

KHWEZELA COLLIERY

SOCIAL AND

LABOUR PLAN

MAKING THE LIVES OF OUR COMMUNITY BETTER

KLEINKOPJIE AND LANDAU COLLIERIES

MP 30/5/1/2/2 (307) MR

LANDAU MP 30/5/1/2/2 (306) MR

2019 – 2023

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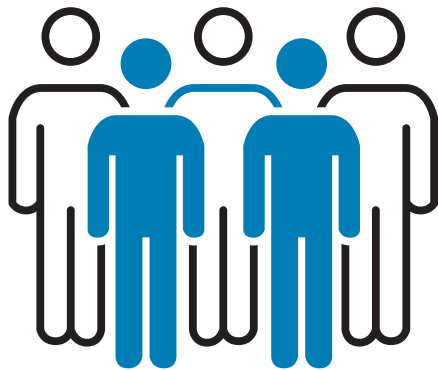
**The purpose of this publication is to
inform stakeholders of our Social
and Labour Plan commitments.**

1 INTRODUCTION

Name of the company	Anglo Coal South Africa South Africa
Name of the mine	Kleinkopje and Landau collieries
Physical address	Mining and Property and Permitting Department Johannesburg 2001
Postal address	Anglo Operations Limited PO Box 61587 Marshalltown 2107
Telephone number	+27 11 638 3596
Fax number	
Mine address	Twefontein Road Emalahleni Mpumalanga Khwezela Colliery
Mine postal address	Private Bag X 7275 Witbank 1035
Telephone number	(013) 693 0123
Mine fax number	
Location of mine	Kleinkopje and Landau collieries are situated between eMalahleni and Bethal in the Mpumalanga province and forms part of the Witbank Coalfield within the Highveld Magisterial District and Regional Services Council
Commodity	Coal
Life of mine	8 years (2019 – 2023)
Breakdown of employees per sending area	See section 2.5.2
Financial year	January to December

