

Social and Labour Plan: Elders Colliery 2024| In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

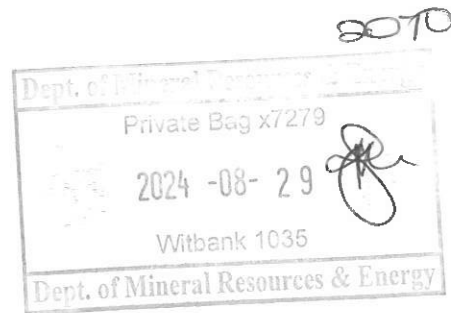


SOCIAL AND LABOUR PLAN

ELDERS COLLIERY
MP 30/5/1/2/2/10117 MR

**SECTION 102 APPLICATION – AMENDMENT OF
THE SOCIAL AND LABOUR PLAN**

5 YEAR SLP – 2022 - 2026



PART ONE

Preamble

1. Introduction

Effective 7 June 2021, Thungela Resources Ltd ("Thungela") started trading, following Thungela's admission to the Johannesburg Stock Exchange, and on the London Stock Exchange, which follows the completion of the demerger of high-quality export thermal coal operations from Anglo American plc. Thungela is the parent company of Anglo American Inyosi Coal (Pty) Ltd ("AAIC").

The purpose of this Social and Labour Plan is to outline the commitments made by the Elders Colliery in accordance with Regulation 46 of the Mineral and Petroleum Resources Development Act (2002) (MPRDA), which outlines the required contents of the Social and Labour Plan for the period 2022 – 2026.

1.1 Background

The Elders project is situated in the magisterial district of Bethal in the Mpumalanga province of South Africa, approximately 145km east of Johannesburg, 40km south of eMalahleni and 15km north of Bethal.

A mining right, in respect of an area measuring 5777.5415 hectares ("ha") in extent on certain properties in the Mpumalanga Province was granted to Anglo Operations Proprietary Limited ("AOPL") now known as Thungela Operations Proprietary Limited ("TOPL") with the Department of Mineral Resources and Energy ("DMRE") reference number MP30/5/1/2/2/10117MR. The right was granted to AOPL, conditional to 81.92% of the total area being transferred to AAIC. AOPL undertook to cede the entire Elders mining right with its licences and permits to AAIC. The Notarial Deed of Cession to cede the mining right from AOPL to AAIC was executed in July 2020.

Thungela owns interests in and produces its thermal coal predominantly from six mining operations, namely Goedehoop, Greenside, Isibonelo, Khwezela, AAIC (operating the Zibulo colliery), Mafube Coal Mining (operating the Mafube colliery) and Butsanani Energy (operating the Rietvlei colliery). Thungela is the sole owner of each of these operations, except for Mafube Coal Mining and Butsanani Energy, in which the Group has a 50% and 66.7% interest, respectively.

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The Elders mine is an underground bord and pillar mine using primarily continuous miners (CMs). Access to the underground workings is via a boxcut with several portals into the coal seams on the S2 and S4 horizons. The mining operation will mine the S2 first, followed by the S4 of the Witbank Coalfield.

The Group also holds a 50% interest in Phola, which owns and operates the Phola Coal Processing Plant and a 23.22% indirect interest in RBCT, which owns and operates the Richards Bay Coal Terminal. Thungela also holds an interest of approximately 67% in Butsanani Energy, which in turn holds a 51% interest in RMC, which operates the Rietvlei colliery. Accordingly, the Company indirectly holds a beneficial interest of 34% in RMC.

Our mines supply thermal coal to both the export and local markets and metallurgical coal for export. Our coal is exported via the Richards Bay Coal Terminal (RBCT).

1.2 Elders Development

Location

The Elders Project is situated near Bethal in the Govan Mbeki Municipality within the Gert Sibande district in the Mpumalanga province of South Africa. The Elders coal resource is located approximately 47km to the south of Middelburg. The city of Witbank is about 55km to the northwest; Bethal is 20km to the south and Kriel 12km to the west as shown in **Error! Reference source not found.**

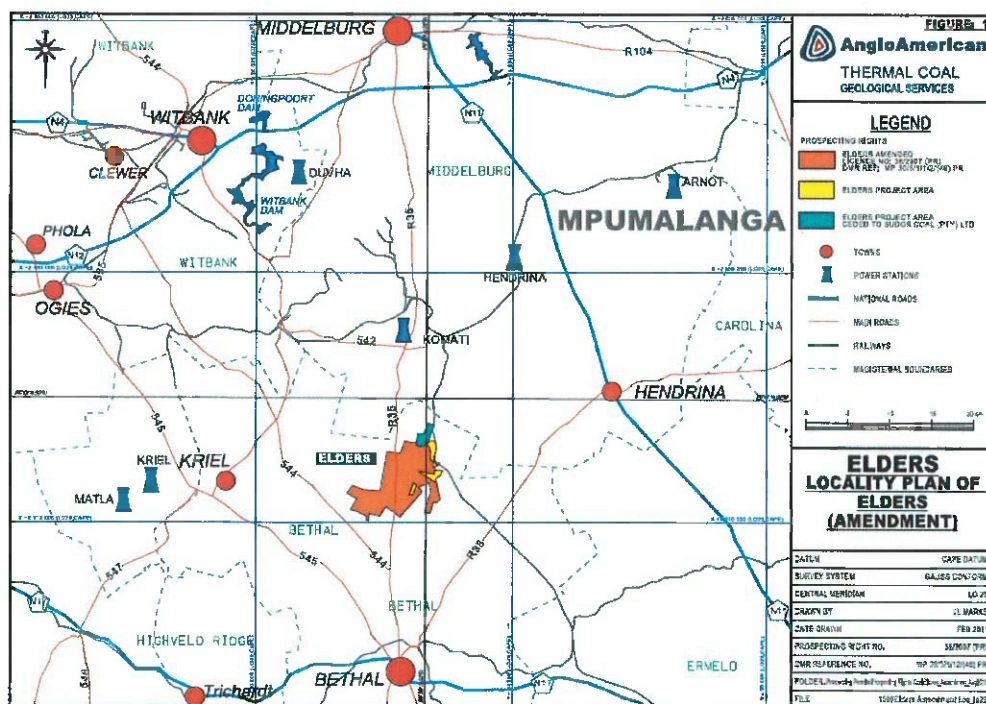


Figure 1: locality plan of Elders

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The coal deposit is located close to the northern margin of the Highveld Coalfield and the economic seams present are the No. 2 and No. 4 Seams.

Elders Colliery will be operated and managed as a stand-alone operation, however, to optimise potential synergies, Elders Mine is planned to be integrated with Goedeheop for management, re-mobilisation of resources, employees and assets at Elders and supply of bulk services, water and construction power.

RoM from Elders Colliery will be trucked via the R35 public road to the Goedeheop Processing Plant and/or Third Party Clients. It is envisaged that later during the LoM potential overland conveyor systems will be established.

The Reserve

Tenure at the Elders Project was held under four Prospecting Rights, i.e. the Elders, Elders 2 – Schurvekop, Elders 3 - Halfgewonnen and Halfgewonnen Prospecting Rights. Subsequently the Elders mining right with DMRE reference number MP 30/5/1/2/2/10117 MR, which consist of the 4 abovementioned prospecting rights, was granted in April 2018 and executed. The mining right was granted to AOPL, conditional on the right being transferred to AAIC. The Notarial Deed of Cession was simultaneously executed with the mining right.

This SLP was previously submitted to the DMRE on 18 December 2020, the content thereof remains the same. The purposes of this SLP submission is in terms of Section 102 of the MPRDA relating to the exclusion of portion 5 and a portion of the Remaining Extent of the Farm Middelkraal 50 IS (Pit 4) from the Elders mining right with DMRE reference number 10117MR and to be included into the Umcebo (registration number 2003/003765/07) mining right with DMRE reference number 58MR..

Mining Method

The proposed mining method is mechanised Board and Pillar mining with five sections.

First coal is expected during 2022, and the production ramp-up will be over 3 years, with 2 sections starting up each year;

1.3 Our philosophy

This Social and Labour Plan ("SLP") has been compiled in accordance with the Mineral and Petroleum Resources Development ("MPRDA") Act 28/2002 for the 5 year review of Elders Colliery Social and labour Plan.

This SLP outlines the proposed mine's plans and objectives pertaining to:

- Human resources development
- Local economic development
- The management of downscaling and retrenchments

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Progress against these plans and objectives will be reported annually through the Social and Labour Plan progress report.

The objective is to indicate how Elders Colliery will:

- 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")

Our philosophy is anchored on a strong pursuit to preserve and uplift the socio-economic well-being of our host communities. Our sustainable development principles define that we will:

- Be ethical, efficient and create value
- Create meaningful employment in safe, healthy environments
- Reduce our environmental footprint and contribute to biodiversity
- Increase innovation, technology and process involvement
- Contribute to building more adaptable societies

The objectives of the MPRDA and the SLP are central to the strategic and operational parameters of Elders Colliery, and we will endeavour to meet these objectives for the benefit of our employees, our local communities, the mining industry and South Africa as a whole.

This SLP is intended to develop human potential and create opportunities for employees and individuals to sustain themselves, their families and their communities throughout their working lives. In addition, this plan will help to minimise the socio-economic impact of job losses in the communities surrounding Elders Colliery.

We plan to build skills that are recognised by the National Qualifications Framework and are portable outside of the workers' current employment. The success of this plan relies on both Elders Colliery and its employees taking responsibility for their well-being and energetically pursuing the opportunities available to ensure that their potential is realised.

Elders Colliery will support the well-being of its communities through feasible and sustainable initiatives that will be integrated into the local and district municipalities' Local Economic Development and Integrated Development planning processes.

