



SOCIAL AND LABOUR

FOR

PALABORA COPPER (Pty) Ltd

2018 – 2022

TABLE OF CONTENTS

	Page
Acronyms.....	iv
Section 1: Preamble, Background information on operations	
1. Introduction & Background.....	2
2. Human Resource Development Programme	
Section 2: Human resource development programme	13
2.1 Skills development plan	15
2.2 Career progression plan	39
2.3 Mentorship and coaching plan.....	51
2.4 Internship, In-service and Bursary	54
2.5 Employment Equity plan	64
Section 3: Local-economic development programme.....	71
3.1 Social and economic background information	73
3.2 Impact of operations and key economic activities.....	75
3.3 Measures to address housing and living conditions.....	76
3.4 Infrastructure and poverty eradication projects.....	78
3.5 Procurement progression plan.....	94
Section 4: Processes pertaining to management of downscaling and retrenchment.....	100
4.1 Establishment of future forum	101
4.2 Mechanisms to save jobs and avoid job losses and a decline in employment	103
4.3 Mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided	104
4.4 Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the operation is certain	107
Section 5: Implementation Mechanism.....	110
Section 6: Financial Provision.....	112
Section 7: Undertaking	116

LIST OF TABLES

Table 1: Palabora Copper Contractors	6
Table 2: Palabora employees per labour sending area	7
Table 3: Consultation process	8
Table 4: Action plan for updating the SLP	10
Table 5: Total training interventions	20
Table 6: Action plan for compliance skills training	21
Table 7: Progress of AET programmes	23
Table 8: Action plan for AET	24
Table 9: Five year plan for AET	25
Table 10: Number of education levels of the workplace	27
Table 11: List of PMC accredited Learnerships	28
Table 12: Number of learnership graduates	29
Table 13: Learnership action plan	30
Table 14: Five year plan for learnership	31
Table 15: Skills programme	33
Table 16: Action plan for skills programme	33
Table 17: Number of learners who completed skills programme	35
Table 18: Five year plan for skills programme	36
Table 19: Hard to fill vacancies	38
Table 20: Educational requirements for each position at Palabora	40
Table 21: Number of people trained for career progression opportunities	44
Table 22: Talent pool per occupational level	45
Table 23: Talent pool per department	45
Table 24: Career progression action plan	46
Table 25: Career Progression plan	48
Table 26: Proposed Mentee/Mentor assignment	52
Table 27: Mentorship action plan	53
Table 28: Bursary Holder	55
Table 29: In-service Training for AET	56
Table 30: In-service Training for TVET	57
Table 31: Internships	57
Table 32: Five year plan for bursaries	59
Table 33: Five year plan for In-service	60
Table 34: Five year plan for Internship	61
Table 35: Action plan for internship, in-service and bursary programs	62
Table 36: Employment equity statistics	65
Table 37: Five year plan and targets	66
Table 38: Participation of HDSA action plan	67
Table 39: Five year plan and targets for female participation	68
Table 40: Action plan for the implementation of LED projects	79
Table 41: Business plan for the implementation of infrastructure	81
Table 42: Palabora spend for capital, consumables and services	96
Table 43: Procurement spend in Ba-Phalaborwa	96
Table 44: Targets for increasing the spend to B-BBEE companies	97
Table 45: Palabora top 15 vendors	97
Table 46: Action plan for preferential procurement	98
Table 47: Downscaling and retrenchment action plan	102
Table 48: Breakdown of the SLP financial provision	114

LIST OF FIGURES

Figure 1: Regional setting of Palabora Mine in the Limpopo Province

Figure 2: Location of Palabora Mine

Figure 3: Segmentation of copper and cathode provision per industry

Figure 4: Structure of the Palabora SLP

Figure 5: Palabora Copper Organogram

Figure 6: Palabora Training Model

LIST OF APPENDICES

Appendix 1:

Appendix 1.1: BPLM IDP

Appendix 1.2: Attendance registers from SLP Consultation Process with
Stakeholders

Appendix 2: Supporting Human Resource Development Working Plans

Appendix 2.1: HRDP policy

Appendix 2.2: Training Interventions

Appendix 2.2: Employment equity plan

Appendix 3: Supporting Local Economic Development Working Plans

Appendix 3.1: Local economic development projects sub-plan

Appendix 3.2: Housing and living conditions sub-plan

Appendix 3.3: Procurement sub-plan

Appendix 4: Management of Downscaling and Retrenchment Working Plan

Appendix 4.1: TCF Terms of Reference

Appendix 4.2: Life of Mine Document

ACRONYMS

ABBREVIATION	DESCRIPTION
AET:	Adult Education and Training
B-BBEE:	Broad Based Black Economic Empowerment
BEE:	Black Economic Empowerment
BLC:	Business Linkage Centre
BPLM:	Ba-Phalaborwa Local Municipality
CBOs:	Community Based Organisations
CEO:	Chief Executive Officer
CMR:	Conversion of Mining Right
CSR:	Corporate Social Responsibility
DMR:	Department of Minerals Resources
DoL:	Department of Labour
DTI:	Department of Trade and Industry
DWAF:	Department of Water Affairs and Forestry
ED	Enterprise Development
EMEM:	Earth Moving Equipment Mechanic
FF:	Future Forum
GET:	General Education and Training
GMR:	Granting Mining Rights
HDSAs:	Historically Disadvantaged South Africans
HET:	Higher Education and Training
HLC:	Housing and Living Conditions
HRD:	Human Resources Development
HRDP:	Human Resources Development Programme
IDPs:	Integrated Development Plans
KNP:	Kruger National Park
LED:	Local Economic Development
LEDP:	Local Economic Development Programme
LRA:	Labour Relation Act
MDM:	Mopani District Municipality
MPRDA:	Mineral and Petroleum Resources Development Act
MQA:	Mining Qualifications Authority

ABBREVIATION	DESCRIPTION
NGOs:	Non-Governmental Organisations
NQF:	National Qualifications Framework
PDPs:	Personal Development Plans
PMIC:	Phalaborwa Mining and Industrial Complex
PPP:	Public Private Partnership
RDP:	Reconstruction and Development Programme
SAQA:	South African Qualifications Authority
SD:	Supplier Development
SETA:	Sector Education and Training Authority
SHEQ:	Safety, Health, Environment, Quality
SLP:	Social and Labour Plan
SMMEs:	Small, Medium and Micro Enterprises
TCF	Transformation Consultative Forum
UIF:	Unemployment Insurance Fund
VCT:	Voluntary Counselling and Testing
WIM:	Women in Mining
WSP:	Workplace Skills Plan

Definitions:

TERM	MEANING
Palabora Copper (Pty) Ltd (Palabora)	Refers to the copper and vermiculite mines and plants and the copper smelter
Palabora Foundation	Refers to the institution established in 1986 as expansion of Palabora's social responsibility commitment
Mining Charter	Refers to the Broad Based Socio-Economic Empowerment Charter for the SA Mining Industry
Permanent employee	Refers to people employed by Palabora on a permanent basis
The Mine, or the Company	Refers to Palabora Mining Company

SECTION 1

PREAMBLE:

*Introduction to and background information on the
operation*

Regulation 46 (a)

1. Introduction and Background information

Palabora Copper (Pty) Limited, a subsidiary of Palabora Mining Company Ltd, is a copper mine that also operates a smelter and refinery complex based in the town of Phalaborwa, in South Africa's Limpopo Province. The mine owes its origins to a unique rock formation in the region known as the Palabora Igneous Complex.

Palabora has been operational since its incorporation in 1956 and is the country's major producer of refined copper, producing approximately 45 000 tonnages of copper per annum. Palabora Copper is South Africa's sole producer of refined copper, which it supplies mainly to the local market and export the balance. Whilst copper forms the base-load of its business, Palabora also mines and exports other by-products such as Magnetite, Vermiculite Sulphuric acid, anode slimes and nickel sulphate.

More than a mine

Located directly adjacent to the world-renowned eco-tourism attraction, the Kruger National Park, Palabora coordinates several onsite wildlife management and cultural heritage programmes as part of its ongoing sustainability drive. The company also collaborates closely with various communities in the Ba-Phalaborwa district to boost economic development and alleviate poverty.

Ownership

The company was owned and managed by Rio Tinto. Rio Tinto owned 57.7% and Anglo American had 16.8% of the shares. On 5 September 2012, the two companies announced their intention to sell their respective interests in Palabora. On 11 December 2012, Rio Tinto announced that it has reached a binding sales agreement with a consortium which is committed to the on-going sustainable management of Palabora. The sale agreement was concluded in July 2013, and the company's name changed from Palabora Mining Company to Palabora Copper (Pty) Limited and the new shareholders are PMC holding 74% and Empowerment Partners holding 26%.

1.1. Name of the company

Palabora Copper (Pty) Ltd

1.2. Name of mine

Palabora Mine (Palabora)

1.3. Physical Address

1 Copper Road, Phalaborwa
1389

1.4. Postal Address

P O Box 65
Phalaborwa

1.5. Telephone number

(015) 780 2911

1.6. Fax number

(015) 780 0448

1.7. Location of the mine

Palabora is situated approximately 5 km south of the town of Phalaborwa in the Phalaborwa Mining and Industrial Complex (PMIC), which comprises Palabora, Foskor and Transnet .Foskor, a phosphate rock mining company, is situated immediately to the west of Palabora and the Kruger National Park (KNP) to the east. The east and south of the mine is the Cleveland Game Reserve, which belongs to Palabora and is located between the mining activities and the KNP, with an interchange of wildlife between the two areas.

Palabora Copper (Pty) Ltd (PC) is located in the Ba-Phalaborwa Local Municipality (BPLM) which is situated in the Limpopo Province in the North-Eastern part of South Africa. It covers an area of 300,488 km² and forms part of the Mopani District Municipality (MDM).

Refer to the **Figures 1 and 2** for a regional setting of the Palabora operation.



Figure 1: Regional setting of Palabora Copper (Pty) Ltd in the Limpopo Province

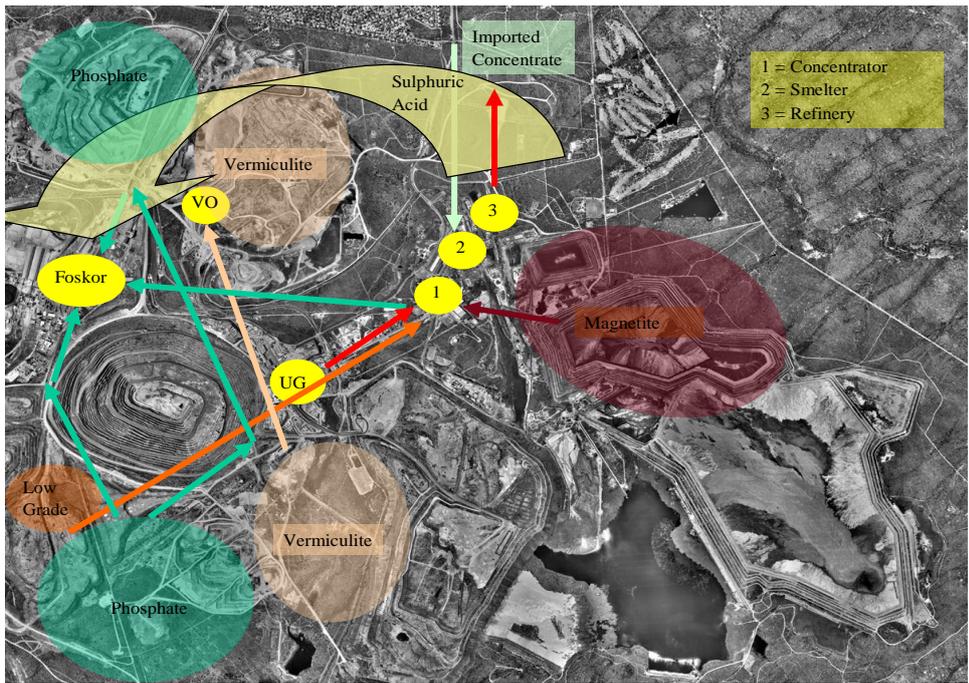


Figure 2: Location of Palabora Copper (Pty) Ltd

1.8. Commodity

Palabora extracts and beneficiates copper and vermiculite, and produces other by-products such as magnetite, nickel sulphate, anode slimes and sulphuric acid as well.

Palabora is South Africa’s only producer of refined copper. Copper is sold as rod or cathode and 92% of the copper is sold locally. Only 8% is exported. The following chart provides a breakdown of the industries supplied with copper rod and cathode:

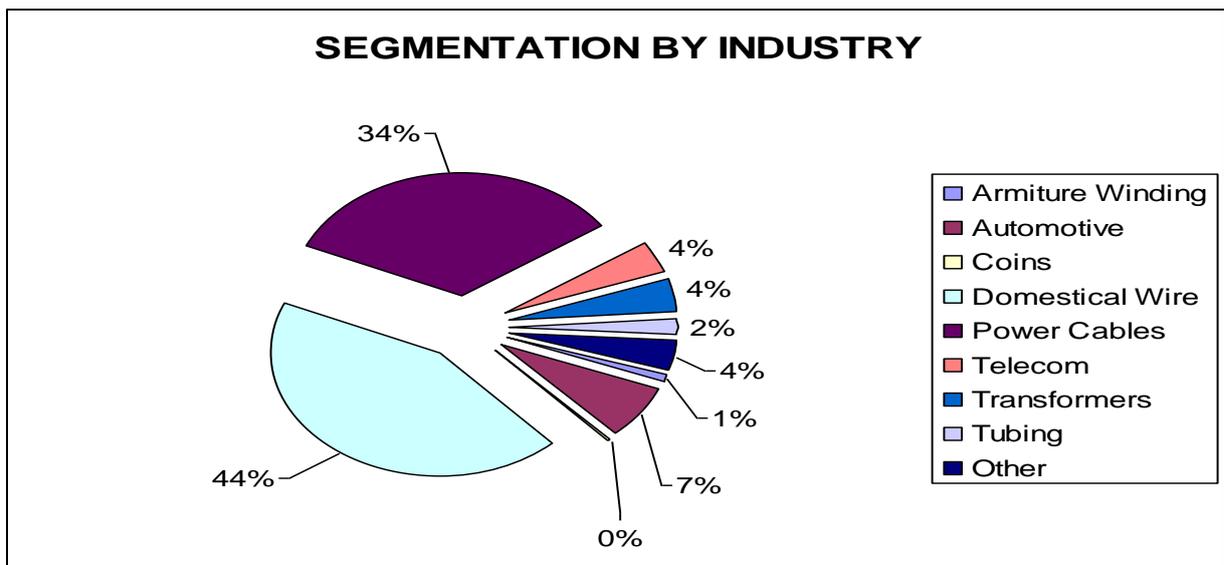


Figure 3: Segmentation of copper rod and cathode provision per industry

Copper wire rod and cathode production satisfy most of the South African demand, whilst the by-product magnetite fines is used as a heavy medium in most South African coal

washeries. Two stockpiles of by-product magnetite were formed from 1966 to 2000, containing 241 million tonnes of magnetite pre-concentrate at 56 % iron grade. The material is unmarketable, without further upgrading, even in the current market, due to a low iron grade and undesirable diluents, which are easily removed by low-cost magnetic separation. However, Palabora supplies the magnetite from current arisings to the local coal washing industry, and to the iron and steel industry in China.

