancies become available	2	1	3	2	0	2	2	1	3	2	2	0	2	2	1	3	2	2	1	3	13
<b>TOTAL</b>		<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>13</b>
Financial Provision <sup>6</sup>		R50 000,00			R55 000,00			R60 500,00			R66 550,00			R73 205,00			R905 255,00					

\*The ERGO mentorship program focuses developing individuals to advance into higher positions. These individuals however will stay on the program until such positions become available

Table 25: FAT Mentorship Targets

Mentoring Programme	Duration	2018			2019			2020			2021			2022			Totals					
		HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals	HDSA	NON-HDSA	Totals						
Mentoring Programme	12 months	3	2	5	3	2	5	2	2	4	2	1	3	2	1	3	2	2	2	1	3	19
<b>TOTAL</b>		<b>3</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>19</b>	
Financial Provision		R240 000,00			R250 000,00			R260 000,00			R270 000,00			R280 000,00			R1 300 000,00					

<sup>6</sup> The costs are mostly for external consultants

#### 2.5.4 Mentorship Plan

ERGO promotes mentorship opportunities among its employees in the company's talent pool.

1. The Mentorship Programme focuses on mentoring and coaching employees into more specialised positions. This will be aligned with the skills and Employment Equity requirements of ERGO.
2. The Mentorship Programme is linked to the Skills Development Programme, Learnership Programme, Career Progression Programme, Internships and Bursary Programme, and Employment Equity Programme.
3. An action plan for the implementation of the mentorship Programme is provided in **Table 26**, and will be updated annually.
4. With regards to internal mentorship of employees, ERGO has implemented the following mechanisms:
  - 4.1 Establish mentoring implementation structures within ERGO;
  - 4.2 Identify mentors / mentees;
  - 4.3 Match mentors with suitable mentees;
  - 4.4 Set relationship goals and plans for learning Programmes; and
  - 4.5 Implement and monitor mentee's progress, and evaluate.
5. The mentorship plan has been implemented through the following steps:
  - 5.1 Transferring skills to the identified employees;
  - 5.2 Mentoring and coaching employees with regards to learnership opportunities;
  - 5.3 Ensuring that mentors are sufficiently capacitated for their role;
  - 5.4 Ensuring that mentees are matched with suitable mentors in terms of personality type, etc; and
  - 5.5 Providing accelerated individualised development Programmes for those employees identified as having potential and aspiration.



Table 26: Mentorship Action Plan

ACTION	DELIVERABLES
Continue to implement the Mentorship programme each year according to the mentor/mentee agreements	Individual Mentor/Mentee agreements (updated annually)
Annually review the current talent pool and assign mentors to new candidates	Growing and evolving Talent Pool
Identify new potential mentors and arrange the necessary training for them	Growing and evolving mentor pool as required
Annual assessment and revision of the implementation Programme.	Adjusting the ERGO mentorship programme to address any changing needs

## 2.6 Internship and Bursary Plan – Regulation 46 (b) (iv)

### 2.6.1 Introduction

ERGO is aware of the need not only to assist its own employees with development opportunities, but also members of the local community to access tertiary education (bursaries) and experiential work (internships). The bursary and internship plan help to develop individuals, thus supplying the operation with its required skills. Apart from business related qualifications, the Mine is also aware of the need to develop qualified individuals from other sectors of the economy, whose communities have been affected by the Mine.

### 2.6.2 The Baseline Situation

ERGO will continue implementing an internship and bursary Programme, which has become feasible through the creation of more diversified, semi-skilled and skilled positions at the Mine. ERGO has a well-documented financial study loan and assistance programme for employees to further themselves in their current professions: metallurgy, engineering, human resources, finance, technical services and environment, as well as creating future opportunities for broader exposure to all disciplines within the organisation. ERGO's approach to bursaries can be seen in the company's HRD policy.

### 2.6.3 Bursary Targets

Table 27, Table 28, Table 29, and Table 30 provide ERGO's bursary and internship targets for 2018 – 2022. The Internship and Bursary Programme will be linked to the Employment Equity Programmes.

### 2.6.4 Action plan

The future bursaries will be awarded according to, and based on, professional qualifications required within the business. The number of opportunities offered will be subject to the financial situation and employment need of the Company. Internships will be offered to students who have completed their academic studies at higher education institutions. This applies to both bursary holders as well as individuals who did not receive ERGO bursaries.

ERGO will implement the following strategic actions regarding its internships and bursaries:

- i. Allowing individuals to work as apprentices to skilled people on the Mine;
- ii. Promoting accelerated and equitable access to bursary and internship opportunities;
- iii. Integrating the intern or bursar as an operating member of the Company, should suitable vacancies exist;

- iv. Providing internship and bursary supervisors to function as educators and overseers of the Programmes;
- v. Involving interns in diverse responsibilities and exposing them to a broad range of challenges;
- vi. Providing evaluation of each internship and bursary;
- vii. Exposing interns and bursars to the network of industry professionals;
- viii. Providing a bursary scheme to cater for Learners who wish to pursue undergraduate or postgraduate studies in mining related sectors;
- ix. Appropriately advertising internship/bursary opportunities within ERGO, as well as the necessary selection criteria thereof;
- x. Identifying selected Learners at pre-tertiary level to nurture potential at an early stage. These Learners will be provided with bursaries which are relevant to the current and future market needs of the mining sector and the Company; and
- xi. Providing bursaries which cover fees for registration, tuition, accommodation, and learning materials.
- xii. This plan will be designed for a five (5)-year period and will be updated at the end of each period. An action plan has been developed for the compilation of an Internships and Bursaries Plan, as indicated in **Table 31**.

Table 27: ERGO Bursary Targets (FY 2018 – FY 2022) External

Bursary Field	Target 2018		Target 2019		Target 2020		Target 2021		Target 2022		Total (2018 -2022)
	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	
Finance	0	0	1	0	0	1	0	1	1	1	2
HR	0	1	0	1	0	1	0	0	1	0	1
Engineering	1	1	1	0	0	1	0	1	0	1	2
Metallurgy	1	0	1	1	0	1	0	1	0	1	2
Other	0	0	0	0	0	0	0	0	1	0	1
<b>Total Bursaries</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>8</b>
<b>Financial Provision</b>	<b>R680 000,00</b>		<b>R900 000,00</b>		<b>R760 000,00</b>		<b>R603 000,00</b>		<b>R1 278 000,00</b>		<b>R4 221 000,00</b>

Table 28: ERGO Bursary Targets (FY 2018 – FY 2022) (Internal) Study Advance or Assistance

Bursary Field	Target 2018		Target 2019		Target 2020		Target 2021		Target 2022		Total (2018 -2022)
	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	Intake	Continuing	
Finance	1	1	0	1	0	1	1	0	0	1	2
HR	1	1	0	1	0	1	1	0	0	1	2
Environmental Sciences	1	1	0	1	0	1	1	0	0	1	2
Health, Safety and Related Sciences	1	1	0	1	0	1	1	0	0	1	2
<b>Total Bursaries</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>8</b>
<b>Financial Provision</b>	<b>R400 000,00</b>		<b>R440 000,00</b>		<b>R484 000,00</b>		<b>R532 400,00</b>		<b>R585 640,00</b>		<b>R2 442 040,00</b>

Table 29: ERGO Internship Targets (FY 2018 – FY 2022)

Areas of Focus	2018			2019			2020			2021			2022			Totals								
	M		NH	M		NH	M		NH	M		NH	M		NH									
	F	H		F	H		F	H		F	H		F	H										
Admin/HR/Finance/Other	1	3	3	1	4	1	2	3	1	4	1	3	3	1	4	0	4	3	1	4	20			
Engineering	1	0	1	0	1	1	0	1	0	1	1	0	1	0	1	0	1	1	0	1	5			
<b>TOTAL</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>25</b>			
Financial Provision	R500 000,00											R550 000,00			R605 000,00			R665 000,00			R732 050,00			R3 052 050,00

Table 30: FAT Internship Targets (FY 2018 – FY 2022)

Areas of Focus	2018			2019			2020			2021			2022			Totals								
	M		NH	M		NH	M		NH	M		NH	M		NH									
	F	H		F	H		F	H		F	H		F	H			F	H						
Industrial Engineering	1	0	1	0	1	0	0	0	0	1	0	0	0	0	0	0	1	1	0	0	1	3		
Civil Engineering	0	1	1	0	1	0	0	0	0	1	0	1	0	0	0	1	0	0	0	0	1	3		
Metallurgy	0	0	0	0	0	0	1	1	0	1	0	1	0	1	0	1	0	1	0	0	0	3		
Chemical Engineering	0	0	0	0	0	1	0	1	0	1	0	0	0	0	1	0	0	0	0	0	0	2		
Safety Management	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	2		
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>13</b>			
Financial Provision	R396 000,00											R513 000,00			R522 000,00			R531 000,00			R560 000,00			R2 262 000,00

key

H - HDSA

NH – NON- HDSA

Table 31: Internships and Bursaries Action Plan

ACTION	DELIVERABLES
Determine business needs in terms of internship and bursary requirements for the future.	List of needs in terms of labour requirements, specifically those with higher education specifications.
Upgrade the implementation Programme for internships and bursaries.	Upgraded Internship and Bursaries Implementation Programme.
Develop and implement an awareness Programme with employees and local communities for internship and bursary opportunities at ERGO.	Formulation and implementation of an awareness and communication Programme and implementation on an ongoing basis.
Provide annual assessment and revision of the implementation Programme.	A new action plan table for the next reporting period.

## 2.7 Employment Equity Plan – Regulation 46 (b) (v)

### 2.7.1 Introduction

ERGO fully subscribes to the principles of the Mining Charter and strives to achieve more than the minimum requirements. The Company believes that Employment Equity is an integral part of building an effective and representative workforce to ensure equality among its employees. Particular effort will be directed to identify those HDSAs with talent, and then to provide accelerated training and development initiatives to assist their progression when suitable vacancies arise.

### 2.7.2 The Baseline Situation

Transformation within ERGO is guided by the South African Constitution and the MPRDA, which promotes equity and fairness, dignity, transparency and accountability. Importantly, the Constitution not only defines formal equality, but also permits the implementation of affirmative action.

ERGO currently reports to the Department of Labour (DoL) in respect of its Employment Equity progress and will continue to do so annually. The Employment Equity Plan for ERGO will continue to be drafted in accordance with the requirements of the Employment Equity Act and will be published and submitted to the DoL on an annual basis. The objective of this Plan is to ensure the maintenance of equity throughout its operation and to develop strategies to promote affirmative action amongst designated groups.

The Employment Equity statistics for ERGO's permanent employees are contained in **Form S** in **Table 32** and **Table 33** display current percentages of HDSAs and women at the Operation.

There are currently **666 (80,5%)** male employees and **161 (19,5%)** female employees at ERGO. A detailed breakdown is available from the Human Resources Department of ERGO employees, showing the exact positions. Currently, **Management of the Mine comprises 235 (69%) HDSAs (which includes white women), of which 150 (15%) are female.** Of the **20%** females at the Company, **78%** are black and **12%** are white. **Table 34** provides the EE Action Plan.

#### **ERGO EE Plan does and will continue to include:**

- Ensure fair and non-discriminatory practices which respect the rights and dignity of all employees irrespective of colour, race, gender and disability;
- Identify and remove potentially discriminating practices;
- Ensure that staff at all levels are suitably qualified or have the potential to meet the intrinsic requirements of the job; and

- Ensure that women are targeted for learnerships, bursaries, internships, career progression and in particular during the recruitment process, that female representation will be taken into consideration by the company. **Table 33** illustrates on how ERGO will improve on the current EE statistics over the next five years.

Table 32: Form S ERGO's Employment Equity Statistics

Occupational levels	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Board)	1	0	0	2	0	0	0	0	3
Senior Management (Exco)	0	0	0	2	1	0	0	0	3
Middle Management	5	1	3	21	3	0	0	4	37
Junior Management	157	10	6	81	21	5	2	14	296
Core Skills	358	5	1	13	104	3	1	3	488
<b>Total number of Permanent Employees</b>	<b>521</b>	<b>16</b>	<b>10</b>	<b>119</b>	<b>129</b>	<b>8</b>	<b>3</b>	<b>21</b>	<b>827</b>

Table 33: ERGO's HDSA in Management Five-Year Targets

	2018	2019	2020	2021	2022
HDSA in Management Positions	40%	40%	40%	40%	40%
Women in Mining	10%	10%	10%	10%	10%



Table 34: Strategic Action Plan for the Implementation of EE at ERGO Mining (Pty) Ltd

ACTION	DELIVERABLES
1. Establish the EE Plan and report on progress on meeting commitments to the Department of Mineral Resources (DMR).	DMR report
2. A copy of the report will be made available to employees for copying and consultation.	Communication
3. Ensure visible support and commitment of managers to the EE process.	Attendance of the meeting
4. Develop fast-tracking procedure for HDSAs.	Employment equity targets / Employment report
5. Allocate specific mentors and coaches to HDSA individuals exhibiting potential and aspiration for management positions.	Reports

### 2.7.3 Action plan

ERGO will continue to maintain EE targets at a level not lower than those prescribed by the existing Mining Charter at any time.