KHWEZELA 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**

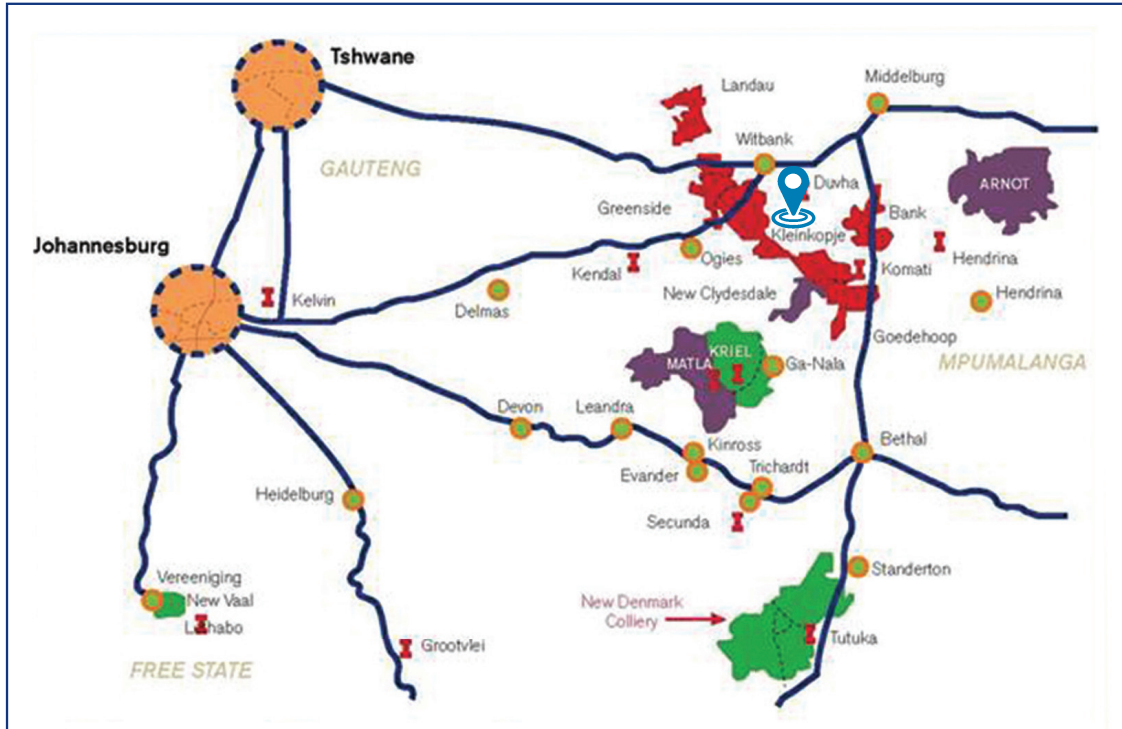


**2. GROW THE
LOCAL ECONOMY**



**3. WORK TOWARDS
UPLIFTING OUR
COMMUNITIES**

KHWEZELA COLLIERY LOCATION



1.1 MORE ABOUT KHWEZELA

Khwezela Colliery is an open pit mine situated 8km south in eMalahleni Local Municipality at Nkangala district within the Mpumalanga province. It is operated by Anglo Coal South Africa (ACSA), a business unit within Anglo Operations (Pty) Ltd, which is the fourth largest exporter of seaborne thermal coal in the world. ACSA is wholly owned by Anglo American plc, one of the world's largest mining and natural resources groups. The mines supply thermal coal to both the export and local markets and metallurgical coal which is exported via the Richards Bay Coal Terminal in which Khwezela Colliery has a 23,16% interest.

Khwezela Colliery exists out of two mining rights namely Kleinkopje (with DMRE reference numbers MP30/5/1/2/2/307 MR) and Landau (MP30/5/1/2/2/306 MR) and are managed as one operation.

Khwezela Colliery provided permanent employment to 952 employees and 3 800 contractors as at December 2019, and the life of mine is expected to be until 2026.

FROM MINE TO MARKETPLACE



**6 MILLION TONNES
OF SALEABLE COAL**



**TRANSPORTED VIA
CONVEYOR BELT
TO RAPID LOADING
TERMINAL**



**RAILED TO RICHARDS
BAY COAL TERMINAL**



**COAL IS EXPORTED
FROM RICHARDS BAY**

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 Khwezela Colliery operates. Also, to provide assurance to the Department of Mineral Resource and Energy (DMRE) on future contributions which will be made by the mine on the Social and Labour Plan.

Khwezela 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:

- ✓ Mineral and Petroleum Resources Development Act and Regulations Act No. 28 of 2002
- ✓ 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

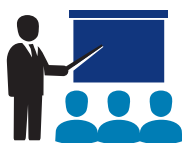
DEFINITIONS

- * **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:** Includes all operational and technical division, but excludes staff from our head office.
- * **Khwezela Colliery:** Is a specific operational entity and business unit of Anglo Coal South Africa.

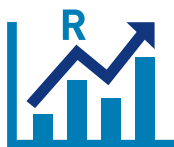
1.3 THE OBJECTIVES OF THE SOCIAL AND LABOUR PLAN ARE TO:



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 in developing the skills of our employees.

To reach our objective of empowering historically disadvantaged people with skills in the mining industry, we provide world class skills development programmes to our employees across our business, while also extending our capacity building initiatives to members of our immediate communities.

Khwezela 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

2.1 COMPLIANCE WITH SKILLS DEVELOPMENT

Khwezela Colliery's training centre is ISO 9001: 2015 certified and has training provider status from the Mining Qualifications Authority. Khwezela Colliery submitted its Workplace Skills Plan and an Annual Training Reports throughout the reporting period (2014 – 2018) and both were accepted. Khwezela Colliery pays levies and claim grants in line with the provisions of the set out by the MQA. Khwezela Colliery's levy number is L270714811 with T999990104.

2.2. SKILLS DEVELOPMENT PLAN

Khwezela Colliery has a training centre that is ISO 9001: 2015 certified and a training provider status from the Mining Qualifications Authority (MQA). As in previous years, we submitted our Workplace Skills Plan and an Annual Training Reports throughout the reporting period (2014 – 2018), in accordance with the Sector Education and Training Authority's requirements. Both documents were accepted for the reporting period. We pay levies and claim grants in line with the provisions of the set out by the MQA.


Khwezela Colliery's levy number is L270714811 with T999990104.

