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REVIEWED

SOCIAL AND LABOUR PLAN

2018-2022

**For consolidated MR 135 (area 1), MR 216 (area 2 & 3 conversion) and
SEC 102 (area 8 & 9)**



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EXECUTIVE SUMMARY

Tendele Coal Mining (PTY) Ltd, also known as Somkhele mine, was developed and commissioned in June 2007, and has the following mining rights: Area 1 (ref: 135 MR); Area 2 and 3 (ref: 216 MR); and Luhlanga and KwaQubuka (Section 102 extension of 216 MR).

This Social and Labour Plan is a reviewed SLP of these mining rights and marks the third 5-year cycle. It should be noted that the Mine also holds a new approved mining right which runs concurrently with this SLP. This reviewed SLP should be read in conjunction with the new mining right's SLP 2016-2020 as both rights are meant for the same workforce and same community.

Somkhele's mining area comprises of a series of mining pits that are all part of one operation, utilizing one workforce and all mined Run of Mine (RoM) is fed into the 3 washing plants situated in Area 2. The mine employs in excess of 1000 people – who work in all the mining areas under licence.

TENDELE COAL MINING HAS ONE MINING OPERATION – SOMKHELE MINE.

**IT IS OPERATED WITH ONE WORKFORCE, ONE MANAGEMENT TEAM, ONE BUDGET, ONE REVENUE LINE,
AND WITHIN ONE COMMUNITY.**

THEREFORE ONE INTEGRATED SLP FOR ALL OF THE EXISTING MINING RIGHTS.

It should also be noted that there has been no improvement in the mining industry in South Africa which is still currently facing a tough economic environment. The weak commodity prices, a slowdown in world economics, recession looming in development countries, the plummeting of equity stock and sharp drop in commodity prices and demand for commodities, has put a lot of pressure on mining companies. A significant number of job cuts is ongoing in the mining industry.

Looking at the Mpukunyoni area where the mine operates, the community continues to experience shortages of potable water required for their daily livelihood and for livestock. The mine remains under pressure to support the Mtubatuba municipality in addressing this dire need for its community.

The Mtubatuba Local Municipality Integrated Development Plan ("IDP") for 2017/2018 - 2022 provides, at 13.1, that "...mining is one of the major employment sectors in Mtubatuba Municipality through Somkhele Coal Mine...)

It is further recognised in the IDP, inter alia, that "[T]he unemployment rate within Mtubatuba Municipality was at 59.7% in 2001, however in 2011 there... [was] a significant improvement as it is estimated to be at 39%. This may be due to the coal mining operation taking place in the Mpukunyoni Traditional Council area, Somkhele Mine."

The IDP furthermore states that the Mtubatuba Municipality's economy is driven by the performance and structures of, inter alia, mining at Somkhele.

The above extracts from the IDP reiterates how important the Mine's contribution is within the community and thus the projects and training interventions identified for this reviewed SLP, is guided by historical knowledge of the area (10 year's operation), as well as interactions and guidance from the Municipality and its IDP.

Below is a summary of the key projects and programmes as well as related budgets for a period of 5 years (2018 – 2022) which the mine commits to. The plan follows a calendar year from January to December to align with the mining right approval and the annual Mining Charter reporting required by the DMR.

Table 1 below provides a brief summary of the projects and budget for this SLP. Details of each programme are provided in the remainder of this document.

Table 1: Budget summary 2018-2022

MR 216 & 135

APPROVED SLP PROJECTS	2018		2019		2020		2021		2022		Total Rx	Total
	Budget	People	Budget	People	Budget	People	Budget	People	Budget	People		
Skills Development Total	830,000.00	157	870,000.00	157	810,000.00	157	1,080,000.00	158	1,100,000.00	158	4,690,000.00	755
ABET Communities	100,000.00	30	100,000.00	30	100,000.00	30	200,000.00	30	200,000.00	30	700,000.00	150
ABET Employees	10,000.00	10	10,000.00	10	10,000.00	10	10,000.00	10	10,000.00	10	50,000.00	50
Skills Training -Communities	150,000.00	60	150,000.00	60	150,000.00	60	150,000.00	60	150,000.00	60	750,000.00	300
Learnership/Apprenticeship -Internal	30,000.00	4	30,000.00	4	30,000.00	4	60,000.00	4	60,000.00	4	210,000.00	16
Learnership/Apprenticeship - External	50,000.00	6	50,000.00	6	50,000.00	6	60,000.00	6	60,000.00	6	270,000.00	12
Management Development	20,000.00	4	60,000.00	4	60,000.00	4	180,000.00	4	200,000.00	4	520,000.00	20
Bursaries - External	100,000	2	100,000	2	100,000	2	100,000	2	100,000	2	500,000.00	4
Bursaries - Employees	10,000.00	1	10,000.00	1	10,000.00	1	20,000	2	20,000	2	70,000.00	3
Internship (Processing & Engineering)	360,000.00	40	360,000.00	40	300,000.00	40	300,000.00	40	300,000.00	40	1,620,000.00	200
Community Development	650,000.00	537	650,000.00	537	506,333.00	597	587,333.00	597	587,333.00	597	2,981,000.00	917
Agriculture – tractors, implements & boreholes/irrigation for cooperatives	380,000.00	387	380,000.00	387	100,000.00	387	175,000.00	200	175,000.00	200	1,210,000.00	587
Small business incubation (fencing, alien plant eradication, aloes replanting)	250,000.00	150	250,000.00	150	250,000.00	150	250,000.00	150	250,000.00	150	1,250,000.00	150
Maths & Science (Teacher Outreach & Plato)	-	-	-	-	128,333.00	60	128,333.00	60	128,333.00	60	385,000.00	180
Consultation & project management for SLP18-22	20,000.00	-	20,000.00	-	28,000.00	-	34,000.00	-	34,000.00	-	136,000.00	-
Management Of Downscaling	10,000.00		10,000.00		10,000.00		50,000.00		50,000.00		130,000.00	26
Portable skills - employees	10,000.00	2	10,000.00	2	10,000.00	2	50,000.00	10	50,000.00	10	130,000.00	26
Total	1,490,000.00		1,530,000.00		1,326,333.00		1,717,333.00		1,737,333.00		7,801,000.00	1698

SECTION 1: PREAMBLE

1. Background Information

1.1 Introduction

The Mine's commitments that were indicated in the Social and Labour Plan (SLP) 2013-2017 were concluded and a report outlining achievements for the reporting period was submitted to the DMR. This SLP outlines the next five years' commitment by the mine for the period starting January 2018 to December 2022.

Table 2 below gives background information of Tendele Coal Mining (Pty) for the SLP 2018-2022.

