

GREENSIDE COLLIERY

SOCIAL AND

LABOUR PLAN

MAKING THE LIVES OF OUR COMMUNITY BETTER

MP 30/5/1/2/2/38 (304) MR
2019 – 2023

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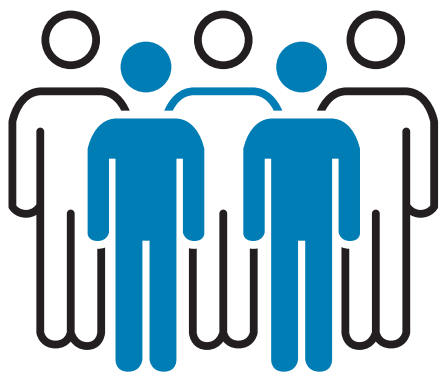
**The purpose of this publication is to
inform stakeholders of our Social
and Labour Plan commitments.**

1 INTRODUCTION

Name of the company	Anglo Operations (Pty) Ltd
Name of the mine	Greenside Colliery
Physical address	Mining and Property Law Department 17th Floor, 55 Marshall street, Marshall town Johannesburg 2001
Postal address	Anglo Operations Limited PO Box 61587 Marshalltown 2107
Telephone number	+27 (11) 638 3479
Fax number	+27 (11) 638 4608
Mine address	Groenfontein Farm Blackhill 1032
Mine postal address	Greenside Colliery P.O. Box Blackhill Mpumalanga, 1032
Telephone number	+27 (13) 690 4911
Mine fax number	+27 (13) 690 4311
Location of mine	Greenside Colliery is situated in Blackhill, about 15 kilometres southwest of the city of eMalahleni in the Mpumalanga province. It is approximately 120 kilometres east of Johannesburg in the Republic of South Africa.
Commodity	Coal
Life of mine	2027
Breakdown of employees per sending area	See section 2.4.3
Financial year	January to December

GREENSIDE COLLIERY IS COMMITTED TO UPLIFTING EMPLOYEES AND COMMUNITIES

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



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

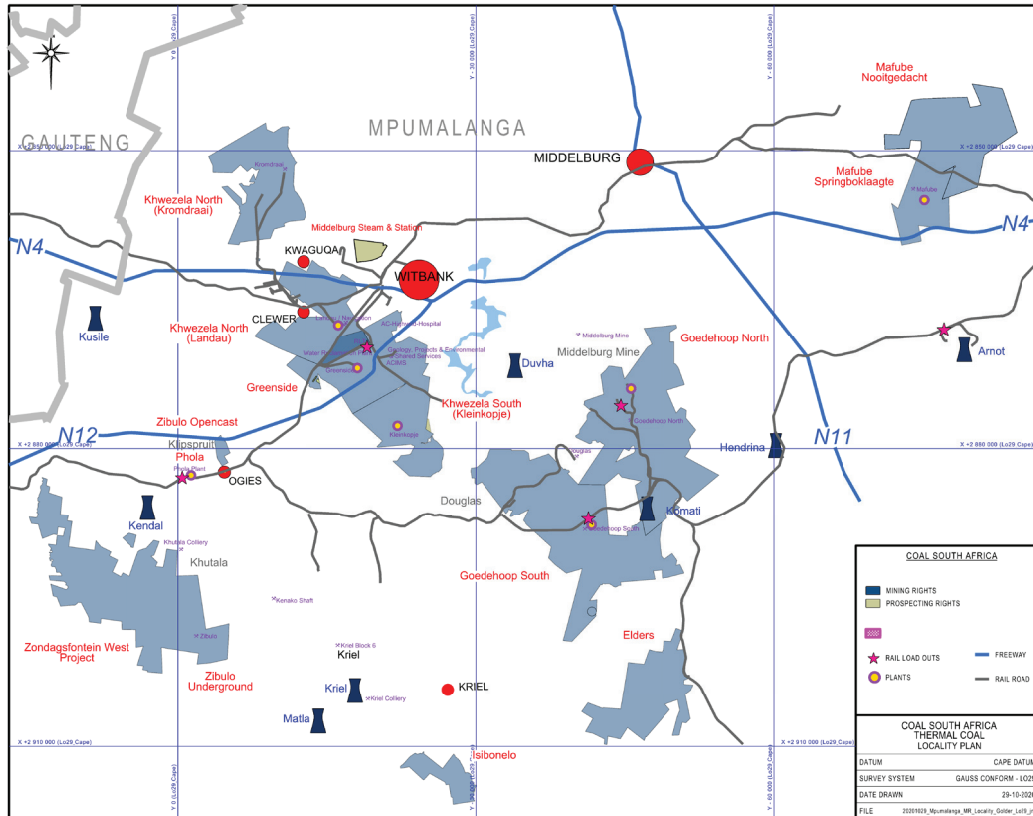


**2. GROW THE LOCAL
ECONOMY**



**3. WORKING TOWARDS
UPLIFTING OUR
COMMUNITIES**

GREENSIDE COLLIERY LOCATION



1.1 MORE ABOUT GREENSIDE COLLIERY

Greenside Colliery is situated 15km south-west of eMalahleni Local Municipality in the Nkangala District in Mpumalanga province.