#### 2.7.3.1 *The Participation of Historically Disadvantaged South Africans*

The following is relevant to the participation of HDSAs:

1. ERGO will continue to strive towards ensuring that targets as prescribed in the prevailing Mining Charter at the time, in each level of management, are composed of HDSAs. However, the Company will develop their own employees to fill these quotas where possible. To achieve this the Company will adhere to the following:
  - i. Selecting, training and empowering candidates at lower levels from within the organisation to progress, where possible, into position that may arise. This would be the preferred first option;
  - ii. Recruiting candidates from outside of the Company, only as a last resort, after every effort has been made by ERGO to implement the above steps without success.
2. This mechanism will result in “true” empowerment of individuals and contribute more to transformation of the mining industry than “poaching” would.
3. ERGO will implement the following action plan in **Table 35** to create opportunities for the participation of HDSAs on a managerial level, which will be updated annually.

Table 35: Participation of HDSAs in Management Action Plan

ACTION	DELIVERABLES
Determine Employment Equity needs and aggregate positions in management in terms of the requirements of the MPRDA.	List of positions and needs.
Assess the internal ERGO Talent Pool of employees for potential HDSA candidates that can fill higher level positions should vacancies occur (based on competence and commitment, in line with the Career Progression and Skills Development Plans).	Identified HDSA and female candidates with potential.
Implement a formal career planning system for HDSA employees with potential at ERGO.	General career planning system for HDSA employees.

ERGO will implement the following mechanisms to encourage the participation of HDSAs in higher skills and managerial levels:

1. Use the Employment Equity report to accurately determine the existing racial and gender mix at the Mine;
2. Assess the findings of the Employment Equity Reports regarding the participation of HDSAs;
3. Provide preference to HDSAs for skilled and management positions, should they meet the job requirements;
4. Use recruitment strategies for importing suitably qualified HDSAs only as a last resort;
5. Use Succession planning, career development, and performance management systems to facilitate the development of HDSAs into management positions;
6. Communicate job opportunities within the Operation;
7. Continue sensitising and educating employees about issues involving gender, race, and diversity to promote a non-discriminatory culture; and
8. Allocate specific mentors and coaches to HDSA individuals in the talent pool exhibiting potential and aspiration for higher-skilled and management positions. In this way they will be sufficiently trained to become more likely candidates for promotion.

#### 2.7.3.2 *Participation of women*

The following is relevant to the participation of women in mining:

1. In compliance with the spirit of the MPRDA, ERGO will continue to strive to increase the participation of black women in managerial, professional and core mining related positions:
2. An **Action Plan** to increase the participation of women in mining is provided in **Table 36**.
3. Progress against these plans will be reported annually in accordance with the requirements of the DoL and the DMR.
4. The above-mentioned Tables will be updated annually.

Table 36: Action Plan for the Participation of Women in Mining

ACTION	DELIVERABLES
<p>Discussion and brain-storming of the issues, problems and compliance gaps in terms of Women in Mining at the woman's forum. Discussion of issues relating to:</p> <ol style="list-style-type: none"> <li>1. Devising measures to address the potential issues/obstacles preventing the successful integration and retention of women;</li> <li>2. Devising measures to change the physical mining environment and adapting the technical equipment to be women-friendly; and</li> <li>3. Implementing awareness Programmes to sensitize the perceptions of men towards women.</li> </ol>	<p>Identification of the primary issues, challenges and solutions on the way forward to bring about meaningful change at ERGO.</p>
<p>Ongoing monitoring of the women in mining implementation Programme in line with the Employment Equity Plan.</p>	<p>Ongoing monitoring of women in mining project Programme.</p>

## SECTION 3

**LOCAL ECONOMIC  
DEVELOPMENT  
PROGRAMME:  
REGULATION 46 (C)**

### 3 LOCAL ECONOMIC DEVELOPMENT PROGRAMME

#### 3.1 Overview

ERGO Mining operations (Pty) Limited (ERGO) is the controlling company for various other companies conducting tailings reclamation operations on the Witwatersrand, located within the Ekurhuleni Metropolitan Municipality (EMM) of the Gauteng Province of South Africa. The ERGO plant is situated in the EMM on the East Rand of the Gauteng province of South Africa. EMM was established in 2000. It covers a vast area from Germiston in the west to Springs and Nigel in the east. Figure 8 provides a summary of the regional setting of ERGO’s operations.

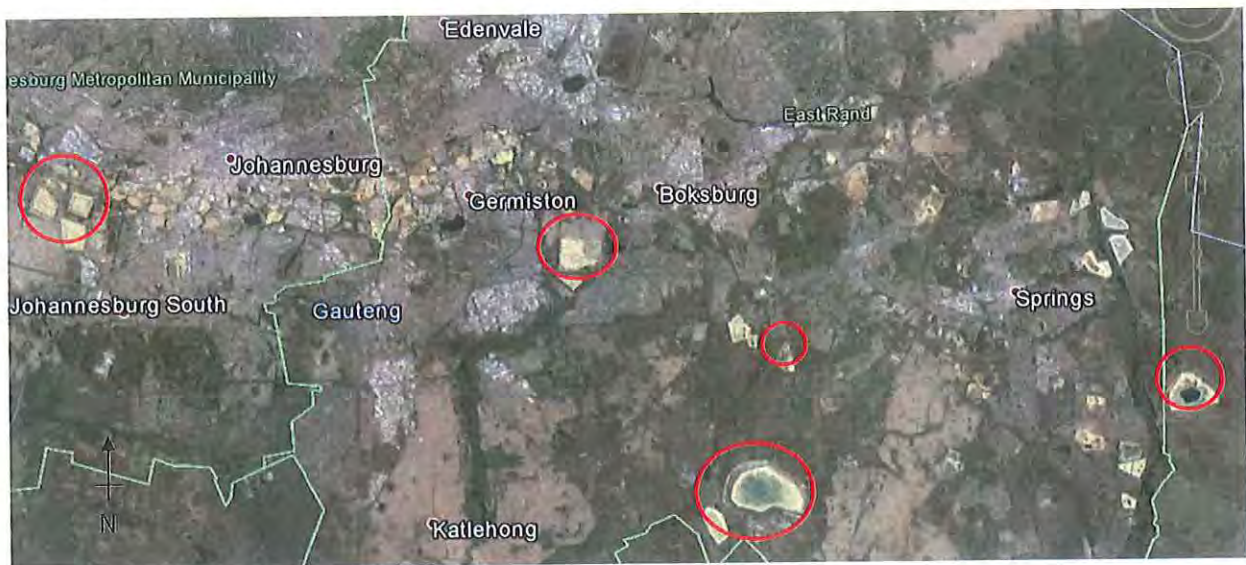


Figure 8: Location of ERGO Tailings Reclamation

ERGO’s labour sending areas, described in Table 37, indicate that most of its labour force resides in the EMM, represented by 38.7% of the overall total, followed by COJ at 31.71%. Given ERGO’s limited resources and sphere of influence, it is recommended that ERGO’s LED initiatives be focused on these two major-labour sending areas. The best practice in the industry looks at implementing LED projects in areas that consist of more than 10% of the operation’s labour force.

Table 37: ERGO’s Labour Sending Areas

Sending Area	Municipality	No of Employees	%
Ekurhuleni	Ekurhuleni Metropolitan Municipality	492	59.5%
City of JHB	City of JHB Metropolitan Municipality	304	36.7%
Other	Various	31	3.7%
Total number		827	100.0%

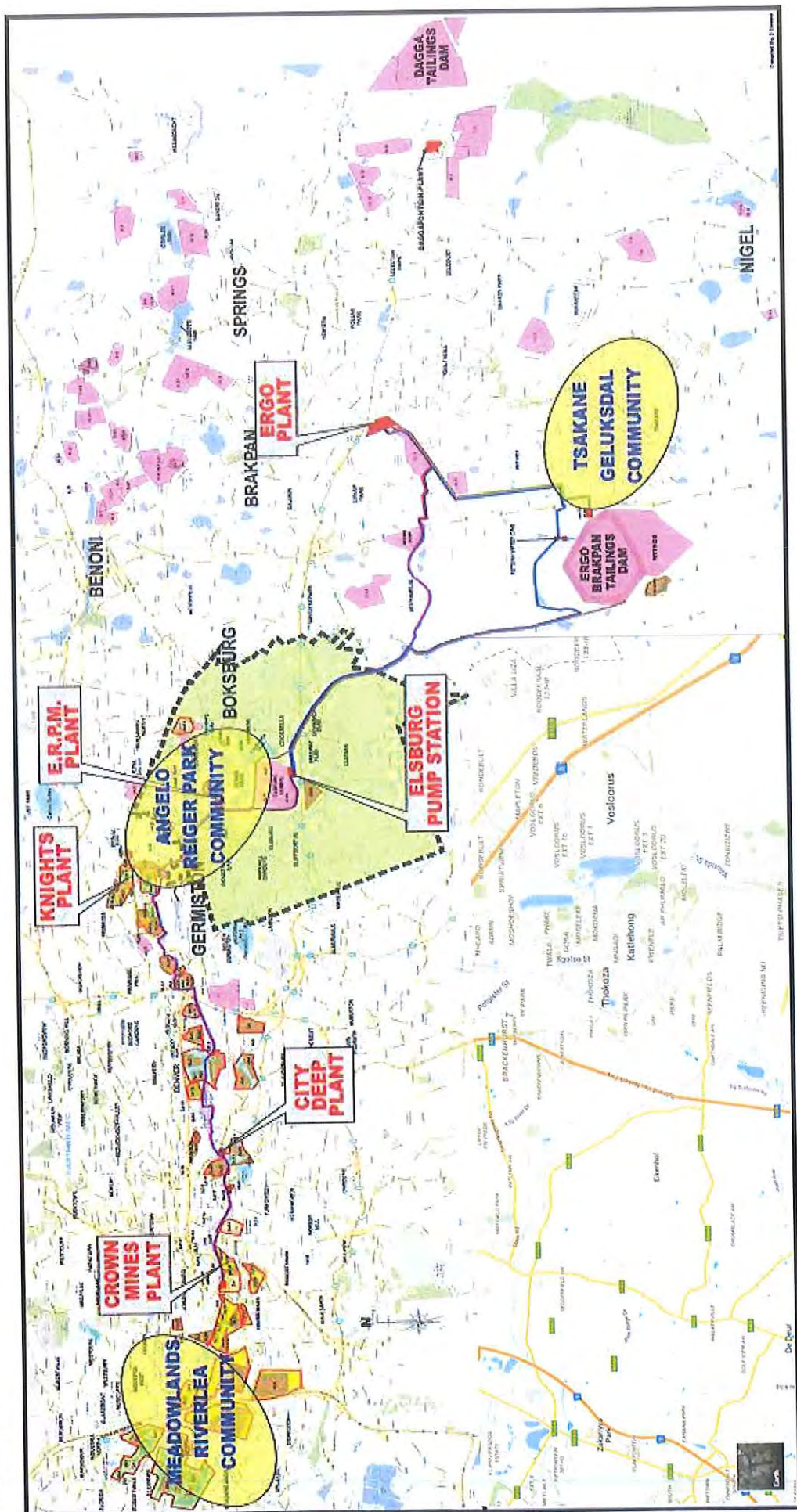


Figure 9: ERGO's Zones of Influence

## 3.2 Desktop Regional Analysis and Rapid Scoping

A **rapid scoping assessment** was conducted by ERGO to understand the status of the social and economic conditions of the communities surrounding the mine. The regional desktop research and the rapid scoping engagement showed that unemployment (at 22%) is the most pressing problem faced by residents of both Municipalities. There is pervasive dissatisfaction with the inadequacy of basic services, and perceived favouritism in a context of general scarcity of jobs, resources and opportunities. Residents complain about inadequate communication and feel excluded, with depressed hope for a fulfilling future.

Nothing short of a “new culture” will create good conditions for ERGO to successfully operate in these communities. All ERGO’s efforts will be made possible by deliberate, well-structured bottom-up processes in these communities to facilitate effective local economic development, through enabling people to become more economically active through their own endeavours.

In compliance with the regulatory requirements of the DMR, and among others, Regulation 46 (c) (i–iii) of the MPRDA Regulations (2004), ERGO undertook a **scoping assessment** of the communities surrounding the ERGO’s operations **during October and November 2017**. The aim of the analysis was not only to enhance the project planning and interaction of the Mine with the surrounding communities, but also to evaluate the impact of the previous SLP’s LED projects. Further, the assessment was done to ensure appropriateness and sustainability of LED Programmes which form part of this SLP. For enhanced accuracy, the rapid assessment findings were correlated to the desktop research of census data.

