



**mineral resources**

Department:  
Mineral Resources  
REPUBLIC OF SOUTH AFRICA

**SOCIAL AND LABOUR PLAN  
SUBMITTED AS PART OF NEW MINING RIGHT**

**Shirley Hayes IPK (Pty) Ltd (SHIP)  
Registration No: 2008/023576/07**

**Amendment 2 – May 2022**

## Contents

1.	Introduction .....	1
1.1	Background to the Social and Labour Plan .....	1
2.	Section 1 Preamble - Reg 46 (a) .....	1
2.1	Project Preamble.....	1
2.2	Project Locality.....	2
2.3	Labour Background .....	6
3.	Section 2: Human Resource Development Program - Reg 46 (b) .....	10
3.1	Legislative Requirement .....	10
3.2	Skills Development Plan.....	10
3.2.1	Overview .....	10
3.2.2	Action Plan for Registering under a Sectoral Educational Training Authority .....	11
3.2.3	Employee Skills Level Assumptions.....	11
3.2.4	Employee Literacy Levels .....	11
3.3	Adult Basic Educational Training.....	11
3.4	Core Business Training.....	12
3.5	Learnerships.....	15
3.6	Portable Skills Training.....	16
3.7	Hard-to-Fill Vacancies .....	19
3.8	Career Progression Plan.....	19
3.8.1	Overview and Assumptions .....	19
3.8.2	Targets.....	19
3.8.3	Action Plan .....	20
3.9	Mentorship Plan.....	22
3.9.1	Overview and Assumptions .....	22
3.9.2	Targets.....	22
3.9.3	Action Plan .....	22
3.10	Bursaries and Internships .....	23
3.10.1	Overview and Assumptions .....	23
3.10.2	Targets.....	23
3.10.3	Bursary Action Plan .....	24
3.11	Employment Equity Plan.....	25
3.11.1	Overview and Assumptions .....	25
3.11.2	Targets.....	25
4.	Local Economic Development Program .....	26
4.1	Legislative Requirements.....	26
4.2	The District and Local Municipality.....	26
4.2.1	Overview .....	26
4.3	Socio-Economic Background.....	28
4.3.1	Demographics .....	28
4.3.2	Employment and Household Income Trends.....	30
4.3.3	Economy.....	31
4.4	Socio-Economic Living Conditions.....	32
4.4.1	Household Dynamics and Ownership .....	32
4.4.2	Education .....	33
4.4.3	Water, Electricity and Sanitation Water .....	34
4.4.4	Health.....	35
4.5	Impacts of the Mining Operation.....	36
4.6	Local Economic Development Program.....	37
4.6.1	Overview .....	37
4.6.2	Needs Analysis .....	37

4.6.3	Proposed Project to be Supported and/or Sponsored .....	37
4.6.4	Proposed Project Scope .....	38
5.	Measures to Address Housing and Living Conditions .....	41
5.1	Overview and Assumptions .....	41
6.	Procurement Progression Plan .....	41
6.1.1	Procurement Progression Targets .....	41
6.1.2	Preferential Procurement Policy .....	41
6.1.3	Procurement Procedure.....	42
6.1.4	Guiding Principles.....	42
6.1.5	Contractor Compliance .....	42
6.1.6	Supplier Development Program.....	43
6.1.7	Breakdown of Mine Procurement - Form T .....	43
7.	Managing Downscaling and Retrenchment.....	44
7.1	Legislative Requirements.....	44
7.2	The establishment of the Future Forum .....	44
7.2.1	Introduction .....	44
7.2.2	Strategies and Objectives.....	44
7.3	Developing and Executing Downscaling and Retrenchment Plan .....	46
7.4	Budget for Downscaling and Retrenchment.....	46
7.4.1	Provision for severance packages .....	46
7.4.2	Provision to complete training programs .....	47
8.	Financial Provision .....	47
8.1	Legislative Requirements .....	47
8.2	Budget Breakdown.....	47
9.	Undertaking .....	49

## List of Tables

Table 1:	Project Preamble Table .....	1
Table 2:	Labour Forecast.....	7
Table 3:	Occupational Levels .....	10
Table 4:	Registration process with MQA .....	11
Table 5:	ABET Training Targets and Budget * .....	12
Table 6:	Core Business Sub-Divisions .....	13
Table 7:	Core Business Training Targets and Budget* .....	15
Table 8:	Learnership Targets and Budget* .....	16
Table 9:	Portable Skills Training Targets and Budget*.....	17
Table 10:	Form Q Skills development plan .....	18
Table 11:	Hard-to-Fill Vacancies Targets (Form R).....	19
Table 12:	Career Progression Plan Action Plan.....	20
Table 13:	Career Progression Plan Targets .....	21
Table 14:	Internship Targets and Budget* .....	23
Table 15:	Bursary Targets and Budget* .....	23
Table 16:	Employment Equity Status (Form S) – Proposed scenario as in year 5.....	25
Table 17:	LED Project Targets and Budget*.....	40
Table 18:	Provision for severance packages* .....	46
Table 19:	Budget Breakdown.....	48

## List of Acronyms

ABET	Adult Basic Educational Training
BBBEE	Broad Based Black Economic Empowerment
DoE	Department of Education
DoL	Department of Labour
DMR	Department of Mineral Resources
EHS	Environmental, Health and Safety
ESIA	Environmental and Social Impact Assessment
FET	Further Educational Training
GET	General Educational Training
HDSA	Historically Disadvantaged South African
HET	Higher Educational Training
HDSA	Historically Disadvantaged South African
HRD	Human Resources Development
HRDP	Human Resources Development Programme
I&AP	Interested and/or Affected Party
IDP	Integrated Development Plan
KPA	Key Performance Indicator
LED	Local Economic Development
LoM	Life of Mine
MPRDA	Mineral and Petroleum Resources Development Act
MQA	Mining Qualifications Authority
MR	Mining Right
NKLM	Nama Khoi Local Municipality
NDM	Namakwa District Municipality
NQF	National Qualifications Framework
PR	Proportional Representation
PS	Performance Standard
RAP	Resettlement Action Plan
SDP	Skills Development Plan
SETA	Sectoral Educational Authority
SIA	Social Impact Assessment
SLP	Social and Labour Plan

# 1. Introduction

## 1.1 Background to the Social and Labour Plan

Shirley Hayes IPK (Pty) Ltd (SHIP or ‘the Company’) is in the process of applying to the Department of Mineral Resources (DMR) for a mining right (MR) in accordance with Section 22 under the Mineral and Petroleum Resources Development Act (MPRDA) of 2002 (as amended). This application is for a proposed Copper and Base Metal mining operation situated in Ward 1 and Ward 6 of the Nama Khoi Local Municipality (NKLM) in the Northern Cape Province of South Africa: referred to as the Concordia Project. It is situated adjacent to the north of the local town of Concordia and O’okiep (Diagram 1).

For such a mining right to be granted, a Social and Labour Plan (SLP) needs to be submitted to the DMR with a Mining Works Program, as stipulated under the MPRDA of 2002 and the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (or the Mining Charter) of 2018.

The following chapter provides a rationale for drafting and implementing SLPs in South Africa, as well as elaborates upon the legislation and regulatory guidelines in this SLP which will be followed by the Company.

One of the most important aspects of the SLP is to plan, document and monitor sustainable development initiatives and programs for its labour and labour-sending communities. The holder of a mining right must submit an annual compliance report on the SLP to the relevant regional manager or designated agency.

## 2. Section 1 Preamble - Reg 46 (a)

### 2.1 Project Preamble

The table below provides the preamble information required.

**Table 1: Project Preamble Table**

<b>1.1 Name of the company/applicant</b>	Shirley Hayes IPK (Pty) Ltd
<b>1.2 Name of mine/ production operation</b>	Concordia Project
<b>1.3 Physical Address</b>	Suite No. 139 Private Bag X4 Die Boord 7613
<b>1.4 Postal Address</b>	Unit 9 9 Elektron Street Techno Park Stellenbosch
<b>1.5 Telephone Number</b>	083 632 6742
<b>1.6 Fax Number</b>	086 766 5590
<b>1.7 Location of mine or production operation</b>	5Km North of Springbok Refer Figure 1
<b>1.8 Commodity</b>	Copper (Cu), Lead (Pb), Zinc (Zn), Gold (Au) and Silver (Ag)
<b>1.9 Life of mine</b>	15 years
<b>1.10 Financial Year</b>	End of February
<b>1.11 Reporting Year</b>	March to February
<b>1.12. Responsible person</b>	Shirley Ann Hayes
<b>1.13 Geographic origin of employees (mine community and labour sending areas).</b>	
<b>(a) Mine Community</b>	<b>(b) Labour Sending Area</b>
<b>Province</b>	<b>Province</b>
Northern Cape	Northern Cape
<b>District Municipality</b>	<b>District Municipality</b>
Namakwa	Namakwa
<b>Local Municipality</b>	<b>Local Municipality</b>
Nama Khoi	Nama Khoi

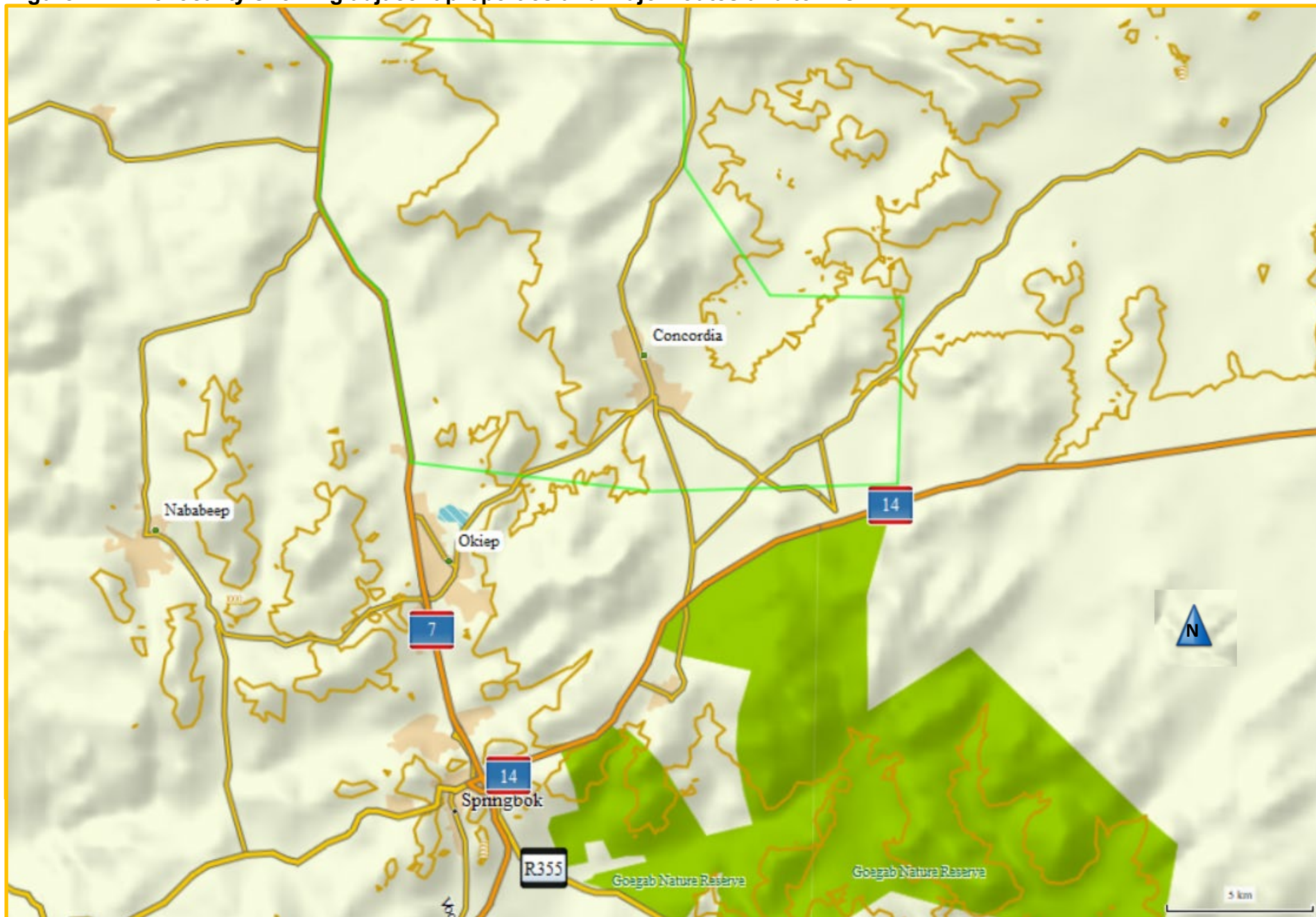
## **2.2 Project Locality**

The proposed Concordia Project is situated in Ward 1 and 6 of the NKLM adjacent and to the north of O'okiep. At a district-level, the project falls under the jurisdiction of the Namakwa District Municipality (NDM), seated in Springbok. The NKLM is also seated in Springbok (refer to figure 1 below).

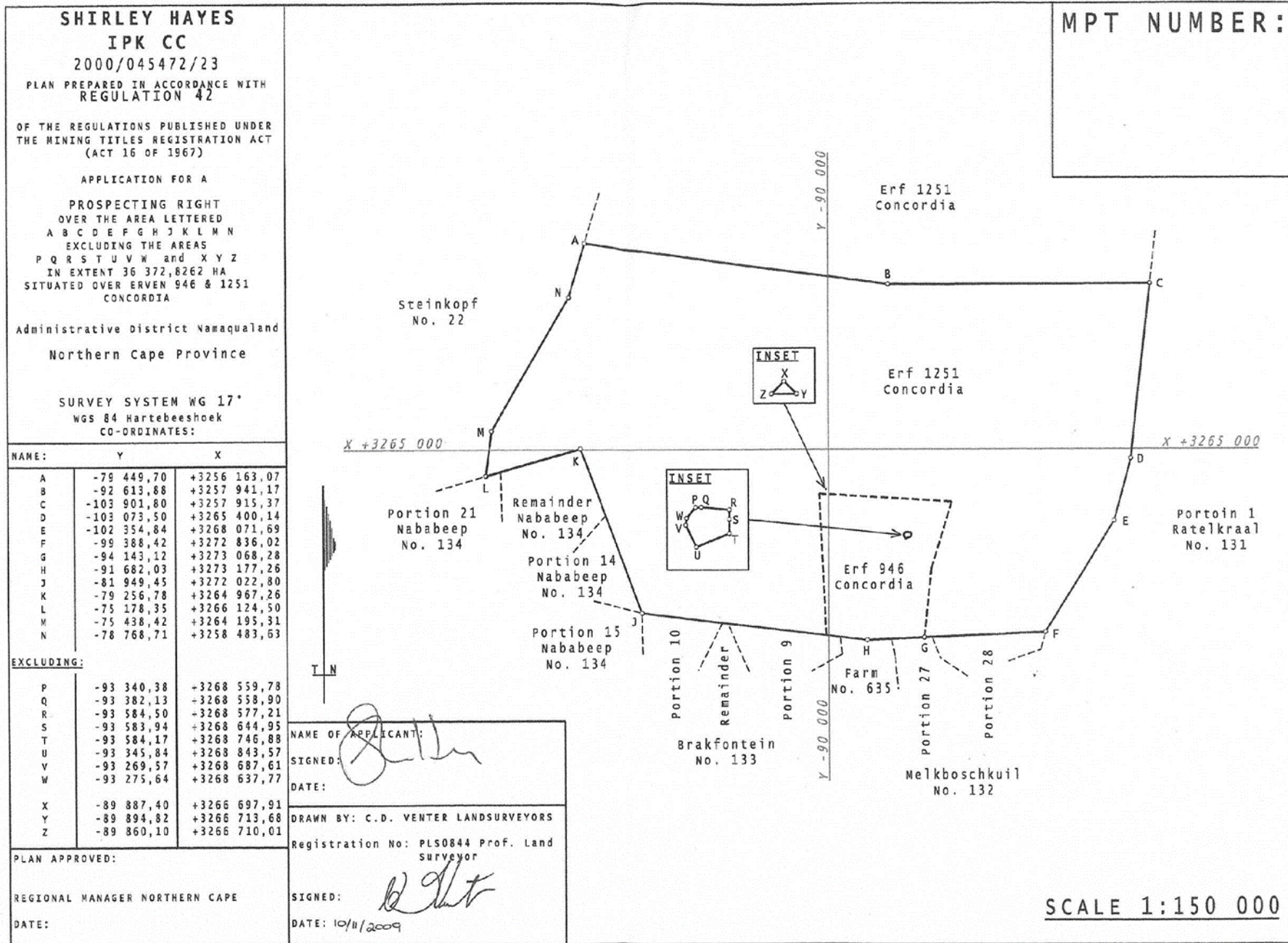
SHIP holds the rights to the Concordia, Rietberg Base Metals deposits in terms of Prospecting Right NC30/5/1/1/2/11046 PR under MPT 49/2016 situated over Plot 946 (2 719.1320Ha), and a portion of Plot 1251 (17 264.29Ha) of the Concordia Township Total Extend 19 483.422 Ha (refer to Figure 2 below).

The infrastructure requirements are provided as part of the Environmental Impact Report and Environmental Management Programme. Power will be supplied from the national grid and in terms of water supply, groundwater and/or water from dewatering of existing mine shafts will be used for processing purposes as well as recycling from the FRD. Potable water will be obtained from Municipal supply.