2.2.1 Illiteracy Level and AET needs

LEVEL	NUMBER OF ILLITERACY	NEED	CUMULATIVE NEED
No schooling	N/A	N/A	N/A
AET 1	N/A	N/A	N/A
AET 2	N/A	N/A	N/A
AET 3	N/A	N/A	N/A
AET 4	N/A	N/A	N/A


2.2.2 Learnerships (internal)



	TYPE/AREA OF TRAINING	TARGETS AND TIMELINE					TOTAL BUDGET
		2019	2020	2021	2022	2023	
	Engineering	6	6	2	2	2	18
	Mining	1	1	1	1	1	5
	Total Number	7	7	3	3	3	23




2.2.3 Learnerships (external)

TYPE/AREA OF TRAINING		TARGETS AND TIMELINE					TOTAL BUDGET
		2019	2020	2021	2022	2023	
	Engineering	9	9	4	4	4	30
	Total Number	9	9	4	4	4	30



2.2.3 Artisans training

Developing the skills and abilities of Khwezela Colliery employees follows a defined process which ensures appropriate consideration is given to human resources strategies and activities. While the process and scheduling are shared in a step-by-step format nomination process, in practice some of the steps will overlap when the process is implemented.

Khwezela Colliery's 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 sources from external providers and original equipment manufacturers. Health and safety funding and costing remain a focal point in the decision-making model.

TYPE/AREA OF TRAINING		LEARNERSHIP TARGETS INTERNAL RECRUITS 2020 – 2024					TOTAL BUDGET
		2019	2020	2021	2022	2023	
	Semi-skilled and discretionary decision-making	25	35	45	60	75	240
	Total number	25	35	45	60	75	240




2.3. HARD TO FILL VACANCIES

OCCUPATION LEVEL		JOB TITLE OF VACANCY	MAIN REASON FOR BEING UNABLE TO FILL THE VACANCY
	Top management	N/A	N/A
	Senior management	N/A	N/A
	Professionally qualified and experienced specialists and middle management	Section manager	It is always required that the Incumbent should hold an MMC (Mine Manager's Certificate) and it is difficult to source incumbents with this certificate.
		Surveyor/survey manager	The incumbent should hold a Government Certificate of competency, which is difficult to obtain.
	Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	Technician	The balance of qualifications and experience required is not always available
		Plant Metallurgists	This skill is not always available internally.
	Semi-skilled and discretionary decision making	N/A	N/A
	Unskilled and defined decision-making	N/A	N/A



2.4. NUMBER AND EDUCATION LEVELS OF EMPLOYEES

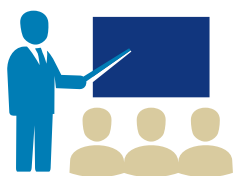
The number and education levels of employees at Khwezela Colliery as at December 2018

BAN	NQF LEVEL	System	MALE				FEMALE				TOTAL	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Female	Male
 General Education and Training (GET)	1	No schooling/ Unknown	24	0	0	0	1	0	0	0	24	1
		Grade 0/Pre	0	0	0	0	0	0	0	0	0	0
		Grade 1/Sub A	0	0	0	0	0	0	0	0	0	0
		Grade 2/Sub B	0	0	0	0	0	0	0	0	0	0
		Grade 3/Std 1/ ABET 1	10	0	0	0	0	0	0	0	10	0
		Grade 4/Std 2	18	0	0	0	1	0	0	0	18	1
		Grade 5/Std 3/ ABET 2	26	0	0	0	2	0	0	0	26	2
		Grade 6/Std 4	33	0	0	0	2	0	0	0	33	2
		Grade 7/Std 5/ ABET 3	31	0	0	0	6	0	0	0	31	6
		Grade 8/Std 6	47	0	0	0	2	0	0	0	47	2
		Grade 9/Std 7/ ABET 4	19	0	0	0	1	0	0	0	19	1
 Further Education and Training (FET)	2	Grade 10/ Std 8/N1	134	0	0	24	4	0	0	3	158	7
	3	Grade 11/ Std 9/N2	75	1	0	4	78	0	1	2	80	81
	4	Grade 12/ Std 10/N3	161	4	1	46	40	0	0	1	212	41
 Higher Education and Training (HET)	NQF Levels 5 – 10	Diplomas/ Certificates	32	1	0	31	15	0	1	9	64	25
		First degrees/ higher diplomas	21	1	0	16	13	0	0	2	38	
		Honours / Master's degrees	3	0	1	4	2	0	0	0	8	2
		Doctorates	0	0	0	0	0	0	0	0	0	0
	Total		634	7	2	125	167	0	2	17	768	186
											954	

2.5 CAREER PROGRESSION AND MENTORSHIP

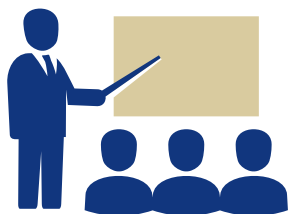
At Khwezela Colliery all our trainees have mentors. It is our norm and practice to allocate a more senior manager for this role even though the trainee has a final decision. Our mentors act as both coach and role model and promote the employees' career development at length.

