

Isibonelo Colliery 2020-2024 In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations



SOCIAL AND LABOUR PLAN

ISIBONELO COLLIERY

MINING RIGHT: MP 30/5/1/2/2 (130) MR

APPLICATION FOR SECTION 102 FOR PERIOD 2020-2024

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PART ONE

Preamble

1. BACKGROUND

1.1 INTRODUCTION

Effective 4 June 2021, Thungela Resources Ltd (“Thungela”) received its listing on the Johannesburg and London Stock Exchanges, which follows the completion of the demerger of Thungela from Anglo American plc. The legal name change from Anglo Operations (Pty) Ltd (“AOPL”) to Thungela Operations Pty Ltd (“TOPL”) will officially be effective early 2022. In anticipation of the formal name change, where reference is made to Thungela it will mean AOPL as the mineral right holder. Thungela is the parent company of AOPL which will be changed to TOPL.

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 AAIC, Mafube Coal Mining and Butsanani Energy, in which the Group has a 73%, 50% and 66.7% interest, respectively. The Group also has plans for two proposed mining operations in the form of the Elders Project and Dalyshope Project. The Elders Project, in which the Group has a 73% interest, is a proposed underground mine (at the exploration and technical study stage) and the Dalyshope Project is a proposed open cast mine for which a mining right application is pending approval. 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.

A substantial proportion of our production was, until recently, thermal coal used for the generation of domestic electricity. This shift became effective on 1 March 2018, with the sale of our Eskom-tied mines – Kriel, New Denmark and New Vaal – to Seriti Coal (Pty) Ltd. Seriti Coal (Pty) Ltd is a broad-based, majority black-owned and controlled mining company that will ensure the continued supply of coal to the national utility. Our Isibonelo Colliery produces 4.5 million tonnes per annum (Mtpa) of coal for Sasol Synthetic Fuels in terms of a 6-year Coal Supply Agreement (CSA) ending in 2025.

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) in which we have a 23,16% interest.

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1.2 Overview of Isibonelo Colliery

Location: Isibonelo Colliery is located approximately 120km east of Johannesburg, 60km south of Witbank and 13km east of Secunda. It is near the northern margin of the Highveld Coalfield of Mpumalanga and has various sites, which include Farms Rietfontein101 IS, Witbank 80 IS and other surrounding properties.

The offices and workshops are located 16km south of the mining area, at what was formerly Sasol Syferfontein Opencast Colliery. The closest surrounding towns include Kinross, Secunda, Bethal and Ga-Nala (previously known as Kriel). Isibonelo is under the jurisdiction of the Govan Mbeki Local Municipality (GMLM). The local municipality is one of seven local municipalities that fall under the Gert Sibande District municipality (GSDM), one of three district municipalities within Mpumalanga province, see map below.

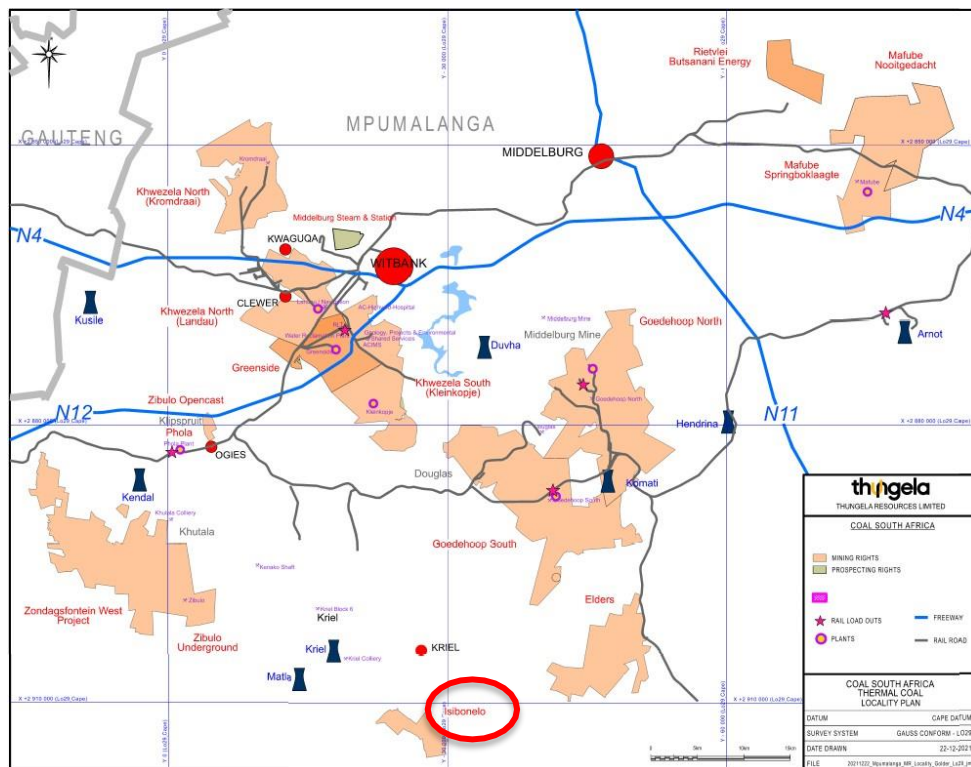


Figure 1: Isibonelo Colliery Location

Background: Isibonelo Colliery was established in October 2003 after the then Anglo Coal and Sasol Mining entered into a contractual agreement to jointly develop the Kriel South Reserve Area. The agreement was that the mining operation, would supply thermal coal to Sasol’s Synthetic Fuel (SSF) plant in Secunda, Mpumalanga. In November 2003 construction work began and the first consignment of coal was delivered to the SSF in July 2005.

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A unique feature of the Sasol plant is the only commercial coal-based synthetic fuels manufacturing facility in the world. The SSF produces synthesis gas (syngas) through coal gasification and natural gas reforming.

Ownership and Operations: Isibonelo Colliery is wholly owned by AOPL

A substantial proportion of our thermal coal production was, until recently, used for the generation of domestic electricity. This shift became effective on 1 March 2018, with the sale of our Eskom-tied mines – Kriel, New Denmark and New Vaal – to Seriti Coal (Pty) Ltd. Seriti Coal (Pty) Ltd is a broad-based, majority black-owned and controlled mining company that will ensure the continued supply of coal to the national utility. Isibonelo Colliery produces 4.5 million tonnes per annum (Mtpa) of coal for Sasol Synthetic Fuels in terms of a 6-year Coal Supply Agreement (CSA). As a result of this contract, Isibonelo Colliery is nearing the end of its Life of Mine (LoM) with approximately 7 years remaining.

1.3 The aim and purpose of this report

In accordance with Regulation 42 (2) (b) of the Mineral and Petroleum Resources Development Act No. 28 of 2002, AOPL hereby compiles the amended SLP which addresses the issues listed in the Department of Mineral Resources and Energy (“DMRE”) directive in terms of Section 29 of the MPRDA.

The aim of the Social and Labour Plan are:

- To promote employment and advance the social and economic welfare of all employees and to uplift all stakeholders within the communities in which we operate;
- To contribute to the transformation of our industry; and
- To ensure that the holders of mining rights contribute to the socio-economic development of the communities in which we operate, including major labour sending areas.

The purpose of this Social and Labour Plan is to provide assurance to the Department of Mineral Resources and Energy (DMRE) on future contribution committed by the mine. This document therefore follows Regulation 46 of the Regulations of the Mineral and Petroleum Resources Development Act (2002) (MPRDA), which outlines the required contents of the Social and Labour Plan. A minimum of three progress update meetings with relevant stakeholders will be convened each year.

1.4 Definitions

- **Anglo Operations (Pty) Ltd, a member of the Thungela Resources Limited,** includes all employees at head office, technical divisions and mining operations.
- AOPL operations include all operational and technical personnel but exclude staff from our head office.
- Isibonelo is a mine owned by AOPL.

1.5 Legislation and Regulations

The Following Legislation and Regulations are relevant to the Social and Labour Plan:

- MPRDA (Mineral and Petroleum Resources Development Act).
- DMRE (Department of Mineral Resources and Energy) Guidelines for Social and Labour Plans.
- Skills Development Act No 97 of 1998.
- Employment Equity Act No 55 of 1998.
- Labour Relations Act of 1995.
- Basic Conditions of Employment Act of 1997.
- Broad-based Black Economic Empowerment Act No 53 of 2003

The afore mentioned as amended from time to time.

1.6 Associated Documents

Guided Documents Related to the Social and Labour Plan are:

- Mine Closure Gap Analysis
- Mine Workplace Skills Plan
- Mine Employment Equity Plan
- Mine Recruitment Plan (working document)
- Integrated Development Plans for Govan Mbeki Local Municipality
- Policies and procedures related to:
 - Employment Equity Policy
 - Human Resource Development Policy
 - Retrenchment Policy
 - BEE Specification Policy
 - Preferential Procurement Principles Policy
 - Learnership Procedure
 - Mentorship Procedure

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Table 1: Particulars of the holder of the mining rights

Name of the company	Anglo Operations (Pty) Ltd a member of Thungela Resources Limited Group
Name of the mine	Isibonelo Colliery
Physical address	Mineral, Property Rights and Permitting Department
	25 Bath Avenue, Rosebank
	Johannesburg
	2196
Postal address	Anglo Operations (Pty) Ltd
	PO Box 1521
	Saxonwold
	2132
Telephone number	076 822 0399
Fax number	N/A
Mine address	Vlakraagte, Old Syferfontein
	Trichardt-Kriel Road
	Mpumalanga
	Isibonelo Colliery
Mine postal address	Private Bag X701
	Trichardt
	2300
Telephone number	+27 (17) 620 2700
Mine fax number	27 (17) 620 2759
Location of mine	Isibonelo Colliery is situated in the Mpumalanga province between the towns of Kinross, Secunda, Bethal and Kriel. This area is part of the Highveld coalfields and falls within the Govan Mbeki Local Municipality.
Commodity	Coal
Life of mine	7 years (2020 – 2026)
Financial Year	January to December
Reporting Year	31 March of each year
Responsible Person	General Manager
Breakdown of employees per sending area	See section 2.6.3 (Table 22)

PART TWO

Human Resource Development

2. Human Resources and Development Programme

We believe that a workforce with the right skills, experience and training is one of the industry's most basic needs. We invest significant resources into developing the skills of our employees.