Current magnetite production is a by-product of the copper operations and as such is recovered from the Concentrator floatation tails stream by magnetic separation. Approximately 15%, by weight, of magnetite is removed by 'cleaning' and 're-cleaning' of the magnetic concentrate from the first stage. This results in the upgrading of magnetite to 66% Fe (greater than 95% magnetite). This upgraded magnetite is then subjected to elutriation, to generate medium and coarse grade products. The medium grade is the DMS product and the coarse grade is sold as a blend feed to iron- and steelmaking customers.

Palabora also produces Vermiculite. Vermiculite is the geological name given to a group of hydrated laminar minerals, which are aluminium-iron magnesium silicates and have the appearance of mica in its natural state. Vermiculite is used in a wide variety of applications, for example as a growth medium for plants, as an absorbent to contain hazardous spills, to replace asbestos in fireboards and to make asbestos free brake shoes. Vermiculite is chemically inert and, because of its nature, provides a safe alternative to a number of more hazardous materials commonly used in industry. At current consumption, the Palabora Phosphate and Vermiculite (PP&V) pit, Vermiculite Operations Dump, Vermiculite Operations Dump Tailings and Copper Vermiculite pits combined has proven vermiculite ore reserves for until year 2021, Copper until 2023, and magnetite until 2039. Palabora has recently developed a vermiculite mining model for the PP&V ore body, which can be utilised for comprehensive short and long term planning.

1.9. Life of the mine

The expected life of the mine is 15 years (from 2018) for copper, 13 years for vermiculite, and 30 years for magnetite, based on the current scale of operations, production rates, costs and product prices.

1.10. Breakdown of employees and labour sending areas

The total number of employment positions (permanent, contractors and casual) at Palabora is 4 732. There are three groups of employees at Palabora engaged in the primary act of mining as at November 2017:

Palabora permanent employees:	2 431 employees
Palabora casual employees:	502 employees
Palabora core contractor employees:	1799 employees

The following definition was applied in the identification of Core contractors that require full

integration into the SLP:

“Core contractors represent all those contractors at a given mine, in terms of the Section 1 and Section 101 definitions in the Mineral and Petroleum Resources Development Act (MPRDA), which are involved in the core mining business and beneficiation of the mine, e.g. the Plant, the Mining, Tailings Disposal and Management. This definition of Core contractors can be further expanded to include those contractors that supply a significant portion of labour to the mine in positions that substitute the use of permanent employees, but whose core functions are of no less value and no less permanent than that of a permanent employee, and where that employee would suffer substantial negative impacts to his/her income were the mine to close at that point in time.”

The following is a breakdown of employees, per Core contractor:

Table 1: Palabora Contractors

Core Contractor		Secondary Contractor	
Name of Contractor	No. of Employees	Contractor	No. of Employees
Mvusuludzo Projects	542	Nanzu	206
Barloworld	52	Long Island	15
C Mills	77	Phalaborwa Recycling	32
LA Crushers	404	Makasela Air	17
Mabunda Blasting	16	Sokisi Transport	53
Sandvik Mining	91	Thornburn Security	105
Gears Technologies	106	Homus Environment	15
Thaba Nchu Mining	62	Pienaar Brothers	6
Vexovax	449	Vexovax (Cafeteria)	10
		Air Producta	4
		BP Masala	10
		Improchem	2
		Waltzuz	27
Total	1799	Total	502

Table 2: Palabora employees per labour sending area

Province	Local Municipality	Town	No.	%
Gauteng	Tshwane	Mamelodi East	1	0.0%
	City of Johannesburg Metropolitan	Houghton	1	0.0%
	City of Johannesburg Metropolitan	Weltevredenpark	1	0.0%
Limpopo	Ba-Phalaborwa	Benfarm	58	2.4%
	Ba-Phalaborwa	Burgersfort	1	0.0%
	Greater Giyani	Giyani	3	0.1%
	Ba-Phalaborwa	Gravelotte	1	0.0%
	Maruleng	Hoedspruit	1	0.0%
	Greater Litaba	Letaba	1	0.0%
	Greater Litaba	Letsitele	1	0.0%
	Ba-Phalaborwa	Lulekani	395	16.2%
	Ba-Phalaborwa	Majeje	20	0.8%
	Ba-Phalaborwa	Makhushane	150	6.2%
	Ba-Phalaborwa	Maseke	25	1.0%
	Ba-Phalaborwa	Mashishimale	111	4.6%
	Ba-Phalaborwa	Matiko-Xikaya	1	0.0%
	Ba-Phalaborwa	Namakgale	812	33.4%
	Ba-Phalaborwa	Phalaborwa	801	32.9%
	Sekhukhune District Municipality	Sekhukhune	1	0.0%
	Ba-Phalaborwa	Selwane	30	1.2%
	Greater Tzaneen	Tzaneen	2	0.1%
	Tubatse Local Municipality	Batubatse	1	0.0%
	Ba-Phalaborwa	Mahale Villa	1	0.0%
	Ba-Phalaborwa	Makhado	1	0.0%
	Ba-Phalaborwa	Patamedi	1	0.0%
	Ba-Phalaborwa	Tipeng	2	0.1%
Ba-Phalaborwa	Tlapeng	3	0.1%	
Mpumalanga	Bushbugridge	Hluvukani	1	0.0%
	Bushbugridge	Bushbuckridge	1	0.0%
	Bushbugridge	Mkhuhlu	1	0.0%
	Nkomazi Local Municipality	Mangweni	1	0.0%
North West	Madibeng	Maboloke	1	0.0%
Total			2431	100.0%

1.11. Financial year-end

31 December

1.12. Consultation Process

In order to effectively compile and implement the Palabora SLP, relevant stakeholders were

consulted to provide up-to-date socio-economic information.

Table 3: Consultation process

Date	Process	Purpose
August - December 2017	PC Management	Building an understanding of the SLP, facilitating ownership and completion of the SLP.
25 April 2017 to present	Consultation with BPLM	Consultation with the BPLM on the LED projects for PC. Alignment with the IDP and priorities of BPLM.
At Contract award	Core Contractors	To build capacity with core contractors in the SLP. To integrate core contractors into the SLP.
27 March 2017 to present	Consultation with the Chiefs	Consultation with the Chiefs on the LED projects for PC.

1.13. Primary SLP Focus areas

The SLP action plans are applicable to the permanent employees and core contractor employees of Palabora. The primary focus areas of the SLP are:

- Increasing literacy / numeracy,
- Implementing career development,
- Providing skills development opportunities,
- Mentoring Historical Disadvantaged South Africans (HDSAs) and empowerment groups,
- Providing study grants, bursaries, scholarships, learnerships to employees and the community,
- Increasing HDSA participation in management,
- Increasing women's participation in mining,
- Fostering enterprise and supplier development,
- Alignment with the IDPs of BPLM,
- Implementing local economic development projects, which focus on basic services & infrastructure, poverty eradication and welfare creation,
- Improving housing and living conditions of employees,
- Providing access to adequate basic services and housing,
- Providing access to primary health care,
- Ensuring healthy nutrition,
- Increasing the participation of HDSAs and communities in procurement opportunities,
- Continuing HIV/AIDS awareness programmes and Voluntarily Counselling and Testing (VCT),
- Transforming Palabora in line with the Mining Charter,

- Maintaining our training centre,
- Initiating a Future Forum (FF) with management and employees,
- Committing adequate funds for the SLP initiatives,
- Putting systems and performance indicators in place,
- Implementing and reporting on the progress of SLP initiatives,
- Measuring the sustainability and effectiveness of the SLP on employees and communities,
- Engaging with stakeholders, and
- Integrating Core contractors.

1.14. Structure of the SLP

Note: This SLP document is supported by “*Supporting Policies/Strategies*”, which represent “*Working Documents*” to enable the practical implementation of the SLP and progress-reporting on a continuous basis.

The Palabora SLP forms the over-arching framework for the Human Resources Development Programme (HRDP), and Local Economic Development Programme (LEDP) activities at Palabora. Contracting companies involved in core mining activities at Palabora will be required to conduct their activities within the ambit of the Palabora SLP. **In its current format, this SLP contains baseline data and targets relevant to the permanent employees only.** However, action plans are indicated for the comprehensive integration of Core contractors into the Palabora SLP by certain dates.

In order to facilitate the appropriate management and execution of plans, a set of “Supporting Policies/Strategies”, have been compiled for Palabora. These policies contain procedures and action plans relevant to each functional area of the SLP.

The relevant SLP Supporting Working Plans are as follows:

- Skills Development Policy
- Employment Equity Plan
- Enterprise and Supplier Development Terms of Reference
- Housing and Living Conditions Plan
- Procurement Policy
- Life of Mine (**Appendix 4**).

These policies/strategies have been put in place to comply with the requirements of the Mining Charter and to facilitate the implementation of the Palabora SLP. The Palabora policies have been designed to implement the Palabora SLP, which will constantly change to reflect progress in implementing the SLP.

As the SLP cannot be amended, without special consent by the minister of the DMR, the policies have been designed for implementation purposes of the Palabora SLP, and will be used for reporting purposes. Progress on the implementation will be submitted to the DMR

at the end of each reporting cycle. The Policies are attached in **Appendices 2, 3 and 4**. As Palabora is the Mining Right holder, the mine is responsible in terms of the Section 1 and Section 101 of the definitions of the MPRDA, for ensuring the compliance of Core contractors within the Palabora SLP.

In order to ensure that Core contractors comply with the requirements of the MPRDA, Palabora has undertaken an intensive consultation process with Core contractors and developed a document called PMC Contractor Governance which aims to provide a Contractor Governance strategy and framework designed to accommodate the effective implementation and execution of the Palabora Mining Company. Palabora has assisted Core contractors with the establishment of HR systems that will make it possible for these companies to implement and monitor programmes related to the SLP. Unfortunately, not all systems and mechanisms are in place as yet, and certain gaps appear in this SLP in terms of baseline data and targets, related to Core contractors. Palabora will continue to assist Core contractors in the establishment of the necessary systems, and all gaps will be filled by the next reporting cycle.

Figure 4 provides an illustration of the Palabora SLP and the relevant employee groupings for which sub-targets and sub-functional areas have been formulated.

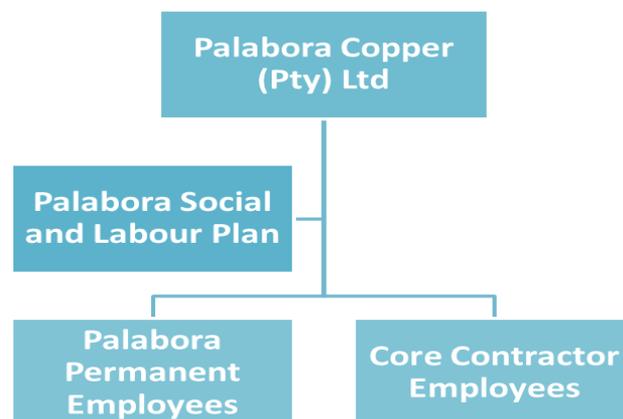


Figure 4: Structure of the Palabora SLP

Table 3: contains an action plan for the continuous updating of the above-mentioned information and the integration of Core contractors into the Palabora SLP and the establishment of overall targets.

Table 4: Action plan for updating the SLP sub-plans and integration of Core contractors

ACTION	DELIVERABLES	TARGET DATE
Implementation of detailed plans and systems by Core contractors to align with the Palabora SLP.	Implementation of SLP programmes and initiatives	Ongoing

Establishment of mechanisms to ensure Core contractor compliance in terms of SLP implementation.	Mechanisms to monitor Core contractors' compliance with Palabora SLP.	March 2018
Regular review and monitoring of implementation of SLP.	Review and monitoring.	Ongoing
Ensuring that Core contractors comply with the PMC Contractor Governance document	Update SLP annual report with Core contractor employment figures and compliance with the SLP requirements.	Annually

SECTION 2

HUMAN RESOURCES DEVELOPMENT PROGRAMME

Regulation 46 (b)

2. HUMAN RESOURCES DEVELOPMENT PROGRAMME (HRDP)

Regulation 46 (b)

The following sections contain the strategic activities, which form the basis for the Palabora HRDP.

Background and Approach

Appendix 2.1: HRDP Policy

Background

The Mining Charter requires mines to formulate and implement an HRDP to enable transformation and the empowerment of the workforce to progress to higher levels in the organisation, and to exploit alternative income opportunities outside the organisation. In order to achieve compliance with the Mining Charter, Palabora is already implementing a strategy that focuses on the following outcomes:

- The achievement of technical skills by miners and artisans through learnerships (Apprenticeships),
- The development of the technical skills of miners and technicians by providing employees with access to experiential learning opportunities to University of Technology Diploma's (Sponsorships),
- The continuous improvement of skills (for Palabora and portable) of the workforce through skills programmes that add to the repertoire of skills of team members, and reward them for additional skills employed (Skills Training),
- The development of graduate Mining, Geology and Engineering skills through a University Bursary Scheme (Bursaries) in line with the needs of the company,
- The development of professional Mining, Geology and Engineering skills through a graduate Engineer-In-Training programme for community members and potential students who qualify for such a programme (Internships),
- The achievement of management excellence through the use of the Management Development Programme, Leadership Training Programme, personal development and mentorship initiatives, and through talent management initiatives (Mentoring and career progression),
- The implementation of a recruitment initiative where preference will be given to local labour, where fixed-term employees from the local community showing potential will be used as a talent pool for future promotion into permanent employment at Palabora.