In the next five years our focus will be to use the recently conducted Brainwave Talent role match psychometric assessments in crafting a model for our supervisory and frontline mentoring and coaching.



2.5.1 Coaching and mentoring for employees

MENTORING PROGRAMME		CAREER DELIVERABLES	DURATION	TARGET		GENDER	
				HDSA	NON-HDSA	FEMALE	MALE
	Supervisor development programme	Planning, management, disciplinary and business acumen	18 months	140	44	40	100
	The Achiever Programme (TAP)	Management development	3 months	6	2	4	2
	Trainee PIT Foreman	Management development	18 months	4	2	1	3



2.5.2 Mentoring and Coaching

This involves creating a learning relationship with a mentor, it is our norm and practice to allocate a more senior manager for this role even though the trainee has a final decision. Our mentors act as both coach and role model and promote the employees' career development at length.

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 Khwezela Colliery all our trainees have mentors.

In the next five years our focus will be to use the recently conducted Brainwave Talent role match psychometric assessments in crafting a model for our supervisory and frontline mentoring and coaching.



2.5.3 Bursaries and Internships

As Khwezela Colliery we recognise the importance and organisational benefits derived from professional and career development of bursars on the programme. As such, Khwezela Colliery will provide successful candidates with much needed financial support for the education, training and development of skills and knowledge that will be of direct benefit to both the candidates and future organisational needs. Our bursary systems are based on academic merits and other elements pertinent to Khwezela Colliery community 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 diplomats and 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.

2.5.4 Bursaries to be awarded Internally

		TARGETS AND TIMELINE					TOTAL BUDGET
		2019	2020	2021	2022	2023	
	Total Number	5	5	3	2	2	17
	Budget	5	5	3	2	2	17



2.5.5 Scholarships to be awarded Externally

Our continued support for the education and training for our host communities through numerous avenues are noticed and have had an impactful for the beneficiaries. We continue to focus on advancing the youth development elements as stated in the Human Resources Development Strategy [3] and National Development Plan 2030.

During the next five years the co-creation of synergies between Khwezela 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.

		TARGETS AND TIMELINE					TOTAL BUDGET
		2019	2020	2021	2022	2023	
	Total Number	5	5	5	5	5	25
	Budget	5	5	5	5	5	25

2.5.6. Internships MQA

		TARGETS AND TIMELINE					TOTAL BUDGET
		2019	2020	2021	2022	2023	
	Total Number	5	7	7	5	5	29

2.5.7. Professionals in training for 2019-2023

		TARGETS AND TIMELINE					TOTAL BUDGET
		2019	2020	2021	2022	2023	
	Total Number	3	3	3	3	3	15

2.5.8. 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.



Carefully crafted scope of work will be in place with clear deliverables and timelines.

		TARGETS AND TIMELINE					TOTAL BUDGET
		2019	2020	2021	2022	2023	
	Total Number	25	35	45	60	50	115
	Budget	25	35	45	60	50	115

2.6. 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 Khwezela Colliery's Employment Equity Programme.

Numerical targets for 2019 to 2023 are set out below:

	OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
		A	C	I	W	A	C	I	W	MALE	FEMALE	
	Top management	0	0	0	0	0	0	0	0	0	0	0
	Senior management	1	0	1		1	0	1	0	0	0	4
	Professionally qualified and experienced specialists and mid-management	6	0	0	2	2	0	0	0	0	0	10
	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	12	0	0	0	2	0	0	2	0	0	16
	Semi-skilled and discretionary decision making	6	1	1	2	3	1	1	1	0	0	16
	Unskilled and defined decision making	30	1	1	2	2	2	2	4	0	0	44
	Total Permanent											
	Temporary employees	0	0	0	0	0	0	0	0	0	0	0
	Grand total	49	1	2	4	7	2	3	6	0	0	90