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1.4 Particulars of the holder of the mining rights

Name of the company	Anglo American Inyosi Coal (Pty) Ltd, a member of the Thungela Resources Limited Group
Name of the mine	Elders Project
Physical address	Mineral, Property Rights and Permitting Department
	25 on Bath, Rosebank
	Johannesburg 2196
Postal address	Anglo American Inyosi Coal (Pty) Ltd
	PO Box 1521
	Saxonwold 2132
Telephone number	076 822 0399
Mine address	25 on Bath, Rosebank
	Johannesburg
	2196
Mine postal address	PO Box 1521
	Saxonwold
	2132
Telephone number	(011) 638 3479
Mine fax number	Please e-mail to Leonore.vanwyk@thungela.com
Commodity	Coal
Life of mine	25 years (2022 to 2047)
Breakdown of employees per sending area	This Social and Labour Plan refers to a new mine, therefore the information is not yet available
Financial year	
Mining Right Period	30 years (2018-2028)
Responsible Person	Leonore van Wyk, Mineral, Property Rights and Permitting Manager
Geographic origin of employees (mine community and labour sending areas)	
(a) Mine Community	(b) Labour Sending Areas
Province	Mpumalanga
District	Gert Sibande District Municipality determined
Local Municipality	Govan Mbeki Local Municipality

PART TWO

Human Resources and Development Programme

2. Human resources and development programme

Elders Colliery will comprise of a underground operation only utilising the board and pillar mining method. The shaft will allow for the operation five continuous miner sections.

Table 2.2 provides an estimated number of employees over a period of five years.

Table 2.1: Estimated number of employees 2022-2026

Category	Year	Year	Year	Year	Year
	2022	2023	2024	2025	2026
	No. of positions	No. of positions	No. of positions	No. of positions	No. of positions
Professionally qualified and experienced specialist and middle management	48	67	79	83	83
Skilled technicians and academically qualifies workers, junior management, supervisors	94	141	169	253	253
Semi-skilled and discretionary decision making	67	98	110	146	146
Total	209	306	350	482	482

The operation will work a 3-shift rotation system, including maintenance. The mine will be a 5 continuous miners ("CM") operation.

The Run of Mine (RoM) production build-up scheduled was a direct result of the sequential commissioning of continuous miners ("CM") as access development progress and additional pit room becomes available. Initial CM production is scheduled during 2022 with the introduction of a second CM during 2023. The introduction of the remaining three CM's is planned during 2024. Full production from all five CM sections is scheduled from 2025 onwards.

Certain functions - including health and safety, human resources, administration and technical services will be provided by Goedehoop Colliery and Thungela Centralised Services, while others may be outsourced.

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A workforce with the right skills, experience and training is one of the industry's most basic needs. We invest significant resources into developing the skills of our employees. To reach our goal of becoming the Employer of Choice in the mining industry, we provide world class and sustainable education for employees across our business, while also extending our capacity building initiatives to members of our immediate communities.

The safety of our employees is our number one priority. To ensure that we reach our goal of Zero Harm, much of our focus was placed on safety risk management training across the organisation. This included compulsory training in Thungela's A1.2, A2 and A3 courses as well as the Safety Leadership Programme for those in supervisory roles.

To optimise potential synergies, Elders Colliery is planned to be integrated with Goedeheop for management, re-mobilisation of resources, employees and assets, supply of bulk services, water and construction power. Data and targets that are generic to all Thungela operations will also be applicable to Elders Colliery. Therefore this section of the SLP highlights the current status of Goedeheop Colliery (GH) and the targets for the next five years:

- Our Skills Development Legislative compliance
- The GH Skills Development Plan
- Hard – to- Fill vacancies
- Career progression and planning
- Mentorship and Talent Management
- The internship and bursary plan
- Employment Equity

2.1 Skills Development Legislation Compliance

Based on the fact that Elders is still a greenfields project and will serve as a potential lifex to the Goedeheop operation, the required information of Goedeheop is thus submitted. AAC Central Learning and Development Department is registered with the relevant QCTO Seta – MQA, with the various Operations operating under their Accreditation. Therefore Elders will be added as an additional site under this Accreditation.

2.1.1 Skills Development levies

Elders Colliery will pay levies and claims grants in accordance with the provisions of the MQA. Levies paid will be based on 1% of the Wage Bill with the annual reporting a Table will be included reflecting the Annual Levies paid in relation to the Levies claimed. The Grant claims will be based on Mandatory and Discretionary Grants.

2.1.2 Skills Development Facilitator

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Elders Colliery will have a Skills Development Facilitator (“SDF”) that will be responsible for coordinating the Workplace Skills Plan and Annual Training Report for the operation on an annual basis. This process is done in consultation with the Employment Equity and Skills Development Committee

2.1.3 Workplace Skills Plan and Annual Training Report

As mentioned above, Elders Colliery will compile and submit the Workplace Skills Plan (“WSP”) and Annual Training Report (“ATR”) to the MQA annually. The WSP and ATR are compiled according to the requirements as communicated annually by the MQA.

2.1.4 Training Investment

Elders Colliery plans to achieve a 5% Training Spend (as a percentage of the wage bill) which is against a target of 5%. The target for this reporting period is shown below:

Table 2.1: Training Spend statistics

Year	Training spend as a % of wage bill		Average training days per annum	
	Target	Actual	Target	Actual
2022	5%	To be confirmed	4 days	To be confirmed
2023	5%	To be confirmed	4 days	To be confirmed
2024	5%	To be confirmed	4 days	To be confirmed
2025	5%	To be confirmed	4 days	To be confirmed
2026	5%	To be confirmed	4 days	To be confirmed

2.2 Skills Development Plan

2.2.1 Education Profile of Goedehoop Colliery

The education profile below is a reflection based on Goedehoop Colliery’s Education Profile, shown below in Table 2.2.

Table 2.2 Education profile: 2026 Forecasted

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BAND	NQF LEVEL	Description	MALE				FEMALE				TOTAL	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education & Training (GET)	1	No Schooling / Unknown									0	0
		Grade 1 / Sub A									0	0
		Grade 2 / Sub b									0	0
		Grade 3 / Std 1 ABET 1									0	0
		Grade 4 / Std 2									0	0
		Grade 5 / Std 3 ABET 2									0	0
		Grade 6 / Std 4	12				2				12	2
		Grade 7 / Std 5 ABET 3	30				1				30	1
Further Education & Training (FET)	2	Grade 8 / Std 6	16				1				16	1
		Grade 9 / Std 7 ABET 4	18				1				18	1
		Grade 10 / Std 8 / N1	23			6	1			1	29	2
		Grade 11 / Std 9 / N2	23			7	5				30	5
Higher Education & Training (HET)	3	Grade 12 / Std 10 / N3	142	1	2	38	63			4	183	67
		National Certificate	14			8	8			1	22	9
		Higher Certificate	13			6	7				19	7
		First Degrees / Higher Diplomas	12			3	7			1	15	8
		Honours	2			1	2				3	2
		Masters Degrees									0	0
		Doctorates									0	0
			305	1	2	69	98	0	0	7	377	105

Analysis of the table highlights the following key items:

- 83% of employees have a Further Education and Training (FET) or higher level of education
- 11% of employees will have a Higher Education and Training (HET) level of education
- There are 62 employees who will have lower than an ABET Level 4 education level – this due to possible transfers from Goedeheop Colliery

2.2.2 Elders Colliery Training Centre

Elders Colliery's Training centre will be ISO 9001: 2015 certified and will provide MQA Skills Programme training under the Central's Training Centres MQA Accreditation. The Training Centre operates in partnership with the Thungela Learning and Development Centre, based in eMalahleni. This centre leverages from the expertise of the group to source, draft and present key competence and development courses for members of the Thungela workforce.

Elders training centre is responsible, inter alia, for the following:

- Maintaining and presenting the annual refresher training for mine personnel and business partners
- Managing the licensing system for Elders employees and business partners
- Maintaining skills and training matrices for Elders employees
- Ensuring that Elders Colliery remains compliant with safety legislation in terms of training and competence
- Implementing directives from Thungela that have reference to safety, training and competence

The Training Centre's staff complement is planned to have 6 employees to fulfil its mandate. Use is made of outside training providers and consultants where necessary to ensure service delivery.

2.2.3 Elders Colliery Skills Strategy

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The GH skills development strategy is based on the following:

- Development of the required operational/technical skills and competencies for all employees
- Monitoring and managing the development plans of employees identified as having the talent and potential to be promoted into more senior positions based on the Colliery development pipeline
- Providing opportunities for development to all employees to further their careers through appropriate training and part time studies

The following systems and policies are in place to support these objectives:

- The Learnership programme
- The Professionals In training programme
- The Bursary programme
- The Part Time Study Bursary Scheme
- Internal and External Leadership development programmes
- Competence and Skills enhancement and refresher programmes
- Talent Management and Mentorship programmes

2.2.3.1 Learnerships

Thungela has a long history of maintaining an extensive learnership programme. The global economic environment has adversely impacted this development programme; however, we still maintain a thriving and critical learnership pipeline within the company. The Learnership complement remains an important tool in addressing the equity profile of the mine.

Elder's learner numbers will be based on the achievement of the DMRE requirement of 5% of FTE being Learners with the aim of representing the EAP. The proposed learnership complement for the next five years is shown below, with the aim of achieving the DMRE requirement (Learner numbers shown in-line with Elders employee forecast as per Table 2.1):

Table 2.3 Learnerships Budget Plan: 2022 – 2026

Year	Planned Learners
2022	10
2023	15
2024	18
2025	24
2026	24

It must be noted that the learner numbers above are not the number of Learner recruitment per year, but the total number of learners per year.

2.2.3.3 Bursars, Internships and Scholarships

Thungela manages a bursary scheme designed to provide feedstock for the core and critical skills required by the organisation. The bursaries are awarded to candidates to study in key disciplines such as Mining Engineering, Electrical and Mechanical Engineering, Geology, Survey, Metallurgy and Rock Engineering. These bursars are managed centrally from one point for the entire division, and upon successful completion of their studies the graduates are placed across the various operations to complete a training (internship) period. This is referred to as the Professionals in Training programme and is designed to prepare graduates for a substantive appointment on one of the collieries. The colliery takes responsibility for the development of the graduates allocated to the mine each year.