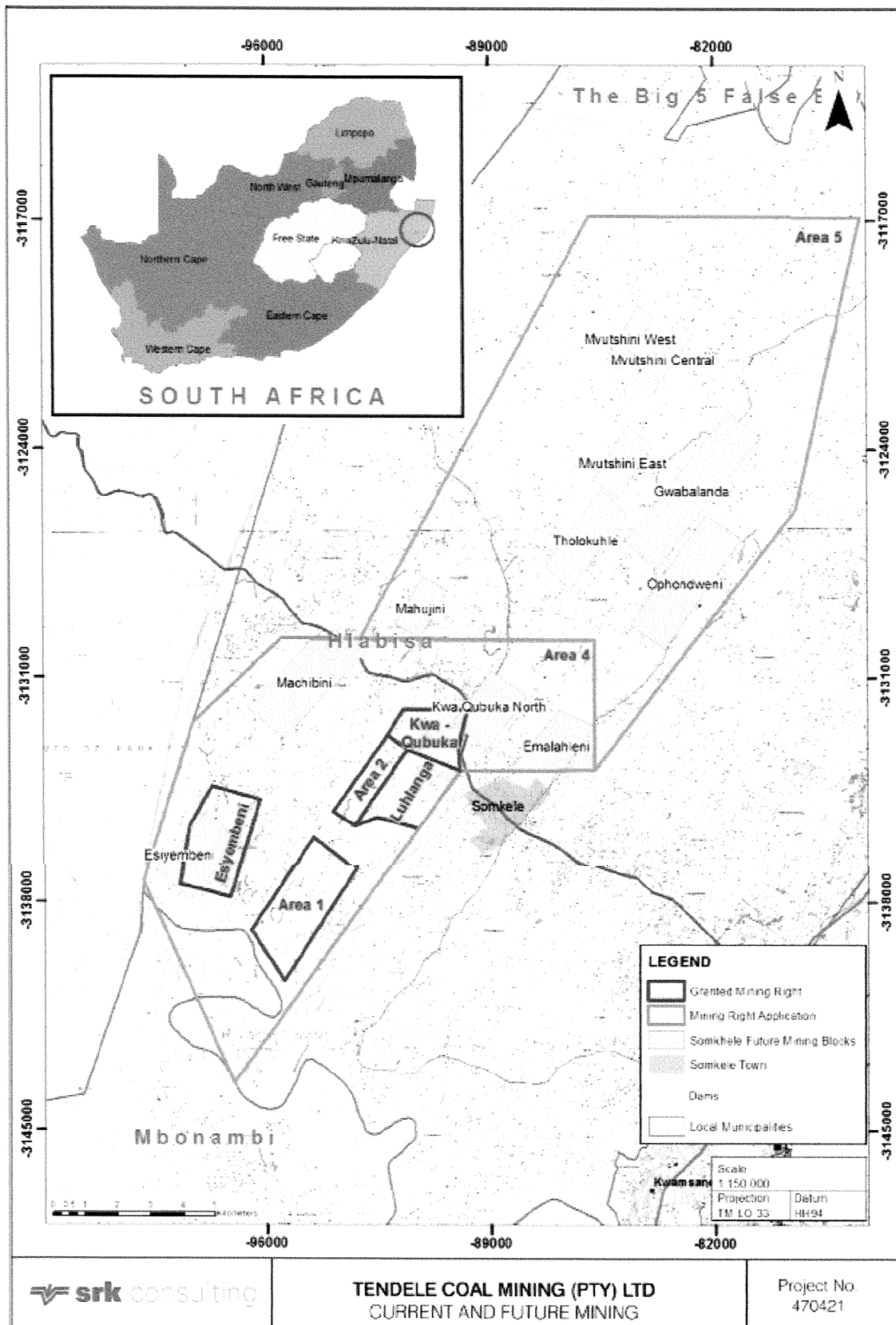
Table 2: Tendele's profile

a)	COMPANY DETAILS	
	Name of Company	Tendele Coal Mining (Pty) Ltd
	Name of Mine	Somkhele Mine
b)	COMPANY CONTACT DETAILS	
	Physical address	Nkolokoto, R 618, 23 km off the N2, Mtubatuba, KwaZulu-Natal
	Postal Address	Postnet Suite 208 P/Bag X013 Mtubatuba 3935
	Telephone Number	082 895 1406
	Fax Number	086 658 1559
c)	COMPANY LOCATION (See Map 1 for all mining areas in Mpukunyoni jurisdiction that are part of this SLP).	
	Traditional Council:	Mpukunyoni
	Isigodi (Local area)	Somkhele
	Local Municipality	Mtubatuba
	District Municipality	Umkhanyakude
	Province	Kwa-Zulu Natal
d)	COMMODITY	Anthracite
e)	EXPECTED LIFE OF MINE	30 years or more (based on the rate of current production and reserves).
f)	FINANCIAL YEAR	1 July to 30 June
g)	REPORTING YEAR	31 December

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1.2 Illustration of the mining areas

Map 1: Illustration of the mining areas



1.3 Workforce profile

Tendele's workforce inclusive of contractors stood at **1098** at the end of June 2017 and is illustrated in **Table 3** below:

Table 3: Workforce profile

GENDER DISTRIBUTION											
Gender	Female					Male					Grand Total
Race	African	White	Coloured	Indian	Total	African	Coloured	Indian	White	Total	
Total	211	12	0	5	228	771	0	9	90	870	1098
HDSA DISTRIBUTION WHOLE MINE											
Male HDSA	780					Male HDSA %	71%				
Male Non-HDSA	90					Male Non-HDSA %	8%				
Female - HDSA	216					Female - HDSA %	20%				
Female - white	12					Female - white %	1%				
EMPLOYMENT OF WOMEN											
Women On Mine	21%					Women In Mining	22%				

1.4 Breakdown of employees per labour sending area

The mine remains committed to sourcing majority of its employees from South Africa. **Table 4** below summarises the status of labour recruitment for both Tendele Coal Mining and its contractors as recorded in September 2017. It should be noted that majority of the employees reside in KwaZulu Natal. Therefore community investments will be done in KZN.

Table 4: Number of employees from each sending area

AREA	Standard Employment	SLP – Workplace Exposure	TOTAL
Mpukunyoni (Local)	828	89	917
Empangeni/Richards Bay	84	0	84
Other KZN	75	2	77
Gauteng	9	1	10
Mpumalanga	4	2	6
Other	15	0	15
TOTAL	1015	94	1109
% Total	92%	8%	
% Local	83%		

SECTION 2: HUMAN RESOURCES DEVELOPMENT PROGRAMMES

The mine is committed to develop its employees and communities in compliance with the primary objective of human resource development which is “to ensure the development of requisite skills in respect of learnerships, bursaries, artisans, ABET training and other training initiatives reflective of the demographics as defined in the amended Mining Charter” (DMR SLP Guidelines, 2010).

