

# **SOCIAL AND LABOUR PLAN**

**FOR**

**SOUTH32**

**Hotazel Manganese Mines**



July 2018

Mining Right Reference Number:

NC 253 MR & NC 252 MR

## **TABLE OF CONTENTS**

<b>Abbreviations .....</b>	<b>6</b>
<b>1. INTRODUCTION AND PREAMBLE .....</b>	<b>8</b>
<b>1.1 Introduction .....</b>	<b>8</b>
<b>1.2 Preamble Information.....</b>	<b>8</b>
<b>1.3 Mining Methodology .....</b>	<b>9</b>
<b>1.4 Current and Expected Workforce .....</b>	<b>9</b>
<b>1.5 Local Recruitment .....</b>	<b>9</b>
<b>2. HUMAN RESOURCE DEVELOPMENT PLAN.....</b>	<b>12</b>
<b>2.1 Introduction .....</b>	<b>12</b>
<b>2.2 Skills Development Plan.....</b>	<b>12</b>
<b>2.2.1 Education and Training.....</b>	<b>12</b>
<b>2.2.2 Learnerships .....</b>	<b>15</b>
<b>2.2.3 Core Business Skills Programme.....</b>	<b>18</b>
<b>2.2.4 Portable Skills Training .....</b>	<b>20</b>
<b>2.2.5 Hard to Fill Vacancies .....</b>	<b>21</b>
<b>2.2.6 Career Progression Plan.....</b>	<b>21</b>
<b>2.2.7 Mentorship Plan.....</b>	<b>22</b>
<b>2.2.8 Bursary Plan and Graduate Development Programme (Internship) .....</b>	<b>24</b>
<b>2.2.8.1 Full Study Bursaries .....</b>	<b>24</b>
<b>2.2.8.2 Study Assistance .....</b>	<b>24</b>
<b>2.2.9 Internship Programme and Graduate Development Programme.....</b>	<b>25</b>
<b>2.2.10 Employment Equity Plan.....</b>	<b>29</b>
<b>2.2.11 Employment Equity Strategies Applied at Hotazel Manganese Mine .....</b>	<b>30</b>
a) Capacity Building (Talent Pool Development) .....	30
b) Fast Tracking .....	30
<b>2.2.12 Participation of Historically Disadvantaged South Africans .....</b>	<b>30</b>
<b>2.2.13 Women at the Mine .....</b>	<b>33</b>
<b>3. LOCAL ECONOMIC DEVELOPMENT PROGRAMME .....</b>	<b>36</b>
<b>3.1 Introduction .....</b>	<b>36</b>
<b>3.2 South32 Transformation Strategy.....</b>	<b>36</b>

<b>3.3</b>	<b>Socio-Economic Background Information .....</b>	<b>36</b>
<b>3.4</b>	<b>Key Economic Activities .....</b>	<b>43</b>
<b>3.5</b>	<b>Local Economic Development Planning .....</b>	<b>43</b>
<b>3.5.1</b>	<b>Integrated Development Planning: John Taolo Gaetsewe District Municipality.....</b>	<b>43</b>
<b>3.5.2</b>	<b>Integrated Development Planning: Joe Morolong Local Municipality IDP Review .....</b>	<b>45</b>
<b>3.6</b>	<b>Stakeholder Engagement and Management Plan .....</b>	<b>45</b>
3.6.1	Record of Communication between Operation and the various Stakeholders .....	46
3.7	Socio-Economic Impact of the Mine in the local Communities .....	47
3.8	Infrastructure Development, Poverty Eradication and Welfare Creation Projects .....	47
3.8.1	Infrastructure Development and Poverty Alleviation Programmes .....	49
3.9	Housing and Living Conditions .....	50
3.8	Health Care and Nutrition Plan .....	50
3.9	Procurement Plan .....	52
3.9.1	Enterprise Development .....	52
4.2	Future Forum .....	55
4.3	Communication with Authorities.....	56
4.4	Mechanisms to Avoid Job Losses .....	57
4.5	Provision of alternative solutions and procedures for creating job security where job losses cannot be avoided .....	57
4.6	Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the operation is certain.....	58
4.7	Post Closure Planning.....	59
4.8	Social and Labour Plan (SLP) Communication.....	59
5.2	Financial Provision for Human Resource Development Programmes (Regulation 46 (e)(i))	62
5.3	Financial Provision for Local Economic Development Programmes (Regulation 46(e) (ii))	63
5.4	Financial Provision for Management of Downscaling and Retrenchment (Regulation 46 (e)(iii))	63
<b>6</b>	<b>Undertaking .....</b>	<b>65</b>
	<b>Addendum A: labour sending areas .....</b>	<b>66</b>
	<b>Addendum B: Generic Career Paths .....</b>	<b>67</b>

**LIST OF FIGURES/TABLES**

Table 1: Local Recruitment Undertaking Summary .....	10
Table 2: Labour Sending Areas at Hotazel Manganese Mine Operation as at 1 July 2018.....	10
Table 3: Occupational Distribution of Expected Operation Workforce for Five (5) Years (FY 2019 to 2023) .....	10
Table 4: Adult Education and Training Undertaking .....	14
Table 5: Form Q – Functional Literacy at Hotazel Manganese Mine as at 1 July 2018.....	14
Table 6: Hotazel Manganese Mine AET Need.....	15
Table 7: AET Targets at Hotazel Manganese Mine (FY 2019 to 2023) .....	15
Table 8: Learnerships Undertaking .....	16
Table 9: Projected Section 18.1 Learnership Targets for Hotazel Manganese Mine (FY 2019 to 2023) .....	17
Table 10: Projected Section 18.2 Learnership Targets for Hotazel Manganese Mine (FY 2019 to 2023) .....	17
Table 11: Core Business Skills Programme Undertaking.....	18
Table 12: Projected Core Technical and Non-Technical Business Skills Training Targets at Hotazel Manganese Mine (FY 2019 to 2023) .....	18
Table 13: Portable Skills Undertaking .....	20
Table 14: Portable Skills Training for Employees and Community at Hotazel Manganese Mine (FY 2019 to 2023) .....	20
Table 15: Form R- Hard to fill vacancies.....	21
Table 16: Career Progression Undertaking .....	22
Table 17: Mentorship Undertaking.....	23
Table 18: Mentorship Targets .....	23
Table 19: Bursary Undertaking.....	24
Table 20: Targets for External Bursary Programmes at Hotazel Manganese Mine (FY 2019 to 2023) .....	25
Table 21: Summary of Employee Study Assistance Targets at Hotazel Manganese Mine (FY 2019 to 2023) .....	25
Table 22: Feedback on Internship and Graduate Development Programme Undertaking .....	26
Table 23: Graduate Development Programme Targets at Hotazel Manganese Mine (FY 2019 to 2023) .....	27
Table 24: Employment Equity Undertaking.....	29
Table 25: Form S: Employment Equity Statistics at Hotazel Manganese Mine as at 01 July 2018 .....	30
Table 26: Development of HDSA into Management.....	31
<b>Table 27: HDSAs in Management Targets for Hotazel Manganese Mine (FY 2019 to 2023) .....</b>	<b>32</b>
Table 28: Women in Mining.....	33
<b>Table 29: Targets for Participation of Women in Mining at Hotazel Manganese Mine (FY 2019 to 2023) Werner to check the stats for accuracy .....</b>	<b>34</b>
Table 30: Socio-Economic Profile of Surrounding Region – Population .....	37
Table 31: Socio-Economic Profile of Surrounding Region - Dwelling Type .....	37
Table 32: Socio-Economic Profile of Surrounding Region - Toilet Facilities.....	38
Table 33: Socio-Economic Profile of Surrounding Region – Water Provision .....	38
Table 34: Socio-Economic Profile of Surrounding Region - Refuse Removal.....	39
Table 35: Socio-Economic Profile of Surrounding Region - Energy Source used for Cooking.....	39
Table 36: Socio-Economic Profile of Surrounding Region - Energy Source used for Heating .....	40
Table 37: Socio-Economic Profile of Surrounding Region - Energy for Lighting .....	41

Table 38: Socio-Economic Profile of Surrounding Region – Education.....	41
Table 39: Socio-Economic Profile of Surrounding Region – Employment .....	42
Table 40: Socio-Economic Profile of Surrounding Region – Individual Income .....	42
Table 41: Sectorial Employment within the Surrounding Region in 2011 .....	43
Table 42: IDP Priority Issues and Objectives for JTGDM .....	44
Table 43: IDP Priority Issues and Objectives for MLM .....	45
Table 44: Record of Stakeholder Engagement.....	46
Table 45: Five (5) Year Project Summary Plan for Local Economic Development Projects of Hotazel Manganese Mine .....	49
Table 46: Housing and Living Conditions Undertaking .....	50
Table 47: Health Care and Nutrition Plan Undertaking.....	51
Table 48: Background on Preferential Procurement Undertaking .....	52
Table 49: Targets for HDSA procurement at Hotazel Manganese Mine for (FY19 to FY23) .....	53
Table 50: Downscaling and Retrenchment Undertaking .....	55
Table 51: Strategic Action Plan for Future Forum.....	56
Table 52: Strategic Action Plan to Communicate with the Authorities .....	57
Table 53: Mechanisms to Avoid Job Losses Undertaking .....	57
Table 54: Provision of Alternative Solutions Undertaking .....	58
Table 55: Mechanisms to Ameliorate the Social-Economic Impact Undertaking.....	59
Table 56: Strategic Action Plan to Communicate the Social and Labour Plan .....	60
Table 57: Summary of Financial Provision for Key Elements of Hotazel Manganese Mine SLP over the Five (5) Year Period (FY 2019 to 2023).....	62
Table 58: Summary Breakdown of Human Resources Development Five (5) Year Budget for Hotazel Manganese Mine (FY 2019 to 2023) .....	62
Table 59: Summary of Financial Commitment for Local Economic Development for Five (5) Years for Hotazel Manganese Mine (FY 2019 to 2023).....	63

## ABBREVIATIONS

ABBREVIATION	MEANING
AET	Adult Education and Training
BEE	Black Economic Empowerment
CV	Curriculum Vitae
DACE	Department of Agriculture, Conservation and Environment
DMR	Department of Mineral Resources
DoL	Department of Labour
DTI	Department of Trade and Industry
EE	Economic Empowering
EIA	Environmental Impact Assessment
FY	Financial Year
GET	General Education and Training
HDSAs	Historically Disadvantaged South Africans
HET	Higher Education and Training
HRD	Human Resources Development
HRDP	Human Resources Development Programme
ICDP	Individual Career Development Plan
IDPs	Integrated Development Plans
JTGDM	John Taolo Gaetsewe District Municipality
JV	Joint Venture
LED	Local Economic Development
LEDP	Local Economic Development Programme
MPRDA	Minerals and Petroleum Resources Development Act (no. 28, 2002)
MQA	Mining Qualifications Authority
NQF	National Qualifications Framework
NSDP	National Spatial Development Perspective
PGDS	Provincial Growth and Development Strategy
RSA	Republic of South Africa
SETA	Sector Education and Training Authority
SLP	Social and Labour Plan
SMMEs	Small, Medium and Micro Enterprises
TBC	To Be Confirmed
UIF	Unemployment Insurance Fund
VCT	Voluntary Counselling and Testing
WIM	Women in Mining
WSP	Workplace Skills Plan

# **SECTION 1**

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## **PREAMBLE**

INTRODUCTION TO AND BACKGROUND INFORMATION ON THE OPERATION

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# 1. INTRODUCTION AND PREAMBLE

## 1.1 Introduction

This Revised Social and Labour Plan (SLP) is submitted by South32 in compliance with the requirements of the Mineral and Petroleum Resources Development Act of 2002 (MPRDA), to operate with an approved Social and Labour plan for live of the mine, as referenced in the Hotazel Manganese Mine Mining Right which is issued under DMR reference NC 253 & NC 252 MR. This SLP has been compiled in terms of the Mineral and Petroleum Resources Development Act of 2002 and sets out the social and labour programmes to be in place for the life of the mining right.

The objectives of the SLP (section 41 of the Regulations) are to:

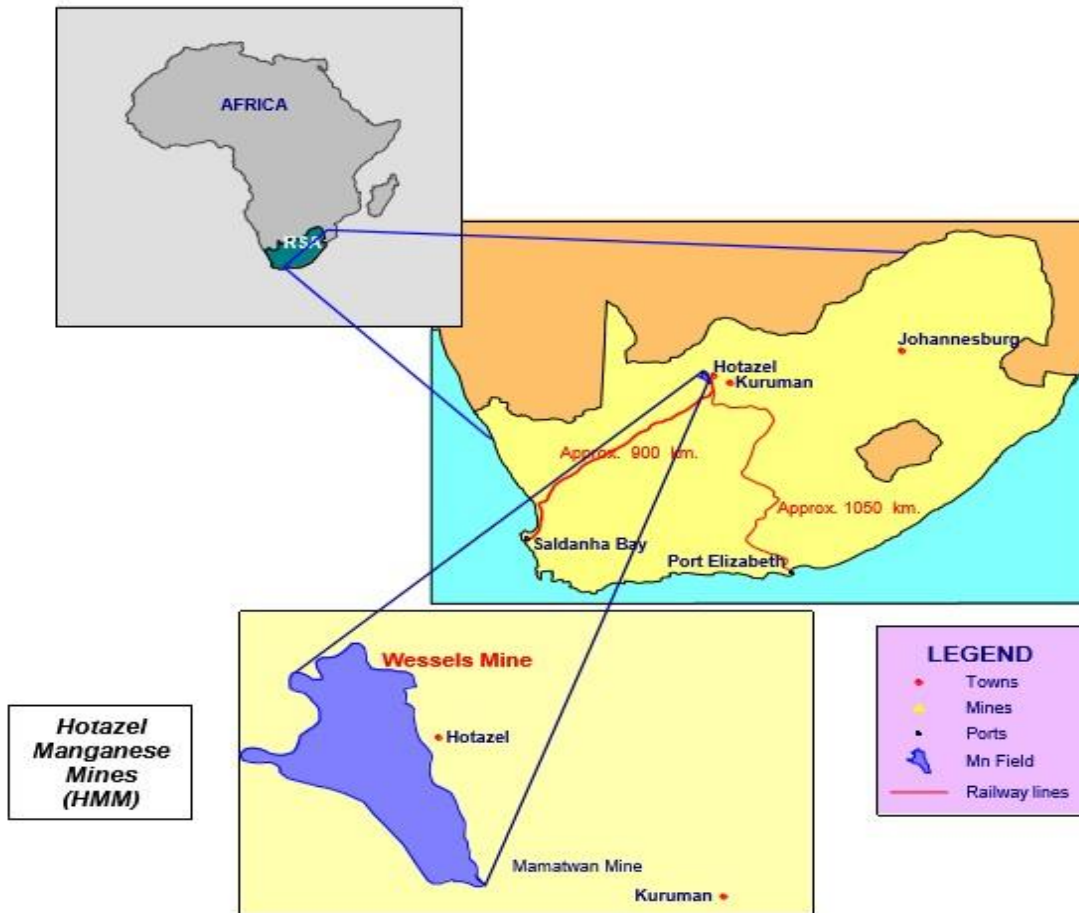
- Promote economic growth and mineral and petroleum resources development in the Republic (Section 2 (e) of the (MPRDA);
- Promote employment and advance the social and economic welfare of all South Africans (Section 2 (f) of the MPRDA);
- Ensure that holders of mining or production rights contribute towards the socio-economic development of the areas in which they are operating as well as the areas from which most the workforce is sourced (Section 2 (i) of the (MPRDA); and
- To utilise and expand the existing skills base for the empowerment of HDSA and to serve the community.

## 1.2 Preamble Information:

<b>Name of Company:</b>	South32
<b>Name of Mine</b>	Hotazel Manganese Mines
<b>Name and address of mining right holder Physical Address:</b>	1 Peperboom straat, Hotazel 8490
<b>Postal Address:</b>	P O Box 1 Hotazel 8490
<b>Contact Person:</b>	Lucas Msimanga
<b>Telephone Number:</b>	(053) 742 2000
<b>Fax Number:</b>	(053) 742 2105
<b>Location of Mine:</b>	Hotazel Manganese Mines is in the JTG District Municipality in the Northern Cape Province, bordering the North-West Province. Hotazel is the main administration centre for the Wessels and Mamatwan Mines and is situated eighty (80) kilometres northwest of Kuruman whereas Mamatwan is located sixty (60) kilometres North West from Kuruman.
<b>Commodity:</b>	Manganese
<b>Life of Mine:</b>	Mamatwan Mines 30 years and Wessels 60 years
<b>Financial Year:</b>	30 June (Any reference in this document for the period 1 July 2018 to 30 June 2023 refers to FY19 – FY24
<b>Reporting Period:</b>	July to June as per financial year



Figure 1: Map indicating the location of Hotazel Manganese Mine



**1.3 Mining Methodology**

Hotazel Manganese Mine is an underground mine with one open cast pit in operation.