To reach our purpose to responsibly creating value together for a shared future, we empower our workforce and work with our stakeholders to deliver shared value safely, while also extending our capacity building initiatives to our host communities.

Isibonelo Colliery will continue to focus on the following areas for the next five years:

- Human Resource Development;
- Employment Equity;
- Mine Community Development;
- Housing and Living Conditions;
- Management of downscaling and retrenchments;
- Financial Provisions.

2.1. Compliance with Skills Development Legislation

Isibonelo Colliery has a training centre that is ISO 9001: 2015 certified and have recently obtained their Workplace Approval from the MQA.

As in previous years, we submitted our Workplace Skills Plan and annual Training Report throughout the reporting period (2015 – 2019), in accordance with the Sector Education and Training Authority's requirements and both documents were accepted for the reporting period.

2.1.1. Skills Development Levies

Isibonelo Colliery pays levies and claim grants in line with the provisions as set out by the MQA. Our levy number is L740755147 and we will continue to pay skills levies and claim grants in line with the provisions of the MQA until Mine Closure.

Table 2: Skill Development Facilitator

Skill Development Facilitator	
Name of SETA	Mining Qualifications Authority (MQA).
Registration number with SETA	L740755147
Name of Skills Development Facilitator	Moses Khumalo
Work Skills Plan proof of submission	3 May 2021

2.1.2. Skills Development Facilitator

Isibonelo has an employment equity and skills development committee. The Equity and Skills Development committee closely drives and monitors training and is an integral part of the mechanisms of addressing challenges encountered regarding employment equity, succession plan and new appointments.

The mine has appointed a skills development facilitator who is the colliery Training Manager. The Training Manager is accountable as per appointment by the General Manager.

The skills development facilitator is responsible for coordinating the Workplace Skills Plan and Annual Training Report on an annual basis. This process is conducted in consultation with the Employment Equity and Skills Development committee.

2.1.3. Workplace Skills Plan and Annual Training Report

As mentioned above, Isibonelo Colliery compiles and submits the Workplace Skills Plan (WSP) and Annual Training Report (ATR) to the MQA annually.

Thungela has partnered with the MQA to identify scarce skills, develop unit standards and qualifications to address these. The MQA offers bursaries to students mainly on the scarce skills identified in the sector skills plan and offers practical training in these areas

Isibonelo Colliery participates in the MQA's structures through company working groups, that participate in the writing and validation of unit standards.

2.1.3.1. Adult Education and Training (AET)

Isibonelo does not offer AET training through its social partners as it has a literate workforce (see table 3 below).

Should any internal employees indicate an interest in embarking onto AET, Isibonelo will support such employee to obtain an AET Level 1 to 4 qualification. An individually customised training plan will be drawn up for each employee who wishes to make use of the opportunity.

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Table 3: Employees AET

AET LEVEL	Targets & Timelines					TOTAL BUDGET
	2020	2021	2022	2023	2024	
AET 1	N/A	N/A	N/A	N/A	N/A	N/A
AET 2	N/A	N/A	N/A	N/A	N/A	N/A
AET 3	N/A	N/A	N/A	N/A	N/A	N/A
AET 4	N/A	N/A	N/A	N/A	N/A	N/A
Total number	N/A	N/A	N/A	N/A	N/A	N/A
Budget Provision	R 0	R 0	R 0	R 0	R 0	R 0

2.1.3.2. Community AET

The company will engage with the host communities as to determine if there is an interest for AET training.

For AET to take place we will be required to conduct need assessments to determine the interest and level of individuals. This process is critical so as not to unnecessarily prolong the training of individuals by placing someone who needs to start at AET level 3 at AET level 1.

Training will then start at the beginning of 2022 including 2021 targets after funds have been made available.

Table 4: Community AET

AET LEVEL	Targets & Timelines					TOTAL BUDGET
	2020	2021	2022	2023	2024	
AET 1	0	0	0	0	0	0
AET 2	0	0	0	0	0	0
AET 3	0	0	0	0	0	0
AET 4	0	4	4	4	4	16
Total number	0	4	4	4	4	16
Budget Provision	R 0	R50 358	R54 386	R58 717	R63 414	R 226 875

Table 5: Number of employees and education levels: Isibonelo Colliery as at December 2019

BAND	NQF LEVEL	OLD SYSTEM	MALE				FEMALE				TOTAL	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training (GET)	1	No Schooling / Unknown	32	3	0	8	6	3	0	1	43	10
		Grade 0 / Pre	0	0	0	0	0	0	0	0	0	0
		Grade 1 / Sub A	0	0	0	0	0	0	0	0	0	0
		Grade 2 / Sub B	0	0	0	0	0	0	0	0	0	0
		Grade 3 / Std 1 AET 1	1	0	0	0	0	0	0	0	1	0
		Grade 4 / Std 2	0	0	0	0	0	0	0	0	0	0
		Grade 5 / Std 3 / AET 2	0	0	0	0	0	0	0	0	0	0
		Grade 6 / Std 4	0	0	0	0	0	0	0	0	0	0
		Grade 7 / Std 5 / AET 3	1	0	0	0	0	0	0	0	1	0
		Grade 8 / Std 6	0	0	0	0	0	0	0	0	0	0
		Grade 9 / Std 7 / AET 4	1	0	0	0		0	0	1	0	
Further Education and Training (FET)	2	Grade 10 / Std 8 / N1	12	2	0	4	2	1	0	1	18	4
	3	Grade 11 / Std 9 / N2	23	1	0	3	3	0	0	2	27	5
	4	Grade 12 / Std 10 / N3	65	3	1	15	27	3	1	12	84	43
Higher Education and Training (HET)	5	Diplomas/ Certificates	49	0	2	28	8	1	0	1	79	10
	6	First degrees / higher diplomas	13	1	0	2	5	0	0	0	16	5
	7	Honours / Master's degrees	3	2	0	0	0	0	0	0	5	0
	8	Doctorates	0	0	0	0	0	0	0	0		
		TOTAL	200	12	3	60	51	8	1	17	352	

2.1.4. Learnerships Internal and External

The company provides engineering learnerships for both employees and community members. These learnerships aim to equip the individuals to become artisans. Isibonelo will source its learnerships externally from surrounding communities and internally from the employees. In general the 70:30 principle is applied at Isibonelo, where 70% of our learners are brought in from the surrounding communities and 30% from within our current operator ranks.

The tables below indicate the total number of learners per year (the total budget for each year, and not the number to be recruited per year)

Table 6: Learnerships targets internal recruits 2020-2024

Area/Type of Training	Internal Learnership Targets & Timelines					TOTAL BUDGET
	2020	2021	2022	2023	2024	
Electrician	0	0	0	0	0	0
Fitter	0	0	1	1	1	1
Instrumentation Mechanician	1	0	0	0	0	1
Rigger	0	0	0	0	1	1
Auto Electrician	0	1	1	1	0	1
Diesel Mechanic	0	1	1	1	0	1
Plater/Welder	0	0	0	0	0	0
TOTAL 18.1 Learners	1	2	3	3	2	5
Budget Provision	R 450 000	R 995 019	R1 458 694	R 1 604 563	R 995 019	R5 379 849

Table 7: Learnerships targets external recruits 2020-2024

Area/Type of Training	External Learnership Targets & Timelines					TOTAL BUDGET
	2020	2021	2022	2023	2024	
Electrician	1	2	3	3	1	4
Fitter	0	3	3	3	0	3
Instrumentation Mechanician	0	2	2	2	0	2
Rigger	0	1	2	2	1	2
Auto Electrician	0	1	2	3	2	3
Diesel Mechanic	0	1	2	3	2	3
Plater/Welder	0	0	1	1	1	1
TOTAL 18.2 Learners	1	10	15	17	7	18
Budget Provision	R 380 000	R 3 361 712	R 4 963 619	R 5 685 940	R 2 357 500	R16 368 771

2.1.4.1. Artisans Training

Over the years that Isibonelo has been a part of AOPL, our artisans have been exposed to various internal training programs that have been established by the internal engineering leadership. These programs ensure that all our artisans have what we term as an “artisan passport”, that ensures that all tradesmen and women are equipped with the competence to ensure that they can perform their daily tasks safely and diligently.

These programs include the ability to work at heights, isolate medium and high voltage circuits and moving and lifting of loads. We have ensured that over the years, these programs have always been aligned to the requirements of the MPRDA and other legal structures within the country.

In line with Mine Closure and ensuring that our artisans are upskilled accordingly, a skills gap analysis will be conducted to ascertain any possible gaps and identify suitable training aligned with future skills that may be required.