Figure 1: Mine locality showing adjacent properties and major routes and towns

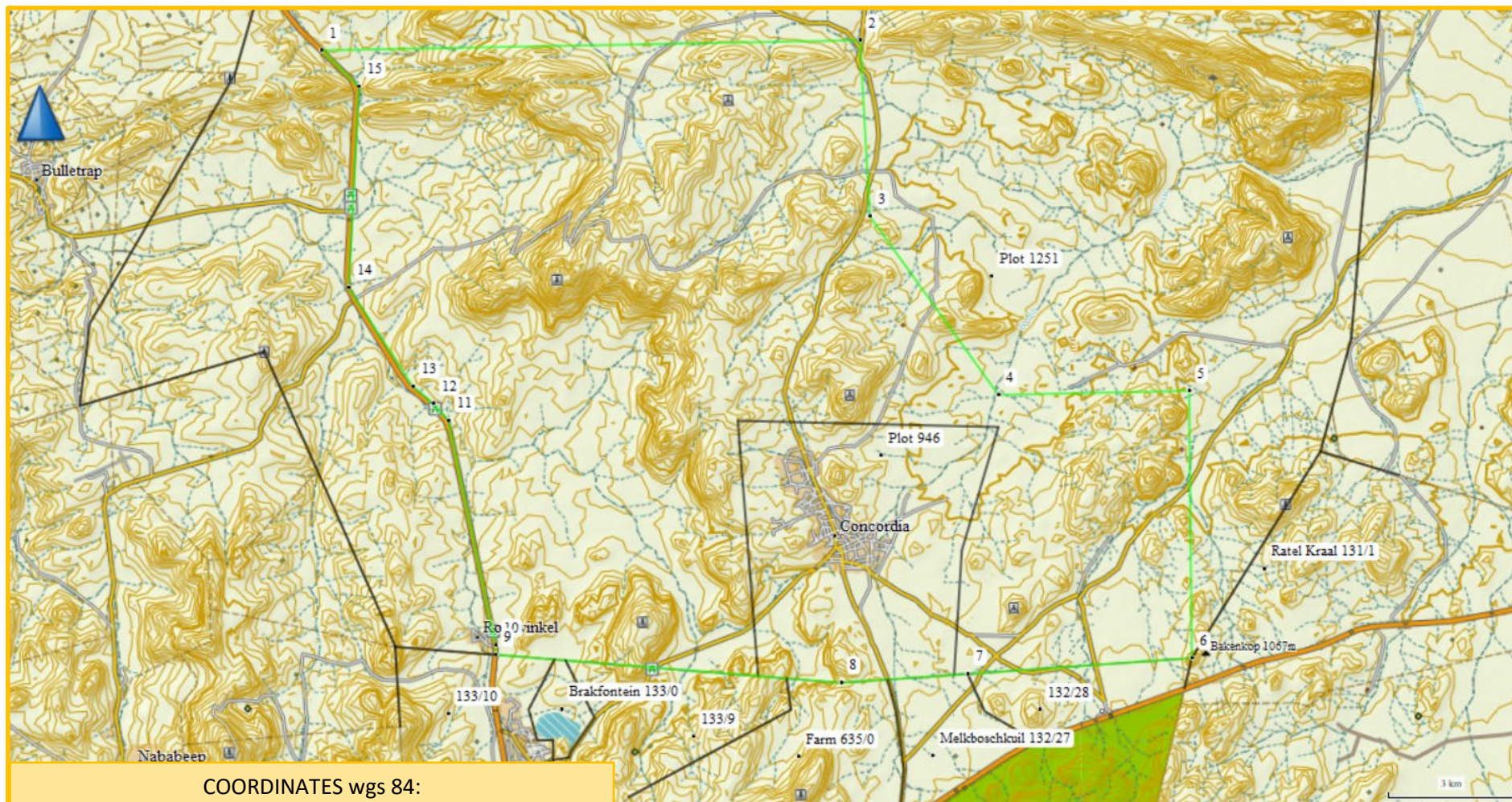


**Figure 2: Existing Prospecting Right**





**Figure 3-1: Mine Layout showing properties**



**COORDINATES wgs 84:**

1 S29.43610° E17.83180°	2 S29.43644° E17.95365°
3 S29.47397° E17.95500°	4 S29.51260° E17.98322°
5 S29.51262° E18.02636°	6 S29.56954° E18.02565°
7 S29.57189° E17.97489°	8 S29.57317° E17.94628°
9 S29.56561° E17.86816°	10 S29.56358° E17.86824°
11 S29.51556° E17.85868°	12 S29.51182° E17.85536°
13 S29.50812° E17.85083°	14 S29.48676° E17.83674°
15 S29.44398° E17.84003°	

**MINING AREA:**

The figure numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 situated over Plot 946 (2 719.1320Ha), and a portion of Plot 1251 (17 264.29Ha) Concordia Township  
**Total Extend 19 483.422 Ha**  
 District: Namaqualand

### **2.3 Labour Background**

At an average output of approximately 30,000 tons per month, the total labour force at the mine production's steady state is projected at around 178 employees. This number does not include construction workers required as development during the construction phase will be outsourced to construction companies. It should be noted that these employment figures are still preliminary projections. As far as reasonably possible, SHIP will employ the local population from the labour-sending communities. In order to do this, a skills audit will be conducted to establish whether the required skills are available and to advise any potential training programs. The contractor labour force will gradually be replaced by the permanent labour force.

Due to the close proximity of the towns Nababeep, O'okiep and Springbok no accommodation needs to be supplied on-site.

The tables below provide a labour forecast for years 1-5 according to occupational levels followed by a detailed breakdown of the proposed employee requirements.

**Table 2: Labour Forecast**

Description	Grading	Number of employees at work / shift				CTC monthly	Total Personell Expenditure (Monthly)	Total Personell Expenditure (Annual)
		Day	Afternoon	Night	Total			
<b>Management</b>								
Ceo	EU	1	0	0	1	R166 666.67	R166 666.67	R2 000 000.00
CFO	EM	1	0	0	1	R145 833.33	R145 833.33	R1 750 000.00
Mining Manager	DU	1	0	0	1	R125 000.00	R125 000.00	R1 500 000.00
Financial Manager	DU	1	0	0	1	R87 500.00	R87 500.00	R1 050 000.00
Metallurgical Manager	DU	1	0	0	1	R110 250.00	R110 250.00	R1 323 000.00
Engineering Manager	DU	1	0	0	1	R125 000.00	R125 000.00	R1 500 000.00
Production Superintendent (MO)	DM	1	0	0	1	R99 166.67	R99 166.67	R1 190 000.00
Operations Superintendant (GES)	DM	1	0	0	1	R99 166.67	R99 166.67	R1 190 000.00
<b>Development Operations</b>								
Production Supervisor - Development	CM	1	0	1	2	R25 000.00	R50 000.00	R600 000.00
Single Boom Drill Rig Operator	BU	2	0	2	4	R6 250.00	R25 000.00	R300 000.00
Drill Rig Assistant	BL	2	0	2	4	R3 750.00	R15 000.00	R180 000.00
Miner - Development Charging	CL	2	0	2	4	R11 250.00	R45 000.00	R540 000.00
Miners Assistant - Development Charging	BL	2	0	2	4	R3 750.00	R15 000.00	R180 000.00
Drill Rig Operator - Ramp Support	CL	2	0	2	4	R11 250.00	R45 000.00	R540 000.00
Drill Rig Assistant - Ramp Support	BU	2	0	2	4	R6 250.00	R25 000.00	R300 000.00
<b>Stoping (Slot Raising, Production Drilling and Blasting incl Vent Raising)</b>								
Production Supervisor - Stoping	CM	2	0	0	2	R25 000.00	R50 000.00	R600 000.00
Drill Rig Operator - Long Hole	CL	2	0	0	2	R22 500.00	R45 000.00	R540 000.00
Drill Rig Assistant - Long Hole	BU	2	0	0	2	R12 500.00	R25 000.00	R300 000.00
Miner - Charding	CL	2	0	0	2	R22 500.00	R45 000.00	R540 000.00
Miners Assistant - Charging	BL	2	0	0	2	R7 500.00	R15 000.00	R180 000.00
<b>Underground Load and Haul</b>								
LHD Operator	BU	4	0	4	8	R3 125.00	R25 000.00	R300 000.00
30T Dump Truck Operator	BU	4	0	4	8	R3 125.00	R25 000.00	R300 000.00

Description	Grading	Number of employees at work / shift				CTC monthly	Total Personell Expenditure (Monthly)	Total Personell Expenditure (Annual)
		Day	Afternoon	Night	Total			
Trackless Equipment Maintenance						0		
Trackless Equipment Maintenance Supervisor	CU	1	0	0	1	R55 000.00	R55 000.00	R660 000.00
Trackless Equipment Maintenance Planner	BU	1	0	0	1	R25 000.00	R25 000.00	R300 000.00
Trackless Equipment Fitter	CL	2	0	1	3	R15 000.00	R45 000.00	R540 000.00
Trackless Equipment Electrician	CL	2	0	1	3	R15 000.00	R45 000.00	R540 000.00
Boilermaker	CL	1	0	0	1	R45 000.00	R45 000.00	R540 000.00
Engineering Assistant	BM	5	0	2	7	R2 500.00	R17 500.00	R210 000.00
Surface and Decline Operations								
Fitter	CL	2	0	0	2	R22 500.00	R45 000.00	R540 000.00
Boilermaker	CL	1	0	0	1	R45 000.00	R45 000.00	R540 000.00
Engineering Assistant - Mechanical	BL	3	0	0	3	R5 000.00	R15 000.00	R180 000.00
Operator - Forklift/Crane/UV	BL	1	0	0	1	R15 000.00	R15 000.00	R180 000.00
Lampsman	CL	1	0	0	1	R45 000.00	R45 000.00	R540 000.00
Assistant Lampsman	BL	1	0	1	2	R7 500.00	R15 000.00	R180 000.00
Store Assistant	BL	1	0	1	2	R7 500.00	R15 000.00	R180 000.00
Mine Technical Services								
Technical Services Manager	DL	1	0	0	1	R75 000.00	R75 000.00	R900 000.00
ORT (Ore Reserve Technician)	CL	2	0	0	2	R22 500.00	R45 000.00	R540 000.00
Surveyor	CL	1	0	0	1	R45 000.00	R45 000.00	R540 000.00
Survey Assistant	BL	1	0	0	1	R15 000.00	R15 000.00	R180 000.00
HSEQ Officer	CU	1	0	0	1	R55 000.00	R55 000.00	R660 000.00
Construction and Reclamation								
Supervisor	CU	1	0	0	1	R55 000.00	R55 000.00	R660 000.00
Ramp Operations & Water Handling								
Pump Attendants	BL	2	2	2	6	R2 500.00	R15 000.00	R180 000.00

Description	Grading	Number of employees at work / shift				CTC monthly	Total Personell Expenditure (Monthly)	Total Personell Expenditure (Annual)
		Day	Afternoon	Night	Total			
<b>Processing Plant</b>								
Junior Metallurgist	CU	1	0	0	1	R71 745.67	R71 745.67	R860 948.00
Materials Controller	BU	1	0	0	1	R9 712.08	R9 712.08	R116 545.00
Storekeeper	AL	1	0	0	1	R6 316.00	R6 316.00	R75 792.00
Cleaner	AL	1	0	0	1	R6 015.83	R6 015.83	R72 190.00
Maintenance Foreman	CU	1	0	0	1	R55 000.00	R55 000.00	R660 000.00
Boilermaker	CL	2	0	0	2	R55 077.88	R110 155.75	R1 321 869.00
Instr Mech	CL	1	0	0	1	R45 000.00	R45 000.00	R540 000.00
Electrician	CL	2	0	0	2	R37 500.00	R75 000.00	R900 000.00
Millwright	CL	1	0	0	1	R55 000.00	R55 000.00	R660 000.00
Fitter	CL	3	0	0	3	R45 000.00	R135 000.00	R1 620 000.00
Artisan Aids	AL	9	0	0	9	R7 814.15	R70 327.33	R843 928.00
Lab supervisor	CL	1	0	0	1	R45 000.00	R45 000.00	R540 000.00
Lab technician	BM	1	0	0	1	R20 833.33	R20 833.33	R250 000.00
Assayer	BU	1	0	0	1	R29 166.67	R29 166.67	R350 000.00
Sampler	BL	3	0	0	3	R6 305.56	R18 916.67	R227 000.00
Control room Operator	BU	4	0	0	4	R43 765.63	R175 062.50	R2 100 750.00
Shift Foreman	CU	4	0	0	4	R45 000.00	R180 000.00	R2 160 000.00
Operator - Shift	BU	12	0	0	12	R13 211.31	R158 535.67	R1 902 428.00
Dayahift Attendant	AL	4	0	0	4	R6 421.15	R25 684.58	R308 215.00
FEL driver	BU	4	0	0	4	R10 366.44	R41 465.75	R497 589.00
Shift Attendant	AL	20	0	0	20	R9 166.67	R183 333.33	R2 200 000.00
<b>Total</b>					<b>178</b>		<b>R3 658 354.50</b>	<b>R43 900 253.99</b>

**Table 3: Occupational Levels**

Personell Summary	Number	Senior Management	Professionally Qualified	Skilled Technical	Semi Skilled	Unskilled
Management	7	7	0	0	0	0
HR, Finance and administration	0	0	0	0	0	0
Exploration	5	0	3	2	0	0
Mining	89	0	6	12	25	46
Plant	77	0	3	5	35	34
Other Plant Related	0	0	0	0	0	0
<b>Total</b>	<b>178</b>	<b>7</b>	<b>12</b>	<b>19</b>	<b>60</b>	<b>80</b>

### 3. Section 2: Human Resource Development Program - Reg 46 (b)

#### 3.1 Legislative Requirement

One of the primary objectives of the Human Resources Development Program (HRDP) is to ensure that the mine has specific skills and competencies available in its workforce, as well as portable skills amongst its employees to enable them to find alternative employment once retrenched or the mine has closed. Therefore, the purpose of the HRDP is to ensure that the mine participate in the development of the area's requisite skills base in respect of learnerships, bursaries, artisans, Adult Basic Educational Training (ABET) and other initiatives.

This HRDP includes:

- A Skills Development Plan (SDP);
- A Career Progression Plan;
- A Mentorship Plan;
- A Bursary and Internship Plan; and
- The Employment Equity Statistics (Form S).

The need for a comprehensive HRDP cannot be overstated, as this ensures a mechanism for mandatory mining skills levies under the DMR. Human resource development is also regarded as one of the cornerstones of the South African Government's transformation agenda, manifested in the mining and minerals industry through the Mining Charter (2018). This will help considerably with job placements after mine closure.

#### 3.2 Skills Development Plan

##### 3.2.1 Overview

Through the Skills Development Plan (SDP), the mine will ensure that its labour force has sufficient occupational skills to enable the continuous recruitment of local labour, but also to allow such labour to reach higher operational levels within the mining project. Providing such skills can be considered as mini-qualifications to the employees in itself, as such qualification can contribute towards credits towards a registered qualification under the South African National Qualification Framework (NQF).

In South Africa, the Sector Education and Training Authority (SETA) registers such skills program in South Africa. Each SETA is seated under its own dedicated industry. For the mining and minerals sector, this SETA is referred to as the Mining Qualification Authority (MQA). As explained, particular skills provided under the MQA to mine employees by an accredited provider can constitute credits towards NQF registered qualifications and can be designed to eventually even achieve post-qualification specialisation, obtain employable skills, or address the identified skills that are needed in the mining and minerals sector.

### 3.2.2 Action Plan for Registering under a Sectoral Educational Training Authority

Under the MQA, skills development facilitators will be appointed by the mine to accelerate and facilitate the provision of skills development. The head offices for the MQA are located in the specific Province, and ABET training is provided under the ambit of the Department of Labour (DoL).

SHIP will register with MQA during the first year of operation, as illustrated by the action table below:

**Table 4: Registration process with MQA**

Actions	Deadlines
Identifying the MQA provincial regional manager	To be completed within 6 months of mining initiation
Registering under this MQA and submitting proof of registration to the DMR	To be completed within 6 months of mining initiation
Inquire about the skills training offered	To be completed within 6 months of mining initiation
Receive quotes and budgeting	To be completed within 6 months of mining initiation
Appointed a Skills Development Facilitator and provide name to the DMR	To be completed within 6 months of mining initiation
Identify local appropriate and nearest venues for training to be offered	To be completed within 6 months of mining initiation
Draft a Work Place Skills Plan	As part of first annual Social and Labour Plan Progress Report
Submit Work Place Skills Plan (Form Q) to the DMR	As part of first annual Social and Labour Plan Progress Report

### 3.2.3 Employee Skills Level Assumptions

At the mine's steady production state, as indicated in Table above, around 140 Unskilled and Semi-Skilled employees will be employed, requiring of them to perform routine operative tasks. A General Educational Training (GET) is required (at least a Grade 9/ABET 4).

This is followed by 31 skilled and professionally qualified workers, requiring them to be skilled and academically qualified. Therefore, these workers will need Higher Educational Training (HET) (at least a first degree/diploma). Lastly, 7 employees will be senior managers, requiring at least an honours and/or higher diploma.

### 3.2.4 Employee Literacy Levels

The table (Form Q) below will represent the labour force at the mine's steady production state. It will be populated to adhere to the Mining Charter (2018), as well as to reflect the demographic make-up of the NKLM. It should be noted that the table cannot be populated at this stage, as the mine is not yet in its operational or construction phases. Accurate figures will be provided to the DMR six months after the mine commenced with production.

## 3.3 Adult Basic Educational Training

### Overview and Assumptions

SHIP is committed to ensure that the mining operation provides sufficient opportunities to its employees to obtain relevant workplace skills.

An ABET course is estimated at around ZAR7,000 per learner during the first year and with annual inflation (8%), this should be around ZAR9,523 in year 5. An ABET course will only be provided to part-time learners. Should learners enroll in ABET full-time, a course can be completed within three months. However, undertaking this part-time could take around six months for completion and issuing of a certificate.

### Targets

The target has been set based on the assumption that around 10% of the mine's unskilled and semi-skilled labour may require GET. Therefore 7 workers will require Illiteracy Level and ABET needs will however be determined and the table below must be completed within 6 months of staff appointment and updated on an annual basis. As per the budget, the table below provides the mine's projected targets in terms of ABET training.