**1.4 Current and Expected Workforce**

As outlined in Table 3 below, the current total number of permanent employment positions at Hotazel Manganese Mine is nine hundred and nine (909), most which originate from the local host communities. A more detailed breakdown of Hotazel Manganese Mine Labour Sending Areas is presented in Table 2 below. From the information presented it is evident that the mine remains committed to ensuring a positive impact on their local host communities through their continued drive to recruit locally.

**1.5 Local Recruitment**

**Table 1: Local Recruitment Undertaking Summary**

<p><b>Undertaking:</b></p>	<p>The mine is committed to the development and transformation of the affected communities within which it is operating. To achieve this, the mine has a strong focus on the recruitment and development of local community members, with an emphasis on the development of the previously unskilled and unemployed members of the affected communities.</p>
<p><b>Summary</b></p>	<p>The Mine’s skills development programmes have been aligned in such a manner that unskilled employees (especially from the local areas) have the opportunity for career development.</p>

**Table 2: Labour Sending Areas at Hotazel Manganese Mine Operation as at 1 July 2018**

<b>Sending Areas</b>	<b>%</b>
Local	94%
In Province Employment	0
Inter Provincial Employment	6%
<b>Total:</b>	<b>100%</b>

**Table 3: Occupational Distribution of Expected Operation Workforce for Five (5) Years (FY 2019 to 2023)**

<b>OPERATION WORKFORCE PLAN</b>	<b>Current:</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Top management (f)	0	0	0	0	0	0
Senior management (e)	11	11	11	11	11	11
Professionally qualified and experienced specialists and middle management (d)	55	46	46	46	46	46
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (c)	341	307	307	307	307	307
Semi-skilled and discretionary decisions making (b)	502	531	531	531	531	531
Unskilled and defined decision making (a)	0	0	0	0	0	0
<b>TOTAL PERMANENT</b>	<b>909</b>	<b>895</b>	<b>895</b>	<b>895</b>	<b>895</b>	<b>895</b>

## **SECTION 2**

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# **HUMAN RESOURCE DEVELOPMENT**

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## **2. HUMAN RESOURCE DEVELOPMENT PLAN**

### **2.1 Introduction**

The Human Resources Development (HRD) strategy for Hotazel Manganese Mine focuses on talent and performance management mechanisms, in conjunction with a competency-based career development programme and centrally managed graduate, bursary and Learnership programmes for permanent employees. Portable Skills, Literacy and Numeracy training are of further significance in the integrated HRD programme geared towards ensuring effective business operations as well as accredited and transferable skills training amongst the workforce.

### **2.2 Skills Development Plan**

Hotazel Manganese Mine implements skills development programmes that focus on equipping employees with skills to enhance their progression at the mine and the mining industry in general, as well as their development in respect of other sectors of the economy.

The objectives for skills development are:

- Developing and growing the existing internal talent pool to meet current and future business needs with a strong emphasis on transformation and redressing past practices;
- Establishing a pool of skilled workers that can potentially fulfil the Company's hard-to-find skills and transformation requirements;
- Allowing new entrants into the labour market to gain relevant work experience;
- Improving the quality of life of employees; and
- Providing portable and lifelong skills opportunities to improve and enhance employees' economic independence.

Hotazel Manganese Mine complies with the requirements of the Skills Development Act and will continue to submit the Operation's Workplace Skills Plan (WSP) annually, as required by the Act. HMM has registered all its mining operations with the relevant Sector Education and Training Authority (SETA), i.e. the Mining Qualifications Authority (MQA), and undertakes to continue to contribute towards Skills Development Levies.

Key strategic plans within the Skills Development Plan for Hotazel Manganese Mine are outlined in the following sections:

- Education and Training, including Adult Basic Education and Training (AET);
- Learnerships;
- Skills programmes;
- Portable skills programmes; and
- Hard-to-fill vacancies.

#### **2.2.1 Education and Training**

Hotazel Manganese Mine's AET programme will be provided on a full-time basis, offering AET levels 1 to 4, facilitated by suitably qualified and accredited service providers. The mine will strive to provide eligible employees access to the relevant AET programme; through the following mechanisms:

- ☐ Linking AET to various skills programmes;
- ☐ Unions as ambassadors; and
- ☐ In-house recognition for achievements (graduation ceremony).

Hotazel Manganese Mine HRD will monitor enrolments in the respective levels of AET monthly and quarterly and continue reporting through existing mechanisms.

In addition to monitoring progress, Hotazel Manganese Mine HRD will conduct individual sessions with identified AET candidates (below AET Level 4) to inform them of the benefits of obtaining an AET Level 4 qualification. Candidates opting not to be part of the AET programme will be requested to provide a written submission to the HRD management providing reasons for not participating in the programme.

**Table 4: Adult Education and Training Undertaking**

<b>Undertaking:</b>	Hotazel Manganese Mine undertakes to assist in improving the foundations for skills development by increasing the literacy rate through participation in AET. The Company will focus on providing education and training opportunities through AET training from Pre - AET to AET level 4.	
<b>Summary</b>	Employees at Hotazel Manganese Mine will be assessed on a continuous basis within the development and performance management process to ensure that the minimum entry levels are achieved. Furthermore, AET training will be utilized as one of the mechanisms to achieve the minimum level of entry to other skills development. Once the objectives have been reached as set out, the skills development programme will focus on providing higher training opportunities through the successive NQF levels.	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>HRD Superintendent</b>	Develop a detailed programme to provide AET to those employees who are still eligible for ABET.	Annually
<b>HRD Superintendent</b>	Develop a detailed programme to increase the number of participants in NQF Level 1 training and expand the training to higher levels.	Annually
<b>HRD Superintendent</b>	Discussion with the Unions about their perceptions on the proposed AET and NQF programmes and recording their suggestions.	Annually
<b>HRD Superintendent</b>	Ensure that an annual WSP/ATR is compiled and monitor progress.	Annually

The DMR Prescribed Form Q to follow in Table 5 provides the current (as at 30th of January 2018) literacy rate of the workforce.

**Table 5: Form Q – Functional Literacy at Hotazel Manganese Mine as at 1 July 2018**

BAND	NQF LEVEL	OLD SYSTEM	Male				Female				Total	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training (GET)		No Schooling	8	0	0	0	0	0	0	0	8	0
		Grade 0 / Pre-school	0	0	0	0	0	0	0	0	0	0
		Grade 1/ Sub A	0	0	0	0	0	0	0	0	0	0
		Grade2/ Sub B	0	0	0	0	0	0	0	0	0	0
		Grade 3/ Std1/AET 1	33	1	0	0	0	0	0	0	34	0
		Grade4/ Std 2	19	0	0	0	0	0	0	0	19	0
		Grade 5/ Std 3/ AET 2	0	0	0	0	0	0	0	0	0	0
		Grade 6/ Std 4	0	0	0	0	0	0	0	0	0	0
		Grade 7/Std 5/AET 3	27	5	0	0	0	0	0	0	32	0
		Grade 8/ Std 6	0	0	0	0	0	0	0	0	0	0
	<b>1</b>	Grade 9 /Std 7/ AET 4 / N1 General Education and Training Certificate / Some National Certificates	22	2	0	0	2	0	0	0	26	2
Further Education and Training	<b>2</b>	Grade 10/ Std 8/ N2 Some Certificates / Some National Certificates	79	11	0	8	3	0	0	0	101	3
	<b>3</b>	Grade 11/ Std 9/ N3 Some Certificates / Some National Certificates	95	19	1	21	12	0	0	2	150	14
	<b>4</b>	Grade 12/ Std 10/ N4 Further Education and Training Certificates / National Certificate: Vocational / National Senior Certificate /	149	34	1	30	41	8	0	12	275	61
Higher Education and Training (HET)	<b>5</b>	2 year National Diplomas / 1 year Higher Certificates / N4, N5 & N6 National Certificates	51	21	0	50	29	4	0	10	165	43
	<b>6</b>	3 year National & Higher Diplomas / Some other 2-3 year Diplomas / Advanced Certificate	0	0	0	0	0	0	0	0	0	0
	<b>7</b>	3 year Degrees / Higher or Advanced Diplomas	20	2	2	15	22	3	0	6	70	31
	<b>8</b>	4 year Degrees and Honour's Degrees	0	0	0	0	0	0	0	0	0	0
	<b>9</b>	Master's degrees	7	0	0	4	4	0	0	0	15	4
	<b>10</b>	Doctorates	0	0	0	0	0	0	0	0	0	0
		<b>TOTAL</b>	<b>510</b>	<b>95</b>	<b>4</b>	<b>128</b>	<b>113</b>	<b>15</b>	<b>0</b>	<b>30</b>	<b>737</b>	<b>158</b>

The current AET need at Hotazel Manganese Mine as provided by the Form Q above and outlined in Table 6 below is ninety-three (93). Form Q will be updated at the end of each reporting cycle of the mine and submitted to the DMR. Details of the AET programmes provided for the following years, and the beneficiaries thereof, will be included in the Workplace Skills Plans (WSPs), which will be updated and submitted once a year to the MQA and integrated into the SLP. Table 6 below further provides a detailed breakdown of the AET need on each level, which helps identify the number of people who require AET, however the AET need is not a true reflection of the operations educational levels as some employee's educational levels have not been captured on the database, however efforts are being made to ensure that all employees educational levels are accurately reported. Table 7 provides the AET targets for the next five years and these targets are based on the resources available at the mine to enable employees to attend AET classes.

**Table 6: Hotazel Manganese Mine AET Need**

AET Levels	AET Need:
Pre-AET	8
AET Level 1	34
AET Level 2	19
AET Level 3	32
AET Level 4	0
<b>Total</b>	<b>93</b>

**Table 7: AET Targets at Hotazel Manganese Mine (FY 2019 to 2023)**

AET Level	Target Enrolments FY 2019	Target Enrolments FY 2020	Target Enrolments FY 2021	Target Enrolments FY 2022	Target Enrolments FY 2023	Total Enrolments (FY 2019 to 2023)
Pre-AET	3	3	3	3	3	15
AET Level 1	3	3	3	3	3	15
AET Level 2	3	3	3	3	3	15
AET Level 3	3	3	3	3	3	15
AET Level 4	3	3	3	3	3	15
<b>Total AET Enrolments</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>75</b>
<b>Budget:</b>	<b>R912,760</b>	<b>R958,398</b>	<b>R1,006,318</b>	<b>R1,056,634</b>	<b>R1,109,465</b>	<b>R5,043,575</b>

### 2.2.2 Learnerships

A learnership is a registered and accredited learning programme that includes practical work experience as well as theoretical studies, thereby integrating both workplace and institutional learning. Learnerships enable learners to work towards a qualification whilst being employed.

The purpose of the learnership programme is to equip new and future employees with skills to assist them in undertaking their responsibilities more efficiently and which may allow their progression into other positions at Hotazel Manganese Mines when opportunities arise.

The specific Learnership programmes offered will continue to be informed by both the skills requirements of the mine (in line with the WSP, Hard-to-Fill Vacancies and the business plan) as well as the forecasted skills scarcity within the mining industry over the next five (5) years (as per the MQA's Sector Skills Audit).

- Candidates for the Learnership programmes will continue to be identified and selected through the agreed recruitment and selection policy/process of Hotazel Manganese Mine.

- Each Learnership programme is a set programme, consisting of a theoretical and a practical component.
- Hotazel Manganese Mine will continue to budget annually for the Learnership programmes.
- Appropriately trained mentors will be appointed for each learner at Hotazel Manganese Mine.
- Systems will be developed and implemented to record and monitor Hotazel Manganese Mine's compliance in terms of its progress to achieve the envisaged Learnership targets for annual SLP reporting purposes.
- Accreditation will be in place through MQA for all Learnership Programmes.

On successful completion of the Learnership programme, the learners will be placed on a three (3) month probationary period at the mine where appropriate vacancies exist. Should vacancies not be available at Hotazel Manganese Mine, other South32 operations will be approached to determine suitable placement opportunities. As the placement of learners is dependent on vacancies at the operation, it is not possible to guarantee the successful placement and/or promotion of learners on completion of their Learnership programme.

**Table 8: Learnerships Undertaking**

<b>Undertaking:</b>	The provision for learnerships within the mine is aimed at addressing current and future skills and competency needs in terms of the Career Pathing structure and Manpower process. Hotazel Manganese Mine undertakes and will continue to facilitate access to learnerships for identified individuals based on an employment ratio of 80:20 HDSAs to non-HDSAs.	
<b>Summary:</b>	The objective of the learnerships being offered at Hotazel Manganese Mine is to equip new and future employees with skills to assist them in undertaking their responsibilities more efficiently and which may allow their progression into other positions at the mine. The learnership programmes offered at the mine are informed by the skills requirements at the mine (in line with the WSP and business plan), the skill requirements of the core contractor companies and the MQA's Sector Skills Audit. Each learner will be allocated a mentor, who will meet with the learner on a regular basis to review progress and provide support with respect to performance issues. As a mechanism to address the objective of increasing the pool of available labour, learners will be recruited, based on a strategy of maintaining a 4:1 ration between artisans and learners.	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>HRD Superintendent</b>	The specific learnership programmes offered at HMM will be informed by the five year labour budget, the skills requirements of HMM, and will be in line with the WSPs and business plan as well as the Sector Skills Audit.	Annually
<b>HRD Superintendent</b>	Candidates for the Learnership programmes will continue to be identified and selected through the agreed recruitment and selection policy/process of HMM. The focus will be on candidates that are either current employees of HMM and or are from the surrounding areas of our operation.	Annually
<b>HRD Superintendent</b>	As is currently the case all learners will be allocated appropriately trained mentors for coaching and support	Annually
<b>HRD Superintendent</b>	A monitoring and evaluation system will be implemented to properly record and monitor HMM's compliance in terms of its progress to achieve the envisaged learnership targets and to report in the mine's Annual SLP Report to DMR.	Annually

Table 9 below indicates the envisaged enrolment targets for the identified Learnership programmes for Hotazel Manganese Mine for the next five (5) years. The established targets have been based on the current pass rates of the programme and are cognisant of the lengths of the training programmes.



**Table 9: Projected Section 18.1 Learnership Targets for Hotazel Manganese Mine (FY 2019 to 2023)**

Learnership Programme	Length of Programme	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
		New Target Enrolment	New Target Enrolment	New Target Enrolment	New Target Enrolment	New Target Enrolment
Rockbreaker Certificate - U/G	2 years	5	0	5	0	5
Rockbreaker Certificate - S/F	1 year	5	5	5	5	5
Mineral Processing	1 year	10	10	10	10	10
Apprenticeship-Electrician	3 years	2	0	2	0	2
Apprenticeship-Fitter	2 years	3	0	3	0	3
Apprenticeship -Diesel Mechanic	2 Years	1	0	1	0	1
Apprenticeship -Plater/Welder	2 years	1	0	1	0	1
Apprenticeship – Rigger/Ropesman	2 years	1	0	1	0	1
<b>Total</b>		<b>28</b>	<b>15</b>	<b>28</b>	<b>15</b>	<b>28</b>
<b>Budget</b>		<b>R 1,904,000.00</b>	<b>R 1,999,200.00</b>	<b>R 2,099,160.00</b>	<b>R 2,204,118.00</b>	<b>R 2,314,324.00</b>

**Table 10: Projected Section 18.2 Learnership Targets for Hotazel Manganese Mine (FY 2019 to 2023)**

Learnership Programme	Length of Programme	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
		New Target Enrolment	New Target Enrolment	New Target Enrolment	New Target Enrolment	New Target Enrolment
Mineral Processing	1 year	20	20	20	20	20
Apprenticeship -Electrician	3 years	5	0	5	0	5
Apprenticeship -Fitter	2 years	5	0	5	0	5
Apprenticeship -Diesel Mechanic	2 Years	2	0	2	0	2
Apprenticeship -Plater/Welder	2 years	2	0	2	0	2
Apprenticeship -Rigger/Ropesman	2 Years	1	0	1	0	1
<b>Total</b>		<b>35</b>	<b>20</b>	<b>35</b>	<b>20</b>	<b>35</b>
<b>Budget</b>		<b>R 1,636,600.00</b>	<b>R 1,718,430.00</b>	<b>R 1,804,352.00</b>	<b>R 1,894,569.00</b>	<b>R 1,989,298.00</b>

### 2.2.3 Core Business Skills Programme

Core Business Skills Programmes play an essential part in equipping all employees with the skills and required competencies to successfully execute their employment responsibilities. The objective of Core Business Skills Training programme is to provide the required knowledge and skills to enable employees to successfully and safely perform their roles and as such the mine will continuously align its core business skills training to the requirements of all aspects of the operation. Hotazel Manganese Mine's core business skills training programmes encompasses both underground and opencast operator training.