Due to the majority of the ERGO labour-force being from both the EMM and COJ, the two municipalities will form part of a desktop socio-economic review in the section which follows. The socio-economic rapid analysis is based on the desktop review of the latest 2011 national census information as contained within “Gaffney’s Local Government in South Africa Official Yearbook 2011-2013”. The census data for Gauteng District Municipality (GDM) as well as for COJ and EMM is compared and correlated with the findings of the stakeholder engagement and discussed in the section that follows.

### 3.2.1.1 Population Overview

As is indicated in **Table 38**, the size of the populations of the COJ and EMM are very similar. Interestingly, 99.9% of COJ residents and 82.2% of EMM inhabitants live within urban areas. The poverty rate is slightly worse in COJ than EMM (45.45% and 27.34% respectively). This may be interlinked with the whole population residing in urban areas. Furthermore, the two metropolitan municipalities have similar average people per household, an average of 3.



Table 38: Population overview

Population overview	COJ	EMM
	Number	Number
Total population	3 845 459	2 958 260
Municipality size (km <sup>2</sup> )	1 644.98	1 975.26
Density (/km <sup>2</sup> )	2 337.7	1 497.7
Total households	1 227 153	886 463
Ave people/household	3.1	3.3
Poor households	557 794	242 359
Poverty rate	45.45%	27.34%
Area type - Rural	0.10%	18%
Urban	99.90%	82.2

### 3.2.1.2 Population Demographics

The following section identifies the demographics of the local population with regards to race, age, and language. The importance of knowing the demographic breakdown is to ensure that any LED projects and empowerment interventions target most of the population in their language and taking into consideration cultural dynamics to have large-scale impact.

As indicated in **Table 39**, both local municipalities, COJ and EMM are dominated by black South Africans (99% and 74% respectively). The white population of COJ (0.8%) and EMM (19.9%) outweighs the other minor population groups in the both municipalities. Therefore, LED projects should target the majority black population to have great impact in communities.

Table 39: Population by Race

Group	COJ		EMM	
	Number	%	Number	%
Black	2 875 997	99	2 214 155	74
Indian or Asian	165 306	0.1	51 502	1.9
Coloured	226 714	0.1	96 670	3.3
White	577 442	0.8	589 974	19.9
<b>Total</b>	<b>3 845 459</b>	<b>100</b>	<b>2 958 260</b>	<b>100</b>

Table 40 indicates that the number of individuals who fall into the economically active age group (labour force) of COJ and EMM (75.3% and 67.5% respectively) is not high when compared to the proportion of the populations that are not economically active (0-14 and over 64 years). The significant proportion of the economically inactive population (24.7% in COJ and 32.5% in the EMM), signifies the need for creating employment prospects. Job opportunities need to be created for the population who are below 15 years of age, for when they move into the labour force to avoid a rise in unemployment. Having a young population implies high dependency ratios and increased pressure on the portion of the population that is employed to support the dependent and unemployed people.

Table 40: Population Demographics for Age

Age	COJ		EMM	
	Number	%	Number	%
0-14 and over 64 years	984 810	24.7	962 246	32.5
Labour force (15-64 years)	2 896 649	75.3	1 996 014	67.5
Total	3 845 459	100	2 958 260	100

Within the two metropolitan municipalities, IsiZulu is shown to be the dominant spoken language (Table 41) with 25.5% and 30.4% of the inhabitants speaking this language in COJ and EMM respectively. The significantly high proportion of IsiZulu speaking people especially in EMM implies that, for any development strategies within COJ and EMM to succeed, they must be sensitive to the predominant cultural systems and social dynamics related to the IsiZulu culture. Communication processes and material should take these findings into consideration and should be made available in the IsiZulu language.

Table 41: Languages

Language	COJ		EMM	
	Number	%	Number	%
Afrikaans	310 932	8.1	382 984	12.9
IsiNdebele	34 313	0.9	53 071	1.8
IsiZulu	980 244	25.5	899 797	30.4
English	748 082	19.5	331 515	11.2
IsiXhosa	295 562	7.7	254 512	8.6
Sepedi	287 101	7.5	337 110	11.4

Sesotho	422 080	11	332 050	11.2
SiSwati	37 311	1	54 098	1.8
Xitsonga	226 240	5.9	168 750	5.7
Setswana	349 745	9.1	91 715	3.1
Tshivenda	103 140	2.7	30 716	1
Other	50 709	1.3	21 941	0.7
<b>Total</b>	<b>3 845 459</b>	<b>100</b>	<b>2 958 260</b>	<b>100</b>

### 3.2.1.3 Education

The area of major concern is that 36% of COJ and 38.1% of EMM of over 21-year olds have Secondary Schooling (without matric) as indicated in **Table 42**. This is an alarmingly high percentage and Adult Education and Training (AET) should be considered for these individuals. Further, in the same age category, within the COJ and EMM only 26.6% and 29.7% respectively, have a matric or higher qualification (**Table 42**). These are low percentages considering that the Government is promoting matric for all. The low level of skilled individuals reduces the ability of the district to come up with innovative ways to be economically productive and to implement industrious measures. Therefore, LED interventions should aim at developing skills and capacity within the COJ and EMM communities.

Table 42: Educational Levels of Population over 21 years old

Group of Over-21s	COJ		EMM	
	Number	%	Number	%
Degree	211 193	7.6	74 887	4
Post-matric diploma/certificate	47 145	1.7	23 274	1.2
Matric	791 491	26.6	558 910	29.7
Diploma/Certificate (without matric)	145 712	5.3	92 617	4.9
Secondary Schooling (without matric)	997 838	36	718 318	38.1
Primary schooling	407 935	14.7	296 943	15.8
No schooling	93 366	3.4	78 655	4.2
<b>Total</b>	<b>2 649 680</b>	<b>100</b>	<b>1 843 604</b>	<b>100</b>

As seen in **Table 43**, most of individuals currently attending school within the two metropolitan municipalities are currently at primary or high school. There is a minimal number of people attending higher education institutions such as college or university (9.3% in COJ and 5.2% in EMM). This is an

opportunity to sponsor AET learners as well as bursaries for matriculants to be able to enrol for tertiary education to further their education. Education increases the employment of new graduates entering the labour market.

Table 43: Current Attendance at Education Institutions

Group of Over-21s	COJ		EMM	
	Number	%	Number	%
Degree	211 193	7.6	74 887	4
Post-matric diploma/certificate	47 145	1.7	23 274	1.2
Matric	791 491	26.6	558 910	29.7
Diploma/Certificate (without matric)	145 712	5.3	92 617	4.9
Secondary Schooling (without matric)	997 838	36	718 318	38.1
Primary schooling	407 935	14.7	296 943	15.8
No schooling	93 366	3.4	78 655	4.2
<b>Total</b>	<b>2 649 680</b>	<b>100</b>	<b>1 843 604</b>	<b>100</b>

#### 3.2.1.4 Employment and Economic Positions of Population

Within the labour force (15-64 years), the employment rates for COJ (51.5%) are slightly higher than that of EMM (49.7%) as shown in **Table 44**. The unemployment rate for COJ (21.7%) is similar to that of EMM (22%). The number of economically inactive persons in the employable age groups is significantly high in both municipalities. The high rate of 'not economically active individuals' should be a concern, as this will put major strain on the employed individuals. These figures reinforce that there is a significant need for LED projects aimed at job creation and employment opportunities.

Table 44: Employment Levels

Employment Status	COJ		EMM	
	Number	%	Number	%
Employed	1 493 068	51.5	991 874	49.7
Unemployed	628 232	21.7	438 980	22
Not economically active*	660 200	22.8	518 535	26
Total	2 781 500	100	1 949 389	100

\*Not economically active: A person who is not working and not seeking work or not available for work is classified as not economically active. This group includes full time students, housewives, the disabled who cannot work, retired people and others who cannot work. The term is only officially applied to those of working age, 15 to 64.

### 3.2.1.5 Dependency

Age dependency ratios reveal the number of young people (under 15 years of age) and older people (over 64 years of age) dependent on the people of working age, classified as economically active (15 - 64 years). As seen in Table 45, the age dependency ratio for COJ and EMM are respectively 33.9 and 44.2 people dependent on every 100 people, classified as economically active. When these ratios are combined with unemployment levels, the dependency ratios of COJ and EMM are respectively 152.1 and 193.5 people dependent on every 100-people classified as economically active (Table 45). The significantly high dependency ratios indicate there is a substantial burden on the employed individuals who need to support the unemployed, inactive and youth. These findings suggest a need for the district and local municipalities in the area to implement programmes that cater for the development of the youth to be self-sustaining. Human Resource Development (HRD) and Local Economic Development (LED) strategies, for example, should focus on implementing skills development programmes and creating income earning opportunities that may reduce unemployment levels. The aim should be to absorb the large youth population into the economic sector.

Table 45: Dependency ratios for COJ &amp; EMM

Group	COJ	EMM
Age dependency	33.9	44.2
Unemployment dependency ratio	152.2	193.5

The standard age dependency ratios for COJ and EMM have been calculated as follows:

$$\text{Age Dependency ratio} = \frac{(\text{population under 15 and population over 64}) \times 100}{\text{population between 15 and 64}}$$

## 1) COJ

$$= (984\,810) \times 100 \div 2\,896\,649$$

$$= \underline{33.9 \text{ persons per 100 economically active persons}}$$

## 2) EMM

$$= (962\,246) \times 100 \div 1\,996\,014$$

$$= \underline{44.2 \text{ persons per 100 economically active persons}}$$

The employment dependency ratios for COJ and EMM, considering unemployment rates of 758.3, 644.6 and 504.5 respectively, have been calculated as follows:

$$\text{Employment Dependency ratio} = \frac{(\text{population under 15 and population over 64}) + (\text{population between 15 and 64 that are unemployed}) + (\text{not economically active population})}{\text{population between 15 and 64 that are employed}} \times 100$$

## 4) COJ

$$= (984\,810) + (628\,232) + (660\,200) \times 100 \div (1\,493\,068)$$

$$= \underline{152.2 \text{ persons per 100 persons employed in the labour force}}$$

## 5) EMM

$$= (962\,246) + (438\,980) + (518\,323) \times 100 \div (991\,874)$$

$$= \underline{193.5 \text{ persons per 100 persons employed in the labour force}}$$

### 3.2.1.6 Income

The income breakdown found in **Table 46** indicates that a significant percentage, **37.6%** and **41.1%** of individuals in COJ and EMM respectively have no income. These rates are alarmingly high, considering that these figures include social grants.

Table 46: Income

Income (including social grants)	COJ		EMM	
	Number	%	Number	%
R 204 801 or more	204 801	0.2	3 307	0.1
R 102 401 – R 204 800	9 240	0.2	5 174	0.2
R 51 201 – R 102 400	32 857	0.9	13 617	0.5
R 25 601 – R 51 200	95 117	2.5	49 638	1.7
R 12 801 – R 25 600	155 741	4.1	109 937	3.7
R 6 401 – R 12 800	223 720	5.8	208 063	7
R 3 201 – R 6 400	271 183	7.1	230 861	7.8
R 1 601 – R 3 200	376 033	9.8	283 818	9.6
R 801 – R 1 600	444 695	11.6	328 307	11.1
R 401 – R 800	191 671	5	156 881	5.3
R 1 – R 400	135 041	3.5	120 793	4.1
No income	1 446 734	37.6	1 216 316	41.1
<b>Total</b>	<b>3 586 833</b>	<b>100</b>	<b>2 726 712</b>	<b>100</b>

### 3.2.1.7 Social Grants

Child support grants are the highest offered in the two Metros (56.5% in COJ and 58.8% in EMM) (Table 47). The second most common are old age pension grants (20.7% in COJ and 20.3% in EMM).

Table 47: Social Grant Recipients

Social Grants	COJ		EMM	
	Number	%	Number	%
Old age pension	17 316	20.7	12 956	20.3
Disability grant	8 116	9.7	7 464	11.7
Child support grant	47 197	56.5	37 500	58.8
Care dependency grant	1 605	1.9	1 300	2
Foster care grant	91	0.1	105	0.2
Grant in aid	463	0.5	405	0.6
Social relief	274	0.3	361	0.5
Multiple social grants	386	0.5	213	0.3
Institutions	6 617	7.9	3 522	5.5
<b>Total</b>	<b>83 579</b>	<b>100</b>	<b>63 826</b>	<b>100</b>

### 3.2.1.8 Employment by Industry

The largest absorption of the workforce is experienced in private households or other (23%) in COJ and manufacturing (22.6%) in EMM. Within COJ the business and service industry also employ a significant 18% of the economically active individuals. In EMM the private households or other industry also employ a significant 19% of the working population (Table 48).