Table 8: Artisan targets 2020-2024

Area/Type of Training	Artisan Training Targets & Timelines					TOTAL BUDGET
	2020	2021	2022	2023	2024	
Medium Voltage refresher	1	3	5	3	5	17
Budget Provision	R 3 084	R 9 741	R 17 046	R 10 737	R 18 789	R 59 397
Mechanical Safety refresher	14	18	16	18	20	86
Budget Provision	R 31 650	R 42 840	R 39 984	R 47 231	R 55 080	R 216 785
Legal Training	-	-	5	5	5	15
Budget Provision	R0	R0	R 9 990	R 10 500	R 11 025	R 31 515

2.1.4.2. Employee Portable Skills Training

Isibonelo's life of mine is projected until 2025, and as such the time will come when employees may need to seek employment elsewhere. As part of the skills development plan, the mine is committed to providing training that is portable. Affected employees are entitled to a portable skills programme of their choice from the options provided by the company.

Table 9: Employee Portable skills Targets 2020-2024

Area/Type of Training	Targets & Timelines					TOTAL BUDGET
	2020	2021	2022	2023	2024	
Welding (Or Other identified)	-	-	4	0	3	7
Budget Provision			R 60 000	R 0	R 45 000	R 105 000
MS Programs	-	-	81	81	80	242
Budget Provision	-	-	R 121 500	R 133 650	R 147 015	R 402 165

2.1.5. Hard to fill vacancies

Thungela has initiated a number of capacity building initiatives to become self-sufficient in the supply of labour. One of these initiatives is an in-house bursary scheme. This includes a group of vacation students, trainees and university of technology students who have been employed as part of the Joint Initiative for Priority Skills Acquisition (JIPSA). In addition, we have learners in the system.

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

Currently Isibonelo Colliery is experiencing hard to fill vacancies in the field of engineering and survey.

Occupation Level	Job title of vacancy	Main reason for being unable to fill the vacancy
Top Management	N/A	N/A
Senior Management	N/A	N/A
	Section Manager OC	It is a legal requirement that the incumbents must be in possession of a Mine Manager's Certificate of competence. The market depicts the availability of such candidates.
	Surveyor/Survey Manager	It is a legal requirement that the incumbents must be in possession of a Government Certificate of Competency. The market depicts the availability of such candidates.
Professionally Qualified and experienced Specialists and Middle Management	Section Engineers (Mechanical & Electrical)	It is a legal requirement that the incumbents must be in possession of a Government Certificate of competence. The market depicts the availability of such candidates.
Skilled technical and academically qualified workers, junior	Technician	The balance of qualifications and experience required is not always available.

management, supervisors, foreman and superintendents	Plant Metallurgists	This skill is not always available.
Semi-skilled and discretionary decision making	N/A	N/A
Unskilled and defined decision making	N/A	N/A

Hard to fill vacancies are addressed through bursary programmes, study assistance schemes and the provision of learnerships and skills programmes, as per our detailed HRD interventions throughout the SLP. Employees are also encouraged to study in the fields where there is a scarcity of skills.

2.2. Career Progression

Thungela has a Talent Management Strategy and Policy that looks at succession planning and development planning for band 6 and above roles. These are reviewed yearly, through conducting annual operational talent reviews, discipline reviews and then concluded with a company review. In these session's succession plans are amended and development actions agreed for individuals.

Formalized development plans is an area that is currently under review. The system is available where development plans for band 6 and above need to be captured and monitored. There has been a slow up take of this by individuals however plans are in place for these to be completed and monitored to ensure development gaps are closed.

Table 10: Career Progression Targets 2020-2024

Training Programs within career progression paths	Core Mining Occupation	Position Starting from	Targeted position working towards	2020	2021	2022	2023	2024
				Number of Identified employees	Number of Identified employees	Number of Identified employees	Number of Identified employees	Number of Identified employees
Leadership Programs and targeted exposure and experience	Engineering	GBF 6	GBF5	2	2	2	2	2
Leadership Programs and targeted exposure and experience	Mining	GBF 6	GBF5	1	1	1	1	1
Leadership Programs and targeted exposure and experience	Safety	GBF 6	GBF5	1	1	1	1	1
Leadership Programs and targeted exposure and experience	Environment	GBF 6	GBF5	1	1	1	1	1
Leadership Programs and targeted exposure and experience	Mine Planning	GBF 6	GBF5	2	2	2	2	2
Supervisory Programs and targeted exposure and experience	Engineering	C4#	GBF 6	2	2	2	2	2
Supervisory Programs and targeted exposure and experience	Mining	C4#	GBF 6	2	2	2	2	2
Graduate Program	Engineering	GBF 7	GBF 6	2	2	2	2	2
Graduate Program	Business Improvement	GBF 7	GBF 6	1	1	1	1	1
Graduate Program	Environment	GBF 7	GBF 6	1	1	1	1	1
				15	15	15	15	15

2.3. Mentorship

In terms of mentorship, we have followed the Thungela Mentorship policy. This policy is in the process of review, to ensure it is fit for purpose for Thungela. By reviewing the policy, we will ensure more effective tracking of mentors. Assistance is given in linking up employees with the correct mentor and this is reviewed in Manager once Removed (MoR) discussions.

Table 11: Mentorship Targets 2020-2024

Mentoring Programme	Career Deliverables	Duration	TARGET		GENDER	
			HDP	NON-HDP	FEMALE	MALE
Mentoring Programme (self managed with Mentor and Mentee)	Improve Social Processing Skills, improve leadership Skills	Self determine and dependent on relationship, generally 12 - 24 months	3	1	2	2
Graduate Mentorship	Improve Social Processing Skills, improve leadership Skills	Self determine and dependent on relationship, generally 12 - 24 months	4		1	3
			7	1	3	5

The development of our employees of utmost importance to Thungela. We follow the 70/20/10 rule when it comes to development:

70% of learning is done on the job through:

- Stretch assignments
- Critical projects
- Incorporating structured challenge into existing role
- Cross border move to build capability and meet critical business need

20% of learning is through coaching and mentoring:

- Executive mentor (imparts key knowledge and/or experience to mentee; acts as a sounding board)
- Executive sponsor (enhances the visibility of individual; proactively promotes their capability and potential)
- Internal Mentors
- External Mentors

10% of learning is through formal learning

- Core leadership development programmes
- Focused learning solutions as appropriate to meet development and knowledge gaps

As part of development, we aim to achieve job enrichment, which is done through:

- Linear and non-linear career paths
- A continuous learning culture
- Career progression support through customized individual development plans and career experiences, enabled by defined capability mapping and coaching for excellence.
- Targeted development opportunities and stretch assignments

For our people, long-term career success is built on gaining experience and exposure to other disciplines by moving into lateral positions, as well as leveraging promotion opportunities.

Our learning culture encourages continuous learning through various learning methods so that Thungela employees self-drive their careers, which aligns with our values of Accountability and Entrepreneurship. We embrace an 'anywhere learning' principle, and support employees with ongoing career discussions, individually tailored development plans and opportunities through stretch assignments.

Thungela has always believed that Leadership Development is essential for success of our leaders and their future. We have always sent our employees to the various leadership development programs that AOPL partook in when we were part of Anglo American. In 2021 we have been very busy designing the Leadership Academy for Thungela that has custom made leadership programs for Band 7 and above. These programs will be launched in 2022 Q1. Employees are nominated for these programs through

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the Talent Management Process. We are committed to the development and success of our females and as part of the Leadership Academy have also developed Women in Leadership Programs that will also be rolled out in 2022.

Our PIT Program provides a well-rounded development program for our bursaries that come into the business once they have completed their studies. Each PIT is provided with a Mentor that guides them through their program. They also have a detailed program that is reviewed and tracked in order to ensure progress and that the correct areas of development are being addressed. PIT's are provided with acting exposure as well constant engagement with Management and HR.

Isibonelo is committed to the above mentioned in ensuring that our employees receive the benefit of learning and development so that they may progress within their careers.

2.3.1. Bursaries and Internships

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.

The tables below indicate the total number of bursars / Professional In Training's (PIT) per year (the total budget for each year, and not the number to be recruited per year)

Table 12: Bursaries to be awarded internal 2020-2024

Area/Type of Training	Targets & Timelines					TOTAL BUDGET
	2020	2021	2022	2023	2024	
Mining	2	2	2	2	2	2
Metallurgy	0	0	0	0	0	0
Electrical Engineering	0	0	0	0	0	0
Mechanical Engineering	0	0	0	0	0	0
Rock Engineering	0	0	0	0	0	0
Other (survey, Technicians)	2	2	2	2	2	2
TOTAL BURSARS	4	4	4	4	4	4
Budget Provision	R 640 000	R 672 000	R 705 600	R 740 880	R 777 950	R3 536 430

Table 13: Professionals in training for 2020-2024

Area/Type of Training	Targets & Timelines					TOTAL BUDGET
	2020	2021	2022	2023	2024	
Mining	0	0	0	0	0	0
Engineering	2	2	2	2	2	2
Metallurgy	0	0	0	0	0	0
Geology	1	1	1	1	1	1
Industrial Engineering	0	0	0	0	0	0
Environmental	1	1	1	1	1	1
Rock Engineering	0	0	0	0	0	0
Other (Safety, VOHE, HR)	2	2	2	2	2	2
TOTAL PIT'S	6	6	6	6	6	6
Budget Provision	R3 600 000	R3 672 000	R3 745 440	R3 820 350	R3 896 757	R18 734 547

2.3.1.1. Community Skills Development (Portable Skills Training)

In alleviation of youth unemployment and poverty the community skills development Non-Mining Skills (Portable Skills Training) will be rolled out in the next five years. We will partner with Standerton FET College and other SETA accredited local skills development.