**Table 5: ABET Training Targets and Budget \***

ABET Level	Targets and timelines.					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
ABET 1	0	14	0	0	0	14
ABET 2	0	0	14	0	0	14
ABET 3	0	0	0	14	0	14
ABET 4	0	0	0	0	14	14
<b>Total Number</b>	<b>0</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>56</b>
<b>ABET: Cost/course</b>	<b>R7 000</b>	<b>R7 560</b>	<b>R8 165</b>	<b>R8 818</b>	<b>R9 523</b>	
<b>Budget</b>	<b>R0</b>	<b>R105 840</b>	<b>R114 307</b>	<b>R123 452</b>	<b>R133 328</b>	<b>R476 927</b>

*\*Also refer to Section 8 for the Social and Labour Plan financial breakdown*

### Action Plan

The principle behind ABET training is that every single staff member will be provided the opportunity to complete ABET training to level ABET 4. ABET will be offered to staff and staff will be assessed by Praktika Training Consultants.

Even if no interest is shown on behalf of the employees to undergo ABET the opportunity for ABET training must always be available to staff members who qualify. The table below provides the ABET action plan that must always be in place.

## **3.4 Core Business Training**

### Overview and Assumptions

Core Business Training is a high priority for SHIP, as this training will enable the Company to obtain and retain the prerequisite skills to enable successful operations. The Mining Charter further places a great emphasis on the sustainable development and growth of the mining industry, most noticeably in the fields of environmental management and health and safety. The table below subdivides the core areas of expertise needed for each of the components of the mine.



**Table 6: Core Business Sub-Divisions**

<b>Mining Division</b>	<b>Mining Sub-Division</b>	<b>Post</b>	<b>Grade</b>
Centralised Mining Technical Administration	Mining	Mine Manager	D4
		Production Manager	D4
		Section Engineering	D4
		Ventilation Officer	C4
	Exploration	MRM Manager	D4
		Geologist	D2
		Surveyor	C3
		Sampler	C3
		Sampler Assistant	B4
		Survey Assistant	B1
	HR	Human Resources Manager	D4
		Training Manager	C4
		HR Superintendent	C3
		Training Officer	C3
	Finance	CFO	D4
		Management accountant	D2
		Cost Accountant	C5
		IS & Payroll Senior clerk	B4
		Stores Clerk	B4
		Stores assistants	B1
	SHEQ	Chief Safety Officer	D2
		Safety Officer	C4
		Environmental Officer	C4
		Security Supervisors	C2
		Safety Assistant	B4
	Admin	Administration Personnel	B1

Mining Division	Mining Sub-Division	Post	Grade
Mining	Development	Shift Supervisor	C5
		Construction Foreman	C5
		Engineer Foreman	C5
		Miner	C3
		Boilermaker	C3
		Electrician	C3
		Diesel Mechanic	C3
		Boilermaker Assistant	B6
		Electrician Assistant	B6
		Diesel Mechanic Assistant	B6
		Haul Truck Driver	B5
		Miner Assistant	B4
		Drill Rig Operator	B4
		Drill Rig Assistant	B4
		UV Operator	B4
		Construction Operators	B4
		Construction Assistants	B4
		Lamproom Operator	B4
		Crusher Operator	B4
		Teleporter for vent charging and scaling	B4
		Grader Operator	B4
		FEL Operator	B4
		Roofbolt Operator	B4
		Changehouse Crew	B4
		LHD Operator	B1
		Crusher Operator Assistant	B1
		Roofbolt Operator Assistant	B1
		Pump Attendants	B1
Labourers	B1		
Processing Plant	Laboratory	Plant metallurgist	D1
		Laboratory supervisor	B4
		Laboratory operators	B4
	Plant	Plant foreman	C5
		Shift boss	C3
		Crusher operator	B4
		Mill operator	B4
		Control room operator	B4
		Flotation operators	B4
		Filter/ thickener operator	B4
		Reagent operator	B4
		Fork lift driver	B4
		FEL driver tailings pad	B4
		Tailings dam supervisor	B4
		Maintenance assistant	B4
		Tailings dam labourers	B1
		Labourers	B1

## Targets

The table below provides the targets for Core Business Training. A projected 8% annual escalation has been factored into the budget. Quotes from an accredited service provider will still be obtained:

**Table 7: Core Business Training Targets and Budget\***

Training Content	Number of Courses Attendees					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total for 5 years
Advanced operator skills wheeled loaders, dump trucks, excavators	0	5	5	5	5	20
Basic Introduction to computers: Microsoft Windows	0	2	2	2	2	8
Environmental awareness and implementation of EMPr	0	150	20	20	20	210
Basic Safety Induction training (is required as part of HHSAct in any event but just confirmed here)	All staff members in terms of MHS Act					0
Advanced Safety Training (to build on compulsory basic training)	0	20	20	20	20	80
Diversity in Workplace Meaning of ethics Meaning of diversity and application of diversity Responsibility towards diversity	0	20	20	20	20	80
HIV/TB/Alcohol and Drug Abuse Awareness: Defining HIV/AIDS Treatment Educating others Prevention HIV/AIDS Causes and spread of TB Treatment / Prevention of TB	0	20	20	20	20	80
Handling of Discipline in the Workplace: Rights of Employer Rights of Workers Procedural fairness and Substantive fairness	0	20	20	20	20	80
How to spend money wisely	0	20	20	20	20	80
Inter-Racial relations	0	20	20	20	20	80
<b>Total</b>	0	277	147	147	147	
Budget per course	R1 000.00	R1 080.00	R1 166.40	R1 259.71	R1 360.49	
<b>Total Budget</b>	<b>R0.00</b>	<b>R299 160.00</b>	<b>R171 460.80</b>	<b>R185 177.66</b>	<b>R199 991.88</b>	<b>R855 790.34</b>

\*Also refer to Section 8 for the Social and Labour Plan financial breakdown

## Action Plan

In terms of business core skills, it is incumbent on SHIP to implement core business training programs to enhance the capacity of the employees. SHIP will enlist the assistance of accredited training provider (Praktika and others) to assist in this regard. SHIP will also enlist the services of an accredited service provider or in-house instructor for their operator training.

### **3.5 Learnerships**

#### Overview and Assumptions

A shortage in skilled and experienced artisans has been identified by South Africa's Joint Initiative on Priority Skills (JIPSA) as one of the most critical constraints to the country's economy (JIPSA, 2008). Under the MQA, accredited skills trainers provide a range of learnership programs which are primarily workplace-related programs which result in qualifications in critical cross fields (i.e., in a range of fields, not necessarily related to the mining project itself). It encompasses a range of interventions that are aimed at allowing employees to obtain access to education. One objective of such training is also to allow employees to achieve adequate competencies to form the basis for further training, but also to address the South African Government's transformation agenda in terms of Broad-Based Black Economic Empowerment (B-BBEE).

Learnerships are provided by the MQA under the Department of Labour (DoL) in a structured on- the-job learning experience, whilst a large percentage of the required credits for such learnerships are achieved through successful workplace performance.

## Targets

Learnerships will be provided to the mine's permanent labour force. The table below provides the targets for learnerships. Quotes from an accredited service provider will still be obtained. The targets assume two-year learner programs.

**Table 8: Learnership Targets and Budget\***

Field /Area of training	Learner ships	Year 1		Year 2		Year 3		Year 4		Year 5		Total
		New Intake	Cont	New Intake	Cont	New Intake	Cont	New Intake	Cont	New Intake	Cont	
Mechanical or suitable learnership	Internal	0	0	1	0	0	1	0	0	0	0	1
	External	0	0	1	0	0	1	0	0	0	0	1
Other suitable mining related course	Internal	0	0	1	0	0	1	1	0	0	1	2
	External	0	0	0	0	0	0	2	0	0	2	2
<b>Total Number</b>		0	0	3	0	0	3	3	0	0	3	6
Budget/person/year		R40 000		R43 200		R46 656		R50 388		R54 420		
<b>Budget</b>		<b>R0</b>		<b>R129 600</b>		<b>R139 968</b>		<b>R151 165</b>		<b>R163 259</b>		<b>R583 992</b>

\*Also refer to Section 8 for the Social and Labour Plan financial breakdown

## Action Plan

A selection process will be followed by SHIP, through the DoE, in order to ensure that a bureaucratic system is followed to allow an equal chance to all dedicated and high-achievers in the Company as well as externally to register for learnerships. The provision of learnerships will be in line with the population demographics of the local area, ensuring that the majority of such learnerships are provided to HDSAs.

SHIP to approach high schools in Springbok with a view to identifying at least 1 candidate who will receive learnership training after school. The candidate will also receive internship positions at the mine during their studies. In order for learners to enter into learnerships, they will need to sign an agreement with SHIP and an accredited service provider for after their learnership has been completed.

At least 2 internal learnership per annum (i.e., not new every year but at least 1 person undergoing some stage of a learnership at all times). The table below provides an action plan and deadlines pertaining to the provision of learnerships.

The learnership training represents the artisan training. However, in addition to that, SHIP will assist any potential candidate who meets the criteria for artisan accreditation to be certified as an Artisan. This will include payment for materials, application fees applicable, documentation, transport to Trade test, etc. Staff will be notified from time to time of the criteria for trade tests and the availability of trade tests and the extent of company assistance. This will also be announced at the future forum meetings which are required in terms of the SLP.

### **3.6 Portable Skills Training**

#### Overview and Assumptions

The purpose of portable skills training program is to enable the mine's workforce to find alternative employment once the mine has closed. This is an essential part of the SLP, as it is the government's intention for mines to assist with developing communities to become sustainable post-mining operations. In addition, portable skills training will be aligned with the proposed LED program to ensure that these projects will become sustainable in the future. Therefore, some portable skills training will focus on training in basic electrical and mechanical skills.

### Targets

The table below provides the targets for portable skills training. Quotes from an accredited service provider will still be obtained.

**Table 9: Portable Skills Training Targets and Budget\***

Field /Area of training	Learners	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Mechanical course	Internal	0	5	5	5	5	20
	External	0	5	5	5	5	20
Other suitable mining related course	Internal	0	5	5	5	5	20
	External	0	5	5	5	5	20
<b>Total Number</b>		0	20	20	20	20	80
Budget/person/year		R2 500	R2 700	R2 916	R3 149	R3 401	
<b>Budget</b>		<b>R0</b>	<b>R54 000</b>	<b>R58 320</b>	<b>R62 986</b>	<b>R68 024</b>	<b>R243 330</b>

*\*Also refer to Section 8 for the Social and Labour Plan financial breakdown*

### Action Plan

The following plan will be put in place to ensure maximum marketability of the employees should / when mining ceases. Portable skills training programs are part time / night courses for a period of 1 year or less. Some of these skills can be provided in house but for certification, the staff member will have to attend courses at the FET college. Portable skills training comprises an occupationally directed program that can constitute credits towards NQF registered qualifications. It could be considered as a mini-qualification in its own which labourers can use either to further their career within the mine, or to be absorbed within the broader labour market. Several programs will be considered as per the needs of the labour and skill shortages in the NKLM. For example, programs could be considered in the following fields (as an example):

- Carpentry;
- Computer skills;
- Electrical appliances
- Engineering skills;
- Landscaping;
- Motor mechanics; and
- Plumbing.

The proposal is that staff members will be offered the choice to attend any one of the abovementioned portable skills programs in each 5-year implementation period. The candidate can attend at any time within the 5-year period (to be planned by the HR / mine manager). The only proviso is that the staff member will have to meet the basic educational requirements for any of the courses at FET college.

For employees or community members to partake in a portable skills training program, such learners will need to sign an agreement with SHIP and an accredited service provider or practitioner. A selection process will be followed by SHIP (through the DoL) to ensure that an equal opportunity is provided to dedicated and high-achievers in the community and Company. The provision of portable skills training program will be in line with the population demographics of the local area, ensuring that the majority of such program are provided to HDSAs. The table below provides an action plan and deadlines pertaining to the provision of portable skills training program:

**Table 10: Form Q Skills development plan**

To be completed within 6 months of the commencement of the production phase

Band	NQF Level	Planned as per envisaged organogram	Male				Female				Total	
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female
General Education and Training (GET)		No Schooling									0	0
		Grade 0 / Pre									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									0	0
		Grade 7 /Std 5/ABET 3									0	0
		Grade 8 / Std 6									0	0
	1	Grade9/Std 7/ABET 4								0	0	
Further Education and Training (FET)	2	Grade 10/Std 8/N1									0	0
	3	Grade 11/Std 9/N2									0	0
	4	Grade 12/Std 10 / N3									0	0
Higher Education and Training	5	Certificates									0	0
	6	1st Degree/Diploma									0	0
	7	Honours/Higher diplomas									0	0
	8	Masters/Doctorates									0	0
<b>TOTAL</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.7 Hard-to-Fill Vacancies

#### Overview and Assumptions

As the mine is still not in production, this section is not applicable. Relevant Hard-to-Fill Vacancies will be advertised through the NKLM and will be updated in this SLP. Relevant feedback according to the table below will be provided to the DMR six months after the mine operation commenced.

**Table 11: Hard-to-Fill Vacancies Targets (Form R)**

To be completed within 6 months of the commencement of the production phase

Occupational Level	Job Title of Vacancy	Main reason for being unable to fill the vacancy
Top management	Not applicable	Not Applicable inhouse personell available
Senior management	Not applicable	Not Applicable inhouse personell available
Professionally qualified and experienced specialist and mid management	Environmental Officer Training Officer	No professionally qualified and experienced specialist available locally
Skilled technically and academically qualified workers, junior management, supervisors, foremen and superintendents		To be determined
Semi-skilled and discretionary decision making		To be determined
Unskilled and defined decision making		To be determined

### 3.8 Career Progression Plan

#### 3.8.1 Overview and Assumptions

Since the mine is not yet operational, a Career Progression Plan has not been drafted. However, this plan will be aligned with the overall SDP, a first draft which will be submitted to the DMR six months after the commencement of the production phase.

The Career Progression Plan will largely focus on how the mining production operation will progress employees through the employment levels of the Company, taking into account the first skills audit which will be conducted of the permanent employees in year 1 with the assistance of the Mining Qualifications Authority (MQA).

#### 3.8.2 Targets

As the mine is still not in its construction phase, this section is not applicable. The table below is an example of a "Career development matrices" that must be completed for each discipline (inclusive of minimum entry requirements and timeframes). This information will be completed and submitted to the DMR six months after the commencement of the production phase.

### 3.8.3 Action Plan

The table below provides an action plan for a Career Progression Plan

**Table 12: Career Progression Plan Action Plan**

Activity	Deadline's
Outline role descriptions, showing the minimum job-entry requirements, desirable qualifications, relevant courses and recommended career path for each position	Year 1
Inform employees about the development of a Career Progression Plan	3 months after permanent appointment
Schedule individual appointments with each employee to discuss his/her career at the mine and their development goals	3 months after permanent appointment
Formulate goals and objectives for each employee	3 months after permanent appointment
Assess employees' current career and progression within the Company	After 1 year in current post
Formulate options for each employee to progress in the Company	After 1 year in current post
Career Progression Plan drafting and disclosure with each employee	After 1 year in current post
Develop fast-tracking plans for those HDSA employees identified as having significant potential to progress to managerial roles	24 months after permanent appointment



**Table 13: Career Progression Plan Targets**

Career development matrices of each discipline to be completed within 6 months of the commencement of the production

<b>Disipline</b>	<b>Administrative Staff</b>	<b>Mobile Equipment Operator</b>	<b>Mechanical / Electrical Artisan personnel</b>
Master	Chief Financial Officer	Training officer	Mechanical engineer or similar. Group/company head of department
Expert	Advanced studies and several years' experience: Accountant	Advanced operator courses. Ability to mentor others. Qualified with much experience	Qualified Artisan: Completed courses and vast experience
Proficient	More advanced courses and experience: Basic admin /financial recording	Undergone operators course: Able to operate alone	Qualified artisan: Greenhorn -Completed required courses and can work without supervision but requires experience
Competent	Trainee with some basic courses	Sufficient experience to conduct task but still under supervision: No formal qualification	Sufficient experience to conduct task but still under supervision: No formal qualification
Emerging	Trainee undergoing mentorship	Trainee undergoing mentorship: Assistant and job shadowing	Trainee undergoing mentorship: Assistant and job shadowing

### 3.9 Mentorship Plan

#### 3.9.1 Overview and Assumptions

SHIP realises that mentoring is essential and fundamental to support the development of high-potential employees in line with their career progression plans. Mentorship is a process of skills transfer & learning through existing employees and management (as mentors) to subordinate and peer level personnel (as mentees). It is a deliberate initiative for employees to interact with subordinates in such a way as to transfer functional skills and knowledge and work ethic.

The design of the mentorship initiative is to contribute towards skills development in an informal and relatively unstructured way compared to formal training. Mentorship does not result in any formal qualification but does expose the mentee to new experiences within the company.

The mine is not yet operational, which means that a mentorship plan has not been formulated. However, this plan will be aligned with the overall SDP, and a first draft will be submitted to the DMR six months after the commencement of the production phase. Mentorship plans will be in line with the Scorecard of the Mining Charter and employment equity targets. Each mentorship plan shall be linked with career progression targets, bursary and learnership plans.

#### 3.9.2 Targets

The table below will be completed and submitted to the DMR six months after the commencement of the production phase.

No funds need to be put aside for this facet of learning. However, commitment by senior management needs to be made to allow time for such mentorship amongst all level of employees.

#### 3.9.3 Action Plan

The goal is to introduce an environment where mentorship is encouraged. In the longer term, the goal expands to maintaining the mentorship culture of the company.