The underground mine comprises of five mechanised production sections utilising continuous miner and shuttle car technology. In addition, it houses an underground section operated by the Colliery Training College for use in the instruction of industry newcomers working towards their blasting certificates.

The workforce as at December 2018 was 720 employees and 803 contractors and the mine produces approximately 5 million tonnes per year for the domestic and export markets. The mine is set to operate until 2027.

Various forums have been established to facilitate, among other things, engagement with host communities and local procurement.

FROM MINE TO MARKETPLACE



± 5 MILLION RUN-OF-MINE TONNES OF COAL

ONE OF THE MOST PRODUCTIVE UNDERGROUND MINES

COAL IS TRANSPORTED FROM THE MINE TO THE RAPID LOADING TERMINAL VIA A CONVEYOR BELT

FROM THE RAPID LOADING TERMINAL, COAL IS RAILED TO RICHARDS BAY COAL TERMINAL

COAL IS SHIPPED FROM RICHARDS BAY COAL TERMINAL TO EXPORT MARKETS

1.2 MORE ABOUT THE SOCIAL AND LABOUR PLAN

The purpose of the Social and Labour Plan is to drive transformation and promote economic growth where Greenside Colliery operates.

Greenside 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:

- ✓ DMRE 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

DEFINITIONS

- * **Anglo Coal South Africa** includes all employees at head office, technical divisions and mining operations, and is a wholly-owned division of Anglo Operations Limited.
- * **Anglo Coal South Africa operations** include all operational and technical division but exclude staff from our head office.
- * **Greenside** Colliery is a specific operational entity and business unit of Anglo Coal South Africa.

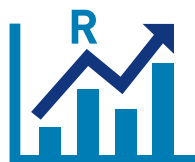
1.3 THE OBJECTIVES OF THE SOCIAL AND LABOUR PLAN ARE TO:



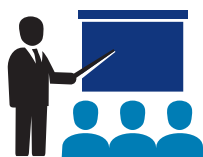
Uplift all stakeholders within the communities in which Greenside Colliery operates



Promote employment and advance social and economic welfare of all employees



Contribute to the transformation of the mining industry



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

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, while also extending our capacity building initiatives to members of our immediate communities.

Greenside Colliery will continue to focus on the following areas for the next five years:

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

2.1 SKILLS DEVELOPMENT PLAN

Greenside Colliery's training centre is ISO 9001: 2015 certified and has training provider status from the Mining Qualifications Authority. The mine submitted its Workplace Skills Plan (WSP) and an Annual Training Report (ATR) in accordance with the Sector Education and Training Authority's requirements during the 2014 -2018 reporting period and both documents were accepted. Our levy number being L270214811 will continue to be used in the next 5 years.


2.2 CURRENT ILLITERACY LEVEL AND AET NEEDS

Adult School resources will be allocated in the new programme for employees, contractors and community. The plan is to outsource an AET Training Provider specialist in managing this function with more focused on our contractors and host communities.

Although AET marketing has taken place and will continue periodically; internal employees have in a declaration indicated no interest in embarking into AET, however a few of our contractors do not have basic numerically and literacy and this will help the uptake for the programme.

2.2.1 Training planned

Greenside Colliery has planned to attract 51 AET candidates to participate in the programme for the next reporting period as follows:

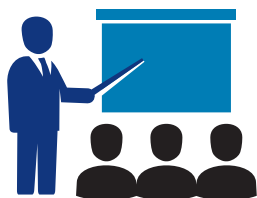
AET level		2019 target	2020	2021	2022	2023	Total budget
	AET 1	0	0	0	0	0	0
	AET 2	0	0	0	0	0	0
	AET 3	3	2	1	1	1	8
	AET 4	5	7	7	7	7	43
Total budget		8	9	8	8	8	51


2.2.2 Core Business Training

Training planned will take account of all the different number of levels with the organisation. These will include short courses and technically and operationally aligned programmes crafted internally and other outsourced as per evolving needs of the mine.