Table14: Community skills development targets 2020 – 2024

Area/Type of Training	Community Skills Development Targets & Timelines					TOTAL NO. &5 YEAR BUDGET
	2020	2021	2022	2023	2024	
General Security Officer NQF Level 3 Learnership	30	20	0	0	0	50
Budget Provision	R582 000	R388 000	R0	R0	R0	R 970 000
Farming	5	10	15	15	15	60
Budget Provision	R 29 170	R 58 340	R 87 510	R 87 510	R 87 510	R 350 040
Carpentry	10	15	15	15	15	70
Budget Provision	R 35 720	R 53 580	R 53 580	R 53 580	R 53 580	R 250 040
Welding	10	15	15	15	15	70
Budget Provision	R 42 850	R 64 275	R 64 275	R 64 275	R 64 275	R 299 950
Entrepreneurship development	10	10	15	20	25	80
Budget Provision	R 50 000	R 50 000	R 75 000	R 100 000	R 125 000	R 400 000
TOTAL BUDGET PER YEAR	R739,740	R614,195	R280,365	R280,365	R330,365	R 2 270 030

2.3.1.2. Community Skills Development (Scholarship / Bursaries)

Community Scholarship to be awarded to qualifying learners who are currently in Grade 12, who will be registered in 2020. The aim is to provide financial assistance to disadvantaged learners in the host community to pursue careers of their choice. This will enable them to be employable on completion and be able to provide for themselves and their families.

The tables below indicate the total number of learners per year (the total budget for each year, and not the number to be recruited per year)

Table 3: Community Skills Development (Community Scholarship/ Bursaries)

Area/Type of Training	Community Scholarship/Bursaries Targets & Timelines					TOTAL BUDGET
	2020	2021	2022	2023	2024	
ND Chemical Engineering	1	1	1	1	1	2
Clinical Medical Practice	1	1	0	0	0	1
BSC	1	1	1	1	1	2
Budget Provision	R 500 000	R 850 000	R 935 000	R 1 028 500	R 1 131 350	R 3 944 850

This programme has grown to produce some of the Govan Mbeki district's top performers. The programme is aimed at all learners within Govan Mbeki local Municipality who are doing pure Mathematics and pure Physical Sciences at their respective high schools currently in Grade 10, 11 and 12. English and Life Sciences are additional subjects offered on the programme.

Table 16: Community Star School for 2020-2024

Isibonelo has partnered with the Department of Education (Star Schools) to implement a Maths and Science Incubator programme which is continuing for the next 5 years.

Area/Type of Training	Community Star School Project Beneficiaries					TOTAL BUDGET
	2020	2021	2022	2023	2024	
(Maths & Science)	200	200	200	200	200	1000
Budget Provision	R 2 537 500	R 2 729 690	R 2 931 036	R 3 133 382	R 3 365 345	R14 696 953

2.4. Employment Equity

To this end, we continue to implement programmes to enable us to achieve the aspirations of the industry and where possible to potentially exceed these aspirations. Isibonelo has committed that, as far as practically possible all junior management roles to senior management roles will be filled in by candidates from HDP. The intention is to cascade this to all the levels on the mine. With the 2021 -2022 budget the mine is also looking at enlisting the services of people living with disabilities in line with the aspirations of the MPRDA.

2.4.1. Numerical Targets for 2020 – 2024

Table 7: Employment Equity Targets 2020

Occupational Levels	Male				Female				Total	Foreign National		Disabled	
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female	Male	Female
Top Management (Board)	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management (Exco)	3	0	0	1	1	0	0	1	6	1	0	0	0
Middle Management	10	2	0	10	4	0	0	2	28	0	0	0	0
Junior Management	18	3	2	9	9	1	0	4	46	0	0	0	1
Core Skills	170	8	1	34	50	7	1	10	281	0	0	0	0

Table18: Employment Equity Targets 2021

Occupational Levels	Male				Female				Total	Foreign National		Disabled	
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female	Male	Female
Top Management (Board)	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management (Exco)	3	0	0	1	1	0	0	1	6	1	0	0	0
Middle Management	10	2	0	9	4	0	0	2	27	0	0	0	0
Junior Management	18	3	2	8	9	1	0	4	45	0	0	0	1
Core Skills	170	8	1	34	50	7	1	10	281	0	0	1	0

Table19: Employment Equity Targets 2022

Occupational Levels	Male				Female				Total	Foreign National		Disabled	
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female	Male	Female
Top Management (Board)	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management (Exco)	2	0	0	1	1	1	0	1	6	0	0	0	0
Middle Management	10	2	0	9	5	0	0	2	28	1	0	0	0
Junior Management	18	3	2	8	9	2	0	4	46	0	0	0	1
Core Skills	170	8	1	33	51	7	1	10	281	0	0	2	0

Table20: Employment Equity Targets 2023

Occupational Levels	Male				Female				Total	Foreign National		Disabled	
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female	Male	Female
Top Management (Board)	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management (Exco)	2	0	0	1	1	1	0	1	6	0	0	0	0
Middle Management	10	2	0	9	5	2	0	2	30	1	0	0	0
Junior Management	18	3	2	8	9	2	0	4	46	0	0	0	1
Core Skills	170	8	1	32	52	7	1	10	281	0	0	3	0

Table 21: Employment Equity Targets 2024

Occupational Levels	Male				Female					Foreign National		Disabled	
	African	Coloured	Indian	White	African	Coloured	Indian	White		Male	Female	Male	Female
Top Management (Board)	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management (Exco)	2	0	0	1	1	1	0	1	6	0	0	0	0
Middle Management	10	2	0	9	5	2	0	2	30	1	0	0	0
Junior Management	18	3	2	8	9	3	0	4	47	0	0	0	1
Core Skills	168	8	1	30	54	8	2	10	281	0	0	3	0

2.4.2. HDP participation 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 in place to further the careers of employees so that they can participate in the management structures of our organisation. Isibonelo has that, as far as practically possible that all junior management roles to senior management roles will be filled in by candidates from HDP. The mine will embark on a targeted recruitment drive to recruit suitably qualified and talent individuals from our area of influence. This will be done taking into consideration the attraction of females from coloureds and Indians to address the demographics of the geographical area of the mine and the country at large.

Table 22: HDP participation in management: Isibonelo Colliery (2020 - 2024)

Occupational Cat	Target	Measure 2020	Measure 2021	Measure 2022	Measure 2023	Measure 2024
Top Management	50%	33%	44%	55%	66%	66%
Senior Management	60%	83.3%	83.3%	83.3%	83.3%	83.3%
Middle Management	60%	62.1%	64.3%	65.5%	67.7%	67.7%
Junior Management	70%	80.4%	82.2%	82.6%	82.6%	83.0%
Core and Critical Skills	60%	86.9%	86.9%	86.9%	86.9%	86.9%

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Table 23: Females participation in management: Isibonelo Colliery (2020 - 2024)

Occupational Cat	Target	Measure 2020	Measure 2021	Measure 2022	Measure 2023	Measure 2024
Top Management	20%	11%	11%	22%	22%	24%
Senior Management	25%	33.3%	33.3%	50.0%	50.0%	50.0%
Middle Management	25%	20.7%	21.4%	24.14%	29.0%	29.0%
Junior Management	30%	30.4	31.1%	32.6%	32.6%	34.4%

Disabled Employees:

Target	Measure 2020	Measure 2021	Measure 2022	Measure 2023	Measure 2024
1.5%	0.3%	0.5%	0.8%	1.1%	1.2%

Labour Sending Areas As part of our focus on uplifting the people who surround our coal mining operations, we make every effort to source labour from our local communities. Isibonelo Colliery's permanent workforce distribution is as follows:

Table 24: Labour Sending Areas

Country of origin	Province	No of employees	% per area
Mozambique		1	0.31%
Zimbabwean		3	0.92%
Sub-Total Migrant Labour only		4	1.23%
South Africa	Gauteng	17	5.24%
South Africa	Mpumalanga	304	93.25%
South Africa	Limpopo	1	0.31%
Sub Total RSA Only		322	98.77%
Total Strength		326	100.00%

PART THREE

Mine Community Development

3. Socio-economic background information

Thungela operates mainly in two municipal districts, namely Nkangala and Gert Sibande. Isibonelo Colliery is located in the Govan Mbeki Local Municipality (GMLM), which is one of seven municipalities in the Gert Sibande District Municipality (GSDM) in Mpumalanga.

Gert Sibande is one of the three district municipalities forming the Mpumalanga Province. The other two are Nkangala and Ehlanzeni. Although the background information provided in this document focuses on the local municipality and its people, regional and provincial influences are not ignored. The GSDM comprises an area of around 31,845 km² and includes seven local municipalities:

- The Dipaliseng Municipality,
- The Govan Mbeki Municipality,
- The Msukaligwa Municipality,
- The Lekwa Municipality,
- The Albert Luthuli Municipality,
- The Pixley Ka Seme Municipality,
- The Mkhondo Municipality.

Isibonelo Colliery is in the south-western part of the province and the north-western part of GSDM. GMLM's main economic activity is agriculture with three groupings of towns:

- Leandra: consisting of Leslie, Lebohang and Eendracht on the western edge;
- Greater Secunda: consisting of Trichardt, Evander, Kinross, Secunda and Embalenhle in the central part; and
- Bethal/eMzinoni in the east.