The following actions must continue to be put into place to foster this culture of mentorship:

- A sensitisation process takes place with employees to outline the mentorship initiative and deal with expectations.
- A mentor selection process takes place.
- Mentors and mentees contract to the process and activities are recorded.
- The guidelines for mentoring activities are as follows, but not limited to:
  - ✓ All employees must spend at least 1 hour per month on the job with:
  - ✓ Employees doing different jobs (e.g., equipment operator to spend time with Shift Supervisor, etc) to allow exposure to the different facets within one operation
  - ✓ Higher levels of management (e.g., Admin clerk assisting more senior management in purchasing or involving staff in the scheduling of activities). Middle management and artisans involved in assisting general labour in more challenging tasks.
- Mentors have feedback sessions with mentees to support learning and identify challenges, barriers and other opportunities.
- It is also imperative that management record all mentorship.

### 3.10 Bursaries and Internships

#### 3.10.1 Overview and Assumptions

SHIP is committed to provide an opportunity for people in the labour-sending areas to obtain the necessary post-graduate qualifications necessary either to be absorbed within the mining industry in general, or to pursue their fields of interests. According to the MQA, there is a shortage of engineering skills in the South African labour market, which means that SHIP could play a key role in the NKLM in terms of providing a means for prospective students to enter this field. Fields of study currently considered by SHIP include mining engineering, electrical engineering and mechanical engineering. Additional fields of study to be considered by SHIP might include bursaries in geology, metallurgy, chemical engineering and environmental management. Note that the Company will develop an internal study assistance program once the mine become operational.

SHIP will also provide Internships opportunity to expose people to the mining industry and to expose women in particular to the industry.

There are 2 potential internship paths to be followed at this mine:

- 1) Opportunity to expose one candidate from school or from TVET college undergoing mining related course (during holidays or end of year break) to spend about a month on site under the wings of senior mine management.
- 2) Opportunity for short term internship, offered solely to HDSA women, to be interns as operators.

The intern will be employed on a short-term contract period and will be paid a nominal salary. Women interns from the labour sending area can be "employed" specifically as operators in this instance. SHIP will be able to build up a database of women who will be suitable for employment as staff turnover at this site. The intern's details must be kept on database and the holder can call upon such database should such intern be required on a more permanent basis.

#### 3.10.2 Targets

Table 14 below provides the targets for internships. Note that the budget for this item is in fact to the wages account and should not really be reflected here, but it has been done so that the company can ascertain the true cost of implementation of the Social and Labour Plan prescriptions.

**Table 14: Internship Targets and Budget\***

Internship Field	Targets and timelines.											
	Year 1		Year 2		Year 3		Year 4		Year 5		Total Budget	
	Interns	Budget	Interns	Budget	Interns	Budget	Interns	Budget	Interns	Budget	Interns	Budget
Women operators	0	R0	0	R0	1	R40 000	0	R0	0	R0	1	R40 000
<b>Total</b>	<b>0</b>	<b>R0</b>	<b>0</b>	<b>R0</b>	<b>1</b>	<b>R40 000</b>	<b>0</b>	<b>R0</b>	<b>0</b>	<b>R0</b>	<b>1</b>	<b>R40 000</b>

*\*Also refer to Section 8 for the Social and Labour Plan financial breakdown*

Table 15 below provides the targets for bursaries. The provision of bursaries in a related field will be informed by the hard-to-fill vacancies (Form R). The Company will support one bursary over the five-year SLP period, with a preference for local candidates. Quotes from an accredited service provider will still be obtained.

**Table 15: Bursary Targets and Budget\***

Bursary Field	Targets and timelines.									
	Year 1	Year 2		Year 3		Year 4		Year 5		Total Budget
	New Intake	New Intake	Cont	New Intake	Cont	New Intake	Cont	New Intake	Cont	
Mining-, electrical-, or mechanical engineering	0	0	0	0	0	0	0	0	0	0
Geology, metallurgy and chemical engineering	0	0	0	0	0	0	0	0	0	0
Environmental Managemet	0	1	0	0	1	0	1	0	1	1
Total per year	0	1		1		1		1		1
Average course cost	R50 000	R50 000		R50 000		R50 000		R50 000		
<b>Budget</b>	<b>R0</b>	<b>R50 000</b>		<b>R50 000</b>		<b>R50 000</b>		<b>R50 000</b>		<b>R200 000</b>

*\*Also refer to Section 8 for the Social and Labour Plan financial breakdown*

### 3.10.3 Bursary Action Plan

#### Intention

The intention is to give financial assistance on an on-going basis to a HDSA student to be selected from the local HDSA community to complete mining related courses (engineering or environmental) at a local TVET College for every 5-year SLP planning cycle, restricted to a contribution of R50 000 per annum or R200 000 over the 5-year SLP planning period.

#### Eligibility

In order to be considered eligible for this bursary, the candidate must fulfill the criteria below and must be a citizen of South Africa and must register for a full-time course.

#### Criteria

Any courses available at TVET College which are considered potentially useful in the mining industry are suitable. At present these offer N2-N6 courses in most Engineering study directions.

The candidate must preferably come from any low-income area within O'okiep/Springbok area.

The external candidate must be from a low-income background and must pass the means test of Dept of Higher Education and Training to be considered (i.e., household income must be less than R150 000 per annum).

Only HDSA candidates should be considered.

#### Costs Covered

Given that the candidate will be sourced from the local area the costs covered will be limited to registration, tuition and books.

#### Administration

Candidates will apply directly to the TVET College.

The College's Bursary Committee will develop a shortlist of potential candidates based on the criteria listed above from the following sources:

- Notice Board
- Requests and notification at Registration time.

The bursary provider reserves the right to make the final decision on the candidate.

Tertiary Institution must undertake to complete the following

- Provide progress reports
- Provide necessary invoices
- Tax certificates
- Handle admin
- Recommend renewal of grant in subsequent years

### Payment of Bursary

SHIP undertakes to pay for annual bursaries to the College to the value of R50 000 per annum over a 5-year period (or as extended). The value of the bursary will be increased by 10% every 5 years.

Such funds will be paid directly to the accredited institution.

## **3.11 Employment Equity Plan**

### 3.11.1 Overview and Assumptions

SHIP is committed to Employment Equity at its proposed mining operation. The mine will develop appropriate policies in order to ensure discriminatory practices do not exist, and, through affirmative action, to ensure the numbers of employees at senior levels improve over time to truly reflect the demographics of the Northern Cape population.

The Company recognises its obligations in terms of the Employment Equity Act and understands that the primary purpose of the legislation is to advance transformation through the setting of time specific targets for achieving equity in all the levels of management. The Company is committed to the creation of an enabling environment which allows individuals to achieve their full potential and thus contribute to excellent performance. Accordingly, it commits itself to the development of all employees irrespective of race, gender and disability status. However, as some groups may be at a disadvantage relative to others, special programs may be warranted in order to achieve equality of opportunity for all.

Under the Mining Charter, another rationale for Employment Equity is also to create an environment that is conducive to the promotion and encouragement of diversity within the workplace, and to increase and (most importantly in the Northern Cape), retain requisite skills. Retaining requisite skills is of the utmost importance in the NKLM area, as the municipality is experiencing out-migration (especially in the youth sector).

### 3.11.2 Targets

SHIP is highly committed to ensure that its mining operation employs not only people from the local communities, but also HDSAs in accordance with the Mining Charter's employment equity targets. The table (Form S) below provides the employment equity scenario for 2020. Note that employment numbers may change during the production phases and will be updated accordingly.

Form S is followed by Women in Mining targets as well as HDSA in Management targets in line with requirements of the Mining Charter.

**Table 16: Employment Equity Status (Form S) – Proposed scenario as in year 5**

**This table to be completed as part of first annual Social and Labour Plan annual Progress Report.**

Occupational Levels	Male				Female				Total	Disabled	Charter 2018 Target					
	A	C	I	W	A	C	I	W			Set Target			Target Met		
											Tot HDP	Women	Disabled	Tot HDP	Women	Disabled
Top Management (Board)	0	0	0	0	0	0	0	0	0	0	50%	20%	*	0%	0%	*
Executive Management (Exco)	0	0	0	0	0	0	0	1	1	0	50%	20%	*	0%	100%	*
Professionally qualified and experienced specialists and midmanagement	0	2	0	2	0	2	0	0	6	2	60%	35%	*	67%	33%	*
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	13	0	9	0	9	0	0	31	4	70%	30%	*	71%	29%	*
Semi-skilled and discretionary decisionmaking	0	30	0	20	0	10	0	0	60	4	60%	*	*	67%	17%	*
Unskilled and defined decision-making	0	50	0	20	0	10	0	0	80	4	*	*	*	75%	13%	*
<b>Total Permanent</b>	<b>0</b>	<b>95</b>	<b>0</b>	<b>51</b>	<b>0</b>	<b>31</b>	<b>0</b>	<b>1</b>	<b>178</b>	<b>14</b>	<b>*</b>	<b>*</b>	<b>1.50%</b>	<b>*</b>	<b>*</b>	<b>7.87%</b>

## **4. Local Economic Development Program**

### **4.1 Legislative Requirements**

Under section 46(c) of the MPRDA (2004) as amended, the Local Economic Development (LED) Program includes the following (but not limited to):

- The socio-economic background of the mining area;
- The area's key socio-economic activities;
- The impact of the mine on the area's labour-sending communities;
- The LED programs which the mine intends to support in line with the Integrated Development Plan (IDP) of the local municipality;
- Measures to address housing and living conditions of the mine's employees;
- Measures to address the mine employees' nutrition; and
- A Procurement Progress Plan.

In keeping with the spirit of this regulation, the following chapter commences with an overview of the NKLM and the key economic sectors of the area, followed by a background section on the area's socio-economic trends. For the most part, four literature sources have been used in the latter section. These are as follows:

- StatsSA Community Survey in Brief (2016);
- StatsSA Statistical Release (2016);
- The Namakwa District Municipality IDP (NDM, 2017-2022); and
- The Nama Khoi Local Municipality IDP (KLM, 2020-2021).

This section is followed by a description of the possible impacts of the proposed mine on the labour-sending communities and wider area, as well as an infrastructure project to promote small business development, which the client has identified as possible LED project where the mine could offer much-needed financial support. Lastly, measures to address labour housing and living, nutrition and a procurement progression plan are addressed.

### **4.2 The District and Local Municipality**

#### **4.2.1 Overview**

As explained, the SHIP Concordia Mining Project is situated in Ward 1 and 6 of NKLM, which falls under the larger jurisdiction of the NDM. This is indicated in the figure below.

On a geographical scale the NDM is the largest municipality in South Africa, as well as the most sparsely populated (NDM, 2017-2022).

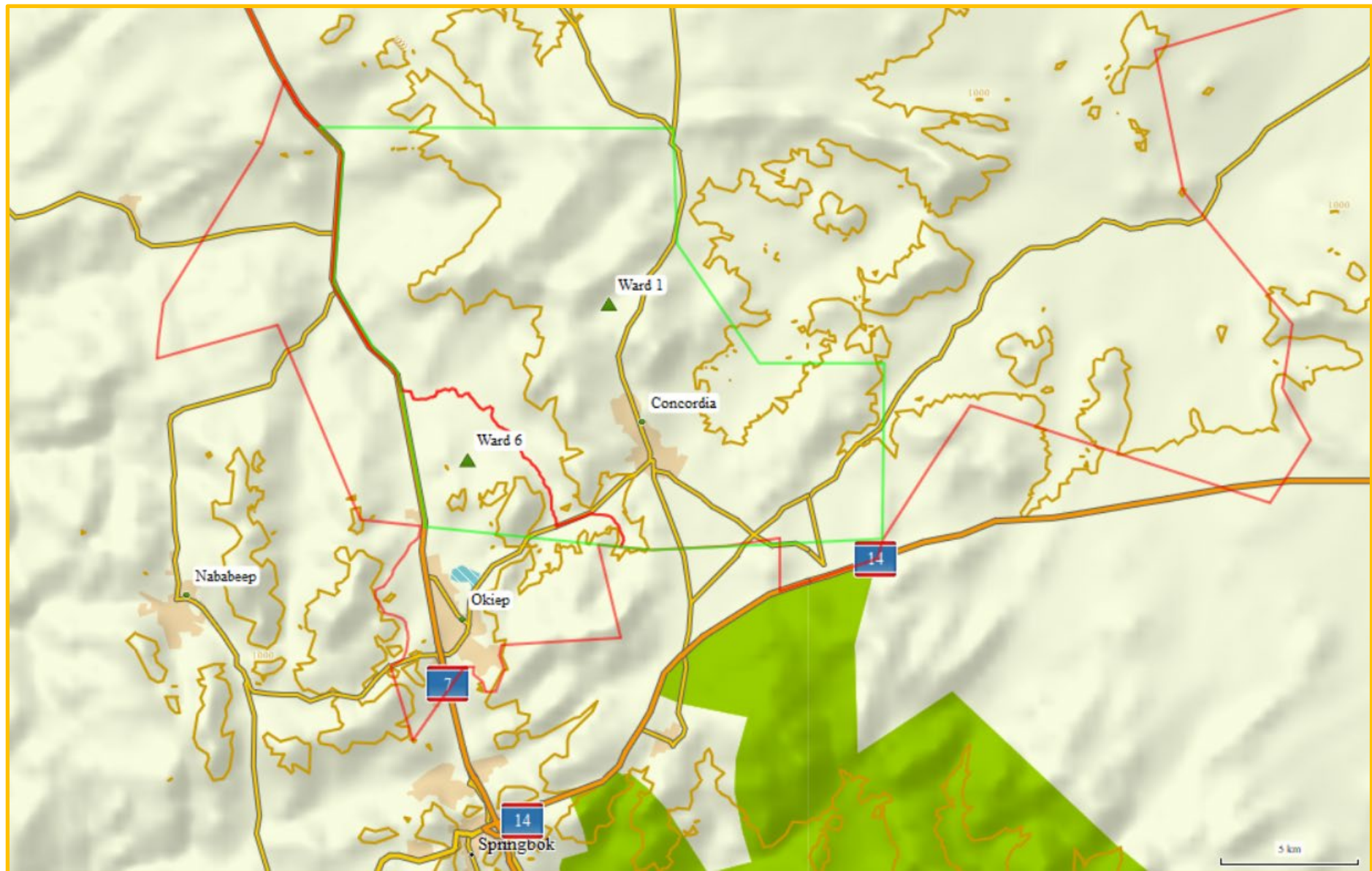
With an area of 126,747.43km<sup>2</sup>, the NDM embodies six local municipalities. These are as follows:

- Richtersveld Municipality (NC061) Port Nolloth
- Nama Khoi Municipality (NC062) Springbok
- Khai Ma Municipality (NC067) Pofadder
- Kamiesberg Municipality (NC064) Garies
- Hantam Municipality (NC065) Calvinia
- Karoo Hoogland Municipality (NC066) Williston.

As the project is situated under the Nama Khoi Municipal area (NKLM) as the major labour sending area, this chapter will focus on this municipal area specifically.

The Nama Khoi Municipal area is situated in the north-western part of the Northern Cape Province. It forms part of the Namakwa District Municipality with the town of Springbok as the administrative center.

**Figure 4: Mine locality in relation to Ward 1 AND 6 Nama Khoi Local Municipality**



With a size of 17,989 km<sup>2</sup>, the municipality consists of nine wards (the possible labour-sending areas are highlighted in the list below and shown in the figure above) (NKLM, 2020-2021). As detailed in the list below the possible labour-sending communities are all situated in wards 1, 4, 5, 6, 7 and 9.

Ward 1: **Concordia**; Gamoep (2 farms)

Ward 2: Steinkopf; Rooiwal; Goodhouse; Vioolsdrift; Henkries.

Ward 3: Steinkopf; Bulletrap

Ward 4: **Harmony Estate; Carolusberg; Fonteintjie; Springbok**

Ward 5: **Bergsig**

Ward 6: **Okiep; Zhouroep; Rooiwinkel**

Ward 7: **Vaalwater; Matjieskloof**

Ward 8: Buffelsrivier; Kommaggas; Kleinzee

Ward 9: **Nababeep**

### 4.3 Socio-Economic Background

#### 4.3.1 Demographics

The NKLM has a population density of 3.9 people per km<sup>2</sup> and a household density of 1.1 households per km<sup>2</sup>. The most significant portion of NDM's population (40%) resides in this Municipality

The table below provides the population breakdown for the NDM, as well as the NKLM.

	Nama Khoi Mun		Namakwa Mun		Northern Cape	
Black African	1959	4.16%	7908	6.83%	574246	48.10%
Coloured	41425	88.06%	96371	83.19%	521261	43.67%
Indian or Asian	219	0.47%	635	0.55%	6486	0.54%
White	3084	6.56%	10145	8.76%	91787	7.69%
Other	353	0.75%	782	0.67%	0	0.00%
<b>Total</b>	<b>47040</b>	<b>100%</b>	<b>115841</b>	<b>100%</b>	<b>1193780</b>	<b>100%</b>

The population of the Northern Cape is estimated at 1,193,780 (StatsSA, 2016). Therefore, with a population of 115,841, the NDM's population represents only 9.7% of the province. With the NKLM's population estimated at 47,040, on the other hand, this local municipality represents an even smaller segment of the province at 3.94% of its entire population. As illustrated by the table above, the largest section of both the NDM and KLM's population is coloured (83.19% and 88.06% respectively). Also noted is the difference between Black Africans for the Province and for the NKLM.