Palabora has fully complied with the requirements of the Skills Development Act (No 97 of 1998) since its inception, and have submitted skills development plans and annual training reports to the Mining Qualifications Authority (MQA). Collaboration with external organisational and skills development bodies has continued, with Palabora showing significant growth and success in terms of national and mining sector skills development objectives.

Progress in terms of participation and alignment is summarised below:

- Continued alignment of business skills need with unit standards, in terms of job skills sets.
- Continued participation in industry skills development bodies.
- Have achieved full accreditation status from the MQA.
- Application for registration as further education and training institution made to the Department of Education (DoE) and to the Training and Education Quality Assuror (Umalusi) in terms of legislated requirements.
- Participated in MQA apprentice training scheme.
- Continued participation in Technical Reference Groups for the establishment of industry learning standards, qualifications and learning materials.
- Establishment of a fully equipped and registered AET learning area, managed by a qualified and registered AET practitioner.

Employees are also able to attend AET Levels 1 – 4 programmes offered at the Palabora.

Approach

The integrated HRDP will seek to maximise the productive potential of people employed at, or contracted to Palabora, through the implementation of the following supporting plans:

- A skills development plan,
- A mentorship and coaching plan,
- An internship and bursary plan,
- A career progression plan, and
- An Employment Equity plan.

It is important to note that, although these sections are dealt with as separate entities in this SLP, in reality they appear in a much more integrated manner. Within the mentorship programme, for instance, individual employees are coached and given advice regarding career planning.

2.1. Skills Development Plan

Regulation 46 (b) (i)

Appendix 2.2: Skills Development Policy

Introduction

Palabora is implementing a Skills Development Plan that focuses on equipping employees with skills to enhance their progression in the mining industry and their development in respect of other sectors in the economy. The latter (portable skills training) will increasingly form the focus of Palabora's skills programme towards the end of life of Mine. Refer to the **Skills Development Policy** for Palabora in **Appendix 2.2** of the *Supporting Human Resources Development Programme Policy*. This Skills Development Policy is used to inform the process of setting up and implementing detailed initiatives.

The objectives for skills development at Palabora are:

- To improve the quality of life of employees,
- To improve the prospects of work and labour mobility,
- To improve productivity and the competitiveness of the employee,
- To provide opportunities for self-employment,
- To improve the levels of investment in education and training,
- To encourage the use of the workplace as an active learning environment,
- To allow new entrants into the labour market to gain relevant work experience, and
- To improve the employment prospects of HDSAs through education and training.

The Palabora Skills Development Plan links with skills development legislation, and includes the regular submitting of a Workplace Skills Plan (WSP) and annual training reports. This includes the paying and claiming of levies and grants with the relevant Sector Education and Training Authority (SETA) with which the operation is registered, i.e. the Mining Qualifications Authority (MQA). Palabora continues to be represented at the Mines Systems Caucus at the Chamber of Mines. Additionally, the company plays an active role in all of the Standard Generating Bodies relevant to their operations, which are groups of technical experts developing industry specific standards. Palabora representatives have contributed to the writing of unit standards and the design and development of qualifications in the industry.

Baseline Situation

The current employment structure and positions of Palabora are indicated in the **Organogram** in **Figure 5**. Organograms for the Core contractors have been included in the Skills Development Policy (Appendix 2.2). **Table 5** provides a summary of occupational categories relevant to these positions, including the current number of people per category by race and gender.

The following systems have been put in place by Palabora:

- Job profiles for each position,
- Training structures for each position, and
- Job matrices.
- The following components of the Skills Development Plan for Palabora are described in the ensuing sections:
 - Education and training, including ABET,
 - Learnerships (also known as apprenticeships),
 - Skills programmes,
 - Portable skills programmes, and
 - Hard-to-fill vacancies.

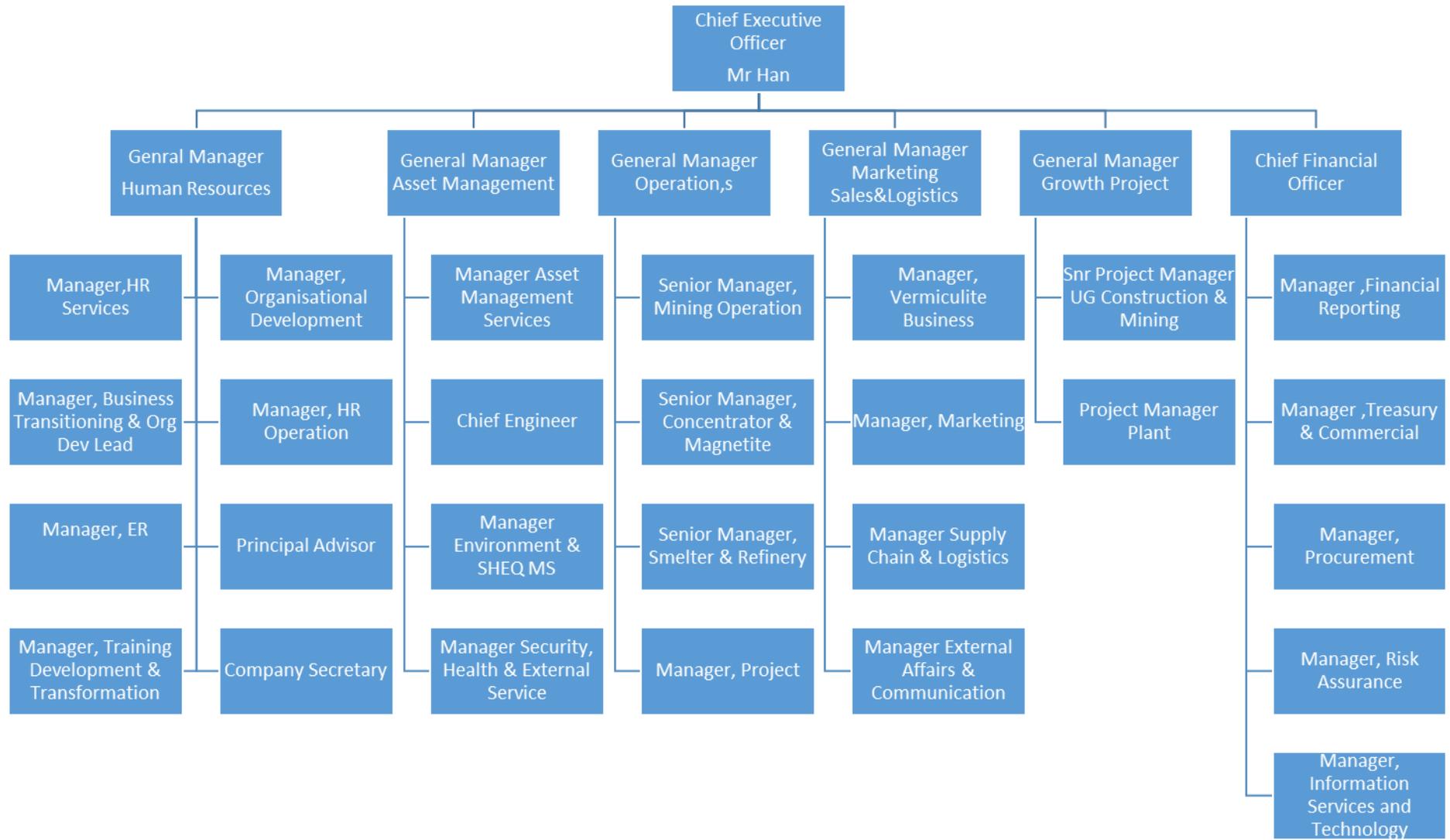


Figure 5: Palabora Copper Organogram

Compliance training (Skills Training)

Palabora is a responsible corporate citizen, the mine complies with the Mine Health Safety Act and ensures that employees are well trained in all operating equipment, both stationary and mobile so as to avoid injuries on duty. Chapter 2, Section 10 of the MHS Act stipulates the employer's duties regarding health and safety training (i.e. Compliance Training). The Act specifies the following for an employer:

- Provide employees with any training, information, instruction, or supervision to enable them to perform their work safely without risk to health, and
- Ensure that employees are familiar with work related hazards and risks and measures to eliminate, control and minimize such.

The baseline situation

At Palabora, Employees receive training before they start work and whenever significant changes are made within the Operation through Management of Change. All Employees (new and current) including Contractors are trained and found competent before they operate in their areas of responsibility. Unit Standards are used where applicable to give employees training that has credibility and is recognised by the South African Qualification Authority. Training encompasses the following; SHEQ, mobile machines, plant machinery, behavioural and Life skills. Palabora also promotes multi-skilling where employees are rewarded for acquiring additional skills set required to fulfil more responsibilities that are in line with their role. Skills sets are framed or structured in such a way that the training will translate to employees acquiring part-qualifications known as skills programs. The skills set also allow employees to progress to the next logical roles. Previously the mining sector employed HDSAs who were deprived from opportunities to develop themselves. This subjected HDSA to labour intense activities, limited development and vertical movement within organizations. Skills sets were then introduced to bridge the gap with the following objectives:

- To up skill employees with the set of skills required to fulfil their responsibilities in their current roles.
- To ensure work readiness for employees identified by their leaders for the next logical role.
- To ensure that employees are trained on specified licenses to fit the purpose. Allow employees obtain national recognized part-qualification (skills program). Licensee/

- Module built on Unit Standards that have credits and registered with SAQA (South African Qualification Authority)

Top Management supports the development and training of employees. Management provides a significant budget for training every year. The training that Palabora provides is outcome based, learning takes place in the classroom and in the field. The training model used at PMC is outlined below:



Figure 6: Palabora Training Model

Table 5: Total training interventions (i.e. Formative, Summative and Refresher training) conducted to date in various Divisions (December 2017)

Row Labels	Asset Management	Finance	Growth	Human Resources	Marketing Sales Logistics & External Affairs	Operations	Palabora Mining Company	Underground Construction & Mining	Vertical & Technical	Grand Total
Clerks	391	205	12	73	42	283		4		1010
Craft and related trades	1472		106	27	561	9090				11256
Legislators, senior officer	40	41	137	23	60	51	2	15		369
Plant and machine operator	831	200	42	1756	3183	26937	1	41	260	33251
Professionals	253	76	66	769	60	486	7	134	79	1930
Technicians	1012	111	170	1628	385	3085		57	250	6698
Top Management							6			6
Senior Management							14			14
Grand Total	3999	633	533	4276	4291	39932	30	251	589	54534

List of all training intervention highlighted in **Appendix 2.3**

Table 6: Action plan for Compliance/Skills training

ACTION	DELIVERABLES	TARGET DATE
Evaluate Workforce planning and HR monthly engagement reports to identify new employees entering the business and employees requiring refresher training. (same apply to newly promoted employees)	Needs analysis which will inform Employee Development plan. Learner profile outline qualification levels and understanding of barriers to learning	Ongoing
Evaluate Supervisor Training Matrix to identify employees requiring refresher training or those in need of new skill due to promotion	Training Schedule informed by the need	Ongoing
Continuous delivery of training	Employees trained on Formative assessment. Competent and Authorised employees	Ongoing

2.1.2. Adult Education

AET is an education and training programme that provides general education to adults who have not had access to formal schooling, and for those who have attained less than Grade 9 (formerly standard 7) education. Palabora is offering AET to promote further learner learning or life-long learning by improving or increasing literacy levels and participation in AET. AET Levels Offered at Palabora includes:

- Pre Level 1 (Beginners/Grade R)
- AET Level 1 (Equivalent to Grade 3)
- AET Level 2 (Equivalent to Grade 5)
- AET Level 3 (Equivalent to Grade 7)
- AET Level 4 (Equivalent to Grade 9)

Learners who successfully complete AET Level 4 receive an NQF Level 1 qualification and are therefore able to proceed to NQF level 2 programme. AET Learning Areas are learner paced and comprise of the following learning areas:

- Level 1 - Level 3: (Communication in English and Numeracy)

- Level 4: Communication in English, Numeracy, 3 core (Life Orientation, Natural Sciences, Technology) and 1 elective (either Economic Management Science and Human Economic Science). It consists of 120 credits and all learning areas are unit standard based

The baseline situation

Palabora recognises the need to encourage literacy training amongst employees, contractors and the communities directly affected by its operation. To this end, Palabora provides AET training as part of basic skills training on site and, through the Palabora Foundation.

From the educational statistics in **Table 5**, it is clear that Palabora's workforce has a reasonably high level of literacy, i.e. there are no workers employed at the Mine that have received no schooling and there are only approximately 400 employees that are at, or below, AET Level 4. To date, approximately 220 people have successfully completed the AET learning areas at Palabora. Palabora as an organisation has realised value/successes out of AET programmes where some of the employees were promoted due to AET. There is a reasonable number of Contractors whom were able to be appointed by Palabora on the basis of having completed AET.

AET learning facilities are maintained on site and service all employees who are required to attend classes. A fully equipped media centre, supported by qualified AET practitioners, ensures the highest possible support for the learning process. Functional literacy for individuals is specified by relevant AET and other literacy or numeracy requirements of unit standards specific to the individual's job skills profile.

The company has a fully equipped AET learning centre and has a trained and registered AET facilitator. Employees are released during work hours, whenever possible, and also attend at their own time.

Palabora also provides extensive opportunities for enrolment in AET programmes to affected communities in Phalaborwa by means of the Palabora Foundation Training Centre. This centre is located in two of Phalaborwa's largest labour sending communities. Namakgale employees and their households are also able to attend AET Level 1 – 4 programmes offered at the Palabora Foundation training centres. Offering AET programmes in labour sending communities provide workers and their families an opportunity to increase their literacy level at their own time and close to their residence. The educational level of Palabora workforce has been recorded.

Table 7: Progress of AET programmes to date (2013 – 2017)

AET level	Employees 2013	Employees 2014	Employees 2015	Employees 2016	Employees 2017
Pre-Level 1	23	22	15	8	7
Level 1	46	44	28	10	10
Level 2	51	59	34	23	14
Level 3	42	47	29	31	21
Level 4	28	35	29	34	17
NQF L 2 FLC	29	24	24	118	90
AET level	Contractors 2013	Contractors 2014	Contractors 2015	Contractors 2016	Contractors 2017
Pre-Level 1	0	0	0	0	0
Level 1	4	1	0	0	0
Level 2	8	4	8	32	29
Level 3	6	7	3	0	3
Level 4	3	9	10	18	8
NQF L 2 FLC	0	0	0	0	0

Numbers provided above represent AET courses successfully enrolled according to Palabora's statistics.