2.1 Skills Development Plan

2.1.1 Workforce education levels

Tendele Coal Mining will continue to offer employees various skills programmes, including Adult Basic Education and Training (ABET). To decide on which skills will be required the mine’s skills analysis illustrated by the workforce education levels was used. The education levels of the workforce are depicted in **Table 5** below (security employees not included as they are not permanently on site). The table also shows that the number of employees who were below ABET level 4 was at 32% at the end June 2017, indicating that there is a continued need for a drive to attract employees to participate in ABET programmes. In the past five years employees below ABET level 4 were standing at 45%. This indicates an improvement in reducing the high illiteracy rate of employees. It should be noted that some of the employees are catered for in the SLP 2016-2020 SLP. The below employees will be taken through various ABET interventions over a period of five years.

Table 5: Workforce education level (June 2017)

Band	NQF level	Education Level	TOTAL	Below NQF Level 4	% Below NQF Level 4
General Education	1	ABET 0 Gr 1-2	252	338 (Need ABET Training)	32%
		ABET 01 Gr 3-4	24		
		ABET 02 Gr 5-6	37		
		ABET 03 Gr 7-8	25		
		ABET 04 Gr 9 NQF 01	24	N/A	-
Further Education and Training (FET)	2	N 1 (gr 10) NQF 02	58	N/A	-
	3	N 2 (gr 11) NQF 03	101	N/A	-
	4	N 3 (gr 12) NQF 04	439	N/A	-
Higher Education and Training	5	Diploma/Certificate NQF 05-07	64	N/A	-
	6	Degree/ Higher.Diploma NQF 08	10	N/A	-
	7	Honors/Masters Deg NQF 09	9	N/A	-
	8	Doctorates/Post Grad NQF 10	0	N/A	-
TOTAL			1043	-	-

An ABET centre has been established at the mine and at the mine's Edu-Centre for both mine employees and community members, and they will continue to be utilised for the next five years.

2.1.2 ABET

Mine operations require a certain level of literacy from employees. Tendele Coal Mining thus commits to offer ABET programmes to its employees. Ten (10) mine employees who need ABET are targeted for the ABET programme each year. The mine also remains committed to give monetary incentives of R500 to each employee for an ABET level completed. This gesture is aimed at encouraging employees to continue participating in the ABET programme.

The ABET programme will also be extended to community members. Fifteen (15) community candidates are targeted for the ABET programme per year for the SLP period. An incentive of R20 per day will be given to each candidate for attendance and R500 upon completion of each level. **Tables 6 and 7** below show the planned intake and budget for each ABET level for employees and communities respectively.

It should be noted that the ABET provision in this SLP overlaps with SLP 2016-2020 hence the minimal allocation in the tables below.

Table 6: ABET – Employees

Programme	2018		2019		2020		2021		2022		TOTAL	
	Budget/People		Budget/People		Budget/People		Budget/People		Budget/People		Budget/People	
ABET Employees	10,000.00	10	10,000.00	10	10,000.00	10	10,000.00	10	10,000.00	10	50,000.00	50
Level 1	5,000	5	5,000	5	5,000	5	5,000	5	5,000	5	25,000	25
Level 2	3,000	3	3,000	3	3,000	3	3,000	3	3,000	3	15,000	15
Level 3	2,000	2	2,000	2	2,000	2	2,000	2	2,000	2	10,000	10

Table 7: ABET – Communities

Programme	2018		2019		2020		2021		2022		TOTAL	
	Budget/People		Budget/People		Budget/People		Budget/People		Budget/People		Budget/People	
ABET Communities	100,000	30	100,000	30	100,000	30	200,000	30	200,000	30	700,000	150
Level 1	70,000	15	70,000	15	70,000	15	140,000	15	140,000	15	490,000	75
Level 2	20,000	10	20,000	10	20,000	10	40,000	10	40,000	10	140,000	50
Level 3	10,000	5	10,000	5	10,000	5	20,000	5	20,000	5	70,000	25

2.1.3 Critical and scarce skills: Hard-to-fill vacancies

The mine has identified hard-to-fill skills listed in **Table 8** below. The training and development of candidates for the positions mentioned will be addressed through ABET and progression to bursaries, apprenticeships, internships and career succession plans, as illustrated in the next section.

Table 8: Hard-to-fill vacancies

Occupational Levels	Job Title	Reason for being unable to fill the vacancy
Professionally qualified	Leadership and management	Lack of competent candidate, takes long to acquire qualification and experience while working
	Mining	Lack of competent candidate, salary offer and remoteness of area
Skilled/ technical	Artisans	Shortage of competent candidate, takes long to acquire qualification and experience
Semi-skilled	TMM Operators	Lack of skills

2.1.4 Core skills training

Core skills include skills that will be developed through learnerships (workplace experience to acquire qualification), internships (trade test qualification), bursaries and HDSA management training. The Mine undertakes to maintain a target of HDSA's in Core Skills at 40% of total Core Skills.

2.1.4.1 Learnerships - Apprentices

Learnerships, apprenticeships and non-technical skills will be provided to employees (internal) and external candidates. These programmes do qualify with SAQA standards and have taken into account hard-to-fill skills

identified by the mine. The Learnerships / apprenticeships take an average of three years to complete. At any point in time, the indicated number of candidates will be in the various programmes as indicated by **Table 9 and 10** below.

Table 9: Learnerships – Internal (Employees)

Programme	2018		2019		2020		2021		2022		TOTAL	
	Budget/People		Budget/People		Budget/People		Budget/People		Budget/People		Budget/People	
Learnership Employees	30,000	4	30,000	4	30,000	4	60,000	4	60,000	4	210,000	16
Mineral processing - Coal laboratory	15,000	2	15,000	2	15,000	2	30,000	2	30,000	2	105,000	8
Mineral processing - DMS plant	15,000	2	15,000	2	15,000	2	30,000	2	30,000	2	105,000	8

Table 10: Learnerships/Apprentices – External

Programme	2018		2019		2020		2021		2022		TOTAL	
	Budget/People		Budget/People		Budget/People		Budget/People		Budget/People		Budget/People	
Learnership External	50,000	6	50,000	6	50,000	6	60,000	6	60,000	6	270,000	12
Apprenticeship (Umfolozi / Ext vendor)	50,000	6	50,000	6	50,000	6	60,000	6	60,000	6	270,000	12

2.1.4.2 Internship

The company will provide 200 (two hundred) interns the opportunity to complete the practical portion of their studies on the mine. Candidates studying for the scarce and core skills disciplines will receive preference for the opportunities mentioned. The budget allocated below is an allowance of **R2 000** per candidate who will be on the internship programme.

