

# **GOEDEHOOP COLLIERY SOCIAL AND LABOUR PLAN**

## **MAKING THE LIVES OF OUR COMMUNITY BETTER**

**MP 30/5/1/2/238 MR (VAN DYKSDRIFT)**

**MP 30/5/1/2/2 (122) MR [GOEDEHOOP MAIN]**

**MP 30/30/1/2/2/124 MR [BULTFONTEIN]**

**MP 30/5/1/2/2/57 MR [BANK (ROODEPORT WELVERDIEND)]**

**MP 30/5/1/2/2/143 MR [BANK]**

**2020 – 2024**

# CONTENTS

Introduction.....	1
Human Resources and Development .....	7
Mine Economic Development Programme .....	13
Responsible management of downscaling and retrenchments .....	19
Financial Provision.....	26
Undertaking.....	28
Abbreviations .....	26

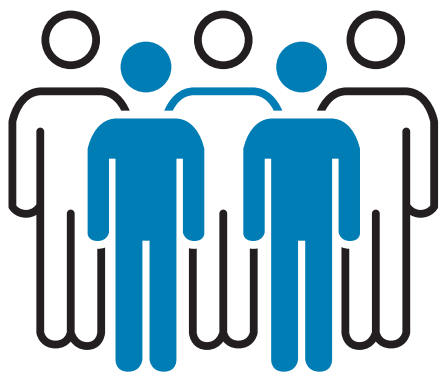
**The purpose of this publication is to  
inform stakeholders of our Social  
and Labour Plan commitments.**

# 1 INTRODUCTION

<b>Name of the Company</b>	Anglo Operations (Pty) Ltd
<b>Name of the mine</b>	Goedehoop Colliery
	Mining and Property and Permitting Department
<b>Physical address</b>	17th Floor, 55 Marshall Street, Marshalltown Johannesburg 2001
<b>Postal address</b>	Anglo Operations (Pty) Ltd PO Box 61587 Marshalltown 2107
<b>Telephone number</b>	+27 11 638 3596
<b>Fax number</b>	N/A
<b>Mine address</b>	Bank Farm 1032
<b>Mine postal address</b>	Goedehoop Colliery Private Bag X410, Vandyksdrift Mpumalanga 2245
<b>Telephone number</b>	+ 27 13 687 5320
<b>Mine fax number</b>	N/A
<b>Location of mine</b>	Goedehoop Colliery is situated about 17 kilometres south-west of the city of Middelburg in the Mpumalanga province. It is approximately 120 kilometres east of Johannesburg in the Republic of South Africa.
<b>Commodity</b>	Coal
<b>Life of mine</b>	Expires 2038
<b>Breakdown of employees per sending area</b>	See section 2.6.4
<b>Financial year</b>	January to December

## GOEDEHOOP IS COMMITTED TO UPLIFTING EMPLOYEES AND THE COMMUNITY

To reach this goal, we have developed a **Social and Labour Plan** to:



**1. ASSIST IN  
DEVELOPING  
EMPLOYEES AND  
COMMUNITIES**

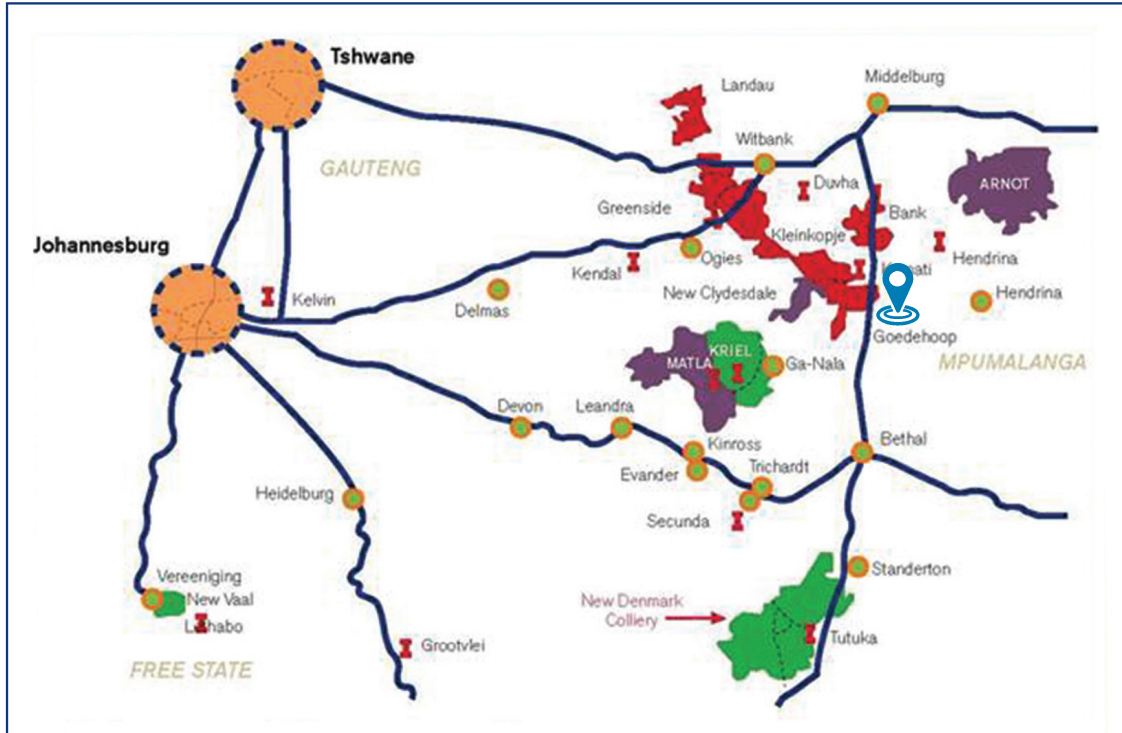


**2. GROW THE  
LOCAL ECONOMY**



**3. WORK TOWARDS  
UPLIFTING OUR  
COMMUNITIES**

# GOEDEHOOP COLLIERY LOCATION



## 1.1 MORE ABOUT GOEDEHOOP COLLIERY

Goedehoop Colliery is situated about 17km south west of Middelburg at Steve Tshwete local municipality within the Nkangala district in Mpumalanga province.

The mine produces coal for the export market and the saleable products are railed to the Richards Bay Coal Terminal. A total of 5,9 million tonnes (MT) of run-of-mine was produced in 2019, yielding 3,95 MT of saleable product.

In 2020, the business improvement initiative Prime Section was launched. The intention is to step up production through increasing direct operating hours. Prime Section forms part of Coal SA's underground productivity improvement drive.

Goedehoop Colliery provides permanent employment to 798 employees and approximately 500 contractors based on site.

# FROM MINE TO MARKET PLACE



**5.9 MILLION  
TONS OF COAL**



**3.95 MT OF  
SALEABLE PRODUCT**



**THE COAL IS  
TRANSPORTED  
BY RAIL TO  
RICHARDS BAY**



**THE COAL IS  
EXPORTED FROM  
RICHARDS BAY**

## 1.2 MORE ABOUT THE SOCIAL AND LABOUR PLAN

Through the Social and Labour Plan, Goedehoop Colliery commits to the Department of Mineral Resources and Energy (DMRE) its contribution to the transformation agenda as prescribed by the Mineral and Petroleum Resources Development (MPRDA).

Goedehoop Colliery's Social and Labour Plan has been compiled in accordance with the Mineral and Petroleum Resources Development Act (Act No. 28 of 2002). Other legislation and regulations relevant to the plan include:

- ✓ DMR Guidelines for Social and Labour Plans
- ✓ Broad-based Socio-Economic Empowerment Charter for the South African Mining Industry, also known as the Mining Charter Scorecard
- ✓ Skills Development Act No. 97 of 1998
- ✓ Employment Equity Act No. 55 of 1998
- ✓ Labour Relations Act of 1995
- ✓ Basic Conditions of Employment Act of 1997
- ✓ Broad-based Black Economic Empowerment Act No. 53 of 2003

This Social and Labour Plan covers Goedehoop Main, Bultfontein, Roodeport Wilverdiend, Van Dyksdrift and Bank.

- MP 30/5/1/2/2/ 57 MR [Bank (Roodeport Wilverdiend)]
- MP 30/30/1/2/2/124 MR [Bultfontein]
- MP 30/5/1/2/2/143 MR [Bank]
- MP 30/5/1/2/2/122 MR [Goedehoop Main]
- MP 30/5/1/2/238 MR (Van Dyksdrift)

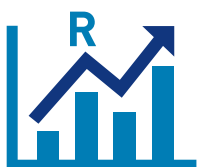
### DEFINITIONS

- \* **Anglo Operations Proprietary Limited:** Also referred to as AOPL, include Anglo Coal operations and corporate. AOPL is also referred to as Anglo Coal South Africa.
- \* **Goedehoop Colliery:** It is a mine wholly owned by Anglo Coal South Africa.

### 1.3 THE OBJECTIVES OF THE SOCIAL AND LABOUR PLAN ARE TO:



Promote employment and advance the social and economic welfare of all employees and to uplift all stakeholders within the communities in which we operate



Contribute to the transformation of our industry



Ensure that the holders of mining rights contribute to the socio-economic development of the communities in which we operate, including major labour sending areas



## 2 HUMAN RESOURCES AND DEVELOPMENT PROGRAMME

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

To reach our goal of becoming the Employer of Choice in the mining industry, we provide world class and sustainable education for employees across our business, as well as members of our immediate communities.