**Table 11: Core Business Skills Programme Undertaking**

<b>Undertaking:</b>	Core Business Skills Training is a core element of ensuring that employees are productive, capable and competent in the delivery of their daily duties. Hotazel Manganese Mine undertakes to conduct a training needs analysis to ensure the alignment of core business skills to the competency, developmental areas as well as core mining safety needs of the job to its employees.	
<b>Summary:</b>	During the recruitment of the workforce individual-specific training is planned based on the outcomes of the skills analysis. The core business skills training to be provided by Hotazel Manganese Mine will be aligned to the needs analysis as well as support the inherent business production needs.	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>HRD Superintendent</b>	An on-going assessment of employees to be done to identify where gaps remain and continuous evaluation against business needs and developmental plans.	Annually
<b>HRD Superintendent</b>	Comprehensive skills training plans with targets, budgets and timeframes (in line with commitments made in the SLP) and the business plan to be established.	Annually
<b>HRD Superintendent</b>	Employees to be assessed in terms of skills and competency gaps resulting in employee competency profile.	Annually

**Table 12: Projected Core Technical and Non-Technical Business Skills Training Targets at Hotazel Manganese Mine (FY 2019 to 2023)**

Training Course	Target Enrolment FY19	Target Enrolment FY20	Target Enrolment FY 21	Target Enrolment FY22	Target Enrolment FY23
Basic Rigging and Slings	30	30	30	30	30
Skills Program: Blasting Assistant	8	8	8	8	8
Coaching and Mentoring	10	10	10	10	10
COMSOC 1	10	10	10	10	10
COMSOC 2	10	10	10	10	10
Skills Program: Competent A	8	8	8	8	8
Skills Program: Competent B	10	10	10	10	10
Conflict Management	10	10	10	10	10
Conveyor Belt	10	10	10	10	10
Skills Program: Health and Safety Reps	10	10	10	10	10
ICAM	10	10	10	10	10
Introduction to DMS	5	5	5	5	5
Introduction to Sinter	5	5	5	5	5
Introduction to OPP	5	5	5	5	5
Introduction to LOS	5	5	5	5	5
First Aid Level 1-2	40	40	40	40	40
Basic Fire Fighting	10	10	10	10	10

OEM Training-Artisans	20	20	20	20	20
Onsetter/ Winding Engine Driver Training	5	5	5	5	5
Performance Management	10	10	10	10	10
Skills Programme: Ore Reception	10	10	10	10	10
Root Cause Analysis/Problem Solving	10	10	10	10	10
Supervisory Development	20	20	20	20	20
Locomotive/Shunter Training	15	15	15	15	15
Mobile Equipment Training	370	370	370	370	370
Working at Heights	30	30	30	30	30
Superscrew Belt Splicing and Maintenance	10	10	10	10	10
Gas Safety- Nitrogen/L2-3	30	30	30	30	30
Lubrication Engineering	10	10	10	10	10
Medium Voltage Systems	15	15	15	15	15
Safety Earthing and Lightning	10	10	10	10	10
Wearcheck Oil Analysis	3	3	3	3	3
Electrical Switchgear	10	10	10	10	10
Bearing Failure Analysis	10	10	10	10	10
Maintenance Transformers	10	10	10	10	10
Basic Hydraulics fault finding/maintenance	10	10	10	10	10
ABB substations	10	10	10	10	10
Managing Discipline in the Workplace	20	20	20	20	20
Wellness Champions/Peer educators	10	10	10	10	10
<b>Total</b>	<b>844</b>	<b>844</b>	<b>844</b>	<b>844</b>	<b>844</b>
<b>Budget:</b>	<b>R 9,769,240</b>	<b>R 10,257,702</b>	<b>R 10,770,587</b>	<b>R 11,309,116</b>	<b>R 11,874,572</b>

Section 2.2.4 to follow provides the action implementation plans, targets and associated budget for portable skills training programmes at the mine for FY 2019 to 2023.

## 2.2.4 Portable Skills Training

Hotazel Manganese Mine intends to offer access to non-mining related skills development programmes for those individuals who may be affected by downscaling and retrenchment. Access to the potential training programmes will be provided six (6) months prior to any pending retrenchment exercise at Hotazel Manganese Mine for the remaining life of the operation and will be communicated to affected employees through the Future Forum. Table 14 below outlines the Portable Skills Training Targets for Hotazel Manganese Mine.

**Table 13: Portable Skills Undertaking**

<b>Undertaking:</b>	Hotazel Manganese Mine provides opportunities in training and development, thereby increasing their marketability in the open labour marketing in the possible event of retrenchment and mine closure. Furthermore, the mine is committed, not only to equip and prepare employees for the open labour market, but simultaneously providing the opportunity to obtain NQF credits towards a National Qualification.	
<b>Summary:</b>	Provision of portable skills to employees during the life of the mine in accordance with the skills development plans and workforce planning particularly non-mining related skills. Ramp-up of portable skills training in the last two years of life of mine, or six (6) months prior to when downscaling becomes inevitable. Such portable skills must have an impact beyond the company and provide for sustained employability and will, wherever feasible: (a) Build on employees' existing skills and be recognised nationally; (b) Enable employees to manage their careers by addressing identified skills gaps; and (c) Supplement existing skills with business-related training where appropriate.	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>HRD Superintendent</b>	Develop and source programs to address portable skills requirements as per HRD strategic initiatives.	<b>Ongoing</b>
<b>HRD Superintendent</b>	Ensure that programmes are unit standard aligned and accredited where participants meet the entry requirements of accredited programmes	<b>Ongoing</b>

Table 15 offers an overview of Portable Skills initiatives the mine envisages as part of their training and development initiatives.

**Table 14: Portable Skills Training for Employees and Community at Hotazel Manganese Mine (FY 2019 to 2023)**

<b>Training Course Employees</b>	<b>Target Enrolment FY19</b>	<b>Target Enrolment FY20</b>	<b>Target Enrolment FY21</b>	<b>Target Enrolment FY22</b>	<b>Target Enrolment FY23</b>	<b>Total Enrolment</b>
Basic Business Skills (New Venture Creation), Animal Farming or Any Employees' Choice	15	15	15	15	15	<b>75</b>
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>75</b>
<b>Training Course Community</b>	<b>Target Enrolment FY19</b>	<b>Target Enrolment FY20</b>	<b>Target Enrolment FY21</b>	<b>Target Enrolment FY22</b>	<b>Target Enrolment FY23</b>	<b>Total Enrolment</b>
Basic Building Skills (Bricklaying, Carpentry, Plumbing, Tiling, Painting, Burglar Proofing)	10	10	10	10	10	50
Computer Skills	10	10	10	10	10	50
Safety Training/ Basic Hand Tools	10	10	10	10	10	50
Public Driving Licenses	10	10	10	10	10	50
Mobile Equipment Skills Programs	20	20	20	20	20	100
Security Officer Training (Grades A, B, C)	20	20	20	20	20	100
Emergency Services Training	15	15	15	15	15	75
<b>Total</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>95</b>	<b>475</b>

<b>Total Portable Skills Training Budget</b>	<b>R2, 103, 700</b>	<b>R2, 208, 885</b>	<b>R2, 319, 329</b>	<b>R2, 435, 296</b>	<b>R2, 557, 060</b>	<b>R11, 624 ,270</b>
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### 2.2.5 Hard to Fill Vacancies

It is evident from Table 16 below that the mine has not identified any hard to fill vacancies during the previous twelve (12) months. Should any hard-to-fill vacancies be reported during the year, the mine will indicate such in the annual SLP Report and address it through the implementation of skills development programmes and learnerships as described in the sections above.

**Table 15: Form R- Hard to fill vacancies**

<b>Occupational level</b>	<b>Job title or vacancy</b>	<b>Main reason for inability to fill the vacancy</b>	<b>Intervention</b>
Top Management			
Senior Management	Production Managers	Require females which are not that prevalent in production roles	Head hunting to find immediate requirement and internal development to address medium and long term requirement
Professionally qualified and experienced specialist and mid management			
Skilled technical and academically qualified workers, junior management, supervisors	Artisans and Supervisors (Maintenance and Production)	Require females which are not that prevalent in production roles	Training will Address the issue
Semi-skilled and discretionary decision making			

### 2.2.6 Career Progression Plan

The career progression plan aims to illustrate a career path for employees, indicating possible routes to move or change from one role or position to another within a specific discipline through defining competencies such as skills and experience required by the various job categories. The mine's training and development programmes then become a mechanism through which the required competencies are developed. The movement could either be to a position on the same level or a position on a higher level. The path of career progression could also be applied during selection and recruitment, training and development, as well as talent management. Some of the performance requirements of this standard are that:

- ☐ A formal review of the talent pool occurs every six (6) months at the, Customer Sector Group functional and South32 talent reviews;
- ☐ Succession plans are in place for all key roles, and nominated successors are rated based on readiness and suitability; and
- ☐ Talent pipeline gaps are identified, and plans are in place to address the shortfalls.

Through this process, individuals with talent and potential are identified, verified and discussed at departmental and operational talent forums at the mine. This information is forwarded to regional talent forums for different functional areas, where individuals with emerging talent are discussed in terms of development plans and

possible transfers within South32. The performance management system currently in place at Hotazel Manganese Mine, whereby employees are assessed against specific performance measures, forms an integral part of the talent management process.

Table 17 provides the mine’s undertakings in respect of the career development programme.

**Table 16: Career Progression Undertaking**

<b>Undertaking:</b>	Hotazel Manganese Mine undertakes to actively promote career progression and succession opportunities among its employees and refine the Career Progression Programme. A career management system has been implemented and is in line with the South32 Career Management Programme. This programme forms the basis on which on-going career path development will continue for relevant employees at the mine. The mine’s training and development programme is the mechanism through which the required competencies are developed and results either into positions on the same level or a position on a higher level. Furthermore, career management committees have been established and identifies and monitor the mine’s talent pool to facilitate appropriate skills development for employees to meet the operations business plan as well as to ensure individuals at all occupational levels are developed in respect of their skills.	
<b>Summary:</b>	Hotazel Manganese Mine has further established a talent management system to facilitate performance management, whereby employees are assessed against specific performance measures. The Career Progression Programmes will be linked to the skills development and employment equity programmes. Mechanisms will be implemented for individuals to can progress from lower skilled levels into higher skilled working levels including management levels, should job opportunities arise and positions become vacant. The career progression plan will ensure that the qualifications, aspirations, developmental needs, and potential capabilities of all employees are accounted for in line with the needs of the Company's business needs. Hotazel Manganese Mine, will furthermore, ensure that their employees are mentored per their career path requirements on a regular basis to facilitate progression within the Company.	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>HR Department</b>	HMM will continue with its efforts to ensure that employees at HMM have a Career Paths as well as IDPs specific to their individual training needs and requirements.	Ongoing
<b>HR Department</b>	Ensure that a performance management system is properly implemented and carried out as per schedule.	Ongoing
<b>HR Department</b>	Talent pool to be reviewed and aligned to employment equity requirements of the SLP	Ongoing
<b>HR Department</b>	Skill shortages and employment equity needs to be aligned, to fast-tracking plans for succession of HDSAs and women identified, with potential, from the established talent pools, to fill higher skilled and managerial positions within short time frames.	Ongoing

### 2.2.7 Mentorship Plan

Hotazel Manganese Mine defines mentoring as the transfer of experience and attributes from a mentor (an experienced, more senior employee either from Hotazel Manganese Mine or from another operation) to a protégé (junior employee with less experience in the relevant field of expertise) with the intention of improving the competencies of the protégé to meet the current and future job requirements. Coaching is however, a more hands-on and interactive transfer of experience geared towards developing the less experienced individual during implementing actions whilst on the job.

Mentoring is a term that describes a relationship and a process to share experience and strategic advice that leads to greater capacity and performance. To summarise, mentors are:

- ☐ Advisers, people with career experience willing to share their knowledge;
- ☐ Supporters, people who give emotional and moral encouragement;
- Tutors, people who give specific feedback on one’s performance;
- ☐ Sponsors, sources of information about and aid in obtaining opportunities; and
- ☐ Models, of identity of the kind of person one aspires to be as leader or an expert.

Mentorship is a key process and tool in support of people development, HRD planning, performance management and employment equity. It is a formal relationship between a mentor and a mentee and is established to enhance the mentee's career by building skills and knowledge. A mentorship programme is a process to foster a continuous mentorship relationship between the mentor and the mentee. The objective is to ensure that the maximum potential of the mentee is unlocked for the mutual benefit to the mentee, mentor and the mine.

**Table 17: Mentorship Undertaking**

<b>Undertaking:</b>	Hotazel Manganese Mine will actively promote mentorship opportunities among its current and future employees and will use FY 2019 to refine and formalise its Mentorship Programme linked to its Career Progression Programme. The Mentorship programme will focus on mentoring and coaching HDSAs and women into more specialised technical and managerial positions, in line with the skills and employment equity requirements of Hotazel Manganese Mine.	
<b>Summary:</b>	Hotazel Manganese Mine will continue to ensure that all permanent employees at supervisory and management levels have a CDP with a target of achieving 100% compliance.	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>HRD Superintendent</b>	Ensure that all HDSA employees at these levels have an individual development plan;	Annually
<b>HRD Superintendent</b>	Schedule annual career development interviews/reviews with these employees	Annually
<b>HRD Superintendent</b>	Identify mentors who will be responsible for the mentoring and coaching of identified HDSA employees from supervisory level and above, as well as all trainees;	Annually
<b>HRD Superintendent</b>	Monitor and review the plans on an annual basis.	Annually

All graduates / interns and learners are directly supported by a targeted mentorship programme. Each individual in this programme is allocated a mentor from South32's broader Management Team (i.e. Patterson D and E Levels). These mentors are pivotal and mandatory in both programmes and are at a mature state of maintenance and implementation (i.e. all current graduates and learners have designated, active mentors).

**Table 18: Mentorship Targets**

Employee Categories	Number of Employees in Mentorship Programmes				
	FY19	FY20	FY21	FY22	FY23
Learnerships - Internal	28	28	28	28	28
Learnerships - External	35	35	35	35	35
Graduate Development Program	20	20	20	20	20
Study Assistance	30	30	30	30	30
Bursaries	35	35	35	35	35
Talent Management Process	10	10	10	10	10
<b>Total</b>	<b>158</b>	<b>158</b>	<b>158</b>	<b>158</b>	<b>158</b>
<b>Number of Mentors</b>	35	35	35	35	35

## 2.2.8 Bursary Plan and Graduate Development Programme (Internship)

Hotazel Manganese Mine is aware of the need not only to assist its own employees with development opportunities, but also to provide opportunities for members of the local community and surrounding areas to access tertiary education opportunities (bursaries) and experiential work opportunities (internships). The bursary and internship plan links in with developing individuals to supply the operation with its required skilled people. Apart from business related qualifications, the Company is also aware of the need to develop qualified individuals from communities, affected by the operation, in other sectors of the economy. Hotazel Manganese Mine will equip its employees with skills which are portable to other sectors of the economy upon downscaling or closure.

Hotazel Manganese Mine internship and bursary plan will continue to focus on equipping people from Northern Cape and rest of South Africa in general, who have an interest in the mining industry, with the necessary skills, aptitude and abilities. To acquire a pool of high performing learners in Northern Cape and to develop critical skills in the province, South32 will actively promote the bursary opportunities available to learners. The target is to maintain a bursary portfolio with a 70:30 bias towards HDSAs. This percentage may vary based on the quality of the pool available.

### 2.2.8.1 Full Study Bursaries:

Bursaries are available to students (even if they have no current relation to the company) for full time studies at South African Universities or Universities of Technology in mining related disciplines.

### 2.2.8.2 Study Assistance:

Financial Study Assistance (Study Loan) is also available to Hotazel Manganese Mine employees to encourage the workforce to obtain better qualifications in fields of study that would benefit the operation. This financial assistance is managed by the operation.

