

BCR COAL (PTY) LTD

VLAKFONTEIN COLLIERY

SOCIAL AND LABOUR PLAN (SLP)

APRIL 2022

# TABLE OF CONTENTS

LIST OF TABLES.....	S
LIST OF FIGURES .....	6
ACRONYMS.....	7
GLOSSARY.....	8
<b>1 REGULATION 46 (A): INTRODUCTION AND BACKGROUND INFORMATION ON THE OPERATION .....</b>	<b>10</b>
1.1 INTRODUCTION.....	10
1.2 OVERVIEW.....	11
1.3 OWNERSHIP .....	11
1.3.1 BCR Coal Employee Benefit Trust.....	12
1.3.2 BCR Coal Community Trust.....	14
1.4 OVERVIEW OF THE PROPOSED VLAKFONTEIN OPERATION .....	15
1.5 SIZE AND COMPOSITION OF WORKFORCE.....	16
1.6 SUBMISSION OF THIS SLP .....	17
1.7 THE DEMOGRAPHICS OF THE WORKFORCE .....	18
1.8 CONTRACTOR COMPLIANCE .....	18
<b>2 REGULATION 46 (B): HUMAN RESOURCES DEVELOPMENT PROGRAMMES .....</b>	<b>20</b>
<b>3 REGULATION 46 (B) (I): SKILLS DEVELOPMENT PLAN.....</b>	<b>22</b>
3.1 PARTICIPATION IN LEGISLATED SKILLS DEVELOPMENT PROCESSES.....	22
3.1.1 Skills Development Facilitator (SDF).....	22
3.2 ADULT BASIC EDUCATION AND TRAINING (ABET).....	23
3.2.1 Adult Basic Education and Training.....	23
3.2.2 ABET Budget.....	23
3.3 LEARNERSHIP PLAN .....	24
3.3.1 Learnership targets .....	24
3.4 SKILLS DEVELOPMENT PROGRAMMES .....	25
3.5 PORTABLE SKILLS PROGRAMMES .....	26

<b>4</b>	<b>REGULATION 46 (B) (II): CAREER PATH PLANNING.....</b>	<b>29</b>
<b>S</b>	<b>REGULATION 46 (B) (III): THE MENTORSHIP PLAN.....</b>	<b>30</b>
5.1	EMPLOYEE MENTORSHIP PROGRAMME .....	30
<b>6</b>	<b>REGULATION 46 (B) (IV): THE INTERNSHIP AND BURSARY PLAN .....</b>	<b>31</b>
6.1	BURSARY PROGRAMME .....	31
6.2	GRADUATE/INTERNSHIP PROGRAMME.....	31
6.3	PLAN & TARGETS .....	32
<b>7</b>	<b>REGULATION 46 (B) (V) EMPLOYMENT EQUITY: STATISTICS.....</b>	<b>33</b>
<b>8</b>	<b>REGULATION 46 (B) (V) EMPLOYMENT EQUITY: WOMEN IN MINING.....</b>	<b>34</b>
8.1	WOMEN IN MINING PLAN .....	34
8.2	WOMEN IN MINING TARGET COMMITMENT.....	34
<b>9</b>	<b>REGULATION 46 (B) (V): EMPLOYMENT EQUITY: HDSA PARTICIPATION IN MANAGEMENT</b>	<b>36</b>
9.1	HDSA IN MANAGEMENT PLAN.....	36
9.2	TALENT MANAGEMENT FOR HDSA .....	37
<b>10</b>	<b>REGULATION 46 (C): LOCAL ECONOMIC DEVELOPMENT PROGRAMMES.....</b>	<b>39</b>
<b>11</b>	<b>REGULATION 46 (C) (I): THE SOCIAL AND ECONOMIC BACKGROUND IN THE AREA IN WHICH THE MINE OPERATES .....</b>	<b>40</b>
11.1	SOCIO-ECONOMIC PROFILE OF THE DISTRICT AND MSUKALIGWA LOCAL MUNICIPALITY 40	
11.2	DEMOGRAPHICAL CHARACTERISTICS .....	41
11.2.1	<i>Age and Gender distribution.....</i>	<i>41</i>
11.2.2	<i>Education .....</i>	<i>42</i>
<b>12</b>	<b>REGULATION 46 (II) (A): THE KEY ECONOMIC ACTIVITIES IN THE AREA IN WHICH THE OPERATION OPERATES.....</b>	<b>44</b>
12.1	MSUKALIGWA LOCAL MUNICIPALITY .....	44
12.1.1	<i>Employment status of economically active people .....</i>	<i>44</i>
<b>13</b>	<b>REGULATION 46 (C) (III): INFRASTRUCTURE AND POVERTY ERADICATION PROJECTS ...</b>	<b>45</b>
13.1	INTRODUCTION .....	45
13.2	COMMUNITY NEEDS .....	45

13.3	PROJECTS AND PROGRAMMES .....	46
13.3.1	<i>Income Generating and Job creation Projects</i> .....	46
14	<b>REGULATION 46 (C) (IV): MEASURES TO ADDRESS THE HOUSING AND LIVING CONDI- TIONS OF EMPLOYEES</b> .....	<b>51</b>
15	<b>REGULATION 46 (C) (V): MEASURES TO ADDRESS THE NUTRITION OF EMPLOYEES</b> .....	<b>52</b>
16	<b>REGULATION 46 (C) (VI): THE PROCUREMENT PROGRESSION PLAN AND ITS IMPLE- MENTATION FOR HDSA COMPANIES IN TERMS OF CAPITAL GOODS, SERVICES AND CONSUMABLES</b> .....	<b>53</b>
17	<b>REGULATION 46 (D): MANAGEMENT OF DOWNSCALING AND RETRENCHMENT</b> .....	<b>57</b>
18	<b>REGULATION 46 (D) (I): THE ESTABLISHMENT OF THE FUTURE FORUM</b> .....	<b>58</b>
19	<b>REGULATION 46 (D) (II): MECHANISMS TO AVOID JOB LOSSES AND A DECLINE IN EMPLOY- MENT</b> .....	<b>59</b>
19.1	CONSULTATIONS .....	60
19.2	PLAN TO PREVENT JOB LOSSES .....	60
19.2.1	<i>Internal transfers to other BCR COAL operations</i> .....	60
19.2.2	<i>Reskilling of workers for other jobs on the mine or for jobs outside the mining sector</i> 61	
20	<b>REGULATION 46 (D) (III): MECHANISMS TO PROVIDE ALTERNATIVE SOLUTIONS AND PROCEDURES FOR CREATING JOB SECURITY WHERE JOB LOSSES CANNOT BE AVOIDED</b> .....	<b>62</b>
21	<b>REGULATION 46 (D) (IV): MECHANISMS TO AMELIORATE THE SOCIAL AND ECONOMIC IM- PACT ON INDIVIDUALS, REGIONS AND ECONOMIES WHERE RETRENCHMENT OR CLOSURE OF THE MINE IS CERTAIN</b> .....	<b>64</b>
21.1	MITIGATING IMPACTS ON COMMUNITIES AT CLOSURE .....	65
21.2	POST CLOSURE PLANNING .....	65
22	<b>REGULATION 46 (E): FINANCIAL PROVISION DETAIL</b> .....	<b>67</b>
22.1	FINANCIAL PROVISION FOR THE IMPLEMENTATION OF THE HUMAN RESOURCE DEVELOPMENT PLAN .....	67
22.2	FINANCIAL PROVISION FOR THE IMPLEMENTATION OF THE LOCAL ECONOMIC	

DEVELOPMENT PROGRAMME68

22.3	FINANCIAL PROVISION FOR THE DOWNSCALING AND RETRENCHMENT ASPECTS	68
22.4	TOTAL FINANCIAL PROVISION FOR THE SOCIAL AND LABOUR PLAN.....	68
23	<b>REGULATION 46 (F): AN UNDERTAKING BY THE HOLDER OF THE MINING RIGHT TO ENSURE COMPLIANCE WITH THE SOCIAL AND LABOUR PLAN AND TO MAKE IT KNOWN TO EMPLOYEES.....</b>	<b>71</b>

## LIST OF TABLES

Table 1:	Company Information .....	11
Table 2:	Project Cycle and Ramp-up .....	16
Table 3:	Occupational Distribution of Workforce of Vlakfontein Colliery .....	16
Table 4:	Project Properties Table .....	17
Table 5:	Regulation 46 (b) .....	21
Table 6:	Estimated Steady State Workforce.....	22
Table 7:	Legislation Compliance Action Plan .....	23
Table 8:	ABET Action Plan .....	23
Table 9:	Preliminary Learnership Targets.....	25
Ta- ble10:Ta ble 11:	Skills Development Action Plan..... Table of Portable Skills.....	25 26
Table 12:	Number and Education Level as per Form Qin Annexure II of the MPRDA Regulations ..	27
Table 13:	Hard to Fill Vacancies as per Form R in Annexure II of the MPRDA Regulations .....	28
Table 14:	Bursary Targets .....	32
Table 15:	Internship Targets.....	32
Table 16:	Employment Equity Statistics as per Form Sin Annexure II of the MPRDA Regulations...	33
Table 17:	Identified Positions.....	35
Table 18:	Women in Mining Targets.....	35
Table 19:	HDSA in Management Targets .....	36
Table 20:	Msukaligwa Age Distribution of Household Heads .....	41
Table 21:	Msukaligwa Labour Market Status of Economically Active Aged 15 - 65.....	44
Table 22:	Income Generating Project Plan.....	46
Table 23:	Education: Math and Science Programme.....	48
Table 24:	Health and Social Welfare: Nutrition Programme for the School Children.....	49
Table 25:	Summary of Envisaged Enterprise Development Programme.....	54
Table 26:	Breakdown of Current Mine Procurement as per Form Tin Annexure II of the MPRDA Regulations.....	55
Table 27:	Strategic Plans for Providing Job Security .....	63
Table 28:	Action Plan to Ameliorate the Social and Economic Impact.....	64
Table 29:	Five Year Budget for Human Resource Development Programmes.....	67
Table 30:	Five Year Budget for Local Economic Development .....	68
Table 31:	Five Year Provision for Downscaling and Retrenchment.....	68

Table 32: Summary of Five Year Budget for the Social and labour Plan.....69

## LIST OF FIGURES

Figure 1:	Company Organogram.....	12
Figure 2:	BCR Coal Employee Benefit Trust Structure .....	13
Figure 3:	BCR Coal Community Trust Structure.....	15
Figure 4:	Projects Property Diagram.....	17
Figure 5:	Locality Map of the Vlakfontein Project. ....	40
Figure 6:	Employment Status of Economically Active people.....	42
Figure 7:	Percentage Monthly Household Income Distribution of Survey Area.....	43
Figure 8:	Msukaligwa Labour Market Status of Economically Active Aged 15 - 65.....	44



# ACRONYMS

ABET	Adult Basic Education and Training
ATR	Annual Training Report
BEE	Black Economic Empowerment
BCRC	BCR Coal (Pty) Ltd
CSR	Corporate Social Responsibility
CSI	Corporate Social Investment
DMR	Department of Minerals and Resources
Dal	Department of Labour
EE	Employment Equity
HDSA	Historically Disadvantaged South Africans
HRDC	Human Resource Development Committee
IDP	Integrated Development Plan
LED	Local Economic Development
MPRDA	Mineral and Petroleum Resources Development Act, 2002 (Act No 28 of 2002)
MQA	Mining Qualifications Authority
NGO	Non-Governmental Organizations.
NQF	National Qualifications Framework
PHC	Primary Health Care
SETA	Sector Education Training Authority
SDF	Skills Development Facilitator
SLP	Social and Labour Plan
SMME	Small, Medium and Micro Enterprises
WSP	Workplace Skills Plan
IDC's	Individual Development Charters
GSDM	Gert Sibande District Municipality
MLM	Msukaligwa Local Municipality
Tpa	Tons per annum