Action plan

Ongoing AET will continue to form an integral part of Palabora's business Training strategy to support Skills Development in SA. As a levy paying company that submit WSP to MQA, Palabora will continue to apply for grants from MQA on yearly basis and comply to the Funding Policy of MQA where a certain grant of money will be given to employees completing AET. This will be done so to encourage participation and reward learning. Palabora believes that an educated workforce is essential for its future success. Employees and Contractors who can read and write are able to follow and interpret safe working procedure relevant to their work. They are able to identify hazards and risks followed by applying corrective measures. As a result, this minimise injuries which will eliminate unnecessary Section 54s and thus resulting in an increased productivity.

Although the company is employing employees with Grade 12, there is still number of HDSA employees and contractors with high literacy challenges. Palabora will continue to enrolling approximately 100 employees and contractors on AET programmes to support the government mandate of building a literate nation.

To support this, Palabora has recently introduced FLC (Foundational Learning Competency) to breach the gap when employees progress from AET Level 4 (NQF Level1) to NQF Level 2

Qualification. FLC comprises of two learning areas which are Mathematics Literacy and Communication at NQF L2.

Palabora has also introduced Senior Amended Certificate (SAC) which is equivalent to NQF Level 4 qualification. This was implemented to assist employees/Contractors older than 21 years of age to progress from AET NQF L1/Grade 9 and above to NQF 4.

Table 8: Action plan for AET

ACTION	DELIVERABLES	TARGET DATE
Verify educational and literacy levels	Verification of educational levels and illiteracy rate of employees	Ongoing
Develop a detailed programme to provide ABET to employees and contractors	ABET programme for employees	Ongoing
Review and assess the past education and training programme at Palabora	Review and update Palabora training strategy.	Ongoing
Review and update skills and competency requirements for Palabora.	Updated skills matrix	Ongoing

Table 9: Five year plan for total AET, FLC and SAC and targets for Palabora's employees and Contractors

Category	2018									2019									2020											
	Employees				Contractors					Total	Employees				Contractors					Total	Employees				Contractors					Total
	Male		Female		HDSA	W	HDSA	W	HDSA		W	HDSA	W	HDSA	W	HDSA	W	HDSA	W		HDSA	W	HDSA	W	HDSA	W				
	HDSA	W	HDSA	W																							HDSA	W	HDSA	
AET Pre L1	3	0	0	0	2	0	0	0	5	2	0	0	0	2	0	1	0	5	0	0	0	0	0	0	0	0	0			
AET 1	4	0	0	0	4	0	2	0	10	2	0	0	0	2	0	1	0	5	2	0	0	0	2	0	1	0	5			
AET 2	9	0	1	0	9	0	1	0	20	7	0	1	0	6	0	1	0	15	7	0	1	0	6	0	1	0	15			
AET 3	3	1	1	0	4	0	1	0	10	7	0	1	0	6	0	1	0	15	7	0	1	0	6	0	1	0	15			
AET 4 (NQF 1)	8	1	1	0	8	1	1	0	20	6	0	0	0	7	1	1	0	15	6	0	0	0	7	1	1	0	15			
FLC (NQF 2)	0	0	0	0	20	0	10	0	30	0	0	0	0	15	0	10	0	25	0	0	0	0	15	0	10	0	25			
ASC (NQF 4)	2	2	1	0	2	0	4	0	11	2	2	1	0	2	0	4	0	11	2	2	1	0	2	0	4	0	11			
Number per year	29	4	4	0	49	1	19	0	106	26	2	3	0	40	1	19	0	91	24	2	3	0	38	1	18	0	86			

Category	2021									2022									Grand Total	
	Employees				Contractors				Total	Employees				Contractors				Total		
	Male		Female		Male		Female			Male		Female		Male		Female				
	HDSA	W	HDSA	W	HDSA	W	HDSA	W		HDSA	W	HDSA	W	HDSA	W	HDSA	W			
AET Pre L1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10
AET 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20
AET 2	5	0	0	0	5	0	0	0	10	7	0	1	0	6	0	1	0	15	75	
AET 3	5	0	0	0	5	0	0	0	10	7	0	1	0	6	0	1	0	15	65	
AET 4 (NQF 1)	10	0	0	0	10	0	0	0	20	6	0	0	0	7	1	1	0	15	85	
FLC (NQF 2)	0	0	0	0	15	0	5	0	20	0	0	0	0	15	0	5	0	20	120	
ASC (NQF 4)	7	3	0	0	3	2	0	0	15	7	3	0	0	3	2	0	0	15	63	
Number per year	27	3	0	0	38	2	5	0	75	27	3	2	0	37	3	8	0	80	438	

HDSA=Historically Disadvantaged South Africans; W=White

Note that these figures are merely estimates, to be updated and verified annually and provided to the

Table 10: Form Q – The number and educational levels of the workforce (December 2017)

Band	NQF level	Classification system	Male				Female				Total		Grand Total
			A	C	I	W	A	C	I	W	Male	Female	
General Education and Training (GET)		No schooling/Unknown	25	0	0	1	0	0	0	0	23	22	45
		Grade 0 /Preschool	14	1	0	0	0	0	0	0	15	0	15
		Grade 1 /Sub A	0	0	0	0	0	0	0	0	0	0	0
		Grade 2 /Sub B	1	0	0	0	0	0	0	0	1	1	2
		Grade 3/Std 1 /AET 1	18	0	0	0	0	0	0	0	18	0	18
		Grade 4/Std 2	27	0	0	0	0	0	0	0	27	6	33
		Grade 5 /Std 3 /AET 2	32	0	0	0	0	0	0	0	32	5	37
		Grade 6/Std 4	53	0	0	0	0	0	0	0	52	8	60
		Grade 7 /Std 5 /AET 3	112	0	0	0	0	0	0	0	111	3	114
		Grade 8 /Std 6	118	0	0	1	0	0	0	0	117	7	124
Further Education and Training (FET)	1	Grade 9 /Std 7 /AET 4	65	0	0	5	4	0	0	0	70	6	76
	2	Grade 10 /Std 8 /N1	143	3	0	41	0	0	0	4	187	5	192
	3	Grade 11 /Std 9 /N2	137	0	0	14	0	0	0	1	150	4	154
Higher Education and Training (HET)	4	Grade 12 /Std 10 /N3	568	3	1	93	32	1	0	49	665	86	751
	5	Certificates	190	4	2	288	17	1	0	12	484	30	514
	6	First degrees/ Diplomas	99	0	0	36	25	1	0	24	135	50	185
	7	Honours / Higher diplomas	18	2	1	15	12	1	0	9	36	22	58
	8	Masters/ Doctorates	0	0	0	0	0	0	0	0	0	0	0
Total			1 620	13	4	494	90	4	0	99	2 047	269	2 301

A=African;

C=Coloured;

I=Indian;

W=White

2.1.3. Learnerships (or Apprenticeships)

All learnership are administered under the MQA as required by the Skills Development Act of 1998 which determines that the MQA must establish, register, promote and administer learnerships in the mining and minerals sector.

Learnerships are conducted via an OBE training approach to provide the learners with Applied Competence (Foundational/Theoretical, Practical and Reflective competency).

Table 11: List of Learnership PMC is accredited for

Artisan	Non-Artisan
Boilermaking, NQF Level 3	Metals Production, NQF Level 2
Fitting, NQF Level 3	Mineral Processing (Lump Ore), NQF Level 2
Instrumentation, NQF Level 4	Mining Operation for UG Hard rock, NQF Level 2
Electrician, NQF Level 3	Rock Breaker for UG Hard rock, NQF Level 3
Diesel Mechanic, NQF Level 3	Mining Technical Support, NQF Level 2

The baseline situation

PMC is a private TVET College accredited by the Department of Higher Education and Training and the Mining Qualification Authority. As a responsible and a caring organization, we are committed to offer Skills Development opportunities through Artisan and Non-Artisan learnership to our employees and surrounding communities. Learnerships enable learners to work towards a qualification whilst being employed. Learnerships allow both vertical and horizontal progression within the NQF e.g. NQF 2 > NQF 3 > NQF 4.

The Palabora Learnership programme is primarily aimed at school leavers from the local communities interested in a career in mining. The vast majority of the beneficiaries end up being absorbed on permanent positions (e.g. TMM Operators, Plant Operators and Process Operators) at Palabora.

Learnership was introduced in 2008, which targets current Palabora employees. To date, the accreditation has been expanded to cater for more occupation within various departments of the mine. The mine will continue to increase its learnership programme and will offer learnership in disciplines that are relevant to its operation. In keeping up with the requirements and spirit of the Mining Charter, Palabora will implement a programme where it develops skilled people for the Palabora operation. Palabora has also initiated a partnership with other local mines and the Further Education and Training (FET) College to provide work experience to learners who are studying towards artisan qualification. Once completed, learners are trade tested to obtain their certificate.

Table 12: No of Recipient trained on Learnerships to date (December 2017)

Learnership Category	2013		2014		2015		2016		2017		Total
	18.1	18.2	18.1	18.2	18.1	18.2	18.1	18.2	18.1	18.2	
Electrical	4	9	5	10	7	6	4	7	2	8	62
Fitting (Machining)	4	8	2	8	2	8	0	5	2	5	44
Boilermaker	4	2	1	8	2	8	2	4	0	14	45
Instrumentation	0	4	1	5	0	5	0	3	1	2	21
Diesel/Earth Moving	2	2	0	4	2	0	0	0	0	10	20
Auto Electrical	0	0	0	0	0	0	0	0	0	0	0
Mining Operation L2	10	0	0	0	0	0	0	8	3	15	36
UG Rock breaking	0	0	10	0	0	0	0	0	0	0	10
Mining Technical Support	0	0	0	0	0	0	0	28	0	0	28
Strata Control	0	0	0	0	0	0	0	11	0	0	11
Surface Rock Breaking	0	0	0	0	0	0	0	0	0	9	9
Mineral Processing	0	0	0	0	0	0	0	6	11	9	26
Metal Production	0	0	0	0	0	0	11	7	0	9	27
Total	24	25	19	35	13	27	17	79	19	81	339

Action plan

Palabora will continue to provide learnerships to employees and people from surrounding and labour sending communities, as well as students enrolled at various tertiary educational institutions. Palabora's learnership programme will be informed by the WSP and **Skills Development Sub-Plan** included in **Appendix 2.2**. The purpose of the learnerships will be to equip employees with skills to assist them in undertaking their responsibilities more efficiently, and which may allow their progression into other positions at Palabora, where a need exists. The Mine has provided Training and development with an additional resource (Palabora Edu Centre) that can accommodate 80 learners from local communities for the community development programmes.

Table 13 provides an action plan for the development of a learnership strategy and finalisation of the procedure.

Table 13: Learnership Action Plan

ACTION	DELIVERABLES	Date
Analyse the business' plan on page to meet B-BBEE targets.	Compliance with the Mining Charter, B-BBEE and the SLP	Annually
Consult with the Skills Development Committee Members to determine training barriers ,	Future skills needs of Palabora to determine Learnership capacities.	Bi-monthly
Identification of external learners	Implementation of community Learnerships	Ongoing
Review and assess the current learnership programme, including Palabora future skills needs, and targets.	Upgrade the learnership programme and procedure for Palabora.	Annually

Table 14 depicts the targets for the participation of employees in learnerships that are applicable to Palabora over the following five (5) years.

Please note that the learnership needs and programmes will be assessed on an annual basis and are, therefore, likely to change from the figures reflected in Table 14.

Table 14: Five year plan for learnership programme and targets

Category	2018									2019									2020								
	18.1				18.2				Total	18.1				18.2				Total	18.1				18.2				Total
	Male		Female		Male		Female			Male		Female		Male		Female			Male		Female						
	HDSA	W	HDSA	W	HDSA	W	HDSA	W		HDSA	W	HDSA	W	HDSA	W	HDSA	W		HDSA	W	HDSA	W	HDSA	W			
Electrical	3	0	2	0	8	2	7	1	23	2	0	1	0	2	1	1	0	7	2	0	1	0	2	1	1	0	7
Fitting and Turning	1	2	0	0	0	1	0	0	4	1	1	0	0	1	0	0	0	3	1	1	0	0	1	0	0	0	7
Boilermaker	3	0	0	0	13	0	4	0	20	2	0	1	0	2	1	1	0	7	2	0	1	0	2	1	1	0	7
Instrumentation	0	1	0	0	2	1	3	1	8	1	1	1	0	1	1	1	1	7	1	1	1	0	1	1	1	1	7
Fitting (Machining)	5	1	1	0	8	0	3	0	18	2	0	1	0	2	1	1	1	8	2	0	1	0	2	1	1	1	7
Diesel	3	0	0	0	12	1	3	0	19	1	0	1	0	1	1	1	0	5	1	0	1	0	1	1	1	0	7
Auto Electrical	0	0	0	0	0	1	0	0	1	0	0	0	0	1	1	0	0	2	0	0	0	0	1	1	0	0	7
Mining Operation	0	0	0	0	6	0	3	0	9	0	0	0	0	4	1	3	0	8	0	0	0	0	4	1	3	0	7
Surface Rock Breaking	0	0	0	0	6	0	3	0	9	0	0	0	0	4	1	3	0	8	0	0	0	0	4	1	3	0	7
Mineral Processing	0	0	0	0	6	0	2	1	9	2	0	2	0	1	0	2	1	8	2	0	2	0	1	0	2	1	7
Metal Production	3	0	1	0	5	0	4	0	13	2	0	2	0	1	0	2	1	8	2	0	2	0	1	0	2	1	7
Total	18	4	4	0	66	6	32	3	133	13	2	9	0	20	8	15	4	71	13	2	9	0	20	8	15	4	77

Category	2021									2022									Grand Total
	18.1				18.2				Total	18.1				18.2				Total	
	Male		Female		Male		Female			Male		Female		Male		Female			
	HDSA	W	HDSA	W	HDSA	W	HDSA	W		HDSA	W	HDSA	W	HDSA	W	HDSA	W		
Electrical	2	0	1	0	2	1	1	0	7	2	0	1	0	2	1	1	0	7	51
Fitting and Turning	1	1	0	0	1	0	0	0	3	1	1	0	0	1	0	0	0	3	20
Boilermaker	2	0	1	0	2	1	1	0	7	2	0	1	0	2	1	1	0	7	48
Instrumentation	1	1	1	0	1	1	1	1	7	1	1	1	0	1	1	1	1	7	36
Fitting (Machining)	2	0	1	0	2	1	1	1	8	2	0	1	0	2	1	1	1	8	49
Diesel	1	0	1	0	1	1	1	0	5	1	0	1	0	1	1	1	0	5	41
Auto Electrical	0	0	0	0	1	1	0	0	2	0	0	0	0	1	1	0	0	2	14
Mining Operation	0	0	0	0	4	1	3	0	8	0	0	0	0	4	1	3	0	8	40
Surface Rock Breaking	0	0	0	0	4	1	3	0	8	0	0	0	0	4	1	3	0	8	40
Mineral Processing	2	0	2	0	1	0	2	1	8	2	0	2	0	1	0	2	1	8	40
Metal Production	2	0	2	0	1	0	2	1	8	2	0	2	0	1	0	2	1	8	44
Total	13	2	9	0	20	8	15	4	71	13	2	9	0	20	8	15	4	71	423

HDSA=Historically Disadvantaged South Africans, W=White. Note that these figures are merely estimates, to be updated and verified annually and provided to the DMR.