2.2.3 Learnerships (Internal)

As per our commitment to Human Resources Development; employees upliftment and development are key and at the centre of our strategic intent in meeting individual and mine future human capital needs within the artisan and tradesman space.



Type/area of training		Targets and Timeline					Total budget
		2019	2020	2021	2022	2023	
	Engineering	11	11	8	8	6	44
	Mining	1	1	1	1	1	5
Total Number		12	12	9	9	7	49



Our continued endeavours in decreasing the lack of unemployment and ensuring adequate feed to national artisan grid and we continue to maintain a 70% above recruitment of local candidates for our external learnership.

2.2.4 External learnerships

Type/area of training		Targets and timeline					Total budget
		2019	2020	2021	2022	2023	
	Engineering	12	8	12	12	10	54
	Total number	12	8	12	12	10	54

2.2.5 Artisans Training

Our artisan training will carry all the hallmarks of the above dynamics in ensuring skills are acquired by the right people at the right time.

Based on the human capital development these will include technical training most not siding internally but sourced from external providers and original equipment manufacturers. Health and Safety, funding and costing remain a focal point in the decision-making model.

Artisans Training

Type/area of training	Targets and Timeline					
	2019	2020	2021	2022	2023	
Total budget						
Semi-skilled and Discretionary Decision-making	25	35	45	60	75	240
Total Number	25	35	45	60	75	240

2.2.6 School Support and Post Matric Programmes (FET Scholarship)

Our continued support for the education and training for our host communities through numerous avenues are noticed and have had an impact to our beneficiaries.

During the next five years the co-creation of synergies between Greenside Colliery and FET colleges will be key in meeting and increasing funding and support of learner post matric.

This will help and serves as direct feed to our learnership recruitment drive and processes.

Greenside Colliery has committed to the following skills training programmes for the host communities.



Community Skills Development (Portable Skills Training)

In alleviation of youth unemployment and poverty, the community skills development Non Mining Skills (Portable Skills Training) is tactically aligned to our Social Performance in ensuring that it is combatting some of the socio-economic ills.

The plan going forward is to identify those skills needed to unlock employment and sustainability for youth within our greater communities and partner with SETA accredited local skills development providers for skills programmes identified in the SEAT, IDP and Community Forums etc.

Community Skills Development Programme

	Type/Area of training	Targets and timeline		Total
		Duration	2019 Target	
	Machine Operator Training (SME)	3 months	120	165
	Driver's Licence	5 months	20	
	Basic Welding	3 months	15	
	Hospitality	12 months	10	

2.3 HARD TO FILL VACANCIES

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

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




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

- * Mechanical engineers
- * Mining engineers
- * Surveyors
- * VOHE superintendent
- * Rock engineer
- * Mine overseer

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. NUMBER AND EDUCATION LEVELS OF EMPLOYEES AS AT DECEMBER 2018

BAND	NQF LEVEL	OLD SYSTEM	MALE				FEMALE				TOTAL	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
 General Education and Training (GET)	1	No schooling/Unknown	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
		Grade 0/Pre	0	0	0	0	0	0	0	0	0	0
		Grade 1/Sub A	0	0	0	0	0	0	0	0	0	0
		Grade 2/Sub B	0	0	0	0	0	0	0	0	0	0
		Grade 3/Std 1/AET 1	1	0	0	0	0	0	0	0	1	0
			2	0	0	0	0	0	0	0	0	0
		Grade 4/Std 2	1	0	0	0	0	0	0	0	2	0
		Grade 5/Std 3/AET 2	0	0	0	0	0	0	0	0	0	0
			8	0	0	0	0	0	0	0	1	0
		Grade 6/Std 4	10	0	0	0	1	0	0	0	9	1
		Grade 7/Std 5/AET 3	11	0	0	0	2	0	0	0	10	2
 Further Education and Training (FET)	2	Grade 10/Std 8/N1	225	0	0	12	18	1	0	1	72	20
	3	Grade 11/Std 9/N2		1				0	0	8	251	81
	4	Grade 12/Std 10/N3	86	2	0	55	9	0	0	3	118	12
 Higher Education and Training (HET)	5	Diplomas/Certificates		1				0	0		14	6
	6	First degrees/higher diplomas	9	0	1	2	1	0	0	0	0	1
	7	Honours / Master's degrees	0	0	0	0	0	0	0	0	0	0
	8	Doctorates	491	4	2	98	110	1	0	14	595	125
Total											720	



2.5 MENTORING AND COACHING

This is planned one-to-one instruction usually by competent higher-grade employees, Supervisors, Managers, Workplace Trainers or in rare circumstances an external coach. The Coach sets a good example of what is to be done, answers questions and generally helps the trainee develop their skills. At Greenside Colliery, all our trainees have mentors.