## GLOSSARY

<b>Terminology</b>	<b>Description</b>
Historically Disadvantaged South African (HDSA) Integrated Development Plan (IDP)	<p>Refers to any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) came into operation.</p> <p>A plan aimed at the integrated development and management of a municipal area as contemplated in the Municipal Structures Act (Act 117 of 1998). For the purposes of this Social and Labour Plan, IDP is taken to mean the IDP for the Local Municipality.</p>
Major Labour-sending areas Municipality	<p>Msukaligwa Local Municipal area (specifically Ermelo, Breyten and Chrissiesmeer).</p> <p>For the purposes of this Social and Labour Plan, a municipality is defined as a local municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls and which is described in section 155 (1) of the Constitution as a category B municipality.</p>
Corporate Social Investment	<p>CSI encompasses projects that are external to the business or outward looking; projects undertaken for the purpose of uplifting communities in general and those which have a strong developmental approach. It also includes projects with a focus on social, developmental or community aspects where the investment is not primarily driven as a marketing initiative.</p>
Development	<p>Development is the process of continuously enhancing the capacity of society to respond to opportunities and challenges by increasing its level of organization.</p>
Life skills	<p>Development is the process of continuously enhancing the capacity of society to respond to opportunities and challenges by increasing its level of organization.</p>
Labour Sending Areas	<p>Refers to generic skills that enable a person to function and participate in general life including society, economic activities, work and environment.</p>
Sustainable and/or Sustainability Stakeholder	<p>Refer to areas from where a significant number of mineworkers are or will be recruited from.</p> <p>Ensuring that present needs are met without compromising the ability of future generations to meet their own needs</p> <p>Those people and entities that the organization affect and are affected by</p>

the organization

**REGULATION 46 (A): INTRODUCTION AND  
BACKGROUND INFORMATION ON THE  
OPERATION**

# 1 REGULATION 46 (A): INTRODUCTION AND BACKGROUND INFORMATION ON THE OPERATION

## 1.1 INTRODUCTION

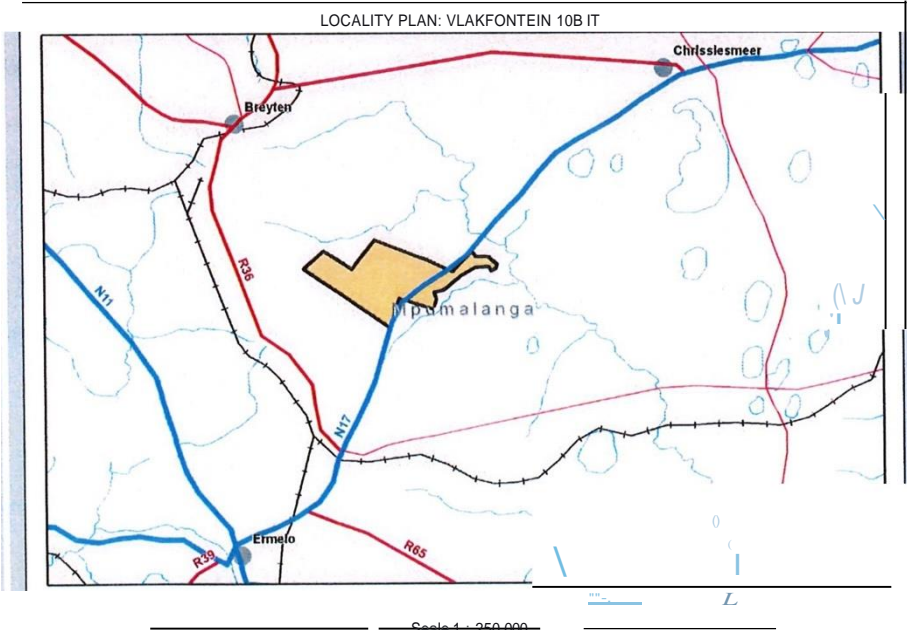
This section outlines the location of the proposed Vlakfontein Colliery, its proposed workforce and expected socio-economic impact.

The Social and Labour Plan is based on mineral resource estimates and are therefore influenced by a number of factors. The following assumptions were used in the compilation of the Social and Labour Plan:

- The run of mine (ROM) output would be on average 840 000 tpa;
- The current service departments of the BCR Group will function as a Central Service Centre under their policies and procedures. These services consist mainly of Health, Safety, Financial, Human Resources, Medical Services, and Technical Support in the form of Mine Planning, Environmental Management and Specialised Engineering Services;
- The labour plan for Vlakfontein is developed using the following as a guide regarding the use of own and/or contracting employees (See Annexure 1a, 1b and 1c for detail on positions):
  - Positions that could be filled by contracting labour are indicated in light blue.
  - Positions that are indicated in light green must preferably be staffed with own employees. Maintenance of equipment will be done by the suppliers on contract.
  - In the Mining section, it is recommended that Auto-electricians/Diesel Mechanics be employed instead of Fitters and Electricians, to facilitate multi-skilling and enhance productivity.
- Labour sourcing will mainly be from the Msukaligwa Local Municipal area (specifically Ermelo, Breyten and Chrissiesmeer).

1.2 OVERVIEW

Table 1: Company Information

Name of applicant/com-pany	BCR Coal (Pty) Ltd with registration number 2019/348744/07
Name of operation	Vlakfontein Colliery
Name of contact person	Walter Murray
Physical address	BCR Building, Block 5, Lancaster Park, Electron Lane, Lanseria Corporate Estate, Lanseria
Postal address	PostNet Suite 911 Private Bag X153 Bryanston
Telephone	2021  +27 (0) 11 467 5793 and 082 333 3719
Email	<a href="mailto:walter@bcres.co.za">walter@bcres.co.za</a>
Commodities mined	Coal
Location of the mine	Situated north-east of Ermelo
	<p>LOCALITY PLAN: VLAKFONTEIN 10B IT</p>  <p>Scale 1 : 250 000</p>
Life of mine	17 years
	June

Financial year-end

### 1.3 OWNERSHIP

BCR Coal (Pty) Ltd is 70% owned by BCR Holdings and 30% by Tulacoal Capita (Pty) Ltd and will hold the Mining Right and operate and own Vlakfontein Colliery. The company organogram is shown in the figure below. It is our intention to create a Workers Trust 5% as well as a Community Trust 5% which will be diluted from Tulacoal Capital's shareholding.

#### COMPANY DIAGRAM

##### *Figure 1: Company Organogram*

Currently 30% of BCR Coal's shares are held by Black Economic Empowerment (BEE) individuals and entities; these groups will in future include the BCR Coal Employee Benefit Trust and the BCR Coal Community Trust. Each of the Trusts will hold 5% of the entire issued share capital of BCR Coal. The two Trusts' objectives and operation are discussed below.

#### 1.3.1 BCR Coal Employee Benefit Trust

The BCR Coal Employee Benefit Trust will be established by BCR Coal and will have an independent legal existence. It will be managed by the Trustees and is fully compliant with broad-based black economic empowerment guidelines. Employees are not required to make any financial contribution in order to be beneficiaries of the Trust. As a shareholder, the Trust receives 5% of all dividends paid by BCR Coal. In other words, 5% of all dividends paid by BCR Coal for this project to its shareholders will be paid to and received by the Trust. This payment will be for the benefit of the employees.

Good governance is ensured by the Three Trustees on the board, consisting of:

- Two Trustees are appointed by BCR Coal;
- One Trustee is appointed by the employees of BCR Coal

In the event a dividend is declared by the BCR Coal Board of Directors, dividends are allocated as follows:

- 85% of the total amount of the dividend will be paid to Beneficiaries as a cash distribution. Each Beneficiary receives an equal portion of the cash distribution, irrespective of his or her level of employment;
- At the discretion of the Trustees distribute all or a portion of the remaining 15% dividends to employees who are needy or deserving of such payments. The discretionary distribution is

designed to allow the Trustees to support employees financially in the event of medical and/or family hardships, in the event that a Beneficiary wishes to study further, and/or for any further or other circumstance or event which the Trustees decide.

### **1.3.2 BCR Coal Community Trust**

The BCR Coal Community Trust will be established by BCR Coal and will have an independent legal existence. It will be managed by Trustees and will be fully compliant with broad-based black economic empowerment guidelines. Community members are not required to make any financial contribution in order to be beneficiaries of the trust. As a shareholder, the Trust receives 5% of all dividends paid by BCR COAL. In other words, 5% of all dividends paid by the entire BCR Coal to its shareholders will be paid to and received by the Trust. This payment will be for the benefit of the community members.

Good governance is currently ensured by the four trustees on the board, consisting of:

- Two Trustees is appointed by BCR Coal;
- Two Trustees appointed by the BCR Coal Working Committee as liaison between the Company and community from residents of the area immediately surrounding the Mine.

Once Vlakfontein Colliery becomes operational, the communities surrounding the project will also form part of the BCR Coal Community Trust. Additional Trustees from the Vlakfontein labour sending communities may be included in the trust board.

The main objects of the Trust are to undertake projects for the

- Social and economic empowerment of the labour sending communities;
- Empowerment of the inhabitants of the metropolitan areas surrounding operations that form part of BCR Coal.

The Trustees are not entitled to dispose of any of the shares in BCR COAL held by the Trust. In the circumstances, it is intended that the Trust will continue to exist and deliver benefits in perpetuity. The Trust, under the guidance, supervision and administration of the Trustees, will support projects with a focus on:

- Education;
- Health and welfare;
- Women's groups;
- Enterprise development; and
- Social infrastructure.

**Figure 3: BCR Coal Community Trust Structure**



#### **1.4 OVERVIEW OF THE PROPOSED VLAKFONTEIN OPERATION**

The Vlakfontein project will follow four phases of development, i.e. Construction, Commissioning & Build-up, Production, Decline and Closure.

Employees will be sourced and appointed in line with the project plan once the Mining Right has been granted.

**Table 2: Project Cycle and Ramp-up**

STAGE 1	STAGE 2	STAGE 3	STAGE 4
CONSTRUCTION	COMMISSIONING & BUILD UP	PRODUCTION	DECLINE & CLOSURE
2023- 2024 (1 year)	2025 - 2026 (1 year)	2026 - 2041 (16 years)	2042 - 2044(2 year)
No. of estimated workforce: 0 - 10 Contractor based: 86	No. of estimated workforce: 11 - 96	No. of estimated workforce: 96	No. of estimated workforce: 96 - 0
Mining right obtained Construct & complete infrastructure. Construct open pits. Construct & establish service areas. Start contractor mining.	Build production levels up to BCR Coal level of approx 840 000 run of mine tons per annum	Maintain approx million run of mine tons per annum. Continuous improvement Monitoring and evaluation.	Further development of portable skills. Scaling down of operations. Rehabilitation. Retrenchments.

### 1.5 SIZE AND COMPOSITION OF WORKFORCE

The table below outlines the projected number of personnel to be directly employed by or contracted to Vlakfontein Colliery (See annexure la, lb and 1c for detail).

**Table 3: Occupational Distribution of Workforce at Vlakfontein Colliery**

PATTERSON GRADE	MANAGERIAL, TECHNICAL AND SERVICES				MINING	TOTAL
	ENGINEERING	PROCESSING				
E	1	0	0	0	1	
D	4		0	2	6	
C	6	17	20	4	47	
B	5	15	36	132	188	
A	0	0	0	0	0	
<b>TOTAL</b>	<b>16</b>	<b>32</b>	<b>56</b>	<b>138</b>	<b>242</b>	

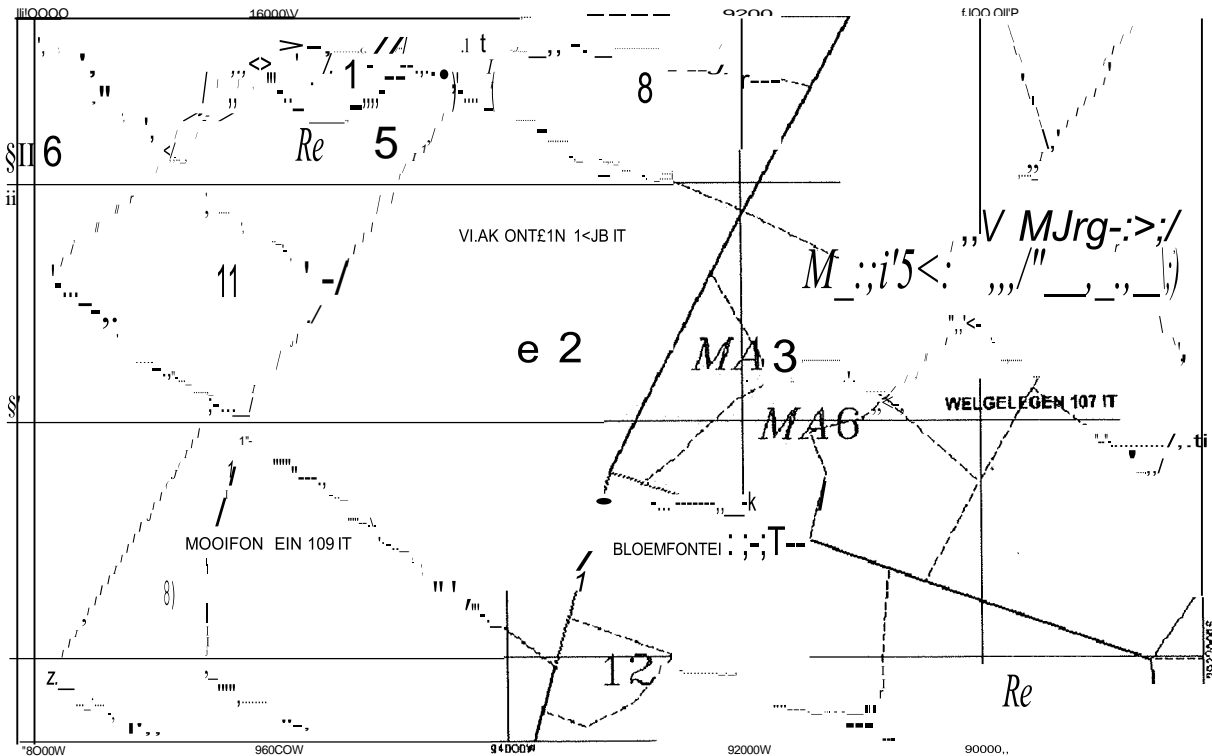
**1.6 SUBMISSION OF THIS SLP**

This SLP is submitted in support of an Application for a Mining Right for the properties listed in the table below.