Isibonelo Colliery is surrounded by communities that fall under different municipal demarcations. One such community is Ga-Nala (Kriel), a town that is 27km away from the mine's main offices and falls under eMalahleni Local Municipality (ELM).

GMLM has the most diversified economy within the GSDM, dominated by the petrochemical industry, coal and gold mining. Nationally, the area is considered strategically important as it houses the largest underground coal mining complex

According to the local municipality's integrated development plan (IDP), mining contributed almost 39% in 2011 to the local gross domestic product (GDP). The next biggest contributor was manufacturing at 24%. The mining sector was the highest contributor to economic growth and employment in GMLM.

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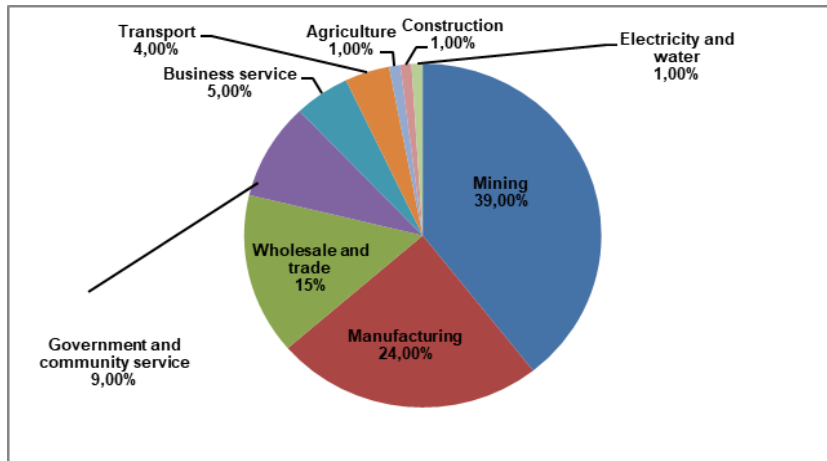


Figure 2: Govan Mbeki GDP contribution to municipality by sector (2011)

Ga-Nala experienced rapid growth during the 1980's. Most of its residents are employed at the power stations and the mines in the area, a minority worked in local businesses and on farms. Ga-Nala has degenerated lately due to the decline in the mining industry. This is evident in the poor maintenance of private properties and public infrastructure alike.

Population size: The 2016 Statistics South Africa Community Survey reported that the population of GMLM had increased to 340 091 people from 294 538 in 2011. The youth (15-34 years of age) constitutes 41.1% of the GMLM population. Women constitute 52% of the total population. The racial profile indicates that 86% of the population is African/Black, 12% is white and only 1% is coloured and Indian/Asian. The male population in Govan Mbeki is higher than the female population. The gender ratio in 2016 was 108.45 males per 100 females.

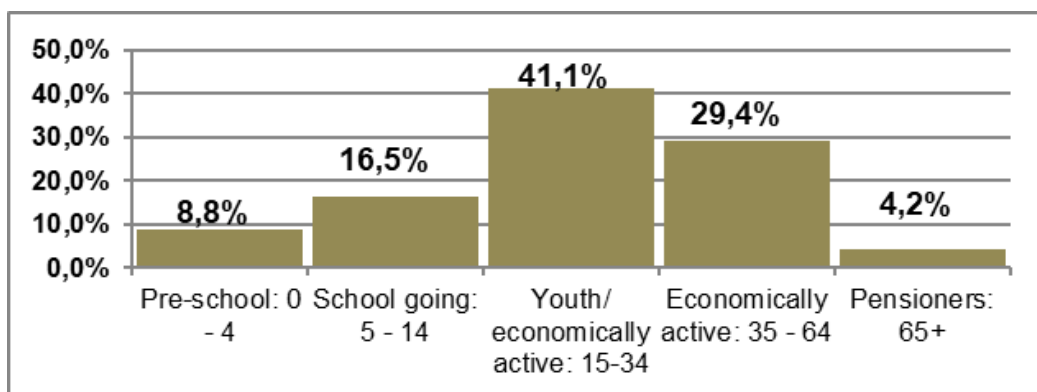


Figure 3: Govan Mbeki population distribution by age group (2016 community survey)

Number of households: GMLM has 108 892 households, about one-third of the total in GSDM (333 811) and roughly 10% of the figure in Mpumalanga (1 238 861). One in five of these households reside in informal dwellings (20.4%), which is about 1.5 times the rate in GSDM (13.44%) and nearly double that of Mpumalanga (10.9%).

Holfontein, an informal settlement established in 1982 by farm workers from surrounding areas, is a case in point. The settlement was initially next to a railway track on portion 6 of the farm Holfontein 138. Geographically it was situated on the N17 highway between Trichardt and Kinross. In 2016, the community was relocated to an area that is approximately 3km from Isibonelo Colliery main offices. The percentage of people living in informal dwellings in GMLM is higher than the national (11%), and provincial average (13%).

Table 25: Number of households in GMLM (2011-2016)

	2011	2016
Number of households	83 869	108 894
Average household size	3.3	3.1

Type of dwelling: The figures for homeownership indicate that in GMLM more than 28% of households are renting, either from private individuals or government agencies. Over half of households (56.5%) either own and have fully paid off their homes or are in the process of doing so. The GMLM rate is lower than the GSDM (59.52%) and provincial rate (68.6%).

Unemployment rate: The latest data shows that Mpumalanga's unemployment rate is over 40% (42.5% in the first quarter of 2018). The last official figures for GMLM indicate that the unemployment rate was at 26.2% in 2011; the rate for women was 34.9%, for men 20.1% and for youth 34.4%.

Education indicators: Education and training improve access to employment opportunities and help sustain and accelerate development. It expands the options available to community members for meaningful economic gains through either employment or business ventures. Literacy levels in both municipalities (GMLM and ELM) are reported to be over 90%. A considerable portion of the population had some secondary education or have completed Grade 12. The average for obtaining higher education was approximately 12%.

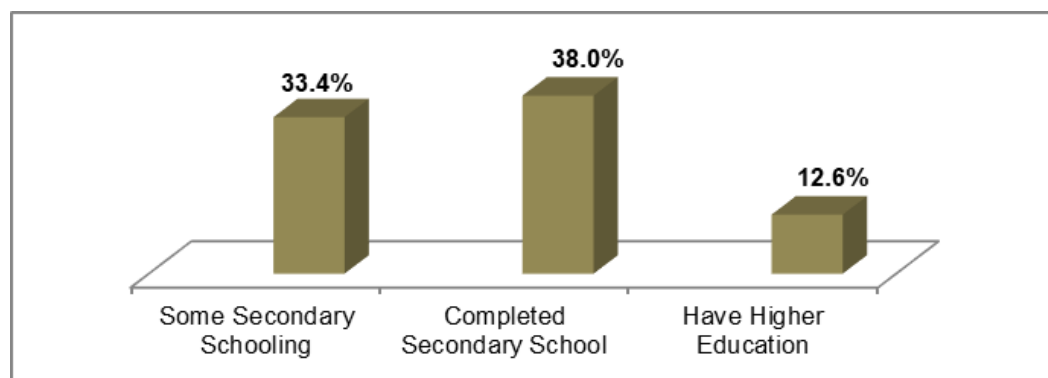


Figure 4: Local community education status (%)

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Health care facilities and access to services: GMLM is serviced by 11 clinics, three community health centres and two public hospitals (one in Evander and the other in Bethal). The human development index (a measure of people's general living standards and their ability to access services) for GMLM shows significant improvement from 2001-2011. In 2001, the index stood at 0.59; it improved to 0.62 in 2007 and 0.68 in 2011. Although improvements have been made, there are backlogs that still need to be addressed.

Access to basic services: The 2016 Mpumalanga Province Community Survey showed progress for the communities of Govan Mbeki and eMalahleni when it came to accessing basic services. Most households have piped water, but few have access to piped water in the house. This means that households rely on communal taps. There is access to flushed toilets and municipal refuse removal. However, the rate at which these municipalities are growing still poses a challenge. Holfontein is estimated to have over 1 000 households, residing on private land. Basic and municipal services are lacking with only six communal taps, two jojo tanks, pit latrines, and dirt roads in bad condition. There are no waste collection services. There is no nearby education, health or social facilities. A mobile clinic visits the settlement once a month.

Negative Impacts of the Mine: Isibonelo Colliery has identified the following negative impacts including the ones identified by stakeholders during engagements.

Table 26: Negative Impacts of the Mine

Possible Negative Impact	Description of Impact	Existing management measures
Dust	Dust as a result of blasting	Air quality monitoring programme where ambient air quality is monitored and PM10-2.5 on a monthly basis as per dust regulations
Blasting	Blasting vibrations due to blasting	Seismographs have been installed in areas with potential risk to monitor blast and vibration levels. Reports are available to check the results
Water qualities & quantities	Water qualities and contamination of water source during mining activities	Monthly water monitoring is conducted
Informal settlements	Informal settlements as a result of influx of people for access of job opportunities	The company has introduced housing allowances to promote home ownership and 95% of employees cater for their own accommodation in sustainable areas.

3.1. Mine Community Development

In the past 5 years, Isibonelo Colliery did not make any profits, however the operation has executed the committed projects as agreed with the Municipality and reflected on the Social and Labour Plan closure report 2015 - 2019. The status quo still remains the same, however the operation is committed to execute community projects for the next five 5 years that will improve the lives of the host and doorstep communities.