**Table 19: Bursary Undertaking**

<b>Undertaking:</b>	The bursary plan is linked with the developing of individuals to supply the operation with the required skilled people. Furthermore, the Company is also aware of the need to develop qualified individuals from the local community, affected by the mine, in other sectors of the economy. Furthermore, the mine commits to continue to provide tertiary education bursaries to qualifying learners to pursue courses in various fields of study, whether at University or University of Technology, including dependents of employees.	
<b>Summary:</b>	Hotazel Manganese Mine will equip its employees with skills which are portable to other sectors of the economy upon downscaling and closure. South32 has established a Central Bursary Scheme that provides for training of individuals in disciplines such as, Mining Engineering, Electrical Engineering, Mechanical Engineering, Industrial Engineering, Metallurgy, Mine Survey, Geology and Finance. The bursary scheme furthermore provides bursaries to students for full-time studies at selected South African Tertiary Institutions. The bursaries are open to all Grade 12 scholars as well as students who are already studying.	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>HRD Superintendent</b>	Review Study assistance programme in line with the business objectives as well as community programmes	Annually



<b>HRD Superintendent</b>	Inform the business of Industry trends and align with the SETA Sector Skills Plan	Annually
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**Table 20: Targets for External Bursary Programmes at Hotazel Manganese Mine (FY 2019 to 2023)**

Bursary Programme	Length of Programme	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
		New Target Enrolment	New Target Enrolment	New Target Enrolment	New Target Enrolment	New Target Enrolment
Mining Engineering	4 years	5	5	5	5	5
Electrical Engineering	4 years	5	5	5	5	5
Electronics Engineering	4 years	2	2	2	2	2
Mechanical Engineering	4 years	5	5	5	5	5
Industrial Engineering	4 years	3	3	3	3	3
Civil Engineering	4 years	2	2	2	2	2
Chemical Engineering	4 years	3	3	3	3	3
Geology	4 years	3	3	3	3	3
Mine Survey	4 years	2	2	2	2	2
Other - HR, Finance	4 years	5	5	5	5	5
Bursaries – Employees children + JTG	4 years	15	15	15	15	15
<b>Total</b>		<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Budget</b>		<b>R 1,500,000.00</b>	<b>R 1, 575,000.00</b>	<b>R 1, 653,750.00</b>	<b>R 1, 736,438.00</b>	<b>R 1, 823,259.00</b>

**Table 21: Summary of Employee Study Assistance Targets at Hotazel Manganese Mine (FY 2019 to 2023)**

Study Assistance	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total (FY 2019 to 2023)
Electrical Engineering	2	2	2	2	2	10
Chemical Engineering	2	2	2	2	2	10
Mechanical Engineering	2	2	2	2	2	10
Geology	1	1	1	1	1	5
N1-N3 Technical	10	10	10	10	10	50
N4-N6 Technical	5	5	5	5	5	25
Other (HR, Finance, Projects, Law)	8	8	8	8	8	40
<b>Total Employees</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>150</b>
<b>Budget</b>	<b>R900, 000</b>	<b>R945, 000</b>	<b>R992, 250</b>	<b>R1, 041, 863</b>	<b>R1, 093, 956</b>	<b>R4, 973, 069</b>

Section 2.2.9 to follow provides the proposed implementation of the Internship Plan (Graduate Development Programme).

### 2.2.9 Internship Programme and Graduate Development Programme

South32 offers graduate programmes in various disciplines to diplomats and graduates with the focus on the development and training of employees in the technical disciplines. Graduate programmes are currently offered in the following disciplines: Mining (Graduates and Diplomats); Engineering (Graduates and Diplomats); Finance; Human Resources; and Geology. A Central Training Account (CTA) has been established to provide for the funding of training and development of the graduates. Hotazel Manganese Mine participates and contributes financially to the CTA. On completion of their studies, the bursars participate in a two-year graduate programme through the CTA to obtain practical work experience. Within their structured programmes, graduates will undergo specific technical and leadership training to facilitate the acquisition of a professional qualification.

**Table 22: Feedback on Internship and Graduate Development Programme Undertaking**

<b>Undertaking:</b>	The internship and graduate development programme is linked to the development of individuals to supply the operation with the appropriately skilled people. Furthermore, the mine is also aware of the need to develop qualified individuals from the local host community in other sectors of the economy.	
<b>Summary:</b>	Internships are offered in various disciplines to diplomats and graduates with the focus on development and training of employees in technical disciplines such as Mining, Finance, Human Resources (HR) and Geology. Furthermore, on completion of studies, the bursars are given a two (2) year internships to gain practical work experience. Graduates undergo a structured development programme with specific technical and leadership training to facilitate the acquisition of a professional qualification. All CTA participants are incorporated into the Career Management Committees and are mentored at the operation through their training.	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>HRD Superintendent</b>	Develop plans to target students at the surrounding Universities of technology.	Annually
<b>HRD Superintendent</b>	Practical experience students are monitored, and evaluations are done quarterly to track progress	Annually

**Table 23: Graduate Development Programme Targets at Hotazel Manganese Mine (FY 2019 to 2023)**

<b>Graduate Development Programme</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Total (FY 2019 to 2023)</b>
Mining Engineering	5	5	5	5	5	25
Electrical Engineering	5	5	5	5	5	25
Mechanical Engineering	3	3	3	3	3	15
Industrial Engineering	1	1	1	1	1	5
Civil Engineering	1	1	1	1	1	5
Chemical Engineering	2	2	2	2	2	10
Geology	2	2	2	2	2	10
Mine Survey	1	1	1	1	1	5
<b>Total</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>100</b>
<b>Budget</b>	<b>R5, 163, 300</b>	<b>R 5, 421, 465</b>	<b>R 5, 692, 538</b>	<b>R 5, 977, 165</b>	<b>R 6, 276, 023</b>	<b>R28, 530 ,492</b>

**Table 25: In-Service and Vacation Students Programme (Internships) Targets at Hotazel Manganese Mine (FY 2019 to 2023)**

<b>Internships</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>Total (FY 2019 to 2023)</b>
Mining Engineering	5	5	5	5	5	25
Electrical Engineering	5	5	5	5	5	25
Mechanical Engineering	5	5	5	5	5	25
Industrial Engineering	6	6	6	6	6	30
Civil Engineering	2	2	2	2	2	10
Chemical Engineering	2	2	2	2	2	10
Geology	3	3	3	3	3	15
Mine Survey	2	2	2	2	2	10
Others	5	5	5	5	5	25
<b>Total Internal Internships</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>175</b>
<b>Budget:</b>	<b>R 1,200,000</b>	<b>R 1,260,000</b>	<b>R 1,323,000</b>	<b>R 1,389,150</b>	<b>R 1,458,608</b>	<b>R 6, 630, 758</b>

To follow, section 2.2.10 provides the proposed implementation of the Employment Equity Plan for the next five (5) years at the mine.

### 2.2.10 Employment Equity Plan

Hotazel Manganese Mine fully subscribes to the principles of the Mining Charter and strives to achieve more than the minimum requirements. The mine believes that Employment Equity is an integral part of building an effective and representative workforce and to ensuring equality for all employees. The mine has therefore developed and implemented an Employment Equity (EE) Policy to ensure that HDSA employees, especially women, are developed and targets are met. Effort will be directed at identifying HDSAs with talent and providing accelerated training and development initiatives to assist their progression, in order to comply with the provisions of the Employment Equity Act (Act No. 55 of 1998).

South32 will focus on the following to achieve the objectives of EE Legislation:

1. Effective management of Diverse employees;
2. Create an environment that will accommodate all people from designated groups; and
3. Recruit, train and retain people from designated groups.

**Table 24: Employment Equity Undertaking**

<b>Undertaking:</b>	The mine is committed to the strategic objectives of the Employment Equity Act that include having individuals from previously disadvantaged groups (including women) represented in all positions of skills, responsibility and at all levels within the next five (5) year period.	
<b>Summary:</b>	Hotazel Manganese Mine will employ a strategy of: a) Recruiting from the local community; and b) Developing recruits via the career progression path and skills development programmes to ensure a skilled and competent workforce. Furthermore, Hotazel Manganese Mine will particularly focus on identifying HDSAs with talent and providing accelerated training and development initiatives to assist their progression.	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>HR Manager</b>	Focus will be placed on attracting and retaining HDSA's including women and nurturing talent to supplement the workforce complement and to plan for succession	Continuous
<b>HR Manager</b>	Targeting the recruitment of HDSA's and Women in Mining positions is a specific focus of the workforce plan.	Continuous
<b>HR Manager</b>	Mining-related occupations will be specifically identified in the workforce plan and strategies and targets identified to support the inclusion of women into these occupations.	Annually

Table 27 to follow provides the DMR prescribed Form S detailing the employment equity status of Hotazel Manganese Mine as at 01 July 2018.

**Table 25: Form S: Employment Equity Statistics at Hotazel Manganese Mine as at 01 July 2018**

Occupational Level	Non-Designated			Designated						Total	
	Foreign		White Males	Male			Female				
	Female	Male		African	Coloured	Indian	African	Coloured	Indian		White
Top management (F)											0
Senior management (E)			7	3	0	0	1	0	0	0	11
Professionally qualified and experienced specialists and middle management (D)		1	27	15	3	1	7	0	0	1	55
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (C)		2	77	121	64	1	49	9	0	18	341
Semi-skilled and discretionary decisions making (B)			0	415	21	0	63	3	0	0	502
Unskilled and defined decision making (A)			0								0
<b>Total Permanent</b>	<b>0</b>	<b>3</b>	<b>111</b>	<b>554</b>	<b>88</b>	<b>2</b>	<b>120</b>	<b>12</b>	<b>0</b>	<b>19</b>	<b>909</b>
Non-permanent	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>3</b>	<b>111</b>	<b>554</b>	<b>88</b>	<b>2</b>	<b>120</b>	<b>12</b>	<b>0</b>	<b>19</b>	<b>909</b>

## 2.2.11 Employment Equity Strategies Applied at Hotazel Manganese Mine

### 2.2.11.1. Capacity building (talent pool development)

Hotazel Manganese Mine has a talent pool in place of individuals who have the potential to be trained or equipped with skills that may service the needs of the mine. This talent pool will be constantly enlarged with further suitable candidates, and refined, as candidates become successful in various progression programmes.

### 2.2.11.2 Fast tracking

Fast tracking the career progression of those employees, especially from designated groups, identified as having significant potential and aspiration.

## 2.2.12 Participation of Historically Disadvantaged South Africans

The mine will ensure that the appropriate resources are made available and effectively utilised to achieve the targets of 40% HDSA participation in management (both junior and senior levels), and 10% participation of women in mining-related occupations at Hotazel Manganese Mine. The annual targets for the next five (5) years are contained in Progress against these plans will be monitored through the Employment Equity Forum (EE Forum) and reported on annually to the DMR. Furthermore, the mine will update Form S (Employment Equity Statistics) for inclusion within the Annual SLP Report.

The aim of improving the level of HDSA representation within management and within the mine is considered vital within Hotazel Manganese Mine recruitment procedure and will remain a key focus into

the future. The associated career management systems and succession planning mechanisms outlined in previous sections play a key role in ensuring the accelerated development of HDSAs into management.

**Table 26: Development of HDSA into Management**

<b>Undertaking:</b>	The mine undertakes to ensure that the appropriate resources are made available and effectively utilised to achieve the targets of 40% HDSAs in Management (both Junior and Senior levels), and 10% participation of women in mining- related occupations at Hotazel Manganese Mine.	
<b>Guidelines:</b>	The progress against these plans will be monitored through the Employment Equity Forum (EE Forum) and reported on annually to the DMR. The aim of improving the level of HDSA representation within management and within the mine is considered vital within Hotazel Manganese Mine's recruitment procedure and will remain a key focus into the future.	
<b>Responsible Person</b>	<b>Strategic Plan</b>	<b>Timeframe</b>
<b>HR Manager</b>	Focus will be placed on attracting and retaining HDSA's including women and nurturing talent to supplement the workforce complement and to plan for succession.	Continuous
<b>HR Manager</b>	Targeting the recruitment of HDSA's and Women in Mining Positions is a specific focus of the workforce plan.	Continuous
<b>HR Manager</b>	Recruitment targets for HDSA's will be specifically aimed at developing and promoting such employees into management positions as and when these opportunities arise.	Continuous

Table 29 to follow provides the targets set for HDSAs in Management positions at the mine for the next five (5) years.

**Table 27: HDSAs in Management Targets for Hotazel Manganese Mine (FY 2019 to 2023)**

Occupational Level	Current Total Labour	Current HDSA		FY 2019			FY 2020			FY 2021			FY 2022			FY 2023		
				Total	HDSAs		Total	HDSAs		Total	HDSAs		Total	HDSAs		Total	HDSAs	
Top management (F)				0			0			0			0			0		
Senior management (E)	11	4	36%	11	5	42%	11	5	44%	11	5	46%	11	5	48%	11	6	50%
Professionally qualified and experienced specialists and middle management (D)	55	27	49%	46	23	51%	46	24	53%	46	25	55%	46	26	57%	46	28	60%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (C)	341	262	77%	307	243	79%	307	249	81%	307	255	83%	307	261	85%	307	270	88%
Semi-skilled and discretionary decisions making (B)	502	502	100%	531	504	95%	531	504	95%	531	504	95%	531	504	95%	531	504	95%
<b>Total:</b>	<b>909</b>	<b>795</b>	<b>87%</b>	<b>895</b>	<b>775</b>	<b>87%</b>	<b>895</b>	<b>782</b>	<b>88%</b>	<b>895</b>	<b>789</b>	<b>89%</b>	<b>895</b>	<b>796</b>	<b>90%</b>	<b>895</b>	<b>808</b>	<b>91%</b>



### 2.2.13 Women at the Mine

To address the historical issues of South Africa, which resulted in most South Africans being excluded from participating in the mainstream economy, especially women, Hotazel Manganese Mine has developed a gender equality policy and plan to ensure that women are represented in positions traditionally considered male only, to ensure that women are employed throughout various positions on the mine. Hotazel Manganese Mine will try to comply with the 10% labour quota for women in mining, as required by the MPRDA.

**Table 28: Women in Mining**

<b>Undertaking:</b>	Hotazel Manganese Mine undertakes to develop a gender equality policy and plan to ensure that women are represented in positions that traditionally have been considered male only, i.e. to ensure that women are employed throughout various positions at the mine.	
<b>Summary:</b>	The mine has classified certain occupations to be in core mining and will design programmes to recruit and retain women in these occupations. Hotazel Manganese Mine will put direct interventions in place to increase the participation of Black women in managerial, professional and core mining related positions. These women will be selected from the surrounding and labour sending communities as a first preferential step. If this is not successful, the spatial distribution will be extended outwards to NDM, to Northern Cape and as a last resort to the rest of South Africa. Hotazel Manganese Mine will encourage those close to retirement by offering early retirement and severance packages in orders to create vacancies for suitably qualified women.	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframes</b>
<b>HR Manager</b>	Evaluates and assesses HMM's approach to empowering women in mining and management positions in compliance with the MPRDA and the Mining Charter	Continuous
<b>HR Manager</b>	Identifies issues/obstacles preventing the successful integration and retention of women in core mining positions.	Continuous
<b>HRD</b>	HMM's internal talent pool of employees for potential candidates to be assessed, to expedite the process of promoting HDSA's into management positions, based on competence and commitment, in line with the career progression and skills development plan.	Continuous
<b>HR Manager</b>	The WIM implementation programmes to be monitored on an on-going basis and should be aligned to the EE plan.	Continuous

As indicated above, the mine will aim to achieve 10% women employed in mining related occupations. Table 31 below provides the targets set for Hotazel Manganese Mine to achieve annually from financial year 2019.

**Table 29: Targets for Participation of Women in Mining at Hotazel Manganese Mine (FY 2019 to 2023) Werner to check the stats for accuracy**

Occupational Level	Current Labour	Current Women	FY 2019			FY 2020			FY2021			FY 2022			FY 2023		
			Total	Women		Total	Women		Total	Women		Total	Women		Total	Women	
Top management (F)	0		0			0			0		0	0		0		0	
Senior management (E)	11	9%	11	1	11%	11	1	13%	11	2	15%	11	2	17%	11	2	20%
Professionally qualified and experienced specialists and middle management (D)	55	15%	46	7	16%	46	8	17%	46	8	18%	46	9	19%	46	9	20%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (C)	341	22%	307	71	23%	307	74	24%	307	77	25%	307	80	26%	307	83	27%
Semi-skilled and discretionary decisions making (B)	502	13%	531	74	14%	531	80	15%	531	90	17%	531	101	19%	531	106	20%
Unskilled and defined decision making (A)																	
<b>Total:</b>	<b>909</b>	<b>17%</b>	<b>895</b>	<b>153</b>	<b>10%</b>	<b>895</b>	<b>163</b>	<b>27%</b>	<b>895</b>	<b>177</b>	<b>32%</b>	<b>895</b>	<b>192</b>	<b>37%</b>	<b>895</b>	<b>200</b>	<b>43%</b>

## **SECTION 3**

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### **LOCAL ECONOMIC DEVELOPMENT**

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### **3. LOCAL ECONOMIC DEVELOPMENT PROGRAMME**

#### **3.1 Introduction**

This section focuses on strategic programmes that will cover the local and regional priorities of economic development, poverty alleviation, community upliftment and the improvement of the people's lives and long-term sustainability beyond the life of the mine.

The Local Economic Development Programme (LEDP) seeks to promote Hotazel Manganese Mine on-going alignment and involvement in the LED initiatives and the Integrated Development Plans (IDPs) of the John Taolo Gaetsewe District) and the host local municipalities: Joe Morolong Municipality and Ga-Segonyana Local Municipality). The following sections form the basis of Hotazel Manganese Mine LEDP:

- South32 Transformation Strategy;
- Background Regional Socio-Economic Analysis;
- Municipal Integrated Development Plans Review;
- A LED Projects Plan;
- A Housing and Living Conditions Plan; and
- A Procurement Plan.