**Table 4: Project Properties Table**

PROPERTY DESCRIPTION	PORTION	REGISTRATION DIVISION	PROVINCE	EXTENT (HA)
Vlakfontein 108	Portion 11 (ptn of ptn S)	IT	Mpumalanga	257
Vlakfontein 108	Remaining Extent of Portion 2	IT	Mpumalanga	1060
Welgelegen 107	Mineral area 11 (Ptn of MA 10)	IT	Mpumalanga	17
Welgelegen 107	Mineral area 3 on Ptn 12	IT	Mpumalanga	97
Welgelegen 107	Mineral area 5 (Ptn of MA 1)	IT	Mpumalanga	168
Welgelegen 107	Mineral area 6 (Ptn of MA 2)	IT	Mpumalanga	145
Welgelegen 107	Mineral area 9 (Ptn of MA 8)	IT	Mpumalanga	113

Figure 4: Projects Property Diagram.



## **1.7 THE DEMOGRAPHICS OF THE WORKFORCE**

The mine currently has no workforce. At production (steady state) it is envisaged that the mine could employ 242 people. BCR Coal Vlakfontein Mining and Exploration (Pty) Ltd (OVME) will endeavour to source the majority of the workforce from the Msukaligwa Local Municipal area (specifically Ermelo, Breyten and Chrissiesmeer). Once the workforce has been recruited, a detailed breakdown of the labour sending areas will be submitted to the Department of Minerals and Resources.

## **1.8 CONTRACTOR COMPLIANCE**

Some aspects of the mining operations may be contracted out. The company's objective in terms of contractor compliance is to ensure that equal opportunities, non-discriminatory practices and a safe and healthy working environment are maintained for all employees. The mine will therefore ensure that all contractors performing core functions at the operation comply with the provisions of this Social and Labour Plan and the Mining Charter Scorecard.

Vlakfontein Colliery will further ensure that it does not utilise contractor companies that provide a service through labour broking.

(

1

**REGULATION 46 (B): HUMAN RESOURCES  
DEVELOPMENT PROGRAMMES**

## 2 **REGULATION 46 (B): HUMAN RESOURCES DEVELOPMENT PROGRAMMES**

The Human Resource Development related objectives of the Mining Charter are to:

- Substantially and meaningfully expand opportunities for HDSAs, including women, to enter the mining and minerals industry and to benefit from the exploitation of the nation's mineral resources;
- Utilise the existing skills base for the empowerment of HDSAs;
- Expand the skills base of HDSAs to serve the community;
- Promote employment and advance the social and economic welfare of mining communities and the major labour-sending areas.

( The Mining Charter commits all stakeholders to creating an enabling environment for the empowerment of HDSAs by providing a comprehensive skills development plan that addresses the HDSA mining skills deficits within the industry. OVME is committed to:

- Interface with the Mining Qualifications Authority (MQA) in the formulation of a comprehensive skills development strategy;
- Appoint a Skills Development Facilitator;
- Establish and submit annual Workplace Skills Plans and subsequent Annual Training Reports;
- Establish and provide bursary, internship and learnership schemes;
- Provide skills training opportunities to employees during their employment to improve their earning capacity after mine closure;
- Provide access to training courses in mining-related skills;
- Offer every employee the opportunity of becoming functionally literate and numerate;
- Implement career paths to provide opportunities to HDSA employees to progress in their chosen careers; and
- Develop systems through which HDSAs will be mentored.

1 This section of the SLP is structured according to Regulation 46 (b) as outlined in Table 5:

**Table 5: Regulation 46(b)**

Regulation 46 (b) (i)	Skills Development Plan.
Regulation 46 (b) (ii)	A Career Progression Plan and its implementation in line with the Skill Development Plan.
Regulation 46 (b) (iii)	A Mentorship Plan and its implementation in line with a Skills Development Plan.
Regulation 46 (b) (iv)	A Bursary and Internship Plan and its implementation in line with the Skills Development Plan.
Regulation 46 (b) (v)	The Employment Equity statistics and the mine's plan to achieve the 10% woman's participation in mining and 40% Historically Disadvantaged South Africans (HDSA) participation in management by 2013.

### 3 REGULATION 46 {B} {I}: SKILLS DEVELOPMENT PLAN

The baseline situation of the mine currently is that it has no employees. It is envisaged that at steady state the following staff complement will be achieved:

**Table 6: Estimated Steady State Workforce**

CATEGORY	COMPLEMENT FV2013
Management and Central Services	16
Engineering	32
Processing	56
Mining	138
<b>TOTAL</b>	<b>242</b>

A social impact study was conducted and indicated that the area in which the mining development is to take place may not be able to adequately supply the required skills for the planned operations. Therefore, Vlakfontein Colliery undertakes to enable the recruitment of labour locally through the bursary programme, learnerships and other skills development programmes to ensure the bridging of this skills gap.

#### 3.1 PARTICIPATION IN LEGISLATED SKILLS DEVELOPMENT PROCESSES

##### 3.1.1 Skills Development Facilitator (SDF)

Vlakfontein Colliery will appoint a Skills Development Facilitator (SDF). The SDF will assume the following responsibilities:

- Develop and submit on an annual basis the Workplace Skills Plan (WSP) and Annual Training Report (ATR);
- Advise on the implementation, monitoring and review mechanism of the WSP;
- Advise on the paying and claiming of levies and grants;
- Serve as a resource in all aspects of skills development including skills programmes and learnership development; and
- Serve as a liaison person between the mine and the MQA.



**Table 7: Legislation Compliance Action Plan 46(b)(i)**

Appointment of a SDF	2013
Development and submission of a Workplace Skills Plan (WSP)	2013 onwards
Annual Training Report (ATR)	2014 onwards
Payment and claiming of levies and grants	2012 onwards

### 3.2 ADULT BASIC EDUCATION AND TRAINING (ABET)

Vlakfontein Colliery recognises the negative impact that functional illiteracy has on South Africa. To this end, Vlakfontein Colliery is in full support of the national ABET drive and the targets of the Mining Charter.

#### 3.2.1 Adult Basic Education and Training

Vlakfontein Colliery will facilitate employee access to ABET Level 1 - 4 and will include it in the WSP. Vlakfontein Colliery will be guided by the BCR Coal Coal Procedure regarding ABET, where the objectives are to facilitate functional literacy and numeracy amongst the workforce.

Vlakfontein Colliery will seek out opportunities to provide the local community access to ABET classes with the view to improve their marketability for employment.

#### 3.2.2 ABET Budget

The budget will be calculated at R3 250.00 (including facilitator fees and course material) per learner. Once employees have been identified and the required skills audit completed, a detailed budget will be submitted to the DMR.

**Table B: ABET Action Plan**

ACTION	2012	2013	2014	2015	2016
Finalize the anticipated operations needs	X				
Determine local capacity and resources requirements	X				
Identify an accredited service provider to conduct assessments on a continuous basis.		X	X	X	X
Conduct ABET sessions for various levels		X	X	X	X
Annual reporting (DMR and DoL)	X	X	X	X	X

### **3.3 LEARNERSHIP PLAN**

A Learnership is a vocational education and training programme that combines structured workplace learning governed by a contract between the employer, an accredited training provider and the learner. At the end of the programme the Learnership will culminate in a qualification registered on the National Qualifications Framework (NQF).

Vlakfontein Colliery's learnership plan will be guided and centrally managed by the BCR Coal Coal policy and procedure which provides for the training of individuals in various disciplines that are biased towards the hard to fill skills and an increasing focus on women. BCR Coal's Learnership programme, when recruiting for learners, is based on an employment ratio of 80:20 HDSAs to non-HDSAs. Vlakfontein Colliery will use acceptable communication structures and medium to promote fair access to available learnerships. Vlakfontein Colliery will source learners from the Msukaligwa Local Municipality or Gert Sibande district.

The specific learnership plan will be informed by the skills requirement of the Vlakfontein Colliery (in line with the WSP) as well as the Sector Skills Audit (the forecast of skills scarcity within the industry for the next five years) as released by MQA and employment equity and or women in mining requirements.

#### **3.3.1 Learnership targets**

Vlakfontein Colliery will make provision for the following learnerships in the next five (5) years:

**Table 9: Preliminary Learnership Targets**

TARGET	TOTAL WORKFORCE	2011	2012	2013	2014	2015
Management	16	0	0	0	0	0
Engineering	32	1	2	4	4	4
Processing	56	0	1	2	2	2
Mining	138	1	3	6	6	6
<b>Total</b>	<b>242</b>	<b>2</b>	<b>6</b>	<b>12</b>	<b>12</b>	<b>12</b>

### 3.4 SKILLS DEVELOPMENT PROGRAMMES

All skills development programmes at Vlakfontein Colliery will be guided by the BCR Coal Coal policies and procedures, which ensure employees are adequately trained and developed to safely and effectively perform in their roles. Further to this, these policies and procedures offer access to continual learning in the form of employee study bursaries, succession planning and talent management. Vlakfontein Colliery will source accredited training providers through the service delivery provided by BCR Coal Coal.

The targets will be informed by the envisaged skill requirements in line with the business plan as well as envisaged labour turnover levels and employment equity, including women in mining requirements. Further, as with all HRD programmes at BCR Coal Coal, the skills development programmes place emphasis on developing the mines' employees in order to facilitate their optimal performance abilities in respect of leadership and strategic business areas.

**Table 10: Skills Development Action Plan**

ACTION	2011	2012	2013	2014	2015
Develop skills and competency requirements for proposed operation	X	X	X		
Develop Workplace Skills Plan (WSP) and submit				X	
Identify workforce profiles and job requirements	X	X	X		
Conduct skills programmes			X	X	X
Annual reporting and updating of the WSP and ATR				X	X

1

### 3.5 PORTABLE SKILLS PROGRAMMES

Vlakfontein Colliery will be required to equip their workforce with portable skills by means of training and development in preparation for closure and/or downscaling. As the permanent workforce has not yet been established and the employee skills audit has not yet been conducted, Vlakfontein Colliery is not in a position to provide a specific portable skills plan at this time.

Vlakfontein Colliery's strategy will be to provide access to portable skills training in a manner that ensures sustainability of skills learnt, meaning that training and development will be provided closer to the time that the employee will require the skill, or, when the employee is in a position to practice and sustain the skill.

The table below outlines the type of portable skills that are foreseen to be provided by Vlakfontein Colliery.

**Table 11: Table of Portable Skills**

learn to earn (SMME development programme)	Bricklaying Plumb-
Agricultural development programmes	ing
Tourism development programme Weld-	Basic house wiring Fi-
ing	nancial management

Table 12: Number and Education Level as per Form Qin Annexure II of the MPRDA Regulations

BAND	NQF LEVEL	CLASSIFICATION SYSTEM	MALE			FEMALE			TOTAL	
			A	C	W	A	C	W	Male	Female
General Education and Training (GET)		No schooling/Unknown								
		Grade Of Preschool								
		Grade 1/Sub A								
		Grade 2/Sub B								
		Grade 3/Std 1/ABET 1								
		Grade 4/Std 2								
		Grade 5/Std 3/ABET 2								
		Grade 6/Std 4								
Further Education and Training (FET)	1	Grade 7/Std 5/ABET 3								
		Grade 8/Std 6								
		Grade 9/Std 7/ABET 4								
	2	Grade 10/Std 8/N1								
	3	Grade 11/Std 9/N2								
	4	Grade 12/Std 10/N3 Certificates								
	5									
	6	First degrees/Diplomas								
Education and Training (HET)	7	Honours/Higher diplomas								
	8	Masters/Doctorates								
Total										

No

staff



Table 13: Hard-to-fill Vacancies as per Form R in Annexure II the MPRDA Regulations

OCCUPATIONAL LEVEL	JOB TITLE OF VACANCY	MAIN REASON FOR INABILITY TO FILL THE VACANCY
Top management	Mine management	No readily available skills
Senior management	Manager Rock Engineering	No readily available skills
Professionally qualified and experienced specialists and mid-management	Mining Engineers Electrical & Mechanical Engineers Maintenance Engineer Engineering Specialist - Draglines Processing Engineers Specialist HSECQ (DMR) Superintendent HRD	Shortage within the industry confirmed by local skills assessment and MQA sector skills audit
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	Engineering assistant Maintenance specialist - electrical	Shortage within the industry confirmed by local skills assessment and MQA sector skills audit
Semi-skilled and discretionary decision-making		
Unskilled and defined decision-making		

#### 4 **REGULATION 46 (B) (II): CAREER PATH PLANNING**

A career path plan is a way to illustrate a career path indicating possible routes to follow or change from in respect of a role or position by defining competences in the form of skills and experience required by the various job categories.