Bursars

Thungela has a well-established bursary scheme which aims to develop suitable students who, once they have completed their studies, are afforded professional career opportunities within our organisation. We aim to attract bursars in the areas that surround our operations, and the scheme is open to the general public as well as the children and relatives of employees. We award bursaries to those interested in studying the following disciplines:

- Geology
- Metallurgical and chemical engineering
- Electrical and mechanical engineering
- Mining engineering
- Mine surveying
- Rock engineering
- Environmental management
- Finance and accounting

We offer experiential learning to a number of students, which not only affords them an opportunity to complete the practical component of their studies but provides us with a pipeline of students who could be offered bursaries and ultimately permanent employment.

Table 2.4: University of Science bursars:

UNIVERSITY OF SCIENCE BURSARS (THUNGELA)					
Discipline	2022 Target	2023 Target	2024 Target	2025 Target	2026 Target
Mining	11	13	13	13	13
Mechanical Engineering	8	7	7	7	7
Electrical Engineering	8	7	7	7	7
Metallurgy	4	2	2	2	2
Geology	3	2	2	2	2
Commerce	0	0	0	0	0
Other (Industrial Eng., Environmental)	6	6	6	6	6

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Total	40	37	37	37	37
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Table 2.5: University of Technology bursars:

UNIVERSITY OF TECHNOLOGY BURSARS (THUNGELA)					
Discipline	2022	2023	2024	2025	2026
	Target	Target	Target	Target	Target
Mining	2	2	2	2	2
Metallurgy	0	0	0	0	0
Electrical Engineering	0	0	0	0	0
Mechanical Engineering	0	0	0	0	0
Rock Engineering	0	0	0	0	0
Other (Survey, Trainee Technicians)	2	1	1	1	1
Total	4	3	3	3	3

Professionals In Training

Each year the company offers a number of graduate training positions (known as Professionals In Training) to some of the successful bursars. These bursars are then allocated across the various operating divisions of Thungela in order for them to complete the training programme. As mentioned before, this programme is managed centrally while the operational training and development is done by the operations sites. The budget for Professionals In Training for the next five years is given below:

Table 2.6: Professionals In Training

PROFESSIONALS IN TRAINING (THUNGELA)					
Discipline	2022	2023	2024	2025	2026
	Target	Target	Target	Target	Target
Mining	17	18	18	18	18
Engineering	15	17	17	17	17
Metallurgy	7	4	4	4	4
Commerce	0	0	0	0	0
Geology	5	3	3	3	3
Industrial Engineering	4	4	4	4	4
Environmental	7	3	3	3	3
Rock Engineering	4	3	3	3	3
Other (Safety, VOHE, HR)	11	8	8	8	8
Total	70	60	60	60	60

Community Scholarships

We also have a Community Development Scholarship which was established solely for matriculants within our host communities; in the case of Elders Colliery this would be from the Govan Mbeki Local Municipality. The SLP commitment is to keep five scholarships in place for the duration of the SLP. These scholarships are awarded in various study fields not necessarily focusing on mining related courses. This is to develop skills for the country and other industries.

2.2.3.4 Competency enhancement

The colliery is aware that even qualified employees may need further education, training and development after they have joined the organisation. There are two broad categories that are addressed:

- Technical competency
 - The primary focus here is on Engineering skills, and training is structured for skilled, artisan and supervisor levels
 - Most training interventions are presented at the Thungela Learning and Development Centre in eMalahleni.
 - Examples of such training includes:
 - Mechanical safety
 - Medium Voltage
 - Rigging
 - Diagram Reading
 - Operator training is also offered, which includes simulator experience
 - Six-monthly training schedules are compiled based on Training Needs Analyses submitted by each operation.
- Leadership Development

Leadership development and upskilling is driven through a number of different leadership programmes which are all in line with the latest global business trends and aimed at driving a high level of performance. A different level of leadership training is given to all levels of leadership. The following are some of the current leadership training programmes:

 - Frontline Leadership Development Programme:
 - This programme is aimed at supervisors from face boss, shift boss, foreman and mine overseer, or equivalent level.
 - Three main developmental areas are covered:
 - Occupational-specific skills and knowledge
 - Personal attributes
 - Interpersonal skills
 - All supervisors attended these programmes during 2019. Going forward, a composite course is being put together to cover new employees and to serve as refresher training.
 - A week long supervisory course called **"The day in the Life of a Supervisor"** focuses

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on the face boss, shift overseer and mine overseer levels. The theoretical training is supplemented with practical coaching at the workplace to ensure the transfer of training from the classroom to the work area.

- Thungela has launched the Thungela Leadership Academy, the aim of which is to develop leaders who will re-imagine mining to improve people's lives. It is designed to prepare the current and future leaders of the company to implement the operational and social vision of Thungela. There are six programmes which cover seven key themes:
 - Leadership Identity and Purpose
 - Industry Leadership
 - Safety Leadership
 - Innovation and Digitalization
 - Strategic Execution
 - Partnering for Social, Community and Customer commitment
 - Ownership of the Whole

Goedehoop aims to have at least two employees accepted onto these programmes in each year, as indicated below:

Table 2.7 Leadership Academy attendees

Leadership Academy nominations	2020	2021	2022	2023	2024
Achievers	2	2	2	2	2
Accelerators					
Connect					
Gamechangers					
FutureShapers					
Re-inventors					

In addition, a complete suite of Safety Organisational Risk Management Programmes is offered. These programmes have been compiled by subject matter experts, drawing on both in-house company expertise and global benchmarking. The A1.2, A2, A2 for Managers, A3 and Safety Leadership programme are targeted at different levels in the organisation, but all share the common message of contributing towards a zero harm workplace.

2.2.3.5 Part Time Study Bursary Scheme

This scheme offers bursaries to employees who wish to further their qualifications by studying on a part-time basis. Bursaries are awarded for any discipline which has relevance to the mining industry. 100% of tuition, textbook and exam fees to a value of R30 000 p.a. are covered, with a co-sponsorship of costs in place for amounts above R30 000. Employees are required to complete their studies successfully, otherwise the bursary converts into a loan (as per the SARS tax legislation). While there

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is a specific amount included in our annual budget, each bursary application is considered on its merits and a decision made accordingly. For the period 2015 – 2019 there were 78 bursary applications approved.

2.3 Hard To Fill Vacancies

Thungela uses a combination of three primary sources to ensure the required supply of skills to mitigate against there being hard-to-fill vacancies on our operations. These are:

- Internal development and career progression of employees
- Bursaries and internship programmes
- External recruitment from without the business

The most significant of these initiatives are the Learnership programme, bursar scheme and Professionals In Training strategy (which have been discussed earlier).

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

The following positions are regarded as 'hard to fill' within Coal:

- Electrical engineers
- Mechanical engineers
- Mining engineers
- Surveyors

Hard to fill vacancies are addressed through bursary programmes, study assistance schemes and the provision of learnerships and skills programmes. Employees are encouraged to study in the fields where there is a scarcity of skills. Goedehoop Colliery is currently not experiencing any significant hard to fill vacancies.

2.4 Career Progression Planning

At Thungela, we continuously look for opportunities to further enhance our career development planning processes for employees. We strive to have generic career paths for all disciplines and work with individuals to develop a customised career path most suited to them. This is an on-going initiative, which we continue to refine. The company has also developed, implemented and communicated role profiles to all employees in Band 6 and above. In addition, we have extended role profiles to all our Professionals in Training (graduates who have just completed their academic studies) in Band 7.

This enables members of our workforce to manage their careers more effectively and to pursue specific career opportunities, within Thungela.

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A further development has been the launch of the various 'People Ways', such as the HR People Way and the Finance People Way. These are comprehensive websites that contain a myriad of information regarding roles, role profiles, key competencies and levels of proficiency required for different levels within a discipline, and much more. There are also 'Technical Ways' which focus on disciplines such as Engineering and Metallurgy.

2.5 Mentorship Plan

As per the Mining Charter's requirements, we have investigated further opportunities to enhance our mentorship programme. A refresher programme will allow for the better matching and closer monitoring of mentor-mentee relationships. We also provide employees with the opportunity to be mentored as part of the talent management and personal development planning process. We specifically focus on HDSAs, with special emphasis on the development of women.

Employees are afforded the opportunity to participate in mentoring relationships with an individual they feel could add value to their growth and development. This occurs particularly at the following levels:

- All graduates brought into the organisation are assigned 'buddy' and technical mentors who provide support and guidance in the early stages of their careers
- Middle to senior management – aimed at employees in Bands 5 and 6
- Senior leadership – aimed at Band 4 and above
- Executive leadership – aimed at members of the mine executive committee

The effectiveness of the mentoring relationship is monitored through our career development plans. We also use external coaches who are contracted to provide support and guidance to employees at different levels of the organisation.

Emphasis is placed on developing and coaching senior-skilled employees to progress to the level of first-line supervisors. The focus is specifically on HDP (Historically Disadvantaged Persons) employees and seeks to ensure that we prepare sufficient numbers of future leaders for the demands created by the growth of our company.

2.6. EMPLOYMENT EQUITY

One of our greatest assets is the diversity of our people and we have moved beyond simple transformation. Apart from the requirements of legislation and the Mining Charter, the organisation has in addition established a number of in-house diversity aspirations.

2.6.1 HDPs in Management

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

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The Elders Colliery HDP in Management progression plan for the SLP period will be aligned to both the company's Employment Equity Plan and the Mining Charter III targets. The Goedehoop plan below is a benchmark plan for Elders to reach these targets:

Table 2.8 HDP in Management Plan

Occupational Levels	MCIII	2019	2020	2021	2022	2023	2024
	Target	Actual	Target	Target	Target	Target	Target
HDPs in Senior Management	60%	44%	44%	56%	67%	67%	70%
HDPs in Professionally Qualified and Middle Management	60%	64%	63%	65%	65%	65%	68%
HDPs in Technical and academically qualified and Junior Management	70%	70%	72%	73%	74%	78%	80%
HDPs in Core & Critical Skills	60%	86%	86%	86%	86%	87%	88%

2.6.3 Women in Mining

Thungela recognises the strength in diversity to be gained from employing women and has successfully increased the number of women employed at our operations. We ensure that women are engaged in all aspects of our business and the integration of women into previously male dominated roles is a priority. Our objective is to attract, retain and advance women in all disciplines an at all levels of the organisation.