Table 11: Internship

Programme	2018		2019		2020		2021		2022		TOTAL	
	Budget/People		Budget/People		Budget/People		Budget/People		Budget/People		Budget/People	
Internship	360,000	40	360,000	40	300,000	40	300,000	40	300,000	40	1,620,000	200
Processing & Engineering	360,000	40	360,000	40	300,000	40	300,000	40	300,000	40	1,620,000	200

2.1.4.3 HDSA Management Development

A talent pool has been identified at the Mine through actual work performance, as well as psychometric assessments. The individuals identified will be trained and developed under close guidance of mentors in different disciplines. These candidates will be put through a Management and Leadership Development

Programme offered by Institutions of Higher Learning. The programme will cover aspects such as people management, productivity, labour relations and performance management.

Table 12: Management Development (HDSA) Plan

Programme	2018		2019		2020		2021		2022		TOTAL	
	Budget/People		Budget/People		Budget/People		Budget/People		Budget/People		Budget/People	
Management Development	20,000	4	60,000	4	60,000	4	180,000	4	200,000	4	520,000	20
First line management / MDP/GDP	20,000	4	60,000	4	60,000	4	180,000	4	200,000	4	520,000	20

The Mine's HDSA statistics are illustrated in the table below and will remain as such for the next five years.

Table 13: The Mine's HDSA statistics (end June 2017)

Level	2018	2019	2020	2021	2022	TOTAL
	Plan	Plan	Plan	Plan	Plan	
Top management	2	2	2	2	2	2
Senior management	3	3	3	3	3	3
Middle management	8	8	8	8	8	8
Junior management	57	57	57	57	57	57
Core and critical skills	504	504	504	504	504	504

2.2 Career Path Plan

Career paths in the three main disciplines on the mine, i.e. Mining, Processing and Engineering, are depicted in the diagrams below. The diagrams show how employees at entry level can be developed and acquire experience in different occupational levels.

Production

	Occupation level	Position	Requirements	Duration
PLANT PRODUCTION	Senior Management	Process Manager	BSc/BEng/BIng, Btech/T4/NHD, GDE, 10 years plant experience or more. MDP	10 years
		↑		
	Middle Management	Plant Foreman	Grade 12; NQF 5 qualification, Computer literate, Senior Supt qualifications, Advanced Coal Prep	5 or more years
		↑		
	Middle Management	Shift Supervisor	Grade 12; Maths & Science, Supervisory level, Computer literate, 3 years or more plant experience, Coal Prep training	3 years
		↑		
	Supervisory & Skilled	Junior Shift Supervisor	Grade 12; Maths & Science, Computer literate, 3 years or more plant experience, Coal Prep training, driver's license	3 or more years
		↑		
	Supervisory & Skilled	Control Room Operator	Grade 12; Computer literate, 3 years or more plant experience	3 years
		↑		
	Supervisory & Skilled	Senior Plant Operator DMS	Grade 12; Computer literate, 2 years plant experience, total process competent	2 years
		↑		
	Semi-Skilled	Plant Operator	Grade 12; English and Numeracy; 1 year relevant work experience,	1 years
		↑		
	Unskilled	General Worker	Grade 12; English and Numeracy;	1 years

Mining

	Occupation level	Position	Requirements	Duration
MINING	Senior Management	Mining Operations Manager	BSc/BEng/BIng, Btech/T4/NHD (NQF7/8): GDE, 10 years experience or more; MDP/MBA	10 years
	Middle Management	Operations Superintendent	Ndip-T3/S4; N- Diploma N6 (NQF 6), Supervisory level, GCC; 5 years work experience	5 or more years
	Middle Management	Pit Superintendent	N4/N5/N6/S4; NQF 5/Diploma, Blasting Certificate; Supervisory level, Computer literate, 3 years or more mining experience	3 years
	Supervisory & Skilled	Foreman	Grade 12/NQF 4; Maths & Science; Blasting Assistant, Computer literate, 3 years or more mining experience	3 or more years
	Supervisory & Skilled	Supervisor	Grade 12/NQF 3/4; Competent A; Basic computer literacy; 3 years or more mining experience	3 years
	Supervisory & Skilled	Operator (Dozer, Excavator, Grader)	Grade 12; Computer literate; 2 years work experience; competence in 2 machines	2 years
	Semi-Skilled	Machine operator (ADT, Service Truck, WC)	Grade 12; English and Numeracy; Driver's license; 2 years relevant work experience,	2 years
	Unskilled	General worker	Grade 10/ABET 3/4; English and Numeracy;	2 years

Engineering

Occupation level		Position	Requirements	Duration
ENGINEERING	Senior Management	Engineer	BSc/BEng/BIng, Btech/T4/NHD (NQF7/8): GCC; MDP/MBA; 10 years experience or more	10 years
	Middle Management	Engineering Superintendent	Ndip-T3/S4; N- N Diploma N6 (NQF 6), Trade test; 5 years or more work experience	5 or more years
	Middle Management	Master Artisan (Technician, Instrument mech; specialist position/Planner)	Trade Test; Grade 12/NQF 4; N2/N3; 3 years experience	3 years
	Supervisory & Skilled	Artisan	Trade Test; Grade 12/NQF 4; N2/N3; 3 years or more mining experience	3 or more years
	Supervisory & Skilled	Junior Artisan	Grade 12/NQF 3/4; N2/N3; Trade Test as artisan; 2 years or more work experience	2 years
	Semi-Skilled	Handyman	Grade 12; 2 years work experience;	2 years
	Semi-Skilled	Engineering Assistant	Grade 12; ABET 4; English and Numeracy; Plant standard; 1 year work experience.	1 years
	Unskilled	General Worker	Grade 12/ABET 4; English and Numeracy; Plant standard	2 years

2.3 Mentorship Programme

The Mentorship programme will be formalised through agreements entered into between the mentor and the protégée. All identified core skills training which includes learnerships, internships and management training will form part of the mentorship programme. Candidates will be subjected to being mentored by their reporting line managers.

Table 14: Mentorship programme

Mentoring programme	Career Deliverables	Duration	Target		Gender	
			HDSA	Non-HDSA	Female	Male
Senior Management	MBA in SLP 2016-2020					
Professionally qualified	MDP/GDP	3 years	10		5	5
Mid-management	MDP/GDP	3 years	10		5	5

2.4 Bursary Plan

The bursary plan represents a continuous number of beneficiaries that will benefit from bursaries annually. Full bursaries will be granted to qualifying candidates. The mine's bursary policy is attached as **Annexure 3. Tables 15 and 16** show the bursary plan and allocated budgets. In light of the fact that the SLP 2016-2020 is also active during this period which caters for bursaries in all disciplines, the decision was made to specifically focus on bursaries for scarce skills as part of this SLP proposal.