3.1.1. Stakeholder consultation and involvement

Isibonelo Colliery aligned to the Thungela vision to responsibly create value together for a shared future. Our aim is creating affective and transparent stakeholder engagement to promote strong relationships with the communities that surround our operations through regular engagement on issues that may affect them.

We strive to conduct stakeholder engagement forums quarterly, including directly and indirectly affected parties, interested parties and authorities. This enable our stakeholders to bring issues to our attention, and we aim to resolve these issues promptly. Our stakeholders are, but not limited to the Community Engagement Forum which has representation from all our host communities, the Future Forum and the Govan Mbeki Local Municipality.

3.2. Job creation

We are committed to uplifting the lives of the people in our host communities, and therefore source labour, wherever possible, from our local communities. At the end of 2019, Isibonelo Colliery's workforce comprised 352 permanent employees and 962 contractor employees.

There are currently no prospects of a new/ expansion project at Isibonelo, hence we are focusing on the Community Skills Programme and Inclusive Procurement programme to boost the local economy in preparation of Mine Closure.

3.4 Local Economic Development projects

Three community development projects have been identified which are aligned to the Govan Mbeki Local Municipality IDP. Lebohang Sewer Network Project is continuing from the previous SLP. The table below provides a list of identified community projects which are aimed at fostering social cohesion, protecting and conserving the environment through recycling and job creation.

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Table 27: Summary of the Community Development Projects 2020 – 2024

Item	Project Name	Committed Budget	2020	2021	2022	2023	2024
1	Completion of Emzinoni Multipurpose Centre	R9 000 000	R0	R0	R3 000 000	R3 000 000	R3 000 000
2	Solid Waste Management – Construction of a mini-transfer station in Embalenhle or Kinross (priority location to be identified by GMLM)	R8 000 000	R0	R0	R2 000 000	2 000 000	R4 000 000
	Total	R17 000 000	R00.00	R00 00	R5 00 000	R5 000 000	R7 000 000

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Table 28: PROJECT 1: Completion of Emzinoni multipurpose centre

Project Name	The name of the project: EMZINONI MULTIPURPOSE CENTRE			Classification of project Infrastructure			
Background	The project was started by Govan Mbeki Local Municipality through its Municipal Infrastructure Gant (MIG) in 2017. Phase 1 of the project was completed in 2018. In the recent engagement, the municipality proposed for Isibonelo Colliery to undertake Phase 2 of the project (which entails: Windows, Tiling, ceiling, window bars, plumbing, electrical, pavement, palisade, and painting) for the current SLP which is estimated at R 9m. The multipurpose centre includes Hall A, Hall B, Library A, Library B and Main Hall . The Multipurpose centre will directly benefit the population of 120 450 people within the area.						
Geographical location of project	Gert Sibande District Municipality	Govan Mbeki Local Municipality	Village name Emzinoni	Project Start Date 2022		Project End date 2024	
Output	Key Performance Area: Construction and handover of the Multipurpose centre rising main	Key Performance indicator: Emzinoni Multipurpose Hall construction completed and handed over to the Municipality	Responsible entity Thungela Isibonelo Colliery and Govan Mbeki Local Municipality	2022 -Design and BOQ in possession of the municipality Tendering -Contract Signature and Commission Contractor	2022-2023 Construction of the Multipurpose Hall	2024 -Final painting, Final Sign Off and Handover	Budget R9M
Classification of jobs	No of jobs to be created will be determined after commissioning of the Contractor	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short Term		To be determined once contractor has been appointed	To be determined once contractor has been appointed	To be determined once contractor has been appointed	To be determined once contractor has been appointed		
Medium Term							
Completion date is December 2024.							
Exit Strategy: After completion of the Multipurpose will be handed over to the Municipality and Isibonelo will exit once the project has been handed over to Govan Mbeki.							

Isibonelo Colliery 2020-2024| In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

Table29: PROJECT 2: Solid Waste Management – Construction of a Mini-Transfer Station in Embalenhle

Project Name	The name of the project: Construction of a Mini-transfer station in Embalenhle			Classification of project Waste Management Project			
Background	A need has been identified through the IDP process to construct a drop-off solid waste facility in Embalenhle. The closest landfill sites are at Kinross and Secunda which is further away from the community in Embalenhe. This poses a challenge of illegal dumping of waste in open spaces resulting in security and health risks. The proposed project will afford an opportunity for the local recyclers to take their recycling materials to the proposed facility and earn a living						
Geographical location of project	Gert Sibande District Municipality	Govan Mbeki Local Municipality	Village name Embalenhle	Project Start Date 2022		Project End date 2024	
Output	Key Performance Area: Construction of a mini-transfer station/ drop-off facility	Key Performance indicator: Drop-off facility construction completed and handed over to the Municipality	Responsible entity Isibonelo Colliery and the and Govan Mbeki Local Municipality	2022 Prepare MOU and sign by both parties Conduct feasibility study and scope of work Conduct Environmental assessment/permits 2023 Design and Tendering -Contract Signature and Commission Contractor Construction of the mini-station 2024 – Sign-off and handover			Budget Est. R8m
Classification of jobs	Feasibility study & Scope of work completed Designs completed	Male Adults	Female Adults	Male Youth	Female Youth	Total	Comments
Short Term		To be determined once contractor has been appointed	To be determined once contractor has been appointed	To be determined once contractor has been appointed	To be determined once contractor has been appointed		
Completion date is 2024.							
Exit Strategy: Isibonelo Colliery will enter into Memorandum of agreement with Govan Mbeki local municipality to take responsibility of the infrastructure maintenance							

3.5. Measures to address housing

Preferred requirements to address housing:

Isibonelo continues to offer a market-related housing allowance to all its employees in order to encourage home ownership and enable employees to buy their own properties in developed areas. The adjusted allowances were determined against national property market price indices for entry- level to middle- and higher-income level housing to ensure that all employees are able to afford houses within these price ranges.

No employees at Isibonelo reside in hostel accommodation. All employees receive a housing allowance and provide for their own accommodation.

Govan Mbeki Local Municipal (GMM) strategy to address housing

Currently Govan Mbeki Municipality performs a wide range of functions in relation to housing and integrated human settlement development, these include amongst others the following:

- Identification of Suitable land for housing development- endeavours are made by GMM to identify and allocate land that is closer to amenities and economic opportunities for use by the occupants of the development
- Informal settlement upgrading and control: The municipality provides basic services in informal settlements. Through the GMM National Upgrading Support Programme the development of Informal Settlement Upgrading is done as an ongoing exercise of the municipality.
- Housing subsidy allocation and beneficiary administration: The municipality developed procedures for allocation of subsidies to qualifying beneficiaries. The Transversal Waiting list which has been converted into the National Housing Needs Register (NHNR) was developed and will be updated annually.
- Monitoring of housing projects: The municipality also performs monitoring of housing projects delivered by the PDoHS. The monitoring is done through physical site visits and through the Joint Contractors meetings and through project steering committees forums
- Facilitation to transfer properties: The municipality assist the PDoHS with facilitating registration and transfer of low-cost houses to beneficiaries to obtain Title Deeds
- Township establishment and land use planning- the municipality from time to time utilises service providers for town planning to facilitate applications for township establishment purposes
- Engineering Service design, planning of bulk, and servicing of stands- such projects entails the providing of sewerage services, new infrastructure waste treatment and top toilet structures as well as maintenance of such infrastructure and facilities.
- Provision of new infrastructure for new development
- The provision and management of waste water, management facilities
- Planning and design as well as construction of roads, and storm water
- The municipality also provides basic services in informal settlements. The process is in line with the policy for the development of informal settlements. Upgrading of informal settlements is an ongoing exercise for municipality.

According to the GMM Housing Demand Analysis, the GMM plan for 2018-2024 is to provide 1 845 housing with the annual take up rate of 3690 using 18 451 hectares of land in Greater Secunda, Bethal/Emzinoni, Leslie/Lebohang and Charl Celliers. They also plan of providing 10056 subsidy housing with an annual take up rate of 2011 using 1006 hectares of land, 8395 bonded linked housing with 1679 annual take up rate.

Isibonelo Colliery 2020-2024 In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

Table 30: Isibonelo housing allowances per employee grade

Employee grade	2020 RATES	2021	2022 RATES	2023 RATES	2024 RATES
D1 and C4#	R9,000	R9,000	R9,000	R9,000	R9,000
CU	R9,000	R9,000	R9,000	R9,000	R9,000
CL and B Band	R9,000	R9,000	R9,000	R9,000	R9,000
Senior-skilled	R9,000	R9,000	R9,000	R9,000	R9,000
Skilled	R9,000	R9,000	R9,000	R9,000	R9,000

Isibonelo Housing and Living Conditions Plan

The Mineral and Petroleum Resources Development Act, 2002 requires mining companies to improve the standard of housing and living conditions of mine employees as stipulated in the Housing and Living Conditions Standard.

The Aim of the Housing and Living Conditions Plan is:

- To promote home ownership with the long-term goals that all employees live in sustainable human settlements;
- To promote independence of all employees in terms of accommodation and ensure that employees are accommodated in their own formal accommodation;
- To enhance the social and economic long-term sustainability of the regions where Isibonelo operates through a housing model that is integrated within the districts and aligned to the Integrated Development Plans for those districts;
- To contribute to the transformation of our industry; and
- To meet the objectives and principles as outlined in the Housing and Living Conditions Standard for the Minerals Industry.