In the next five years, we will use the recently conducted Brainwave Talent role match psychometric assessments to create a model for our supervisory and frontline mentoring and coaching.



MENTORING PROGRAMME		CAREER DELIVERABLES	DURATION	TARGET		GENDER	
				HDSA	NON-HDSA	Female	Male
	Supervisor development programme	Planning, management, disciplinary and business acumen	18 months	53	37	8	82
	The Achiever Programme (TAP)/PME	Management development	3 months	2	1	1	2
	Professionals in training	Management development	18 months	7	3	5	5



2.6 BURSARIES AND INTERNSHIPS

With regards to bursaries and internships, Greenside Colliery provides successful candidates with much needed financial support for the education, training and development of skills and knowledge that will directly benefit both the candidates and future organisational needs.

Although much work has been done in supporting students towards the fulfilment of their curricular requirement for P1 and P2 before completing their qualifications, this however falls short in meeting Internships requirements.

In the next five years our focus will be directed at embarking on up taking local graduates for the sole fulfilment of the Internship requirements in line with the MQA Guidelines on Internships as our regulatory body for mines in Education Training and Development.

Bursaries to be awarded internally

		2019 Target	Targets and timeline				
			2020	2021	2022	2023	Total budget
	Total number	5	5	3	2	2	17
	Budget (Rand value)	R150 000	R150 000	R90 000	R60 000	R60 000	R510 000



Bursaries/Scholarships to be awarded external (scholarship only)

Community Scholarship Bursary	2019 – 2023 target	Total budget
Total Number	10	10
Budget (Rand Value)		R3 000 000

In the next five years, the co-creation of synergies between Greenside Colliery and FET colleges will be key in meeting and increasing funding and support of learner post matric. This will help and serves as direct feed to our learnership recruitment drive and processes.



FET support


Type/area of training		2019	Targets and timeline				
			2020	2021	2022	2023	Total budget
	Total number	5	5	5	5	5	25
	Budget	5	5	5	5	5	25

Internships MQA

	Targets and Timeline					Total budget
	2019	2020	2021	2022	2023	
Total Number	5	7	7	5	5	29




Professionals In Training (PIT's) 2019 – 2023

		2019 Target	2020	Targets and timeline			Total budget
				2021	2022	2023	
	Total number	3	3	3	3	3	15

Budget provision

The budget is drawn up and approved on an annual basis, specifically to address the educational needs of the organisation.

Programme		Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Total
	Skills Development Levies Act	6 807 115	7 283 613	7 793 466	8 339 009	8 922 739	39 145 942
	Learnerships	956 185,00	1 032 680,00	1 115 294,00	1 204 518,00	1 300 879,00	5 609 556
	Internal training	5 951 927	6 245 952	6 566 994	6 910 448	7 259 426	32 934 747
	External training	16 536 040,20	15 985 459,52	16 979 864,03	18 068 769,45	19 261 012,31	86 831 147
Total		30 251 267,20	30 547 704,52	32 455 619,03	34 522 744,45	36 744 056,31	164 521 392



2.7. EMPLOYMENT EQUITY

As part of our normal engagement with internal stakeholders, the Employment Equity Committee has reviewed the challenges experienced during 2014-2018 and confirmed to follow the below strategy to improve Greenside Colliery employment equity Programme.

Objectives of the Employment Equity



TIMEFRAMES		OBJECTIVES
Year 1	January 2019 to December 2019	Implementation of the new performance management system
		Succession Planning at mine level to develop people
		Frontline Leadership capacity building
		Leadership Development Program
		Advertise with disability organizations
		Identify suitable positions for people living with disability
		Develop a selection guideline for internal promotion and for licensing and acting
Year 2	January 2020 to December 2020	Development Programmes to address gaps, such as PME, TAP
		Conduct Workplace EEA analysis
		Drive Coal SA Diversity and Inclusion objectives
		Frontline supervisory training
		Ensure Skills matrices exist for all operators
Year 3	January 2021 to December 2021	Community Scholarship programme
		Frontline Leadership capacity building
Year 4	January 2022 to December 2022	Leadership Development Program
		Leadership Development Programme
Year 5	January 2023 to December 2023	Leadership Development Programme



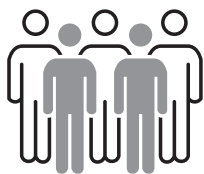
Employment equity Workforce Profile for Greenside Colliery as in December 2018