Table 48: Employment Per Industry

Industry	COJ		EMM	
	Number	%	Number	%
Agric related work	36 828	2.4	24 358	2.4
Mining, Quarrying	13 891	0.9	15 192	1.5
Manufacturing	210 072	14	228 133	22.6
Electricity, gas, water	13 657	0.9	9 381	0.9
Construction	83 396	5.6	56 523	5.7
Wholesale, Retail	232 534	15.6	147 729	14.9
Transport, Communication	71 679	4.8	60 175	6.1
Business Services	270 760	18	131 159	13.3
Community Services	212 709	14	130 630	13.2
Private households or Other	347 543	23	188 590	19
<b>Total</b>	<b>1 493 069</b>	<b>100</b>	<b>991 870</b>	<b>100</b>

### 3.2.1.9 Housing and Living Conditions

The housing and living conditions within COJ and EMM will be reported on based on analysis of housing ownership, type of dwelling occupied, energy used for lighting, sanitation, refuse removal, and access to water. As can be seen in Table 49, a significant percentage, that is COJ (32.3%) and EMM (35.3%) of houses are owned and fully paid. The households that rent accommodation are higher in COJ (30.6%), compared to EMM (26%). A substantial number of households occupy the dwellings at no cost to them, in COJ (18%) and EMM (18.8%).



Table 49: Households Tenure Status

Households by Tenure Status	COJ		EMM	
	Number	%	Number	%
Owned & fully paid off	396 082	32.3	313 292	35.3
Owned but not yet paid off	225 018	18.3	171 121	19.3
Rented	374 969	30.6	230 594	26
Occupied rent-free	221 125	18	164 467	18.8
Other	9 959	0.8	6 990	0.8
<b>Total</b>	<b>1 227 153</b>	<b>100</b>	<b>886 464</b>	<b>100</b>

### *Dwellings Occupied*

Tables 50, denotes that majority of the individuals in COJ and EMM have their houses on a separate stand, 52.5% and 54.9% respectively.

Table 50: Households by Type of Main Dwelling

Households by Type of Main Dwelling	COJ		EMM	
	Number	%	Number	%
House on separate stand	644 209	52.5	486 582	54.9
Traditional dwelling	4 380	0.4	1 080	0.1
Flat in block of flats	114 889	9.4	46 056	5.2
Town/Cluster/Semi-detached house	77 508	6.3	32 808	3.7
House/Flat/Room in back yard	90 935	7.4	58 718	6.6
Informal dwelling/Shack in back yard	103 101	8.4	149 707	16.9
Informal dwelling/Shack NOT in back yard	127 139	10.4	80 533	9.1
Cottage on a shared property	21 681	1.8	6 234	0.7
Caravan/Tent	1 311	0.1	926	0.1
Private ship/Boat	801	0.1	355	0
Workers' hostel (bed/room)	39 410	3.2	21 826	2.5
Other	1 792	0.1	1 639	0.2
<b>Total</b>	<b>1 227 156</b>	<b>100</b>	<b>883 464</b>	<b>100</b>

### *Electricity Provision*

The provision of electricity in COJ is better than in EMM. As stated in **Table 51**, 89.4% of the households within the COJ and 78.8% of EMM have access to electricity for lighting. Although most of households have electricity connection for lighting, provision of the same, still must be prioritised to allow for access to all households. About 6.4% of households in COJ use candles for lighting, and in EMM, double that percentage, 12.9% of households use the same type of fuel for lighting.

**Table 51: Energy for Lighting**

Lighting Type	COJ		EMM	
	Number	%	Number	%
Electricity	1 096 614	89.4	698 214	78.8
Gas	2 525	0.2	2 300	0.3
Paraffin	41 607	3.4	66 369	7.5
Candles	78 988	6.4	113 946	12.9
Solar	682	0.1	721	0.1
Other	6 738	0.5	4 913	0.6
<b>Total</b>	<b>1 227 154</b>	<b>100</b>	<b>886 163</b>	<b>100</b>

### **Sanitation**

In terms of sanitation and waste removal, COJ and EMM are both in a similar situation as reflected in **Table 52**. Most people in COJ (86.6%) and EMM (83%) use flush toilets as the means of sanitation. In COJ, 1.2% of the population do not have access to sanitation, with the figure being about 2.3% for EMM households.

The portion of the population that do not have any form of access to sanitation services, and the majority that still make use of the pit latrine/bucket system, is further indicative of poverty and a low level of access to basic services (**Table 52**).

Table 52: Sanitation

Type	COJ		EMM	
	Number	%	Number	%
Flush toilet	1 064 703	86.6	736 130	83
Flush toilet (with specific tank)	32 865	2.7	17 599	2
Chemical Toilet	10 063	0.8	12 642	1.4
Ventilation Improved Pit toilet	26 379	2.2	12 995	1.5
Pit latrine	39 675	3.2	83 821	9.5
Dry toilet	19 850	1.6	936	0.1
Bucket latrine	18 966	1.6	2 249	0.3
None	14 652	1.2	20 089	2.3
<b>Total</b>	<b>1 227 153</b>	<b>100</b>	<b>886 461</b>	<b>100</b>

### Refuse removal

With reference to waste removal, as depicted in **Table 53**, about 90.2% and 88.3% of the households in COJ and EMM respectively, have access to municipal refuse removal. Approximately 1.9% of households at COJ and 3.6% in EMM do not have access to a disposal site (**Table 53**).

Table 53: Refuse Removal

Type	COJ		EMM	
	Number	%	Number	%
Municipal weekly	1 107 139	90.2	782 635	88.3
Municipal other	19 453	1.6	4 724	0.5
Communal dump	19 453	2.3	28 954	3.3
Own refuse dump	40 848	3.3	36 992	4.2
No disposal	23 238	1.9	31 479	3.6
Unknown/Other	7 825	0.6	1 679	0.2
<b>Total</b>	<b>1 217 956</b>	<b>100</b>	<b>886 463</b>	<b>100</b>

### Access to water

Legislative standards require that communities have at least 20 – 30 litres of clean safe water per person per day, within 200m of their household. **Table 54** reveals that the majority of the COJ and EMM populations have access to pipe water inside the dwelling. About 70.8% of households within COJ and

64.7% in EMM have access to piped water inside their dwelling. The second most common access to water is pipes water inside the yard within the two metropolitan municipalities (20.8% in COJ and 21.6% in EMM). A very minute percentage of households have access to river/stream and other sources.

Table 54: Access to Water

Type	COJ		EMM	
	Number	%	Number	%
Pipe water inside dwelling	868 936	70.8	573 490	64.7
Pipe water inside yard	254 994	20.8	191 428	21.6
Piped water outside yard	82 312	6.7	112 363	12.7
Spring	131	0	61	0
Borehole	2 758	0.2	3 604	0.4
Rain water tank	1 028	0.1	396	0
Dam/pool	298	0	66	0
River/stream	836	0.1	1 033	0.1
Vendor	10 994	0.9	1 854	0.2
Other	4 866	0.4	2 170	0.2
<b>Total</b>	<b>1 227 153</b>	<b>100</b>	<b>886</b>	<b>100</b>

### 3.3 Socio Economic Impact of Operation - Regulation 46 (c) (ii) (b)

The baseline socio-economic assessment was conducted by ERGO to determine the potential impacts of the community on the mining operation, as well as of the mining operation on the communities it affects. Data was collected through a formal stakeholder engagement process with Interested and Affected Parties (IAPs), interaction with key stakeholders and consultation with the two Metros' (COJ and EMM) Integrated Development Plans.

#### 3.3.1 Impact of Unemployment

ERGO employs **827 permanent** employees and its main core contractor employs **507** which translates to over **1334** individuals being impacted through direct and indirect income from bread winner support. These employees and their households will be impacted positively from salaries and other employment benefits. Considering that ERGO has an expected mining life of **11** years, these benefits should be sustainable into the medium-term future. For the constructive impacts not to become destructive upon closure, it is important for ERGO to plan for their final closure of the operation and to put mitigating

measures in place. These will assist their employees to find alternative sources of income outside of ERGO and mining. The establishment of a detailed skills training plan is a crucial part of this process.

### 3.3.2 Impact of food Insecurity

In the previous SLP, ERGO committed to contribute towards food security in the communities of the East Rand. There has been **very positive impact from the 26-month implementation of the Broad-Based Livelihoods (BBL) programme**. The BBL is the key that unlocks the greater entrepreneurial potential of people living in poverty by addressing the most basic needs first, i.e. the need for food and livelihood security. Once people are relieved of the fear of hunger, or are providing for the basic needs of their families, they can more successfully direct their effort towards productivity, income generation and future planning. Through a gradual process, individuals and households are taken through the programme from being able to supply their immediate basic needs, to producing excess for commercial purposes, to developing as business owners, and ultimately cultivating sustainable businesses that employ other people. These efforts are supported by enabling mechanisms such as skills / livelihood development, mentorship, business training and productive infrastructure.

The BBL approach focuses on developing persons, rather than things: people are developed to establish and manage their business, rather than developing a business and then searching for a person to manage it. For maximum impact on the poor, the BBL process starts with people at “the bottom of the pyramid” to help them discover avenues out of poverty that suit their circumstances and preferences, enabling them to grow into meaningful economic activity in their lives. This ideal, LED programme is open to all and starts at the bottom with horticulture. The programme quickly builds into income generation.

The impact ERGO has seen with the BBL programme, motivates the company to extend the programme in other areas of operation. ERGO aims to alleviate poverty, create income for households and sustainable positive change through its LED programme. In addition to the contribution of the economy, ERGO also pays sizable amounts in annual taxes. These are utilised by Government for many purposes; one being for the distribution of wealth, which alleviates poverty within the poorer communities. In the original ERGO LED implementation proposal, the envisaged scope was to train **100-250 beneficiaries**, and to supply one set of infrastructure to **18 selected urban farmers**, during Year 1 and Year 2 of the programme. Through innovative changes to the facilitation and infrastructure approaches, ERGO has exceeded this scope by far. There are now more than **800 families** on the BBL database, and the equivalent of **120 infrastructure sets** have been supplied and installed, thereby creating **R1.2m annual income capacity among BBL participants**.

It is particularly encouraging to note that this earning capacity is fully **sustainable** by the producers themselves, and enables any committed grower to **continue expanding** their production and income. The factors supporting sustainability include the following:

- The internal **market** for fresh produce in these townships is massive, and current production by BBL participants is not nearly replacing the produce still flowing into the area through hawkers buying in from the National Fresh Produce Markets at Springs and City Deep.
- Local BBL producers have the added advantage that they can sell directly at **retail prices**, and with **minimal costs** for packaging, transport and other typical marketing costs. This means that their profit margins are very favourable. For instance, a BBL participant sells a fresh bunch of spinach at R10 to locals, whereas the same bunch of spinach may sell for only R2 to R3 at the National Fresh Produce Market, minus the additional costs to package and transport to that market. It is thus no wonder that BBL producers prefer to sell directly in their own areas – they make much more money using that strategy.
- The production methods introduced through the BBL Programme are based on the use of organic waste available in and around every home, therefore the **production costs** are not a limiting factor for expansion, and thereby even the poorest residents can benefit. This means that any producer can continue expanding their production, and many have entered into agreement to use their neighbours' yards, e.g. in exchange for vegetable supply to such a neighbour (i.e. a form of sharecropping).

The number of participating farmers (C0) and those progressing to sales (C1) and the first steps of entrepreneurship (C2) are growing. This is evidence that the ERGO LED programme has responded strongly to the DMR's advice to intensify the economic nature of the programme. The BBL programme is rapidly broadening its reach, diversity and impact through the BBL Business Tools workshops. This small business component caters for those hoping to start but not sure how, as well as those individuals who have already started trading in some way. This component is rapidly deepening the economic nature of the BBL programme and will be further expanded in the next phase to boost local informal and formal small businesses.

The BBL work on starting up new businesses and assisting existing businesses to become more profitable, is opening an exciting and rewarding new field of focus in the ERGO Broad-Based Livelihoods Programme, for the new SLP period from 2018-2022.

ERGO will continue to build upon its collaboration with EMM to maximise the benefits of ERGO's LED programme. The ERGO LED programme for Broad-Based Livelihoods is truly giving effect to the National

Planning Commission’s directive for “radical change to end poverty and inequality and ensure a prosperous South Africa... to shift to more broad-based approaches... to support people engaged in productive activities.”

### 3.3.3 Impact of Poor Service Delivery

The majority of COJ and EMM communities have access to adequate service delivery. Only a few households need basic services, such as electricity, running water, sanitation and refuse removal. About 24.1% and 29.5% of households in COJ and EMM respectively still reside in informal housing / shacks. More effort needs to be channelled towards bringing all the communities to fully habitable accommodation as a matter of urgency.

#### 3.3.34. Impact of Infrastructure

Despite ERGO’s investment in infrastructure such as community and school admin blocks and libraries in the communities surrounding the mine’s operations, there is still a great need for infrastructure in the communities around the operation.

## 3.4 Infrastructure Development, Poverty Eradication and Welfare Creation Projects, Regulation 46 (c) (iii)

### 3.4.1 Approach

LED is an approach towards economic development which allows and encourages local communities, government and the private sector to work together to achieve sustainable economic growth and development, thereby promoting economic benefits and improving the quality of life for all residents in any local municipal area. **The key focus areas of ERGO’s LED intervention** was based on **analysis of COJ and EMM’s IDPs, baseline socio-economic analysis, rapid analysis findings, expressed requirements from stakeholder and community engagements.** Table 55 gives a summary of the stakeholder engagements that took place prior to compilation of this SLP.