As with all other Human Resource Development processes, Vlakfontein will be guided by BCR Coal Coal's procedures in terms of Career Path Planning

In summary, these procedures outline the career paths for each discipline and apply to all employees within that particular discipline. The generic career paths are presented in Appendix 2. In essence these career paths describe the hierarchical steps or job positions within the particular discipline together with the minimum requirements for each position. It should be noted however that the time it takes individuals to progress from one career path level to another is influenced by a number of factors (such as qualifications, experience, overall career plan for the individual etc) and therefore cannot be generalised for the generic career paths depicted in Appendix 2. The learning and development required specifically for each role at Vlakfontein Colliery will be further defined in a learning and development profile (role training matrix), which will contain detailed career pathing specific to the role.

A career management system at BCR Coal Coal has been established and this will form the basis of the Vlakfontein process. The system comprises of discipline-based career management committees, which focus on the development of employees' at all occupational levels within each discipline. The career management committees at Vlakfontein Colliery, once established, will identify and monitor the mine's talent pool to facilitate appropriate skills development for employees in order to meet the operations business plan as well as to ensure individuals at all occupational levels are developed in respect of their skills.

Vlakfontein Colliery will ensure that all employees have a learning and development plan that originates through a learning and development interview. These will be updated and maintained annually.



## 5 REGULATION 46 (B) (III): THE MENTORSHIP PLAN

The Mentorship Plan for Vlakfontein Colliery will be guided by the BCR Coal Coal procedure. Mentoring is defined in the BCR Coal Coal procedures as the transfer of experience and attributes from a mentor (an experienced, more senior and wiser individual, either from Vlakfontein Colliery or from another BCR Coal Coal operation) to a protege (junior employee with less experience in the relevant field of expertise) with the intention of improving the competencies of the protege to meet the current and future job requirements. Coaching is however, a more interactive transfer of experience geared towards developing the less experienced individual during the course of implementing actions whilst on the job.

### 5.1 EMPLOYEE MENTORSHIP PROGRAMME

The Vlakfontein career management system will focus on the development of employees at a supervisory and management level within each discipline. According to BCR Coal Coal's guidelines, each employee is required to have an annual learning and development interview with his/her supervisor during which his/her development plan is discussed and reviewed. As part of the skills development process, supervisors are responsible for mentoring individual employees. Vlakfontein will identify mentors who are responsible for the formal mentoring (within structured mentor-protege agreements) of identified Vlakfontein's HDSA employees from supervisory levels and above, each of which will have a talent profile which will facilitate his or her development plan incorporating detail from psychometric assessments and performance reviews.

The focus will provide a standardised approach for mentoring, mainly in respect of:

- Young professionals;
- Identified employees, with specific focus on HDSAs and talent pools.

Mentorship will be a crucial component of any fast-tracking plan. The system will be integrated into Vlakfontein Colliery's talent management and career succession process to provide a mechanism for competency transfer. In this way, HDSA individuals will be able to acquire the required competencies as well as work and life experience under the guidance of competent role models who act as mentors.

The main features of implementing the mentorship programme will be:

- The planned involvement, agreement and buy-in of suitable managers;
- The design of appropriate training materials, mentoring agreements and working documents;
- The training of line managers responsible for mentoring; and
- The matching of mentors to proteges.

## 6 REGULATION 46 (B) (IV): THE INTERNSHIP AND BURSARY PLAN

Policy and procedure under the BCR Coal banner will govern all Vlakfontein processes related to the selection and allocation of bursary and graduate opportunities.

### 6.1 BURSARY PROGRAMME

BCR Coal will provide the service delivery for the Vlakfontein Bursary Scheme in the form of bursaries to students for full time studies at selected South African Tertiary Institutes. The bursaries are open to all Grade 12 scholars that meet the university entry requirements as well as students who are already studying.

Vlakfontein will offer bursaries preferably in the following disciplines:

- Mining Engineering;
- Mine Surveying;
- Extractive Metallurgy;
- Electrical (Heavy Current) and Mechanical Engineering; and
- Geology.

The emphasis of this bursary scheme is to identify high potential HDSA candidates. The bursaries will cover all fees, accommodation, text books and a living allowance for the period of study, usually four years.

In most cases the Vlakfontein Colliery Bursary Scheme will provide the feeder pipeline into the Vlakfontein Colliery Graduate Programme.

### 6.2 GRADUATE/INTERNSHIP PROGRAMME

Vlakfontein Colliery will offer internships in various disciplines to diplomats and graduates with the focus on the development and training of employees in the technical disciplines. On completion and graduation of their studies, graduates will be given an internship programme to provide practical work experience. Within their structured programmes, graduates will undergo specific technical and leadership training to facilitate the acquisition of a professional qualification.

The Vlakfontein Colliery Graduate Programme will provide for a majority of HDSA candidates.

### 6.3 PLAN & TARGETS

**Table 14: Bursary Targets**

TARGET	2011	2012	2013	2014	2015
Management & Central Services	0	0	0	0	0
Engineering	0	2	2	2	2
Processing	0	1	1	1	1
Mining	0	2	2	2	2
<b>TOTAL</b>	<b>0</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

**Table 15: Internship Targets**

TARGET	2011	2012	2013	2014	2015
Management & Central Services	0	0	0	0	0
Engineering	0	1	1	1	1
Processing	0	1	1	1	1
Mining	0	1	1	1	1
<b>TOTAL</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

7 **REGULATION 46 (B) (V) EMPLOYMENT EQUITY: STATISTICS**

Table 16: Employment Equity Statistics as per Form Sin Annexure II of the MPRDA Regulations

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL	DISABLED	
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female
Top management											
Senior management											
Professionally qualified and experienced specialists and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents											
Semi-skilled and discretionary decision-making											
Unskilled and defined decision-making											
Total number of permanent employees											
Non-permanent employees											
<b>TOTAL EMPLOYEES</b>											

*No staff*

## 8 REGULATION 46 (B) (V) EMPLOYMENT EQUITY: WOMEN IN MINING

To address the historical issues of South Africa that resulted in the majority of South Africans being excluded from participating in the mainstream economy (especially women), Vlakfontein Colliery will be guided by the BCR Coal Coal Employment Equity Policy, which inter-alia addresses equity of women in mining. The Employment Equity plan for Vlakfontein Colliery will be submitted to Department of Labour within six months of it becoming a designated employer.

Upon engagement of the employees, Vlakfontein Colliery will provide the required employment equity statistics, which will be completed in the format of **Form S** as required by the Social and Labour Plan guidelines, 4 months after the commencement of the mining operation.

### 8.1 WOMEN IN MINING PLAN

Vlakfontein Colliery will make every effort to reach the target of 10% women participating in mining from the onset of recruiting a workforce in 2011 (refer table 2 for estimated workforce).

To achieve this, Vlakfontein Colliery will develop a number of strategies to enhance female representation and to ensure that Gender Equity targets are realistic and achievable. These strategies will include:

- At least 10% of all mining related training opportunities will be awarded to women;
- At least 10% of all portable skills related training opportunities will be awarded to women;
- At least 10% of all learnership positions will be awarded to women;
- At least 10% of all internship positions will be awarded to women;
- At least 10% of vacant positions in identified mining roles to be reserved and filled by women, which includes strategically critical positions; and
- Creating and enabling an environment for empowering women by removing identified barriers, for example, separate change houses and accommodating pregnant woman in a safe manner.

### 8.2 WOMEN IN MINING TARGET COMMITMENT

The following table shows the Gender Equity targets in terms of Paterson Bands. It must be noted that these targets are for steady state and are the minimum.

**Table 17: Identified Positions in Mining in Terms of Paterson Bands**

<b>MINING OCCUPATIONAL</b>	<b>NUMBER OF POSITIONS</b>	<b>LEVEL</b>
General Manager	1	EL
Plant Manager	1	DU
Production Manager	1	DU
Engineer	1	DU
Surveyor	1	DL
Production Superintendent	2	DL
Production Foreman	4	CU
Engineering Foremen	2	CU
Shift Supervisor	4	CU
Artisans	15	CL
Production Attendant	16	CL
Production Assistant	32	BU
Operators	120	BU
Assistant/ Relief	12	BL
Cleaner/ Relief	4	BL
Artisan Assistants	15	BL
Survey Assistant	1	BL

**Table 18: Women in Mining Targets**

<b>OCCUPATIONAL LEVELS</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
'F Band	0	0	0	0	0
E Band	0	0	0	0	0
D Band	1	1	1	1	2
C Band	4	4	5	5	6
B Band	19	19	20	21	22
Total Women in Mining	<b>24</b>	<b>24</b>	<b>26</b>	<b>27</b>	<b>30</b>
Total Positions in Mining	<b>232</b>	<b>232</b>	<b>232</b>	<b>232</b>	<b>232</b>
Total workforce	242	242	242	242	242
% of Women in Mining	10.3%	10.3%	11.2%	11.6%	12.9%

## REGULATION 46 (B) (V): EMPLOYMENT EQUITY: HDSA PARTICIPATION IN MANAGEMENT

Vlakfontein Colliery will ensure suitably qualified HDSAs have equal employment opportunities and are equitably represented in management levels. This will include the development of a demographically representative talent pool, ensuring effective career and succession planning to retain talent and construct and implement a sound mentorship programme.

### 9.1 HDSA IN MANAGEMENT PLAN

Vlakfontein Colliery will develop strategies to ensure that HDSAs are fairly represented at management level, this includes:

- At least 40% of vacant positions in management level to be reserved and filled by HDSAs, which includes strategically critical positions;
- Within structured programmes, at least 40% of leadership training and development will be provided to HDSAs.
- Identify and groom HDSAs for senior management positions;
- Create positions for HDSAs (where practically possible) at management level;
- Developing future employees with potential;
- Recruiting externally for qualified staff, trainees and bursars.

The table below shows HDSA in management targets in terms of Paterson Bands.

**Table 19: HDSA in Management Targets**

GRADE	CATEGORIES	2014	2015	2016	2017	2018
E	Management	0	0	0	0	1
D	Professionally qualified	3	3	4	4	4
<b>Total</b>		<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>5</b>
Expected Workforce (Management)		7	7	7	7	7
% of workforce		<b>42.8%</b>	<b>42.8%</b>	<b>57.1%</b>	<b>57.1%</b>	<b>71.4%</b>

## 9.2 TALENT MANAGEMENT FOR HDSA

Vlakfontein Colliery will ensure that HDSAs are identified and placed within accelerated development programmes, this in accordance with the BCR Coal Coal Talent Management Policy. Progress against their training and development programmes will be monitored through the career management processes.

Selection criteria to be used to identify the talent pool will focus on:

- Potential to occupy a critical strategic position within a defined time period;
- Consistently superior performance; and
- Criticality and scarcity of the position.

(



REGULATION 46 (C): LOCAL ECONOMIC  
DEVELOPMENT PROGRAMMES

---

## 0 REGULATION 46 (C): LOCAL ECONOMIC DEVELOPMENT PROGRAMMES

Vlakfontein Colliery subscribes to the letter and spirit of the Minerals Industry Codes of Good Practice as gazetted in April 2009 in fulfilment of Section 100 (1) (b) of the Mineral and Petroleum Resources Development Act, 2002, (Act 28 of 2002).

Vlakfontein Colliery will be guided by BCR Coal Coal Policy, where, BCR Coal Coal's Corporate Social Investment is an integral part of the company's business strategic commitment to sustainable development to the lives we touch throughout our business value chain and within the communities in which we operate.

As such, Vlakfontein Colliery will actively engage in projects that would ensure a sustainable socio-economic environment within the communities it operates so that the result will be socio-economic independence of the people surrounding its areas of operation beyond the mining activities.

The Mining communities will have access to Vlakfontein's Corporate Social Investment fund, which is committed to spend at least 1% of its annual net profit after tax. This will fund and drive the socio-economic development projects.

These resources are primarily focused in the following areas:

- Education;
- Health and Social welfare;
- Women empowerment;
- Enterprise development; and
- Infrastructure development .