Occupational Levels	Male				Female				Total		Disabled		Total	HDSA Total	HDSA %
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	Male	Female			
Top Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management	2	0	1	3	0	0	0	0	6	0	0	0	6	3	40%
Professionally Qualified and experienced specialists and mid-management	14	1	18	15	3	0	0	5	30	8	0	0	38	23	62%
Technical and academically qualified workers, junior management, supervisors, foreman and superintendents	35	1	1	30	12	0	0	2	67	14	1	0	81	50	63%
Core and Critical Skills	449	2	0	42	96	1	0	5	493	102	4	0	595	533	93%
Total	500	4	2	90	111	1	0	12	596	124	5	0	720	609	87%

Workforce Profile by occupational category and occupational levels as at December 2018

Category		Total	HDSA					
			HDSA	% HDSA	Total women	% Women	Total disabled	% Disabled
	Top management	0	0	0,00%	0	0,00%	0	0,00%
	Senior management	5	2	40.00%	0	0.00%	0	0,00%
	Professionally qualified and experienced specialists and mid management	37	23	62.16%	8	21.62%	0	0,00%
	Technical and academically qualified workers, junior management, supervisors, foreman and superintendents	80	50	62.50%	14	17.50%	1	1.25%
	Semi-skilled and discretionary decision-making	176	140	79.54%	35	19.89%	1	0,57%
	Unskilled and defined decision-making	399	393	98.49%	67	16.88%	2	0,50%
Total		697	608	87.23%	124	17.79%	4	0,21%

HDSA participation in management: Greenside Colliery's (2019 – 2023)



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

	Occupational Levels	2019 SLP Target	2020 SLP Target	2021 SLP Target	2022 SLP Target	2023 SLP Target	Total Budget
	Top management	0	0	0	0	0	0
	Senior management	4	4	4	4	4	20
	Professionally qualified/experienced specialists and middle management	24	24	24	24	24	120
	Sub Total	28	28	28	28	28	140
	Officials C#	17	17	17	17	17	85
	Total	45	45	45	45	45	225

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.

Women participation in mining at Greenside Colliery's (2019 – 2023)









Women in mining target for the next five years as stipulated in the table below

Occupational levels	2019 Target	2020 Target	2021 Target	2022 Target	2023 Target	Total Budget
	Top management	1	0	0	0	0
	Senior management	1	0	0	0	0
	Professionally qualified and experienced specialists and mid- management	10	9	9	9	45
	Technical and academically qualified workers, junior management, supervisors, foreman and superintendents	63	15	15	15	75
	Semi-skilled and discretionary decision-making	73	38	38	38	190
	Unskilled and defined decision-making	0	72	72	72	360
	Total	148	134	134	134	670



Migrant labour statistics as in December 2018

As part of our focus on uplifting the people who surround our coal mining operations, we make every effort to source labour from our local communities. Greenside Colliery's permanent workforce distribution is as follows:

Country of origin	Province	No of employees	% per area
Great Britain 		1	0.14%
India 		1	0.14%
Lesotho 		11	1.53%
Swaziland 		2	0.28%
Mozambique 		6	0.83%
Zambia 		3	0.42%
Sub-Total Migrant Labour only		24	3.34%
South Africa 	Gauteng	78	10.83%
South Africa 	Mpumalanga	412	57.36%
South Africa 	Eastern Cape	31	4.30%
South Africa 	KwaZulu-Natal	47	6.53%
South Africa 	Free State	16	2.22%
South Africa 	Limpopo	87	12.08%
South Africa 	North West	15	2.09%
South Africa 	Northern Cape	7	0.97%
South Africa 	Western Cape	2	0.28%
Sub Total RSA Only		695	96.66%
Total Strength		719	100.00%

3 MINE ECONOMIC DEVELOPMENT PROGRAMME

3.1 SOCIO-ECONOMIC BACKGROUND INFORMATION

Anglo Coal South Africa operates mainly in two Municipal districts, namely Nkangala and Gert Sibande District Municipalities.

Greenside Colliery along with Khwezela, Goedehoop, Mafube and Zibulo collieries, are situated in the Nkangala district and therefore share the same socio-economic background as these mines. Nkangala is one of the three district municipalities forming the Mpumalanga province. These include Nkangala, Ehlanzeni and Gert Sibande.