#### **3.2 South32 Transformation Strategy**

South32's Transformation Strategy is based on the following principles;

- Aim to drive Transformation, Enterprise, Supplier Development and CSI in a way that supports the efficient and sustainable running of the business
- Aspire to be a leading organisation around Transformation over the medium to long term
- Aim to drive workforce capability development (particularly around Transformation)
- Aim towards improving the South32 public reputation for demonstration of local commitment together with improving business sustainability
- Aim to build a strong relationship with government through the compliance to the DTI and DMR codes
- Aim to drive Transformation initiatives that ultimately seek to unlock potential business value (within the current constrained business environment)

The focus areas for the transformation plan include the following;

- Direct and / or indirect spend associated with development of Emerging Micro Enterprises and Qualifying Micro Enterprises
- Inclusion of local / regional transformed suppliers into the organisation's procurement spend
- Organisational equity in the hands of black individuals
- Transformation across the workforce and improvement of workforce capability
- Non-ED and SD commitments directed towards socio economic development
- Internal Operating model to drive all Transformation plan elements

#### **3.3 Socio-Economic Background Information**

The Socio-Economic Analysis is based on a desktop study of existing socioeconomic information and development strategies contained in the governmental national, provincial, regional and local databases (Le. Statistics South Africa: Census 2011 and Community Survey 2016), Integrated Development Plans (IDPs), Census data from the Municipal Demarcation Board). This SLP, particularly the LED, has been aligned to the district and local municipalities' IDPs to ensure effective integration in the identification, planning and implementation of projects with economic impact and legacy.

The tables below depicting the social background and service delivery (population, dwelling type, toilet facilities, water access, refuse removal, energy sources and education) of the area within which the Mine is situated is based on the Community Survey 2016 from Statistics South Africa.

**Table 30: Socio-Economic Profile of Surrounding Region – Population**

Population	Northern Cape Province		John Taolo Gaetsewe District Municipality		Joe Morolong Local Municipality		Ga-Segonyana Local Municipality	
Male	596421	49,96%	118988	49,12%	38206	45,37%	50483	48,35%
Female	597359	50,04%	123276	50,88%	45995	54,63%	53925	51,65%
Total Population	1 193 780		242 264		84 201		104 408	
Number of households	301 405		61 330		23 707		28816	
Size of Household	4		4		4		4	
<b>Analysis</b>	The demographics of the areas of study show that there are more females than males. The population profile of the province, district and local municipalities demonstrates a consistent average household size of four (4) people per household. These results are relatively typical of rural or peri-rural developing communities.							

**Table 31: Socio-Economic Profile of Surrounding Region - Dwelling Type**

Dwelling Type	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
Formal dwelling/house or brick/concrete block structure on a	77,12%	75,98%	72,37%	77,42%
Traditional dwelling/hut/structure made of traditional mater	2,13%	5,95%	11,97%	4,14%
Flat or apartment in a block of flats	0,65%	0,31%	0,05%	0,32%
Cluster house in complex	0,10%	0,14%	0,00%	0,02%
Townhouse (semi-detached house in a complex)	0,31%	0,28%	0,03%	0,32%
Semi-detached house	1,79%	0,64%	0,15%	0,49%
Formal dwelling/house/flat/room in backyard	4,88%	6,43%	9,04%	6,77%
Informal dwelling/shack in backyard	3,77%	2,96%	2,48%	3,40%
Informal dwelling/shack not in backyard (e.g. in an informal	7,72%	4,90%	3,39%	3,44%
Room/flatlet on a property or larger dwelling/servant's quarters	0,24%	0,29%	0,00%	0,63%
Caravan/tent	0,07%	0,10%	0,05%	0,02%
Other	1,20%	2,03%	0,46%	3,03%
Unspecified	0,01%	0,00%	0,00%	0,00%
<b>Analysis</b>	As is evident the most dominant type of dwelling utilized within the region is a formally constructed house or brick structure with more than 70% of households in both Local Municipalities utilising such dwelling structures. Formal dwellings in the form of flats/rooms in the backyard are also a dominantly used dwelling type with percentages ranging from 4% to 9,4% within the province, district and local municipalities. Whilst these are relatively positive statistics in respect of housing standards within the broader region of the mining operation, cognizance of the need amongst slightly below a quarter of the current population for better quality and more formalized housing infrastructure development must be taken. More significantly, training in building skills such as bricklaying, carpentry, plumbing etc. is indicated as a priority need.			

**Table 32: Socio-Economic Profile of Surrounding Region - Toilet Facilities**

Toilet Facilities	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
Flush toilet connected to a public sewerage system	65,74%	28,29%	3,97%	17,89%
Flush toilet connected to a septic tank or conservancy tank	5,44%	3,01%	0,74%	4,70%
Chemical toilet	0,25%	0,30%	0,75%	0,06%
Pit latrine/toilet with ventilation pipe	9,54%	29,05%	55,77%	22,01%
Pit latrine/toilet without ventilation pipe	9,35%	28,89%	25,18%	46,59%
Ecological toilet (e.g. urine diversion; enviroloo; etc.)	0,31%	0,80%	2,23%	0,07%
Bucket toilet (collected by municipality)	3,11%	0,04%	0,00%	0,09%
Bucket toilet (emptied by household)	1,26%	1,59%	3,93%	0,52%
Other	0,97%	1,04%	0,66%	1,27%
None	4,02%	6,98%	6,77%	6,80%
<b>Analysis</b>	<p>Despite the relatively formalized housing infrastructure across the broad region of Northern Cape, basic services infrastructure appears to be far less formalised within the local municipalities with less than 5% of households within the Joe Morolong Local Municipality and less than 25% in the Ga-Segonyana Local Municipality having access to flush toilets in whatever form. A significant percentage of the population throughout the region is still relying on the use of the Pit Latrine with or without ventilation. This may be explained by the rural nature of the communities within the two (2) local municipalities. Attention still needs to be given to the households that still have no access to any form of toilet facilities to prevent health hazards and to promote a good quality of life for everyone. More than 6% of households in the local municipalities are cited to be having no access to toilet facilities at all.</p>			

**Table 33: Socio-Economic Profile of Surrounding Region – Water Provision**

Water Access	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
Piped (tap) water inside the dwelling/house	45,30%	19,75%	3,65%	11,86%
Piped (tap) water inside yard	34,31%	19,26%	4,71%	25,91%
Piped water on community stand	8,40%	27,43%	44,45%	27,46%
Borehole in the yard	1,26%	3,32%	6,64%	1,86%
Rain-water tank in yard	0,10%	0,15%	0,01%	0,34%
Neighbours tap	0,98%	1,90%	2,14%	1,80%
Public/communal tap	6,78%	24,40%	33,03%	27,09%
Water-carrier/tanker	0,85%	1,22%	0,37%	2,26%
Borehole outside the yard	0,75%	0,78%	1,47%	0,44%
Flowing water/stream/river	0,71%	0,93%	2,68%	0,00%
Well	0,05%	0,18%	0,48%	0,04%
Spring	0,00%	0,02%	0,00%	0,05%
Other	0,51%	0,66%	0,36%	0,90%

Water Access	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga- Segonyana Local Municipality
<b>Analysis</b>	Most households in the local municipalities rely on piped water to community stands at 44% and 27% for Joe Morolong and Ga-Segonyana respectively. Within the Ga-Segonyana Local Municipality there is also a significant percentage (more than 37%) of households who access water using taps within their dwellings or yards. In the Joe Morolong Municipality the communal borehole seems to be the next dominant alternative source of water access which is common in most rural communities. It is essential to ensure that whether urban or rural, communities remain with easy, clean and reliable access to water facilities obviously considering the most practical source of water depending on type of area where the community is situated.			

**Table 34: Socio-Economic Profile of Surrounding Region - Refuse Removal**

Refuse Removal	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
Removed by local authority/private company/community members at least once a week	64,89%	24,63%	3,02%	12,10%
Removed by local authority/private company/community members less often than once a week	2,98%	0,57%	0,07%	0,23%
Communal refuse dump	3,52%	4,44%	5,82%	4,54%
Communal container/central collection point	0,95%	1,61%	1,57%	2,08%
Own refuse dump	21,45%	63,65%	84,36%	74,47%
Dump or leave rubbish anywhere (no rubbish disposal)	4,36%	3,16%	3,57%	3,91%
Other	1,85%	1,95%	1,60%	2,67%
<b>Analysis</b>	Within the Joe Morolong Local Municipality only 3% of the households in the municipality receive refuse removal services once a week while 12% receive refuse removal services once a week in the Ga-Segonyana Local Municipality. Most households (more than 60% for the District Municipality and more than 70% for the Local Municipality) dispose of their own waste while more than 3% throughout the regions of study dump waste where feasible for them. It may be worthwhile to consider projects that will promote the use of waste for economic gain where disposal means are difficult to access such as, setting up waste recycling centres to manage the waste.			

**Table 35: Socio-Economic Profile of Surrounding Region - Energy Source used for Cooking**

Energy for Cooking	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
Electricity from mains	83,97%	76,24%	59,22%	85,20%
Other source of electricity (e.g. generator; etc.)	0,36%	0,08%	0,06%	0,03%
Gas	6,71%	6,43%	2,60%	8,92%
Paraffin	1,77%	1,39%	1,23%	1,21%
Wood	5,97%	15,42%	36,44%	4,40%

Energy for Cooking	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
Coal	0,04%	0,02%	0,05%	0,00%
Animal dung	0,01%	0,05%	0,14%	0,00%
Solar	0,34%	0,06%	0,00%	0,00%
Other	0,48%	0,03%	0,07%	0,00%
None	0,30%	0,21%	0,17%	0,11%
Unspecified	0,05%	0,06%	0,01%	0,13%
<b>Analysis</b>	The majority (84%) of households throughout the Northern Cape have access to electricity for cooking purposes while 59% and 85% of households in Joe Morolong and Ga-Segonyana use electricity for the same purpose respectively. Wood is also quite a significant source of energy for cooking throughout the region. There is a need to come up with less expensive sources of energy other than electricity which can be easily accessed by everyone, such as solar energy especially in the local municipalities where none of the households utilised solar as an energy source.			

**Table 36: Socio-Economic Profile of Surrounding Region - Energy Source used for Heating**

Energy for Heating	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
Electricity from mains	63,52%	49,12%	38,12%	50,68%
Other source of electricity (e.g. generator; etc.)	0,34%	0,11%	0,20%	0,09%
Gas	1,92%	1,26%	0,27%	2,05%
Paraffin	3,40%	1,45%	0,59%	2,68%
Wood	10,76%	23,53%	47,15%	12,82%
Coal	0,42%	0,21%	0,33%	0,18%
Animal dung	0,02%	0,09%	0,26%	0,00%
Solar	0,26%	0,06%	0,00%	0,00%
Other	1,37%	0,98%	0,47%	0,81%
None	17,81%	22,94%	12,48%	30,31%
Unspecified	0,18%	0,24%	0,13%	0,38%
<b>Analysis</b>	More than half (64%) of households throughout the Northern Cape have access to electricity for heating purposes while 38% and 51% of households in Joe Morolong and Ga-Segonyana use electricity for the same purpose respectively. Wood is the next dominant source of energy for heating throughout the region with as many as 47% of households in the Joe Morolong Local Municipality using it for heating purposes. There is a need to come up with less expensive sources of energy than electricity which can be easily accessed by everyone, such as solar energy especially in the local municipalities where none of the households utilised solar as an energy source.			



**Table 37: Socio-Economic Profile of Surrounding Region - Energy for Lighting**

Energy for Lighting	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
Electricity from mains	90,45%	89,82%	88,13%	90,60%
Other source of electricity (e.g. generator; etc.)	0,46%	0,23%	0,10%	0,40%
Gas	0,47%	0,07%	0,03%	0,08%
Paraffin	1,49%	1,20%	0,32%	2,21%
Candles	4,88%	7,81%	10,67%	5,92%
Solar	1,19%	0,44%	0,15%	0,46%
Other	0,63%	0,10%	0,16%	0,10%
None	0,23%	0,14%	0,17%	0,01%
Unspecified	0,20%	0,20%	0,27%	0,22%
<b>Analysis</b>	<p>Most (90%) of households throughout the Northern Cape have access to electricity for lighting purposes while 88% and 91% of households in Joe Morolong and Ga-Segonyana use electricity for the same purpose respectively. Candles are the next dominant source of energy for lighting throughout the region with as many as 11% of households in the Joe Morolong Local Municipality use them for lighting purposes. There is a need to come up with less expensive and sustainable sources of energy than electricity which can be easily accessed by everyone, such as solar energy especially in the local municipalities where none of the households utilised solar as an energy source.</p>			

**Table 38: Socio-Economic Profile of Surrounding Region – Education**

Educational Profiles	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
No schooling	14,71%	17,60%	22,05%	15,63%
Primary Schooling	30,51%	32,81%	41,34%	30,25%
Some Secondary Schooling	30,31%	27,56%	24,38%	29,67%
Grade 12/Standard 10	17,77%	15,10%	8,08%	17,38%
Higher	4,99%	4,81%	2,38%	4,58%
Other	0,33%	0,47%	0,17%	0,59%
Do not know	1,22%	1,54%	1,36%	1,80%
Unspecified	0,16%	0,12%	0,23%	0,10%
<b>Analysis</b>	<p>Overall statistics throughout the identified regions indicate poor educational profiles. This results in a shortage of educated labour, which is a critical concern throughout the region. Significant numbers of the population at these levels have received either no schooling (18% at district level and 22% and 16% for Joe Morolong and Ga-Segonyana local Municipalities respectively) or only primary education (33% at district level and 41% and 30% for Joe Morolong and Ga-Segonyana local Municipalities respectively). Less than 20% are cited to have completed Grade 12 throughout the province whilst just a mere 3% in Joe Morolong and less than 5% in Ga-Segonyana have received higher education. Education and training at all levels are still a critical need throughout the region as this impact greatly on the availability of skills required for employment purposes. Finance from both public and private sector can assist in the extension of education and training to provide the skills required for a growing regional economy as well as within mining operations.</p>			

Tables 41 and 42 below depicts the economic background (employment, individual income and Sectorial Employment) of the area within which the mine is situated is based on the Census 2011 from Statistics South Africa.

**Table 39: Socio-Economic Profile of Surrounding Region – Employment**

Official Employment Status	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
Employed	25%	19%	9%	21%
Unemployed	9%	8%	5%	11%
Discouraged work-seeker	3%	5%	7%	4%
Other not economically active	27%	29%	33%	27%
Not applicable	36%	39%	46%	37%
<b>Brief Analysis</b>	<p>More than 25% of the population were not economically active at the time of the 2011 National Census throughout the Northern Cape Province. A mere 9% of the population across the province profiled were unemployed at the time of the census and of the economically active population cited as discouraged job seekers, 3% were in the province, 5% were in the district municipality and 7% and 4% in both the Joe Morolong and Ga-Segonyana Local Municipalities respectively. These figures are indicative of job scarcity within the area. However, when considering this evaluation, the ambiguity of the results of the Census should be considered as significant numbers in each region were cited as “other – not economically active” or “not applicable”. These results would have significantly skewed the profile presented of employment levels in each region and as such it should be assumed that unemployment levels are likely to be much higher than reported.</p>			

**Table 40: Socio-Economic Profile of Surrounding Region – Individual Income**

Individual Monthly Income	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
No income	39%	41%	42%	44%
R 1 - R 400	18%	24%	34%	23%
R 401 - R 800	3%	3%	3%	3%
R 801 - R 1 600	16%	11%	13%	10%
R 1 601 - R 3 200	5%	4%	2%	5%
R 3 201 - R 6 400	4%	3%	1%	4%
R 6 401 - R 12 800	4%	3%	1%	4%
R 12 801 - R 25 600	2%	2%	1%	2%
R 25 601 - R 51 200	1%	1%	0%	1%
R 51 201 - R 102 400	0%	0%	0%	0%
R 102 401 - R 204 800	0%	0%	0%	0%
R 204 801 or more	0%	0%	0%	0%
Unspecified	6%	6%	3%	4%
Not applicable	2%	1%	1%	1%
<b>Brief Analysis</b>	<p>An average of 28% of the population were not economically active. The comments above pertains to the unemployment levels of the regions profiled and are further reinforced when considering the Census 2011 results on individual income levels. At provincial level, the results show 76% of those surveyed earn less than R1 600 per month, 79% at district municipality level and 92% and 80% at local municipality level respectively. These statistics are particularly alarming when noted that an average of 40% of individuals were cited to not receive any income at all in 2011's National Census. These levels of unemployment and low-income levels depict an extremely impoverished and economically depressed population near the mine.</p>			

### 3.4 Key Economic Activities

**Table 41: Sectorial Employment within the Surrounding Region in 2011**

Category	Northern Cape Province	John Taolo Gaetsewe District Municipality	Joe Morolong Local Municipality	Ga-Segonyana Local Municipality
In the formal sector	18%	15%	6%	16%
In the informal sector	4%	2%	2%	2%
Private household	3%	2%	1%	3%
Do not know	1%	0%	0%	1%
Unspecified	0%	0%	0%	0%
Not applicable	75%	80%	91%	78%
<b>Brief Analysis</b>	As previously noted with most people neither those employed by the formal or informal sectors at the time of the 2011 Census, it is unsurprising that Table 41 shows low reported results for sectorial employment. However, the formal sector was the second largest employer with an average of 18% of the population employed there. It is concerning that a very small percentage of people across the regions profiled are employed in the informal sector as this is generally the primary source of income generation in developing communities facing high unemployment and low-income levels. This is also more recently seen as the source of new SME's and economic growth opportunities by government and private sector alike, looking to improve economic conditions. This context should be considered therefore when investing in SMME development programmes within the auspices of the mine's LED programme.			