The table below indicates that the Women in Mining metric as at December 2019 was standing at 22,2%, as against the SLP target of 16,6%. This increased percentage was obtained against a backdrop of a reduction in the total workforce. The Women in Mining (WIM) progression plan shown below:

Table 2.10 WIM progression plan

Occupational Levels	MCIII	2019	2020	2021	2022	2023	2024
	Target	Actual	Target	Target	Target	Target	Target
Females in Senior Management	25%	0%	0%	11%	22%	33%	35%
Females in Professionally Qualified and Middle Management	25%	25%	27%	27%	27%	27%	30%
Females in Technical and academically qualified and Junior Management	30%	17%	18%	19%	24%	30%	32%
Total Females in Workforce		22%	22%	23%	24%	25%	25%

2.6.4 People with Disabilities

The Mining Charter III sets a target of 1,5% of the workforce to be represented by people with disabilities. As at December 2019 the people with disabilities percentage for Goedehoop Colliery stands at 0,2%. The Employment Equity Plan submitted by the mine for the 2019-2023 period sets out incremental improvements reaching 1% by 2023.

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Table 2.11 People with disabilities plan

People with Disabilities	MCIII	2019	2020	2021	2022	2023	2024
	Target	Actual	Target	Target	Target	Target	Target
% of workforce	1,5%	0,2%	0,3%	0,4%	0,5%	1,0%	1,5%

2.6.5 Goedehoop Colliery Labour Sending Areas

The number of migrant labourers in Thungela workforce remains around 3%. As part of our focus on uplifting the people who surround our coal mining operations within our zones of influence, we make every effort to source labour from our local communities. Goedehoop Colliery's permanent workforce distribution is as follows:

Table 2.12 Breakdown of Goedehoop Colliery labour sending areas

Country of origin	Province	No of employees	% per area
Burundi		1	0,1%
Lesotho		18	1,5%
India		1	0,1%
Swaziland		3	0,3%
Mozambique		3	0,3%
Zambian		4	0,3%
Zimbabwe		5	0,4%
Sub-Total Migrant Labour only		35	3,0%
South Africa	Gauteng	10	0,9%
South Africa	Mpumalanga	551	46,9%
South Africa	Eastern Cape	140	11,9%
South Africa	KwaZulu-Natal	20	1,7%
South Africa	Free State	124	10,6%
South Africa	Limpopo	203	17,3%
South Africa	North West	92	7,8%
South Africa	Northern Cape	0	0,0%
South Africa	Western Cape	0	0,0%
Sub Total RSA Only		1140	97,0%
Total Strength		1175	100,00%

PART THREE

Local Economic Development Programme

3. Local Economic Development Programme

3.1 Socio Economic Background

The Elders coal resource is located in the province of Mpumalanga approximately 47km to the south of Middelburg. The city of Witbank is about 55km to the northwest; Bethal is 20km to the south and Kriel 12km to the west as shown in Figure 3 - Locality Plan.

Being physically distant from one another, Elders and Goedehoop Colliery fall under separate Local municipalities; namely Govan Mbeki Local Municipality for the former and Steve Tshwete Local Municipality for the later. This also means that the zones of influence of both collieries differ.

The zones of influence, i.e. zones where its impacts can be either direct physical impacts or induced or interactive impacts, identified for Elders are:

- **The Zone of Physical Impact – Primary Site and Surrounding Areas** - the primary Zol includes the 'footprints' of and areas immediately adjacent to the primary and service infrastructure of the mine. This includes the Vlakkuielen Community, the surrounding farms, the Middelkraal Community.
- **Primary Zone of Induced and Interactive Impact** – this Zol includes Bethal and Emzinoni which are both located in the Govan Mbeki Local Municipality. It is anticipated that Bethal and Emzinoni will both experience induced impacts.

Elders Colliery is committed to delivering improvements in the social and human capacities of the people who live in the areas surrounding it as indicated above, not only to maintain its social licence to operate, but to create real opportunities for economic and social advancement.

The sources below which were utilised to compile this chapter:

- Govan Mbeki Local Municipality Integrated Development Plan 2015-2019
- Gert Sibande District Municipality Integrated Development Plan 2012-2017
- 2001/2011 Census Data

3.2. Socio-Economic Profile

Elders Colliery will operate in the Govan Mbeki Local Municipality, located in South-Western Mpumalanga and is one of seven local municipalities in the Gert Sibande District Municipality (GSDM). The other municipalities include Albert Luthuli, Dipaleseng, Lekwa, Mkhondo, Msukaligwa and Pixley ka Isaka-Seme.

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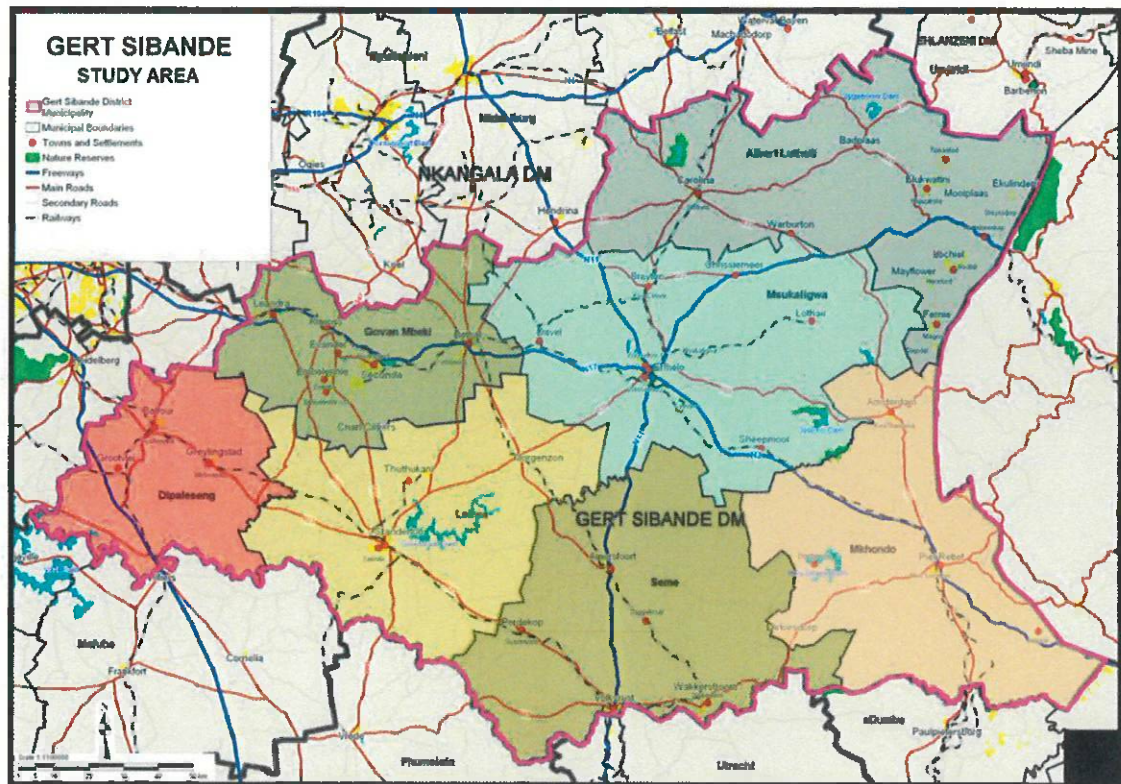


Figure 2 Location of the GMLM within the GSDM

Population

According to the 2011 Census, the GSDM has a population of approximately 1,043,194 people. The breakdown is as follows:

Table 3.1 Population breakdown of GSDM

Demographic Area	Population	Percentage (%)	Growth Rate (%)
Dipalieseng Municipality	42,390	4.06	0.93
Govan Mbeki Municipality	294,538	28.23	2.84
Msukaligwa Municipality	149,377	14.32	1.80
Lekwa Municipality	115,662	11.09	1.13
Albert Luthuli Municipality	186,010	17.83	-0.09
Pixley Ka Seme Municipality	83,235	7.98	0.30
Mkhondo Municipality	171,982	16.49	1.84
TOTAL	1,043,194	100	1.48

Source: 2001/2011 Census Data

Govan Mbeki with 28.23% of the total population of the Gert Sibande District Municipality is the largest of the District's municipal areas.

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Govan Mbeki Local Municipality

The population of the GMLM was estimated at **294 538** in 2011 (Statistics South Africa, Census 2011).

The table below provides a breakdown of the total population.

Table 3.2 Population structure of the GMLM

Age Group	Black African		White		Coloured		Indian/Asian		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
0-7	19731	19927	2623	2581	351	373	310	275	46 171
8-18	22518	22351	3446	3286	387	376	345	339	53 048
19-35	46638	37154	6466	6229	774	722	923	698	99 604
36-50	21336	20857	5281	5298	512	400	432	402	54 518
51-65	10375	10057	4537	4107	286	208	292	221	30 083
66-74	1503	2413	903	1 135	39	43	45	55	6 136
75+	825	1 505	459	823	3	28	31	38	3 712
Total	237 190		47 176		4 502		4 406		294 538*

*1 264 respondents did not categorise themselves into any of the above groups

Source: Stats SA, Census 2011

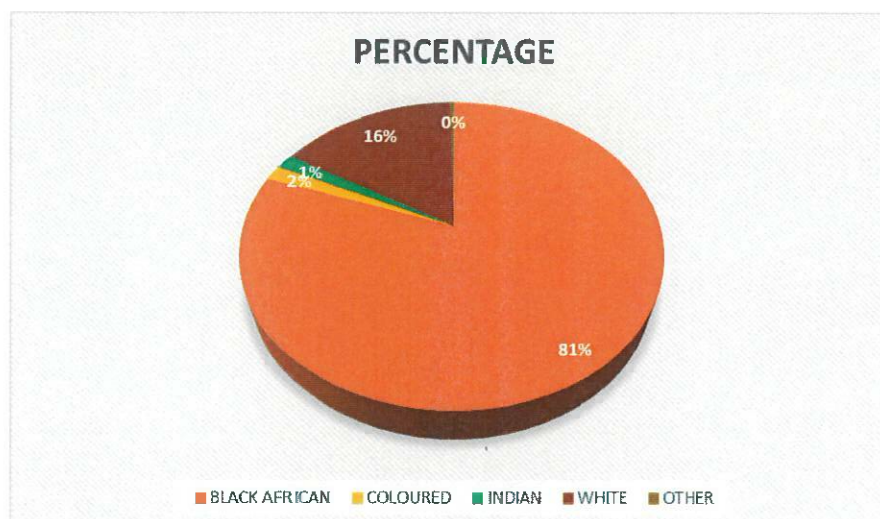


Figure 3 Population breakdown in percentage

Source: GMLM IDP, 2015-2019

The Govan Mbeki area is mainly agricultural / rural with 3 urban conglomerates, namely;

- Leandra (Leslie, Lebohang and Eendracht) in the western edge;
- The Greater Secunda (Trichardt, Evander, Kinross and Secunda / Embalenhle) conurbation in the central part and;

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- Bethal / Emzini in the east.