For the next five years, Goedehoop Colliery will be focusing on the following areas:

- ✓ The Skills Development Plan
- ✓ Career progression and planning
- ✓ Mentorship Plans
- ✓ The internship and bursary plan
- ✓ The Employment Equity plan
- ✓ Plans to meet the Mining Charter requirements



### 2.1 COMPLIANCE WITH SKILLS DEVELOPMENT

Goedehoop Colliery is registered with the Mining Qualifications Authority, and it pays skills development levies and receives grants. The mine also employs two skills development facilitators, who are responsible for coordinating training, as well as compiling the Workplace Skills Plan and Annual Training report.



## 2.2 SKILLS DEVELOPMENT PLAN

Goedehoop Colliery is committed to the development of our human resources to meet the future human capital needs within the artisan and tradesman space.

Our skills development strategy is to develop the required operational and technical skills and competencies for all employees, monitor and manage development plans for specific individuals, and provide opportunities for development to all employees.

We will achieve these objectives through:

- \* Adult education and training
- \* Learnerships
- \* Bursaries, internships, and scholarships
- \* Technical competency and leadership development
- \* Part-time study bursary scheme



## 2.3 HARD TO FILL VACANCIES

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

The following positions are regarded as “hard to fill”:

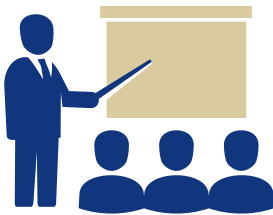
- ✖ Mechanical engineers
- ✖ Electrical engineers
- ✖ Mining engineers
- ✖ Surveyors

We address hard to fill vacancies through bursary programmes, study assistance schemes and the provision of learnerships and skills programmes. Employees are encouraged to study in the fields where there is a scarcity of skills.

## 2.4 CAREER PROGRESSION, MENTORSHIP AND COACHING

At Goedehoop Colliery, we always look for opportunities to enhance our career development planning processes for employees. We strive to have generic career paths for all disciplines and work with individuals to develop a customised career path most suited to them.

We also launched various comprehensive websites that contain information regarding roles, role profiles, key competencies and levels of proficiency required for different levels within a discipline. These websites form part of our People Ways, including HR People Way, Finance People Way and Technical Ways.




## 2.5 MENTORSHIP PLAN

Goedehoop Colliery gives employees the opportunity to be mentored as part of the talent management and personal development planning process. It focuses on historically disadvantaged South Africans, with special emphasis on the development of women as well as developing and coaching senior-skilled employees to progress to first-line supervisors.

### 2.5.1 Training investment

Goedehoop Colliery achieved an average of 4.7% training spend (as a percentage of the wage bill) over the 2015-2019 reporting period. This was against a target of 5%. The target for this reporting period is shown below.

#### Training spend statistics




	Year	Training spend as a % of wage bill		Average training days per annum	
		Target	Actual	Target	Actual
	2020	5%		4 days	
	2021	5%		4 days	
	2022	5%		4 days	
	2023	5%		4 days	
	2024	5%		4 days	

## 2.5.2 Skills development plan

### 2.5.2.1 Education profile of Goedehoop Colliery

The education profile of Goedehoop Colliery is shown in the table below

#### Workforce profile for Goedehoop Colliery as at 31 December 2019

BAND	NQF LEVEL	DESCRIPTION	MALE				FEMALE				TOTAL	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
 General Education & Training (GET)	Below 1	No schooling/Unknown	29	0	0	0	0	0	0	0	0	0
		Grade 1/Sub A	0	0	0	0	0	0	0	0	0	0
		Grade 2/Sub B	0	0	0	0	0	0	0	0	0	0
		Grade 3/Std 1/ABET 1	0	0	0	0	0	0	0	0	0	0
		Grade 4/Std 2	0	0	0	0	0	0	1	0	0	0
		Grade 5/Std 3/ABET 2	0	0	0	0	0	0	1	0	0	0
		Grade 6/Std 4	30	0	0	0	5	0	0	0	30	5
		Grade 7/Std 5/ABET 3	72	0	0	0	3	0	0	0	72	1
		Grade 8/Std 6	38	0	0	0	3	0	0	0	38	3
	1	Grade 9/Std 7/ABET 4	45	0	0	0	2	0	0	0	45	2
 Further Education & Training (FET)	2	Grade 10/Std 8/N1	57	0	0	15	3	0	0	2	72	5
	3	Grade 11/Std 9/N2	55	0	0	18	12	0	0	0	73	12
	4	Grade 12/Std 10/N3	345	2	4	94	154	1	1	10	445	166
 Higher Education & Training (HET)	5	Diplomas/Certificates	31	1	1	8	16	1	0	3	63	38
	6	First Degree/Higher Diplomas	30	1	1	8	16	1	0	3	40	20
	7	Honours/Master's degrees	5	0	0	2	5	0	0	0	7	5
	8	Doctorates	0	0	0	0	0	0	0	0	0	0
			<b>737</b>	<b>4</b>	<b>6</b>	<b>167</b>	<b>240</b>	<b>2</b>	<b>1</b>	<b>18</b>	<b>914</b>	<b>261</b>