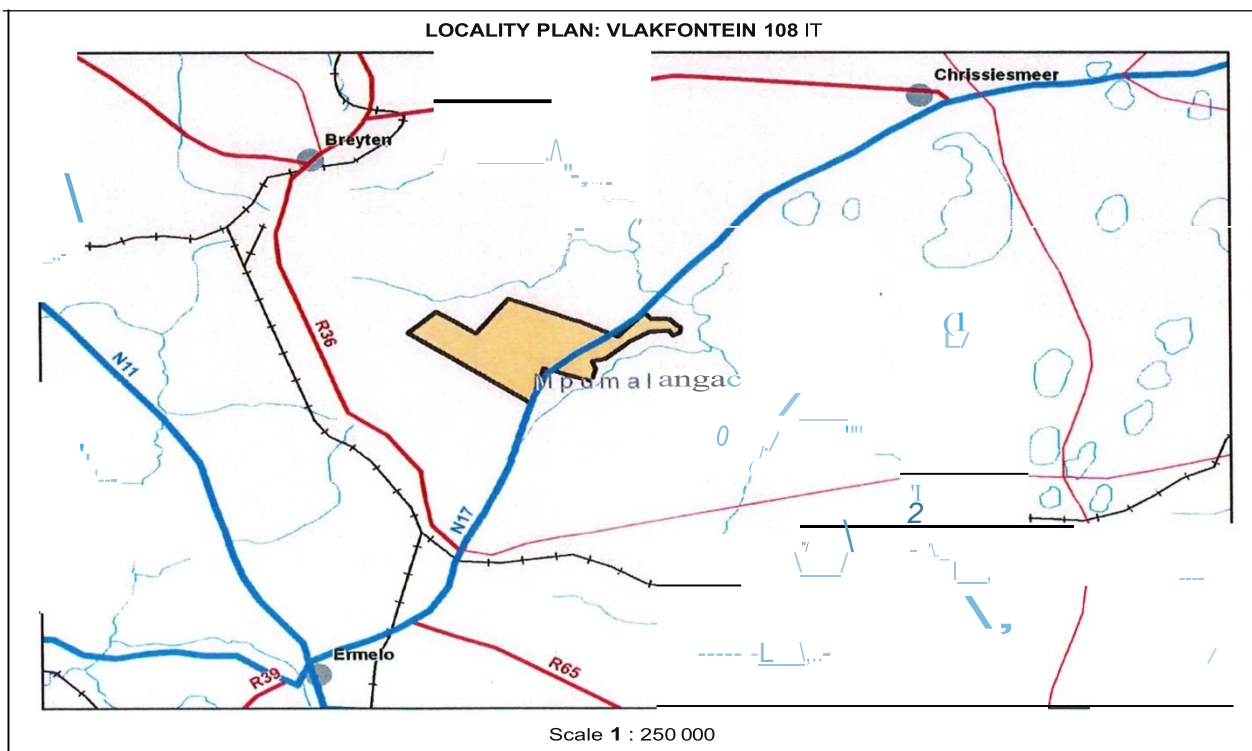
## 11 REGULATION 46 (C) (I): THE SOCIAL AND ECONOMIC BACKGROUND IN THE AREA IN WHICH THE MINE OPERATES

The Vlakfontein Colliery project is located within the Gert Sibande District Municipality and Msukaligwa Local Municipal area.

This socio-economic assessment is based on desk-top information obtained from the following sources:

- Integrated Development Plan of the Msukaligwa Local Municipality;
- Integrated Development Plan of the Gert Sibande District Municipality;
- Census 2001, Statistics South Africa; and the
- Socio-economic survey of Ermelo Ward 16, Breyten, Chrissiesmeer.

**Figure 5: Locality Map of the Vlakfontein Project**



### 11.1 SOCIO-ECONOMIC PROFILE OF THE DISTRICT AND MSUKALIGWA LOCAL MUNICIPALITY

Gert Sibande District Municipality is one of the three (3) District Municipalities that constitute the Mpumalanga Province. The District Municipality is bordered by Ekurhuleni Metro to the west and Sedibeng District Municipality to the south west respectively (both in Gauteng Province), Ehlanzeni District Municipality to the north east and Nkangala District Municipality to the north respectively (both in

Mpumalanga Province), Amajuba District Municipality in KwaZulu-Natal Province to the south east, and Swaziland to the east.

Spatially, Gert Sibande District Municipality is the largest of the three Districts in Mpumalanga Province at 31,846 km<sup>2</sup>, covering 40% of the Mpumalanga Province land mass. The District is made up of seven (7) Local Municipalities, being: Albert Luthuli; Govan Mbeki; Dipaleseng; Lekwa; Mkhondo; Msukaligwa and Pixley Ka Seme respectively.

The District is predominantly rural in nature with key anchor towns that dominate the urban settlements; these create a big challenge for the District in terms of provision of services, and coordination of planning, development and also the expensive nature of providing services to these rural areas, since most of the people reside therein

## 11.2 DEMOGRAPHICAL CHARACTERISTICS

The District is home to 985,632 people who constitute 25% of the Mpumalanga Province total population, with an average population density of 30.12 per km<sup>2</sup>.

### 11.2.1 Age and Gender distribution

The majority of households (65.8%) are headed by individuals between the ages of 20 and 49. The second largest percentage of households are headed by those between the ages of 50 and 69 (25.8%), while households run by those aged 70 and above comprise 7% of the total households in Msukaligwa. The smallest percentage of household heads are aged 19 and below (1.4%).

**Table 20: Msukaligwa Age Distribution of Household Heads**

AGEGROUP	NUMBER OF HOUSEHOLD HEADS	PERCENTAGE
19 years and younger	431	1.4%
20 to 49 years	19,949	65.8%
50 to 69 years	7,809	25.8%
70 years and older	2,113	7.0%
<b>TOTAL</b>	<b>30,302</b>	<b>100%</b>

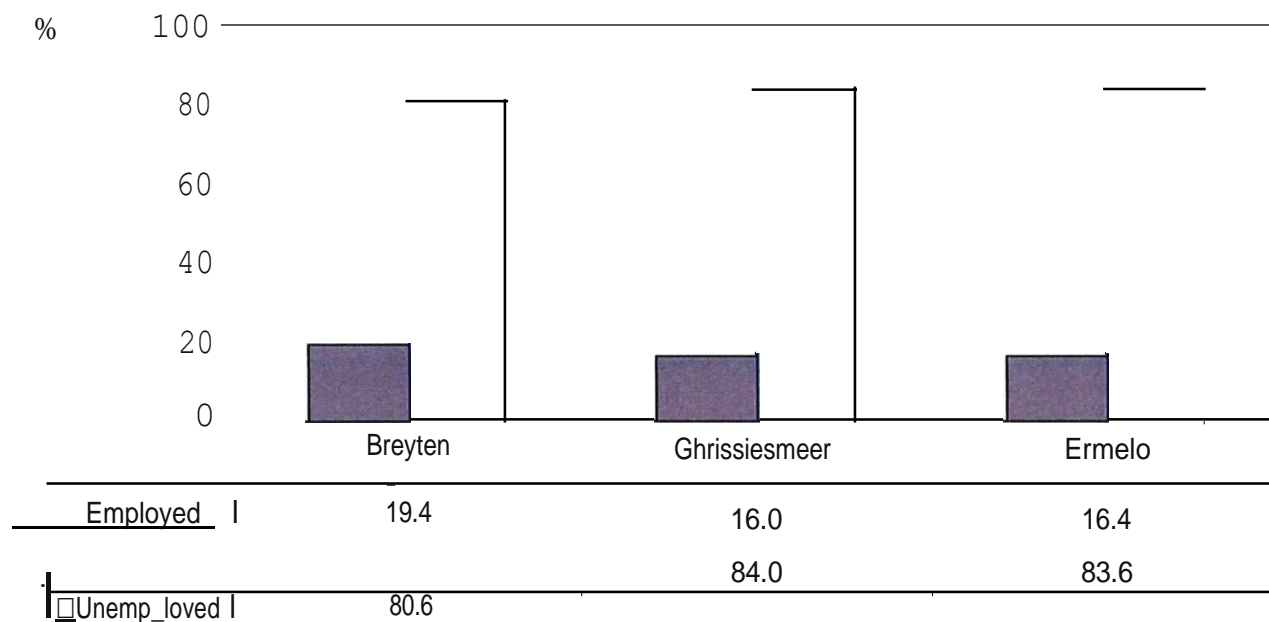
Further desktop research indicates that youth and female residents comprise 39% and 52% of the total population of Msukaligwa Municipality respectively. Taking into consideration the unemployment rate of 38% in Msukaligwa as per 2001 statistics, as well as the 2% estimated population growth in line with the District Water and Sanitation blue print, this is creating a big challenge for the Municipality to come up with job creation strategies, provision of land for housing, infrastructure and sanitary services.

It can be deduced that any form of future regional development intervention must be biased towards emancipation of women and empowerment of the youth as these are the dominating categories of the District's population.

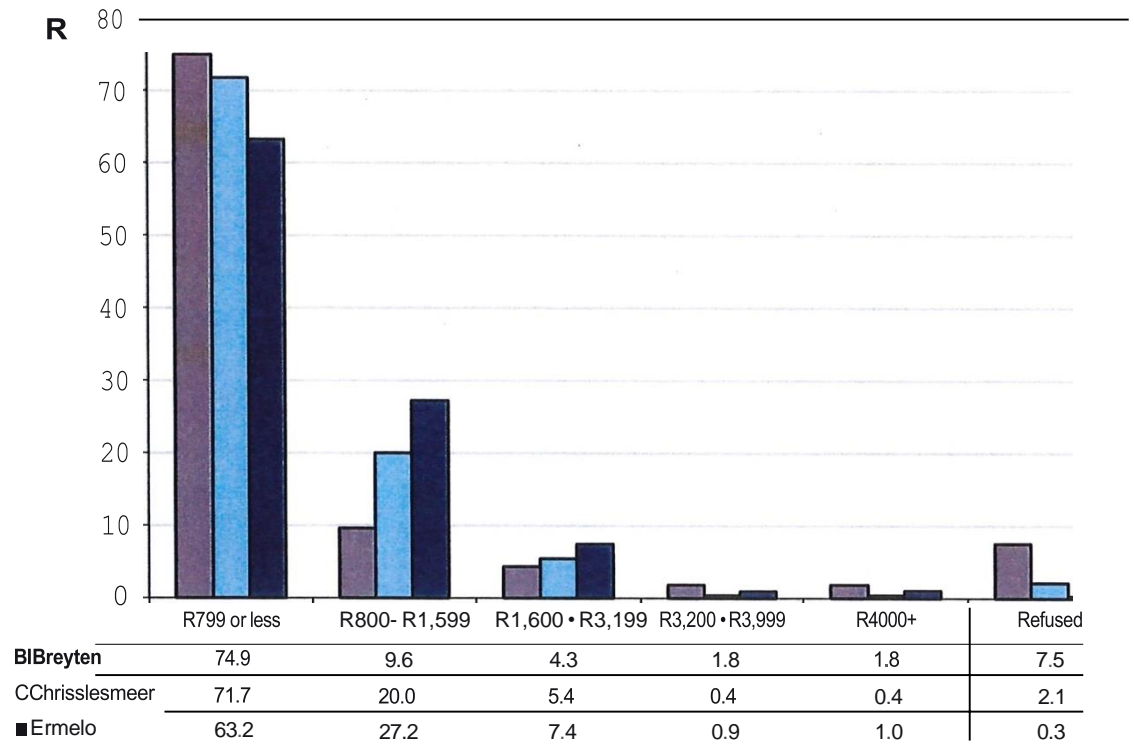
### 11.2.2 Education

The majority of the population in the Gert Sibande Municipal District over the age of 20 have some secondary education (27.0%) while 26.3% have been recorded as having no schooling. 18.6% have some primary education while 16.4% of the relevant group have reached or completed Grade 12. 6.2% of the categorised individuals have completed their primary level of education while only 5.5% of those interviewed during the 2001 Census have some level of higher education.

**Figure 6: Employment Status of Economically Active People**



**Figure 7: Percentage Monthly Household Income Distribution of Survey Area**



12 REGULATION 46 (II) (A): THE KEV ECONOMIC ACTIVITIES IN THE AREA IN WHICH THE OPERATION OPERATES

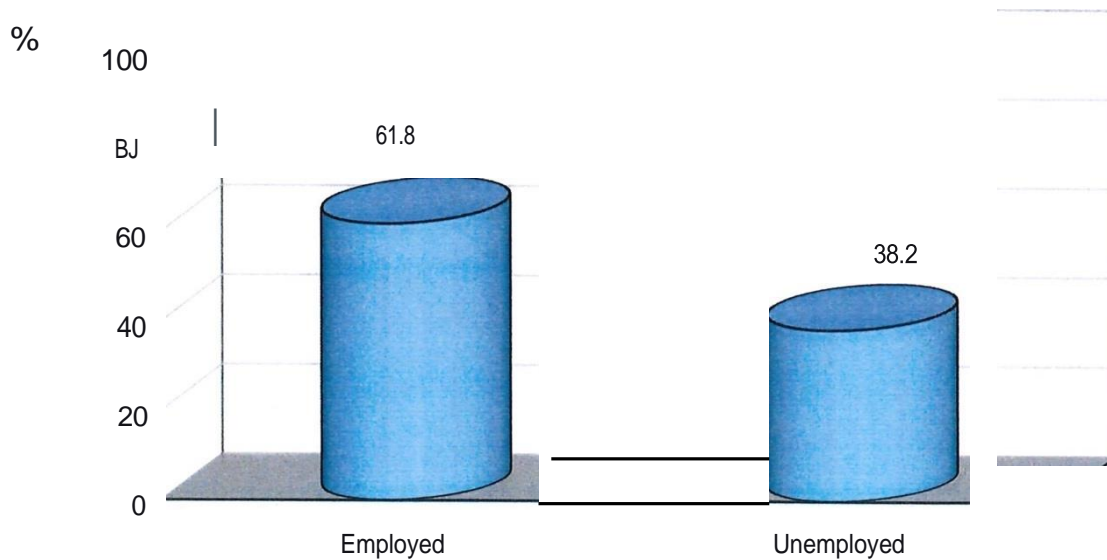
12.1 MSUKALIGWA LOCAL MUNICIPALITY

12.1.1 Employment status of economically active people

Table 21: Msukaligwa Labour Market Status of Economically Active Aged 15-65

STATUS	POPULATION 2001
Employed	28 083
Unemployed	17 361
<b>TOTAL</b>	<b>45444</b>

Figure 8: Msukaligwa Labour Market Status of Economically Active Aged 15-65



The above figure and table reflects the labour force within Msukaligwa Municipality and the challenge is dealing with the unemployment problem which the Municipality, District, business/private sector and government sectors face.