Greenside Colliery is located within the eMalahleni Local Municipality, which is situated in the jurisdictional area of the Nkangala District) of Mpumalanga Province. The district municipality is situated to the north-western side of the province and although it is the smallest district in the Mpumalanga Province in terms of land mass (21%) covering an area of approximately 2 678km, it has the second largest population concentration (35%) in the province. Nkangala District Municipality consist of the following six local municipalities:

- Emakhezeni Local Municipality
- Thembisile Hani Local Municipality
- Victor Khanye Local Municipality
- Steve Tshwete Local Municipality
- eMalahleni Local Municipality;

At district level, eMalahleni contributes 46% of the GDP of the Nkangala region followed by Steve Tshwete (at 37%) indicating a concentration of economic activities in the area. Key sectors in the District include, energy, steel manufacturing and mining

3.1.1 Local socio-economic background

The ELM consists of several towns, namely:

- KwaMthunzi Vilikazi;
- Phola;
- Rietspruit
- Thubelihle
- Clydesdale
- Douglas;
- Wolwekrans;
- eMalahleni (Witbank).
- Wilge;
- Ogies;
- Ga-Nala
- Transvaal Navigation Collieries
- Van Dyksdrift
- Springbok;
- Balmoral.

eMalahleni is a considered a secondary city given the size of its population and its function. Most of the residents of ELM reside in eMalahleni. The other settlements exist to either serve the mining, steel or power industries or they exist by virtue of the convergence of railway networks. For some towns they no longer have the economic base (SACN, 2014).



3.1.2 Unemployment rate

The average unemployment rate in the NDM is 44%, and this is even higher in areas such as Thembisile (51%) and Dr JS Moroka (61%). This results in a large portion of the population having to seek job opportunities outside the district, which in turn results in socio-economic challenges.

The unemployment rate in ELM has decreased from 38.4% to 24.3% in 2001 to 2016. The overall trend is positive but the youth unemployment rate lags behind.



3.1.3 Education

The ELM is characterised by low skills, this stems from early childhood education all the way through school and tertiary education. The majority (68,6%) of children under four years are not attending early childhood education facilities. This is higher than the district (65.7%) and the provincial (67.4%) figures.

3.1.4 Household size and type

The household size is the smallest compared to the NDM and the Province, suggesting that there is a higher demand for houses. This has bearing on the demand for land for residential areas in light of the growth rate of ELM. Source: (Statistics South Africa, 2018)

3.1.5 Household income

The average household annual income in 2011 was R57 300, almost double that of the NDM (R29 400) and the Province (29 400) (Wazimap, 2018).



3.1.6 Health

The ELM's IDP states that the HIV prevalence rate is at 40.7% based on 2013 figures. The leading causes of death are influenza/pneumonia and tuberculosis (TB) (eMalahleni Local Municipality, 2018). It is likely that these are HIV related deaths. The prevalence of lung diseases in the area has bearing on issues related to air quality.



3.1.7 Access to water

Access to safe drinking water is a key development area for ELM. The statistics shows that the majority (52.1%) of residents do not have access to safe drinking water, lagging far behind the NDM and the Province. Furthermore, 90.8% of ELM residents source their water from a tap (either in a dwelling or yard, or from a communal stand) and 9.2% get their water from other sources such as boreholes and streams (Statistics South Africa, 2018)



3.1.8 Sanitation

Between 2011 and 2016 there has been an improvement in the number of households that have access to sanitation (flush/chemical toilets) with 108 868 (72.4%) of households. There is a backlog of 41 554 households that need adequate sanitation. However, there are still houses without any access to toilets. A decrease in the number of households with no access is seen between 2011 and 2016 from 2 987 (2.5%) to 2 186 (1.5%) respectively (eMalahleni Local Municipality, 2018).

3.2 KEY ECONOMIC ACTIVITIES

3.2.1 Socio-economic profile

The NDM has a total population of about 1,3 million people living in approximately 160 different towns throughout the region. The breakdown is as follows:

Population breakdown of NDM

No	Municipality	Population
1	Victor Khanye	3.6%
2	eMalahleni	30%
3	Dr JS Moroka	19%
4	Emakhazeni	3.6%
5	Steve Tshwete	18%
6	Thembisile Hani	23.7%

(Source: NDM: IDP 2019/2020)

The eMalahleni Local Municipality (ELM), meaning “place of coal”, owing its existence largely because of the extensive coal reserves. Considered as the energy ‘mecca’ with four coal fired power stations and associated mines present, namely, Duvha, Kriel, Matla and Kendal. The Kusile coal fired power station is also being constructed in the area.