Table 55: Summary of Stakeholder Engagements

Who	When	Officials	Outcomes
City of Joburg Economic Development	24 Oct 2017	Malusi Mbusi	Successful introductory meeting. Requested a follow-up meeting to discuss new LED projects. Expressed a need for funding partners for poverty alleviation projects, not infrastructure
City of Joburg Social Development	24 Oct 2017	Lale Mahlabane	Discussed exit of the sewing project. Requested ongoing engagement during the new SLP development and implementation
City of Joburg Social Development	2 Nov 2017	Donny Phakgwayo Simon Motsusi Rodney Mudzuli	Requested a site visit
City of Joburg Social Development (site visit)	10 Nov 2017	Donny Phakgwayo Simon Motsusi Rodney Mudzuli	Requested a presentation to MMC
City of Joburg Social Development	16 Nov 2017	MMC, and Social Dev team	Agreed to a Memorandum of Understanding (MOU) between the City and DRD Gold
Ekurhuleni Metro Municipality Economic Dev & Health and Social Dev Dept	19 Oct 2017	Moses Gafane Christopher Munyai	Committed their support for the BBL to continue in the new SLP. Provided some project opportunities which need funding support

The list of priorities for ERGO is as follows:

1. Broad-Based livelihoods creation;
2. Education and Training;
3. Business building;
4. Income Generation (focused on the development of potential future employers); and
5. Infrastructure



Thus, ERGO's uniquely designed LED programme for the Mine will address each of the top priorities as identified by the municipalities and community, and address the need for **poverty eradication, income creation and (productive) infrastructure development**.

3.4.2 Local Economic Development Programme – Project Plans

<p><b>Project 1: COJ Broad-Based Livelihoods Programme for Production and Income Generation</b></p>	<p><b>Classification: Poverty Alleviation and Income Generation</b></p>
<p><b>Location: City of Johannesburg, Region D, F</b></p>	<p><b>Dates: Jan 2018 – Dec 2022</b></p>
<p><b>Responsible entity: ERGO mining</b></p>	<p><b>Role players: Implementation company, City of Johannesburg Municipality, Department of Agriculture</b></p>
<p><b>Background:</b></p> <p>Based on the tremendous impact that ERGO Mining has achieved in Ekurhuleni with the Broad-Based Livelihoods Programme, ERGO intends replicating this programme in the western regions of its operations, with a focus on <b>Production and Income Generation</b>.</p> <p>The Broad-Based Livelihoods Programme is a poverty alleviation programme which deliberately follows a rapid, stepwise approach to maximise participation (broad-based) and easy entry for all interested people at any level in the socio-economic pyramid (inclusive), and which enables a person or household to systematically improve as:</p> <ul style="list-style-type: none"> <li>• “producers” to attain food security and stability;</li> <li>• “income generators” by selling, saving and adding value;</li> <li>• “entrepreneurs” by getting better at managing the business side of their production and sales;</li> <li>• “employers” where they start to pay family, neighbours and others to work for or with them</li> </ul> <p>Entry into the BBL programme is possible at any time, and at any of these levels, and the multi-year programme design enables participation to both <b>scale out</b> (enabling more participants to enter the BBL) and <b>scale up</b> (enabling participants to progress from one level to the next, at their own preferred pace).</p> <p><b>The BBL Horticulture component is the key</b> that empowers households and people to achieve intensive production of healthy nutritious food right at their homes for their families, entirely free from dependency on other organisations and handouts. Through the BBL programme, families and child malnutrition can be avoided, making full physical and cognitive development possible, with drastically improves lifelong earning prospects. The BBL progressively encourages and unlocks the greater entrepreneurial potential for households through teaching them to enhance their production and planning for income generation purposes, and then transcend into more intensive use of appropriate business tools to build profitability.</p>	

**Entrepreneurship** is a strong and viable strategy to overcome the desperate economic situation in South Africa. Youth and adults alike benefit from the BBL Programme, which creates opportunity for self-employment through household agriculture business, and through the development of existing and aspiring entrepreneurs into self-sustaining, viable local economic enterprises.

The ERGO's BBL Programme has a **proven track record** in impacting large numbers of households and informal and formal businesses. It is conducted in true partnership with local authorities and community leaders, who welcome the intervention because it excludes no one, regardless of age, education, income level or resources. The programme diligently avoids creating expectations, but deliberately encourages people to rekindle their aspirations; thereby cultivating a culture of self-help and resourcefulness.

### Annual Deliverables

#### Year 1-5:

1. Identification and engagement with all relevant role players and stakeholders for endorsement and support
2. Mass mobilisation of the target community to participate in the programme
3. Learning content is presented in hands-on learning sessions, within a Learning Group of 10 – 15 households. Learning Groups are established across and accessible to interested communities based on the response from the mass mobilisation. Learning content includes:
  - a. Importance of balanced nutrition and medium-term planning for household production.
  - b. Trench-bed properties and preparation.
  - c. Soil fertility management, liquid manure production and mulching.
  - d. Crop rotation and companion planting.
  - e. Plant health, pest and disease management.
  - f. Marketing and farming business.
  - g. Fruit tree planting, bag-gardening and no-till maize production.
4. Establishment of support networks (e.g. peer to peer support groups/ "circles of friends", network circles)
5. Ongoing monitoring and mentoring of participants in the practical application of methods, techniques and principles.
6. The improved food security experienced by participating households in the BBL Programme, leads to a constant stream of new requests for participation from new households, both in existing and new areas. Therefore, the Programme is rolled out in a structured manner through the establishment and scheduling of new Learning Groups in response to demand on the ground, for the duration of the Programme period.
7. For every new Learning Group, these workshops and follow-up actions continue for a period of at least 6 months.

**Outcomes / KPAs / KPIs:**

- All community members who are interested can attend the programme (broad-based, open to all, and non-exclusive).
- Participants who attend the programme and apply what they have learnt, have a greater understanding of nutrition and how to monitor their micronutrient intake.
- Participants have the knowledge and skills required to start producing a variety of vegetables at their households using organic methods and with minimal input costs.
- Participants can barter or sell excess produce, and begin to record their sales and savings.
- Participants can apply the basic business principles to non-agricultural goods or services they may produce.
- Stronger social cohesion is brought about through the development of support circles, networks, and potential business relationships.
- There is a resulting shift in the “dependency” mindset, enabling participants to take action, instead of feeling stuck unless the government or someone else acts on their behalf.

**Number and classification of jobs:**

The BBL Programme allows anyone (even discouraged work seekers) to enter or re-enter the active economy by beginning to produce goods (e.g. vegetables, chickens, eggs etc) or services (e.g. mechanical, electrical, IT etc). It stimulates entrepreneurial activity, which is entirely self-driven (not artificially created or forced). The number of income earning opportunities created depends on the community themselves.

**Exit Strategy:**

ERGO’s broad-based Livelihoods Programme for **Programme for Production and Income Generation** intentionally avoids building dependence on ERGO or its service providers. From project commencement, participants are facilitated through the process to be able to make a start and to improve their production and income earning activities without having to rely on handouts or funders. Through this approach, the need for an exit strategy is deliberately avoided, as the principle of sustainability is built into the design of the programme at every level, from start to end.

**Financial Contributions:**

2018	2019	2020	2021	2022
R 1 800 000 (implemented together with Project 2 & 3)	R 1 400 000 (implemented together with Project 2 & 3)	R 1 400 000 (implemented together with Project 2 & 3)	R 1 200 000 (implemented together with Project 2 & 3)	R 1 000 000 (implemented together with Project 2 & 3)

<p><b>Project 2: COJ Broad-Based Entrepreneurship Programme</b></p>	<p>Classification: <b>Poverty Alleviation and Income Generation</b></p>
<p>Location: <b>City of Johannesburg, Region D, F</b></p>	<p>Dates: <b>Jan 2018 – Dec 2022</b></p>
<p>Responsible entity: <b>ERGO mining</b></p>	<p>Role players: <b>Implementation company, City of Johannesburg Municipality</b></p>
<p><b>Background:</b></p> <p>The latest Census data indicates poverty levels of 45.45% in the City of Joburg Municipal area. 21.7% of the working age population are jobless. South Africa’s economic growth has been lower than anticipated, indicating further future job losses, and lower-than-expected new employment opportunities.</p> <p>ERGO recognises that <b>entrepreneurship</b> is a strong and viable strategy to overcome the desperate economic situation.</p> <p>ERGO’s <b>Entrepreneurship Programme</b> is broad-based – it is open to all individuals that have ever thought of starting a business, or who are already trading and interested in improving their profitability.</p> <p>Many “business development” programmes have minimum requirements for participation, thereby excluding many poor and uneducated community members who may have been interested in and benefited from the programme. The ERGO Broad-Based <b>Entrepreneurship Programme</b> is designed to encourage and strengthen multitudes of informal and formal businesses through simple, straightforward business tools to create personal and business budgets, track sales and savings, and analyse the profit and loss of the business. ERGO’s Broad-Based <b>Entrepreneurship Programme</b> is accessible to all, regardless of social level.</p> <p>The ERGO Broad-Based <b>Entrepreneurship Programme</b> is applicable to existing and aspiring businesses, agricultural and non-agricultural, and equips aspiring entrepreneurs and existing business owners with practical tools for:</p> <ul style="list-style-type: none"> <li>• budget planning and business income targets,</li> <li>• record-keeping on sales and progress against savings targets, and</li> <li>• capturing and analysis of profit and loss to enable every participating business to systematically address their own identified areas for improved profitability.</li> </ul> <p>During the first stage of the programme, ERGO will engage the relevant community and municipal stakeholders to obtain their buy-in and endorsement. Through these networks and relationships</p>	

ERGO will mobilise community members to participate in the programme. ERGO will continue to engage with stakeholders throughout the programme to build long term sustainability.

Throughout the programme, the ERGO team will provide mentoring and monitoring of the participants to encourage the correct application of tools and techniques. ERGO will facilitate participants to grow their own networks for information sharing, support and sustainability; and of suppliers and markets.

#### **Annual Deliverables:**

##### **Year 1-5:**

1. Identification and engagement with all relevant role players and stakeholders for endorsement and support
2. Mass mobilisation of aspiring and existing entrepreneurs to participate in the programme
3. Presentation of Entrepreneurship Development workshops and specific follow-up actions in response to the needs of participating entrepreneurs and business owners, covering aspects such as:
  - a. Business tools for starting your own business, or enhancing your existing business
  - b. budget planning and business income targets
  - c. record-keeping on sales and progress against savings targets
  - d. capturing and analysis of profit and loss
  - e. simple business administration and planning
  - f. identifying and supplying immediate markets
4. Establishment of support networks (e.g. peer to peer support groups, business network circles)
5. Ongoing monitoring and mentoring of participants in the practical application of tools, tactics, techniques and principles
6. The improved profitability experienced by participating businesses in the Broad-Based Entrepreneurship Programme, leads to a constant stream of new requests for participation from aspiring and existing businesses, both in existing and new areas. Therefore, the Programme is rolled out in a structured manner through the establishment and scheduling of new Learning Groups in response to demand on the ground, for the duration of the Programme period
7. For every new Learning Group, these workshops and follow-up actions continue for a period of at least 6 months

#### **Outcomes / KPAs / KPIs:**

- Participants of all ages and experience and discover financial and business management insights through the use of these simple but powerful tools. This develops confidence on how to address current and future elements of profitability.
- Participants who aspire to start a business are able to quickly start their own small businesses using the tools they've learnt.
- Participants who have existing businesses are able to improve their growth, profitability, management and sustainability of their businesses.
- Participants are better able to identify their business strengths, weaknesses, opportunities and threats.
- Participants are able to identify and capitalise on business opportunities and adapt their businesses to changing market demands.

- Local businesses (no matter how small) contribute to the local economy, replacing the need for importing the goods or services from outside the community, thereby growing that local economy.

#### Number and classification of jobs:

ERGO's Entrepreneurship Programme does not cater only for a few selected individuals, but is open to all, and encourages every participant to go as far and as fast as they want.

#### Exit Strategy:

ERGO's broad-based Entrepreneurship Programme intentionally avoids building dependence on ERGO or its service providers. From project commencement, participants are facilitated through the process to be able to make a start and to improve their businesses without having to rely on handouts or funders. Through this approach, the need for an exit strategy is deliberately avoided, as the principle of sustainability is built into the design of the programme at every level, from start to end.

#### Financial Contributions:

2018	2019	2020	2021	2022
R 1 800 000 (implemented together with Project 1 & 3)	R 1 400 000 (implemented together with Project 1 & 3)	R 1 400 000 (implemented together with Project 1 & 3)	R 1 200 000 (implemented together with Project 1 & 3)	R 1 000 000 (implemented together with Project 1 & 3)

<b>Project 3: COJ Broad-Based Personal and Career Development Programme</b>	<b>Classification: Community Upliftment</b>
<b>Location: City of Johannesburg, Region D, F</b>	<b>Dates: Jan 2018 – Dec 2022</b>
<b>Responsible entity: ERGO mining</b>	<b>Role players: Implementation company, City of Johannesburg Municipality</b>

**Background:**

High unemployment rates, especially amongst the youth, coupled with poverty, lack of access to further education and training, leaves many South Africans feeling stuck without opportunities and without purpose, resulting in despondency and often leading to negative social behaviours and the abuse of a range of substances like alcohol and drugs.