## 2.6 EMPLOYMENT EQUITY

One of our greatest assets is the diversity of our people. Apart from the requirements of legislation and the Mining Charter, the organisation has also established several in-house diversity aspirations.


The table below summarises the workplace profile for Goedehoop Colliery as at 31 December 2019:

### Workforce profile for Goedehoop Colliery as at 31 December 2019

Occupational Levels		MALE				FEMALE				TOTAL		DISABLED		HDP	FEMALE
		African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	Male	Female	%	%
Senior Management	GBF 4/5	4	0	0	5	0	0	0	0	9	0	0	0	44%	0%
Professionally Qualified and Middle Management	GBF 6	24	2	0	22	10	0	0	3	48	13	0	0	64%	21%
Technical and academically qualified and Junior Management	C4-C4#	286	2	6	124	97	1	0	15	418	113	2	0	77%	21%
Semi-skilled and Discretionary decision-making	< C4 + Ng + JG 5-8	423	0	0	16	133	1	0	0	439	134	2	0	97%	23%
Unskilled and Defined decision-making	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		<b>737</b>	<b>4</b>	<b>6</b>	<b>167</b>	<b>240</b>	<b>2</b>	<b>0</b>	<b>18</b>	<b>914</b>	<b>260</b>	<b>4</b>	<b>9</b>	<b>86%</b>	<b>22%</b>
											<b>1 174</b>				

The Goedehoop Colliery historically disadvantaged people in management progression plan is summarised below:

### Historically disadvantaged people in management plan

	Occupational Levels	MCIII	2019	2020	2021	2022	2023	2024
		Target	Actual	Target	Target	Target	Target	Target
	HDPS in senior management	60%	44%	44%	56%	67%	67%	70%
	HDPS in professionally qualified and middle management	60%	64%	63%	65%	65%	65%	68%
	HDPS in technical and academically qualified and junior management	70%	70%	72%	73%	74%	78%	80%
	HDPS in core and critical skills	60%	86%	86%	86%	86%	87%	88%



## WOMEN IN MINING

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

The table below shows the Women in Mining progression plan: The plan indicates that all targets will be met by 2023.

### Women in Mining budget

		MCIII 2019 Target	2020 Actual	2021 Target	2022 Target	2023 Target	2024 Target	Target
	Occupational Levels							
	Females in senior management	25%	0%	0%	11%	22%	33%	35%
	Females in professionally qualified and middle management	25%	25%	27%	27%	27%	27%	30%
	Females in technical and academically qualified and junior management	30%	17%	18%	19%	24%	30%	32%
	<b>Total females in workforce</b>		<b>22%</b>	<b>22%</b>	<b>23%</b>	<b>24%</b>	<b>25%</b>	<b>25%</b>

# **MINE ECONOMIC DEVELOPMENT PROGRAMME**

## 3.1 SOCIO-ECONOMIC BACKGROUND










As a good corporate citizen, we are committed to sustainable development and want to create opportunities to make lives better. We believe it is important to make sure the community endorse projects, which must be in line with the Steve Tshwete Municipality's Local Economic Development and Integrated Development Plans.

Goedehoop Colliery falls within the Nkangala District Municipality, and more within the Steve Tshwete Local Municipality which is one of six local municipalities within the district municipality.

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

### 3.1.1 Key economic activities

The table on the next page provides details of Economic Indicators: Contribution by Local Municipal areas to Nkangala's industries (GVA constant 2005 prices).