These urban areas are located along the N17/N2 corridor which runs from east to west through the municipality

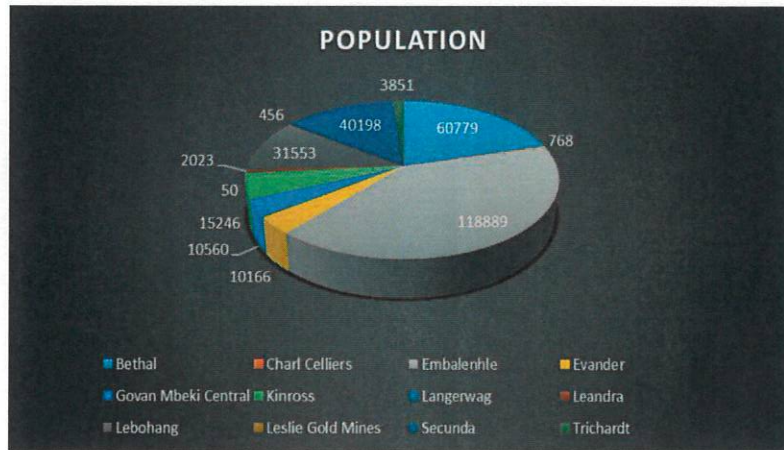


Figure 4 Population breakdown per town

Source: GMLM IDP, 2015-2019

Comparative gender distribution

The figure below shows the gender distribution for the GMM, based on the differentiation between male and female according to age groups.

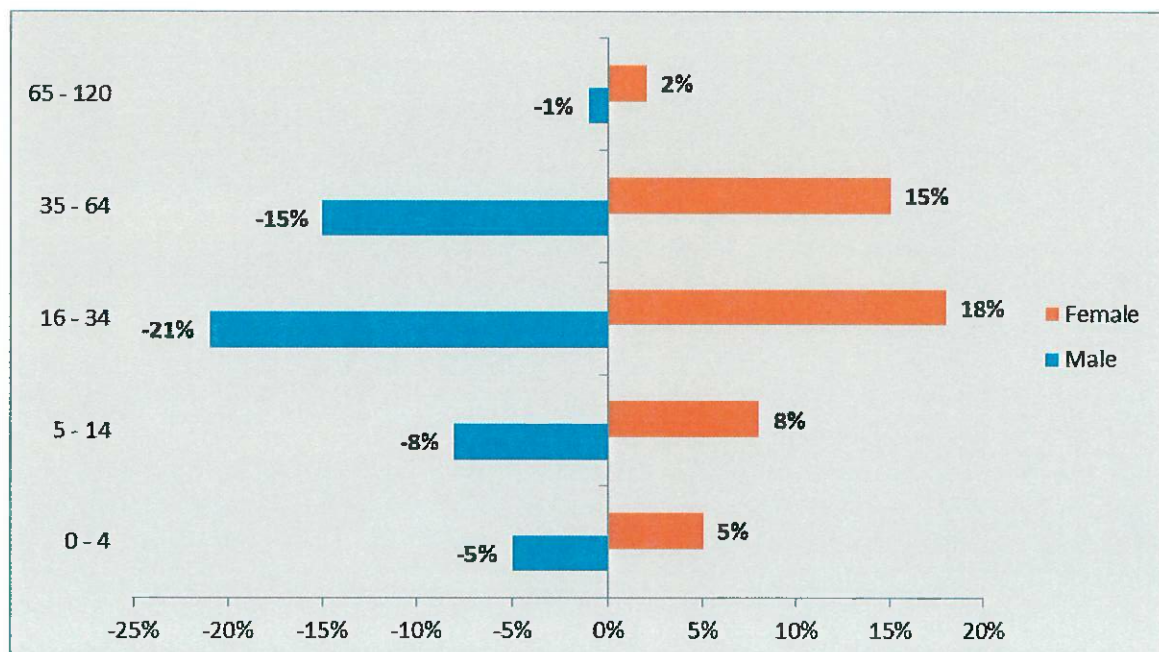


Figure 5 Age and Gender Distribution 2011

Source: GMLM IDP, 2015-2019

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The gender distribution for GMM is predominantly evenly spread out with males (52%) dominating females (48%). The split between males and females across all level of age groups is fairly equal. Furthermore the largest proportion of the population does fall within the economically active age groups.

Bethal and Emzinoni

Bethal accounts for approximately 6.3% of the municipality's population with 18 690 people while Emzinoni accounts for approximately 9.3% with a population of 27 515 people. The table below provides a breakdown of their population structure.

Table 3.3 Population structure of Bethal and Emzinoni

Age Group	Bethal		Emzinoni	
	Male	Female	Male	Female
0-7	1 177	1 219	2 391	2 351
8-18	1 579	1 544	2 890	2 852
19-35	3 174	2 475	4 390	4 251
36-50	2 051	1 901	2 224	2 564
51-65	1 200	1 200	1 185	1 415
66-74	252	371	211	396
75+	175	270	111	227
Total	18 690		27 515	

Source: Stats SA, Census 2011

Population Growth and Migration

Govan Mbeki Municipality

The GMLM has experienced an average population growth rate of 9.5% per annum since 2007, which is significantly higher than the current national average of 0.5% and is due partly to natural population growth as well as result of economic growth in the area, i.e. influx of job seekers.

Since 2007 the GMLM has experienced a growing in migration each year. This can predominantly be attributed to people in search of employment opportunities in the mining and power generation sectors and the influx of migrants from Zimbabwe and Mozambique. The majority of migrants to the GMLM are men from outside of South Africa, other areas of Mpumalanga and Gauteng.

Bethal and Emzinoni

In line with the municipal growth rate, Bethal and Emzinoni have also both experienced a rapid growth rate since 2007. Both communities, Bethal in particular, are also experiencing a rapid influx of migrants from outside of South Africa.

Education levels

Although about 18% of the GMLM residents aged 20 and above were functionally illiterate, with no schooling at all and a few with some primary education, there has been major improvements in the level of education over the last 10 years:

- The percentage of the population with no schooling decreased from 26% in 2001 to 8% in 2011;
- The percentage of people who completed secondary school increased from 27% in 2001 to 34% in 2011;
- The percentage of people with post matric qualifications in GMLM increased from 16% in 2001 to 31% in 2011.

Housing

Govan Mbeki Municipality

Adequate housing remains a serious challenge for the municipality.

The GMLM IDP reports that there are 29 478 households without access to formal housing. The housing backlog is estimated at approximately 58 000 units, including 18 887 in situ developments (formal stands), and over 34 000 backyard dwellers (over the age of 18).

The 2011 stats indicate that there were 23 365 informal housing units within the GMLM, the majority of these are at Embalenhle.

Housing in Bethal and Emzinoni

Housing in Bethal is predominantly formal housing with only a small percentage of informal dwellings. Emzinoni is a predominantly formal housing with a large percentage of informal dwellings.

The table below provides a breakdown of the housing situation in Bethal and Emzinoni.

Table 3.4 Housing in Bethal and Emzinoni

Type of Housing	Bethal	Emzinoni
Formal	5 167 (96.4%)	5 099 (62.8%)
Traditional	18 (0.3%)	15 (0.2%)
Informal	176 (3.3%)	3 009 (37.1%)
Total	5 361	8 122

Source: Stats SA, Census 2011

Water

Govan Mbeki Municipality

Most of GMLM is situated in the catchments of the Blesbokspruit and Watervaal Rivers which are in the Upper Vaal Water Management Area as well as the catchments of Olifants and Rietspruit which are in the Olifants River WMA. Rand Water supplies GMLM with all its treated bulk water requirements from the Suikerbosrand Water treatment Plant. (GMLM WSDP, 2011).

All urban areas in the GMLM are fully reticulated in terms of potable water supply, however informal settlements are still lacking. According to municipal estimates, approximately 40% of households have piped water inside the dwelling, while another 40% of households have piped water in the yard. Communities in the rural and peri-urban areas do not have access to piped potable water supply and use borehole water.

Bethal and Emzinoni

Currently 67.5% of households in Bethal have access to piped water inside their households, while 31.5% have access to piped water in their yard.

The situation in Emzinoni differs with only 37.5% of households having piped water into their households and 52.2% with piped water in their yards. 8.5% of households in Emzinoni still access their water from communal standpipes.

Sanitation

Govan Mbeki Municipality

The number of households with access to flushing toilets has increased from 50% in 2001 to 90% in 2011. Currently all formal stands in urban areas, with the exception of Eendracht, have access to waterborne sewerage. Sewage is outsourced to Sasol in Secunda.

The Table below provides an overview of sanitation levels in the GMLM

Table 3.5 Sanitation facilities in the GMLM

Type	2007 (%) of households)	2011 (%) of households)
Flush toilets connected to a sewage system or septic tank	50	90
Pit toilets with ventilation	7	3
Pit toilet without ventilation	23	2
Bucket toilet system	7	0.6
None	11	1.3

Source: Statistics South Africa 2007 and 2011

Bethal and Emzinoni

Sanitation facilities in Bethal are generally good with approximately 97% of households having access to flushing toilets, although in Emzinoni, 7.8% of households reported not having access to any toilet facilities.