3.2.2 Other mining companies operating in the area

Below are other mining companies operating within the eMalahleni Local Municipality:

- Anglo Coal South Africa Khwezela Colliery
- South 32
- Xstrata Coal South Africa
- Anglo Inyosi Coal- Zibulo Colliery
- Glencore
- Wescoal Mining

Most important industries per local municipality in the NDM

No	Municipality	Most important industry	% of GDP
1	Victor Khanye	Agriculture	5.2
2	eMalahleni	Mining and quarrying	2.4
3	Dr JS Moroka	Community and social services	-4.7
4	Emakhazeni	Agriculture	2.0
5	Steve Tshwete	Mining and quarrying	2.7
		Wholesale	13.4
		Community services	2.1
6	Thembisile Hani	Private households	2.0

(Source: NDM: IDP 2019/2020)



3.3 STAKEHOLDER CONSULTATION AND INVOLVEMENT

Anglo American subscribes to a code of conduct which guide the way we do business. Our main aim is to promote strong relationships with the communities that surround our operations through regular engagement on issues that may affect them.

Greenside Colliery participates in the local municipality’s Integrated Development Plans and Local Economic Development forums. The mine has monthly stakeholder engagement forums and quarterly future forum meetings, including directly and indirectly affected parties, interested parties and authorities. These enable our stakeholders to bring issues related to socio economic impacts to our attention, so that they can be resolved promptly. Issues that cannot be resolved immediately are documented to be investigated.



The key local economic development focus areas of the NDM are discussed in this section and are done through coordination of district economic development and sectorial cluster plans in consultation with relevant stakeholders within the district. The goal of local economic development is to transform the Nkangala District into a hive of economic activity characterised by strong levels of investment, sustainable job creation and improved income levels in a way that builds on the distinctive potential of each municipality, preserves the integrity of the environment and avoids negative competition.

3.5 SOCIO-ECONOMIC ASSESSMENT TOOLBOX PROCESS

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

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

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

3.6 MINE COMMUNITY ECONOMIC DEVELOPMENT PROJECTS

In its Social and Labour Plan, Greenside Colliery committed to six major community development projects which are aligned to Social Investment Policy. The table on the next page provides a list of identified community projects

Purchasing of an obstetrician ambulance for the Department of Health

R2 million

Project end date: 2023



HUMAN CAPITAL DEVELOPMENT

Community Skills Development and Capacity Building

R3 million

Project end date: 2023



Community Scholarship/bursary scheme

R3 million

Project end date: 2023



Purchasing of solar high mast street lights for communities

R1 million

Project end date: 2023



Purchasing of pothole patching machine for eMalahleni Local Municipality

R6 million

Project end date: 2023



Purchasing of sewer machine for eMalahleni Local Municipality

R9 million

Project end date: 2023



Township economic regeneration (infrastructure – industrial park)

R3,5 million

Project end date: 20 23





HOUSING AND LIVING CONDITIONS

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

The company has initiated an ongoing awareness and development scheme for all employees interested in buying or renting property in urban areas. This programme is designed to educate employees about the responsibilities of buying, owning, and managing their own homes.

3.7 HOUSING STRATEGY


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

3.8 HOUSING ACTION PLAN

During 2007, Anglo Coal South Africa initiated a project to manage the transition from housing provision as its operations to full home ownership. The plan is based on the following pillars:

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

The table below summarises Greenside Colliery's housing target from 2019 to 2023.

SACE collieries – employee type		2019 Milestone target	Homeownership milestone
	Officials	100%	100%
	Senior-skilled	100%	100%
	Skilled	100%	100%
	Other	100%	100%
	Total	100%	100%



3.9 ANGLO COAL SOUTH AFRICA HOUSING STRATEGY

Our vision for housing is long-term home ownership for all our employees. As a result, we wish to move away from housing provision entirely and to ensure that employees are accommodated in their own formal accommodation located within the metropolitan and districts frameworks of the regions where our new and existing operations are based.

The primary aims of this vision are:

- To meet the agreements outlined in the 'Framework of Principles on Accommodation' with the unions, and to ensure that employees can live with their families in normalised, sustainable environments.
- To support the integration of future corporate social investment activities within the regional municipal framework and infrastructure development.
- To assist the Chamber of Mines to meet the Housing Forum commitments and to ensure that the Social and Labour Plan and Mining Charter's obligations are met and are sustainable.
- To enhance the social and economic sustainability of the regions in which Anglo Coal South Africa operates through a housing model that is integrated within the greater metropolitan and districts centres and aligned with the Integrated Development Plans for those regions.

Key challenges:

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

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 of workers. To achieve this, the following have been put in place:

4.1. ESTABLISHMENT OF FUTURE FORUM

Greenside Colliery has established a forum including both management, trade union, eMalahleni Local Municipality and other stakeholders from each department.