### 3.5 Local Economic Development Planning

#### 3.5.1 Integrated Development Planning: John Taolo Gaetsewe District Municipality

The John Taolo Gaetsewe District Municipality (JTGDM) is situated in the Northern Cape Province and is bordered by (1) The Siyanda and Francis Baard District Municipalities to the south and west; (2) The North-West Province (Dr. Ruth Segomotsi Mompati District Municipality) to the east and northeast; and (3) Botswana to the northwest. Administratively, the JTGDM comprises three Local Municipalities: (1) The Gamagara Local Municipality; (2) The Ga-Segonyana Local Municipality; and (3) The Joe Morolong Local Municipality, which encapsulates the geographical area covered by the former District Management Area and the former Moshaweng Local Municipality. (Source: JT Gaetsewe 2011-12 SDF Review) JT Gaetsewe is the second smallest district in the Northern Cape, occupying only 6% of the Province (27 293 km<sup>2</sup>). The largest area within JT Gaetsewe is the former District Management Area (DMA) with over 10 000 km<sup>2</sup>. Joe Morolong covers the next largest area of 9 477 km<sup>2</sup> (KDM, IDP 2006). The JT Gaetsewe District comprises of 186 towns and settlements of which the majority (80%) are villages in the Joe Morolong Municipality.<sup>1</sup>

Per the JTDM IDP poverty is widespread throughout the District, and is especially problematic in the rural areas, such as Joe Morolong Local Municipality. 89.8% of JTGDM's people live below the poverty line and falls within the income category of R0 – R12 800.00. This figure rises steeply in the case of Joe Morolong to 95.3%, with 92.28% for Ga-Segonyana and 72.42% for Gamagara.

<sup>1</sup> Reviewed Integrated Development Plan (IDP) 2015-2016

**Table 42: IDP Priority Issues and Objectives for JTGDM**

<b>Priority</b>	<b>Key Performance Area</b>	<b>IDP Strategic Objective</b>
Water and Sanitation	Basic Services and Infrastructure Development	To provide bulk water and sanitation services.
Roads and Transport	Basic Services and Infrastructure Development	To provide road and transport services.
Local Economic Development (LED)	Local Economic Development (LED)	To promote local economic development; To facilitate optimal participation of Partners in the Economic Growth Initiatives of the District; To promote employment opportunities in the District; To facilitate increased LED capacity in the District; To enhance tourism development and promote the District as a preferred Tourism Destination; and To facilitate availability of land for Economic Development.
Integrated Human Settlements	Basic Services and Infrastructure Development	To provide adequate housing to the residents of the District; and To develop community Facilities.
Sustainable Development Orientated Municipality	Good Governance & Public Participation	To review and report IDP Implementation progress against predetermined objectives; To improve public participation; To ensure legal compliance; and To promote the interests and rights of targeted groups – women, children, youth, disabled and elderly.
	Institutional Transformation and Development	To provide adequate opportunities for the development of employees and councillors; and To provide equitable employment opportunities for all.
Environmental management and conservation and climate change management	Basic Services and Infrastructure Development	To monitor waste management systems, refuse, health care waste, hazardous waste and sewage.
Promotion of health in the District	Basic Services and Infrastructure Development	To promote employee wellness; To provide municipal health services to the communities of the District; To monitor the quality of water in the District; To provide food quality/safety control services; To monitor waste management systems, refuse, health care waste, hazardous waste and sewage; and To control environmental pollution.
Disaster management	Basic Services and Infrastructure Development	To provide disaster management services.

### 3.5.2 Integrated Development Planning: Joe Morolong Local Municipality IDP Review

Joe Morolong is in the Northern Cape Province based in the John Taolo Gaetsewe District, on the North eastern and western part of the District. The Municipality is accessible via the National infrastructure through the N14 which links North West and the Northern Cape Provinces. Joe Morolong Local Municipality covers 20, 172km<sup>2</sup> area and covers one semi-urban area, villages and commercial farms. The municipality is characterized by rural establishments that are mostly connected through gravel and dirt roads. Agriculture, mining and community services are the primary economic sectors. The following are the priority focus areas for Joe Morolong Local Municipality.

**Table 43: IDP Priority Issues and Objectives for MLM**

Key Performance Area (KPA)	IDP Strategic Objectives
Basic Service Delivery	<ul style="list-style-type: none"> <li>• Improve water infrastructure;</li> <li>• Improve Sanitation;</li> <li>• Electricity;</li> <li>• Improved Road Infrastructure; and</li> <li>• Improvement of community services such as Health and Education.</li> </ul>
Local Economic Development (LED)	<ul style="list-style-type: none"> <li>• Poverty Alleviation;</li> <li>• Job Creation; and</li> <li>• Advancement of the economy.</li> </ul>
Municipal Transformation and Organizational Development	<ul style="list-style-type: none"> <li>• Skilled and well-trained staff.</li> </ul>
Municipal Finances and Financial Viability	<ul style="list-style-type: none"> <li>• Financial Viability.</li> </ul>
Good Governance and Community participation	<ul style="list-style-type: none"> <li>• Improve public participation through public meetings; and</li> <li>• Ward Councillors involvement.</li> </ul>

### 3.6 Stakeholder Engagement and Management Plan<sup>2</sup>

The aim and objectives of this community development strategy is to provide guidance and direction to community relations practitioners and community development specialists for the period 2014 to 2019, to be reviewed in 2019 for the remainder of the SLP Period.

The objectives of this community engagement, investment and development strategy is to:

- Support and advance the stated business goals as well as ensure strategic community relations that will ensure sustainable community development
- Assist with the implementation of community investment programmes whilst ensuring compliance with Community and Anti-Corruption Standards and the Company Charter
- Provide an overview of the organizational and community context applicable
- Describe the approach to community engagement, investment and development
- Identify the community and development issues
- Identify key messages that could be used in communications with affected and representative stakeholders
- Document how community engagement, investment and development will be managed
- Document how risks and issues will be mitigated and reported
- Identify linkages to other business and operational functions
- Document policies and procedures to be followed in the execution of the community engagement, investment and development plan

<sup>2</sup> Impact, Opportunity and Management Assessment for BHP Billiton Manganese South Africa: Developed, Prepared and Presented by: Next Generation Consultants – November 2014

Performance against the objectives of this proposed plan and strategy will be measured against the following:

- Obtaining early community and stakeholder support to facilitate the achievement of the strategy's objectives
- Fulfilment of any statutory requirements
- Timely, accurate, and effective response to community complaints
- Ensuring all stakeholders are identified, their needs and interests are recognised, and that they are engaged with in a proactive, genuine, timely and consistent manner
- Understanding of issues and concerns and resolutions of the community expectation's in a reasonable manner
- Avoiding and or minimizing negative impacts whether economic, social or environmental of the operations on communities and creating awareness of such mitigation measures to minimise these impacts
- Management of community risks and issues so that they do not escalate
- Upholding the corporate reputation of the Company and its local assets (CSG's)
- Fostering within the project team a culture that adopts community engagement principles

### 3.6.1 Record of Communication between Operation and the various Stakeholders

South32 has continued to consult and engage with the DMR, Joe Morolong Local Municipality and John Taolo Gaetsewe District Municipality as well as recognised unions in the compilation of this SLP document.

**Table 44: Record of Stakeholder Engagement**

Record of Stakeholder Engagement				
Objectives of Meeting	District/Local Municipality	Date of attendance	Name and Position of Representative from South32	Reference to Attendance Registers
Support for HMM on implementation of SLP and other projects; support for HMM on community issues: project from the Municipality for consideration into the SLP3	Joe Morolong Local Municipality	18 May 2017	Boitumelo Seboko Stakeholder Relations Lead Boitumelo Seboko: Community Development Specialist	
Support for HMM on implementation of SLP and other projects; support for HMM on community issues	John Taolo Gaetsewe District Municipality	19 May 2017	Jabu Marema: Stakeholder Relations Lead Boitumelo Seboko: Community Development Specialist	
Support for HMM on implementation of SLP and other projects; support for HMM on community issues	Ga-Segonyana Local Municipality	21 June 2017	Jabu Marema: Stakeholder Relations Lead	
Support for HMM on Projects to be included in the SLP3 from the Municipal IDP	Joe Morolong Local Municipality	22 February 2018	Jabu Marema: Stakeholder Relations Lead Boitumelo Seboko: Community Development Specialist	
Support for HMM on Projects to be included in the SLP3 from the Municipal IDP	Joe Morolong Local Municipality	23 April 2018	Jabu Marema: Stakeholder Relations Lead Boitumelo Seboko: Community Development Specialist	

### **3.7 Socio-Economic Impact of the Mine in the local Communities**

In February 2015, South32 (formerly known as BHP Billiton) conducted, on behalf of its operations, an Impact, Opportunity and Management Assessment research focusing on the latest trends in community relations, investment and development. The main purpose of the research was to obtain a global and local overview of community relations, investment and development; specifically, socio-economic and community development in general. The Company realises that community buy-in, support and proactive management as well as strong relationships are core to the success of its operations. It also recognises that sustainable and long-term relationships with stakeholders are important as they will have a direct impact on current and future business..

Education was identified as the top priority focus area for social investment while training and skills development were recognised as key to the success of operations. It is essential to have a pool of educated people in the surrounding communities so they may benefit from local employment opportunities enabled by South32's presence. A need for partnerships was identified between the private sector, government agencies, NGOs and communities as it would create benefit in pooling knowledge and resources while enabling partners to draw on each other's strengths for the greater good of socio-economic development.

Research showed that involvement in community interventions should be entrenched in the mission and values of the company. South32's Purpose is to make a difference by developing natural resources, improving people's lives now and for generations to come. Our values are Care, Togetherness, Trust and Excellence. We Care about people, the communities we are part of and the world we depend on. We value difference, listen and share, knowing that Together we are better. We deliver on our commitments and rely on each other to do the right thing (Trust) and we are courageous and challenge ourselves every day to be the best in what matters (Excellence).

Through the Impact, Opportunity and Management Assessment done for the company, it was concluded that the company has enhanced the quality of life of surrounding communities through its social/community and enterprise development initiatives to date. Recommendations for the future were made especially regarding education and enterprise development.

- 1) Education – The education portfolio must be redesigned, and the current programmes executed responsibly. There is a great opportunity for combining the educational portfolio to address a very specific community need, for example, skills development for the unemployed youth leading to job creation, local economic development and ultimately economic independence of Individuals.
- 2) Enterprise Development – the advancement of education and skills development provides an ideal opportunity to refocus or extend the current enterprise development portfolio as well as to leverage resources already invested.

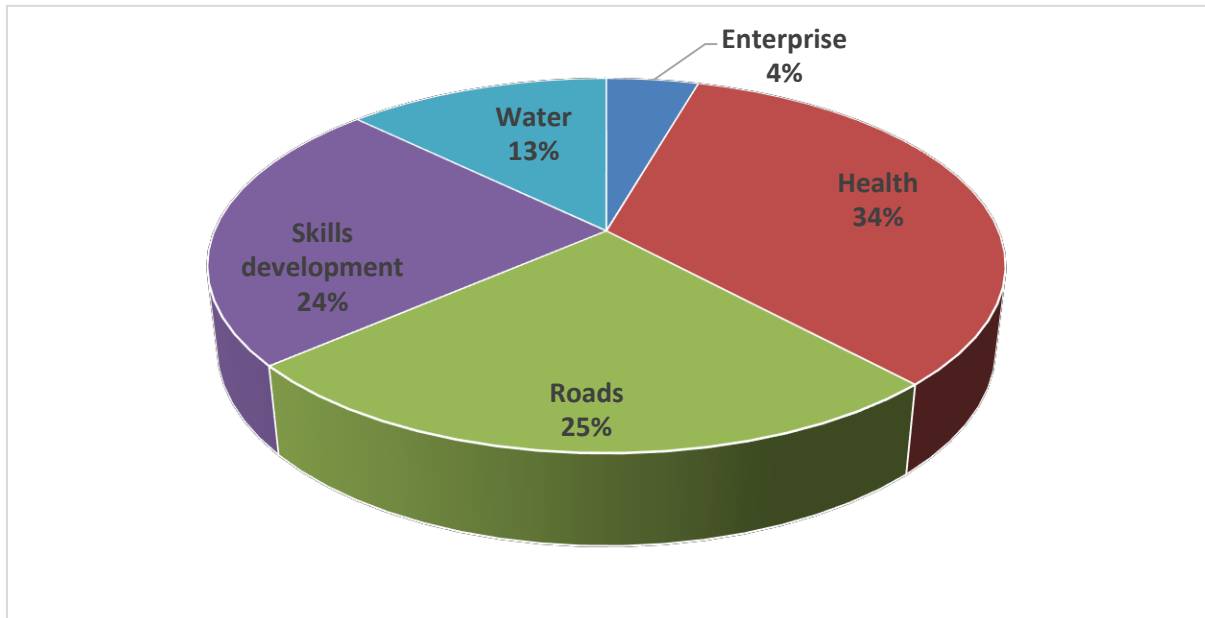
As a measure of conforming to best practice socio-economic development methods in within South Africa and southern Africa; South32 has aligned its development initiatives to the New Partnerships for Africa's Development (NEPAD) principles as well as the ICMM , Sustainable Development Goals, National and Local Development Plans.

### **3.8 Infrastructure Development, Poverty Eradication and Welfare Creation Projects**

Aligned to the Impact, Opportunity and Management Assessment conducted as elaborated in section 3.7 above, and the mandate of the MPRDA to identify suitable local economic development projects (job creation and/or infrastructure development) within the host community as well as major labour-sending areas, HMM will support the LED projects listed in Table 47 below., HMM will invest some 87.5 million rand over the five (5) year period into its local labour sending areas.

This commitment will have a direct impact on the local communities and alleviate poverty by addressing basic healthcare as well as improving access to water, education and job creation.

**Figure 2: Percentage Allocation Indicating Key Focus Areas of Community Development Budget:**





### 3.8.1 Infrastructure Development and Poverty Alleviation Programmes<sup>3</sup>

**Table 45: Five (5) Year Project Summary Plan for Local Economic Development Projects of Hotazel Manganese Mine<sup>4</sup>**

Project Name	Focus area	FY19	FY20	FY21	FY22	FY23	Total	Location
Local Community Health Centre (Village TBD)	Infrastructure	0	0,0	0,5	6,6	9,0	16.1	Joe Morolong Local Municipality
Paediatric Unit Tshwaraganang Hospital	Infrastructure	0	0	5	0	0	5	Batharose
*Gadiboe Community Culvert Bridge	Infrastructure	2,1	5,1				7.2	Gadiboe
Ditlharapeng Community Bridge	Infrastructure	0	5,0	5,0	0	0,0	10	Ditlharapeng
JTG Recycling Project	Job creation	0,0	0,5	2,5	0,5	0,0	3.5	Joe Morolong Local Municipality
Upgrade Bothithong Community Road	Infrastructure	10,0	10,0	0,0	0,0	0,0	20	Bothithong
Bursary /Scholarships	Education	0,0	0,45	1,3	1,5	1,1	4.35	JTG District
Maths and Science Development Programme	Education	3,5	4,0	2,3	0,0	0,0	9.8	Joe Morolong & Ga-Segonyana Local Municipality
Maths Literacy Development in Primary Schools	Education	0,0	0,45	0,9	0,3	0,0	1.65	Joe Morolong & Ga-Segonyana Local Municipality
20 Youth Local Skills Development Project	Education	0,0	0,2	1,5	1,8	0,4	3.95	Joe Morolong & Ga-Segonyana Local Municipality
Rearata Primary School (Phase 2)	Infrastructure	6,0	0,0	0,0	0,0	0,0	6,0	Ga-Segonyana Local Municipality
<b>Total Budget in ZAR mil'</b>		<b>21.6</b>	<b>25.7</b>	<b>19</b>	<b>10.7</b>	<b>10.5</b>	<b>87.5</b>	

<sup>4</sup> The key performance indicators and exit strategies for each of the above projects will be developed during the course of the next financial year and will be included in the Implementation Plan.

### 3.9 Housing and Living Conditions

Hotazel Manganese Mine has a focus on local recruitment of the workforce to be within the local labour sending area. HMM employees should have the opportunity to live with their families in a sustainable social environment and can participate in wealth accumulation through ownership of property.