The table below provides a breakdown of the sanitation facilities in Bethal and Emzinoni.

Table 3.6 Sanitation facilities in Bethal and Emzinoni

Type	Bethal	Emzinoni
Flush toilets connected to a sewage system or septic tank	97%	76%
Pit toilets with ventilation	0.2%	5.4%
Pit toilet without ventilation	0.2%	4.7%
Bucket toilet system	0.2%	4.5%
None	0.8%	7.8%

Source: Statistics South Africa 2007 and 2011

Electricity

Govan Mbeki Municipality

Eskom is the primary bulk provider of electricity in the GMLM, and the Wildebees and Sol substations supply the towns in the GMLM.

Approximately 90% of households within the Municipality have access to electricity.

The usage of electricity as the predominant source of energy has increased significantly from 57% in 2007 to 90% of households in 2011. As a result, electricity remains the most used item for cooking, lighting and heating. Similarly, the use of candles and paraffin has also decreased from 47% in 2007 to 8.9% in 2011.

The table below provides a breakdown of the predominant sources of energy used in the GMLM.

Table 3.7 Sources of energy in the GMLM

Source of Energy	2007 (% of households)	2011 (% of households)
Electricity	57	90
Gas	0.3	0.2
Candles and paraffin	47	8.9

Source: Statistics South Africa 2007 and 2011

Bethal and Emzinoni

The table below indicates that electricity is the dominant source of energy in both Bethal and Emzinoni for cooking, heating and lighting. However, charcoal is also frequently used, particularly in Emzinoni for cooking and heating.

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Table 3.8 Sources of energy in Bethal and Emzinoni

Energy Source	Bethal			Emzinoni		
	Cooking	Heating	Lighting	Cooking	Heating	Lighting
Electricity	83%	70.2%	96.6%	57.6%	49.8%	84.6%
Gas	4.4%	6.2%	<1%	1.4%	1.9%	<1%
Paraffin	1.4%	<1%	<1%	3.1%	1.5%	<1%
Candles	-	-	2.3%	-	-	14.1%
Wood	<1%	<1%	-	<1%	<1%	-
Charcoal	10.7%	21.3%	-	34.8%	46.1%	-
Solar	<1%	<1%	<1%	<1%	<1%	<1%

Source: Stats SA, Census 2011

Health

HIV prevalence rate for pregnant women stood at 45.8% in 2011 (an increase from 32.7% in 2010) while HIV prevalence rate-DHIS (excluding pregnant women) stood at 33.0% in 2011 (a decrease from 35.3% in 2010). The period 2010 – 2012 has seen a decline in the number of TB cases as shown on the table; which also highlights the number of public health facilities within Govan Mbeki.

HEALTH INDICATORS	2009	2010	2011	Ranking: best (1) – worst (18)
HIV prevalence rate - survey (pregnant women attending antenatal clinic 15-49 years old)	40.0%	32.7%	45.8%	13
HIV prevalence rate – DHIS (excluding pregnant women)	35.3%	35.3%	33.0%	17
	2010	2011	2012	Ranking: best (1) – worst (18)
PUBLIC HEALTH FACILITIES			2012	
Number of clinics			11	
Number of community health centres (CHC)			3	
Number of hospitals			2	

Table 3.9 Health Indicators GLMM

Source: GMLM IDP, 2015-2019

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Summary of Basic Service infrastructure

BASIC SERVICE INFRASTRUCTURE INDICATORS	Trend	Latest figure	Better (+) or worse (-) than Gert Sibande	Better (+) or worse (-) than province	Ranking: best (1) – worst (18)
	2001	2011			
% of households in informal	35.1%	27.9%	(-) (16.8%)	(-) (10.9%)	17
% of households with no toilets or with bucket system	18.3%	2.4%	(+) (5.8%)	(+) (7.2%)	2
% of households with connection to piped (tap) water: on site & off site	96.7%	98.9%	(+) (91.2%)	(+) (87.4%)	1
% of households with electricity for lighting	71.3%	90.3%	(+) (83.4%)	(+) (86.4%)	5
% of households with weekly municipal refuse removal	82.9%	91.7%	(+) (63.6%)	(+) (42.4%)	1

Table 3.10 summary of GMLM infrastructure levels

Source: GMLM IDP, 2015-2019

3.2. Economic Profile

Levels and areas of employment

Govan Mbeki Municipality

Traditionally the GMLM has employed people predominantly in the mining, manufacturing industries (includes Sasol) and the retail trade. This trend continues today with Sasol employing approximately 8 600 people in its non-coal mining operations and 6 800 people in coalmining, while sub-contractors providing services for Sasol account for a total of approximately 7 000 jobs.

The distribution of employment by industry in the GMLM is summarised below.

Table 3.11 Employment sectors in the GMLM

Sector	Percentage of workforce employed	
	2001	2010
Agriculture, hunting, forestry and fishing	4.8	3.0
Mining and quarrying	21.5	21.8
Manufacturing	22.9	18.2
Electricity, gas and water supply	0.7	0.6

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Construction	3.9	5.3
Wholesale and retail trade	20.9	21.0
Transport, storage and communication	3.8	4.3
Financial, insurance, real estate and business services	3.5	5.4
Community, social and personal services	10.2	12.2
Private households	7.7	8.1

The economically non-active population group increased by 16%, which is likely to affect the percentage of indigent people within the municipality. This statistic may influence the migration patterns within the Municipality. These people may find jobs within the future development of the local municipality, alternatively may choose to migrate to Gauteng, where the highest form of migration takes place from Mpumalanga.

The economic active age groups (15-64 years) increased. The size of this group (69.4%) within Govan Mbeki provides pressure on the local economy to provide jobs. The same trend is experienced overall.

The unemployment rate in the GMLM touches almost all segments of the population including men, women, and youth. However, it predominantly affects the black population, and particularly the women. Unemployment is high in previously disadvantaged urban areas such as eMbalenhle, eMzinoni, Lebohang, and informal settlements around towns. The table below provides a breakdown of the employment levels in the GMLM according to race and gender.

Table 3.12 Employment levels in the GMLM

Racial Group	Black		White		Indian/Asian		Coloured	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Economically active population	63 352	47 365	14 657	10 611	1 466	728	1 316	894
Number of unemployed	14 985	18 298	564	900	60	78	129	147
Unemployment rate (%)	23.7%	38.6%	3.8%	8.5%	4.1%	10.7%	9.8%	16.4%

Bethal and Emzinoni

Employment in Bethal and Emzinoni follows a similar trend to that of the GMLM. Black women are particularly vulnerable to unemployment in both in Bethal and Emzinoni with unemployment rates of 38.4% and 43.6% respectively.

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Of the employed population in Bethal and Emzinoni, 76.4% of black males and 69.2% of black females are employed in the formal sector. The majority of these jobs are in the mining, manufacturing industries and farming.

Only 11.2% of the total employed population is employed in the informal sector while 12% of the total employed population are employed by private households

The table below provides a breakdown of the employment levels in both Bethal and Emzinoni.

Table 3.13 Employment levels in Bethal and Emzinoni

Bethal	Racial Group	Gender	Employed	Unemployed	Unemployment Rate
	Black	Male	2 387	612	20.4%
		Female	1 443	900	38.4%
	White	Male	1 580	82	4.9%
		Female	1 107	137	11.1%
	Coloured	Male	43	14	24.6%
		Female	34	10	29.4%
	Indian/Asian	Male	113	10	8.1%
		Female	56	10	15.2%
	Racial Group	Gender	Employed	Unemployed	Unemployment Rate
Emzinoni	Black	Male	4 441	1 574	26.2%
		Female	3 034	2 347	43.6%
	White	Male	15	3	16.7%
		Female	7	-	0%
	Coloured	Male	30	11	26.8%
		Female	16	13	44.8%
	Indian/Asian	Male	33	2	5.7%
		Female	-	-	-

Income Profile

Govan Mbeki Municipality

The GMLM is one of the wealthier local municipalities within the GSDM with an average per capita income higher than that of the GSDM and Mpumalanga as a whole.

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The average household income for Govan Mbeki stood at R47 983 in 2001 and jumped to R125 480 in 2011. This shows a significant increase over the 10 year period, an indication that family incomes are improving.

Despite this, 37% of the population still live below the poverty line and the municipality is number 13 in the province in terms of inequality (although it is better than both provincial and district averages).

In terms of poverty rate, the rate has declined from 37.0% in 2001 (with a total figure of 96 500 number of people in poverty) to 29.4% in 2007 (total of 83 294 people) and now stands at 26.5% in 2011 with a total number of 78 586 people living in poverty. Although the number of people living in poverty is declining, the poverty gap within the same period is increasing.

Bethal and Emzinoni

In both Bethal and Emzinoni 47% of individuals do not earn any monthly income.

While the income levels are fairly similar, Bethal does have more income earners over R3200.00 per month while the majority of income earners in Emzinoni earn under R1 600.00 per month.

3.3 Key economic activities

Govan Mbeki is the largest contributor to the district's GVA with a total share of 59.8% mainly achieved in manufacturing (95.4%), mining (68.6%), construction (57.8%), trade (44.1%) and finance (43.9%).

3.3.1 Possible Impact of the Mining Operations

Possible Negative Impact	Yes	No	If Yes, how will you address it?
Influx of people – job seekers	X		Partner with the District Municipality and the Local Municipality and their RDP administrators in dealing with influx issues within their areas of responsibility.
Increased pressure on public services	X		Endeavour to employ locally and to procure locally where possible to mitigate the possibility of increased pressure on public services as a result of an influx of people

3.3.2 Environment and Communities

As stated in 3.1, Elders has identified 2 ~~zones of influence~~ host communities and has identified all the stakeholders relevant to the project – affected as well as interested parties, including those residing outside the ~~zones of influence~~ 2 host communities/area of influence.

In order to involve the stakeholders affected by the mining operations, a stakeholder forum will be established which will address possible impacts as well as mechanisms to address concerns raised by the affected parties.