Industry		Victor Khanye	Emalahleni	Steve Tshwete	Emakhazeni	Thembisile Hani	Dr JS Moroka	Nkangala
	Agriculture	30.8%	13.0%	428%	6.8%	2.0%	4.6%	100.0%
	Mining	2.4%	52.8%	40.6%	3.3%	0.8%	0.0%	100.0%
	Manufacturing	1.4%	19.0%	74.9%	1.7%	2.4%	0.6%	100.0%
	Utilities	0.3%	74.1%	20.9%	1.2%	1.9%	1.7%	100.0%
	Construction	4.4%	52.5%	27.7%	3.9%	6.7%	4.8%	100.0%
	Trade	5.8%	46.1%	26.0%	3.2%	14.7%	4.3%	100.0%
	Transport	8.5%	48.3%	25.9%	9.9%	4.8%	2.6%	100.0%
	Finance	5.1%	48.9%	39.6%	2.3%	2.3%	1.9%	100.0%
	Community services	6.6%	34.5%	26.1%	3.6%	14.9%	14.3%	100.0%
	<b>Total</b>	<b>4.5%</b>	<b>45.2%</b>	<b>38.7%</b>	<b>3.5%</b>	<b>4.9%</b>	<b>3.2%</b>	<b>100.0%</b>

- \* Contribution to Nkangala economy 45.2% – largest of the six municipalities.
- \* Dominant contribution especially in utilities (74.1%), mining (52.8%) and construction (52.5%), to relevant district industries.
- \* Leading industries in terms of % contribution to eMalahleni economy – mining (34.9%), finance (14.2%) and utilities (13.3%).
- \* Increasing role/share of finance and transport and decreasing role/share of mining (but still more than one-third of the local economy).

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

Seeing that Steve Tshwete is second to eMalahleni on economic dominance within Nkangala District this has the potential of attracting population migration from nearby localities thereby putting a strain on the provision of job opportunities and basic services. Growth and development within neighbouring municipalities is therefore a key priority at the district level.

The economy of the municipality is driven by the mining sector which contributed more than 50% in 2009 followed by electricity at 12.1% and finance at 10.8%.

Electricity has also had significant contribution as well, although marginal decline was experienced. However, agriculture's contribution to the economy of Steve Tshwete has increased as well compared to the other sectors of the economy. It is critical to investigate and establish the current state of the primary agricultural activities and the value chain activities associated with the sector. The other sectors with potential include finance, trade and the green economy given the dominance of mining and electricity and their environmental degradation potential.

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





### 3.2 SOCIO-ECONOMIC ASSESSMENT

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

This three-year process involves the profiling of communities as well as gathering information on the impact of our operations. Management responses to the concerns and priorities of stakeholders are published in a SEAT report, which is distributed to all stakeholder groups, including local, provincial, non-governmental organisations and interested and affected parties. The implementation of the management responses generated by the SEAT process is taken forward through three-year Community Engagements Plans, which are updated annually.

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

Anglo American subscribes to the Social Performance Management System (Anglo Social Way), which sets out minimum standards across more than 10 elements of social performance management systems. It covers all activities that have the potential to impact on communities during the entire life cycle of the operations – from exploration through to project design, development operation, decommissioning, closure and post closure.

Goedehoop Colliery undertakes assessments of the level of compliance against the various Anglo Social Way requirements and, based on this, develops social way improvement plans to assist in achieving full compliance, in the next reporting periods 2020 – 2024.



### 3.3 STAKEHOLDER CONSULTATION AND INVOLVEMENT

Goedehoop Colliery subscribes to Anglo American's code of conduct which guides the way we conduct our business. The aim is to promote strong relationships with the communities that surround our mine through regular engagement on issues that may affect them.

The mine has quarterly stakeholder engagement forums with directly and indirectly affected parties, as well as interested parties and authorities. These enable our stakeholders to bring issues so that they can be resolved promptly.

### 3.4 IMPACTS OF MINING

Mining operations at Goedehoop Colliery have both positive and negative impacts for stakeholders. Positive impacts include the provision of employment opportunities, supply chain and procurement opportunities, generation of income from taxation for the government and the implementation of community development projects.

Negative impacts include the risks of air and dust pollution, impact on the water balance of the region, and issues that may be raised from time to time by stakeholders.



### 3.5 CORPORATE SOCIAL INVESTMENT

All the projects are aligned with the Local Economic Development and Integrated Development plans of our local municipalities.

Our Corporate Social Investment budget will be spent on:

- \* Education
- \* Enterprise development
- \* Safety, health, and welfare
- \* Agriculture
- \* Environment and climate change
- \* Infrastructure development
- \* Capacity building and skills development

### 3.6 MINE COMMUNITY ECONOMIC DEVELOPMENT PROJECTS

Goedehoop Colliery has committed to the following three local community development projects:

**Community scholarships – 5 scholars**

**R3 million**

**Project end date: 2024**



**Water supply sustainability: 2 boreholes and tanks**

**R4 million**

**Project end date: 2024**



**Ward 4 mobile clinic**

**R3 million**

**Project end date: 2024**



Goedehoop Colliery has two roll-over projects:

**Skills development**

**R1.5 million**



**Municipal capacity project**

**R2 million**





## HOUSING AND LIVING CONDITIONS

Anglo Coal South Africa South Africa promotes homeownership with the long-term goal of meeting the Mining Charter's requirement that all employees live in sustainable human settlements.