2.1.4. Skills Program

A skills programme can be considered a mini-qualification in that it comprises an agreed cluster of unit standards (credits towards a registered qualification.). In-house/compliance training offered to employees is aligned to the national skills programme. This allows PMC to give employees qualifications that are nationally recognised. When completed, skills program constitutes of credits towards a NQF registered qualification. This means that some, or all of the unit standards in the skills programme form part of the list of unit standards comprising a qualification. The table below indicate skills program PMC is accredited for

Table 15: Skills programme

Skills Programme	
Artisan	Non-Artisan
Artisan Aide:Electrical	Copper Metal Production
Artisan Aide :Fitting and Turning	Flotation
Artisan Aide :Boilermaker	Crushing
Artisan Aide :Instrumentation	Dense Medium Separation
Artisan Aide :Fitting (Machining)	Screening & Scrubbing
Artisan Aide :Diesel	Slimes Reclamation
Artisan Aide :Auto Electrical	Blasting Assistant (Surface)
	Blasting Assistant (Underground)
	Trackless Mobile and Machinery
	Occupation Health and Safety

Palabora will continue provide training opportunities to its employees in the form of registered skills programmes. These programmes will be aligned with the skills matrices in line with employee's career progression plan and in support of employment equity. Where possible employees are credited through RPL for the skills they possess based on experience.

Table 16: Action plan for Skills programmes

ACTION	DELIVERABLES	Date
Carry out current skills assessment	Alignment of Skills programmes to current	Annually
Determine employee competency gaps	Update skills needs matrices	Quarterly
Identify non- mining portable skills	Update employee skills matrices.	Ongoing
Assess employees in terms of skills and competency gaps, including employment equity requirements.	Documented results of employee's competency profiles.	Bi-monthly
Determine policies and	Assist Palabora Foundation	June 2018

ACTION	DELIVERABLES	Date
procedures for portable skills training, especially as the mine approaches a closure in 2033	to be accredited for non-mining skills. e.g. Plumbing, Agriculture etc.	

Table 17: No of Recipient completed Skills Program to date (December 2017)

Learnership Category	2013		2014		2015		2016		2017		Total to date
	18.1	18.2	18.1	18.2	18.1	18.2	18.1	18.2	18.1	18.2	
Artisan Aide:Electrical	0	0	0	0	7	0	4	0	3	0	14
Artisan Aide :Boilermaker	0	0	4	0	5	0	0	0	2	0	11
Artisan Aide :Instrumentation	0	0	0	0	1	0	0	0	0	0	1
Artisan Aide :Fitting (Machining)	0	0	6	0	12	0	11	0	5	0	34
Artisan Aide :Diesel	0	0	2	0	1	0	0	0	0	0	3
Artisan Aide :Auto Electrical	0	0	0	0	0	0	0	0	0	0	0
Copper Production Metal	0	0	0	0	0	0	22	0	22	0	44
Flotation	0	0	0	0	0	0	7	0	0	0	7
Crushing	0	0	0	0	0	0	0	6	6	0	12
Dense Medium Separation	0	0	0	0	0	0	0	0	5	0	5
Screening & Scrubbing	0	0	0	0	0	0	0	0	0	0	0
Slimes Reclamation	0	0	0	0	0	0	0	0	5	0	5
Blasting Assistant (UG)	0	3	0	0	0	0	0	0	0	8	11
TMM	0	0	0	0	5	0	2	0	2	0	9
Competent A Surface	4	4	0	0	5	0	12	0	10	2	37
Blasting Assistant (Surface)	0	0	0	0	3	3	0	0	2	2	10
Competent Underground A	8	0	15	0	11	0	9	8	11	8	70
Occupational Health & Safety	0	0	0	0	0	0	0	0	47	44	91
Number per year	12	7	27	0	50	3	67	14	120	64	364

Table 18: Five year plan for Skills Programme and targets (2018-2022)

Category	2018									2019								2020										
	18.1				18.2					Total	18.1				18.2				Total	18.1				18.2				Total
	Male		Female		Male		Female				Male		Female		Male		Female			Male		Female						
	HDSA	W	HDSA	W	HDSA	W	HDSA	W	HDSA		W	HDSA	W	HDSA	W	HDSA	W	HDSA		W	HDSA	W	HDSA	W				
Artisan Aide:Electrical	2	0	1	0	0	0	0	0	3	2	0	2	0	2	1	1	0	8	2	0	2	0	2	1	1	0	8	
Artisan Aide :Fitting and Turning	0	0	0	0	0	0	0	0	0	1	1	0	0	1	1	0	0	4	1	1	0	0	1	1	0	0	4	
Artisan Aide :Boilermaker	4	0	0	0	0	0	0	0	4	2	0	1	0	4	0	1	0	8	2	0	1	0	4	0	1	0	8	
Artisan Aide :Instrumentation	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2	1	1	6	0	0	0	0	2	2	1	1	6	
Artisan Aide :Fitting (Machining)	5	0	1	0	0	0	0	0	6	2	1	2	0	4	1	1	0	11	2	1	2	0	4	1	1	0	11	
Artisan Aide :Diesel	1	0	1	0	0	0	0	0	2	2	0	0	0	2	1	1	0	6	2	0	0	0	2	1	1	0	6	
Artisan Aide :Auto Electrical	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	2	0	0	0	0	1	1	0	0	2	
TMM	9	1	1	0	0	0	0	0	11	9	1	1	0	0	0	0	0	11	9	1	1	0	0	0	0	0	11	
Copper Metal Production	3	1	4	0	2	0	0	0	10	3	1	4	0	2	0	0	0	10	3	1	4	0	2	0	0	0	10	
Flotation	20	0	7	0	0	0	0	0	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Crushing	3	0	1	0	3	0	1	0	8	2	1	1	0	3	0	1	0	8	2	1	1	0	3	0	1	0	8	
Screening & Scrubbing	0	0	0	0	0	0	0	0	0	3	0	2	0	0	0	0	0	5	3	0	2	0	0	0	0	0	5	
Slimes Reclamation	9	0	1	0	0	0	0	0	10	9	0	1	0	0	0	0	0	10	8	0	2	0	0	0	0	0	10	
Blasting Assistant Surface	0	0	0	0	3	0	2	0	5	0	0	0	0	8	0	2	0	10	9	0	2	0	0	0	0	0	11	
Secondary Blasting	0	0	0	0	0	0	0	0	0	1	1	2	0	0	0	0	0	4	2	0	2	0	0	0	0	0	4	
Competent A Surface	4	0	0	0	16	0	0	0	20	8	0	2	0	4	0	0	0	14	8	0	2	0	4	0	0	0	14	
Competent A Underground	8	0	2	0	0	0	0	0	10	3	0	3	0	2	0	2	0	10	3	0	3	0	2	0	2	0	10	
Occupational Health & Safety	25	9	9	2	22	8	8	2	85	25	9	9	2	22	8	8	2	85	25	9	9	2	22	8	8	2	85	
Number per year	93	11	28	2	46	8	11	2	201	72	15	30	2	57	15	18	3	212	81	14	33	2	49	15	16	3	213	

Category	2021									2022									Grand Total
	18.1				18.2				Total	18.1				18.2				Total	
	Male		Female		Male		Female			Male		Female		Male		Female			
	HDSA	W	HDSA	W	HDSA	W	HDSA	W	HDSA	W	HDSA	W	HDSA	W	HDSA	W			
Artisan Aide:Electrical	2	0	2	0	2	1	1	0	8	2	0	2	0	2	1	1	0	8	35
Artisan Aide :Fitting and Turning	1	1	0	0	1	1	0	0	4	1	1	0	0	1	1	0	0	4	16
Artisan Aide :Boilermaker	2	0	1	0	4	0	1	0	8	2	0	1	0	4	0	1	0	8	36
Artisan Aide:Instrumentation	0	0	0	0	2	2	1	1	6	0	0	0	0	2	2	1	1	6	24
Artisan Aide :Fitting (Machining)	2	1	2	0	4	1	1	0	11	2	1	2	0	4	1	1	0	11	50
Artisan Aide :Diesel	2	0	0	0	2	1	1	0	6	2	0	0	0	2	1	1	0	6	26
Artisan Aide :Auto Electrical	0	0	0	0	1	1	0	0	2	0	0	0	0	1	1	0	0	2	8
TMM	9	1	1	0	0	0	0	0	11	9	1	1	0	0	0	0	0	11	55
Copper Metal Production	3	1	4	0	2	0	0	0	10	3	1	4	0	2	0	0	0	10	50
Flotation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27
Crushing	2	1	1	0	3	0	1	0	8	2	1	1	0	3	0	1	0	8	40
Screening & Scrubbing	3	0	2	0	0	0	0	0	5	3	0	2	0	0	0	0	0	5	20
Slimes Reclamation	9	0	1	0	0	0	0	0	10	9	0	1	0	0	0	0	0	10	50
Blasting Assistant	2	0	2	0	0	0	0	0	4	2	0	2	0	0	0	0	0	4	34
Secondary Assistant	0	0	0	0	8	0	2	0	10	0	0	0	0	8	0	2	0	10	28
Competent A Surface	8	0	2	0	4	0	0	0	14	8	0	2	0	4	0	0	0	14	76
Competent A Underground	3	0	3	0	2	0	2	0	10	3	0	3	0	2	0	2	0	10	50
Occupational Health & Safety	25	9	9	2	22	8	8	2	85	25	9	9	2	22	8	8	2	85	425
Number per year	73	14	30	2	57	15	18	3	212	73	14	30	2	57	15	18	3	212	1050

HDSA=Historically Disadvantaged South Africans, W=White

Note that these figures are merely estimates, to be updated and verified annually and provided to the D

Hard-to-fill vacancies

Hard-to-fill vacancies represent both currently filled and vacant positions. Those positions are difficult to fill / replace due to limited availability of skills in the labour market for the specific positions. Those positions also represent positions where Palabora is non-compliant in terms of its employment equity obligations in terms of the Mining Charter.

Hard-to-fill vacancies will be addressed at Palabora through the implementation of bursaries, learnerships, Graduate Programmes as well as learnerships. The hard-to-fill vacancies at Palabora have been recorded in **Table 19**.

Table 19: Hard-to-fill vacancies as per Form R in Annexure II of the MPRDA regulations

Occupational level	Job title of vacancy	Job title of scarce and critical skill	Main reason for inability to fill vacancy
Top management			
Senior management			
Professionally qualified and experienced specialists and mid-management	Accountant	Management accountant.	Skills shortage
	Engineer	Electrical, Mechanical engineers (GCC)	
	Engineers	Electrical Engineer (Process Instrumentation)	
	Training Officer	OETDP Mining and Beneficiation training Officer	
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	Auto - Electrician	Artisan	Skills shortage

2.2. Career Progression Plan

Regulation 42 (b) ii

Appendix 2.3: Career Progression Sub-Plan

Introduction

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

The baseline situation

Significant numbers of employees (351) have already progressed in their acquisition of skills and recognition of prior learning process, and have consequently progressed in terms of salary as well as the obtaining of national qualifications. B-band employees (operators) that successfully complete a skills training programme or learnership, as part of a career progression programme, automatically receives a salary increase, regardless of whether he/she progresses into a higher position or not. Other employees are made aware of any potential opportunities available to them as a result of their newly acquired qualification.

In addition to having job profiles based on unit standards of learning, job structuring is maintained in such a manner as to provide visible career possibilities in all work areas. Progression is based on a continuum of skills process, where an individual is able to obtain the core competencies for the next role while still employed in the current. Personal Development Plans (PDPs) have been successfully implemented. These plans are monitored and managed centrally and employees have been progressing in their individual development programmes. Individual career paths are discussed with employees as part of the annual job evaluation process and employees are progressed in the company in terms of natural progression from one job level/salary grade, to the next.

Palabora has established detailed job and educational requirements for each position within the organisation, as indicated in the summary in **Table 20** below. Note that certain job grades do not appear since there are no positions on the mine associated with these grades. Refer to the Organogram in **Figure 5** (Section 2.2) for a detailed breakdown of the various positions. Detailed career paths and matrices have been established for each position within the operation.

Palabora will promote career progression and succession opportunities among its employees, for individuals to progress from lower skilled working levels to higher skilled working and management levels in line with the EE requirement. Palabora will improve awareness of career progression opportunities available to employees through appropriate communication structures and processes.