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This forum, as well as all engagement with stakeholders will be carried out within the framework of Thungela standards, namely Thungela Good Citizenship Principles, Thungela Social and Environment Way which aim to:

- Promote strong relationships with and enhance the capacities within the communities where the mine operates
- Seek regular engagement with the community around issues that affect them
- Support upliftment projects that reflect the priorities of local people and support the principles of sustainability and cost effectiveness

Environmental impacts are discussed in detail the Environmental Management Programme.

3.4. Community engagement

3.4.1 Stakeholder Engagement

Our main aim is to promote strong relationships with the communities that surround our operations through regular engagement on the issues, challenges and feedback on the mine's performance that may affect them. Elders' engagement planning will include, stakeholder mapping, profiling – determining their interests and concerns, influence on the business, health and wellness.

To facilitate on-going dialogue with all our stakeholders we adhere to the Thungela Good Citizenship Principles which guide the way we conduct our business. Our stakeholders are of utmost importance to us, so we encourage relationship building and maintenance with the communities that surround our operations through regular engagement on issues, challenges and programmes that may affect or impact them.

This is attained through Elders knowing its stakeholders via the Stakeholder Map which identifies all stakeholders residing within all our Zones of Influence.

Elders Colliery will draft a Stakeholder Management Engagement Plan that will guide our engagements and determine the frequency of all consultations and involvement on different and various engagement forums.

Elders Colliery will establish a Future Forum which is designed to discuss the management of downscaling and retrenchments, business performance, life of the operation, environmental impact, employment/skills development, procurement, Local Economic Development etc.

These engagements will provide a sound platform for our local stakeholders to voice their opinions and concerns, and at the same time provide an opportunity for the mine to promptly rectify any complaints or clarify possible misconceptions concerning the colliery's operations.

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Our key stakeholders include, among others: national and provincial governmental bodies; Gert Sibande District Municipality, Govan Mbeki Local Municipality and councillors; our employees, contractors, trade unions, community members, farmers, residents of farms and informal settlements, non-governmental organisations, community policing forums; ESKOM.

3.5 Local Economic Development Projects

3.5.1 Local Economic Development Key Focus Areas

The key local economic development focus areas of the GMLM are discussed in this section and are derived from the municipality's Local Economic Development Plan 2015-2019. The goal of local economic development is to transform the Nkangala district into a hive of economic activity characterised by levels of investment, sustainable job creation and improved income levels in a way that builds on the distinctive potential of each municipality, preserves the integrity of the environment and avoids negative competition.

The GMLM identified the following eight strategic objectives development of the municipality.

- Governance and Stakeholder Participation
- Physical Infrastructure and Energy Efficiency
- Services and Customer Care
- Economic Growth and Development
- Safety and Environment
- Social and Community Development
- Institutional Transformation
- Financial Sustainability

Table 3.14 Strategic interventions to facilitate local economic development in GMLM

GMLM Focus Area	Proposed intervention
Govan Mbeki Industrialisation Programme	Development / establishment of an Industrial Park:
	Diesel from soya beans production
	Manufacturing and supply of component parts, equipment and machinery for mines, SASOL and agricultural farms
	Manufacturing / production of organic & non-organic fertiliser
	Bricks and cement manufacturing from coal ash
	Manufacturing of petro-chemical products such as detergents, lubricants, paints, fibres, adhesives, plastic products
	Renewable energy projects (solar / wind / waste)
	Establishment of hatchery and abattoir for poultry & beef industries
	Establishment of feed mill or granular plant

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SMME/ Cooperatives Incubation Programme	Agriculture and rural development:
	Food security projects
	Cash crops and herbs
	Fresh vegetables and greens
	Fresh produce storage facilities
	Agriculture and Rural Infrastructure Development
	Roads, transport, water, electricity and ICT
	Sanitation and waste disposal
	Rural and farm housing development
	Storage facilities development
	Rural Agriculture and Cooperatives Bank
	Education, Skills and Capacity Development
	Mentorship programmes
	Soft & technical skills training
	Establish Coops Development Academy
	National & international benchmarking tours
	Economic Sector focused projects
	Arts, craft and traditional medicines
	Tourism, wellness and health facilities
	Agro-processing (crops and animal)
	Mining and quarrying
	Mining land rehabilitation
	Renewable energy
	Incubation Centre Services to SMMEs, Coops, CPAs, CDTs, and SPVs etc.
	Research and Development
	Technical and soft skills training
	Facilitate access to finance
	Facilitate access to markets
	Networking summits or such other platforms
Other Cross-cutting Projects	Housing Development Projects (housing development in order to address challenges associated with mushrooming of informal settlements as identified in municipal SDF) HIV/AIDS Mainstreaming (how do we seek to mitigate against the negative effects of HIV/AIDS within the local space as growth and development comes into the space)

Source: GMLM IDP, 2015-2019

3.5.2 Local Economic Development

Thungela and its operations are aligned with the Integrated Development Programme and Local Economic Development plans of their local municipalities and community development personnel participate in IDP and LED forums and seminars when plans are formulated and attend meetings when community needs are identified at provincial and local government levels.

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As a company, we direct most of our corporate social investment spend into the following priority areas:

- Poverty alleviation,
- Alternative employment opportunities,
- Infrastructure development,
- Education,
- Healthcare, and
- Small Medium Enterprise development.

Elders Colliery will invest in projects and programmes that will seek to address the current needs of the area as identified with the Govan Mbeki municipality. These projects are detailed in the tables below:

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Project 1

Project Name: Solar Project				Infrastructure Project			
Background: The IDP and community consultations by the municipality identified solar projects (solar geysers and high mast streetlights) as urgent needs of the rural communities.							
Geographical Location of Project	District Municipality	Local Municipality	Catchment Area	Project Start date: 2024		Project end date: 2024	
Mpumalanga	Gert Sibande DM	Govan Mbeki LM	Bethal, Ward 15				
Output	Key Performance Area	Key Performance Indicators:	Responsible Entity (Inclusive of all role players)	Quarterly timelines and Year	Quarterly timelines and Year	Quarterly timelines and Year	Budget:
Solar Project (Solar geysers and high mast lights for the doorstep communities of Vlakkuilen and Middelkraal in Ward 15	Infrastructure development: service delivery project	construction and hand over of the required infrastructure as per the project schedule	GMLM Elders Colliery	2024	2024	2024	R 3,200,000
Classification of jobs	No. of Jobs creation	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short term	TBC	TBC	TBC	TBC	TBC	TBC	
Medium Term	TBC	TBC	TBC	TBC	TBC	TBC	
Long Term	TBC	TBC	TBC	TBC	TBC	TBC	

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Project 2

Project Name: Portable Invertors				Infrastructure Project			
Background: Given the current levels of loadshedding, the community has identified an urgent need to mitigate the risk associated with loadshedding especially for the doorstep communities of Vlakkullen and Middelkraal (Umcebo Village).							
Geographical Location of Project	District Municipality	Local Municipality	Catchment Area.	Project Start date: 2024		Project end date: 2024	
Mpumalanga	Gert Sibande DM	Govan Mbeki Local Municipality	Bethal, Ward 15				
Output	Key Performance Area	Key Performance Indicator:	Responsible Entity (Inclusive of all role players)	Quarterly timelines and Year	Quarterly timelines and Year	Quarterly timelines and Year	Budget:
Infrastructure Project (portable invertors) for the doorstep communities of Vlakkullen and Umcebo	Infrastructure Project: service delivery project	Procurement and hand over of the project to beneficiaries as per the project schedule	Elders Colliery. GMLM	2024	2024	2024	R1,000,000
Classification of jobs	No. of Jobs creation	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short term	TBC	TBC	TBC	TBC	TBC	TBC	
Medium Term	TBC	TBC	TBC	TBC	TBC	TBC	
Long Term	TBC	TBC	TBC	TBC	TBC	TBC	

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Project 3

Infrastructure Project						
Project Name: Sanitation Project						
Background: The IDP and community consultations have identified the provision of sanitation facilities as an urgent need by the communities of Ward 15.						
Geographical Location of Project	District Municipality	Local Municipality	Catchment Area	Project Start date: 2024		Project end date: 2025
Mpumalanga	Gert Sibande DM	Govan Mbeki Local Municipality	Bethal; Ward 15			
Output of Provision Sanitation Facilities to the rural communities of Ward 15	Key Performance Area	Key Performance Indicator:	Responsible Entity (Inclusive of all role players)	Quarterly timelines and Year	Quarterly timelines and Year	Budget: R3,000,000
	Infrastructure development	Construction and hand over of the project as per the project schedule	Elders Colliery. GMLM	2024	2024	2025
Classification of jobs	No. of Jobs creation	Male Adults	Female Adults	Male Youth	Female Youth	Comments
Short term	TBC	TBC	TBC	TBC	TBC	
Medium Term	TBC	TBC	TBC	TBC	TBC	
Long Term	TBC	TBC	TBC	TBC	TBC	

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Project 4

Infrastructure Project							
Project Name: Water Project							
Background: The IDP and community consultations have identified the provision of water facilities (boreholes) as an urgent need by the communities of Ward 15.							
Geographical Location of Project	District Municipality	Local Municipality	Catchment Area	Project Start date:2024		Project end date: 2026	
	Gert Sibande DM	Govan Mbeki Local Municipality	Bethal, Ward 15				
Output	Key Performance Area:	Key Performance Indicator:	Responsible Entity (Inclusive of all role players)	Quarterly timelines and Year 2024	Quarterly timelines and Year 2025	Quarterly timelines and Year 2026	Budget:
Provision of water to the rural communities of Ward 15	Infrastructure development	Construction and hand over of the project as per the project schedule	Elders Colliery. GMLM				R10,177,338
Classification of jobs	No. of Jobs creation	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short term	TBC	TBC	TBC	TBC	TBC	TBC	
Medium Term	TBC	TBC	TBC	TBC	TBC	TBC	
Long Term	TBC	TBC	TBC	TBC	TBC	TBC	

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3.5.3. Corporate Social Investment

Elders Colliery will endeavour to implement Corporate Social Investment (CSI) projects as determined by the mine. These will be implemented following applicable Thungela policies specifically the Thungela Social Investment policy.