ANALYSIS OF WORKFORCE, DEMOGRAPHIC AND FEMALE PROFILE

2.6.1 Workforce profile by occupational category and occupational levels as at December 2018

	CATEGORY	HDSA			TOTAL WOMEN	% WOMAN	TOTAL DISABLE	% DISABLE
		TOTAL	HDSA	% HDSA				
	Top Management	0	0,00%	0	0,00%	0	0,00%	
	Senior Management	11	7	63,64%	4	36,36%	0	0,00%
	Professionally qualified and experienced specialists and mid management	69	45	65,22%	18	26,09%	0	0,00%
	Technical and academically qualified workers, junior management, supervisors, foreman and superintendents	184	153	83,15%	50	27,17%	1	0,54%
	Semi-skilled and discretionary decision-making	209	158	75,60%	22	10,53%	1	0,48%
	Unskilled and defined decision-making	481	466	96,88%	92	19,13%	0	0,00%
	Total	954	829	86,90%	186	19,50%	2	0,21%





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 Khwezela Colliery (2019 – 2023)

	OCCUPATIONAL LEVELS	2018 SLP TARGET	ACTUAL	VARIANCE	2019 SLP TARGET	2020 SLP TARGET	2021 SLP TARGET	2022 SLP TARGET	2023 SLP TARGET
	Top management	0	0	0	0	0	0	0	0
	Senior management	4	4	0	4	4	5	5	6
	Professionally qualified and experienced specialists and mid-management	19	18	-1	20	21	21	21	21
	Technical and academically qualified workers, junior management, supervisors, foreman and superintendents	48	50	+2	51	52	52	52	52
	Semi-Skilled and Discretionary decision-making	22	22	0	24	24	26	26	28
	Unskilled and defined decision-making	92	92	0	95	95	98	98	102
	Total	186	186	1	194	196	202	202	209
	% workforce	100%	100%						

2.6.1 HDSA participation in management









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.

HDSA participation in management: Khwezela Colliery (2019 – 2023)

Occupational Levels		2018			2019	2020	2021	2022	2023
		SLP TARGET	ACTUAL	VARIANCE	SLP TARGET	SLP TARGET	SLP TARGET	SLP TARGET	SLP TARGET
	Top management	0	0	0	0	0	0	0	0
	Senior management	7	7	0	7	8	8	8	8
	Professionally qualified and experienced specialists and middle management	45	45	0	47	48	50	51	53
	Sub Total	52	52	0	54	55	58	59	59
	Officials C#	27	27	0	32	32	35	37	37
	TOTAL	79	79	0	86	87	93	96	96
			100%						

2.7 MIGRANT LABOUR

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. Khwezela Colliery's permanent workforce distribution is as follows:

COUNTRY OF ORIGIN		PROVINCE	NO. OF EMPLOYEES	% PER AREA
Great Britain			2	0.36%
Lesotho			2	0.36%
Scotland			0	0.00%
Swaziland			3	0.54%
Mozambique			1	0.18%
Zambia			3	0.54%
Zimbabwe			4	0.72%
Sub-total migrant labour only			15	2.70%
South Africa		Gauteng	81	14.58%
South Africa		Mpumalanga	645	49.60%
South Africa		Eastern Cape	30	5.40%
South Africa		KwaZulu-Natal	35	6.30%
South Africa		Free State	16	2.88%
South Africa		Limpopo	95	17.10%
South Africa		North West	13	2.34%
South Africa		Northern Cape	4	0.72%
South Africa		Western Cape	6	1.08%
Sub total RSA only			925	97.30%
Total strength			940	100.00%

LOCAL ECONOMIC DEVELOPMENT PROGRAMME

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. This is done in a way that builds on the distinctive potential of each municipality, preserves the integrity of the environment and avoids negative competition.

The key local economic development focus areas are in line with the Local Municipalities' Local Economic Development and Integrated Development Plans.

3.1. SOCIO-ECONOMIC BACKGROUND INFORMATION

3.1.1 Provincial and District Municipalities

The eMalahleni Local Municipality is situated in the Nkangala District Municipality (NDM) in Mpumalanga Province. The NDM is situated to the north-western side of the Province and although it is the smallest district in Mpumalanga Province in terms of land mass, covering an area of approximately 2677, 67 km² (21%), it has the third largest population in the Province (Statistics South Africa, 2018). The NDM connects to the rest of the country through an extensive road infrastructure, in particular, the N4 and N12 national highways. The N4 and the N12 converge at eMalahleni town. The N4 connects the province internationally to Mozambique. The NDM also boasts a significant rail infrastructure connecting it to industrial corridors and major ports at Richards Bay and Maputo in Mozambique (eMalahleni Local Municipality, 2018).