A Coal SA strategy will be developed which will guide the drafting and implementing of an appropriate response plan. The table below highlights two important points.

### 3.7 HOUSING STRATEGY


Goedehoop Colliery has adopted the Coal SA housing strategy of promoting home ownership among employees, and to reach a stage where all employees are independent of the Company in terms of accommodation. The primary levers used to achieve this strategy include:

- The implementation of a significant housing allowance policy which incentivises and enables employees to make their own housing decisions.
- Introducing rent-to-buy scheme, whereby qualifying employees are able to purchase the Company accommodation they are living in.



### 3.8 HOUSING ALLOWANCES

The housing allowances in place for Coal SA employees over the past five years is shown below:


Employee grade		2015 rates	2016 rates	2017 rates	2018 rates	2019 rates
	C4#	R8 786	R8 786	R8 786	R8 791	R9 000
	CU	R7 795	R8 028	R8 429	R8 791	R9 000
	CL and B Band	R6 726	R7 332	R8 028	R8 791	R9 000
	Senior skilled	R6 726	R7 332	R8 028	R8 791	R9 000
	Skilled	R6 726	R7 332	R8 028	R8 791	R9 000

The table highlights two important points:

- The quantum of the allowances is significant and represents leading practice in this regard;
- The housing allowances have been harmonised and are equal across the different levels of the workforce; skilled workers receive the same allowance as senior supervision.

### 3.9 HOUSING BREAKDOWN

Types of accommodation per employee type: Goedehoop Colliery (Dec 2019)

	Employee type	Company provided housing	Single quarters	Total in housing	Total on housing allowance
	Officials	41	0	41	284
	Senior skilled	28	0	28	285
	Skilled	0	0	0	537
	<b>Total</b>	<b>69</b>	<b>0</b>	<b>69</b>	<b>1 106</b>
	% out of total workforce of 1 175			6%	

This indicates that as at December 2019 only 6% of the workforce was living in Company-provided accommodation. This Company-provided accommodation is all within demarcated municipal areas, and none of these employees resides in hostel-type accommodation.

## 4 RESPONSIBLE MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

The primary objective of downscaling and retrenchment management is to ensure that there are no other viable options to achieve operational requirements before considering the downscaling or retrenchment of workers. The following measures are in place to address this:

### 4.1 THE GOEDEHOOP COLLIERY FUTURE FORUM

Goedehoop Colliery has a Future Forum in place, including both employer and employee representatives. The Future Forum includes external stakeholders and occurs once a year:

- ✓ To promote on-going discussion/consultation between workers or their representatives and employers about the future of the mine and industry sector.
- ✓ To look ahead/into the future to identify problems and challenges facing the mine and the industry or sector that may contribute to future job losses or decline of the mine and industry/sector, and agree and propose possible solutions.
- ✓ To develop turnaround or redeployment strategies to help reduce job loss and to improve business sustainability.
- ✓ To structure and implement proposals agreed on both by Goedehoop Colliery and worker parties.
- ✓ To notify the Minister of Minerals and Energy of its proposals and to indicate if the Future Forum requires support in the implementation of its plans/proposals.

The Future Forum meeting for 2019 was held on Thursday, 19 September 2019. No employees were retrenched during 2019. However, a Section 189 process for Coal SA impacting a portion of Goedehoop Colliery was announced on 19 November, 2019.





## 4.2 MECHANISMS TO AVOID JOB LOSSES AND A DECLINE IN EMPLOYMENT

Should prevailing economic conditions or depletion of mineable reserves result in the possible closing or downscaling of operations, Goedehoop Colliery would initiate the following process which include, but are not limited to, the following:

- \* Consultation with all relevant stakeholders.
- \* The implementation of section 189 of the Labour Relations Act, 1995.
- \* Notifying the Minerals and Mining Development Board.
- \* Compliance with the Ministerial directive and confirmation of how corrections measures would need to be taken.



## 4.3 MANAGING RETRENCHMENTS

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

- Consultation with all stakeholders.
- The mine would follow the Labour Relations Act as well as the guidelines provided by the Department of Labour to ensure fair opportunities to train, redeploy employees and establish alternative measures short of retrenchment.
- Our communication strategy would include:
  - Informing employees of possible retrenchment
  - Informing other interested and affected parties, including sending areas an local municipalities, of possible retrenchments at the operation.
  - Informing outside parties of possible retrenchments.