ERGO and the City of Joburg have identified a need for intervention with youth and young adults in the poorer regions of the metro. ERGO has designed a community upliftment project focused on Personal and Career Development.

Through the Personal and Career Development Programme, participants are introduced to structured methods to analyse the areas for improvement in their lives, to develop and capture a personal vision for their future and to map out a pathway and required behaviours to systematically pursue and achieve their vision.

The ERGO Personal and Career Development Programme uses materials from a variety of sources, as they suit the needs of the participants, including programmes such as Career Build ([www.careerbuild.org.za](http://www.careerbuild.org.za)) and Map4Life (<http://www.map4life.com>)

The applied tools may include:

- Launchpad; designing a vision for your life
- Goal setting and action planning; developing a Master Action Plan (MAP)
- Exploring alternative careers, skills development and entrepreneurship option

**Annual Deliverables****Year 1-5:**

1. Identification and engagement with all relevant role players and stakeholders for endorsement and support
2. Mass mobilisation of youth and employed young adults to participate in the programme
3. Presentation of Personal and Career Development workshops covering topics such as
  - a. Designing a vision for your life
  - b. Goal setting and action planning
  - c. Exploring alternative careers, skills development and entrepreneurship options
  - d. Formulating Career Plans based on participants talent, potential and aspirations
  - e. Taking action and linking into the right professional networks and study programmes to achieve my career goals
4. Establishment of a support network (e.g. peer to peer support groups, network circles)
5. Ongoing monitoring and mentoring of participants in the practical application of tactics, techniques and principles
6. The improved life focus and systematic progress experienced by youth participating in the Broad-Based Personal and Career Development Programme, leads to a constant stream of new requests from potential new participants, both in existing and new areas. Therefore,



the Programme is rolled out in a structured manner through the establishment and scheduling of new Learning Groups in response to demand on the ground, for the duration of the Programme period.

7. For every new Learning Group, these workshops and follow-up actions continue for a period of at least 3 months.
8. Linking participants into professional networks with people in their desired career direction who can become their mentors.

**Outcomes / KPAs / KPIs:**

- Any and all community members who are interested, are able to attend the programme (broad-based, open to all, and non-exclusive)
- Participants who attend the programme and apply what they have learnt, have clearer vision for their lives, goals on how to get there, and a step-by-step plan on how to achieve their goals
- Stronger social cohesion through the development of support circles, networks, and potential business relationships
- Youth have a greater sense of control over their decisions, actions and destiny
- Youth have improved ability to make good decisions
- Shift in the “dependency” mindset, enabling participants to take action, instead of feeling stuck unless the government or someone else acts on their behalf
- Shift in the victim mentality, where participants feel empowered to effect change
- Development of greater “personal resilience” to life’s challenges
- Formulation of Career Plans, based on participants’ application of the abovementioned learnings and professional mentorship support

**Number and classification of jobs:**

No direct jobs created for participants, but rather preparing youth to be employable, find good jobs and even stimulation of local economic activity through entrepreneurship.

**Exit Strategy:**

No exit strategy is required, as this project deliberately builds independence, self-confidence, problem-solving and self-efficacy.

**Financial Contributions:**

2018	2019	2020	2021	2022
R 1 800 000 (implemented together with Project 1 & 2)	R 1 400 000 (implemented together with Project 1 & 2)	R 1 400 000 (implemented together with Project 1 & 2)	R 1 200 000 (implemented together with Project 1 & 2)	R 1 000 000 (implemented together with Project 1 & 2)

Project 4: EMM Broad-Based Livelihoods Programme (new communities)	Classification: <b>Poverty Alleviation and Income Generation</b>
Location: Ekurhuleni Metro Municipality	Dates: Jan 2018 – Dec 2022
Responsible entity: ERGO mining	Role players: <b>Implementation company, Ekurhuleni Metropolitan Municipality (Department of Social Development, Department of Local Economic Development)</b>

**Background:**

**Extension of the Programme to new ERGO communities:**

Due to the success of the Broad-Based Livelihoods Programme (BBL) in the ERGO communities of the East Rand, many new communities, supported by EMM have requested the extension of the BBL Programme focused on **Production and Income Generation** into new ERGO communities. The extension will be to primary communities surrounding ERGO’s reclamation activities and operational footprint e.g. Grootvlei.

The Broad-Based Livelihoods Programme is a poverty alleviation programme which deliberately follows a rapid, stepwise approach to maximise participation (broad-based) and easy entry for all interested people at any level in the socio-economic pyramid (inclusive) and enables a person or household to systematically improve as:

- “producers” to attain food security and stability;
- “income generators” by selling, saving and adding value;
- “entrepreneurs” by getting better at managing the business side of their production and sales;
- “employers” where they start to pay family, neighbours and others to work for or with them

Entry into the BBL programme is possible at any time, and at any of these levels, and the multi-year programme design enables participation to both **scale out** (enabling more participants to enter the BBL) and **scale up** (enabling participants to progress from one level to the next, at their own preferred pace).

**The BBL Horticulture component is the key** that empowers households and people to achieve intensive production of healthy nutritious food right at their homes for their families, entirely free from dependency on other organisations and handouts. Through the BBL programme, families and child malnutrition can be avoided, making full physical and cognitive development possible, with drastically improved lifelong earning prospects. The BBL progressively encourages and unlocks the greater entrepreneurial potential for households through teaching them to enhance their production and planning for income generation purposes, and then transcend into more intensive use of appropriate business tools to build profitability.

**Entrepreneurship** is a strong and viable strategy to overcome the desperate economic situation in South Africa. Youth and adults alike benefit from the BBL Programme, which creates opportunity for self-employment through household agriculture business, and through the development of existing and aspiring entrepreneurs into self-sustaining, viable local economic enterprises.

The ERGO's BBL Programme has a **proven track record** in impacting large numbers of households and informal and formal businesses. It is conducted in true partnership with local authorities and community leaders, who welcome the intervention because it excludes no one, regardless of age, education, income level or resources. The programme diligently avoids creating expectations; but deliberately encourages people to rekindle their aspirations; thereby cultivating a culture of self-help and resourcefulness.

**Scaling Up** – One of the key focus areas for this programme is to work closely with the participants from the previous BBL programme to higher levels of productivity, expansion and business development. This will be for producers who wish to begin generating income from their produce, and for those already earning an income to expand and intensify their efforts, for greater economic benefit. The support provided will be through further training, mentoring and money-making infrastructure solutions.

### Annual Deliverables

#### Year 1-5:

1. Identification and engagement with all relevant role players and stakeholders for endorsement and support
2. Mass mobilisation of the target community to participate in the programme
3. Learning content is presented in hands-on learning sessions, within a Learning Group of 10 – 15 households. Learning content includes:
  1. Importance of balanced nutrition and medium-term planning for household production.
  2. Trench-bed properties and preparation.
  3. Soil fertility management, liquid manure production and mulching.
  4. Crop rotation and companion planting.
  5. Plant health, pest and disease management.
  6. Marketing and farming business.
  7. Fruit tree planting, bag-gardening and no-till maize production.
4. Establishment of support networks (e.g. peer to peer support groups/ "circles of friends", network circles)
5. Ongoing monitoring and mentoring of participants in the practical application of methods, techniques and principles.
6. The improved food security experienced by participating households in the BBL Programme, leads to a constant stream of new requests for participation from new households, both in existing and new areas. Therefore, the Programme is rolled out in a structured manner through the establishment and scheduling of new Learning Groups in response to demand on the ground, for the duration of the Programme period.

7. For every new Learning Group, these workshops and follow-up actions continue for a period of at least 6 months.
8. Enabling further scaling up of high flyers from the previous BBL to achieve higher levels of production and business expansion.
9. Engage with key stakeholders (government, markets and corporates) to establish partnerships to support the scaling up of ERGO producers.

**Outcomes / KPAs / KPIs:**

- Any and all community members who are interested, are able to attend the programme (broad-based, open to all, and non-exclusive)
- Participants who attend the programme and apply what they have learnt, have a greater understanding of nutrition and how to monitor their micronutrient intake.
- Participants have the knowledge and skills required to start producing a variety of vegetables at their households with minimal input costs.
- Participants are able to barter or sell excess produce, and begin to record their sales and savings
- Participants are able to apply the basic business principles to non-agricultural goods or services they may produce
- Stronger social cohesion through the development of support circles, networks, and potential business relationships
- Shift in the “dependency” mindset, enabling participants to take action, instead of feeling stuck unless the government or someone else acts on their behalf
- Scaling up of producers to higher levels of production, business and sustainability.

**Number and classification of jobs:**

The BBL Programme allows anyone (even discouraged work seekers) to enter or re-enter the active economy by beginning to produce goods (e.g. vegetables, chickens, eggs etc) or services (e.g. mechanical, electrical, IT etc). It stimulates entrepreneurial activity, which is entirely self-driven (not artificially created or forced). The number of income earning opportunities created depends on the community themselves.

**Exit Strategy:**

ERGO’s broad-based Livelihoods Programme for **Programme for Production and Income Generation** intentionally avoids building dependence on ERGO or its service providers. From project commencement, participants are facilitated through the process to be able to make a start and to improve their production and income earning activities without having to rely on handouts or funders. Through this approach, the need for an exit strategy is deliberately avoided, as the principle of sustainability is built into the design of the programme at every level, from start to end.

**Financial Contributions:**

2018	2019	2020	2021	2022
R 1 600 000 (implemented)	R 1 400 000 (implemented)	R 1 200 000 (implemented)	R 1 000 000 (implemented)	R 500 000 (implemented)

together with Project 5)	together with Project 5)	together with Project 5)	together with Project 5)	together with Project 5)
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Project 5: EMM Local Business Development Programme	Classification: Poverty Alleviation and Income Generation
Location: Current and new communities of the East Rand operations	Dates: Jan 2018 – Dec 2022
Responsible entity: ERGO mining	Role players: Implementation company, Ekurhuleni Metropolitan Municipality (EMM) (Department of Social Development, Department of Local Economic Development)
<p><b>Background:</b></p> <p>The latest Census data indicates poverty levels of 27.34% in the EMM. 22% of the working age population are jobless. South Africa’s economic growth has been lower than anticipated, indicating further future job losses, and lower than expected new employment opportunities.</p> <p>ERGO recognises that <b>entrepreneurship</b> is a strong and viable strategy to overcome the desperate economic situation. Many new entrepreneurs emerged from the Broad-Based Livelihoods Agricultural Programme previously implemented in the East Rand, and require further facilitation to stabilise, and build greater consistency in their production of goods or services, and customer base.</p> <p>ERGO’s <b>Entrepreneurship Programme</b> is broad-based – it is open to any and all individuals that have ever thought of starting a business, or who are already trading and interested in improving their profitability (including those from the BBL programme)</p> <p>Many “business development” programmes have minimum requirements for participation, thereby excluding many poor and uneducated community members who may have been interested in and benefited from the programme. The ERGO Broad-Based <b>Entrepreneurship Programme</b> is designed to encourage and strengthen multitudes of informal and formal businesses through simple, straightforward business tools to create personal and business budgets, track sales and savings, and analyse the profit and loss of the business. ERGO’s Broad-Based <b>Entrepreneurship Programme</b> is accessible to all, regardless of social level.</p>	

The ERGO Broad-Based **Entrepreneurship Programme** is applicable to existing and aspiring businesses, agricultural and non-agricultural, and equips aspiring entrepreneurs and existing business owners with practical tools for:

- budget planning and business income targets,
- record-keeping on sales and progress against savings targets, and
- capturing and analysis of profit and loss to enable every participating business to systematically address their own identified areas for improved profitability.

During the first stage of the programme, ERGO will engage the relevant community and municipal stakeholders to obtain their buy-in and endorsement. Through these networks and relationships ERGO will mobilise community members to participate in the programme. ERGO will continue to engage with stakeholders throughout the programme to build long term sustainability.

Throughout the programme, the ERGO team will provide mentoring and monitoring of the participants to encourage the correct application of tools and techniques. ERGO will facilitate participants to grow their own networks for information sharing, support and sustainability; and of suppliers and markets.

#### **Annual Deliverables:**

##### **Year 1-5:**

1. Identification and engagement with all relevant role players and stakeholders for endorsement and support
2. Mass mobilisation of aspiring and existing entrepreneurs to participate in the programme
3. Presentation of Entrepreneurship Development workshops and specific follow-up actions in response to the needs of participating entrepreneurs and business owners, covering aspects such as:
  - a. budget planning and business income targets,
  - b. record-keeping on sales and progress against savings targets, and
  - c. capturing and analysis of profit and loss
4. Establishment of support networks (e.g. peer to peer support groups, business network circles)
5. Ongoing monitoring and mentoring of participants in the practical application of tools, tactics, techniques and principles.
6. The improved profitability experienced by participating businesses in the Broad-Based Entrepreneurship Programme, leads to a constant stream of new requests for participation from aspiring and existing businesses, both in existing and new areas. Therefore, the Programme is rolled out in a structured manner through the establishment and scheduling of new Learning Groups in response to demand on the ground, for the duration of the Programme period.
7. For every new Learning Group, these workshops and follow-up actions continue for a period of at least 6 months.