Population Group	Black African	Coloured	Indian or Asian	White	Other	Total
<b>Nama Khoi</b>	1 959	41 425	219	3 084	353	47 041
<b>Ward 1</b>	61	5 130	29	238	31	5 489
<b>Ward 2</b>	344	4 910	14	142	67	5 477
<b>Ward 3</b>	85	4 531	9	22	36	4 684
<b>Ward 4</b>	354	1 333	32	2 033	63	3 815
<b>Ward 5</b>	250	4 935	28	22	32	5 267
<b>Ward 6</b>	229	5 735	17	67	63	6 111
<b>Ward 7</b>	169	4 915	18	129	14	5 246
<b>Ward 8</b>	244	4 860	46	200	35	5 386
<b>Ward 9</b>	223	5 077	25	230	10	5 566
<b>Total</b>	1 959	41 425	219	3084	353	47 041

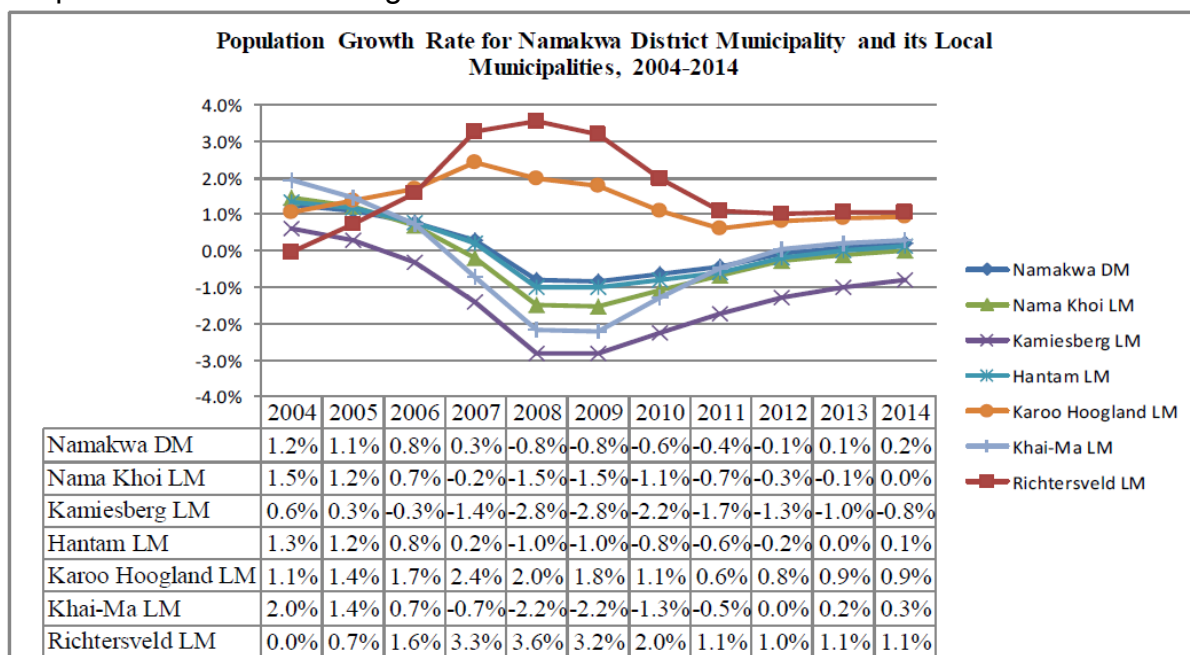


In terms of gender, the Nama Khoi gender distribution is 48.8% males and 51.2% females. The gender ration can consequently be expressed as 95.1 males per 100 females.

Population Group	Male	Female	Total
<b>Nama Khoi</b>			
Ward 1	2658	2831	5489
Ward 2	2703	2773	5476
Ward 3	2245	2439	4684
Ward 4	1862	1953	3815
Ward 5	2594	2674	5268
Ward 6	3007	3104	6111
Ward 7	2629	2617	5246
Ward 8	2780	2606	5386
Ward 9	2738	2829	5567
<b>Total</b>	<b>23 215</b>	<b>23 826</b>	<b>47 042</b>

With regard to population growth rate Namakwa DM grew at a diminishing rate; with the population growing at 1.2 per cent in 2004 and 0.2 per cent in 2014.

The decrease in population growth can result from a number of factors which can include an increase in the death rate, a decrease in child birth or the migration of people out of the district. Richtersveld and Karoo Hoogland were the only two municipalities that experienced consistent positive growth for each year. The remaining five local municipalities have experienced fluctuating growth, with the worst affected municipality being Kamiesberg as it decreased from 0.6 per cent in 2004 to -0.8 per cent in 2014 refer figure below.



As illustrated in the table below, the working-age population (within the age brackets of 15 and 64 years) is the largest for the entire area. For example, 66.1% of the entire NDM's population are within this age bracket, followed by very similar percentages for NKLM 66.9%.

A sizeable section of the population can also be considered as youthful members (as defined by the National Youth Policy of South Africa) between the ages of 15 and 29. In terms of this age category, approximately 24.1% of the entire district's population can be considered youthful, whereas this percentage remains similarly for NKLM. The

high proportion of potentially economically active persons implies that there is a larger human resource base for development projects to involve the local population and potentially a lower dependency rate due to the lower numbers of youth and old aged persons. However, the youth still represent a large proportion of the population, which means that even though the percentage of youth is less than that of the District, focus still needs to be placed on youth development.

The NDM's IDP (2012-2016) also points out that a quarter of the area's population are under the age of 15 years, whilst the economically active population account for just more than two thirds of the total population of the area.

Lastly, there also seems to be an outmigration of economically active women in the age groups of 20-34. This highlights the need to retain an active workforce in the area. Apart from this specific group, many young people in the province also tend to migrate to the Western Cape and Gauteng in search of employment opportunities. The reasons for such migration are summarised by the NDM's IDP as follows:

- The absence of tertiary educational institutions;
- Promises of better living and working conditions;
- Poorly developed rural areas; and
- The poverty context and high unemployment levels.

Categories	NDM		NKLM					
	N	%	Male		Female		Total	
			N	%	N	%	N	%
0-4	9746	8.4%	1968	8.5%	1789	7.5%	3757	8.0%
5-14	20135	17.4%	4103	17.7%	3839	16.1%	7942	16.9%
15-29	27916	24.1%	5870	25.3%	5636	23.7%	11506	24.5%
30-64	48682	42.0%	9596	41.3%	10372	43.5%	19968	42.4%
65-79	7590	6.6%	1428	6.2%	1768	7.4%	3196	6.8%
80>	1773	1.5%	247	1.1%	424	1.8%	671	1.4%
<b>TOTAL</b>	<b>115842</b>	<b>100.0%</b>	<b>23212</b>	<b>100.0%</b>	<b>23828</b>	<b>100.0%</b>	<b>47040</b>	<b>100.0%</b>

#### 4.3.2 Employment and Household Income Trends

The table below depicts the unemployment status of the NDM and NKLM.

Categories	NDM		NKLM	
	N	%	N	%
Employed	33687	29.1%	12351	26.3%
Unemployed/Unemploy Rate	8475	7.3%	3665	7.8%
Discouraged workseeker	73680	63.6%	1935	4.1%
Other not economically active			13526	28.8%
Not applicable	0	0.0%	15563	33.1%
<b>TOTAL</b>	<b>115842</b>	<b>100.0%</b>	<b>47040</b>	<b>100.00%</b>

As illustrated above, the largest section of the NDM's population is not economically active (63.6%). This percentage is very similar for NKLM. The labour force (the population within the working-age group) for the NDM is only estimated at around 42,162 (or 36.4% of the population). For the NKLM, this is 16,016 people, or 34.1% of the municipality's population.

Using the table above, the formal unemployment rate (calculated as a percentage of the labour force) can be calculated. This rate is high at approximately 20.1% for the NDM, and significantly higher at 30.6% for the NKLM.

Lastly, the table below depicts the household income trends of the NKLM:

Nama Khoi Municipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Annual household income										
No income	156	198	148	97	70	197	138	170	78	1,250
R 1 - R 4800	42	63	32	7	20	33	37	76	23	332
R 4801 - R 9600	87	126	59	13	26	65	85	145	56	663
R 9601 - R 19 600	341	358	242	64	174	325	203	322	270	2,298
R 19 601 - R 38 200	371	344	273	132	231	348	305	377	357	2,738
R 38 201 - R 76 400	302	266	220	204	269	328	293	253	276	2,412
R 76 401 - R 153 800	219	178	146	262	230	182	164	169	194	1,743
R 153 801 - R 307 600	108	73	59	240	173	146	64	94	118	1,076
R 307 601 - R 614 400	50	21	31	192	88	36	15	45	32	508
R 614 001 - R 1 228 800	10	4	5	59	17	4	3	10	4	116
R 1 228 801 - R 2 457 600	2	5	1	10	1	1	2	-	-	21
R 2 457 601 or more	3	3	1	12	10	2	1	4	-	36
Unspecified	-	-	-	-	-	-	-	-	-	-
Total	1,691	1,639	1,216	1,292	1,308	1,667	1,308	1,666	1,407	13,193

As illustrated above, the bulk of the households (50.5%) receive between R4,801 - R38,200 per year. This translates to a monthly income of around R400-R3,183. Very few households receive more than R307,601 per year (or R25,633 per month) (only 5.7%).

#### 4.3.3 Economy

##### Key Economic Sectors

In terms of the sectoral contributors to the NDM's GDP, the following primary, secondary and tertiary economic sectors can be delineated (cf. NDM LES Strategy, 2009: 43):

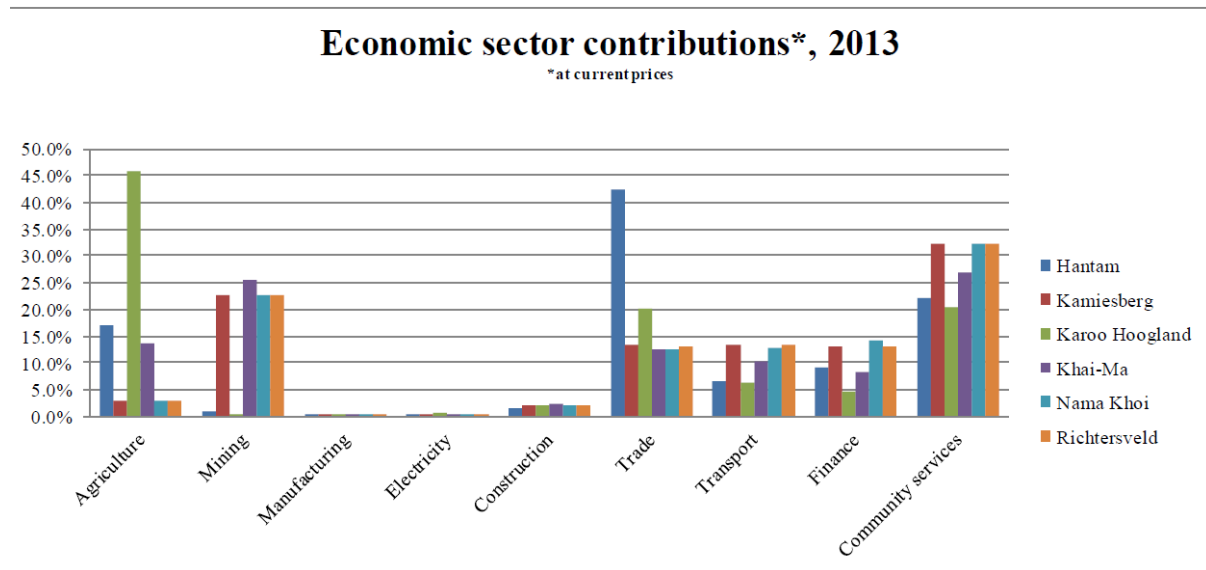
- Primary Economic Sector: Mining
- Secondary Economic Sector; Tourism, Trade, Fishing, Catering and Accommodation
- Tertiary Economic Sector: Finance and Business

The economic threshold centres in the region include the major towns of Springbok, Calvinia and Pofadder, with the traditional economic sectors being the mining, fishing and tourism industries. Some towns along the coastal region have a harbour which continues to serve the fishing industry (especially crayfish). The cold and nutrient-rich Benguela current along this stretch of coastline provides enormous potential for the fishing and mari-culture industries, or the cultivation of high-value marine species for export purposes.

Another well-known mining town is Kleinsee, where mining activities have traditionally been concentrated around alluvial diamonds. Diamond-mining is a lucrative industry in this region, with mining operations (such as the Trans Hex Group) operating in areas such as Hondeklipbaai and Port Nolloth. As for the tourist industry, the district is a popular destination for wild flower seekers and 4x4 route enthusiasts. Towns that have become well-known for their spring flower shows (especially for the Namaqualand daisies) are Garies and Kamieskroon. However, this is very seasonal, with tourism dropping off significantly outside the flowering season. Entrenching the district's reputation as a tourist hub, the 700 km<sup>2</sup> Namakwa National Park, 22 km northwest of Kamieskroon conserves the area's succulent Karoo biome.

According to the LED Strategy of the NDM (2009), the GDP growth rate in the area has been very slow over the last decade, estimated at an average of 2.03% between

2004 and 2007. The Nama-Khoi Local Municipality is the largest GDP contributor of the region, contributing a significant 41.7% of the NDM's total GDP. The table below depicts the employment sectors of the NDM (2012-2016):



As can be concluded from the table, of all the employment sectors listed, community services trade and agriculture are the largest employment sectors (68.1% combined). This is followed the mining industry (16.1%).

The agriculture industry of Namakwa was dominated by Hantam and Karoo Hoogland, with the other four local municipalities combined, contributing less than 20 per cent to the Namakwa District's agricultural output. In 2014, all of the local municipalities experienced positive growth in agricultural output. The mining industry in Namakwa was led by the Nama Khoi region, which accounted for 58.1 per cent of the industry in 2014. Richtersveld made the second largest mining contribution despite the 6.0 percentage point decline in contribution between 2004 and 2014, while Khai-Ma was the third largest contributor. The other three local municipalities contributed approximately 10 per cent of the mining industry. All of the local municipality's recorded negative growth in mining output in 2014.

Nama Khoi and Hantam were dominant in manufacturing, together accounting for more than 60 per cent of the total manufacturing output. Karoo Hoogland and Hantam were the only two local municipalities to increase their share in the industry as well as being the only two municipalities to record positive growth in this industry in 2014.

In 2014, Hantam was also the leader in the trade and community services industries, Nama Khoi led in the electricity and finance industries and Karoo Hoogland led in construction and transport. In total over all the industries Nama Khoi, Karoo Hoogland and Hantam were the biggest contributors to the economy, together accounting for 76.2 per cent of economic activity.

#### 4.4 Socio-Economic Living Conditions

##### 4.4.1 Household Dynamics and Ownership

According to StatsSA (2011), there are approximately 33,852 households in the NDM, whereas this number is significantly smaller for the NKLM (13,193). The majority of households in the Nama Khoi LM are housed in a permanent house or brick structure. This is a positive indicator in terms of the development levels and quality of life in the area. The table below depicts the NKLM's housing and types of dwellings per household.

Nama Khoi Municipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Type of dwelling										
House or brick/concrete block structure on a separate stand or yard or on a farm	1,616	1,349	1,180	1,140	1,201	1,579	1,173	1,361	1,344	11,942
Traditional dwelling/hut/structure made of traditional materials	12	62	3	8	1	29	1	11	15	141
Flat or apartment in a block of flats	25	71	4	106	38	7	1	81	6	340
Cluster house in complex	-	-	-	-	-	-	-	-	-	-
Townhouse (semi-detached house in a complex)	1	-	-	10	-	-	-	2	-	13
Semi-detached house	1	-	-	1	1	-	-	-	-	4
House/flat/room in backyard	6	9	13	14	20	22	1	9	25	119
Informal dwelling (shack; in backyard)	3	11	6	4	30	8	56	7	2	125
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	6	46	2	2	3	5	63	93	-	221
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	7	1	2	2	7	6	2	38	6	72
Caravan/tent	8	13	1	-	4	3	2	8	2	41
Other	6	76	6	5	2	8	10	58	6	177
Unspecified	-	-	-	-	-	-	-	-	-	-
Not applicable	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,691</b>	<b>1,639</b>	<b>1,216</b>	<b>1,292</b>	<b>1,308</b>	<b>1,667</b>	<b>1,308</b>	<b>1,666</b>	<b>1,407</b>	<b>13,193</b>

#### 4.4.2 Education

In terms of education, each of the possible labour-sending wards has one primary school (Gr1-7). Within the NKLM 62.6% completed Grade 9 or higher a little higher than the rate in Namakwa 60.2% and about the same as the rate in Northern Cape 62.63%. About 31.1% completed Matric or higher a little less than the rate in Namakwa 31.94% and about 90 percent of the rate in Northern Cape 34.06%.

2007	NC	NDM	NKLM
No Schooling	12.2%	5.8%	1.7%
Some Primary	20.4%	19.4%	17.4%
Complete Primary (Grade 7)	7.4%	10.1%	11.1%
Some Secondary	33.8%	41.4%	42.7%
Complete Secondary (Grade 12)	16.7%	15.3%	17.5%
Some Secondary with Certificate/Diploma	3.2%	2.1%	2.5%
Complete Secondary with Certificate/Diploma	3.6%	3.6%	4.9%
Tertiary Education	2.7%	2.4%	2.2%

#### 4.4.3 Water, Electricity and Sanitation Water

##### Water

According to StatsSA (2011), an estimated 27,024 of the 33,852 households (i.e. 79.8%) have access to piped water services. The table below depicts the number of households that have access to piped water services:

Nama Khoi Municipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Piped Water										
Piped water (tap) inside dwelling / institution	1 306	950	939	1 203	1 183	1 274	949	935	1 145	9 883
Piped water (tap) inside yard	319	511	262	60	118	353	303	604	235	2 765
Piped water (tap) on community stand: distance less than 200m from dwelling/ institution	7	49	2	15	2	9	6	13	4	107
Piped water (tap) on community stand: distance between 200m and 500m from dwelling/ institution	8	2	-	3	-	3	3	-	2	20
Piped water (tap) on community stand: distance between 500m and 1000 (1km) from dwelling/ institution	5	-	2	1	-	1	2	-	-	11
Piped water (tap) on community stand: distance greater than 1000m from dwelling / institution	2	8	2	-	-	-	1	2	2	17
No access to piped (tap) water	45	118	9	10	7	27	45	112	18	390
Unspecified	-	-	-	-	-	-	-	-	-	-
No access to piped (tap) water										
<b>Total</b>	<b>1 691</b>	<b>1 639</b>	<b>1 216</b>	<b>1 292</b>	<b>1 308</b>	<b>1 667</b>	<b>1 308</b>	<b>1 666</b>	<b>1 407</b>	<b>13 193</b>

##### Electricity

According to the LED Strategies for the NDM and NKLM approximately 91.0% of all households in the district municipality have access to electricity, the same as for NKLM.