Table 20 below: Educational requirements for each position at Palabora

NQF Level	Occupational Level	Job Grades	CATEGORY 1: Whole job titles	Current Educational requirement	Revised Educational Requirements	Qualification Criteria
Management, HR, SHEQ, Finance, Lab, Admin and (Head office if applicable)						
7	Top Management	F	Chief Executive Officer	BSc, BEng, MBA	Master's Degree	
		E5	Chief Financial Officer		Chartered Accountant	
		E5	General Manager	BFin, CA, BComm,	Master's Degree	Relevant Field of Study
6	Senior Managers	E2	Senior Manager		Honours Degree, Post Graduate Qualification	
		E1	Manager	BSc, MBA, BTech, NDip	Honours Degree, Post Graduate Qualification	
		D4	Manager		Honours Degree, Post Graduate Qualification	
		D3	Superintendents		Bachelor's Degree Bachelor of Technology Higher Diploma	Minimum 4 years of study at an institution of Higher Education and Training
5	Professional	D2	Superintendent	NDip, BTech,	National Diploma Bachelor of Technology Bachelor's Degree	Minimum 3 years of study at an institution of Higher Education and Training
		D1	Specialist	NDip, BTech, BAdmin	National Diploma	Minimum 3 years of study at an institution of Higher Education and Training
4	Skilled	C5	Supervisor, Specialist, Coordinator, Technician	Grade 12	National Diploma National Certificate	Minimum 3 years of study at an institution of Higher Education and Training
		C4	Supervisor, Specialist, Coordinator, Technician		National Diploma National Certificate	Minimum 3 years of study at an institution of Higher Education and Training
		C3	Administrator, Coordinator, Specialist	Grade 12	National Certificate	Relevant qualification for role e.g. Trade Certificate
		C2	Administrator, Coordinator, Specialist	Grade 10	National Certificate	Relevant qualification for role e.g. Trade Certificate
		C1	Administrator, Coordinator, Specialist	Grade 10	National Certificate	Relevant qualification for role e.g. Trade Certificate
	Semi-Skilled	B5	Administrator, Operator,	Grade 10	Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12

2		B4	Administrator, Operator,		Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12
		B3	Administrator, Operator,		Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12
		B2	Administrator, Operator,		Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12
		B1	Operator		Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12
NQF Level	Occupational Level	Job Grades	CATEGORY 1: Whole job titles	Current Educational requirement	Revised Educational Requirements	Qualification Criteria
Mining and Engineering						
7	Top Management					
		E5	General Manager	BFin, CA, BComm,	Master's Degree	Relevant Field of Study
6	Senior Managers	E2	Assistant General Manager		Honours Degree, Post Graduate Qualification	
		E1	Manager	BSc, MBA, BTech, NDip	Honours Degree, Post Graduate Qualification	
		D4	Manager		Honours Degree, Post Graduate Qualification	
		D3	Superintendents		Bachelor's Degree Bachelor of Technology Higher Diploma	Minimum 4 years of study at an institution of Higher Education and Training
5	Professional	D2	Superintendent	NDip, BTech,	National Diploma Bachelor of Technology Bachelor's Degree	Minimum 3 years of study at an institution of Higher Education and Training
		D1	Specialist	NDip, BTech, BAdmin	National Diploma	Minimum 3 years of study at an institution of Higher Education and Training
4	Skilled	C5	Supervisor, Specialist, Coordinator, Technician	Grade 12	National Diploma National Certificate	Minimum 3 years of study at an institution of Higher Education and Training
		C4	Supervisor, Specialist, Coordinator, Technician		National Diploma National Certificate	Minimum 3 years of study at an institution of Higher Education and Training

2	Semi-Skilled	C3	Administrator, Coordinator, Specialist	Grade 12	National Certificate	Relevant qualification for role e.g. Trade Certificate
		C2	Administrator, Coordinator, Specialist	Grade 10	National Certificate	Relevant qualification for role e.g. Trade Certificate
		C1	Administrator, Coordinator, Specialist	Grade 10	National Certificate	Relevant qualification for role e.g. Trade Certificate
		B5	Administrator, Operator,	Grade 10	Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12
		B4	Administrator, Operator,		Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12
B3	Administrator, Operator,	Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12			
B2	Administrator, Operator,	Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12			
B1	Operator	Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12			

NQF Level	Occupational Level	Job Grades	CATEGORY 1: Whole job titles	Current Educational requirement	Revised Educational Requirements	Qualification Criteria
Plant and Engineering						
7	Top Management					
		E5	General Manager	BFin, CA, BComm,	Master's Degree	Relevant Field of Study
6	Senior Managers	E2	Assistant General Manager		Honours Degree, Post Graduate Qualification	
		E1	Manager	BSc, MBA, BTech, NDip	Honours Degree, Post Graduate Qualification	

		D4	Manager		Honours Degree, Post Graduate Qualification	
		D3	Superintendents		Bachelor's Degree Bachelor of Technology Higher Diploma	Minimum 4 years of study at an institution of Higher Education and Training
5	Professional	D2	Superintendent	NDip, BTech,	National Diploma Bachelor of Technology Bachelor's Degree	Minimum 3 years of study at an institution of Higher Education and Training
		D1	Specialist	NDip, BTech, BAdmin	National Diploma	Minimum 3 years of study at an institution of Higher Education and Training
4	Skilled	C5	Supervisor, Specialist, Coordinator, Technician	Grade 12	National Diploma National Certificate	Minimum 3 years of study at an institution of Higher Education and Training
		C4	Supervisor, Specialist, Coordinator, Technician		National Diploma National Certificate	Minimum 3 years of study at an institution of Higher Education and Training
		C3	Artisan, Administrator, Coordinator, Specialist	Grade 12	National Certificate	Relevant qualification for role e.g. Trade Certificate
		C2	Artisan, Administrator, Coordinator, Specialist	Grade 10	National Certificate	Relevant qualification for role e.g. Trade Certificate
		C1	Artisan, Administrator, Coordinator, Specialist	Grade 10	National Certificate	Relevant qualification for role e.g. Trade Certificate
2	Semi-Skilled	B5	Administrator, Operator, Maintainer	Grade 10	Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12
		B4	Administrator, Operator, Maintainer		Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12
		B3	Administrator, Operator, Maintainer		Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12
		B2	Administrator, Operator, Maintainer		Grade 12 NCV Level 4 ABET Level 4	School or College where the qualification is the equivalent to a grade 12

More detail with regard to the job requirements at Palabora is available from the Human Resources System Database.

The number of people at Palabora trained for career progression opportunities to date is provided in **Table 21**.

Table 21: Number of people trained for career progression opportunities to date

TRAINING CATEGORY	Frontline Leadership Coaching	Generic Management Programme	Bachelor of Business Management Leadership (BML)	Management Development Programme (Stellenbosch Business School)	Executive Development Programme (EDP)	Leadership Development (BLDP & OLDP)	Frontline Leadership Programme
Operations	24	10	1	7	0	12	161
Asset Management	1	3	0	1	0	0	21
HR, Marketing, Finance	4	2	1	2	1	0	12
Total	29	16	2	10		12	194

A **Talent Pool** comprising of exceptional performers, as well as potential management candidates with assessed potential at various levels, have been identified, tracked and placed into a talent pool for succession and accelerated development as shown on **Table 22** and **Table 23**.

Currently, Palabora has met the employment equity requirement with 64% HDSAs at professional and above and 19% women mine wide. Of the 19% women representation, twenty two (22) are black. The mine has a total number of 457 female employees, 366 of the 457 are black, 88 white and 3 foreigners. The Mining Charter states that mines must meet the requirement of 10% women in core mining and all other levels of the mine by 2014. Palabora has already met the target and have 13% female representation in core.

Table 22: Talent pool per occupational level

Occupational levels	Male		Female		Total
	HDSA	White	HDSA	White	
Professionally qualified and experienced specialists and mid-management	29	7	3	2	41
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	18	6	7	5	36
Total	47	13	10	7	77

HDSA=Historical Disadvantaged South African, W=White

Table 23: Talent pool per Department

Department	Male		Female		Total
	HDSA	White	HDSA	White	
Operations	34	9	4	0	47
Asset Management	8	4	3	5	20
HR, Finance, Lab, Marketing, Sales and Logistics (MSL)	5	0	3	2	10
Total	47	13	10	7	77

HDSA=Historical Disadvantaged South African, W=White

Action plan

Palabora will actively promote career progression and succession opportunities among its employees, and has used 2017 to refine the current Career Progression Programme as indicated by the action plan in **Table 24**. A detailed career progression plan is provided in **Table 25**, where specific job titles of employees, relevant Paterson Grade, race, gender and envisaged future positions are illustrated.

The Career Progression Programme will be implemented for a five (5) year period, after which it will be reassessed every five (5) years. The Career Progression Programme will be linked to the Skills Development Programme, learnership programme, internship and bursary programme, mentorship programme and employment equity programme.

Mechanisms has been put in place for individuals to progress from lower skilled working levels to higher skilled working and management levels, should job opportunities arise and positions become vacant. The career progression plan will ensure that the qualifications, aspirations,

developmental needs, and potential capabilities of all employees are accounted for in line with the needs and capabilities of the Mine. This information will be used to plan adequate career paths for employees to progress from lower skilled positions to higher skilled or managerial levels.

Palabora will implement its Career Progression Programme as a primary mechanism to empower its employees to internally fill the skills and employment equity needs of the Company. Furthermore, Palabora will implement a skills training programme in the surrounding communities, which will focus on empowering individuals with the necessary skills to cater for the labour requirements of Palabora. This mechanism of “true” empowerment will be favoured over recruiting and poaching from other companies.

Table 24: Career progression action plan

Action	Deliverables	Target date
Formalise the PDP process whereby interviews are conducted with identified employees, to determine employees' aspirations and potential.	Documented information on employees' potential and aspirations.	August 2018 (and annually in subsequent years)
Continue the establishment of an internal talent pool at Palabora and an external talent pool in the communities.	Accelerate the development of internal and external talent pools.	Annually
Establish fast-tracking plans for succession of HDSAs and women identified from the Palabora and the Community talent pool, as having significant potential to progress to higher skilled and managerial roles within a short timeframe.	Fast-tracking plans for those HDSAs and women in the talent pools.	Annually
Implement formal career planning for those candidates identified to have potential through individual career progression plans.	PDPs for identified candidates.	Annually
Refine the career progression plan including: fast tracking candidates, career pathways for all employees, related employment positions, related targets, related mentorships, required skills training, related training facilities, related resources, related timeframes and budgets for implementation.	Upgraded career progression plan.	Annually
Continue to provide training and career advice to employees that have not been identified to have potential for further development or are not interested in further development. Refine	Ongoing advice and refinement of the communication programme.	Ongoing

Action	Deliverables	Target date
the communication programme to communicate details of training programmes and SLP opportunities available to employees.		
Compile a new career progression “actions plans” table for 2018.	New career progression actions plans table for 2018	August 2018

The annual talent reviews and succession planning takes place annually in August, in accordance with the Human Resources Strategic Actions.

Table 25: Career Progression Plan

Current position					Possible Future Position	
Department	Job Title	Grade	Ethnic	Gender	Job Title	Grade
Mining	Operator	B1-B4	HDSA	M/ F	Coordinator	C1-C3
	Coordinator	C1-C3	HDSA	M/ F	Supervisor	C4-C5
Engineering	Maintainer	B3-B5	HDSA	M/ F	Artisan	C1-C2
	Artisan	C2	HDSA	M/ F	Technician	C4
	Graduate engineer	C3	HDSA	M/ F	Superintendent	D2
Management	Supervisor	C4-C5	HDSA	M/ F	Superintendent	D2
	Superintendent	D2	HDSA	M/ F	Manager	D4
Human Resources	Clerk	B1-B4	HDSA	M/ F	Coordinator	C1-C3
	HR Specialist	C5	HDSA	M/ F	Superintendent	D2
SHEQ	Safety Officer	C3	HDSA	M/ F	Superintendent	D2
Finance	Accountant	C4-C5	HDSA	M/F	Superintendent	D2
Laboratory						
Mining and Engineering	Coordinator	C3	HDSA	M/F	Supervisor	C4-C5
	Supervisor	C5	HDSA	M/F	Superintendent	D2

Current position					Possible Future Position	
Department	Job Title	Grade	Ethnic	Gender	Job Title	Grade
	Mining Engineer	C4	HDSA	M/F	Mining Specialist	C5
	Mining Engineer	C4	HDSA	M/F	Superintendent	D2
Plant and Engineering	Coordinator	C3	HDSA	M/F	Supervisor	C4-C5
	Supervisor	C5	HDSA	M/F	Superintendent	D2
	Metallurgist	C4	HDSA	M/F	Specialist	C5
	Metallurgist	C4	HDSA	M/F	Superintendent	D2

A number of individuals in Table 25 above require certain skills to facilitate their progression into management. Further detail is available from the Palabora HR Department, upon request.

The following mechanisms will be implemented for the fast-tracking of employees identified as having significant potential, in order to promote the advancement of HDSAs into higher skilled and management levels within Palabora:

- Conducting detailed assessments for identified individual, through employee skills interviews, to determine employees' aspirations and potential,
- Implementing career *planning* whereby employees' careers are planned according to their own aptitudes, skills, qualifications, interests and values,
- Offering support and assistance to the employee for the achievement of his/her career planning goals,
- Facilitating the administration of AET courses, NQF courses and skills development programmes,
- Encouraging participation in AET, NQF and skills programmes, as a means to achieve succession pathing and possible learnership opportunities,
- Compiling and implementing an integrated Human Resources Development (HRD) awareness generation programme with employees, including their career progress opportunities,
- Hereafter, regularly informing employees about their career path planning opportunities via notice boards and induction training,
- Communicating the benefits and available career development opportunities to employees,
- Describing and publishing minimum requirements for employment positions. These information campaigns will be directed firstly to existing employees,
- Fast tracking the career progression of the HDSAs identified as having significant potential and aspiration,
- Facilitating the realisation of employees' personal developmental needs in line with the strategic objectives of Palabora,
- Ensuring that mentors are familiar with each employee's career aspirations,
- Eliminating obstacles preventing the successful career progression of employees,
- Ensuring that mentors and managers are kept up to date with all job training, and subsequent development opportunities that may be available to the employee, and
- Monitoring progress through on-going performance management.

Specific succession programmes will be designed for the incorporation of HDSAs into management positions and women into core mining positions at Palabora. This plan will aim to draw on the labour pool of HDSAs and women from the affected communities, and through a process of training programmes and mentorship, to empower these women to be able to execute their responsibilities in their positions.

2.3. Mentorship and Coaching Plan

Regulation 42 (b) (iii)

Introduction

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

Internal mentorship refers to “in-house” mentorship whereby lower level employees are paired with higher level employees in order that a transfer of skills may take place.

External mentorship refers to the coaching of the members of management occupational level (from Manager Level and above) by expert coaches from outside the organization.

The Palabora Mentorship Plan represents a carefully planned and professional intervention to facilitate a larger initiative to support employment equity and skills development within the operation.