Table 15: Bursaries-Employees

Programme	2018		2019		2020		2021		2022		TOTAL	
	Budget/People		Budget/People		Budget/People		Budget/People		Budget/People		Budget/People	
Bursaries Employees	10,000	1	10,000	1	10,000	1	20,000	2	20,000	2	70,000.00	3
Engineering Studies	10,000	1	10,000	1	10,000	1	20,000	2	20,000	2	70,000.00	3

Table 16: Bursaries – External

Programme	2018		2019		2020		2021		2022		TOTAL	
	Budget/People		Budget/People		Budget/People		Budget/People		Budget/People		Budget/People	
Bursaries External	100,000	2	100,000	2	100,000	2	100,000	2	100,000	2	500,000	4
Engineering studies	100,000	2	100,000	2	100,000	2	-				300,000	2
Social sciences	-	-	-	-	-	-	100,000	2	100,000	2	200,000	2

2.5 Women- in- Mining (WIM)

The mine remains committed to maintaining the 15% women-in-mining (WIM) target for the next five (5) years. The current actual percentage of Women In Mining is 22%. **Table 17** below shows the plan for WIM for the SLP period.

Table 17: Women in mining target

WIM	2018	2019	2020	2021	2022
	Plan	Plan	Plan	Plan	Plan
TARGET	15%	15%	15%	15%	15%

2.6 Employment Equity (EE) Plan

The mine is compliant to the Employment Equity targets as required by the Mining Charter and hence alignment of the SLP targets with those of the Mining Charter. The Mine will continue to develop its employees as indicated in the Skills Development Programmes. The company's plan in terms of equity candidates (HDSA) is illustrated in **Table 18** below. It should be noted that HDSAs at management level are on training and development, and they are placed at entry level positions.

Table 18: EE Candidates over 5 years

The table below shows the Mine's EE candidates. These statistics will remain the same for the next five years.

HDSA = 1, Non HDSA = 1

HDSA = 5, Non HDSA = 4

HDSA = 5, Non HDSA = 6

TOP MANAGEMENT		SNR MANAGEMENT		MIDDLE MANAGEMENT	
Du Preez, J	Director	Bvumbi, E	Manager – Engineering	Badenhorst, C	Superintendent Engineering
Mogotsi, L	Director	Coetzee, D	Manager – HR	Botha, FJ	Superintendent - Planning
		Cooper, D	General Manager	Dafel, K	Superintendent - Training
		Hayes, S	Manager – Infrastructure	Govender, M	Superintendent - Engineering
		Klingenberg, C	General Manager	Homan, T	Superintendent Engineering
		Kole, D	Manager - SHE	Klue, J	Chief Safety Officer
		Naidoo, S	Logistics Manager	Muller, L	Superintendent - Stores
		Kunene, N	Business Development Manager	Msweli, MM	Surveyor
		Steyn, JM	Chief Operations Manager	Msweli, NS	Superintendent - Lab
				Naidoo, L	Superintendent HR
				vd Westhuizen, J	Superintendent - Process

SECTION 3: LOCAL ECONOMIC DEVELOPMENT PROGRAMME

1.1 Social and economic background information

Tendele Coal Mining (Pty) Ltd operates in Mpukunyoni Traditional Authority area in Mtubatuba local municipality. Mtubatuba municipality is one of the five local municipalities in Umkhanyakude District municipality in the North Coast of KwaZulu Natal. The municipal area is characterised by commercial farming, dispersed vast rural areas, developed and developing areas. It also has a vast agricultural land with valuable commercial forestry and sugar cane growing areas. The municipality has twenty (20) municipal wards, which cover the Mpukunyoni Traditional Authority wards known as Izigodi (of which there are 30). The Izigodi are headed by Izinduna on behalf of the Inkosi. The Izigodi do not necessarily share the same borders as the municipal wards.

1.1.1 Demographics

Mtubatuba municipality has a population of 202 176 (Mtubatuba Draft IDP, 2017) and the majority of this population live in the rural areas. The spread between men and women is at 47% and 53% respectively. This scenario indicates that the Company has a pool from which it can employ women. However, looking at the **low literacy** levels, the Company may need to increase its current investment in training and skills development.

The municipality has a youthful population, i.e. those at working age (15-34) who constitutes 38,3%. The youthful age calls for the creation of jobs, provision of education and recreational facilities. Unemployment rate stood at 39% in 2016. The situation puts more pressure on major employers such as Tendele Coal Mining to provide more jobs and or job opportunities.

Mtubatuba municipality is the most urbanised municipality in the Umkhanyakude district. Mtubatuba and St Lucia towns, and KwaMsane and Nordale residential areas stand out as urban areas in the municipality. Mtubatuba town is regarded as the commercial and economic node of the municipality, while St Lucia is regarded as the tourism hub with all its world renowned environmental features. The municipality therefore offers economic opportunities to its people and those from areas outside the district.

The Municipality also prides itself on the North-South movement corridor, the N2 route that runs through it. The N2 serves as the municipality's access to two major harbours, i.e. Richards Bay and Durban, which are important for most commercial activities north of the Umfolozi River.

Table 19 below gives a summary of Mtubatuba demographics (STATSSA, 2011 and 2016 Community survey) which have relevance for the mine and subsequently this SLP.

Table 19: Mtubatuba demographics (2016 STATSSA Community survey)

Description	Status
1. Population	202 176
2. Females	106 800 (53%)
3. Males	95 377 (47%)
4. Unemployment rate	39%
5. Working age (15-34)	38,3%
6. Matric aged 20+	20,9%
7. Households	41 792
8. Average households size	4,8
9. Female headed households	52,8%

10. Child headed households	1,7%
11. Access to piped water	23 297 (11,5%)
12. Households connected to electricity	35 829 (85,7%)
13. Households using other forms of energy	1 251 (3%)
14. households with no electricity connection	4 712 (11,3%)

1.1.2 Basic services provision

1.1.2.1 Road infrastructure

The provision of roads in Mtubatuba area seems to be fairly distributed within acceptable levels as the bigger portion of the area enjoys proximity to the N2 connecting the municipality with the Northern and Southern regions. The R618¹ also connects the municipal area with areas in the North West such as Hlabisa, Nongoma and Ulundi which are major economic towns in the Zululand region of KwaZulu Natal. The R618 route also connects the environmental hubs of the Isimangaliso Wetlands² Park in St Lucia in the East and the Umfolozi-Hluhwe Game Reserve in the West. This corridor boosts the economy of the Mtubatuba municipal area through the influx of tourists shuttling between St Lucia and the game reserve, and inland areas such as Nongoma and Vryheid. Connecting roads seem to be fairly well established though they are mainly gravel, and therefore need regular maintenance, particularly during rainy seasons. These roads, if well maintained, enhance movement between rural areas and major towns in the municipality.

The Mine will therefore not contribute to the development of roads.

1.1.2.2 Electricity provision

There seems to be an improvement as far as the provision of electricity is concerned in the municipality. Access to electricity was reported to be at 85,7% (STATSSA 2016 Community survey). Despite this improvement in electricity provision the electricity supply is said to be oversubscribed and as a result, outages are a common occurrence. Lack of maintenance and illegal connections have also been reported. It is these challenges that may hamper further economic infrastructure development in the area.