Nama Khoi Municipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Energy or fuel for cooking										
Electricity	1 483	1 355	1 185	1 193	1 237	1 539	1 162	1 492	1 366	12 011
Gas	119	52	18	79	39	63	56	26	24	477
Paraffin	1	14	-	1	1	2	1	-	2	23
Wood	81	212	8	10	20	35	78	121	11	576
Coal	1	-	-	-	-	1	-	-	-	2
Animal dung	1	-	-	-	-	1	1	-	1	5
Solar	-	3	1	-	2	3	8	4	-	20
Other	1	1	-	7	1	-	-	-	-	11
None	3	2	3	1	9	22	3	22	3	68
Unspecified	-	-	-	-	-	-	-	-	-	-
Not applicable	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1 691</b>	<b>1 639</b>	<b>1 216</b>	<b>1 292</b>	<b>1 308</b>	<b>1 667</b>	<b>1 308</b>	<b>1 666</b>	<b>1 407</b>	<b>13 193</b>

### Sanitation

The NDM's LED Strategy reveals that 67% of households in the district have a flush toilet that is connected to a sewage system. For the NKLM, this percentage is similar at around 63.5%. The rest of the NKLM's households' have a Ventilated Improved Pit (VIP) latrine or septic tank flush toilets (10.91% and 10.0% respectively) with only 1.1% still using bucket toilets.

Nama Khoi Municipality	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Ward 9	Total
Toilet facilities										
None	42	227	10	45	27	46	92	109	29	628
Flush toilet (connected to sewerage system)	777	778	1 005	1 203	1 267	924	956	584	884	8 377
Flush toilet (with septic tank)	396	227	33	1	1	282	21	331	147	1 440
Chemical toilet	106	20	2	-	-	81	2	15	7	232
Pit toilet with ventilation	239	303	104	19	-	170	91	264	185	1 374
Pit toilet without ventilation	96	58	56	9	4	123	101	295	128	869
Bucket toilet	20	19	4	3	5	18	25	58	3	155
Other	14	8	3	12	4	21	21	10	24	118
<b>Total</b>	<b>1691</b>	<b>1639</b>	<b>1216</b>	<b>1292</b>	<b>1308</b>	<b>1667</b>	<b>1308</b>	<b>1666</b>	<b>1407</b>	<b>13193</b>

#### 4.4.4 Health

In terms of health, a study was conducted by the South African National Burden of Disease Study in 2000 of the Northern Cape Province's health status. According to this study, the leading causes of death in the province seem to relate to a high

prevalence rate for HIV/AIDS (the largest single cause of death), but also Tuberculosis (TB), respiratory infections and diseases. The high rate of HIV/AIDS is a serious cause of concern in the province. For example, according to the study HIV/AIDS plays a major role in premature mortality in the province, which continues to explain the large number of HIV/AIDS-deaths under the age of 5 years. The HIV/AIDS rate for the Northern Cape is believed to be in the region of 5.1% of the population; a figure which is increasing (NDM LED Strategy, 2009). Lastly, as mentioned in the NDM's LED Strategy (2009), additional health challenges also include substance abuse.

#### **4.5 Impacts of the Mining Operation**

A primary motivation for a mine to invest in the socio-economy of its surrounding areas as well as in the labour-sending communities is that a mine normally has a lasting and, often, negative effect on the environmental and social environments in which it operates.

A challenge for governments and the mining industry is to balance the industry's socio-economic and environmental impacts in ways that maximise benefits and minimise negative impacts, specifically to those who are directly affected. Investing in an area's socio-economic development also holds immense benefits to a mining operation and its ability to hold its mining right. For example, as is often the case, mines operate in remote (frequently rural) areas where the number of employment opportunities is limited and the labour pool is poorly skilled. Investing not only in, training and adult literacy, but also in post-graduate programs and socio-economic development programs ensures a future supply of labour that might be more skilled, reducing the need for expats.

Thus, within a sustainability framework the socio-economic development of the area in which the mine operates can increase its stability and profitability, improve public, stakeholder and community perceptions and relations, and ensure a steady and good supply of labour. As a mine invests in an area, the immediate and surrounding towns and communities inevitably become the mine's partners in the development. It is therefore the rightful duty on a mining applicant not only to concentrate on its workforce, training programs and adult literacy programs, but also to invest in socio-economic development programs for the wider area in which it operates.

The advent of SLPs in South Africa has improved the social sustainability of the mining sector and confirms that mining operations should "meet the need of the present generation without comprising the ability of future generations to meet their own needs.

Environmental impacts related to the project will be dealt with through the Environmental Impact Assessment (EIA) process. As this chapter pointed out, employment opportunities are highly needed in this region, especially since the area has a large labour force with skills in the mining sector. The only negative socio-economic aspects of this project might be related to the decommission phase, during which possible LED investment and staff retrenchments might become a reality.

Lastly, the greatest impact of this mining project will be the creation of around 178 employment opportunities at steady state. Employment creation is one of the South African Government's key priority areas, as outlined by various pieces of legislation or frameworks, such as the country's New Growth Path, released on 23 November 2010 (cf. Government of South Africa, 2010). Under this path, the government is determined to accelerate employment creation through direct employment schemes, as well as for businesses to target more labour-absorbing activities, especially the mining value chain.



## **4.6 Local Economic Development Program**

### **4.6.1 Overview**

Under Section 46 (c) of the MPRDA (2004), the LED Program is a vehicle for the mine to contribute towards South Africa's poverty eradication and community upliftment strategies in the direct area in which the mine operates or where the majority of the labor force is sourced from. The following LED Program therefore provides for the identified LED project which SHIP will implement with much-needed support from the NKLM. The section commences with a basic need's analysis, followed by the proposed project summary.

### **4.6.2 Needs Analysis**

After a discussion with the municipality, as well as a review of the municipality's IDP, the list below highlights the needs under the ambit of LED. It should be noted that the list focuses on Ward 1 Concordia Town and potential projects to be supported by SHIP as highlighted by the LED Manager.

- Upgrading of oxidation ponds.
- Granite processing/ crusher

### **4.6.3 Proposed Project to be Supported and/or Sponsored**

As indicate SHIP will assist NKLM with implementing sustainable LED projects that can benefit the local population.

After reviewing the latest IDP with need's analysis, as well as discussions with the NKLM IDP managers the project to be adopted as the social responsibility project of the company is the Upgrading of oxidation ponds at Concordia. Also refer Appendix 1 for confirmation of the need for the identified LED project by the NKLM.

This project is summarised in the table below and will be designed in such a way as to maximise the number of employment opportunities and also to ensure that sufficient portable skills training and learnerships are provided.

Although the NKLM has indicated that some of the upgrading was done already, extension to the facility as well as lining of the ponds is still required. As part of the first phase of the project a detailed project scope with design specifications from a civil engineer will be developed. This will be done in consultation with the LED manager.

As this upgraded facility will also receive sewage from the mine as well as waste water the project design will also provide for water quality requirements regarding mine waste water to be compatible with the current oxidation process. Taking the above into account it must be noted that table 17 is not complete.

#### 4.6.4 Proposed Project Scope

Please note the following is just a rough scope and will be refined by the civil engineer as part of Year 1 Quarter 2

##### **Year 1**

- Quarter 2 – Mining Company appoint civil engineer to develop site plans, bill of quantities and tender specifications.  
NKLM to arrange a meeting between mining company and municipal LED Forum to approve tender specifications
- Quarter 3 – Mining company to obtain quotes and tenders.  
NKLM to arrange a meeting between mining company and municipal LED Forum to report on tenders and appoint civil contractor to implement LED project and approve potential changes in project scope
- Quarter 4 - Mining company start with Upgrading of oxidation ponds in Concordia.  
NKLM to arrange a meeting between mining company and municipal LED Forum to report on progress regarding LED project and potential changes in project scope

##### **Year 2**

- Quarter 2 – Mining company continue with Upgrading of oxidation ponds in Concordia.  
NKLM to arrange a meeting between mining company and municipal LED Forum to report on progress regarding LED project and potential changes in project scope
- Quarter 3 - NKLM to arrange a meeting between mining company and municipal LED Forum to report on progress regarding LED project and potential changes in project scope
- Quarter 4 - NKLM to arrange a meeting between mining company and municipal LED Forum to report on progress regarding LED project.

##### **Year 3**

- Quarter 2 – Mining company complete Upgrading of oxidation ponds in Concordia  
NKLM to arrange a meeting between mining company and municipal LED Forum to report on progress regarding LED project and potential changes in project scope
- Quarter 3 - NKLM to arrange a meeting between mining company and municipal LED Forum to report on progress regarding LED project and potential changes in project scope
- Quarter 4 - NKLM to arrange a meeting between mining company and municipal LED Forum to report on progress regarding LED project and sign off on completed contract.

##### **Year 4**

- Quarter 2 – NKLM to arrange a meeting between mining company and municipal LED Forum and mining company to report on progress regarding LED project and identify maintenance to be done.
- Quarter 3 - NKLM to arrange a meeting between mining company and municipal LED Forum to report on progress regarding LED project and potential changes in project scope

- Quarter 4 - NKLM to arrange a meeting between mining company and municipal LED Forum to report on progress regarding LED project and sign off on completed maintenance.

#### **Year 5**

- Quarter 2 - NKLM to arrange a meeting between mining company and municipal LED Forum and mining company to report on progress regarding LED project and identify maintenance to be done.
- Quarter 3 – Routine maintenance completed by Mining Company  
NKLM to arrange a meeting between mining company and municipal LED Forum and mining company to report on progress regarding LED project and sign off on maintenance completed.
- Quarter 4 - NKLM to arrange a meeting between mining company and municipal LED Forum and mining company to report on completion regarding current LED project and identify LED project for next 5-year planning cycle.

**Table 17: LED Project Targets and Budget\***

Project Name		Project Type:	IDP Sector		
Upgrading of Infrastructure at Concordia Oxidation Pond		Infrastructure development	Social		
Project Name		Start Date:	End Date:		
Upgrading of Infrastructure at Concordia Oxidation Pond		Year 1	Year 5		
<b>Background</b>	<p>The selected project is for a Public Private Partnership with Nama Khoi Local Municipality . The details of the plan have not yet been established but in conversations with officials of the LED office of NKLM the need for upgrading specifically lining of the oxidation ponds at Concordia Township has been identified.</p> <p>As part of the upgrading additional ponds will also be developed as the current system is at full capacity. Details regarding volumes to be provided for and type of lining required will form part of a detailed feasibility study and design to be signed of on by a suitable qualified civil engineer.</p> <p>This feasibility study and project design will form part of the first phase of the project and will include obtaining the necessary water use licenses from DWAS.</p>				
Project Location					
DM	LM	Village Names:			
Namakwa	Nama Khoi	Concordia			
Key Performance Areas:		Key Perform. Indicator:		Responsible entity:	
Infrastructure and Employment Creation		Provision of Infrastructure		Applicant for Mining Right in partnership with NKLM and Department of Education	
Construct proper ablution facilities for St. Cyprian's Primary School in Nababeep					
Budget allocation	Year 1	Year 2	Year 3	Year 4	Year 5
Quarter 1	R0.00	R0.00	R0.00	R0.00	R0.00
Quarter 2	R50 000.00	R134 982.75	R100 000.00	R100 000.00	R0.00
Quarter 3	R0.00	R0.00	R0.00	R31 724.22	R50 000.00
Quarter 4	R50 000.00	R0.00	R0.00	R0.00	R50 000.00
<b>Total / Year</b>	<b>R100 000.00</b>	<b>R134 982.75</b>	<b>R100 000.00</b>	<b>R131 724.22</b>	<b>R100 000.00</b>
Total committed for 5-year SLP cycle					<b>R566 706.97</b>
Job Classification	No of jobs	Male	Female	Youth	Total
Short term	To be determined	To be determined	To be determined	To be determined	To be determined
Medium term					
Long term					
Exit strategy:					

## **5. Measures to Address Housing and Living Conditions**

### **5.1 Overview and Assumptions**

Under Section C (iv) of the MPRDA (2004), the mine's LED Program include measures aimed at addressing the housing and living conditions of the mine's employees. In accordance with the Mining Charter, house ownership should be promoted by mining companies.

Due to the close proximity of several major towns no accommodation will be provided at the mine. Although SHIP will attempt to provide most of the employment opportunities to local people from the labour-sending area, there is still the possibility that some labour will have to be sourced further away.

As the mine is not yet operational, it is impossible to forecast its housing requirements within Springbok and surrounding settlements. As the mine will employ around 178 employees at steady production state, it can be assumed that a portion of these workers may require or prefer a house in O'okiep or Springbok.

The majority of households in the Nama Khoi LM are housed in a permanent house or brick structure. This is a positive indicator in terms of the development levels and quality of life in the labour sending area. The table below depicts the NKLM's tenure status and as can be seen more 70% of the residents is house owners.

The Company will develop a Housing and Living Conditions Plan according to the action plan and deadlines below that will be aligned with the proposed housing and housing infrastructure plan of the NKLM.

## **6. Procurement Progression Plan**

SHIP is committed to the preferential purchasing and procurement objectives of the Mining Charter and the MPRDA. The Company will implement measures to advance procurement to Historically Disadvantaged suppliers and will continually seek to allocate a significant portion of its annual expenditure in capital goods, services and consumables to preferred suppliers of this status. The commitment to purchasing will also extend to creating long term partnerships with suppliers so as to mentor and support the supply business.

The Company's strategy here is to promote and enhance the constructive participation of HDSA vendors in the proposed mine's upstream value chain and to ensure that HDSA suppliers have access to the Mine's supply chain.

### **6.1.1 Procurement Progression Targets**

SHIP recognises the need to participate meaningfully in the broad-based socio-economic transformation of South Africa and is committed to meet the targets set by the Mining Charter as far as practically possible. The Company is committed to outline its detail strategy and targets once the Feasibility Phase has been completed. It is anticipated that these will be provided no later than 6 months after the Mining Right has been awarded.

### **6.1.2 Preferential Procurement Policy**

SHIP will develop and implement a Preferential Procurement Policy which will have the following objectives:

- Ensure that all procurement and supply chain processes are accessible, fair, inclusive and feasible;
- Prioritise and apply a preferential adjudication system with suppliers that comply with the principles and legislation underpinning BBBEE;
- Promote transformation by setting annual preferential procurement spent targets; and
- Promote local spend within the communities in which the Company operates by setting, pursuing and tracking annual local procurement spend targets.
- 

#### 6.1.3 Procurement Procedure

Future selection criteria for preferential procurement, starting at the construction phase, will follow a balanced scoreboard approach, wherein the technical competency, key risks, critical success factors and major service deliverables are considered, but also the empowerment, location and employee composition. Specific criteria will still be developed. The Company will put measures into place to ensure that all suppliers claiming to be HDSA are accredited.

#### 6.1.4 Guiding Principles

All procurement processes will be transparent and subject to audit in accordance with sound business principles and practices. All potential vendors will compete through the same process and on equal platforms. The opportunities that will be provided by the mining development will therefore be subject to the following guiding principles:

- Commercial and financial viability;
- Added value to strategic commodity initiatives;
- Maintenance of ethical values;
- Maintenance of quality, health and safety standards;
- HDSA preferential procurement procedures will not compromise the basic elements surrounding the procurement principles. These include integrity, technical competence and sound commercial management;
- All HDSA procurement processes will be transparent and subject to an audit in accordance with sound business principles; and
- Vendor companies acquiring HDSA status will be required to go through an accreditation process.

Apart from the MPRDA and Mining Charter, the following laws (codes) will also inform SHIP's empowerment imperative:

- The Preferential Procurement Framework Act (No. 5 of 2002);
- The Employment Equity Act (No. 55 of 1998);
- The Competition Act (No. 89 of 1998);
- The Skills Development Act (No. 97 of 1998); and
- BEE Codes of Good Practice.

#### 6.1.5 Contractor Compliance

All contractors and subcontractors, especially during construction of the mine, will have to submit their HDSA and SMME documentation with the tender. Amongst others, the following are important in the context of this SLP:

- The company policy regarding support of small and/or medium enterprises;
- Brief overview of how the contractor intends giving effect to its SMME policy if awarded the contract.
- The company policy regarding broad based black economic empowerment;

- The company objectives and targets for broad based black economic empowerment;
- Overview of the system that will be used to monitor achievement in terms of BEE objectives and targets; and
- Overview of how the contractor intends giving effect to its BEE policy if awarded the contract.

#### 6.1.6 Supplier Development Program

SHIP believes that enterprise development as an integral part of promoting and fostering HDSA SMME development in South Africa. It is acknowledged that, generally, local communities do not benefit from enterprise development initiatives. Therefore, the Company will develop a local Procurement and Supplier Development Program to overcome this challenge. This program should assist in increasing spend within the local communities resulting in economic improvement within the host communities close to the mining operation.

As SHIP will be developing a new mining operation, the local Procurement and Supplier Development Program will assist, where feasible, in identifying small business development opportunities and suppliers at the local level. The focus would be on procuring services such as garden, security, food, and other services from the local community. During mine development, the largest expenditures are generally directed at capital goods and specialised services that are normally procured from large urban businesses as well as international suppliers. In the long-term, the Company will aim to shift the balance of its expenditures where feasible from these large businesses to smaller, developing businesses located near or in the mine community. The objective will be to maximise both job creation and the economic benefit of the mining operation at the mine community level.