Isibonelo Colliery 2020-2024 | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

3.6. Procurement Progression

The table below details the procurement progression as at December 2019.

Top 20 Goods Spend

SUPPLIER NAME	HDSA (%)	SUPPLIER ADDRESS	GOODS SPEND %
TOTAL SOUTH AFRICA	52%	ROSEBANK	29%
SASOL SOUTH AFRICA (PTY) LTD	32%	ROSEBANK	10%
BARLOWORLD EQUIPMENT DIV BARLOWO	58%	MIDDELBURG	6%
VR DRAGLINE MAINTENANCE	26%	ALRODE	3%
HITACHI CONSTRUCTION MACHINERY	26%	MIDDELBURG	3%
KOMATSU SOUTHERN AFRICA (PTY) LTD	25%	WITBANK	3%
ESCO SOUTH AFRICA WEARPARTS	26%	SANDTON	3%
SCAW SOUTH AFRICA PTY LTD	19%	CLEVELAND	3%
ENAEX AFRICA (PTY) LTD	0%	SANDTON	3%
IMVHUBU	100%	EMALAHLENI	2%
FLSMIDTH SA PTY LTD TA FLSMIDTH	25%	ROODEPOORT	1%
MICHELIN TYRE COMPANY SOUTH AFRI	0%	ISANDO	1%
ROTARY OPENCAST SERVICES CC	52%	GERMISTON	1%
JORMID ELECTRICAL	26%	MIDDELBURG	1%
EPIROC SOUTH AFRICA	26%	WITFIELD	1%
COMMERCIAL MINING WEARPARTS PTY	0%	BOKSBURG	1%
FUCHS LUBRICANTS (SOUTH AFRICA)	25%	ISANDO	1%
SPEC CAST AFRICA (PTY) LTD	0%	KEMPTON PARK	1%
NEW ERA STEEL WORKS	100%	KINROSS	1%
INALA MINING SERVICES	27%	BENICON PARK	1%

Top Services Spend

SUPPLIER NAME	HDSA (%)	SUPPLIER ADDRESS	SERVICES SPEND %
JABULA PLANT HIRE (PTY) LTD	54%	HEIDELBERG	10%
KBR MINING (PTY) LTD	65%	EVANDER	10%
HITACHI CONSTRUCTION MACHINERY	26%	MIDDELBURG	8%
CENTRAL AFRICA MACHINE SALES	27%	BENICON PARK	7%
TOTAL SOUTH AFRICA (PTY) LTD	52%	ROSEBANK	6%
INALA MINING SERVICES	27%	BENICON PARK	4%
TODAY'S DESTINY TRADING &	100%	WITBANK	3%
REID & MITCHELL (PTY) LTD.	52%	BENONI SOUTH	3%
J.E.F. DRILL AND BLAST	48%	MIDDELBURG	2%

Isibonelo Colliery 2020-2024 | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

ENAEX AFRICA (PTY) LTD	0%	SANDTON	2%
KOMATSU SOUTHERN AFRICA (PTY) LTD	25%	WITBANK	2%
VUMAKONKE TRANSPORT AND PROJECT	100%	LEBOHANG	2%
SMTT ENTERPRISE	100%	EMBALENHLE	2%
J.E.F. DRILL AND BLAST	0%	MIDDELBURG	1%
WATERZONE CC 4340232885	51%	MIDDELBURG	1%
BIDVEST PROTEA COIN PTY LTD	41%	HIGHVELD	1%
BRAKECORE SUPPLY COMPANY PTY LTD	51%	ERMELO	1%
JORMID ELECTRICAL	26%	MIDDELBURG	1%
INDUNA SOLUTIONS PTY LTD	51%	MIIDDELBURG	1%
SIMCO AFRICA MINING PRODUCTS	51%	HARTBEESPOORT NORTH WEST	1%

PART FOUR

Management of Downscaling and Retrenchment

4.1. Management of downscaling and retrenchment

The primary objective of downscaling and retrenchment management is to ensure that there are no other viable options to achieve operational requirements before considering the downscaling of workers. This becomes imperative as we enter our last SLP (2020-2024) as an operational colliery, with no current prospect of a life extension. To achieve this, Isibonelo Colliery has put in place various measures as outlined below:

4.2. Establishment of a Future Forum

Isibonelo Colliery has established a future forum including all necessary stakeholders. The objective of the Future Forum is to meet the requirements as provided for in the Minerals and Petroleum Resources Development Act (No. 28 of 2002). The forum is designed to enable stakeholders to pro-actively share information on the future of the mine.

The forum looks ahead for future problems and challenges, investigates potential solutions to these. The meetings are to be held bi-annually to discuss all operational issues. The purpose of the forum is to achieve the following:

- Provide an update on Isibonelo Colliery mining activities that relate to the life of mine, employment, procurement socio-economic development and health and safety.
- Promote ongoing discussions between worker representatives, the Department of Mineral Resources, Gert Sibande District Municipality and Govan Mbeki Local Municipality about the future of the mine.
- Proactively identify challenges and possible solutions with regards to productivity and employment.

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

Should prevailing economic conditions cause the profit revenue ratio of any operation to be less than an average of six percent for a continuous period of 12 months, the company would initiate the following processes which must include, but not be limited to, the following:

- Consultation with all relevant stakeholders;
- The implementation of section 189 of the Labour Relations Act, 1995;
- Notifying the Minerals and Mining Development Board;
- Compliance with the Ministerial directive and confirmation of how corrective measures would need to be taken.

4.4. Managing retrenchments

The most direct and appropriate intervention is for Isibonelo Colliery to assist employees facing retrenchments to secure alternative employment. Isibonelo Colliery has, in co-operation with the other Coal operations put several mechanisms in place to mitigate the impact of job losses in the event of downscaling or closure of the mine.

The following processes will be followed in the event of mine closure:

- Consultation – the consultation process in terms of Section 52(1) of the MPRDA;
- Implementation of Section 189 of the Labour Relations Act;
- Notification 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 the Coal mines;
- Providing training for proxy earners; and
- Reskilling of workers for other jobs on the mine or for jobs outside the mining sector.

Isibonelo 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 Isibonelo Colliery. Consequently, as part of the strategy to broaden the skills base, Isibonelo 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, Isibonelo 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.

4.4.1. Reskilling of employees for internal and external employment opportunities

One of the objectives of multi-skilling workers is to increase the opportunity for alternative employment either in a different occupation on the mine or in the job outside the mining sector. In pursuit of this aim, Isibonelo will provide alternative skills training to workers to enable them to access jobs outside mining to seek work in a greater variety of positions or occupations. The focus of this training will be on skills that will be required for proposed socio-economic projects upon mine closure or large-scale retrenchments. In addition, Isibonelo Colliery intends to:

- Apply for technical assistance and support from relevant government departments.
- Apply to the MQA, which is the mining sector's education and training authority, for applicable grants in terms of the Skills Development Act 97 of 1998 and its regulations; and
- Identify and consider SMMES initiatives that have the potential of creating future employment opportunities in the event of a large-scale retrenchment.

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In the life skills education programme, Isibonelo Colliery intends to address critical retrenchment and retirement planning issues such as;

- Currently running a financial planning and acumen initiative with expert partners (Summit Financial Services – Bokamoso), which is also part of Thungela five pillar BE Well initiative.
- Financial planning for retirement; and
- Possibilities for supplementing pension income.

In addition, Isibonelo Colliery will revisit the appropriate policies to ensure that an enabling environment is created to achieve the objectives of the Social and Labour Plan.

In line with the requirements of regulations 46 (d)(iii), Isibonelo Colliery will develop turnaround or redeployment strategies in attempt to provide alternative solutions for creating job security should job losses become unavoidable.

Beside natural attrition and turnover, the primary reasons for loss of employment are technological changes, redundancies, retrenchment, mine closure, adverse economic and trading conditions and business process streaming.

Under these circumstances, the key issues that need to be considered are the degree of dependence of the mine community and labour-sending area on Isibonelo Colliery, and the policies and procedures in place at Isibonelo Colliery to provide financial security for individual employees.

Upon scaling down, Isibonelo Colliery (with the possible effect of job losses) or when operations cease the following process will be followed:

- Consultation: the consultation process in terms of Section 52(1) of the labour relations Act.
- Implementing section 189 of the act, which will deal with the possibility of job losses
- Notification to the minerals and mining development board in terms of section 52(1) (b) of the act, and
- Communicating possible retrenchments- an effective communication strategy will be followed:
 - Informing employees of possible retrenchments at the mine.
 - Informing other affected parties (such as sending areas at their municipalities) of the possible retrenchments; and
 - Informing outside parties (such as the media) of the possible retrenchments.
 -

There may be people affected by downscaling operations who are keen to start their own enterprises.

In these cases, Isibonelo Colliery will consider the following options:

- Facilities 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;

Isibonelo Colliery 2020-2024 | In compliance with Regulation 46 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 and Regulations

- 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;
- Identify opportunities to supply Isibonelo 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.

4.4.2. 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. Isibonelo Colliery intends to ensure that the livelihoods of its mineworkers, residents and families are sustained despite the downsizing or closure of the mine.

4.4.3. Strategy

Isibonelo 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.

4.4.4. Assessment and counselling services

The Company will consider providing counselling through professional counsellors. Requests for such counselling are to be directed to the Manager Human Resources.