Nkangala District Municipality consists of the following six local municipalities:

- Emakhazeni Local Municipality;
- Thembisile Hani Local Municipality;
- eMalahleni Local Municipality;
- Steve Tshwete Local Municipality;
- Dr JS Moroka Local Municipality;
- Victor Khanye Local Municipality.

At district level, eMalahleni contributes 46% of the gross domestic product 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.

The main economic activities are energy, steel manufacturing, and mining. eMalahleni Local Municipality, meaning “place of coal”, owes its existence largely because of the extensive coal reserves. It is considered the energy mecca with four coal fired power stations and associated mines, namely Duvha, Kriel, Matla and Kendal. The Kusile coal fired power station is being constructed in the area. It is also home to a well-established steel industry with Evraz Highveld Steel and Vanadium industrial complex housed within the local municipality.

3.1.2 eMalahleni Local Municipality (ELM)

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; and

eMalahleni is 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).

3.1.3 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.

3.1.4 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%).



3.1.5 Household Size and Type

The household size is smaller 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)

3.1.6 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).

3.1.7 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.

3.1.8 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)

3.1.9 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 SOCIO-ECONOMIC ASSESSMENT

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

This 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.



3.3 STAKEHOLDER CONSULTATION AND INVOLVEMENT




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

Khwezela Colliery participates in the local municipality IDP & LED forums.

Khwezela Colliery 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 Khwezela Colliery's attention, so that they can be resolved promptly. Issues that cannot be resolved immediately are documented investigated.

3.4 NEGATIVE IMPACT OF MINING

Below are the Khwezela 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 Public liability	<ul style="list-style-type: none"> • Parameter fence warning signs and security patrols • Community awareness & education
 Environmental Impacts	Blast, dust, water quality and quantities noise	<ul style="list-style-type: none"> • Installation of seismograph to monitor any possible exceedances • Installation of dust buckets to monitor dust particles • Compliance with international and Anglo American noise and vibration standards. • To minimise disruptions to surrounding stakeholders and manage relationships. • Raise community awareness about blasting techniques, dust & noise monitoring efforts, and the grievance mechanism. • Manage water qualities & quantities, and air blast. • Increase community participation in order to build trust.
 Land access	Land grab	<ul style="list-style-type: none"> • Minimise the risk of land invasion • Work with authorities to explore opportunities for end-land use of rehabilitated land

3.5 LOCAL COMMUNITY NEEDS

Through the IDP and current community engagement forums, the following community needs were identified and has committed to the following major community development projects.

Obstetrician Ambulance

R2 million

Project end date: 2019



Clewer Multi-Purpose Community Hall

R4,4 million

Project end date: 2021



Schools Programme

R42 million

Project end date: 2022



Integrated Waste Management Programme –

Mini Transfer Station: R3,5 million

Project end date: 2023



Human Capital Development

Community Scholarship

R1 million

Project end date: 2023



Internship

R1 million

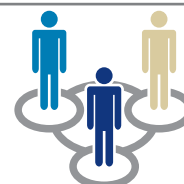
Project end date: 2023



Community Skills and Capacity Building

R1,5 million

Project end date: 2023






HOUSING AND LIVING CONDITIONS

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

The company has introduced housing allowances to promote home ownership and 95% of employees cater for their own accommodation in sustainable areas.

Khwezela Colliery's progress against the housing targets (2019 – 2023)

SACE COLLIERIES		2019 MILESTONE	HOME OWNERSHIP MILESTONE
EMPLOYEE TYPE		TARGET	TARGET
	Officials	100%	100%
	Senior skilled	100%	100%
	Skilled	100%	100%
	Other	100%	100%
	Total	100%	100%

3.6 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.