The mine will therefore endeavour to improve the quality of accommodation of its employees through:

1. Provision of accommodation allowances;
2. Promotion of the importance and benefits of home ownership and educating employees through programmes regarding living budgets, housing options, accessing government housing loans and subsidies; and

**Table 46: Housing and Living Conditions Undertaking**

<b>Undertaking:</b>	HMM undertakes to encourage employees to become homeowners and will facilitate home ownership in areas near. In addition to this the mine will offer employees in lower occupational categories a market related living out allowance as agreed in the Wage Negotiations. Further strategies on how to promote home ownership in the mine will be developed and communicated to employees.	
<b>Guidelines:</b>	HMM will provide the following assistance to employees to facilitate home ownership near the mine:	
<b>Responsible Persons</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>HR Manager</b>	<p>Include a suitable housing and living condition awareness plan for employees, with continuous Financial Awareness sessions, to emphasize:</p> <ol style="list-style-type: none"> <li>1. Focus on communication to employees about the benefits of home ownership and living with their families;</li> <li>2. Creating awareness about the disadvantages of living in squatter settlements.</li> <li>3. Educate employees on how to go about finding a home in a sustainable settlement; how to purchase a home and get finance from the banks; understanding of interest rates;</li> <li>4. Understanding of payment of rates, taxes and electricity; and</li> <li>5. Educate employees on how to structure and spend their salaries i.e. Housing allowance</li> </ol>	Annually

### 3.8 Health Care and Nutrition Plan

As the entire workforce at Hotazel Manganese Mine resides outside of hostels in either rented or owned accommodation, the mine therefore cannot directly influence the diet of their employees. However, through indirect nutrition programmes it can influence the diets of the workforce and their families.

Hotazel Manganese Mine will through the Social and Labour Plan, contribute to the positive conditions of health of employees by means of focussing on the following:

- Continue utilising the services of a health practitioner and dietician to distribute information to employees and family members on appropriate diets, food preparation methods and eating habits to achieve the objectives;
- Assisting HIV positive employees as well as Aids patients to develop and adhere to supportive diets through the Lifeworks HIV/Aids programme that is available to all employees; and
- Monitoring results and applying changes/updates where necessary.

**Table 47: Health Care and Nutrition Plan Undertaking**

<b>Undertaking:</b>	Regarding nutrition, the mine does not provide food for its employees as they reside outside of hostels in their own accommodation; however the mine is looking at implementing awareness programmes so that they can inform workers how they can benefit from good nutrition.	
<b>Summary:</b>	The following plan in respect to improving the nutritional levels of its workforce will be implemented at Hotazel Manganese Mine during the remaining life of the mine: 1. To continue to identify employees with specific health requirement; and 2. To monitor these employees on a scheduled, weekly basis and to provide guidance in the following aspects: a) An eating plan that would assist in lowering the incidence of hypertension and diabetes amongst employees; and b) An eating plan that would assist HIV/Aids positive employees and family members to remain healthy for if possible.	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>Operations HSE Lead</b>	Implement Comprehensive Wellness program inclusive of health awareness, education and monitoring of compliance to chronic disease medication	6 months
<b>Operations HSE Lead</b>	Assisting HIV positive employees as well as Aids patients to develop and adhere to supportive diets through the HIV/Aids programme that is available to all employee Medical Aid	6 months
<b>Principal Health Improvement</b>	Establish collaboration and coordination with the public sector in instances where companies do not offer some of these services	12 months

### 3.9 Procurement Plan

Preferential Procurement is the procurement of commodities from previously disadvantaged South African companies (rather than individuals). Preferential Procurement is aimed at driving transformation throughout the economy by encouraging procurement from suppliers that are transformed. Enterprise and Supplier Development is the development of small to medium black owned enterprises to improve the quality of their performance for large companies to want to enlist their services, but more so, to ensure that companies actually preferentially procure from the enterprises which they develop. Legislation has continuously and consistently been amended to secure opportunities for emerging black owned small to medium enterprises. South32's Preferential Procurement and Enterprise & Supplier Development strategies follow an integrated approach to ensure we develop and integrate the enterprises which we develop into our Supply Chain.

**Table 48: Background on Preferential Procurement Undertaking**

<b>Undertaking:</b>	<p>South32 is committed to Transformation and supports DMR's initiatives to transform the mining industry. Our key strategy focusses on creating successful business partners in core activities of our operations. This strategy positively impacts the communities within which we operate.</p> <p>Our preferential procurement policy is focused on benefitting the business partners created under our Enterprise and Supplier Development Programme. All procurement (regardless of value/type) is driven through suppliers who are themselves transformed. We are committed to moving beyond compliance and have already introduced additional requirements, such as:</p> <ul style="list-style-type: none"> <li>• Procuring of contracted labour requirements from the local community.</li> <li>• Local subcontracting – downstream subcontracting.</li> <li>• We also provide min requirements for the vendor to subcontract to local EME and QSE's</li> </ul>	
<b>Summary:</b>	<p>Hotazel Manganese Mine's approach to procurement is guided by the following principles:</p> <ol style="list-style-type: none"> <li>1. To facilitate SME access to procurement activities through training in technical, business and managerial skills for sustainable business growth; and</li> <li>2. To create awareness, understanding and support for BBBEE among all local stakeholders and business sectors.</li> <li>3. Supplier communication sessions;</li> <li>4. Workshops to clarify legislative requirements;</li> <li>5. Capacity building; and</li> <li>6. Enterprise/ Supplier development</li> </ol>	
<b>Responsible Person</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>Manager ESD</b>	Identification of Tender/ RFQ opportunities to black owned and black woman owned EME, QSE and LME's.	Ongoing
<b>Manager ESD</b>	Training and development provided to black owned EME and QSEs where areas are identified which will assist these SMEs to improve access to market and sustainability.	Ongoing
<b>Manager ESD</b>	Spend on empowered QSE/EME from a Preferential Procurement perspective to be a percentage of measured spend/planned spend e.g. >30% of measured spend, aligned to legislative targets. Implement ED & SD initiatives as identified from an Operations perspective	FY19

#### 3.9.1 Enterprise Development

The Hotazel Manganese Mines' Enterprise development programme will focus on the following types of enterprises, Start-ups, Emerging Micro Enterprises, Qualifying Small Enterprises (QSE), Large and Medium Enterprises (LME).

There are also several interventions planned for developing enterprises namely:

- Support access to improved cash flow through 7-day payment terms to black owned EME's;
- Support access to capital through sponsorship of FRCs to qualifying black owned EME and QSEs;
- Work experience & technical skills development;
- Managerial and entrepreneurial skills training;
- Access to markets and capability building through:
  - Sub-contracts.
  - Set asides;
  - Managerial and Legal training;

- Technical training;
- Monitoring and access to continued business.

Tables 51 below outline the targets for HDSA Procurement.

**Table 49: Targets for HDSA procurement at Hotazel Manganese Mine for (FY19 to FY23)**

<b>Procurement Category</b>	<b>Current</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Capital</b>	62%	40%	40%	40%	40%	40%
<b>Services</b>	62%	70%	70%	70%	70%	70%
<b>Consumables</b>	73%	50%	50%	50%	50%	50%

## **SECTION 4**

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# **DOWNSCALING AND RETRENCHMENT**

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## 4 Downscaling and Retrenchment

### 4.1 Introduction

This section deals with the management of downsizing and retrenchments. It is the Mines intention to abide by the guidelines as set out in the Labour Relations Act.

The Downscaling and Retrenchment Plan will seek to implement measures, which may mitigate the adverse social impacts caused by eventual downsizing, retrenchment and mine closure. The following key strategies have been established and are focused on in the ensuing sections:

1. Establishment of a Future Forum;
2. Mechanisms to save jobs and avoid downsizing and retrenchment;
3. Measures during downsizing and retrenchment;
4. Alternative livelihood opportunities and integration with the IDP; and
5. Integration of Core contractors.

The continual investment in Human Resource Development and facilitation of training during the lifetime of mine has the purpose to sustain skills that will support employment of the workers beyond life of mine. The mine intends to comply with the Basic Conditions of Employment Act in respect of specific skills development directed at facilitating the further acquisition of skills that will be of value to employees at the mine at the time of downsizing and retrenchment. The mine will preside over the portable skills development initiatives.

The applicable authorities and employees will be notified of the planned retrenchments in accordance with legislative requirements. Negotiations with regards to retrenchment packages will be carried out in line with applicable legislation and company's Human Resource's policies for retrenchment. In addition, provisions for downsizing and retrenchment will be finalised in the Future Forum when the need arises.

**Table 50: Downscaling and Retrenchment Undertaking**

<b>Undertaking:</b>	In terms of section 52 (1) of the MRPD Act, 2002 (MPRDA), should the profit: revenue ratio 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, the company undertakes to notify immediately the Minerals and Mining Development Board of such an event. It also undertakes to comply with any ministerial directive arising from such a process. Further the mine undertakes that early warning triggers will be activated where appropriate to anticipate contingencies, and alternatives to retrenchment will be explored.
<b>Summary:</b>	The on-going investment in Human Resource Development Programmes and facilitation of training during the life of the mine is intended to support the acquisition of skills that will ensure employability of the workforce beyond the life of the mine. In addition, Hotazel Manganese Mine will comply with the Basic Conditions of Employment Act in respect of assistance for employees in skills development directed at facilitating the further acquisition of skills that will be of value to employees at the time of retrenchment.

### 4.2 Future Forum

Hotazel Manganese Mine established a quarterly Future Forum Structure aligned to Regulation 46 (d) (i) of the MPRDA whereby the Future Forum functions as a site-specific labour management body which focus on the implementation and monitoring of the SLP. Issues such as the mine's safety performance, operational status, HR related matters, LED projects and production levels have been incorporated into the scope of the Forum. The current members of the Forum include senior mine management, HR management and representatives of all the Unions.

The Hotazel Manganese Mine Future Forum comprises of the following representatives and meet monthly:

1. Chairperson (Operations Manager);
2. Representatives (appointed by the Operations Manager of Hotazel Manganese Mine representing the Mine); and
3. Representatives (appointed by recognized unions).

**Table 51: Strategic Action Plan for Future Forum**

Responsible Person	Future Forum Strategic Action Plan	Timeframe
IR Specialist	Identify and analyse issues, problems, challenges and solutions surrounding job losses and retrenchment management in good time for mine closure.	Ongoing
IR Specialist	To continuously assess and report on through the annual SLP report, the success and progress of all job loss management and retrenchment management programmes implemented during the closure, and subsequently the post-closure period.	Ongoing

### 4.3 Communication with Authorities

In compliance with Section 52 (1) of the MPRD Act, on identifying the need to reduce mining operations, should the profit revenue ratio of the relevant operation be less than 6% on average for a continuous period of twelve (12) months or should 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 Mineral Resources (specifically the Minerals and Mining Development Board in accordance with Section 52(1) (a) of the Act) will be notified. Table 60 outlines the strategic action plan with regards to communicating with the authorities. The government authorities will be given notice of the timeframe for the closure process as well as the on-going 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 to meet the corrective measures as stipulated by the Board.



**Table 52: Strategic Action Plan to Communicate with the Authorities**

Responsible Party	Communication with Authorities Strategic Action Plan	Date to be completed
Future Forum	In event of identifying the need to reduce mining operations and therefore the need for retrenchment of 10% (or more than 500 people) of workforce, the Future Forum is required to enter consultation with the affected employees or relevant Trade Unions.	Commencement of the Social Plan
Future Forum	As planning for job loss and retrenchments commences, the Future Forum needs to notify: <ol style="list-style-type: none"> <li>1. Department of Labour; and</li> <li>2. DMR, specifically Minerals and Mining Development Board.</li> </ol>	Commencement of the Social Plan
Future Forum	Government Authorities to be given notice of timeframes.	Commencement of the Social Plan
Future Forum	Progress reports need to be submitted to the Social Plan and Productivity Advisory Council and the Department of Provincial and Local Government.	Commencement of the Social Plan

#### 4.4 Mechanisms to Avoid Job Losses

To save employment, the mine will appoint the optimum staff component to run the mine efficiently. Consequently, there should be no superfluous people in jobs that could become redundant. The mine will recruit people from the community, thus enabling them to stay within the community and minimising the risk of losing their homes, should retrenchment occur. This will also lessen the impact of retrenchment, as communal support systems will still be available.

**Table 53: Mechanisms to Avoid Job Losses Undertaking**

<b>Undertaking:</b>	Hotazel Manganese Mine will appoint the optimum staff complements to run the mine efficiently. Consequently, there should be no superfluous people in jobs that could become redundant. The mine will recruit people from the community, thus enabling them to stay within the community and minimising the risk of losing their homes, should retrenchment occur.
<b>Summary:</b>	The Company will develop and implement turnaround strategies and mechanisms to save jobs, prevent unemployment and downscaling by focusing on the following: <ol style="list-style-type: none"> <li>1. Seeking to prevent retrenchments from taking place, where possible.</li> <li>2. Utilising the Future Forum to identify strategies to prolong the life of the mine and operations or avoid retrenchments and downscaling.</li> <li>3. Consulting with the DOL, DMR and surrounding mining companies to asses any potential opportunities to migrate to above mentioned.</li> </ol>

#### 4.5 Provision of alternative solutions and procedures for creating job security where job losses cannot be avoided

One of Hotazel Manganese Mine’s goals is to ensure that through the effective implementation of its HRD plan, appropriate systems for creating employee mobility will be in place. Where possible an appropriate programme will be implemented to further diversify the skills base of retrenched employees, through learnerships, skills programme and portable skills training.

Further, Hotazel Manganese Mine will assist affected employees in finding alternative forms of employment or sustainable livelihoods. This will be done where necessary, given the expectation that the infrastructure development initiatives planned for the affected communities will absorb a portion of the workforce after closure. The focus of this phase will fall on the integration of the workforce into various LED projects, which will be done in collaboration with the district and local municipalities. Where workers cannot be absorbed into LED initiatives, they will be furnished with skills and training (through the HRD programme) which will enable them to find alternative employment after mine closure.

**Table 54: Provision of Alternative Solutions Undertaking**

<b>Undertaking:</b>	Hotazel Manganese Mine aims to ensure the effective implementation of the HRD Programme to provide the workforce with both mining-related and portable skills. In this manner Hotazel Manganese Mine wants to assist the workforce to be multi-skilled and employable in diverse fields should the mine need to downscale and close. Furthermore, the mine will regularly communicate with the Future Forum to direct the retrenchment process and the establishment of a Job Advice Centre, which will provide counselling and support to employees. Inherent to this, a "job-help" facility will be provided to aid employees in locating alternative employment, through the formulating of employee CV's, integrations mechanisms with potential employers, interview strategies. Contactors will however be responsible for the management of downscaling and retrenchment of their own employees.	
<b>Summary:</b>	Hotazel Manganese Mine is planning for closure throughout the process by acknowledging the future well-being of its employees in the eventuality of closure. During this phase, will be done in partnership with the DoL and the representative unions. Here affected employees will be assisted to maximise their chances of re-employment.	
<b>Responsible Party</b>	<b>Strategic Action</b>	<b>Timeframe</b>
<b>IR Specialist</b>	A retrenched database to be established, including information regarding existing skills, experience, and expertise. This database will be used to identify potential employment opportunities within or outside of the company.	Ongoing
<b>IR Specialist</b>	Appropriately train and skill retrenches to find alternative employment within the company, or in the open job market.	Ongoing

**4.6 Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the operation is certain**

To ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the operation is certain, Mine management, together with the Future Forum, will assess in advance the impact that will be caused by the retrenchment and/or closure of its operations. This will be communicated to the affected individuals and communities involved to make all affected parties aware of what the outcome of the retrenchment and/or closure will be. Proposals to lessen the impact on the socio-economic situation of the area concerned will be considered. In order to assess this, impact a socio-economic impact analysis (SEIA) will be carried out by specialist consultants prior to the development of detailed closure management plans. Such an impact assessment will incorporate interaction with both the Future Forum and relevant community structures.