The following action steps will be implemented towards the development of local SMME suppliers:

- Appointment of an Enterprise Development Specialist to drive this initiative and budget;
- Develop Preferential Procurement Policy;
- Develop Supplier Development Strategy;
- Implement the Supplier Development Program and guidelines for operational-use and reporting; and
- Considering joining and making use of joint forums such as the Northern Cape Mine Managers Association (NCMMA) and National Mining Preferential Procurement Forum (NMPPF) to set up small businesses.

#### 6.1.7 Breakdown of Mine Procurement - Form T

Since the mine is not yet operational, SHIP is not in a position to provide the necessary information as required in Form T of the Regulations under the MPRDA. The level of procurement from HDSA companies will be provided in a prescribed manner six months after production has started.

## **7. Managing Downscaling and Retrenchment**

### **7.1 Legislative Requirements**

Regulation 46(d) requires that an SLP includes processes that pertain to the management of downscaling and retrenchment, such as:

- The establishment of a future forum;
- Mechanisms to save jobs and avoid job losses;
- Mechanisms that can provide alternative solutions and procedures to enable job creation and security of employment where such losses cannot be avoided; and lastly
- Mechanisms to ameliorate the social and economic impacts on individuals, regions and economies where the closure of mines and retrenchments of employees are certain.

The following legislation and guidelines are applicable, and have been used in this section:

- The MPRDA (2002), Section 52;
- The South Africa Labour Relations Act of 1995 (amended in 2002);
- Performance Standard 2 (Labour and Working Conditions) under the International Finance Corporation; and
- The International Finance Corporation's Environmental, Health and Safety Guidelines for Mining (2007) (Section 1.4).

Two mechanisms will be implemented by SHIP for future retrenchment. The first constitutes a future forum to act as a consultation committee representing mine management, employees and trade unions. The second involves the drafting and execution of a Downscaling and Retrenchment Plan. As per the above-mentioned legislation and guidelines, SHIP commits itself to drafting such a plan prior to the mine's operational stage. Both these two mechanisms are discussed in this section.

### **7.2 The establishment of the Future Forum**

#### **7.2.1 Introduction**

The establishment of a future forum is a requirement under the MPRDA. Moreover, the establishment of any consultation forum with a grievance mechanism is also an international best practice, as advocated by the International Finance Corporation (IFC). For example, under Performance Standard (PS) 2 (20) of the IFC, projects are encouraged to have grievance mechanisms for workers to raise workplace concerns. In keeping with the requirements of the MPRDA, but also the IFC (as a benchmark for international best practice), the project will establish a future forum that will act as a site-specific labour management body with the primary aim of monitoring the implementation, and hence performance of, the SLP and client.

Such a forum will involve the creation of a consultation committee for the assembly of representatives from mine management, employees and trade unions. Through this committee, engagement can take place on issues (such as possible job losses) that directly affect the labour force and can assist in finding solutions to these issues.

#### **7.2.2 Strategies and Objectives**

The committee will be established to act as an independent body of the mine. However, strategies to be implemented will be agreed upon both by mine management and the employer, as well as the labour force.

SHIP undertakes to establish a future forum within 6 months of the approval of this Social and Labour Plan. The Future Forum will comprise of management and the mine



workers/workers' representatives. The functions of the forum include but are not limited to:

- To promote the interests of all workers (not just the union members)
- To promote on-going discussions between worker representatives and employers about the future of the mine;
- To look ahead to identify problems, challenges and possible solutions with regard to productivity and employment;
- To identify production and employment turnaround strategies;
- To implement turnaround strategies agreed upon by both employer and worker parties.
- To represent members from the labour force and provide a platform for the latter to engage with mine management regularly;
- To educate the labour regarding their rights under the South African Constitution and legislation pertaining to working conditions and terms of employment;
- To promote the SLP and the implementation thereof;
- To act as an overseer of the SLP report and to monitor the implementation thereof, including reviewing and providing input in the annual reports that need to be submitted to the DMR;
- To formalise a system for submitting grievances to the mine and the relevant departments within the mining operation, as well as for resolution of such grievances;
- To promote dialogue between the employees and mine management to improve the mining business and avoid possible future job losses;
- To discuss with mine management challenges and problems at the workplace that relate to possible future job losses;
- To find appropriate solutions for such possible future job losses;
- To develop appropriate strategies aimed at securing employment and reducing the need for retrenchment;
- In the event where large-scale retrenchments cannot be avoided, to assist in mitigating the socio-economic effects of such retrenchments; and
- To assist mine management to redeploy those affected by the retrenchments.

An agenda of such future forum meetings will include the following items:

- Results of discussions (if any) with Unions or worker's representatives;
- Discuss issues of attendance, general performance and achievements in the last months;
- Discuss targets for production and action plans to achieve these targets;
- Describe and discuss any new developments for the company and for the specific mine site and how these may challenge employment;
- Discuss issues of mine health and safety, threats and opportunities for improvement; and
- Discuss issues of this Social and Labour Plan - Use this forum to make the contents of the Social and Labour Plan known to the staff.

The constitution for the future forum must be drawn up at the first meeting of the future forum and such constitution should include:

- Composition of forum: Number of members, Chairman, Representivity
- Quorum
- Aim, Responsibilities and Powers of forum

- Reporting and record keeping. Ensure that minutes and attendance registers of every meeting are kept.

The meetings of the future forum will be held annually. The process and components regarding informing employees of employment issues is as follow:

- Representatives of the trade union are granted time and place to meet with the union members on site as required.
- The senior management will conduct quarterly meetings (or as required) with the trade union representatives of the staff. Senior trade unionists from head office are also represented at that meeting where they will discuss issues of working conditions, threat of retrenchment, downscaling etc.

All staff (not only trade union members) will be informed of the results of these discussions through representation at the quarterly future forum meetings described above.

### 7.3 Developing and Executing Downscaling and Retrenchment Plan

The development and execution of a Downscaling and Retrenchment Plan is foremost a requirement of Section 189 of the Labour Relations Act (1998, as amended). This plan needs to plan for closure and post-closure activities that a mine will undertake prior to the start of production and should clearly identify allocated and sustainable funding sources to implement the plan. One of the overall objectives of such a plan is to ensure that adverse socio-economic impacts of the mine's closure are minimised and socio-economic benefits are maximised.

The Downscaling and Retrenchment Plan will comprise the following elements:

- Mechanisms to save jobs and avoid job losses and a decline in employment;
- Procedures to provide alternative solutions for creating employment security where job losses cannot be avoided; and
- Mechanisms to ameliorate the social and economic impact where mine retrenchment and/or closure are certain.

The Downscaling and Retrenchment Plan described below will be regularly updated to reflect the changes in the mine's labour sending communities, the NKLM and new policy and/or regulations in South Africa and internationally. Funding requirements for this plan shall reflect such changes.

### 7.4 Budget for Downscaling and Retrenchment

#### 7.4.1 Provision for severance packages

Section 41(1) of the Basic Conditions of Employment Act, 1997 provides that a retrenched employee is entitled to severance pay equal to one week's remuneration for every year of completed service.

The total salaries at full production are R3 658 354.50/month (Table 2) or R914 588.62/week. The table below provide for 55% of the labor force at full production.

**Table 18: Provision for severance packages\***

Severance Payment	Year 1	Year 2	Year 3	Year 4	Year 5
1 Week /Year (55% of salaries)	R503 023.74	R543 265.64	R586 726.89	R633 665.05	R684 358.25
Total Budget per year	R503 023.74	R543 265.64	R586 726.89	R633 665.05	R684 358.25
Total Budget for 5-year SLP cycle	R2 951 039.58				

*\*Also refer to Section 8 for the Social and Labour Plan financial breakdown*

#### 7.4.2 Provision to complete training programs

The Social and Labour Plan outlines details of programs and budgets for ABET training, portable training and other self -employment/re-employment training which will all contribute to personal development and marketability of each and every employee. The company is committed to ensuring that additional training programs are available to retrenched employees should activities cease at the mine. In order to facilitate such training programs, the holder must commit to the establishment of an additional fund which will be held in separate account into which will be paid a sum of R50 000.00 per annum.

### **8. Financial Provision**

#### **8.1 Legislative Requirements**

Section 46(e)(i), (ii), (iii)) of the MPRDA (2004 as amended) require a mining right holder to financially provide for the implementation of the SLP and to disclose this information to the employees.

#### **8.2 Budget Breakdown**

The table below provides the budget breakdown for this SLP, which excludes costs of housing and living:

**Table 19: Budget Breakdown**

<b>Item</b>	<b>Financial provision over a 5 year period</b>					
<b>Section 2: Human Resource Development Programme (Regulation 46 (b))</b>						
<b>Skills development component</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>
ABET courses	R0.00	R105 840.00	R114 307.20	R123 451.78	R133 327.92	R476 926.89
Core business training	R0.00	R299 160.00	R171 460.80	R185 177.66	R199 991.88	R855 790.34
Learnership	R0.00	R129 600.00	R139 968.00	R151 165.44	R163 258.68	R583 992.12
Portable Skills Training Targets	R0.00	R54 000.00	R58 320.00	R62 985.60	R68 024.45	R243 330.05
Bursaries	R0.00	R0.00	R58 320.00	R62 985.60	R68 024.45	R189 330.05
Internship	R0.00	R10 000.00	R10 000.00	R10 000.00	R10 000.00	R40 000.00
<b>*Total Skills Development Budget</b>	<b>R0.00</b>	<b>R598 600.00</b>	<b>R552 376.00</b>	<b>R595 766.08</b>	<b>R642 627.37</b>	<b>R2 389 369.45</b>
<b>SECTION 3: MINE COMMUNITY ECONOMIC DEVELOPMENT</b>						
Local Economic Development	R100 000.00	R134 982.75	R100 000.00	R131 724.22	R100 000.00	R566 706.97
<b>SECTION 4: PROCESSES PERTAINING TO MANAGEMENT OF DOWNSCALING AND RETRENCHMENT</b>						
Management of downscaling	R503 023.74	R543 265.64	R586 726.89	R633 665.05	R684 358.25	R2 951 039.58
<b>SECTION 5: FINANCIAL PROVISION (Regulation 46 (e) (i), (ii), (Mi))</b>						
<b>TOTAL SLP 5 YEAR PERIOD</b>	<b>R603 023.74</b>	<b>R1 276 848.39</b>	<b>R1 239 102.89</b>	<b>R1 361 155.35</b>	<b>R1 426 985.62</b>	<b>R5 907 115.99</b>

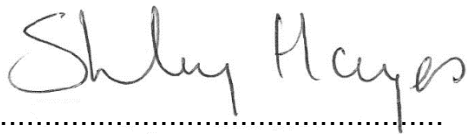
## 9. Undertaking

The SLP should be approved by the mine's Executive Officer, Managing Director or any other individual in a related position. In addition, the individual who is responsible for the implementation of the SLP and its continuous disclosure with the employees, also needs to make the below undertaking on behalf of the mine or production operation.

I, **Shirley Ann Hayes (ID 6712180029088)** the undersigned and duly authorized thereto by **Shirley Hayes IPK (Pty) Ltd (SHIP), Registration No: 2008/023576/07** undertake to adhere to the information, requirements, commitments and conditions as set out in this SLP.

Signed at **Die Boord** on this **18<sup>th</sup> day of May 2022**.

Signature of responsible person:



.....  
**Designation: CEO Shirley Hayes IPK (Pty) Ltd**

Approved

Signed at ..... on this ..... day ..... 20.....

Signature: .....

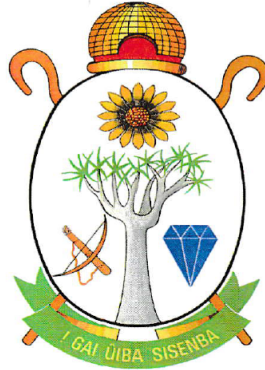
Designation: .....

**Appendix 1: Confirmation that identified LED project do form part of the need's analyses provided for as part of the NKLM IDP 2020-2021**

**NAMA KHOI**  
**MUNISIPALITEIT** **MUNICIPALITY**

Alle korrespondensie moet gerig word aan die:  
MUNISIPALE BESTUURDER

All correspondence to be addressed to:  
MUNICIPAL MANAGER



Posbus / P.O.Box 17  
Privaatsak / Private Bag X22  
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Narvae / Enquiries: Esau Jantjies

30 September 2020

The CEO  
Sherley Hayes IPK(Pty)Ltd  
12 Tulbachstreet  
De -Zalze  
STELLENBOSCH  
7600

Sir

Attention : Ms S Hayes

**RE: SOCIAL AND LABOUR PLAN ASSESMENT**

This letter serves to confirm prior engagement with ward councillor, ward committee and LED Official regarding project identification listed on the Integrated Development Plan of the Municipality as prioritised for the 2020/21 financial year for Ward.1-Concordia.

The following project has been identified for priority LED Project :

**Upgrading of oxidation ponds - CONCORDIA**

Kindly find attachment of projects for Ward.1 which confirms the specific project is listed on the Municipality IDP 2020/21.

We wish you well in your endeavour and trust for a speedy recovery of our economy in order to ensure sustainable jobs and job creation opportunities.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S.A. Tatas-Titus', written in a cursive style.

Ms S.A Tatas-Titus  
**Municipal Manager**

## Appendix 2: Legislative Requirements and Regulatory Frameworks

### The Need for Social and Labour Plans

The SLP is a planning document that regulates and promotes a mining project's involvement in the socio-economic development of the area in which it operates. One of most fundamental rationales for undertaking and implementing an SLP is that a mine affects the socio-economic conditions of an environment in which it operates, which means that it has the obligation to restore and improve such conditions with its operations. The SLP should be seen as an action- and commitment- orientated roll-out program; the contents of which provide specific targets for the mining applicant to be monitored for its performance by the DMR.

Under Regulation 42 of the MPRDA (2002), an application for a mining right must be accompanied by an SLP, to be lodged with the Regional Manager who carries the authority to make amendments to the report.

An important amendment to the regulations in 2020 now requires that the applicant must within 180 days from the date of receiving notification of acceptance of his or her application for a mining right from the Regional Manager, consult meaningfully with mine communities and interested and affected persons on the contents of the Social and Labour Plan **to ensure that it addresses the relevant needs and is aligned to the updated Integrated Development Plans**. The meaningful consultation process on the contents of the Social and Labour Plan shall now be conducted in terms of the public participation process prescribed in the Environmental Impact Assessment Regulations promulgated in terms of section 24(5) of the National Environmental Management Act. 1998.

Regulation 46A now also require that a mining right holder must publish the approved Social and Labour Plan in English and one other dominant official language commonly used within the mine community within 30 days of approval using the following avenues:

- Company website;
- Hard copies of the approved Social and Labour Plan must be placed in local schools, public libraries, municipal offices. Traditional Council offices; and
- Announcements must be made on local radio stations and local newspapers about the availability and content of the approved Social and Labour Plan.

### Review of a Social and Labour Plan

In terms of Regulation 43 an approved Social and Labour Plan is subject to the periodic 5-year reviews, valid until a closure certificate has been issued in terms of section 43 of the Act and in terms of Regulation 44 an approved Social and Labour Plan may not be amended or varied without the consent of the Minister after the granting of the mining right to which such Social and labour Plan pertains.

Another important amendment to the regulations in 2020 (Regulation 56B) now specifically states that a Social and Labour Plan lodged with the Regional Manager and approved by the Minister on granting the mining right must be reviewed after every five years from the date of such approval and when reviewing a Social and Labour Plan, the Minister must take into account:

- the extent of the mining right holder's compliance with the approved Social and Labour Plan.

- assessment of annual reports submitted in terms of regulation 45.
- input, comment and reports from the mining right holder, mine community and interested and affected persons.
- the changing nature of the relevant needs of the mine community as per the Integrated Development Plans.

The amendments also provide that the review process may be initiated from the fourth year of the Social and Labour Plan and shall be done in meaningful consultation with mine communities, and interested and affected persons. Regulation 46C requires that collaboration on approved Social and Labour Plan projects must be transparent, inclusive and based on meaningful consultation with mine communities and interested and affected persons, and amendment or variation of an approved Social and Labour Plan pursuant to the collaboration shall be done with the consent of the Minister.

### **Social and Labour Plan Objectives**

The objectives of an SLP (Regulation 41) can be summarised as follows (Government of South Africa, 2010: 5):

- To promote the economic growth and mineral and petroleum resources development in South Africa;
- To stimulate employment and advance the social and economic welfare of all South Africans;
- Ensuring that holders of mining rights contribute towards the socio-economic development of the areas in which they are operating in, as well as the areas from which the majority of the workforce is sourced from; and
- To utilise and expand the existing skills base for the empowerment of Historically Disadvantaged South Africans (HDSAs) and to serve the community.

One of the most important aspects of the SLP is to plan, document and monitor sustainable development initiatives and programs for its labour and labour-sending communities. In terms of regulation 45 the holder of a mining right must submit an annual report on the compliance with the approved Social and Labour Plan to the relevant Regional Manager. The holder of a mining right must convene a minimum of three meetings per annum with mine communities and interested and affected persons to update these stakeholders about the progress made with the implementation of the approved Social and Labour Plan. The outcomes of these meetings must form part of the annual report.

### **Legislative Requirements and Regulatory Frameworks**

This SLP has been drafted to adhere to the requirements of South African legislation, as well as applicable regulatory frameworks from the International Finance Corporation (IFC). These include:

- The Mineral and Petroleum Resources Development Act of 2002 (as amended);
- The Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (2010);
- The Labour Relations Act of 1998 (as amended);
- The International Finance Corporation's Performance Standard 2 (2012); and

All these documents require a mining operation to develop and promote the socio-economic conditions of both its labour and labour-sending communities (areas where labour is sourced). Each of these documents is briefly elaborated upon below.