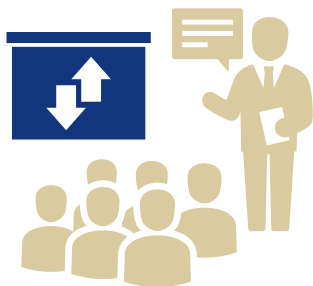
#### 4.3.1 Measures when job losses are unavoidable

The primary reasons for loss of employment (other than discipline and medical reasons) are technological changes, redundancy, retrenchment, mine closure, adverse economic and trading conditions, and business process streamlining.

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

The following processes will be followed should Goedehoop Colliery need to scale down its operations significantly:

- \* The consultation process in terms of Section 52(1) of the Labour Relations Act.
- \* Implementing section 189 of the act, to deal with any retrenchment process which may be invoked.
- \* Notification to the Minerals and Mining Development Board in terms of section 52(1) (b) of the act.
- \* Delivery of a Communication Plan which will include all affected and relevant stakeholders.



#### 4.3.2 Alternative options to retrenchment

There are a number of options which may be considered as an alternative to retrenchment, these include:

- Making Voluntary Severance packages available to employees across Coal SA.
- Implementing a recruitment moratorium for Coal SA.
- Redeploying impacted employees to other operations within Coal SA.
- Offering early retirement to employees who have reached 55 years of age.

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

- Facilitate links with Local Business Service Centre or other appropriate support institutions.
- Make the services of the Zimele Business Development Hub available.
- Through Zimele and the Supply Chain Supplier Development Plan, identify possible opportunities to supply Coal SA with goods or service.



#### **4.4 MECHANISMS TO AMELIORATE SOCIAL AND ECONOMIC IMPACT**

Where retrenchments or closure of the operation is imminent, the mine would put in place the following process to ameliorate the social and economic impact on individuals, regions and economies:

- \* Assessment and counselling services for affected employees.
- \* Comprehensive self-employment training programmes.
- \* Comprehensive training (non-mining skills) and re-employment programmes.
- \* Enabling alternative local industries jobs
- \* Supporting the regeneration of local and township economics or industries.
- \* Optimising on the Closure Planning Fund to address social and economic impacts.





### **Case study note: S189 process at Goedehoop Colliery**

On 19 November 2019, the CEO of Coal SA announced the initiation of a Labour Relations Act Section 189 process impacting a portion of Goedehoop Colliery.

As a result of the depletion of the mineable reserves in the south of the mine, a decision was made to close operations in Goedehoop South. This entailed the cessation of underground mining operations at Block 7 and the closure of Goedehoop South Plant. Due to the significant reduction in the mine footprint, it was also necessary to restructure the support services of the mine.

At the initiation of the S189 process, a total of 522 letters were issued to Goedehoop Colliery employees; and a consultation process as envisaged by the Labour Relations Act (66 of 1995) commenced on 25 November. During the consultation process the following issues were covered:

#### **Rationale for the retrenchment process:**

**Block 7** – End of life of mineable resources in the mining areas

**Goedehoop South Plant** – Not economically feasible to operate GSP without the run of mine coal from Block 7.

**All Support Services including Supply Chain** – Possible restructure is necessary to ensure that Goedehoop Colliery is more efficient and cost effective whilst supporting a smaller operational footprint.

**Management** – Possible restructure is necessary to ensure that Goedehoop Colliery is more efficient and cost-effective while supporting a smaller operational footprint.

#### **Consideration of avoidance measures**

The Company elaborated on the various alternatives considered prior to the contemplation of the closures and consequent restructuring as listed below:

- \* Maintaining the status quo. In circumstances where the operations has run out of mineable reserves at the impacted shaft, this was not a viable option.
- \* Consideration was given to relocating the Southern sections to the North. This option was not viable owing to pit room and infrastructure constraints, availability of accessible reserves and cost implications.
- \* Redeployment of employees to other suitable positions with the Company and in other Group companies – this has been considered and was given effect to in consultation with the employees, were appropriate.
- \* The Company placed a moratorium on recruitment and AAC South Africa Regional Leadership Team approval was required for any external appointment deemed to be business critical.

### Consideration of alternatives to retrenchment

- \* **Voluntary severance packages** – Payment of voluntary severance packages to employees who successfully apply for such packages through a process that will be communicated to the employees. The Company will consider all applications from employees and will respond to them individually.
- \* **Recruitment moratorium** – The current hold on general staff recruitment in the Company will continue to be in place pending finalisation of the proposed restructuring exercise.
- \* **Redeployment of employees to other suitable positions** – This can occur within the Company and in other Group companies. This will be considered and will be given effect to in consultation with the employees, where appropriate, by affording employees an opportunity to apply for vacancies and by awarding such vacancies based on skills, expertise and qualifications.
- \* **Early retirement** – The Company proposes the implementation of early retirement for affected employees who are aged 55 years or older. The Company proposes that these employees be eligible to apply for early retirement through a process that will be communicated to the employees as part of this process. The Company will consider such applications with due regard to the need to retain scarce skills and will respond to the employees individually.