The economic activities in the Municipality comprise of Mining Operations, Timber Industries, Agricultural Land, Transport and Tourism areas as its economic base.

### 13.1 INTRODUCTION

The contribution that Vlakfontein Colliery will make towards the provision of infrastructure and towards poverty eradication within the mine community is a function of the mine's Local Economic Development (LED) programme. This in turn will be closely aligned with the Integrated Development Plans (IDP) of the Msukaligwa Local Municipality.

The proposed LED programme incorporates physical support, social support, community capacity-building and governance. In drafting this plan, the distinctive needs and dependencies of the community have been carefully considered in terms of their respective characteristics and the challenges that face them. These distinctions both inform and direct the nature of LED projects facilitated by the mine in these environments and contexts.

### 13.2 COMMUNITY NEEDS

The development opportunities were identified as part of a consultation process. The following consultations were done as part of this process:

- The local communities through a house to house survey where priority needs were asked from household heads;
- Meetings with the Ward Councilors, Spatial Development officials, IDP and LED Manager; and
- Meetings with key NGO's within the tourism and conservation sector

The following development needs were identified:

- Job creation through sustainable agricultural development;
- Increasing the quality and quantity of school leavers thereby addressing the shortage of critical skills through Math and Science programmes for grade 10-12 learners. This will increase opportunities for employability and bursaries to future school leavers;
- Improved quality of life through nutrition programmes provided to identified schools in the area;
- SMME development and opportunities; and
- Road infrastructure to mitigate impact of mining trucks through the Ermelo town, this project was specifically raised by the Msukaligwa Local Municipality as a critical project for which they are unable to fund. Vlakfontein will consider this project at a later date should adequate resources and partnerships be available.



**13.3 PROJECTS AND PROGRAMMES**

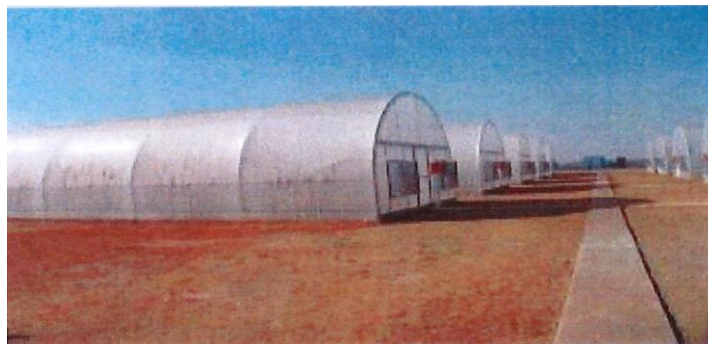
**13.3.1 Income Generating and Job Creation Projects**

**Table 22: Income Generating Project Plan**

Project Name: Vlakfontein Greenhouse

Project Category: Agricultural Development Farm

Background to the project: Some areas surrounding the mine development will be procured as part of the land acquisition process, but would not necessarily be used for agricultural development. These areas will become available to the socio-economic development programme to establish development projects. BCR Coal Colliery has had success with establishing a Greenhouse farm on a property of 1 ha with a packaging unit.



This project will be extended to the Vlakfontein project.

- Project Objectives:
- To establish a farm that produces organic and commercial vegetables
  - To establish a organic composting unit
  - To establish a processing and packaging unit
  - To establish a distribution process
  - Create sustainable jobs
  - Develop local agricultural and entrepreneurial skills

Overall planned BCR Coal Vlakfontein Mining and Exploration will be responsible for the involvement in this project establishment of the project

Measurable Deliverables:	<ul style="list-style-type: none"> <li>▪ Feasibility study</li> <li>▪ Establishment of infrastructure</li> <li>▪ Establishment of an institutional framework</li> <li>• Establishment of partnerships</li> <li>▪ Establishment of a market</li> <li>▪ Day-to-day operation of the farm</li> <li>• Training programmes</li> </ul>																														
Exit strategy:	The institutional framework will be established with a company to manage the project. The directors of this entity will be trained to manage the farm.																														
Project Incorporated into IDP:	Community agriculture has been identified in the IDP as a key area for development. One of the constraints identified is limited access to land from communities; therefore this project can overcome the current challenges faced by the community with the e types of developments.																														
Project Timeframe	<table border="1"> <thead> <tr> <th><b>Actions</b></th> <th><b>Y1</b></th> <th><b>Y2</b></th> <th><b>Y3</b></th> <th><b>Y4</b></th> <th><b>VS</b></th> </tr> </thead> <tbody> <tr> <td>Feasibility</td> <td>X</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Establishment</td> <td>X</td> <td>X</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Continuous training &amp; support</td> <td></td> <td>X</td> <td>X</td> <td>X</td> <td></td> </tr> <tr> <td>Hand-over</td> <td></td> <td></td> <td></td> <td>X</td> <td>X</td> </tr> </tbody> </table>	<b>Actions</b>	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>VS</b>	Feasibility	X					Establishment	X	X				Continuous training & support		X	X	X		Hand-over				X	X
<b>Actions</b>	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>VS</b>																										
Feasibility	X																														
Establishment	X	X																													
Continuous training & support		X	X	X																											
Hand-over				X	X																										
Project Target group / Beneficiaries	The Breyten community has been identified as a community with very low employment and economic growth, this community being the closest to the project area will be targeted to become involved in the project. As not to raise expectations this specific project has not been discussed in detail with the community but has been discussed with the local municipality.																														
Partnerships	<p>The Organic Growers Association will be involved</p> <p>The Msukaligwa Local Municipality</p> <p>Other partners in marketing will be identified Brey-</p>																														
Labour Sending area	ten community																														

Cost Estimate	Actions	V1	V2	V3	V4	VS
	Feasibility	R700K				
	Establishment		RI,Sm	RS00K		
	Training & support			R300K	R300K	
	Hand-over					R2SOK
	Total	R700K	RI,Sm	R800K	R300K	R250K

### 13.3.2 Skills Development and Capacity Building

**Table 23: Education: Math and Science programme**

Project Name:	<b>Education: Math and Science Programme</b>						
Project Category:	<b>Skills</b> Development/ Capacity building						
Background to the project:	From the community needs survey conducted during the SLP development, the job seekers / school leavers quality of education confirmed the national need to have programmes focused on improving the quality of education and the quantity of school leavers with the critical skills.						
Project Objectives:	To increase the quality and quantity of school leavers thereby addressing the shortage of critical skills.  This will develop learners in grades 10, 11 and 12 by way of a <b>multi-layered</b> Academic Intervention Programme which includes <b>Mathematics, Physical Science, Accounting and English.</b>						
Measurable Deliverables:	<ul style="list-style-type: none"> <li>• Motivation and soft skills Literacy programme</li> <li>• Saturday school to enhance quality of learners</li> <li>• Career guidance</li> <li>• Quality study material and methods</li> </ul>						
Project Incorporated into IDP:	Skills shortage have been identified in the IDP as a risk in service delivery for the municipality. This is a further constraint for the communities to access employment, therefore this project can overcome the current challenges faced by the community and to prepare for better opportunities.						
Project Timeframe	<table border="1"> <thead> <tr> <th>Actions</th> <th>V1</th> <th>V2</th> <th>V3</th> <th>V4</th> <th>VS</th> </tr> </thead> </table>	Actions	V1	V2	V3	V4	VS
Actions	V1	V2	V3	V4	VS		

			Feasibility		X			
			Establishment		X	X		
			Continuous training & support		X	X	X	X
			Hand-over					N/A
Project Target group /			The FET Level or Grade 10-12 learners from all the Msukalingwa communities.					
Beneficiaries			The District Education department					
Partnerships								
Cost Estimate			<b>Actions</b>	<b>Y1</b>	<b>Y2</b>	<b>Y3</b>	<b>Y4</b>	<b>VS</b>
			Feasibility					
			Establishment	<b>R200K</b>				
			Training & support	R900K	R900K	R900K	R900K	R900K
			Hand-over					N/A
			Total	R1.1m	R900K	R900K	R900K	R900K

### 13.3.3 Alleviation of poverty and associated social ills

**Table 24: Health and Social Welfare: Nutrition Programme for the School Children**

Project Name:	<b>Education: Nutrition Programme</b>
Project Category:	Capacity building - poverty alleviation
Background to the project:	From the community needs survey conducted during the SLP development, it was evident that learners come from families that cannot afford nutritious meals and this negatively affects them in class through diminished concentration.
Project Objectives:	<ul style="list-style-type: none"> <li>• Improved quality of life for the community</li> <li>• Promote Healthy lifestyle that will ensure a healthy community</li> <li>• Alleviate poverty and associated social ills in the mining communities</li> <li>• Reduction of morbidity and mortality in children older than 5years</li> </ul>
Measurable Deliverables:	<ul style="list-style-type: none"> <li>• Appointment of a consulting Dietician</li> <li>• Nutrition Programme Plan</li> <li>• Appointment of Implementation Agent</li> <li>• Roll out of programme (Feed 250 learners, nutritious meals 3 times a week, Educate women (45) and ECD Practitioners (25) on Nutrition and Hygiene Awareness</li> </ul>

Project Incorporated into IDP:	The project will run in line with the Maths and Science program as part of the skills development initiatives.					
Project Timeframe	<b>Actions</b>	<b>V1</b>	<b>V2</b>	<b>V3</b>	<b>V4</b>	<b>VS</b>
	Feasibility					
	Establishment	X	X			
	Continuous training & support	X	X	X	X	
	Hand-over			N/A		
Project Target group / Beneficiaries	Schools (250 learners), Mother and Child Health care facilities, Early Childhood Development centres within the Msukalingwa Municipality communities.					
Partnerships	The District Education and Health departments.					
Cost Estimate	<b>Actions</b>	<b>V1</b>	<b>V2</b>	<b>V3</b>	<b>V4</b>	<b>VS</b>
	Feasibility					
	Establishment	R60K				
	Training & support	R300K	R300K	R300K	R300K	R300K
	Hand-over			N/A		
	Total	R360K	R300K	R300K	R300K	R300K

## 14 **REGULATION 46 (C) (IV): MEASURES TO ADDRESS THE HOUSING AND LIVING CONDITIONS OF EMPLOYEES**

Vlakfontein Colliery will be guided by the BCR Coal Coal accommodation policy where the rationale is to enable employees to live with their families in sustainable communities. For this reason company-provided accommodation in the form of hostels and/or mine villages will not be supported.

Furthermore, taking into account the fact that employees will be recruited from communities within the Msukaligwa Local Municipal area (specifically Ermelo, Breyten and Chrissiesmeer), it is anticipated that it will be unlikely that employees will seek alternative housing or temporary housing.

In addition, to assist employees with home ownership, Vlakfontein Colliery will provide an all inclusive remuneration package that is based on BCR Coal Coal guidelines. This will incorporate a housing allowance component.

Vlakfontein will also encourage employees through dedicated communication plans at the mine and through the Future Forum structure to effectively utilise their all inclusive remuneration packages to cover bond repayments on their privately owned houses and, where applicable:

- Facilitate relationships between employees and commercial banks to establish an effective financial home ownership support programme; and
- Consult with the Department of Housing to facilitate employee application for government subsidies to assist with obtaining the necessary funds to enable them to purchase their own houses.

During the construction and commissioning stages of the project, contractor employees will be housed temporarily on the mine. A temporary contractor's camp will be developed on the mine footprint, with sufficient capacity to safely and hygienically house all contractor employees. This approach will be used to eliminate the formation of squatter camps.

r

## **S REGULATION 46 (C) (V): MEASURES TO ADDRESS THE NUTRITION OF EMPLOYEES**

Vlakfontein Colliery will not provide any catering facilities to employees. However, an educational training and awareness campaign will be initiated to provide Nutrition and Hygiene Awareness. This will be done within six (6) months of receipt of the mining right and carried out amongst all employees by distributing information in relevant languages in easily accessible areas as well as at induction sessions and through the mine's Future Forum.

Vlakfontein will also provide nutrition programmes for school children through its capacity building projects (refer table 24).

## 16 REGULATION 46 (C) (VI): THE PROCUREMENT PROGRESSION PLAN AND ITS IMPLEMENTATION FOR HDSA COMPANIES IN TERMS OF CAPITAL GOODS, SERVICES AND CONSUMABLES

**This** element is aimed at promoting economic participation of local people and Blacks in particular who have been denied access to economic opportunities prior 1994. It is measured by the extent that goods and services are procured from BEE compliant suppliers and service providers.