The Mine will therefore not contribute to the provision of electricity to households.

1.1.2.3 Water provision

Mtubatuba municipality largely depends on the Pongola-uMhlathuze Water Management Area (WMA) for its water supply. Water reticulation in most areas of Mtubatuba is reported to be in place. However, it is reported that water sources are non-existent or without water. Also, most water schemes are reported to be non-functional, and as a result water cuts are a common occurrence. Communities in some of the rural areas resort to making use of untreated water from rivers, boreholes and ponds, which they sometimes share with animals.

The municipal area is currently stressed due to water oversubscription in the northern parts of the municipality (Mtubatuba Draft IDP, 2017). Mtubatuba thus has to depend on water from the Umfolozi River. Due to the prolonged droughts, the Mine will therefore continue to support agriculture cooperatives through equipping boreholes and hand pumps particularly for use for irrigation and as indicated in the agriculture project in 1.5.1.

¹ Also regarded as a primary corridor

² Also known as Isimangaliso World Heritage Site

1.2 Key economic activities and needs of the area in which mining operations take place

Tendele Coal Mining (Pty) Ltd is a major source of employment for local communities, followed by Africa Centre and the Sugar Cane Mill. Other small scale employment opportunities are offered by the municipality and other government departments found in Mtubatuba town.

The area around the Mine is surrounded by rural settlements with a dominance of subsistence cattle farming. A minority of households practice crop farming for own consumption and to a lesser extent trading. There are also pockets of sugar cane fields whose harvests are sold to the sugar mill in Mtubatuba town. The area's proximity to the Umfolozi-Hluhluwe game reserve gives the area tourism opportunities due to the influx of tourists who travel through the area to the game reserve. Due to high levels of poverty, illiteracy and unemployment, the majority of the people in the area mainly depend on government grants and informal trading for their livelihood. This state of affairs calls for the creation of employment opportunities, and the provision of education and training for these communities. Hence the Mine will continue to support identified Cooperatives in the area.

1.3 Negative impact of the Mine's operation on the area

This SLP (2018-2022) is for an existing mining right and will therefore not require any relocation of people or any exhumation of graves. However, nuisance factors will always be present and those need to be monitored and managed to limit their effect on the community. The issues of dust, noise and vibrations are constantly monitored to ensure that they do not exceed acceptable levels. Currently there are monitors within the mine operations as well as outside of the perimeter fence that monitor dust levels on a daily basis. Each mining blast is also monitored using strategically placed seismographs to monitor noise and vibration remotely by a registered 3rd party. A complaint procedure has been put in place with the mine responding to each complain accordingly.

1.4 Measures to address housing, living conditions and nutrition

The same principle as provided in the new application applies to the reviewed SLP. This is due to the fact that the employees targeted will still be working for the same mine. Therefore homeownership by employees is encouraged with all employees including contractors. These incumbents all received an amount of R1 100.00 per month as a housing allowance.

Further to the afore-mentioned, the mine has as early as 2014 entered into discussions with the Mine Workers Provident Fund (MWPF) and ABSA to utilise provident fund retirement benefits as collateral for home loans. ABSA bank was ready to proceed with the arrangement. However organised labour took it upon itself to make arrangements with financing institutions to utilise provident fund retirement benefits as collateral for home loans. At the time of this SLP, negotiations were still on regarding home ownership. The Mine will facilitate the process once it has been finalised by the MWPF.

1.5 Infrastructure development and poverty eradication projects

A summary of the community projects the mine will focus on from 2018-2022 is shown in **Table 20** below, and will be followed by a discussion of the projects that are meant to alleviate poverty. The project plans will be attached to outline the timelines of each project.

Table 20: SLP 2013-2017 Community development projects

Description	2018		2019		2020		2021		2022		TOTAL 2018-2022	
Budget/Beneficiaries (People)	B	P	B	P	B	P	B	P	B	P	B	P
Community Development	650,000	537	650,000	537	506,333	597	587,333	597	587,333	597	2,980,999	917
Agriculture – tractors, implements & boreholes/irrigation for cooperatives	380,000	387	380,000	387	100,000	387	175,000	200	175,000	200	1,210,000	587
Small business incubation (fencing, alien plant eradication, aloes replanting)	250,000	150	250,000	150	250,000	150	250,000	150	250,000	150	1,250,000	150
Maths & Science (Teacher Outreach & Plato)	-	-	-	-	128,333	60	128,333	60	128,333	60	385,000	180
Consultation & project management for SLP 2018-2022	20,000	-	20,000	-	28,000	-	34,000	-	34,000	-	136,000	-

1.5.1 LOCAL ECONOMIC DEVELOPMENT (LED) PROJECTS

1.5.1.1 Agriculture - tractors and implements for 30 cooperatives

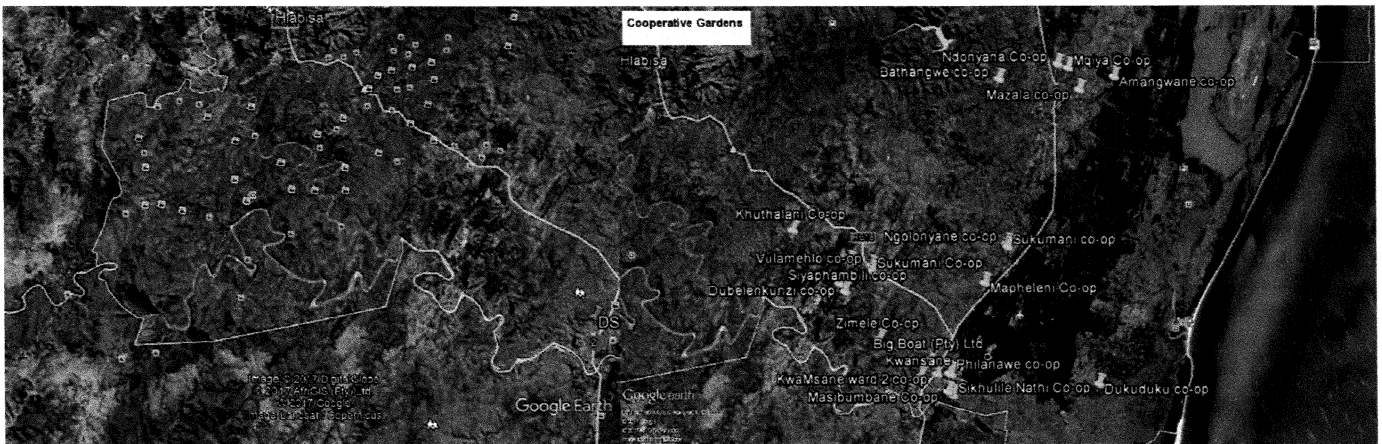
Background

This project was identified based on the intervention from the DMR between the Mine and the Municipality in search for suitable community SLP projects. The Mine has been included in the Municipal Local Economic Development Forum and the Agricultural forum. Several meetings were held as part of the consultation process with progress meetings held on 03, 10, 17 and 25 October 2017 as well as 07 November 2017.