## Mineral and Petroleum Resources Development Act of 2002

The overall purpose of the MPRDA is to assist the mining industry to transform itself in South Africa. Through the preamble background information is provided of the mine in question. The right holder is required to develop and implement the following plans:

- A Human Resources Development Program; Reg 46(b) including:
  - ✓ Skills development plan - Reg 46 (b)(i) which identifies and reports on
    - the number and education levels of the employees (Form Q) and include;
      - ❖ ABET training, Core business training
      - ❖ Learnerships (Internal) and Artisan Training
      - ❖ Learnerships (External)
      - ❖ School support and post-matric programs
    - the number of vacancies that the mining operation has been unable to fill for a period longer than 12 months despite concerted effort to recruit suitable candidates (Form R)
  - ✓ Career Progression (path) Plan - Reg 46 (b) (ii)
  - ✓ Mentorship Plan - Reg 46 (b) (iii)
  - ✓ Bursary and Internship Plan - Reg 46 (b) (iv)
    - Bursary Plan (Internal)
    - Bursary Plan (External)
    - Internships
  - ✓ Employment Equity Plan and statistics (Form S) - Reg 46(b)(v)
- Mine community economic development Plan, - Reg 46 (c) including:
  - ✓ The social and economic background and the key economic activities of the area in which the mine operates and the impact that the mine would have in the local and labour sending communities;
  - ✓ A Local Economic Development Project Plan (LED) identifying the infrastructure and poverty eradication projects that the mine would support in line with the Integrated Development Plan of the areas in which the mine operates and the major labour sending areas;
  - ✓ A Housing and Living Conditions Plan identifying the measures to address the housing and living conditions of the mine employees and the measures to address the nutrition of the mine employees
  - ✓ A Procurement Progression Plan and its implementation for HDSA companies in terms of capital goods, services and consumables and the breakdown of the procurement (Form T).
- A Plan for Managing Downscaling and/or Mine Closure - Reg 46 (d) including:
  - ✓ The establishment of the future forum;
  - ✓ Mechanisms to save jobs and avoid job losses and a decline in employment;
  - ✓ Mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided; and
  - ✓ Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the mine is certain.
- A Plan to provide financially for the implementation of the SLP - Reg 46 (e) in terms of the implementation of -
  - ✓ the human resource development programme;
  - ✓ the local economic development programmes; and
  - ✓ the processes to manage downscaling and retrenchment

These programs embody the SLP and are aimed not only at promoting employment and the advancement of social and economic welfare, but also to ensure economic growth and socio-economic development.

As insurance Reg 46 (f) require an undertaking by the holder of the mining right to ensure compliance with the social and labour plan and to make it known to the employees.

#### The Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry of 2018

This charter, also known as the 'Mining Charter', reinforces the MPRDA's socio-economic requirements which a mining applicant needs to meet. The charter itself was developed subsequent to the passing of the MPRDA. The MPRDA, through Section 100, calls upon the need for such a charter to set the frameworks, targets and timeframes for effective entry of HDSAs into the mining industry, and allowing such South Africans to benefit from the exploitation of mining and mineral resources.

The objectives of this charter are as follows (quoted from the Government of South Africa, 2010: 1):

- To promote equitable access to the nation's mineral resources to all the people of South Africa;
- To substantially and meaningfully expand opportunities for HDSAs to enter the mining and minerals industry and to benefit from the exploitation of the nation's mineral resources;
- To utilise and expand the existing skills base for the empowerment of HDSAs and to serve the community;
- To promote employment and advance the social and economic welfare of mine communities and major labour sending areas;
- To promote beneficiation of South Africa's mineral commodities; and promote sustainable development and growth of the mining industry.

The elements of the charter include specific commitments which a mining applicant needs to adhere to in order to hold their right. These include:

- Mining Ownership:
- Procurement and Enterprise Development:
- Beneficiation;
- Employment Equity:
- Human Resource Development:
- Mine Community Development:
- Housing and Living Conditions:
- Sustainable Development and Growth of the Mining Industry: and
- Reporting.

#### The Labour Relations Act of 1995

The South African Labour Relations Act was passed in 1995 (Government of South Africa, 1995 as amended). The Act was drafted to regulate to (quoted from the Act on page 1):

- Regulate the organisational rights of trade unions;
- Promote and facilitate collective bargaining at the workplace and at sectoral level;
- Regulate the right to strike and the recourse to lockout in conformity with the Constitution; Promote employee participation in decision-making through the establishment of workplace forums;

- Provide simple procedures for the resolution of labour disputes through statutory conciliation, mediation and arbitration (for which purpose the Commission for Conciliation, Mediation and Arbitration is established), and through independent alternative dispute resolution services accredited for that purpose;
- Establish the Labour Court and Labour Appeal Court as superior courts, with exclusive jurisdiction to decide matters arising from the Act;
- Provide for a simplified procedure for the registration of trade unions and employers' organisations, and to provide for their regulation to ensure democratic practices and proper financial control;
- Give effect to the public international law obligations of the Republic relating to labour relations; and
- Amend and repeal certain laws.

### International Finance Corporation

The IFC published eight Performance Standards (PS) on Environmental and Social Sustainability in April 2006 and printed comprehensive Guidance Notes (GNs) in July 2007. The PS and GNs have been revised in 2012 (cf. IFC, 2012). The PS that are applicable to the SLP are as follows:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
  - ✓ Identify and assess social and environment impacts, both adverse and beneficial, in the project's area of influence;
  - ✓ Avoid, or where avoidance is not possible, minimise, mitigate or compensate for adverse impacts on workers, Project-Affected Communities (PACs) and the
  - ✓ Ensure that PACs are appropriately engaged on issues that could potentially affect them; and
  - ✓ Promote improved social and environmental performance of companies through the effective use of management systems.
- PS 2: Labour and Working Conditions;
  - ✓ Establish, maintain, and improve the worker/management relationship;
  - ✓ Promote the fair treatment, non-discrimination and equal opportunity of workers, and compliance with national labour and employment laws;
  - ✓ Protect the workforce by addressing child labour and forced labour;
  - ✓ Promote safe and healthy working conditions; and
  - ✓ Protect and promote the health of workers.
- PS 4: Community Health, Safety and Security;
  - ✓ Avoid or minimise adverse impacts on human health and the environment by avoiding or minimising pollution from project activities; and
  - ✓ Promote the reduction of emissions that contribute to climate change.

In addition to these guidelines, the IFC also published the Environmental, Health and Safety (EHS) guidelines for the mining industry in 2007 (IFC, 2007)<sup>4</sup>. The EHS guidelines constitute technical reference documents which recommend general industry-specific examples of Good International Industry Practice. The guidelines contain performance levels and measurable indicators for new facilities, including specific targets. These guidelines are meant to be tailored to the specific hazards and risks associated with a project, based upon environmental assessments undertaken. Section 1.2 (Occupational Health and Safety), as well as Section 1.3 (Community Health and Safety) are considered highly relevant SLP-related aspects which will be

incorporated into the SLP. These standards need to be respected by employers and supervisors, with all reasonable precautions being taken to protect the health and safety of all the workers.

## Appendix 3: Downscaling and Retrenchment Plan

### A. Mechanisms to Save Jobs and Avoid Job Losses and a Decline in Employment

#### a) Introduction

Prior to any collective dismissals, an analysis will be carried out by the Company of alternatives to retrenchments. The afore-mentioned established committee shall be part of this analysis. However, should retrenchments be unavoidable (when prevailing economic conditions cause the profit /revenue ratio of the operation to be less than six percent on average for a continuous period of 12 months) mine management, through the mentioned committee, shall implement the following process:

- Consultations - Outline the processes for managing such retrenchments as required under Section 52 (1) of the MPRDA (2002) and Section 189 of the Labour Relations Act (1998, as amended);
- Under the Downscaling and Retrenchment Plan, a sub-section for retrenchment should be included specifically to address the impacts of retrenchment on workers; and
- Inform the DMR's Minerals and Mining Development Board, as outlined under Section 52 (1) (b) of the MPRDA of these processes and plans.

#### Implementing section 189 of the Labour Relations Act, 1995.

The company commits to complying with the prescriptions of the Labour Relations Act. The process to implement section 189 of the Labour Relations Act, 1995 is as follows:

- Consult any person with whom the employer is required to in terms of the collective bargaining agreement that they have with a worker's union. This means that the company must consult with representatives of the workers union that will in turn consult with their members at the company.
- Notwithstanding the point above, not all staff members belong to the Union. The consultation with these members will take place through the future forum meetings.
- The employer must supply the following information in writing to the proposed consulting parties:
  - ✓ The reasons for the proposed dismissals;
  - ✓ The alternatives that the employer considered before proposing the dismissals, and the reasons for rejecting each of those alternatives;
  - ✓ The number of employees likely to be affected and the job categories in which they are employed;
  - ✓ The proposed method for selecting which employees to dismiss;
  - ✓ The time when, or the period during which, the dismissals are likely to take effect;
  - ✓ The severance pays proposed;
  - ✓ Any assistance that the employer proposes to offer to the employees likely to be dismissed;
  - ✓ The possibility of the future re-employment of the employees who are dismissed;
  - ✓ The number of employees employed by the employer; and
  - ✓ The number of employees that the employer has dismissed for reasons based on its operation requirements in the preceding 12 months.
- The subsequent consultation which takes place after the actions described in the points above must be meaningful two-way dialogue and issues which must be discussed include:

- ✓ Measures to minimise, delay, mitigate and/or avoid the dismissals
- ✓ The method for selecting employees to be dismissed and severance packages should such dismissals be required as a last resort

*Notification to the Minerals and Mining Development Board (the Board).*

The notification process in terms of Section 52 (1) (a) of the Act.

After consultation (referred to above) the applicant must notify the Minerals and Mining Development Board in the prescribed manner that prevailing economic conditions have caused the profit to revenue ratio of the mine to be less than 6% on average for a continuous period of 12 months.

This is the responsibility of the Financial Manager or Mine Owner in the absence of a designated financial manager.

Whereupon the Minister may (on the recommendations of the Board and after consultation with the Minister of Labour and any registered trade union or affected persons or their nominated representatives (if no trade union)) direct in writing that the holder of the mining right take such corrective action subject to such terms and conditions as the Minister may determine.

The minister may issue directives to the affected mine. The holder of the mining right must comply with the directive and confirm in writing that the corrective measures have been taken.

If the directives are not met, then the Minister may provide assistance to or apply to a court for judicial management of the mining operation.

**b) Consultations**

Consultation will form one of the most important elements of the Downscaling and Retrenchment Plan. This is a requirement under Section 52 (1) of the Labour Relations Act (1998) and shall be a multi-stakeholder process. Continuous consultation with the mine's employees, NKLM and the mine's labour-sending area is a critical process to manage retrenchments. Such consultations should be convened through the aforementioned established forum, and will involve the Mining Development Board, DoL, NKLM, the labour-sending communities and interested and/or Affected Parties (I&APs) to develop mechanism and processes for reducing the impacts of retrenchments on employees, as well as the broader area. Such consultations will be aimed at:

- Finding possible solutions and alternatives to retrenchments;
- Disclosing the number of employees that are likely to be affected by such retrenchments;
- Proposing appropriate ways to select those employees that might be affected;
- Disclosing the exact period during which such downsizing is likely to commence;
- Discussing the options for providing severance payments;
- Discussing the possibility of future, re-employment or absorbing into the labour markets; and
- Discussing any additional supporting processes that can be put in place for the possible affected employees

Note also that the future forum will approach the Social Plan's Technical Support Facility (of the National Productivity Institute of the Department of Labour) to request technical assistance in developing long term strategies and to implement plans to support its strategies, should no viable outcome be reached in respect of possible retrenchments.

## **B. Procedures to Provide Alternative Solutions for Creating Employment Security where Job Losses cannot be Avoided**

### **a) Introduction**

As prescribed under Section 52 (1) of the MPRDA (2002), the National Social Plan Guidelines of the DoL, Section 189 of the LRA (1998), a mining company is obliged to provide plans and procedures necessary to save as much employment opportunities on the mine as possible. Such plans and procedures will be included in the Downscaling and Retrenchment Plan. Such a plan will encompass the following (but not limited to):

- Employee re-skilling and re-training program;
- Start-up businesses from existing company functions;
- Employment generating community projects;
- The company will liaise with other companies advising them of the surplus manpower and affording potential future employers with interview facilities.
- The company will apply on behalf of retrenched employees for their UIF cards and assist them in obtaining their benefits
- Provide retrenched employees with certificate of service confirming the employee's retrenchment
- Granting retrenched time off to seek new jobs and attend interviews
- Assist in tax implications

Under such a plan, mechanisms need to be outlined to provide alternative employment solutions to those affected by retrenchments and provide measures to ameliorate the social and economic impacts of such retrenchments.

### **b) Mechanisms to Provide Alternative Solutions**

The Company is committed to reduce the effects of future downscaling and retrenchments, and therefore commits itself to engage with the NKLM in the event where large-scale retrenchments are inevitable. Some of the following measures could be followed in such engagements:

- A moratorium will be developed for any new appointments;
- The employment of temporary staff shall be suspended;
- Voluntary separation packages shall be offered to eligible candidates;
- Early retirement packages to eligible employees shall be considered;
- Excess over-time shall be limited as far as reasonably possible; and
- Mechanisms to re-absorb those affected into the external labour markets shall be created where job losses cannot be avoided.

### **c) Measures for Unavoidable Job Losses**

In an effort to ameliorate negative social and economic impacts of possible future retrenchments, the Company is committed to discuss with the NKLM and the Minerals and Mining Development Board the following:

- Offer group and/or individual counselling;
- Career guidance (with an accredited service provider);
- Contact surrounding mines to investigate re-employment opportunities;
- Investigate ways and opportunities to re-absorb those affected into the broader labour market;
- Provide financial planning assistance to those affected;
- Investigate the payment of severance packages, leave, outstanding leave, medical benefits, retirement funds in accordance with the LRD (1998); and lastly
- Provide alternative skills training (through an accredited service provider) to those affected such as, but not limited to:

- ✓ Life skills;
- ✓ Financial management
- ✓ Portable skills (such as plumbing, welding etc.).

## **C. Mechanisms to Ameliorate the Social and Economic Impact where Mine Retrenchment and/or Closure is Certain**

### **a) Introduction**

Unfortunately, mine closure is a reality and cannot be avoided in many circumstances. Such closures are dramatic on the employees affected, as employees, as well as mining communities, sometimes become very dependent on the mine as a source of employment and economic development. Social impacts associated with mine closures are often related to individual-level traumatic feelings of loss of belonging and lower self-esteem. Yet, it also impacts the broader socio-economic status of the mining communities and region and can be associated with household disruptions, alcohol and substance abuse or even crime. It is therefore important that mechanisms to address such negative impacts are put in place, specifically through the Downscaling and Retrenchment Plan.

### **b) Strategy and Objectives**

As per legislation, the company commits itself to drafting a Downscaling and Retrenchment Plan prior to the mine's operational stage. In order to realise this, the Company commits itself to undertake a comprehensive Socio- Economic Baseline Study (SEBS) of its workers, contractors, service providers and the surrounding communities. Such a study will be aimed at developing strategies and plans to mitigate the effects of the mine's closure, as well as to identify areas where the mine can still have a positive impact on areas not necessarily related to employment provision. The following Terms of Reference (ToR) can be used to frame such a study:

- Describe the local socio-economic environment with particular reference to the effect of the mine on this environment;
- Determine the current household employment status in the area, as well as household dynamics;
- Determine household employment levels;
- Assess income and expenditure trends at a household-level; and
- Assess socio-economic needs in the area.

### **c) Assessment and Counselling Services**

The Downscaling and Retrenchment Plan will be managed by division within the Company with a key focus on continuous employee assessment and counselling services. This will include, for example:

- Continuous assessment of those employees that are affected by retrenchments;
- Annual skill audits (as already outlined in this report);
- Through the SEBS, assessing the effects of mine closure of the labour-sending communities; and
- Offering individual, group and/or household-level counselling (with the assistance of an external, accredited service provider).

The applicant must commit to providing these services in terms of agreement to be written up between the parties.

A set of information packs in preferred official languages will be made available to workers who are facing retrenchment and to managers planning retrenchments. The information packs will consist of comprehensive information and support measures



available to retrenched employees on such issues as UIF benefits, financial management, training and job seeking skills and are available from the Department of Labour.

The employer will also contact the Department of Labour for information in obtaining group and individual counseling to assist workers in dealing with the emotional impact and adjust to the new conditions. This objective will be met by the HR manager. The assessment and counselling of affected employees will be provided with a view to finding alternative jobs and to ensure employee understanding of the issues at hand. The Department of Labour will also be responsible for the registration of work-seekers. Where available, information would be disseminated on the labour market, local economic development possibilities (in collaboration with Department of Constitutional Development) and on skills required in the area or in the workers' home area to assist workers in identifying other employment opportunities.

#### **d) Self-Employment Training and Re-Employment Programs**

Lastly, the skills audit and counselling sessions should be able to provide the Company with sufficient data from which to develop and implement the following mechanisms:

- Appropriate self-employment training programs to those employees affected;
- Appropriate re-employment programs; and
- Appropriate portable skills training programs.

The employees have several training programs at their disposal. This social and labour plan contains a full description of all the training initiatives that will be offered to the employees to ensure their possible self-employment. Employees are to be informed and make use of these opportunities.

All of the available courses enable the retrenched employee to be more marketable in the event of retrenchments being forced upon the company.

Should retrenchments become absolutely necessary, then the applicant will approach the Department of Labour for employee skills assessment and certification of prior learning to facilitate new employment through awarding of formal qualifications where appropriate.

The NKLM's IDP and Spatial Development Framework (SDF) will continuously be consulted during this process to ensure that such mechanisms directly feed into the needs of the NKLM.

### **D. Closure Planning**

In the development of this Downscaling and Retrenchment Plan, the company has striven to implement principle of fairness, transparency (in terms of continuous engagements and consultations) and internal and external accountability. The view of stakeholders and interested and/or Affected Parties (I&APs) will be taken into account throughout the Downscaling and Retrenchment process, and effective partnerships with such stakeholders and I&APs will be made.