**Table 55: Mechanisms to Ameliorate the Social-Economic Impact Undertaking**

<b>Undertaking:</b>	Downscaling and retrenchment has the potential to affect not only employees but also surrounding businesses and communities. Thus, careful planning is imperative to limit the potential fallout of such an event. A major objective of the Human Resources Development Programmes and the LED Programmes is to facilitate sustainable social and economic growth in the local communities during the life of the mine. This will need to be supplemented by additional measures to manage the impact of the mine closure on both the surrounding communities and those communities from which labour is sourced.	
<b>Summary:</b>	After considering all alternatives and downscaling and retrenchment becomes inevitable, Hotazel Manganese Mine will assist affected employees in redeployment within the company and finding alternative employment or sustainable livelihoods, six (6) months before this eventuality. This phase will be managed jointly by the Company in partnership with the Department of Provincial and Local Government. The focus will be on the integration of the workforce into various LED projects, which will be done in collaboration with the district and local municipalities and other stakeholders serving on the LED Forum/CDF.	
<b>Responsible Party</b>	<b>Strategic Action</b>	<b>Timeframe</b>
EAP Service Provider	Psychological counselling to be provided to employees.	At times of downscaling/closure
HRD	Portable skills training interventions to be uplifted and to include comprehensive self-employment opportunities.	On-going throughout the Life of Mine (LoM)/ At times of downscaling/closure
HR	In conjunction with the DoL, the mine to facilitate retrenched employees in the completion of UIF claim forms at the mine premises.	At times of downscaling/closure
HR/Finance	The mine to ensure that sufficient financial provisioning is in place for the implementation of all plans relating to the process of downscaling and retrenchments.	On-going throughout the Life of Mine (LoM)

#### 4.7 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 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.

Planning for specific LED projects at closure is very difficult given that the life of the proposed mine is thirty (30) years. Knowledge of the specific LED needs within the area surrounding the mine at the time of or several years in advance of closure is very difficult. However, cognizance of the need for comprehensive LED projects which are developed with the aim of sustainable social and economic development in the region surrounding the mine, particularly for workforce and/or communities previously dependent on the mine for their livelihoods, will be key. Such planning will commence some five (5) years prior to closure.

#### 4.8 Social and Labour Plan (SLP) Communication

In order to comply with the requirements of the MPRD Act (specifically regulation 46(f)) Hotazel Manganese Mine will ensure that each employee is informed about the provisions laid out in the mine's SLP as well as progress in achieving the objectives on an annual basis.

Clear, effective and participative communication of the Social and Labour Plan, including using the Career Progression Plan (CPP), Skills Development Plan (SDP) and Worker's Forums to ensure it is communicated on a level that each worker can grasp.

**Table 56: Strategic Action Plan to Communicate the Social and Labour Plan**

Responsible Person	SLP Communication Strategic Action Plan	Time Frame
SLP Coordinator/ Corporate Communications	The mine will hold dedicated meetings on an annual basis to provide feedback to its employees on the progress made within the SLP.	Annually
HR Manager	SLP Future Forums will be set up at mine level as a forum to discuss and communicate SLP issues during the life of the mine as well as issues pertaining to downscaling and retrenchment should these arise.	Monthly

## **SECTION 5**

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### **FINANCIAL PROVISION**

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## 5 Financial Provision

### 5.1 Financial Provision

In terms of Section 23(1) (e) of the MPRDA “The Minister grants a mining right if the applicant has provided financially and otherwise for the prescribed Social and Labour Plan”. This section intends to outline the way The Mine aims to provide financially for each component of the Social and Labour Plan. Table 59 provides a summary of the financial commitment by the mine for the next five (5) years.

**Table 57: Summary of Financial Provision for Key Elements of Hotazel Manganese Mine SLP over the Five (5) Year Period (FY 2019 to 2023)**

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Combined (FY 2019 to 2023)
Human Resource Development Programmes	R 25,089,600	R 26,344,080	R 27,661,284	R 29,044,348	R 30,496,566	R138,635,878
Local Economic Development Programmes	R24,500, 000	R20,800,000	R14,800 000	R11,800,00	R12,600,000	R85,000,000
<b>Estimated Total Provision for SLP</b>	<b>R49,589,600</b>	<b>R47,144,080</b>	<b>R42,461,284</b>	<b>R10,844,384</b>	<b>R43,096,566</b>	<b>R223,635,878</b>

### 5.2 Financial Provision for Human Resource Development Programmes (Regulation 46 (e)(i))

Hotazel Manganese Mine will fund its HRD programme by means of the procedures put in place through the Skills Development Act and the payment of skills levies as well as the budgetary commitments made for through the operating costs associated with the mine and implementation of the overall business plan.

**Table 58: Summary Breakdown of Human Resources Development Five (5) Year Budget for Hotazel Manganese Mine (FY 2019 to 2023)**

HRD Budget	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Combined (FY 2019 to 2023)
Learnership (18.1)	R 1,904,000	R 1,999,200	R 2,099,160	R 2,204,118	R 2,314,324	R 10,520,802
Learnership (18.2)	R 1,636,600	R 1,718,430	R 1,804,352	R 1,894,569	R 1,989,298	R 9,043,248
Core & Non-Technical	R 9,769,240	R 10,257,702	R 10,770,587	R 11,309,116	R 11,874,572	R 53,981,218
AET Training	R 912,760	R 958,398	R 1,006,318	R 1,056,634	R 1,109,465	R 5,043,575
Portable Skills	R 2,103,700	R 2,208,885	R 2,319,329	R 2,435,296	R 2,557,060	R 11,624,270
Bursaries Scheme	R 1,500,000	R 1,575,000	R 1,653,750	R 1,736,438	R 1,823,259	R 8,288,447
Study Assistance	R 900,000	R 945,000	R 992,250	R 1,041,863	R 1,093,956	R 4,973,068
In-Service & Vac Students	R 1,200,000	R 1,260,000	R 1,323,000	R 1,389,150	R 1,458,608	R 6,630,758
Graduate Development Programme	R 5,163,300	R 5,421,465	R 5,692,538	R 5,977,165	R 6,276,023	R 28,530,492
<b>Total Budget</b>	<b>R 25,089,600</b>	<b>R 26,344,080</b>	<b>R 27,661,284</b>	<b>R 29,044,348</b>	<b>R 30,496,566</b>	<b>R 138,635,878</b>

### 5.3 Financial Provision for Local Economic Development Programmes (Regulation 46(e) (ii))

Section 3 details the Mines plans to undertake Local Economic Development in line with the local and district municipalities Integrated Development Strategies.

**Table 59: Summary of Financial Commitment for Local Economic Development for Five (5) Years for Hotazel Manganese Mine (FY 2019 to 2023)**

Financial Provision for Local Economic Development Programmes	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total Financial Provision (FY 2019 to 2023)
LED Projects	24,5	20,8	14,8	11,8	12,6	85
Total Financial Provision for Local Economic Development Programmes	24,5	20,8	14,8	11,8	12,6	85

### 5.4 Financial Provision for Management of Downscaling and Retrenchment (Regulation 46 (e)(iii))

The on-going investment in Human Resource Development Programmes and facilitation of training during the life of Hotazel Manganese Mine is intended to support the acquisition of skills that will ensure employability of the workforce beyond the life of the mine. In addition to this, the mine will comply with the Basic Conditions of Employment Act in respect of assistance for employees. Specific skills development initiatives directed at facilitating further acquisition of skills that will be of value to employees at the time of retrenchment will be implemented.

No provisions for retrenchment and downscaling have been made as a result of the mine not planning to retrench in the near future. In such an unforeseen event, normal legislative procedures will be followed, where appropriate financial provisions will be made which will be in accordance with IFRS.

## **SECTION 6**

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### **UNDERTAKING**

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**6 UNDERTAKING**

This represents an undertaking by the holder of the mining right to ensure compliance with the SLP and to make it known to employees and for further contacts on follow-ups, requests, reports, queries, enquiries and discussions.

South32, herein represented by Barry Bezuidenhout and Xolani Qamata duly authorized thereto, hereby undertakes to adhere to the information, requirements, commitments and conditions as set out in the Social and Labour Plan.

Signed at Hotazel on this ..... day of ..... 2019.

Signature of responsible person(s).

.....

**Designation – Operations Manager (Mamatwan mine)**

.....

**Designation – Operations Manager (Wessels mine)**

**ADDENDUM A: LABOUR SENDING AREAS**

<b>Province</b>	<b>Municipality</b>	<b>Number of employees</b>	<b>%</b>
<b>Gauteng</b>		28	3%
<b>North West Province</b>		19	2%
<b>Other</b>		9	1%
<b>Northern Cape</b>		876	94%

## ADDENDUM B: GENERIC CAREER PATHS

### HMM Career Paths

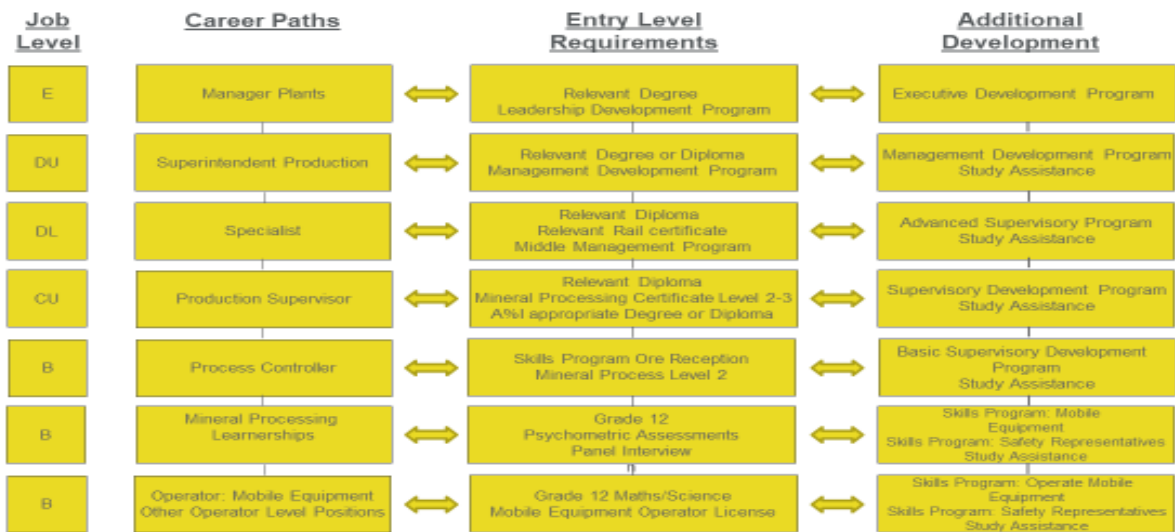
## MINING CAREER PATH

Job Level	Career Paths		Entry Level Requirements		Additional Development
E	Mine Manager	↔	Relevant Degree Mine Managers Certificate Leadership Development Program	↔	Executive Development Program
DU	Superintendent Production	↔	Relevant Degree or national diploma Mine Overseer Certificate Management Development Program	↔	Middle Management Development Program Study Assistance
DL	Mine Overseer/Specialists	↔	Mine Overseer Certificate Management Development Program	↔	Advanced Supervisory Development Program Study Assistance
CU	Production Supervisor	↔	Skills Level 4 certificate Rockbreaker/Blasting certificate Supervisory Development Certificate A/I appropriate degree/Diploma	↔	Supervisory Development Program Study Assistance
CL	Miner	↔	Rockbreaker/Blasting Certificate Skills Program: Competent A Magazine Master certificate	↔	Basic Supervisory Development Program Skills Program: Safety Representatives Study Assistance
B	Learner Miner	↔	Grade 12 Psychometric Assessments Panel Interviews	↔	Skills Program: Operate Mobile Equipment Skills Program: Safety Representatives Study Assistance
B	Operator: Mobile Equipment Other Operator Level Positions	↔	Grade 12 with Maths/Science Skills Program: Competent B Mobile Equipment Operator License	↔	Skills Program: Operate Mobile Equipment Skills Program: Safety Representatives Study Assistance

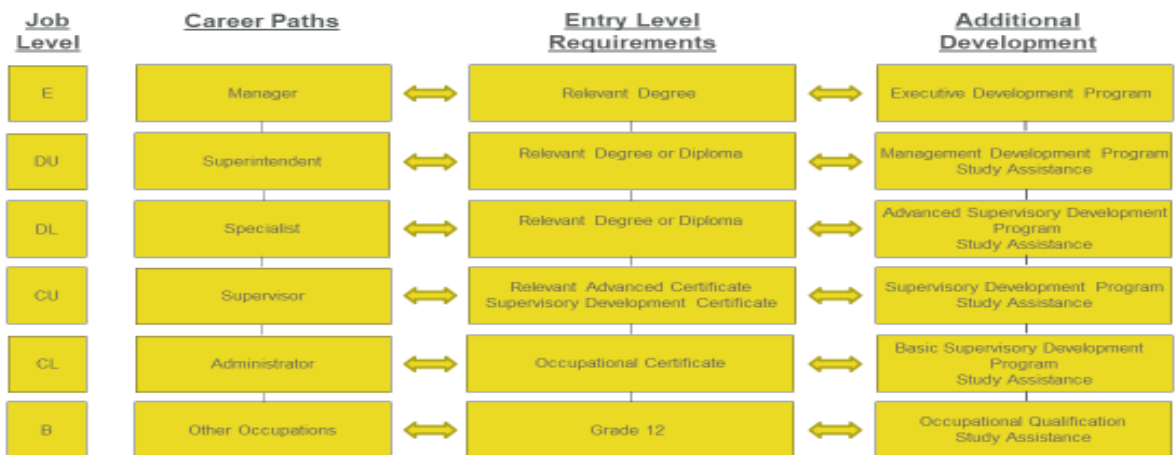
## ENGINEERING/MAINTENANCE CAREER PATH

Job Level	Career Paths		Entry Level Requirements		Additional Development
E	Engineering/Maintenance Manager	↔	Degree Certificate of Competence Leadership Development Program	↔	Executive Development Program
DU	Superintendent Production	↔	Relevant Degree or Diploma Government Certificate of Competence Management Development Program	↔	Management Development Program Study Assistance
DL	Specialist	↔	N4 plus Trade certificate Middle Management Program	↔	Supervisory Development Program Study Assistance
CU	Production Supervisor	↔	N3 plus Trade certificate Supervisory Development Certificate A+I appropriate degree	↔	Supervisory Development Program Study Assistance
CU	Maintenance Planner	↔	Maintenance Planner Certificate Relevant Trade Certificate	↔	Supervisory Development Program Study Assistance
CL	Artisan	↔	N2 – N3 Relevant Trade Certificate	↔	Millwright Maintenance Planner Certificate Study Assistance
B	Apprenticeships	↔	N2-N3 Trade Test Battery Assessment Panel Interviews	↔	Specialized Trade Related Training Study Assistance
B	Artisan Assistant	↔	Grade 12 with Maths/Science	↔	Artisan Aide Program N2-N3 Study Assistance Skills Program: Safety Representatives

# PROCESS CAREER PATH



# SERVICES/FUNCTIONAL CAREER PATH



## South32 Qualifications Framework

Job Grade	Qualifications				Experience
	Services / Functional	Mining	Processing / Production	Maintenance and Engineering	
EU	Post Graduate Degree (4yrs)	Degree (4yrs)	Degree (4yrs)	Degree (4yrs)	Min 10 years' experience of which 5 years at least in Managerial position
		Advantageous if 2nd degree Financial plus Leadership Development Training	Advantageous: Advance Lump Ore Beneficiation (LOB) plus Leadership Development Training	Advantageous if 2nd degree Financial plus Leadership Development Training	
EL	Relevant Degree	Degree (4yrs) / Mine Managers' certificate MMC (Mining) plus Leadership Development Training	Degree (4yrs) Chemical Engineering / Metallurgy plus Leadership Development Training	Degree (4yrs) / Government Certificate of competency GCC (Engineering) plus Leadership Development Training	Min 6 years' experience of which 3 years at least in Managerial position
DU	Relevant Degree or National Diploma (3yrs)	Degree or National Diploma (3yrs) / Mine Overseer certificate plus Middle Management Development course	Degree or National Diploma in Chemical Engineering or Metallurgy (3yrs) plus Management Development course	Degree or National Diploma (3yrs) Execution Roles: GCC (Engineering) plus Management Development course	Min 5 years' experience of which 2 years at least in Managerial position
DL	Relevant Degree or National Diploma (3yrs)	Mine Overseer Certificate Ug plus Middle Management Development course	National Diploma in Chemical Engineering or Met. (3yrs) or Adv. LOB. Rail – Relevant rail certificate plus Middle Management Development course	N4 plus Relevant Trade Certificate plus Middle Management Development course	Min 4 years' experience of which 2 years at least in Supervisory position
CU	Relevant Advanced Occupational Certificate/Supervisor Development Training	Shift boss Level4 Course/Supervisor certificate/Rock Breaking/Blasting certificate, A&I (Appropriate Degree or Diploma)	National Diploma or Intro Lump Ore Beneficiation plus Supervisory certificate, A&I (Appropriate Degree or Diploma)	Engineering Foreman or Supervisor Certificate, N3, A&I (Appropriate Degree or Diploma)	Min 3 years' experience as Miner/Artisan/Processing Plant/Practitioner
CL	Relevant Occupational Certificate	Certificate in Rock Breaking/Blasting Certificate, Competency A/Magazine Master certificate	Introduction to Lump Ore Beneficiation (LOB)	N2/N3 plus relevant Trade Certificate/Onsetter/Banksman Certificate/Winding Engine Driver Certificate	Min 2 years Relevant Experience
B	Matric with Mathematics and Science (Maintenance, Engineering and Processing, Mining and Functions)				
	(For internal candidates, a Standard 8 (Grade 10) will be required for an internal promotion within the B band. External however remains as above)				