4.4.5. Self-employment training and re-employment programmes

Isibonelo Colliery recognises that its operations have a limited life span and that demands of the business could require a reduction in human resources in the future. As part of its corporate social responsibility, Isibonelo Colliery intends to equip the current work force-as well as members of the community-with portable skills that will benefit the individuals concerned. To realise this commitment, Isibonelo Colliery will implement a portable skills programmes covering skills such as but not limited to:

- Welding
- MS Programs

The Training Department will coordinate the provision of the above self-employment training and re-employment programmes for all employees affected by retrenchments.

4.4.6. Closure Planning

Isibonelo envisage that the mine will be closing effective from 2026 financial year. The operation will develop a closure plan informed by Thungela Mine Closure Toolbox which considers the optimal use of mine land and infrastructure during the operational phase as well as the closure phase of the mining life-cycle. This plan will be a focus area of Isibonelo Colliery's LED strategy to diversify the economy and will consider the potential social benefits of utilising the existing land and infrastructure.

Of importance is the consideration of alternative uses of the physical infrastructure in the event of mine closure, which will require an amendment to the existing Environmental Management Plan Reports (EMPRs) in consultation with the Department of Mineral Resources Energy.

While the Social and Labour Plan is geared towards mitigating the impact of mine-closure on mine communities and labour sending areas, specific planning is required regarding the concurrent and post-mining use of the physical assets of Isibonelo Section for community development purposes. These physical assets include:

- Land holdings by the mine;
- Physical infrastructure;
- Social infrastructure;
- Commercial and industrial infrastructure; and
- Administrative infrastructure.

All infrastructure and mine management programmes on projects will be conceived and implemented within the context of the accepted standards of sustainable development.

4.4.7. Land and infrastructure for food production enterprise on mine land

A principal issue in the reduction of risk exposure of mine communities is their lack of food security. More specifically, loss of wage income because of retrenchment eliminates or reduces the capacity of the urban resident to purchase food. In a rural environment, residents can often undertake subsistence farming as a substitute for purchased food.

Inevitably, due to space constraints and the competition for formal sector employment in an urban environment, lower income groups will have the greatest difficulty in gaining alternative employment. They will also be most restricted in their access to land and may be able to grow alternative subsistence sources of food.

4.4.8. Other enterprise on mine property

Isibonelo Colliery will consider the option of outsourcing current jobs that could be performed on a contractual basis by existing mineworkers. The mine will develop and implement a policy in this regard in conjunction with labour representatives. A suggestion that will be considered involves the voluntary retrenchment of certain employees who would then be assisted in the establishment of a supplier assistance programme. These employees could be allocated premises from which to operate on mine property. These premises could be:

- Buildings, workshops or land no longer used by Isibonelo Colliery that are essentially redundant.
- Facilities currently used for the functions being considered for outsourcing that could be sub-let to the former employee; or
- New premises specifically constructed on mine land for these functions. These could be financed using funding from SMME assistance schemes offered by Government or development agencies, or possibly as an Isibonelo Colliery LED project.

4.4.9. Post-closure uses of mine infrastructure

Once the possibilities for concurrent use of mine land and infrastructure have been exhausted, the future of the remaining land infrastructure belonging to or managed by the mine needs to be considered. It is not always possible to find alternative uses for mine-specific infrastructure or land-use such as waste dumps and dams. However, Isibonelo will examine each component of its land and infrastructure and assess the extent to which post-mining use is possible.

The options will include the following:

- Transfer of land and associated infrastructure to mine communities for conversion and use in local economic development, skills development and training programmes to build capacity in a number of vocational or technical areas;
- Sale of land and infrastructure to private individuals;
- Sale of land and associated infrastructure to the government or state agencies; and
- Rehabilitation of the land or demolition and removal of the infrastructure.

4.4.10. Training and mentorship of community members

Isibonelo Colliery undertakes to consider assisting in the establishment of the various business structures where stakeholders or appointers will be trained and mentored in the appropriate business and technical skills as a part of the LED programme. Other capacity initiatives would include:

- Training and educating community leaders and owners to manage the resources in a sustainable manner,
- Understanding the post-mining use potential of the mining infrastructure, land and natural resources;
- Paying for essential skills such as water and power after mining
- Communication skills;
- Negotiation in terms of the economic aspects after closure; and

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- Ensuring that the non-renewable mineral resources can be replaced by enhancement of biologically renewable resources.

PART FIVE

Financial Provision

5. Financial provision

To ensure that we adhere to the five-year compliance period, budget provisions were made as contained in this SLP submission encompassing the SLP and HRD. The financial commitments contained herein speak to our broader engagements with municipalities and communities that we impact and is responsive to their needs within the SLP cycle.

5.1. Summary of financial undertaking in respect of Isibonelo' s Skills Development

Table 31: Summary of financial undertaking in respect of Isibonelo' s Skills Development

SLP-HRD PROGRAMME	2020	2021	2022	2023	2024	TOTAL 2020-2024
AET	R0	R 50 358	R 54 386	R 58 717	R 63 414	R 226 875
Internal Learnerships	R 450 000	R 995 019	R 1 458 694	R 1 604 563	R 995 019	R 5 503 295
External Learnerships	R 380 000	R 3 361 712	R 4 963 619	R 5 685 940	R 2 357 500	R 16 748 771
Artisan Training	R 34 734	R 52 581	R 67 020	R 68 468	R 84 894	R 307 697
Bursaries	R 640 000	R 672 000	R 705 600	R 740 880	R 777 950	R 3 536 430
PIT	R 3 600 000	R 3 672 000	R 3 745 440	R 3 820 350	R 3 896 757	R 18 734 547
TOTAL	R 5 104 734	R 8 803 670	R 10 994 759	R 11 978 918	R 8 175 534	R 45 057 615
Community Skills Development	R 739 740	R 614 195	R 280 365	R 305 365	R 328 365	R 2 268 030
Community Bursaries	R 500 000	R 850 000	R 935 000	R 1 028 500	R 1 131 350	R 4 444 850
Star School	R 2 537 500	R 2 729 690	R 2 931 036	R 3 133 382	R 3 365 345	R 14 696 953
TOTAL	R 3 777 240	R 4 193 885	R 4 146 401	R 4 467 247	R 4 825 060	R 21 409 833
GRAND TOTAL	R 8 881 974	R 12 997 555	R 15 141 160	R 16 446165	R 13 000 594	R 66 467 448

5.2. Financial Undertaking in respect of Isibonelo' s LED

Table 32: Financial Undertaking in respect of Isibonelo' s LED

Item	Project Name	2020	2021	2022	2023	2024	Total 2020/2024
1	Completion of Emzinoni Multipurpose Centre	R0	R0	R3 000 000	R3 000 000	R3 000 000	R9 000 000
2	Solid Waste Management	R0	R0	R2 000 000	2 000 000	R4 000 000	R8 000 000
	Total	R0	R0	R5 000 000	R5 000 000	R7 000 000	R17 000 000

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5.3. Financial Undertaking in respect of Isibonelo' s management of downscaling and retrenchments

Table 33: Financial Undertaking in respect of Isibonelo' s management of downscaling and retrenchments

Management of downscaling & retrenchments programme	2020	2021	2022	2023	2024	TOTAL 2020-2024
Portable Skills Training Welding (Or other)	R 0	R 0	R 60 000	R 0	R 45 000	R 105 000
Portable Skills Training MS Programs	R 0	R 0	R121 500	R 133 650	R 147 015	R 402 165
TOTAL	R 0	R 0	R 181,500	R 133,000	R 192 015	R 506 515

PART SIX

6. Undertaking

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

I, the undersigned and duly authorized thereto by Isibonelo Colliery undertake to adhere to the information, requirements, commitments and conditions as set out in the Social and Labour Plan.

Signed at Isibonelo Colliery on January 2022



Natasha Ramcharan

Human Resources Manager



Bontle Liza Mfola

Regional Social Performance Manager



Leonore van Wyk

Head of Mineral Property Rights and Permitting



Bonke Ntimane

General Manager

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Your reference:

Our reference 14/4/2/1
Enquiries Mr M Fakude
Tel 017 620 6034

Human Resource Manager
Thungela Resource Limited
Vlaglaagte Farm N17
Trichardt
2300

Dear. Mr Jabu Maseko

RE: Social and Labour Plan Project for 2020-2024 cycle for Isibonelo

The above subject bears reference.

As per MPRDA act 28 of 2002, the below mentioned are social and labour plan project to be implemented by your company for the said licensing cycle.

No	Project	Amount
1	Completion of Emzinoni Multipurpose Centre	R9 000 000 00

Hope you find the above to be in order.

Yours Faithfully

Ms. EK Tshabalala
Acting Municipal Manager

08/09/2021
Date

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A Model City and Centre of Excellence

DEPARTMENT PLANNING AND ECONOMIC DEVELOPMENT

Tel (017) 620 – 6000 Fax (017) 634 8019

Your reference:

Our reference: 2/4/3/2/1/1

Enquiries: Mr. Sabelo Vilakazi
Acting Director Planning and Development
(017) 620 6285

The Human Resource Manager
Thungela Resources Limited Group-Isibonelo Colliery
PO Box 1521
Saxonwold
2132

Attention: Ms. Bongwe Nkosi

The above matter has reference,

Govan Mbeki Municipality hereby wish to endorse the Social and Labour Plan Projects 2020-2022 as follows:

No	Project	Amount
1.	Construction of a waste transfer Centre	R 8 000 000

Hope you will find the above in order.

Kind regards

EK TSHABALALA(MS)
ACTING MUNICIPAL MANAGER

14/01/2022
DATE