The baseline situation

A basic mentorship and coaching programme for employees has been put in place at Palabora. There are currently no formally appointed coaches at Palabora. To date, Engineering learners have been coached by training officers during their off-the-job training in the training centre, and by line supervisors during the on-the-job training phase. Similarly, all other programmes had unofficial mentors to oversee the training process.

This coaching process also forms part of the implementation of new skills and measuring of return on investment in terms of the application of learnt skills. Off-the-job coaching is direct and normally under the direction of the training officer.

Palabora is now in the process of appointing coaches for each person within the Talent Pool. The coaches will be contractually linked with the individual members of the Talent Pool and will be trained in line with the PMC coaching process.

Table 26: Proposed Mentee/Mentor Assignments

Mentee	Mentor
Operator	Coordinator
Coordinator	Supervisor
Supervisor	Superintendent
Engineer	Superintendent
Specialist	Superintendent
Artisan	Supervisor
Technician	Engineer
Maintainer	Lead hand
Superintendent	Manager
Manager	General manager
General manager	Managing Director
Lead hand	Supervisor

Action plan

Palabora will actively promote mentorship opportunities among its current and future employees. The Mentorship programme will focus on mentoring and coaching HDSAs and women into more specialised technical and managerial positions, in line with the employment equity requirements of Palabora.

During this period, detailed action plans for the Mentorship Programme will be implemented over a five (5) year period. At the end of each five (5) year period, the mentorship plan will be reviewed and a new five (5) year plan will be formulated. The Mentorship Programme will be linked to the skills development programme, learnership programme, career progression programme, internships and bursary programme, and employment equity programme. An action plan for mentorship is provided in **Table 27**.

Table 27: Mentorship action plan

ACTION	DELIVERABLES	TARGET DATE
Mentoring of Core contractors in the formulation and implementation of SLP and HRDP.	Empowered Core contractors who are fully willing to implement the SLP.	May 2018
Establish an external mentorship programme for the managers identified as High Potential (HiPos)	External mentorship programme for BEE partners.	September 2018
Formalise the internal mentorship programme and align it with the career progression programme, skills development programme, internship & bursary programme and employment equity programme. Align with the skills need and employment equity need of Palabora.	Formalisation of coaching and mentoring programme.	June 2018
Enrol mentors/coaches in formal, Palabora coaching system.	Mentors training completed and accredited.	September 2018
Assign mentors to fast-tracking candidates from the Palabora internal talent pool of employees, as identified in the career progression programme. Match mentor/coach with mentee.	Enrol fast-tracking candidates in mentorships for certain positions, in line with the skills need and employment equity requirement of Palabora. Formalised mentor-mentee relationships.	September 2018
Compile a new mentorship and coaching programme "actions plans" table for 2018.	New mentorship and coaching programme actions plans table for 2018	February 2018
Formulation and implementation of a community mentorship/coaching programme for LED projects.	Community mentorship/coaching agreements for LED.	2018 onwards

With regard to an internal mentorship and coaching with employees, Palabora will implement the following mechanisms:

- Create mentoring/coaching implementation structures within Palabora,
- Identify mentors/coaches and mentees,
- Train mentors/coaches,

- Match mentors/coaches with suitable mentees,
- Set relationship goals and plans for learning programmes,
- Implement and monitor mentee's progress, and
- Evaluate and fine-tune the process.

The above process focuses specifically on individuals from HDSA groups in order to facilitate upward mobility and achieve transformation goals.

Palabora will implement an internal mentorship plan for mentoring its employees in line with the skills development plan, career progression plan and employment equity plan.

The mentorship plan will be implemented through the following steps:

- Transferring skills from employees to identified HDSAs,
- Mentoring and coaching employees with regard to learnership opportunities,
- Ensuring that mentors are sufficiently trained and capacitated for their role,
- Offering rewards for mentors who perform well and are successful through performance appraisal process ,
- Ensuring that mentees are matched with suitable mentors in terms of, for example, personality type, and
- Providing accelerated individualised development programmes for those employees identified as having sufficient potential and aspiration.

2.4. Internship, In-service and Bursary plan

Introduction

Palabora is well aware of the need to not only assist its own employees with development opportunities, but also to provide opportunities for members of the local community to access tertiary education opportunities (bursaries) and experiential work opportunities (internships and In-service). The bursary, internship and In-service plan links in with developing individuals to supply the organisation with skilled people.

2.4.1. Bursaries

Palabora Mining Company recognizes the need to encourage education at all levels and to this end makes available a limited number of bursaries to the community members. The Company operates a Bursary scheme with a view of assisting high performing students seeking to pursue a course of study for a first degree or diploma. These bursary scheme is awarded for study in the fields of Electrical Engineering, Mechanical Engineering, Metallurgical Engineering, Mining Engineering, Geology, Industrial Engineering, Extractive Metallurgy, Accounting, Computer Science, Environmental Science, Information Technology, Mining Survey and Analytical Chemistry.

Palabora has also established a scholarship scheme, designed as a mechanism which contributes to the overall attraction, development and retention strategy of the business. The sponsorship provides financial aid to highly disadvantaged, but exceptional learners (from Grade 10 upwards) in the local communities, in order to complete their secondary education at a private school. These learners are also encouraged to spend time at the Palabora operation during their holidays in order to learn more about the mining industry. Palabora hopes to interest these high performing learners into a career in mining and engineering, and to attract them to the Palabora bursary scheme. Should these learners apply for employment positions at Palabora upon the completion of their studies, they will be absorbed into the Palabora talent pool further development and advancement.

Table 28: Bursary Holders to date (December 2017)

Discipline	2017			
	Male		Female	
	HDSA	W	HDSA	W
Mining Engineering	4	0	2	0
Metallurgy	3	0	0	0
Mechanical Engineering	2	2	1	0
Electrical Engineering	2	0	0	0
Geology	0	0	0	0
Analytical Chemistry	1	0	0	0
Industrial Engineering	0	0	1	0
Computer Science & Information Technology	0	0	1	0
Financial Accounting	0	1	1	0
Total	12	3	6	0

2.4.2. In-service

In-service is a work experience programme aimed at supporting Higher Education and Training (HET) learners with relevant work experience to pursue their careers. Thus includes Technical and Vocational Education and Training (TVET) students. The objective is to integrate the learners' academic studies with work experience through structured on-the-job training and to also assist them to attain their

qualification. This programme also gives learners a better chance of finding meaningful employment within the mining sector.

2.4.2.1. In-service for HET

Palabora offers a 12 months' work integrated learning programme (P1-P2) to learners studying at University of technologies who are Palabora bursary holders and to those within the community in need of the opportunity. This is an opportunity given to learners studying towards a National Diploma qualification.

Table 29: In-service Training for AET

Discipline	2013		2014		2015		2016		2017	
	Male	Female								
Mining Engineering	0	0	0	0	8	2	2	1	0	1
Metallurgy	0	0	0	0	3	0	3	5	0	0
Mechanical Engineering	0	0	0	0	0	0	2	1	0	0
Electrical Engineering	0	0	0	0	0	0	2	0	1	0
Geology	0	0	0	0	0	0	3	6	0	0
Analytical Chemistry	0	0	0	0	0	0	1	1	0	0
Mining Survey	0	0	0	0	0	0	1	1	0	0
Logistics	0	0	0	0	0	0	0	0	1	0
Safety Management	0	0	0	0	0	0	0	0	1	0
Total per year	0		0		13		29		4	

2.4.2.2.

In-service for TVET

Palabora mining company has established a relationship with the local TVET College in line with the NSDS requirements by offering 18 months' work integrated learning programme to the college learners. This is to assist the learners to achieve their Diploma upon completing their N6 studies.

Table 30: In-service Training for TVET

Discipline	2015		2016		2017	
	Male	Female	Male	Female	Male	Female
Financial Management	0	4	4	7	5	8
Business Management	1	3	2	4	1	4
Engineering studies	0	0	3	2	3	2
Total Per Year	8		22		23	

2.4.2.3. Internships

The internship programme is intended to develop graduates for various career path by giving them an opportunity to gain experience in their chosen field of study over a period of 2 years. This programme focuses on development of professional Mining, Metallurgy, Human Resources, Financial and Engineering skills through a graduate training programme for the Palabora Copper bursars and other unemployed graduates. The objective of the internship/Graduate programme is to build organisational capacity through the development and retention of entry level qualified employees and to also support Employment Equity and BBBEE objectives. The graduate development program is part of the overall business strategy to ensure a competitive edge by investing in people and realising their maximum potential for the benefit of Palabora Mining Company and the individual.

Table 31: Internships to date (December 2017)

Discipline	2013		2014		2015		2016		2017	
	Male	Female								
Mining Engineering	0	0	1	1	2	1	8	1	10	2
Metallurgy	0	0	2	2	3	5	12	6	11	4

Mechanical Engineering	0	0	3	0	3	0	5	0	6	1
Electrical Engineering	0	0	1	1	1	1	4	1	6	1
Geology	0	0	0	2	0	2	3	2	4	4
Analytical Chemistry	0	0	0	1	0	1	1	3	2	4
Industrial Engineering	0	0	0	0			1	1	1	1
Financial Accounting	0	0		0	0	1	0	2	0	2
Environmental Management	0	0	0	1	0	1	1	0	2	0
Occupational Hygiene	0	0	0	0	0	0	0	0	1	0
Human Resources	0	0	0	1	0	3	0	2		
Non-Destructive testing	0	0	0	0	0	0	0	0	1	2
Psychology	0	0	0	0	0	0	0	0	0	1
Total per year	0	0	16	2	24	4	53	6	66	16

Table 32: Five-year plan for Bursaries

Discipline	2018		2019		2020		2021		2022	
	Male	Female	Mal	Female	Male	Female	Male	Female	Male	Female
Analytical	3	0	3	0	3	0	2	0	3	0
Geology	2	0	2	0	2	0	2	0	2	0
Metallurgy	2	1	1	2	2	1	2	1	2	1
Mining Engineering	4	4	1	3	0	2	1	2	2	1
Industrial	0	1	0	1	0	1	0	1	0	1
Electrical Engineering (Heavy Current Only)	0	1	0	1	0	1	0	1	0	1
Mechanical Engineering	0	1	0	1	1	1	1	1	1	0
Financial	0	0	1	0	1	0	1	1	1	1
Total Per Year	19		16		15		16		16	

Table 33: Five year plan for In-service

Discipline	2018		2019		2020		2021		2022	
	Male	Female								
Geology	2	2	3	1	2	1	1	1	1	1
Metallurgy	1	1	2	1	1	2	1	1	2	2
Mining Engineering	2	2	1	1	2	2	1	1	2	2
Electrical Engineering (Heavy	0	1	1	1	2	1	1	1	1	1
Mechanical Engineering	0	0	1	2	1	0	0	1	1	1
Electrical Engineering (Light	1	1	1	1	1	0	1	2	1	1
Total Per Year	13		16		15		12		16	

Table 34: Five year plan for internship

Discipline	2018		2019		2020		2021		2022	
	Male	Female								
Analytical	2	4	3	2	3	2	3	2	3	2
Geology	4	4	3	1	3	1	3	1	3	1
Metallurgy	11	4	5	5	5	5	5	5	5	5
Mining Engineering	10	2	5	3	5	3	5	3	5	3
Industrial	0	1	1	1	1	1	1	1	1	1
Electrical Engineering (Heavy Current Only)	6	1	5	1	5	1	5	1	5	1
Mechanical	7	2	5	1	5	1	5	1	5	1
Financial	1	2	1	1	1	1	1	1	1	1
Environmental	1	0	1	0	1	0	1	2	1	2
Non-Destructive	1	2	1	2	1	2	1	2	1	2
Occupational	1	1	1	1	2	0	2	1	1	1
Total Per Year	67		49		49		49		51	

Table 35: Action plan for Internship, In-service and Bursary Programs

ACTION	DELIVERABLES
Determine business needs in terms of future requirements.	Identified professional business needs
Determine enrolment and application criteria for in service, Internship and Bursaries based on business need.	Enrolment and application criteria.
Assessment of employee’s family members and the Palabora communities to determine potential candidates to become involved in in service program.	Suitable candidates included in community talent database.
Consult with the local higher education institutions to procure students for internships during their vacations.	List of interns from local Colleges and Universities of Technology
Develop and implement an awareness programme with employees, families and in the local communities for bursary opportunities at Palabora.	Formulation and implementation of an awareness and communication programme and implementation on an on-going basis.

A new list of bursaries in alternative economic sectors to mining will be formulated. This list will be informed by the LED priorities contained in the IDPs of BPLM and MDM. Palabora will implement the following specific mechanisms with regard to its internships and bursaries:

- Providing preference to employees in the allocation of bursary opportunities, then to employees’ Dependents, then people from surrounding and labour sending communities, and lastly students from other educational institutions throughout South Africa,
- Ensuring that the internship and bursary programme focuses on the empowerment of HDSAs and women,
- Allowing HDSAs to work as apprentices to become skilled employees on the mine, developing, enhancing and properly utilising the abilities of HDSAs,
- Developing diversified skills amongst employees, families and affected communities, which will benefit the communities after closure of the mine and assist them to obtain jobs in other sectors of the economy,

- Promoting accelerated and equitable access to internship and bursary opportunities,
- Integrating the intern or bursar as an operating member of the mine,
- Providing internship and bursary supervisors to function as educators and overseers of the programmes,
- Involving interns in diverse responsibilities and exposing them to a broad range of challenges,
- Providing continuous evaluation of each internship and bursary,
- Exposing interns and bursars to the network of industry professionals,
- Providing a bursary scheme to cater for learners who wish to pursue undergraduate or post-graduate studies in mining related sectors,
- Appropriately and nationally advertising internship / bursary opportunities within Palabora, as well as the necessary selection criteria thereof,
- Identifying selected learners at pre-tertiary level in order to nurture potential at an early stage. These learners will be provided with bursaries which are relevant to the current and future market needs of the mining sector and the company, and
- Providing bursaries which cover fees for registration, tuition, accommodation, and learning materials.

2.5. Employment equity plan

Regulation 46 (b) (v)

Appendix 2.2: Employment Equity Plan

Introduction

Palabora fully subscribes to the principles of the Mining Charter, and strives to achieve more than the minimum requirements. The mine believes that employment equity is an integral part of building an effective and representative workforce and to ensuring equality for all employees. Particular effort will be directed to identifying HDSAs with talent, and providing accelerated training and development initiatives to assist their progression.