Details of the project

A survey was conducted by both the Mine and the Municipality to identify active Co-operatives that do farming activities but lack the necessary equipment (such as tractors and implements – ploughs, discs etc.) and reliable water supply. These cooperatives did not only include those identified / registered with the Municipality, but also the 800 beneficiaries that were trained by the Mine's Basic Agriculture training conducted during the SLP 2013-2017.

Such details as the sizes of land availability, number of participants and GPS Co-ordinates were acquired and duly informed the extent of the intervention – i.e. the type as well as amount of equipment / implements required. Three areas in particular showed to be in need of borehole-equipping to ensure water supply to the fields / gardens. The total area that was earmarked for vegetable farming was 436 hectares with approximately 387 participants. These numbers have a high probability of growth as soon as the project reaches a stable phase.



Markets

The market will include Umkhanyakude District Agency known as UMDA which is in charge of the District rural schools feeding scheme (currently utilising the Tendele Agri-Hub as a pack house). Markets will also include the local retailers such as Pick 'n Pay and Jock Morrison and will also tap into the tourism industry in the form of local Bed and Breakfasts (B&B's).

Sustainability / Exit

The local Municipality will be in charge of the equipment's use, maintenance and safe keeping. The Tendele Agricultural hub that was established through the 2013-2017 SLP will be used as the initial market place for the produce and the almost 800 families trained in basic Agriculture during the said SLP will also for part of the beneficiaries / benefit from this project.

The Mine will monitor the utilisation of the tractors in collaboration with the local Agriculture Forum for a period of two years until it exits the project.

Project Support

The Mine will procure and supply the following:

- Two (02) Tractors- Massey Ferguson type – 36 months service plan and warrantee included – R263,3400 x 2
- Two (02) Ploughs – R19,950 x 2

- Two (02) Discs – R41,895 x 2
- Three (03) Boreholes equipped – R50,000 x 3
- Hand pump /irrigation for cooperatives – R350,000

Total budget of **R1, 210, 000.00**

Table 21: Agriculture – tractors, implements, boreholes and water provision budget

Description	2018		2019		2020		2021		2022		TOTAL 2018-2022	
Budget/Beneficiaries (People)	B	P	B	P	B	P	B	P	B	P	B	P
Agriculture – tractors, implements	380,000	387	380,000	387			-	-	-	-	860,000	387
Water provision – hand pumps for irrigation (cooperatives)	-	-	-	-	100,000	200	175,000	200	175,000	200	350,000	200
TOTAL											1,210,000	587

Stakeholders engaged

The Mtubatuba Local Municipality, Department of Agriculture, DMR (approval), Cooperatives benefiting from the project, Mpukunyoni Agricultural Development Council (MADC), Mtubatuba Local Framers' Association and Mining Area Committees (MAC) were engaged to arrive at this project.

1.5.1.2 Small Business Incubation (Fencing, Alien plant eradication, Aloes replanting, Beauty-care)

Background

The need to unlock opportunities for businesses to create additional employment continued to be emphasised by the KZN Provincial Growth and Development Plan (attached as annexure 4). The need was further emphasised by the Mtubatuba Local Municipality's IDP where youth unemployment and female headed families continue to be a challenge in the area. In order to address this challenge, the Mine will embark on a drive to assist one hundred and fifty (150) incumbents and organise them into cooperatives, effectively creating small businesses. The teams organized into cooperatives will be trained in business management, entrepreneurship training and registered for future business independent from the mine. The beneficiaries who will be involved in this project will be equipped with the necessary start-up equipment / tools to commercialise this service and to compete for business opportunities within the area. This initiative is linked with the Tendele Small Business Hub provided for in SLP 2016-2020 where cooperatives will be mentored, supported and provided with start-up materials. The following cooperatives will be established:

- Fencing
- Alien plants eradication and aloes / vegetation replanting
- Animal husbandry, and
- Beauty care /Hairdressing.

Number of beneficiaries

One hundred and fifty (150) training and employment opportunities will be created through which the incumbents are organised into cooperatives.

Markets

Fencing:

Through relocation and environmental projects done by the Mine, incumbents will be able to tender for opportunities. The Department of Transport also provides opportunities to fence off national roads. These cooperatives will have an opportunity to provide fencing services to the proposed RDP housing projects earmarked for the area.

Alien plant eradication / aloe and vegetation replanting:

The Mine, KZN Ezemvelo Wildlife, St Lucia Wetland Park and Hluhluwe-Imfolozi Game reserve have a need to eradicate alien plants as required by the Department of Environmental Affairs legislation. Some of these organisations require that suppliers respond to on-line tenders. The incumbents will be assisted to respond to such tenders through the Tendele Small Business Hub (provided in the SLP 2016-2020).

Animal husbandry:

The dependency on livestock livelihood in the area prompted the need to organise cooperatives to care and rear their livestock and sell them to generate income. The cooperative has a potential to grow their businesses to do leather products such as bags and shoemaking, an initiative that may be considered in the next SLP.

Beauty care / hairdressing:

As part of the Future Forum engagements and Portable skills training for employees, beauty courses were identified for employees and found to be hugely successful in the area. The mine has also had various requests for assistance in developing beauty salons – something which would address the need for female opportunities in an area with high female-headed households.

A cooperative will be set up and provided with start-up materials. The cooperative will be linked to the Tendele Small Business Hub (provided in the SLP 2016 – 2020).

Project Support

- **R1 250 000** for stipends, training, registration and start-up materials

Stakeholders engaged

The relevant organisations and departments were engaged. Amongst others are the KZN Ezemvelo Wildlife Hluhluwe-Imfolozi Game reserve, St Lucia Wetlands Park, Department of Transport, Department of Environmental Affairs, Municipality, Mpukunyoni Community Mining Forum (MCMF), DMR (approval).

Table 22: Small business incubation budget

Description	2018		2019		2020		2021		2022		TOTAL 2018-2022	
Budget/Beneficiaries (People)	B	P	B	P	B	P	B	P	B	P	B	P
Small business incubation (fencing, alien plant eradication, aloes replanting, animal husbandry, hairdressing)	250,000	150	250,000	150	250,000	150	250,000	150	250,000	150	1,250,000	150

1.5.1.3 Maths and Science (Teacher Outreach and Plato)

A training centre known as Tendele Edu-Centre was established during the SLP 2013-2017 in line with the Mining Charter requirement to assist learners and teachers with Maths programmes. The Edu-Centre is used as a satellite centre for Umfolozi TVET college, as a learning centre for ABET learners and learners from local schools who want to enhance their knowledge of Mathematics, Science and English. The centre accommodates the community teachers' outreach programme where local teachers are trained on the Edu-centre programmes and posted to various schools in the area. The Mine will continue to support this project as indicated. The project continues to receive support from the SLP 2016-2020. **Table 23** below shows the budget allocation for Edu-Centre programmes which will focus on maintenance and operational cost to keep the centre running until the mine exits in 2020.