**Outcomes / KPAs / KPIs**

- Participants of all ages and experience and discover financial and business management insights through the use of these simple, but powerful tools, which develops confidence on how to address current and future elements of profitability.
- Participants who aspire to start a business, are able to quickly start their own small businesses using the tools they've learnt.
- Participants who have existing businesses, are able to improve their growth, profitability, management and sustainability of their businesses.
- Participants are better able to identify their business strengths, weaknesses, opportunities and threats.
- Participants are able to identify and capitalise on business opportunities and adapt their businesses to changing market demands.
- Local businesses (no matter how small) contribute to the local economy, replacing the need for importing the goods or services from outside the community, thereby growing that local economy.

**Number and classification of jobs:**

ERGO's Entrepreneurship Programme does not cater only for a few selected individuals, but is open to all, and encourages every participant to go as far and as fast as they want.

**Exit Strategy:**

ERGO's broad-based Entrepreneurship Programme intentionally avoids building dependence on ERGO or its service providers. From project commencement, participants are facilitated through the process to be able to make a start and to improve their businesses without having to rely on handouts or funders. Through this approach, the need for an exit strategy is deliberately avoided, as the principle of sustainability is built into the design of the programme at every level, from start to end.

**Financial Contributions:**

2018	2019	2020	2021	2022
R 1 600 000 (implemented together with Project 4)	R 1 400 000 (implemented together with Project 4)	R 1 200 000 (implemented together with Project 4)	R 1 000 000 (implemented together with Project 4)	R 500 000 (implemented together with Project 4)

<b>Project 6: EMM Infrastructure project</b>		<b>Classification: Infrastructure</b>		
<b>Location: Within the impacted communities of the ERGO operation</b>		<b>Dates: 2019/2020</b>		
<b>Responsible entity: ERGO mining</b>		<b>Role players: EMM, service provider.</b>		
<b>Background:</b> ERGO acknowledges their responsibility in giving back to the communities in which they operate. ERGO, through its SLP and Corporate Social Responsibility programmes have invested in the infrastructure needs of local clinics, schools and public amenities. During this SLP, ERGO wishes to continue its investment into the ERGO communities on the East Rand through the provision of equipment or building construction/upgrades for a local school or clinic (or the likes). ERGO will work closely with the EMM to identify a suitable project as the need arises, and will make the investment directly to the beneficiary.				
<b>Annual Deliverables:</b> Provision of equipment or a building construction / upgrade, as is needed by a local school or clinic within one of ERGO's target communities.				
<b>Outcomes / KPAs / KPIs:</b> Through ERGO's investment, the infrastructure or equipment needs of a local school or clinic (or similar) will be met.				
<b>Number and classification of jobs:</b> Temporary job opportunities may be created, if a construction or upgrade project is selected.				
<b>Exit Strategy:</b> In working closely with the EMM, the handover or exit strategy will be arranged with them, as it relates to the final project selection.				
<b>Financial Contributions:</b>				
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
0	R 3 000 000,00	0	0	0



### 3.5 Measures to address Housing, Living Conditions and Nutrition – Regulation 46 (c) (iv)

#### 3.5.1 Introduction

The mining industry at large faces enormous challenges to reverse the widely acknowledged historical problem of housing and to provide reasonable and affordable accommodation to all employees. ERGO does not have that challenge as almost all the employees are sourced from within Gauteng.

#### 3.5.2 The Baseline Situation

ERGO does not have employees accommodated in hostels or mine villages. Instead ERGO pays its employees a market-related salary, which includes provision of housing in the form of a “Living Out Allowance” (LOA). The employees have a choice to live in their preferred area of residence. Employees are educated on sustainable use of the allowance.

To enhance the living conditions of employees, ERGO has committed R12 000 000 to the establishment and roll-out of an employee homeownership scheme for its employees (“ERGO Employee Scheme” or the “Scheme”). The ERGO Employee Scheme targets, in the first instance, employees who want to buy a house within daily commuting distance of the ERGO’s operations (ERGO employs locally in an effort to support the communities in which it operates). In future, the ERGO Employee Scheme may be extended to cover other housing options as well. The aim of the ERGO Employee Scheme is therefore the facilitation and creation of an enabling environment of homeownership options to enable ERGO employees to step onto the homeownership ladder. By promoting homeownership, the Scheme aims to offer employees the opportunity not just to reside in a well-constructed and properly serviced house in a sustainable community but also to build up a capital base and acquire an asset that will ultimately offer them and their families a long-term source of financial security.

The ERGO Employee Scheme targets, in the first instance, employees who fall within income categories 4 – 9. Experience has shown that employees in these income categories generally earn too much to qualify for free housing provided by the government (i.e. BNG housing), but struggle to obtain affordable mortgage bond finance from a bank because they are unable to put down the required deposit or because their credit profile is deemed ‘unattractive’ by financiers. Consequently, they have few options to purchase a house and become a homeowner. For this reason, ERGO’s Employee Scheme focusses on employees in income categories 4 – 9. Additionally, ERGO considers whether one is a South African citizen, a permanent employee or has been working for ERGO for at least 1 year. Lastly, ERGO checks if one has not benefited through the scheme already.

Each Applicant will be allowed to apply for a Housing Loan not exceeding ZAR 75,000 (“Housing Loan”). The amount that the Applicant qualifies for will be a function of their monthly household disposable income, the cost of credit and the term of the Housing Loan. The Housing Loan is conditional on the Applicant being approved for a mortgage bond from a financial institution. The Housing Loan offered by the ERGO Housing Company will be secured by a second mortgage bond over the property.

The interest rate is the prime rate (as set by the South African banks) plus a margin of 1 (one) per cent which interest will be foregone for as long as the Applicant remains the employee of ERGO (i.e. would be given an interest rate holiday). This margin will remain fixed over the term of the Housing Loan, but the prime rate may change from time to time. Therefore, the interest rate on the Housing Loan may also vary from time to time.

In addition to the Home Ownership scheme all employees in the bargaining unit receive a Living out Allowance which as of July 2017 was R1270 per month.

### **3.5.3 Action Plan**

The following general mechanisms will be implemented to address employees’ housing and living conditions and nutrition:

- i. ERGO will use communication mechanisms to make employees aware of the benefits and opportunities available;
- ii. ERGO will develop awareness Programmes to educate and encourage home ownership in suitable settlements and adequate housing and healthy living (i.e. proper nutrition and accessing medical services); and
- iii. Identify employees who need and/or have requested housing assistance and assist them in gaining access to suitable financial institutions;

### **3.5.4 Health care and nutrition – Regulation 46 (c) (v)**

Regulation 46 (c) (v) requires that mines put measures in place to ensure that employees have adequate access to a well-balanced diet and meals. ERGO does not provide an explicit nutrition programme for its employees in that it does not have hostels, single quarters or controlled catering environments for its staff. An action plan for addressing housing and living conditions of ERGO employees is provided below.

### 3.6 The Procurement Progression Plan and its implementation for HDSA companies in terms of capital goods, services and consumables – Regulation 46 (c) (vi)

#### 3.6.1 Approach

ERGO's approach to procurement is guided by the following principles:

1. To facilitate access to procurement activities resulting in greater HDSA participation in mining related industries;
2. HDSA suppliers will not be treated differently than the norm with regard to quality, price, safety standards, environmental impact or any other commercial or technical requirements;
3. Support for small HDSA suppliers may include setting aside certain tenders, in part or in whole, for procurement from HDSA suppliers only.

#### 3.6.2 The Baseline Situation

The mine implements a procurement policy that aims to provide HDSAs and local communities with a preferred supplier status in all three levels of procurement, namely: capital goods, consumables and services.

The company, through its procurement policy, currently implements measures to promote, affirm, prefer, and advance procurement to historically disadvantaged persons and organisations.

The procurement plan contains specific strategies regarding ensuring that more local and HDSA suppliers are used at the company's operation. These are more clearly defined in the callout below:

#### Procurement Strategy at ERGO

##### Procurement Strategy

1. Align our Tender Strategy to be inclusive of potential Local suppliers, HDSA's and SMME's.
2. Encourage our existing suppliers to enter into JV's with the Local SMME's to aid with the transfer of skills. Benchmark our procurement statistics against the rest of the mining industry and ensure that we reach and exceed the targets set in the Mining Charter.
3. Interact with the Local Community Forums and Small Business Development Agency to create an environment conducive to the growth of Local SMME's.
4. Continuously verify the accuracy of the Vendors BEE credentials using a standard Vendor Application Form followed by a physical inspection / interview to ensure legitimacy of the business.
5. Enter into Service Level Agreements with Local SMME's to include future sustainability, coaching and monitoring agreements.
6. Ergo Mining (Pty) Ltd is committed to transformation through preferential procurement (consisting of core and critical suppliers), without losing focus on our core business objectives.

Table 56 provides the action plan for preferential treatment.

Table 56: Action Plan for Preferential Procurement

ACTION	DELIVERABLES
Undertake an assessment of ERGO’s vendors to: <ol style="list-style-type: none"> <li>(1) ascertain their BEE compliance levels;</li> <li>(2) identify which vendors are not BEE compliant; and</li> <li>(3) verify what measures the non-compliant vendors will put in place to become compliant.</li> </ol> Based on the outcome of this assessment, the Procurement Plan of ERGO will be created to indicate specific measures for increasing the Company spend on BEE and community based enterprises.	A BEE assessment of ERGO’s vendors.
Compile a specific preferential procurement policy, procedure and plan for all of ERGO’s vendors. Put in place measures for all aspects of procurement.	Preferential procurement policy, procedure and plan.
Liaison with those vendors who are not HDSA compliant, to ascertain what plans they are putting in place to become HDSA compliant.	Vendor plans to become HDSA compliant.
Implement progress reporting mechanism on implementation of the Procurement Plan.	Progress reporting mechanism.
Annual review and monitoring of the implementation of SLP.	Review and monitoring.

The Procurement Plan will be implemented by means of the following measures to facilitate a preferred supplier status to HDSA based companies:

1. Applying this Procurement Plan to all “Vendors”, which consist of Contractors, service providers and suppliers;
2. Encouraging suppliers to form partnerships, Joint Ventures, or consortiums with HDSA supplier companies where no HDSA Company is tendering to supply the required goods or services;
3. Communicating with the DTI to identify HDSA companies with the necessary capability wishing to operate in the mining industry;
4. Using the DTI’s “codes of good practise” and the guidelines from the Mining Charter to guide the Procurement process;
5. Ensuring that tender requirements are comprehensively communicated to vendors;
6. A selection checklist will be developed to discourage subjectivity and “fronting” with regard to supplier selections;
7. The classification applied to BEE/HDSA suppliers, as determined by ERGO, will be an important consideration during the Procurement process; and

8. ERGO will strive to achieve BEE/HDSA targets as prescribed by the prevailing Mining Charter at the time in order to increase the participation of HDSA supplier companies.

## SECTION 4

**PROGRAMME FOR  
MANAGING DOWNSCALING  
AND RETRENCHMENT:**

REGULATION 46 (D)

#### 4 PROGRAMME FOR MANAGING DOWNSCALING AND RETRENCHMENT – REGULATION 46 (D)

Downscaling and retrenchment at ERGO has been and will continue to be in full consultation with recognised organised labour. The sections which follow represent a detailed downscaling and retrenchment plan for the operation. ERGO will follow the procedures for downscaling and retrenchment as set out by the DoL and the Labour Relations Act.

The calculation of the figures described below is based on the downscaling and retrenchment policy, which allows for employees to be paid out four weeks for the first completed year of service and thereafter two weeks for each completed year the employee has worked for ERGO.

A total amount of **R 22 452 per employee** has been provided for in an interest-bearing account at a commercial bank with a current value of **R13 000 000** to cover expenses relating to re-skilling of employees, counselling etc. An estimated total of 579 employees will require this benefit from this provision. This annual provision is made in order to cover this benefit when closure is inevitable. This total differs from the total staff at the mine in that it is expected that transfers to other operations and natural attrition will be used to avoid loss of jobs.

All contractors and service providers for the company are required to comply with the commitments and procedures outlined in this section. The following activities are in the process of being undertaken with regards to downscaling and retrenchment.