3.6 Housing and Living Conditions

3.6.1 Housing at Elders

Elders Colliery will abide by the Thungela strategy and vision of home ownership which strives at moving away from housing provision entirely and ensuring that employees are accommodated in their own formal accommodation located within the metropolitan frameworks of the regions where our new and existing operations are based.

The primary aims of this vision are to:

- Support the integration of future corporate social investment activities within the regional municipal framework and infrastructure development.
- Assist the Chamber of Mines to meet the Housing Forum commitments and to ensure that the Social and Labour Plan and Mining Charter's obligations are met and are sustainable.
- Enhance the social and economic sustainability of the regions in which Thungela operates through a housing model that is integrated within the greater metropolitan centres and aligned with the Integrated Development Plans for those regions.

Key challenges:

- Lack of affordable housing which encourages employees to remain in mine-provided accommodation in unsustainable areas.
- Lack of accessibility to loan facilities
- Bulk infrastructure costs and constraints which have delayed the delivery of serviced stands for residential developments in sustainable areas and which have added to the cost of housing and selling prices.
- Limited municipal resources, particularly funding and capacity, to provide infrastructure and services for residential developments.

3.6.2 Progress against targets

The company has introduced housing allowances to promote home ownership and 96% of employees cater for their own accommodation in sustainable areas.

3.6.3 Housing Action Plan

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This plan is based on the following pillars and is aimed at supporting the transition from housing provision to home ownership:

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

Thungela Housing Allowances

The housing allowances in place for Thungela employees over the past 5 years is shown below:

Employee grade	2015 RATES	2016 RATES	2017 RATES	2018 RATES	2019 RATES
C4#	R 8 786	R 8 786	R 8 786	R 8 791	R 9 000
CU	R 7 795	R 8 028	R 8 429	R 8 791	R 9 000
CL and B Band	R 6 726	R 7 332	R 8 028	R 8 791	R 9 000
Senior-skilled	R 6 726	R 7 332	R 8 028	R 8 791	R 9 000
Skilled	R 6 726	R 7 332	R 8 028	R 8 791	R 9 000

This table highlights two important points:

- The quantum of the allowances is significant, and represents leading practice in this regard; and
- The housing allowances have been harmonised and are equal across the different levels of the workforce; skilled workers receive the same allowance as senior supervision.

This indicates that as at December 2019, only 6% of the workforce was staying in company-provided accommodation. This company-provided accommodation is all within demarcated municipal areas, and none of these employees resides in hostel-type accommodation.

PART FOUR

Management of downscaling and retrenchments

4. Management of downscaling and retrenchments

The primary objective of downscaling and retrenchment management is to ensure that there are no other viable options to achieve operational requirements before considering the downscaling of workers. To achieve this, the following steps will be implemented.

4.1 Establishment of a Future Forum

Elders Colliery will establish a forum consisting of management and employee representatives. This forum will be trained on the content of the Minerals and Petroleum Resources Development Act and will be established within the first six months of the mine operating. The Forum will consist of

- The General Manager
- Members of the senior mine management team
- A representative from the Employment Relations department
- Two representatives from each of the recognized trade unions active on the mine (National Union of Mineworkers, United Association of South Africa, Solidarity)
- Government departments at local level specifically the LED and IDP departments,
- A representative from the department of Labour
- Ad hoc members who might from time to time be able to contribute to the effectiveness of the Forum.

This forum will be trained on the contents of the Minerals and Petroleum Resources Development Act and will be tasked to meet at least twice a year. The agenda will include, but not be limited to, the following:

- Promoting ongoing discussions between worker representatives and management.
- regarding the future of the mine
- Looking ahead to identify problems, challenges and possible solutions with regard to
- productivity and employment
- Identifying production and employment turnaround strategies.
- The implementation of such strategies where required.

4.2 Mechanisms to avoid job losses and a decline in employment.

One of the requirements of the Future Forum is to have structures in place to facilitate the consultation processes so that Elders Colliery management and recognised trade union representatives can meet

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regularly to discuss workplace issues. The intention is to provide a formal vehicle where all affected parties can consult and discuss challenges and possible solutions to problems facing the workplace that may have the potential to lead to large-scale retrenchments in the future.

In line with the requirements of Regulation 46 (d) (ii) and (iii), Elders Colliery will develop turnaround or redeployment strategies to reduce job losses and to improve business sustainability on an ongoing basis. The two sections of this regulation have been combined, as Elders Colliery strategies to deal with these issues often overlap and are contained within the same policies.

However, should prevailing economic conditions cause the profit-to-revenue ratio of Elders Colliery to drop below 6% on average for a continuous period of 12 months, Elders Colliery would initiate the following processes which must include, but not limited to, the following:

- Consultations – the consultation process in terms of Section 52(1) of the MPRDA.
- Implementation of Section 189 of the Labour Relations Act.
- Notifications to the Minerals and Mining Development Board – the notification process to the Board in terms of Section 52 (1) (a) of the Act.
- Complying with the Ministers directive and conforming how corrective measures will be taken.
- Internal transfers to other Coal mines.
- Providing training for proxy earners; and
- Reskilling of workers for other jobs on the mine or for jobs outside the mining sector

4.3 Internal transfers to other Thungela mines

Elders Colliery supports the multi-tasking of employees. One of the mine's strategies encompasses an understanding by employees that jobs and duties, subject to individual skills and capabilities, are flexible within Thungela's departments and mines such as Goedeheop Colliery. Consequently, as part of the strategy to broaden the skills base, the operation provides training and retraining in the employee's existing career path as well as in new technological developments.

This means that if security of jobs is threatened, Goedeheop Colliery is better placed to transfer an employee to another mine, division, department, or section of Thungela. As per agreements with trade unions and other worker representative bodies, the transfer would only be implemented after consultation and reasonable notice to the employee.

4.2 Managing Retrenchments

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

- Consultation with all stakeholders
- The mine would follow the Labour Relations Act as well as the guidelines provided by the Department of Labour to ensure fair opportunities to train, redeploy employees and establish alternative measures short of retrenchment.

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- Our communication strategy would include:
- Informing employees of possible retrenchments.
- Informing other interested and affected parties, including sending areas and local municipalities, of possible retrenchments at the operation

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

The process will include:

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

4.3.1 ALTERNATIVE SOLUTIONS FOR CREATING JOB SECURITY SUPPORT OF SMME'S

There may be people affected by downscaling operations who are keen to start their own enterprises. In these cases, Elders Colliery will consider the following options, suggested by the Department of Labour:

- Facilitate links with Local Business Service Centre or other appropriate support institutions.
- Provide business support services to workers while they are still at work and can explore the options.
- Give assistance and mentoring in feasibility studies and the development of business plan;
- Include business and technical training for self-employment in the range of the Department of Labour's services.
- Provide time off work, so that workers can undergo necessary training before they terminate their workplace.
- Identify opportunities to supply Elders Colliery with goods or service; and
- Engage with banks and other lending institutions to explore and facilitate arrangements for workers who want to use all or part of their retrenchment packages as collateral security for business loans.

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4.4 Mechanisms to ameliorate social and economic impact

Planning for closure and downsizing takes place throughout the life cycle of the mine, from exploration through to post-closure rehabilitation. Elders Colliery intends to ensure that the livelihoods of its mineworkers, residents and families are sustained despite the downsizing or closure of the mine.

Strategy

Elders Colliery will make every effort to ameliorate the social and economic impact of individuals, regions and economies where retrenchment and closure is certain. These initiatives will focus on:

- Assessment and counselling services for affected individuals
- Comprehensive self-employment training and re-employment programmes; and
- Closure planning

Closure Planning

Elders Colliery will develop a closure plan during the operational phase as well as the closure phase of the mining life cycle.

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PART FIVE

Financial provision

5. Financial Provision

The following tables provide information on the financial provision allocated to Elder's Colliery's human resource development programme and local economic development.

Table 5.1 Elders Colliery Financial Provision for Human Resource Development

	Year	Year	Year	Year	Year	TOTAL
	2022	2023	2024	2025	2026	
Skills Development Levies Act	4,700	55,463	207,753	324,320	347,821	940,057
Learnerships	18,801	221,854	831,010	1,297,278	1,391,284	3,760,227
Colliery training interventions	70,504	831,950	3,116,288	4,864,793	5,217,315	14,100,850
Total HRD (R's)	94,005	1,109,267	4,155,051	6,486,391	6,956,420	18,801,134

5.2 Local Economic Development Project Elders Colliery

Projects	2022	2023	2024	2025	2026	Total
Solar Project	0	0	3,200,000	0	0	3,200,000
Portable Invertors	0	0	1,000,000	0	0	1,000,000
Sanitation Project	0	0	1,000,000	2,000,000	0	3,000,000
Water Project	0	0	1,000,000	6,000,000	3,177,338	10,177,338
Total LED (R's)	0	0	6,200,000	8,000,000	3,177,338	17,377,338

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5.2 Management of downscaling and retrenchments

Table 5.3 Financial provision for management of downscaling and retrenchments

No.	Process	Remarks
1	Consultation with stakeholders	Financial provision will be made available for all the processes involved in managing downscaling and retrenchments
2	Informing employees of possible retrenchments	
3	Informing other affected parties	
4	Informing outside parties	
5	Assessment and counselling services for affected employees	
6	Self-employment training programmes	
7	Life skills training programmes	
8	Regeneration of local economies	
9	Other	

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PART SIX

Undertaking

The person responsible for the social and labour plan, who is responsible to make known the social and labour plan to the employees and who must be contacted for follow-ups, requests, reports, queries, enquiries, discussions, etc. at time of such needs must make the following undertaking on behalf of the Mine or Production Operation. The General Manager or any other person so appointed must approve the social and labour plan.

I, Leonore van Wyk the undersigned and duly authorized thereto

by Anglo American Inyosi Coal (Pty) Ltd (Elders Colliery) (Company)
undertake to adhere to the information, requirements, commitments, and conditions as set out in the social and labour plan.

Signed at Johannesburg on this 10 day of June 2024

Designation: Mineral, Property Rights and Permitting Manager

Signature of responsible person Leonore Van Wyk