## 4.5 MEASURES TO MITIGATE THE ADVERSE EFFECTS OF RETRENCHMENTS

In addition to voluntary severance or early retirement packages, the Company proposed the following to assist the affected employees:

- Employee assistance programme (professional counselling services);
- Advice on preparation of CVs;
- Financial support programme; and
- Academic support assistance



#### **4.6 POSSIBLE RE-EMPLOYMENT PROPOSAL**

Although the possibility of future re-employment at the time of consultation appeared to be remote, it was agreed to include a three-month preferential re-employment clause.

The consultation process was completed on 28 February 2020. It is pleasing to place on record that the constructive engagement and partnership with organised labour resulted in the resolution of 515 of the 522 positions impacted by the Labour Relations Act Section 189 process. It was further agreed that the remaining seven employees would be offered employment at a lower graded position as an alternative to receiving severance notices. All seven employees accepted these offers.

# 5 FINANCIAL PROVISION

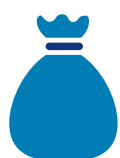


## 5.1 HUMAN RESOURCES PROGRAMME

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


### Financial provision for human resources development

	ITEM	2020	2021	2022	2023	2024
	Skills Development Levies	R7 251 901	R7 614 496	R7 995 220	R8 394 981	R8 814 731
	Trainees	R8 449 500	R8 871 975	R9 315 574	R9 781 352	R10 270 420
	Learning and Development costs	R18 262 067	R19 175 170	R20 133 929	R21 140 625	R22 197 657
	Community Scholarships project	R550 000	R575 000	R600 000	R625 000	R650 000
	FET Bursary project		R1 000 000	R500 000		
	<b>Total</b>	<b>R34 513 468</b>	<b>R37 236 641</b>	<b>R38 544 723</b>	<b>R39 941 959</b>	<b>R41 932 807</b>






## 5.2 LOCAL ECONOMIC DEVELOPMENT

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

Area	#	Project	2020	2021	2022	2023	2024	TOTAL
Skills development 	1	Roll over		R1 500 000				R1 500 000
Municipal capacity project 	2	Roll over		R2 000 000				R2 000 000
Local Economic Development 	3	Water Supply Sustainability: boreholes + tanks		R1 000 000	R1 000 000	R2 000 000		R4 000 000
	4	Ward 4 Mobile Clinic		R500 000	R500 000	R2 000 000		R3 000 000
<b>Total spend</b>				<b>R5 000 000</b>	<b>R1 500 000</b>	<b>R4 000 000</b>		<b>R10 500 000</b>

### 5.3 MANAGEMENT OF DOWNSCALING AND RETRENCHMENTS

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

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

## 6 UNDERTAKING

The person responsible for the social and labour plan, who is responsible to make known the social and labour plan to the employees and who must be contacted for follow-ups, requests, reports, queries, enquiries, discussions, etc. at time of such needs must make the following undertaking on behalf of the Mine or Production Operation. The General Manager or any other person so appointed must approve the social and labour plan.

I, Leanne van Wyk the undersigned and duly authorized thereto

by Anglo Operations (Pty) Ltd (Company)

undertake to adhere to the information, requirements, commitments and conditions as set out in the social and labour plan.

Signed at Witbank on this 29 day Sept 2020

Designation: Mineral and Property Rights and Permitting Manager Coal SA

Signature of responsible person



# ABBREVIATIONS

The following abbreviations are found in this document.

ABET	Adult Basic Education Training	HDPs	Historically Disadvantaged Persons
AAC	Anglo American Coal	IDP	Integrated Development Plans
CEO	Chief Executive Officer	LED	Local Economic Development
CV	Curriculum Vitae	MP	Mpumalanga
EMPR	Environmental Management Programme	MR	Mineral Rights
FET	Further Education Training	MT	Million Tonnes
GDP	Gross Domestic Product	NDM	Nkangala District Municipality
GVA	Gross Value Added	SA	South Africa
GET	General Education and Training	SEAT	Socio Economic Assessment Toolbox
GSP	Goodehoop South Plant	SLP	Social and Labour Plans
HET	Higher Education and Training		

Anglo Operations (Pty) Ltd

Goedehoop Colliery  
Private Bag X410  
Vandyksdrift,  
2245

Tel: +27 13 687 5321

[www.angloamerican.com](http://www.angloamerican.com)

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