##### 4.1 Establishing a Future Forum - Regulation 46 (d) (i)

The establishment of a Future Forums required under Regulation 46 (d) (i) of the MPRDA. The purpose is to provide a formal vehicle, where all affected parties can discuss challenges and possible solutions to problems facing the Mine that may have the potential of leading to possible retrenchments in the future. The strategies and the mechanisms for implementing the above objectives will largely be managed through a Future Forum. The Future Forum involves representatives from ERGO's management and employees, and serves to promote ongoing consultation between employees and management. The key mandate for the Future Forum is:

- i. Identify and analyse issues, problems, challenges and solutions surrounding job losses and retrenchment management in good time for mine closure;
- ii. Provide a channel of communication between management, employees and their representatives;

- iii. Ensure valuable inputs from the key stakeholders are utilized to develop an appropriate and, more importantly, acceptable plan of action for production and employment turnaround strategies as well as the inevitable downscaling period;
- iv. To implement the plan of action agreed upon by both the employer and worker parties; and
- v. To continuously assess, and report on, the success and progress of all job loss management and retrenchment management Programmes implemented during the closure, and subsequently the post-closure period.

#### 4.2 Mechanisms to Save Jobs and Alternatives to Avoid Decline in Employment - Regulation 46 (d) (ii and iii)

The Company has developed and will implement turnaround strategies and mechanisms to save jobs, prevent unemployment and avoid downscaling through:

- Consulting with the DoL, the DMR, and surrounding mining companies to assess any potential opportunities to mitigate the effects of retrenchment or closure;
- Liaising with Productivity South Africa to identify other economic sectors or ventures where employees could be absorbed;

When ERGO approaches a downscaling phase, or is considering likely large-scale retrenchments, notification will be given to the following government authorities as stated in **Table 57**.

Table 57: Notification Process for Downscaling and Closure

<i>Notification to the Chairperson of the Minerals and Mining Development Board</i>	<i>Notification to the Minister of Labour</i>
Where the operation foresees a physical depletion of the mineral being mined and/or becomes marginal where the profit/revenue ratio is less than 10%	Where the operation contemplates or intends large scale retrenchments (10% or more OR cumulatively more than 500 people of the workforce, whichever is less)
Where the operation contemplates or intends large scale retrenchments (10% or more OR cumulatively more than 500 people of the workforce, whichever is less) in a period of one year	

In addition to these authorities, the following additional interested parties will also be notified:

- The Future Forum for the operation
- The DoL's Rapid Response Team
- The DoL's Labour Centres
- The DTI's projects aimed at the development of SMMEs



- Any community liaison structures established by the company
- Tertiary institutions
- Funding organisations
- Local recruitment agencies and any relevant employer organisations

The purpose of such broad notification is to call upon these interested parties to provide support and assistance through early involvement in downscaling.

#### **4.3 Regulation 46 (d) (iv) Socio Economic Impact of the Downscaling and Closure.**

Where retrenchments are unavoidable, ERGO will follow the procedures for downscaling and retrenchment as set out by the DoL and Labour Relations Act.

The following plan will be implemented to manage the downscaling and retrenchment process:

- Managing unavoidable retrenchments humanely, i.e. through the formulation of an appropriate retrenchment proposal in consultation with the relevant parties;
- Establishing strong lines of communication with affected employees to ensure proper understanding of the process. Accurate, updated and consistent information regarding retrenchments or downscaling will be issued to employees on a regular basis;
- Providing affected employees with standardised information relating to the severance packages, retirement funds, and other support mechanisms and services that will be available to them;
- Managing employee morale to prevent adverse spin-off effects within the operation;
- Providing employees with assistance regarding the receipt of retrenchment packages and other employee benefits such as UIF, etc.;

Consulting the DoL's Labour Centres to provide:

- Financial counselling;
- Psychological counselling;
- Entrepreneurial development and training; and
- Job search coaching

#### **4.4 Mechanisms to Ameliorate Social and Economic Impact on Individual Regions and Economies where Retrenchment or Closure is certain.**

ERGO will assist affected employees in finding alternative forms of employment or sustainable livelihoods. This will be done where employees cannot be integrated or redeployed to other plants, and where they are not of retirement age. The focus of this phase will be re-skilling of the workforce (through the HRD Programme) which will equip them for alternative employment after the closure of the mine.

ERGO has formulated an integrated HRD Programme (section 2), which will be implemented throughout the remaining life of the operation, and will attempt to enable employees to access alternative livelihood opportunities after closure. These programmes will be linked to the IDP, i.e. the paths of development identified for the Ekurhuleni and Johannesburg Metropolitan Municipalities.

The following action plan will be implemented during this phase:

- i. Establishing a retrenched employee database including information regarding existing skills, experience and expertise. This database will be used to identify potential employment opportunities within or outside of the company;
- ii. Identifying appropriate people from the retrenched pool to be considered for potential SMME opportunities within the company and the DTI;
- iii. Appropriately train and re-skill retrenchees in order to find alternative employment within the company, or in the open job market;
- iv. Educating affected employees with regard to sustainable means by which to utilise their retrenchment packages. This will include education on investment opportunities that may be available;
- v. Implementing a Job Advice Centre to counsel retrenchees and assist them in locating alternative employment or income generating opportunities, once retrenchment has taken place and
- vi. Establishing a “job-help” facility to assist employees in seeking alternative employment after decommissioning, e.g. through formulating employee CVs, interaction with potential employers and other opportunities, training in interview techniques, etc.

ERGO is not actively planning for its closure at present. It also acknowledges that when this becomes necessary the unions, who are the recognised representatives of employees, will be consulted at all necessary instances.

#### **4.5 Implementing mechanism for the SLP**

##### **4.5.1 Communication Process**

ERGO will continue to implement a consistent SLP communication process, which strives for active participation of: employees, affected communities, Government authorities, and other stakeholders. Consultation with key stakeholders will take place by means of consultative forums and committees. ERGO will establish and implement the following forums:

- i. *Future Forum*. A Future Forum (Section 4.1) was established for the ERGO operation and provides an opportunity for managers, unions, and employee representatives to meet and discuss issues

related to the financials, housing, health and safety, business issues, working conditions, SLP etc.

The Forum attempts to formulate solutions to challenges and issues that arise from time to time.

- ii. *Local Economic Development Forum*. ERGO will interact with the LED Forum for the City of Johannesburg and Ekurhuleni once this has been fully established.
- iii. *Skills Development and Employment Equity Forum*. The SD & EE Forum for ERGO involves representatives from management and employee representatives. Key issues revolve around the implementation of HRD programmes (skills development etc.) and also progress towards meeting HDSA and targets for females within the workforce.
- iv. *Career Development Forum*. A career development forum has been established. In this forum, managers meet to discuss progress with regard to individual career paths and the achievement of HDSA targets.

The operation of these forums ensures that the workforce is kept fully informed of all changes at the operation, and will ensure that the proper mechanisms are available for the implementation of the SLP.

#### **4.6 Responsibility and Accountability**

The Managing Director of ERGO Operations (Pty) Ltd. will be held *accountable* to the DMR for the implementation of the ERGO Social and Labour Plan, while the Human Resources Manager of ERGO will be held *responsible*, and will report to the Managing Director for the undertaking of operation-specific programmes and initiatives.

Table 58: Breakdown of the ERGO SLP Financial Provision

COMPONENT	2018	2019	2020	2021	2022	Total
<b>HUMAN RESOURCE DEVELOPMENT</b>						
AET – Internal	R 150 000,00	R 165 000,00	R181 500,00	R199 650,00	R219 615,00	R915 765,00
AET – External	R 600 000,00	R 660 000,00	R726 000,00	R798 600,00	R878 460,00	R3 663 060,00
Core Business Training	R1 030 800,00	R 814 440,00	R557 190,00	R513 260,00	R564 585,00	R3 480 275,00
Learnerships – Internal (18.1)	R 434 320,00	R 400 752,00	R440 826,00	R484 908,00	R533 398,00	R2 294 204,00
Learnerships – External (18.2)	R1 007 040,00	R 974 304,00	R1 068 852,00	R1 171 416,00	R1 282 788,00	R5 504 400,00
Career Progression	R628 500,00	R 571 500,00	R610 500,00	R675 500,00	R727 500,00	R3 213 500,00
Mentorships	R50 000,00	R 55 000,00	R60 500,00	R66 550,00	R73 205,00	R305 255,00
Bursaries – Internal	R400 000,00	R 440 000,00	R484 000,00	R532 400,00	R585 640,00	R2 442 040,00
Bursaries – External	R680 000,00	R 900 000,00	R760 000,00	R603 000,00	R1 278 000,00	R4 221 000,00
Internships	R500 000,00	R 550 000,00	R605 000,00	R665 000,00	R732 050,00	R3 052 050,00
Portable Skills	R1 600 000,00	R2 000 000,00	R200 000,00	R200 000,00	R200 000,00	R4 200 000,00
<b>HRDP TOTAL</b>	<b>R7 080 660,00</b>	<b>R7 530 996,00</b>	<b>R5 694 368,00</b>	<b>R5 910 284,00</b>	<b>R7 075 241,00</b>	<b>33 291 549,00</b>
<b>LOCAL ECONOMIC DEVELOPMENT</b>						
Project 1: COJ Broad-Based Livelihoods Programme for Production and Income Generation						
Project 2: COJ Local Business Development Programme	R1 800 000,00	R1 400 000,00	R1 400 000,00	R1 200 000,00	R1 000 000,00	R6 800 000,00
Project 3: COJ Personal and Career Development Programme						
Project 4: EMM Broad-Based Livelihoods Programme Expansion to New Areas						
Project 5: EMM Local Business Development Programme	R1 600 000,00	R1 400 000,00	R1 200 000,00	R1 000 000,00	R500 000,00	R5 700 000,00
Project 6: EMM Infrastructure Project		R3 000 000,00				R3 000 000,00

LED TOTAL	R3 400 000,00	R5 800 000,00	R2 600 000,00	R2 200 000,00	R1 500 000,00	R15 500 000,00
<b>DOWNSCALING &amp; RETRENCHMENT</b>						
Provision for Downscaling & Retrenchment	No additional provision required					R13 000 000,00
<b>SLP TOTAL</b>						

Table 59: SLP Financial Provision Summary

	2018	2019	2020	2021	2022	TOTAL
HRD TOTAL	R7 080 660,00	R7 530 996,00	R5 694 368,00	R5 910 284,00	R7 075 241,00	R33 291 549,00
LED TOTAL	R3 400 000,00	R5 800 000,00	R2 600 000,00	R2 200 000,00	R1 500 000,00	R15 500 000,00
<b>DOWNSCALING RETRENCHMENT</b>						R 13 000 000,00*
<b>SLP BUDGET</b>	<b>R10 480 660,00</b>	<b>R13 330 996,00</b>	<b>R8 294 368,00</b>	<b>R8 110 284,00</b>	<b>R8 575 241,00</b>	<b>R 61 791 549,00</b>

\*This amount has already been accrued and is available for reskilling should the mine prematurely be forced to close.

Table 60: Breakdown of the FAT SLP Financial Provision

COMPONENT	2018	2019	2020	2021	2022	Total
<b>HUMAN RESOURCE DEVELOPMENT</b>						
AET – Internal	R313 800,00	R345 180,00	R181 698,00	R145 664,00	R152 000,00	R1 138 342,00
Core Business Training	R1 474 000,00	R1 021 000,00	R846 000,00	R930 600,00	R1 023 660,00	R5 295 260,00
Learnerships	R50 000,00	R150 000,00	R300 000,00	R550 000,00	R300 000,00	R1 350 000,00
Career Progression	R135 000,00	R148 500,00	R163 350,00	R77 000,00	R53 000,00	R576 850,00
Mentorships	R240 000,00	R250 000,00	R260 000,00	R270 000,00	R280 000,00	R1 300 000,00
Internships	R336 000,00	R513 000,00	R522 000,00	R531 000,00	R360 000,00	R2 262 000,00
<b>HRDP TOTAL</b>	<b>R2 548 800,00</b>	<b>R2 427 680,00</b>	<b>R2 273 048,00</b>	<b>R2 504 264,00</b>	<b>R2 168 660,00</b>	<b>R11 922 452,00</b>

## **SECTION 6**

**UNDERTAKING:**

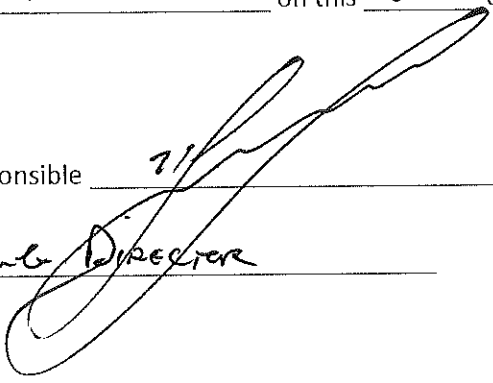
**REGULATION 46 (E)**

**UNDERTAKING**

6 UNDERTAKING - REGULATION 46 (F)

I, HENRY NICOLAAS GROUWS, the undersigned and duly authorised thereto by ERGO Mining (Proprietary) Limited undertake to adhere to the information, requirements, commitments, and conditions as set out in the **ERGO Mine's Social and Labour Plan**.

Signed at BRAKPANI on this 6<sup>TH</sup> day of MARCH 2018

Signature of person responsible 

Designation Managing Director