Table 23: Maths & Science budget

Description	2018		2019		2020		2021		2022		TOTAL 2018-2022	
Budget/Beneficiaries (People)	B	P	B	P	B	P	B	P	B	P	B	P
Maths & Science (Teacher Outreach & Plato)	-	-	-	-	128,333	60	128,333	60	128,333	60	385,000	180

1.6 Procurement Progression Plan

1.6.1 Procurement

The company is committed to complying with national standards and as such our focus on procuring from SMME's across all procurement areas remains strong.

Table 24: Procurement Spent at the end of June 2017

DMR BEE Stats	Total Spend	DMR Target Spend	Percentage
Services	730 209 421	70%	94%
Consumables	188 866 454	50%	81%
Capital	49 686 227	40%	54%

SECTION 4: PROCESSES PERTAINING TO MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

4.1 Establishment of future forum

The mine has established a Future Forum, a statutory requirement from the Act which provides for participative governance at the workplace to ensure implementation and progressive monitoring of production, mine closure and implementation of Social and Labour Plan (SLP) commitments.

The mine consults with employees through this forum and has established terms of reference for engagement (**Annexure 2**). The terms of reference was concluded in 2016. The forum members will continue to be trained and provided with assistance to ensure that they are able to meaningfully contribute to the implementation and monitoring of mine closure and the SLP.

4.2 Mechanisms to save jobs, avoid job losses and avoid decline in employment

When prevailing economic conditions cause the profit revenue ratio of the operation to be less than 6% on average for a continuous period of 12 months, the Company will embark on the following processes:

- Consultation process in terms of Section 52(1) of the Labour Relations Act with the Future Forum;
- Implementation of Section 189 of the Labour Relations Act;
- Notification to the Minerals and Mining Development Board (the Board), and
- Complying with any ministerial directive and appropriate corrective measures.

It will always be a priority to avoid job losses and decline in employment given the downstream negative effect on the social system's survival due to increased poverty and unemployment. A participative and consultative approach to avoid job losses will be followed. Should operational requirements leave no alternative to retrenchment, a way forward will be established and managed jointly by all stakeholders in line with legislation and codes of good practice.

4.3 Mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided

Should any section of the mine be scaled down or cease operations, the following processes, over and above internal job saving mechanisms, will be followed:

- Consultation process in terms of Section 52(1) of the Act;
- Implementation of Section 189 of the Labour Relations Act;
- Notification to the Board;

- Development and implementation of an effective communication strategy where employees, other affected parties (Traditional Authority, Izinduna and the municipality) will be informed of possible retrenchments; and
- Alternative portable skills training which forms part of the down scaling or closure plans to minimise the effect on its employees.

The mine will also endeavour to support employees with portable skills acquisition outlined under **Section 2: Human Resource Development programmes** of this document. Those employees who intend to start their own small businesses (SMMEs) will be linked to the Agricultural Hub that the mine has established as one of its LED programmes outlined in **Section 3** of this SLP.

4.4 Mechanism to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure is certain

Affected employees will, as per standard good practice, be supported to redirect their careers by the provision of counselling sessions. In addition, comprehensive training through portable skills (shown in the **table 25** below) and assessment services will be facilitated.

The above LED plans will result in sustainable communities that will be able to survive future mine closure or downscaling.

The Company will follow the procedures for downscaling and retrenchment as set out by the Department of Labour and the Labour Relations Act as well as the mine's collective agreements. Industry wide networking and good stakeholder relations will be in place to manage downscaling and retrenchment processes and these relationships will be maintained.

The obligation to inform the DMR as per section 52(1) of the Minerals and Petroleum Resources Development Act (MPRDA), will be adhered to and its directives will be honoured.

4.4.1 Portable Skills: Employees

Portable skills training is meant to provide ABET employees with skills that will enable them to be marketable at mine closure.

Table 25: Portable skills – employees

Programme	2018		2019		2020		2021		2022		TOTAL	
	Budget/People		Budget/People		Budget/People		Budget/People		Budget/People		Budget/People	
Portable skills - employees	10,000	2	10,000	2	10,000	2	50,000	10	50,000	10	130,000	26
Code 14	10,000	2	10,000	2	10,000	2	-	-	-	-	30,000	6
Machinery Training	-	-	-	-	-	-	50,000	10	50,000	10	100,000	20

4.4.2 Skills Training: Communities

Skills training will be provided to identified, ABET-completed communities as indicated in **Table 26** below.

Table 26: Skills Training – communities

Programme	2018		2019		2020		2021		2022		TOTAL	
	Budget/People		Budget/People		Budget/People		Budget/People		Budget/People		Budget/People	
Skills Training - communities	150,000	60	150,000	60	150,000	60	150,000	60	150,000	60	750,000	300
Code 14 with PDP	2,500	60	2,500	60	2,500	60	-	-	-	-	450,000	180
Entrepreneurship Training	-	-	-	-	-	-	2,500	60	2,500	60	300,000	120

SECTION 5: FINANCIAL PROVISION

The Mine commits a total budget of **R 7 801 000** over the next five years as indicated below.

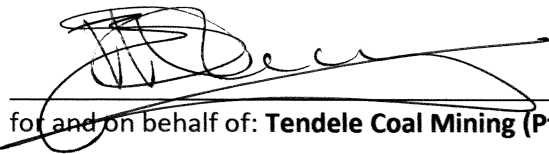
Table 27: The mine's 5-year budget provision

Programme	2018	2019	2020	2021	2022	TOTAL
Training Budget	830,000	870,000	810,000	1,080,000	1,100,000	4,690,000
Community Budget	650,000	650,000	506,333	587,333	587,333	2,981,000
Mine closure	10,000	10,000	10,000	50,000	50,000	130,000
TOTAL SLP BUDGET	1,490,000	1,530,000	1,326,333	1,717,333	1,717,333	7,801,000

SECTION 6: UNDERTAKING

I, the undersigned, **JM Steyn, Chief Operations Officer of Tendele Coal Mining (Pty) Ltd** undertake on behalf of the Mine to ensure compliance by Tendele Coal Mining with this Social and Labour Plan and to make it known to all employees of the company and the local communities.

Signed at Somkhele on 6 December 2017



for and on behalf of: **Tendele Coal Mining (Pty) Ltd**