The purpose of these discussions is to identify challenges affecting the mine and to come up with solutions to them and to implement solutions agreed upon by both the employer and employee representatives.

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

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

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

4.3. MANAGING RETRENCHMENTS RESPONSIBLY

Should Greenside Colliery operations be downscaled or cease with the possible effect of job losses, the following process would be implemented:

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

4.4. MINIMISING THE SOCIO AND ECONOMIC IMPACT

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

- Assessment and counselling services for affected employees
- Comprehensive self-employment training programmes
- Comprehensive training (non-mining skills) and re-employment programmes
- Creation of jobs for local economies.
- Regeneration of local economies
- Accessing the Social Plan Fund




5 FINANCIAL PROVISION





5.1 HUMAN RESOURCES PROGRAMME

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

Programme		Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Total
	Skills Development Levies Act	6 807 115	7 283 613	7 793 466	8 339 009	8 922 739	39 145 942
	Learnerships	R956 185,00	R1 032 680,00	R1 115 294,00	R1 204 518,00	R1 300 879,00	5 609 556
	Internal training	5 951 927	6 245 952	6 566 994	6 910 448	7 259 426	32 934 747
	External training	R16 536 040,17	R15 985 459,24	R16 979 864,90	R18 068 769,90	R19 261 012,54	86 831 147
Total		R30 251 267,20	R30 547 04,52	R32 455 619,03	R34 522 744,45	R36 744 056,31	164 521 392

5.1.1 Operations Negative Impacts







Below are Greenside Colliery's negative impacts identified by the operation and stakeholders during engagements:

Possible negative impact	Description of impact	How will you address it?
Safety, security and crime 	Illegal mining and theft	Protection services patrols, trenches around the mine area, danger signage, community awareness and education on the dangers of illegal mining and theft
Environmental Impacts 	Sinkholes in previously mined areas	Greenside Colliery adheres to environmental regulatory requirements and there are continuous efforts to manage environmental impacts linked to the operation. The mine has environmental management plans for impacts caused by its mining activities.






5.2 MINE COMMUNITY ECONOMIC DEVELOPMENT

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

Item	Project name	Committed budget	2019	2020	2021	2022	2023
	1 Purchasing of obstetrician ambulance for Department of Health	R2m	R2m	R0	R0	R0	R0
	2 Human Capital Development: 2.1 Community Skills Development and Capacity Building (Operator Machine and Portable skills)	R3m	R250 000	R1m	R750 000	R500 000	R500 000
	2.2 Community Scholarship/bursary scheme (University, Technicon & TVET)	R3m	R1m	R1m	R500 000	R250 000	R250 000
	3 Purchasing of Solar High Mast Street Lights for Communities	R1m	R 700 000	R100 000	R0	R100 000	R100 000
	4 Purchasing of pothole patching machine for eMalahleni Local Municipality	R6m	R0	R0	R0	R6m	R0
	5 Purchasing of Sewer Machine for eMalahleni Local Municipality	R9m	R0	R0	R9m	R0	R0
	6 Township Economic Regeneration (Infrastructure – Industrial Park)	R3,5m	R500 000	R1,5m	R1,5m	R0	R0
	Total	R27.5m	R4.4m	R3.6m	R11.7m	R6.8m	R850 000

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, _____ the undersigned and duly authorized thereto

by _____ (Company)

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

Signed at _____ on this _____ day _____ 20 ____

Designation: Mineral and Property Rights Manager Coal SA

Signature of responsible person

ABBREVIATIONS

The following abbreviations are found in this document.

AET	Adult Education Training	NDM	Nkangala District Municipality
ATR	Annual Training Report	PME	Programme for Management Excellence
ELM	eMalahleni Local Municipality	SA	South Africa
EEA	Employment Equity Assessment	SACN	South African Cities Network
FET	Further Education Training	SEAT	Socio Economic Assessment Toolbox
GET	General Education and Training	SETA	Sector Education and Training Authority
HET	Higher Education and Training	SLP	Social and Labour Plans
HDSA	Historically Disadvantaged South Africans	SME	Surface Machinery Equipment
HIV	Human Immunodeficiency Virus	TAP	The Achiever Programme
IDP	Integrated Development Plans	TB	Tuberculosis
JIPSA	Joint Initiative for Priority Skills Acquisition	TVET	Technical and Vocational Education and Training
MP	Mpumalanga	VOHE	Ventilation and Occupational Hygiene Engineering
MR	Mineral Rights	WSP	Workplace Skills Plan
MQA	Mining Qualification Authority		

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