3.7 HOUSING ACTION PLAN

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

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



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

Khwezela's 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 6% for a continuous period of 12 months. Khwezela 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 Khwezela Colliery's operations be downscaled or cease with the possible effect of job losses, the following process would be implemented:

- * Consult all involved
- * 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

4.4 MINIMISING THE IMPACT

Where retrenchments or closure of the operation is imminent, Khwezela Colliery will make sure that:

- Affected employees are assessed and receive counselling
- Self-employment training programmes are set up
- People are trained in non-mining skills and re-employment programmes are put in place
- Jobs are created for local economies
- Local economies are regenerated. Access the Social Plan Fund is made possible

FINANCIAL PROVISION

5.1. HUMAN RESOURCES PROGRAMME








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

Five Year Forecast 2019-2023


	PROGRAMME	BUDGET 2019	BUDGET 2020	BUDGET 2021	BUDGET 2022	BUDGET 2023	TOTAL
	Skills Development Levies Act	R6 807 115	R7 283 613	R7 793 466	R8 339 009	R8 922 739	R39 145 942
	Learnerships	R956 185,00	R1 032 680,00	R1 115 294,00	R1 204 518,00	R1 300 879,00	R5 609 556
	Internal training	R5 951 927	R6 245 952	R6 566 994	R6 910 448	R7 259 426	R32 934 747
	External training	R16 536 040,20	R15 985 459,52	R16 979 864,03	R18 068 769,45	R19 261 012,31	R86 831 147
	Total	R30 251 267,20	R30 547 704,52	R32 455 619,03	R34 522 744,45	R36 744 056,31	R164 521 392

5.2. LOCAL ECONOMIC DEVELOPMENT

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

ITEM	PROJECT NAME	ROLL OVER	COMMITTED BUDGET	2019	2020	2021	2022	2023
	1 Integrated Waste Management Programme- Mini Transfer Station	R1.5m	R3.5m	R3.5m	R1.5m	N/A	N/A	N/A
	2 Human Capital Development 2.1 Community Scholarship (University, Technicon & TVET)	R3m	R1m	R500 000	R1m	R1m	R1m	R500 000
	2.2 Experiential learning for TVET (S1/S2 & P1/P2)	N/A	R1m	R250 000	R250 000	R250 000	R250 000	N/A
	2.3 Community Skills Development and Capacity Building	N/A	R1m	R200 000	R500 000	R500 000	R150 000	R150 000
	3 Obstetrician Ambulance	N/A	R2m	R2m	N/A	N/A	N/A	N/A
	4. Clewer Multi-Purpose Community Hall	R4.4m	R4.4m	R0	R0	R4.4m	R0	R0
	Total	R8.9m	R12.9m	R6.450m	R3.250m	R5.750m	R1.400m	R650 000
	5 Anglo American Education Programme – Schools	Budget is currently under review with estimated value of R42m for the next 5 years.						

5.3 FINANCIAL PROVISION FOR MANAGEMENT OF DOWNSCALING AND RETRENCHMENTS

	NO.	PROCESS	REMARKS
	1	Consultation with stakeholders	Financial provision will be made available for all the processes involved in managing downsizing 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.

ACSA	Anglo Coal South Africa	MP	Mpumalanga
AET	Adult Education Training	MR	Mineral Rights
ATR	Annual Training Report	MPRDA	Minerals Petroleum Resource Development Act
AOPL	Anglo Operations Proprietary Limited	MQA	Mining Qualification Authority
DMRE	Department of Minerals Resources and Energy	NDM	Nkangala District Municipality
ELM	eMalahleni Local Municipality	NQF	National Authority Qualification
EEA	Employment Equity Assessment	PIT	Professional in Training
FET	Further Education Training	(Pty) Ltd	Proprietary Limited
GET	General Education and Training	RSA	Republic of South Africa
GDP	Gross Domestic Product	SA	South Africa
HIV	Human Immunodeficiency Virus	SACN	South African Cities Network
HET	Higher Education and Training	SEAT	Socio Economic Assessment Toolbox
HDSA	Historically Disadvantaged South Africans	SETA	Sector Education and Training Authority
HR	Human Resources	SLP	Social and Labour Plans
IDP	Integrated Development Plans	TAP	The Achiever Programme
ISO	International Organisation for Standards	TB	Tuberculosis
JIPSA	Joint Initiative for Priority Skills Acquisition	TVET	Technical and Vocational Education and Training
LED	Local Economic Development	VOHE	Ventilation and Occupational Hygiene Engineering
MMC	Mine Manager's Certificate		

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Real Mining. Real People. Real Difference.