Vlakfontein Colliery will actively contribute to the transformation of the economic landscape by providing an environment conducive to empowerment and an economic platform for Blacks, with specific emphasis on Small, Medium and Macro Enterprises (SMME).

Once established, the Colliery will produce a procurement matrix and supplier database to facilitate the matching of supply chain opportunities with capable suppliers and service providers.

Our LED Programme provides for Enterprise Development as an integral part of Mine Communities and Rural Development, through structured and facilitated Business Development Services and investment packages that will be funded through our Enterprise Development Programme. This will be budgeted as 3% of net profit after tax of the Colliery.

The Colliery further commits to the Preferential Procurement Targets as set out by the Minerals Industry Codes of Good Practice.

### 16.1 SMME DEVELOPMENT PROGRAMMES

Peri-urban communities are characterised by individuals trapped in a fragmented society with consistent low incomes, isolated and alienated from mainstream economic activities. These conditions re-enforce people's dependence on government hand-outs, entrenches the poverty cycle and diminishes the quality of life in their neighbourhoods. They further provide a breeding ground for urban crime and other social problems.

The SMME Development programme at Vlakfontein will entail a selection and assessment of potential entrepreneurs, detailed analysis of their value propositions, and design of specifically tailored entrepreneur development programme with outcomes of fundamental business toolkits developed for each beneficiary business entity. Provision of set aside business opportunities in the form of leverage goods and services will be made for qualifying SMME's who would have concluded their development programme.



The Local FET College will be engaged to partner with Vlakfontein Colliery in the delivery of accredited training programmes, whilst local business networks will be engaged for coaching and mentoring of emerging entrepreneurs in the programme.

**The funding budget for the abovementioned initiatives will be derived from the Enterprise Development provision of 3% NPAT of the Colliery.**

**Table 25: Summary of Envisaged Enterprise Development Programme**

INITIATIVE	DESCRIPTION OF INTERVENTION	DELIVERABLES
Business Development Services	Range of business support to existing Exempt Micro Enterprises (less than RSm annual turnover) and Qualifying Small Enterprises (RS-35m annual turnover)	Entrepreneurial Development Programme including but not limited to; Business training that will increase business acumen, access to professional services, expansion funding to back service and or product offerings, operations rescue packages etc. For: Qualifying Small Enterprises and EME's on our vendor database
EME and QSE live-line support	Process payments to Disadvantaged suppliers within 15 days of invoicing to ensure their financial viability	Shortened Creditors payment process (15 Days or less)
New Venture Creation	Facilitate new entrance of emerging black businesses and specifically Women owned as well as owned by People Living	Start up Capital - Interest Free Loan plus Mentorship value for the following procurement opportunities: Land Rehabilitation, Waste Management, Fuel supply, Mine Security, Belt With Disabilities. Splicing, Bucket repairs etc.





)  
(

1

REGULATION 46 (D): PROCESS PERTAINING  
TO MANAGEMENT OF DOWNSCALING AND  
RETRENCHMENT



## 17 **REGULATION 46 (D): MANAGEMENT OF DOWNSCALING AND RETRENCHMENT:**

A fundamental principle behind both the Human Resources Development Programme (guiding the Portable Skills Training, ABET, Learnership programmes, etc) and Local Economic Development Programme (informing the sustainable development interventions, housing policies, etc) is job creation. Clearly however, at times of mine closure, be it inevitable or unexpected, the main outcome is the loss of employment opportunities. Consequently, a key element of the SLP is to put in place appropriate and practicable retrenchment and closure management programmes for the life of the mine in addition to the Human Resources and Local Economic Development Programmes.

This section of the SLP will outline the planned programmes in respect of adequately managing any downscaling and retrenchment activities that will take place at Vlakfontein for the remainder of the life of the mine. Whilst retrenchment exercises are not expected at Vlakfontein Colliery during its steady state, Table 28 (in the Financial Provision Section) provides the financial provision for retrenchment in accordance with the current BCR Coal Coal policy regarding retrenchment packages at the mine should downscaling of the workforce be required.

The fundamental objectives of the plans for managing downscaling and retrenchment during the life of the mine, in line with the philosophy of the Department of Labour's Social Plan are:

- To avoid or minimise as far as possible, job losses resulting from major restructuring or retrenchment exercises;
- To mitigate negative social and economic impacts on local and regional economies and labour-sending areas should retrenchment or closure be required;
- To ensure the relevant processes for effective retrenchment and mine closure are in place during the life of the mine;
- To adequately communicate with employees in respect of training and re-skilling programmes, applicable to mining and where feasible, non-mining industries; and
- To ensure the workforce is informed as to the current and future business prospects (i.e. business plan) for the mine in order to equip them with sufficient information to make informed decisions in respect of careers and general livelihoods should retrenchment programmes be required in the near future.

## 18 REGULATION 46 (D) (I): THE ESTABLISHMENT OF THE FUTURE FORUM

As the establishment of a Future Forum is required under Regulation 46 (d) (i) of the Mineral and Petroleum Resources Development Act (MPRDA), a Vlakfontein Future Forum will be established within six months of achieving steady state (Stage 3, Production).

The Future Forum is viewed as a site-specific labour-management body that will focus on the implementation and monitoring of the Social and Labour Plan. It is foreseen that the Future Forum will consist of representatives of the employees and of the management of the mining operation. The main objective of the Forum will be to ensure ongoing communication between the employees and management regarding the mining operation and factors affecting the operation.

The main role of the Vlakfontein Future Forum will be to provide early warnings and information of potential circumstances that may trigger retrenchments and/or lead to organisational restructuring, and to proactively and transparently identify challenges and solutions, develop turnaround or redeployment strategies, and to implement agreed actions, e.g. portable skills training.

In short, the purpose of the Future Forum can be summarised as follows:

- Negotiate and take measures to avoid large-scale job losses;
- Ameliorate social and economic impact of job losses;
- Anticipate the possibility of job losses and implement contingency plans;
- Give timeous warning to affected individuals to improve their chances of finding alternative employment;
- Discuss industry trends and challenges on an ongoing basis;
- Notify the Department of Labour of plans if more than 500 employees or more than 10% of the workforce could be retrenched in one year;
- Promote ongoing discussions between Worker Representatives and the Company about the future of the mine;
- Look ahead to identify problems, challenges and possible solutions with regard to productivity and employment;
- Identify production and employment turnaround strategies; and
- Implement strategies agreed upon by both the Company and worker parties.

## 19 **REGULATION 46 (D) (II) : MECHANISMS TO AVOID JOB LOSSES AND A DECLINE IN EMPLOYMENT**

In addition to the objectives of the mine to facilitate a sound business plan for the Vlakfontein Colliery operation, further strategies for avoiding job losses and a decline in employment are as follows:

- Ensuring that the business remains viable by keeping the cost structure as low and competitive as possible;
- Ensuring a productive and skilled workforce through training and motivation;
- Making continuing adjustments to production methods to remain competitive;
- Continuously seeking ways of growing and extending the business to ensure enhanced future sustainability;
- Sound labour and succession planning in line with the Mine Production Plans;
- Recruitment Policy and practices that will support the labour plans;
- The continuous monitoring and evaluation of natural attrition (retirements; resignations etc.); and
- Continuous consultation with Organised Labour (through the Future Forum) to identify and implement strategies and initiatives to avoid job losses and a decline in employment.

The focus of training and development programmes will be to provide:

- Numeracy and literacy training;
- Training that is in line with the National Qualifications Framework where-ever possible and established skills programmes;
- Portable skills defined as core skills which are recognised by the mining and other relevant industries and are therefore outcomes-based; and
- Skills training for industry and market requirements.

The pursuit of the above strategies in a holistic manner will result in extending the life of the mine and provide enhanced job security.

## **19.1 CONSULTATIONS**

In compliance with Section 52 (1) of the MPRDA, on identifying the need to curtail mining operations at Vlakfontein, should the profit revenue ratio of the relevant operation be less than six percent (6%) on average for a continuous period of twelve (12) months or should ten percent (10%) or more of the workforce (or more than five hundred (500) employees) have to be retrenched, a comprehensive consultation process with the relevant trade union structures or affected employees will commence in compliance with Sections 189 and 189(A) of the Labour Relations Act, 1995 (as amended) through the established Future Forum structure.

As planning for the Social Plan and its associated job loss and retrenchment management programmes commences, the Department of Labour and the Department of Minerals and Resources (specifically the Minerals and Mining Development Board in accordance with Section 52(1) (a) of the Act) will be notified. The government authorities will be given notice of the timeframe for the closure process as well as the ongoing consultation and Social Plan through the Future Forum structure. Regular progress reports will subsequently be distributed to the necessary departments, including the Social Plan and Productivity Advisory Council and the Department of Provincial and Local Government. Compliance to the Board's directive will be adhered to in order to meet the corrective measures as stipulated by the Board

## **19.2 PLAN TO PREVENT JOB LOSSES**

The most direct and appropriate intervention is for Vlakfontein Colliery to assist employees who could be retrenched is in securing alternative employment. Vlakfontein Colliery will, in co-operation with other BCR Coal mining operations, put a number of mechanisms in place to mitigate the impact of job losses in the event of a downscaling or closure of the mine.

### **19.2.1 Internal transfers to other BCR COAL operations**

Vlakfontein Colliery will support multi-skilling of employees. Where applicable, one of the mine's strategies encompasses an understanding by employees that jobs and duties, subject to individual skills and capabilities, are flexible within BCR COAL's operations. Consequently, as part of the strategy to broaden the skills base, Vlakfontein Colliery will provide training and retraining in the employee's existing career path as well as in new technological developments.

This means that if security of jobs is threatened, Vlakfontein Colliery is better placed to transfer an employee to another operation or division of BCR COAL. Depending on the agreements with trade unions and other worker representative bodies, the transfer would only be accomplished after consultation and reasonable notice to the employee.



### **19.2.2 Reskilling of workers for other jobs on the mine or for jobs outside the mining sector**

One of the objectives of multi-skilling workers is to increase the opportunity for alternative employment either in a different occupation on the mine or in a job outside the mining sector. In pursuit of this aim, Vlakfontein Colliery will provide alternative skills training to workers to enable them to be in a better position to seek work in a greater variety of positions or occupations. The focus of this training will be on subsistence, life skills and entrepreneurial activities.

In the life skills education programme, Vlakfontein Colliery will address critical retrenchment and retirement planning issues such as:

- Collection of mine pensions;
- Access to state benefits for pensioners;
- Financial planning for retirement; and
- Possibilities for supplementing pension income.

**20 REGULATION 46 (D) (III): MECHANISMS TO PROVIDE ALTERNATIVE SOLUTIONS AND PROCEDURES FOR CREATING JOB SECURITY WHERE JOB LOSSES CANNOT BE AVOIDED**

Vlakfontein Colliery will be committed to adhering to the procedures of Section 189 of the LRA, as well as the forward planning and transparent consultation processes of the Future Forum in the event of large-scale retrenchments. The management of Vlakfontein Colliery will also inform other affected parties, i.e. contractors, labour sending areas, municipalities, etc, of the possible retrenchments at the mining operation.

The process to be followed in the event of unavoidable job losses will include the following:

- A consultation process in terms of Section 52 (1) of the Labour Relations Act of 1995;
- Implementing Section 189 of the Labour Relations Act to deal with possible retrenchments; and
- Notification to the Minerals and Mining Development Board in terms of Section 52 (1) (b) of the Act.

**Table 27: Strategic Plans for Providing Job e\_curity**

DEFINITION AND MAIN OBJECTIVE	MAIN FOCUS AREAS	ACTION PLAN OBJECTIVES
<p>The addressing of employee needs in preparation for and during periods of downscaling and Mine closure to be able to meet these needs where practicably and possible.</p>	<p>Provision of financial security until a new means of income is established</p>	<ul style="list-style-type: none"> <li>• Severance benefit per a retrenchment agreement to provide the employee with income for a limited period to re-establish</li> </ul>
	<p>Access to training</p>	<ul style="list-style-type: none"> <li>• Skills training whilst employed</li> <li>• Provision for skills training upon exiting a job to prepare for an alternative career</li> </ul>
	<p>Access to advice</p>	<ul style="list-style-type: none"> <li>• Financial advice to employees to plan for retrenchment/retirement</li> <li>• Financial advice upon termination of service to deal with capital and income preservation adequately</li> </ul>
	<p>Access to job opportunities</p>	<ul style="list-style-type: none"> <li>• Access to alternative employment opportunities inside Company</li> <li>• Access to employment opportunities when new jobs are created (recall provisions)</li> <li>• Access to employment opportunities in open market</li> </ul>
	<p>Access to money-accumulation fund for retirement re- and financial needs</p>	<ul style="list-style-type: none"> <li>• Compulsory membership for all employees</li> <li>• Fund balance available to employee upon employment termination</li> </ul>
	<p>Access to state assistance</p>	<ul style="list-style-type: none"> <li>• UIF</li> <li>• Dol training and employment opportunities</li> </ul>

**21 REGULATION 46 (D) (IV): MECHANISMS TO AMELIORATE THE SOCIAL AND ECONOMIC IMPACT ON INDIVIDUALS, REGIONS AND ECONOMIES WHERE RETRENCHMENT OR CLOSURE OF THE MINE IS CERTAIN**

Interventions will be implemented to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the operation is certain. These interventions will include:

- Assessment and counselling services;
- Comprehensive self-employment training programs;
- Comprehensive training and re-employment programs.

Employees affected by retrenchments will receive severance packages as per the applicable clauses in the Labour Relations Act.

**Table 28: Action Plan to Ameliorate the Social and Economic Impact**

DEFINITION AND MAIN OBJECTIVE	MAIN FOCUS AREAS	ACTION PLAN OBJECTIVES	PROGRESS AND PLANNING
The creating of sustainable communities, which could function independently, and without reliance on Vlakfontein Colliery's mining activities.	Capacity building in communities to provide skilled leadership and people infrastructure to create sustainability	<ul style="list-style-type: none"> <li>• Leadership skills development</li> <li>• Capacity building for local councils</li> </ul>	To be developed as part of the Local Economic Development Programme at Vlakfontein Colliery in conjunction with the municipalities
	Educational support to ensure an educated and skilled population	<ul style="list-style-type: none"> <li>• Assistance to schools to enhance facilities</li> <li>• Teacher training and development</li> <li>• Additional classes to learners in technology orientated subjects</li> </ul>	To be developed as part of the Local Economic Development Programme at Vlakfontein Colliery in conjunction with the municipalities and Department of Education (DoE)

## **21.1 MITIGATING IMPACTS ON COMMUNITIES AT CLOSURE**

It is feasible that more detailed planning in respect of specific needs identified within the community in conjunction with the affected stakeholders and the relevant government departments will be required prior to mine closure.

However the mine recognises that as with any substantial development programme, a Socio- Economic Impact Analysis (SEIA) study is critical in determining needs amongst the local community and key labour-sending areas to be impacted by the closure. As such an SEIA will be carried out by specialist consultants prior to commencing detailed closure planning for the relevant areas. The SEIA will commence prior to closure and be supported by interaction with community structures and the Future Forum.

The development of the closure plan will place great emphasis on comprehensive and sensitive consultation with all stakeholders. Objection management is likely to be required among stakeholders, such as local businesses, who have understandable fears and concerns with regards to closure. Consultation and communication with stakeholder groups from local source communities, relevant government departments and local business forums will also be carried out through the relevant community forum structures in place at the time. These stakeholders may participate on the established Future Forum or a sub-committee thereof and facilitate discussions on priorities for local economic development within the closure-planning framework and ensure community interventions are sustainable during closure and post-closure.

## **21.2 POST CLOSURE PLANNING**

Management strategies for the post-closure period will also be developed with local stakeholders within the closure planning process. Strategies that avoid dependency amongst the social intervention beneficiaries and promote independence amongst individuals and businesses in the community will be developed to ensure post-closure sustainability. On-going consultation and advisory roles facilitated through the Future Forum structure or its relevant sub-committee will be utilised to ensure that the programmes and plans continue to deliver sustainable and effective benefits. The continued contribution and on-going management role of local government in this respect will be essential to this post-closure management process.

**REGULATION 46 (E): FINANCIAL PROVISION**

## 22 REGULATION 46 (E): FINANCIAL PROVISION DETAIL

### 22.1 FINANCIAL PROVISION FOR THE IMPLEMENTATION OF THE HUMAN RESOURCE DEVELOPMENT PLAN

Table 29: Five-Year Budget/or Human Resources Development Programmes

<b>PROGRAMMES</b>	<b>Year 1</b>	<b>Year2</b>	<b>Year3</b>	<b>Year4</b>	<b>Years</b>	<b>Total</b>
Skills Development Plan	R1,000,000	R1,200,000	R1,200,000	R1,200,000	R1,200,000	<b>RS,800,000</b>
Internship & Bursary Plan	R200,000	R400,000	R400,000	R400,000	R400,000	<b>RI,800,000</b>
<b>TOTAL</b>	<b>RI,200,000</b>	<b>RI,600,000</b>	<b>RI,600,000</b>	<b>RI,600,000</b>	<b>RI,600,000</b>	<b>R7,600,000</b>

## 22.2 FINANCIAL PROVISION FOR THE IMPLEMENTATION OF THE LOCAL ECONOMIC DEVELOPMENT PROGRAMME

Table 30: Five-Year Budget/or Local Economic Development

PROJECTS	Year1	Year2	Year3	Year4	Year 5	Total
Income Generating & Job Creation	R700,000	R1,500,000	R800,000	R300,000	R250,000	<b>R3,550,000</b>
Education & Skills Development: Mathematics and Science	R1,100,000	R900,000	R900,000	R900,000	R900,000	<b>R4,700,000</b>
Improved Quality of Life: Health & Education - Nutrition Project	<b>R360,000</b>	<b>R300,000</b>	<b>R300,000</b>	<b>R300,000</b>	<b>R300,000</b>	<b>R1,560,000</b>
SMME Development	RS0,000	R90,000	R125,000	R125,000	R110,000	<b>RS00,000</b>
<b>Total</b>	<b>R2,210,000</b>	<b>R2,790,000</b>	<b>R2,125,000</b>	<b>R1,625,000</b>	<b>R1,560,000</b>	<b>R10,310,000</b>

\*\*\* The infrastructure development project will be identified at a later stage in line with available resources.

## 22.3 FINANCIAL PROVISION FOR THE DOWNSCALING AND RETRENCHMENT ASPECTS

Table 31: Five-Year Provision for Downscaling and Retrenchment

PROGRAMMES	Year1	Year2	Year3	Year4	Years	Total
Downscaling & Retrenchments	R493,000	R1,898,000	R2,971,000	R3,121,000	R3,336,000	R11,820,000

## 22.4 TOTAL FINANCIAL PROVISION FOR THE SOCIAL AND LABOUR PLAN



Table 32: Summary of the Five-Year Budget for the Social and Labour Plan

<b>PROGRAMMES</b>	<b>Year1</b>	<b>Year2</b>	<b>Year3</b>	<b>Year4</b>	<b>Years</b>	<b>Total</b>
HRD	R1,200,000	R1,600,000	R1,600,000	R1,600,000	R1,600,000	<b>R7,600,000</b>
LED	<b>R2,210,000</b>	<b>R2,790,000</b>	<b>R2,125,000</b>	<b>R1,625,000</b>	<b>R1,560,000</b>	<b>R10,310,000</b>
Downscaling & Retrenchments	R493,000	R1,898,000	R2,971,000	R3,121,000	R3,336,000	<b>R11,820,000</b>
<b>TOTAL</b>	<b>R3,903,000</b>	<b>RG,288,000</b>	<b>RG,696,000</b>	<b>RG,346,000</b>	<b>RG,459,000</b>	<b>R29,729,000</b>


REGULATION 46 (F): UNDERTAKING BY THE  
HOLDER OF THE **MINING** RIGHT

r

**23 REGULATION 46 (F): AN UNDERTAKING BY THE HOLDER OF THE MINING RIGHT TO ENSURE COMPLIANCE WITH THE SOCIAL AND LABOUR PLAN AND TO MAKE IT KNOWN TO EMPLOYEES**

I, M1 f the undersigned and duly authorised thereto by BCR Coal  
Vlakfontein Mining and Exploration (Pty) Ltd, undertake to adhere to the information, requirements, com-  
mitments and conditions as set out in the Social and Labour Plan.

Signed at \_\_\_\_\_ on this 9<sup>th</sup> day of \_\_\_\_\_ 20\_\_

Signature of responsible person 

Designation C--th...,Gp- '2-)0QCL-1.'"Tlv-&

Approved

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

Signature \_\_\_\_\_

Designation \_\_\_\_\_

("

( )

1 )

## **ANNEXURES**

Annexure 1:            Envisaged organogram

Annexure 2:            Generic career path

Management & Central Services	
Legend	
Own Employees	
Contractor Employees	

General Manager	
Grade	EL
Number	1

Annexure 1a

Department Secretary	
Grade	BU
Number	1

Plant Manager	
Grade	DU
Number	1

Production Manager	
Grade	DU
Number	1

Engineer	
Grade	DU
Number	1

Surveyor	
Grade	DL
Number	1

See Mining & Process Structures

Engineering Planner	
Grade	CU
Number	1

Safety Officer	
Grade	CU
Number	1

HR Officer	
Grade	CU
Number	1

Accountant	
Grade	CU
Number	1

Surveyor Assistant	
Grade	DL
Number	1

Clerk	
Grade	BU
Number	1

Accounts Clerk	
Grade	BU
Number	1

Payroll Clerk	
Grade	CL
Number	1

Stores Controller	
Grade	CL
Number	1

Stores Controller	
Grade	BL
Number	1

Surveyor Assistant

Stores	
Clerk/Is-	
suer	
Grade	BL
Number	1

Process Plant Structure	
Legend	
Own Employees	
Contractor Employees	

Plant Manager	
Grade	DU
Number	1

Annexure 1b

4 Shift Cycle (4X4 System)

Dayshift Only

Shift Supervisor	
Grade	CU
Number	1

Shift Supervisor	
Grade	CU
Number	1

Shift Supervisor	
Grade	CU
Number	1

Shift Supervisor	
Grade	CU
Number	1

Engineering Foreman	
Grade	CU
Number	1

Production Attendant	
Grade	CL
Number	4

Production Attendant	
Grade	CL
Number	4

Production Attendant	
Grade	CL
Number	4

Production Attendant	
Grade	CL
Number	4

Millwrights	
Grade	CL
Number	4

Boilermakers	
Grade	CL
Number	2

Instrument Technician	
Grade	CL
Number	1

Production Assistant	
Grade	BU
Number	8

Production Assistant	
Grade	BU
Number	8

Production Assistant	
Grade	BU
Number	8

Production Assistant	
Grade	BU
Number	8

Fitter Assistants	
Grade	BL
Number	4

Boilermaker Assistants	
Grade	BL
Number	2

Assistant	
Grade	BL
Number	1

Cleaner/ Relief	
Grade	BL
Number	1

Cleaner/ Relief	
Grade	BL
Number	1

Cleaner/ Relief	
Grade	BL
Number	1

Cleaner/ Relief	
Grade	BL
Number	1

Mining Production Structure	
Legend	
Own Employees	
Contractor Employees	

Production Manager	
Grade	DU
Number	1

Annexure 1c	
-------------	--

Production Supt	
Grade	DL
Number	2

4 Shift Cycle (4X4 System)

Production Foreman	
Grade	CU
Number	1

Production Foreman	
Grade	CU
Number	1

Production Foreman	
Grade	CU
Number	1

Production Foreman	
Grade	CU
Number	1

Engineering Foreman	
Grade	CU
Number	1

Operators	
Grade	BU
Number	30

Operators	
Grade	BU
Number	30

Operators	
Grade	BU
Number	30

Operators	
Grade	BU
Number	30

Auto Elect/Diesel Mech	
Grade	CL
Number	4

Boilermakers	
Grade	CL
Number	4

Assistants / Relief	
Grade	BL
Number	3

Assistants/ Relief	
Grade	BL
Number	3

Assistants/ Relief	
Grade	BL
Number	3

Assistants/ Relief	
Grade	BL
Number	3

Fitter Assistants	
Grade	BL
Number	4

Boilermaker Assistants	
Grade	BL
Number	4



Annexure 2: Generic career path - educational and experiential requirements.

OCCUPATIONS	JOB LEVELS	QUALIFICATIONS	EXPERIENCE
<b>General Manager, Chief Financial Officer, Chief Operating Officer, Vice President</b>	<b>E+</b>	Degree Advantageous if 2nd degree Financial	Minimum ten (10) years experience of which five (5) years at least in Managerial position
<b>Head of Department: Mining; Maintenance; Finance; HR; Risk; Process; Technical;</b>	<b>E.</b>	Degree and/or Higher National Diploma [four (4) years]	Minimum six (6) years experience of which three (3) years at least in Supervisory position
<b>Business Improvement Manager: Geology; HRD; Survey; Laboratory; Financial; Employee Relations</b>	<b>D+</b>	Degree or Higher National Diploma [three (3) years]	Minimum five (5) years experience of which two (2) years at least in Supervisory position
<b>Superintendent, Accountant, Mine Overseer Metallurgist,</b>	<b>O.</b>	National Diploma	Minimum four (4) years experience
<b>Foreman, Planner, Geologist, Senior Supervisor, Technician, Asst Acc.</b>	<b>C+</b>	National Diploma	Minimum three (3) years experience
<b>Officer, Supervisor, Artisan, Surveyor, Mechanic, Controller,</b>	<b>C</b>	Trade or Relevant Diploma or Certificate	Minimum three (3) years experience
<b>Entrance, Operator, Clerk, Servicemen Assistant/Helper, Facilitator/Instructor, Attendant, Trainee</b>	<b>B</b>	Grade 12 with Maths and Science	