Palabora continues with its efforts to meet the 2014-2017 Employment Equity Plan requirements. Management continuously monitors and evaluates progress on the implementation of the employment equity plan and ensures adherence to the plan and addresses any barriers that impacts on achievement of the plan. This constant monitoring and evaluation had impacted positively on the achievement of the targets. The target for Palabora's Employment Equity Plan as detailed in the Social and Labour Plan is 40% HDSA at Management roles and 10% of Women in CORE Mining.

The table below shows Palabora's actual Employment Equity statistics as at end of November 2017 reflects that the overall of 86% employees come from designated groups or previously Historically Disadvantaged South Africans (HDSA's). HDSAs at Professional and above are at 64.33%. The overall participation of women at the Mine is at 19%. The Mining Charter requires the achievement of the following targets by 2014: 40% HDSA in Core participation in Management, 10% women participation in mining activities.

As at November 2017, Women in **Core** Mining were above the 10% target, it is at 14%, the HDSA participation in management roles at 64.33%, above the 40% target and 18 employees with disabilities are reported while the required is 48 in line with our total workforce.

Palabora will continue to make opportunities available by identifying positions that will be suitable for people with disabilities. Palabora continues to develop unemployed learners or graduates in the communities around Ba-Phalaborwa by recruiting them on learnership, internships, in service and vocational employment. Local employees are recruited and trained to operate mobile equipment wherein they are appointed permanently in positions as and when such becomes available in line with relevant legislation.

Progress on employment equity is published each year in the annual report and communicated to stakeholders through employment equity forums.

Palabora is committed to exceeding the target for participation of HDSAs and women in particular over time. Table 28 below depicts Palabora's estimated targets for increasing the participation of HDSA's over the next five (5) years.

Table 36: Employment Equity statistics as per Form S in Annexure II of the MPRDA regulations

Occupational levels	Male					Female					Total	% HDSA	Disabled
	African	Coloured	Indian	White	Foreign	African	Coloured	Indian	White	Foreign			
Top management	3	0	0	2	2	1	0	0	0	0	8	50%	0
Senior management	17	0	2	20	8	3	0	0	5	0	55	50%	0
Professionally qualified and experienced specialists and mid-management	48	1	1	23	5	18	0	0	11	1	108	82%	1
Skilled technical and academically qualified workers, junior management,	529	13	5	264	5	153	3	0	65	2	1039	76%	6
Semi-skilled and discretionary decision-	979	6	0	37	4	186	1	1	7	0	1221	98%	11
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	0	0%	0
Total number of permanent employees	1576	20	8	346	24	361	4	1	88	3	2431	86%	18

Palabora is already at 76% HDSA representation at skilled labour and 98% HDSA representation at semi-skilled. The focus will shift to the development of HDSA representation at professional and above. The next table indicate the mine's progression plan for the next five years at decision making levels.

Table 37: Five year plan and targets for HDSA participation in management

Category (Paterson grade)	Actual HDSA in Management			Planned HDSA in Management														
	2017 (November)			2018			2019			2020			2021			2022		
	% HDSA	No. HDSA	Total No.	% HDSA	No. HDSA	Total No.	% HDSA	No. HDSA	Total No.	% HDSA	No. HDSA	Total No.	% HDSA	No. HDSA	Total No.	% HDSA	No. HDSA	Total No.
Top management	50%	4	8	50%	4	8	50%	4	8	50%	4	8	50%	4	8	50%	4	8
Senior management	50%	27	55	50%	28	56	50%	28	56	50%	28	56	50%	28	56	50%	28	56
Professionally qualified and experienced specialists and mid-management	73%	79	108	75%	81	108	82%	82	108	82%	83	108	82%	84	108	82%	85	108
Total HDSA	65.3%	110	171	65.6%	111	172	66.3%	114	172	66.9%	115	172	67.4%	116	172	68%	117	172

Note that these figures are estimates and depend on HDSA progression. Figures will be verified annually and be made available to the DMR. The plan is to maintain the current figures as they have already exceeded the targets. This however does not mean that there will be no changes with the progression of HDSA candidates. The mine will also adjust the figures to comply with the requirements of the New Mining Charter as soon as it becomes effective.

Table 38: Participation of HDSAs action plan

ACTION	DELIVERABLES	TARGET DATE
Assess internal Palabora talent pool of employees for potential HDSA and women candidates to fast-track into these positions, in line with the career progression and skills development plan.	Identified HDSA and women candidates with potential for development and progression into these positions.	Ongoing
Assess external talent pool of community members for HDSA and women candidates with potential to be trained and progressed into Palabora HRDP.	Identified HDSA and women candidates with potential for development and progression into the Palabora programme.	Ongoing
Revise the empowerment plan to reach these targets over a longer time period based on training, mentoring and progressing HDSAs and women from lower levels within Palabora, and from communities, into these positions. Consultation with the DMR to ensure their awareness and guidance in the Palabora employment equity process.	Revised HDSA and women empowerment plan. Communicate this to the DMR and obtain sign-off.	Ongoing
Identify and recruit suitable HDSA and women candidates from other industries and companies as a last resort.	Recruitment plan and potential candidates interviewed for these positions.	Ongoing
Develop a community training programme for external candidates from local and surrounding communities to fill these positions, should internal employees not be suited for the management roles.	Community training/empowerment programme.	Annually
Monitoring and implementation of employment equity plan.	Progress in terms of outlined targets.	Ongoing

Table 39: Five year plan and targets for female participation at Palabora

Category (Paterson grade)	Actual Women							Planned Women													
	2017							2018						2019							
	A	C	I	W	Total Wo men	% Wome n	Total No.	A	C	I	W	Tot al Wo me n	% Wome n	Total No.	A	C	I	W	No. Wom en	% Wome n	Total No.
Top management	1	0	0	0	1	13%	8	1	0	0	0	1	13%	8	1	0	0	0	1	13%	8
Senior management	4	0	0	5	9	16%	57	5	0	0	5	10	18%	57	5	0	0	5	10	18%	57
Professionally qualified and experienced specialists and mid-management	18	0	0	11	29	28%	110	20	0	0	11	31	29%	110	20	0	0	11	31	29%	110
Skilled technical & academically qualified workers, junior management,	155	3	0	65	223	22%	1039	157	3	0	65	225	22%	1039	159	3	0	65	227	22%	1039
Semi-skilled and discretionary decision-making	186	1	1	7	195	0%	1221	191	1	1	7	200	0%	1221	196	1	1	7	205	0%	1221
Total Woman	364	4	1	88	457	79%	2435	374	4	1	88	467	82%	2435	381	4	1	88	474	84%	2435
Percentage per race category	15 %	0.2%	0.4%	3.6%				15%	0.1 %	0%	3.6 %				16%	0%	0 %	3.6 %			

A= African; C=Coloured; I=Indian; W=White

Category (Paterson grade)	Planned Women							Planned Women														
	2020							2021							2022							
	A	C	I	W	Total Women	% Women	Total No.	A	C	I	W	Total Wome n	% Women	Total No.	A	C	I	W	No Women	% Women	Total No.	
Top management	1	0	0	0	1	13%	8	1	0	0	0	1	13%	8	1	0	0	0	1	13%	8	
Senior management	5	0	0	5	10	18%	57	6	0	0	5	11	19%	57	7	0	0	5	12	20%	57	
Professionally qualified and experienced specialists and mid-management	22	0	0	11	29	28%	110	23	0	0	11	34	31%	110	24	0	0	11	35	32%	110	
Skilled technical and academically qualified workers, junior management,	161	3	0	65	229	22%	1039	163	3	0	65	231	22%	1039	165	3	0	65	233	22%	1039	
Semi-skilled and discretionary decision-making	201	1	1	7	211	0%	1221	206	1	1	7	215	0%	1221	211	1	1	7	220	0%	1221	
Total Woman	390	4	1	88	480	68%	2435	399	4	1	88	492	85%	2435	408	4	1	88	501	87%	2435	
Percentage per race category	16%	0.1%	0%	3.6%				16%	0%	0%	3.6%				17%	0.1%	0%	3.6%				

A= African; C=Coloured; I=Indian; W=White

Participation of women

To address the historical issues of South Africa, which resulted in the majority of South Africans being excluded from participating in the mainstream economy, especially women, Palabora is committed to include women in the workforce, this is seen through the current status of 19% women representation mine wide, a positive progress since 2010. The new Mining Charter emphasises women representation at all levels, Palabora has an employment equity committee which will ensure that women are represented in positions that traditionally have been considered male only, i.e. to ensure that women are employed throughout various positions on the Mine. Palabora has already complied with the 10% labour quota for women in mining by as required by the MPRDA.

SECTION 3

LOCAL ECONOMIC DEVELOPMENT PROGRAMME

Regulation 46 (c)

3. LOCAL ECONOMIC DEVELOPMENT PROGRAMME (LEDP)

Regulation 46 (c)

Background and Approach

Background

The Palabora Foundation was established in 1986 by Palabora as the Corporate Social Responsibility arm of the Company. Palabora signs annual Service Level Agreements with the Foundation to implement local economic development projects. The mine has also increased its capacity to implement some of the projects in-house. The plan is to fully implement all projects internally and not use a second party to implement. The Foundation receives at least 4% of after tax profits and they also source funding for community projects from other Corporate Companies, non-governmental organisations (NGOs), government departments and increasingly so, other donor entities in other parts of the world. The Foundation is not a charitable grant making organisation, but is the local economic development arm and implements programmes in the community with its partners. All of the Foundation projects (Education, Skills Development, Business Development, HIV and AIDS, and LED) are included.

The Foundation is an independent trust registered with the Master of the High Court. The Foundation is a non-profit organisation in terms of the Non-Profit Organisation Act of 1977, and also a National Skills Fund accredited provider.

Palabora, together with other representatives from the affected communities, act as trustees and directors of the trust. The Palabora Foundation Board of Trustees meets quarterly to review the work of the Foundation and the Trustees' Executive Committee meets with the Director on a monthly basis.

The sole purpose for Palabora establishing the Palabora Foundation is related to the high socio-economic impact that Palabora has on the towns, communities and economy in the BPLM. Numerous industries, businesses and people, are either directly or indirectly dependent on Palabora's operation. In order to reduce any adverse socio-economic impacts at closure time, and to fully utilise the window of opportunity created by Palabora, a strategic decision was taken in 1986 to establish a socio-economic community development entity, which would be completely self-sustaining and sustainable beyond closure of the mine.

Hence, the establishment of the Palabora Foundation, which as it stands today, is completely self-sustaining and sustainable, independently of Palabora. This was proven during the challenges of the financial crises that faced Palabora from 2004 – 2006. During this time Palabora was forced to stop contributing its profits after tax to the Palabora Foundation, by means of sourcing funding from other donors (described above), the Palabora Foundation was able to remain completely sustainable and able to continue with its local economic development, skills training and education programmes in the BPLM communities.

The Foundation works in partnership with local and provincial government in all its projects.

Approach

The following sections contain the strategic activities that form the basis for the Palabora LEDP. The LEDP will seek to promote Palabora's alignment and involvement in the LED initiatives of the BPLM IDP.

The following primary documents will form the basis of Palabora's LEDP:

- A Housing and Living Conditions Plan (attached in Appendix 3.1);
- Enterprise and Supplier Development Terms of Reference (Appendix 3.2);
- Transformation Strategy (Appendix 3.3);
- A Procurement Policy (attached in Appendix 3.4); and
- BPLM IDP (Appendix 1.2)
- LED Projects implemented by Palabora in the past five years (Appendix 3.5)

The focus of the Palabora LEDP for 2018 – 2022 will be on:

- Continuing the Palabora Foundation's LEDP in the surrounding and labour sending communities, in line with the IDP of the BPLM,
- Continuing current LED projects, and establishing new LED projects, that focus on infrastructure development, basic service provision, poverty eradication, skills development and education provision to communities,
- Increasing the levels of HDSA-based and Community-based procurement levels to the mine, and
- Promoting the establishment of entrepreneurs amongst the household members of employees and amongst other households in Palabora's surrounding and labour sending communities.

3.1 Background Socio-Economic information

Regulation 46 (c) (i) and (ii) (a)

Introduction

The detailed background socio-economic information for Palabora's area of operation is provided in the Municipal Integrated Development Plan attached in Appendix 3.5. The IDP was based on public participation and a desktop study of existing socio-economic information and development strategies contained in the governmental, national, provincial, regional and local databases (i.e. Statistics South Africa, IDPs, Census data and the Municipal Demarcation Board). The desktop study includes researching the BPLM and the MDM IDP documents in order to identify contextual challenges and priorities.

The study also includes Palabora employees and aims to determine the nature of interaction of the mine with employees and communities. The IDP reveals the detailed socio-economic impact of Palabora in surrounding and major labour sending communities and on the BPLM

and the MDM. The regional data from the municipality has been integrated with the socio-economic households' data from public participations.

Area of operation

Palabora is situated in the BPLM that falls within the MDM in the Limpopo Province.

Labour sending areas

A detailed breakdown of the employee labour sending areas is given for Palabora in **Table 2**. In terms of the SLP, a major labour sending area requiring the mine's involvement in LED and the relevant IDP, is classified as *a local municipality where more than 80% of the mine's labour force permanently reside*.

According to the data contained in Table 2, the BPLM is both the host and major labour sending area, with 90% of the workforce permanently residing in this region. The workforce comes from the following communities within BPLM – 33.4% from Namakgale, 32.9% from Phalaborwa and nearly 16.2% from Lulekani.

Therefore, Palabora has to become involved in socio-economic development activities or LED projects within the BPLM, as the mine sources more than 80% of its workforce from this local municipality. However, most employees indicated that they were not aware of the LED projects run by Palabora Copper in their communities.

Action plan indicating the zone of focus of the Palabora LEDP

The zone of impact¹ and focus areas of the Palabora LEDP, according to the requirements of the MPRDA, will be on the BPLM, within the MDM.

Action Plan 1: The host municipal area and primary labour sending area of Palabora is the BPLM within the MDM. Subsequently, the Palabora LED will focus on areas within this municipality. This approach is further supported by the fact, that the primary labour sending area for Palabora is the BPLM (90%).

Action Plan 2: The remaining 10% of employee households from Palabora are widely distributed among other municipalities outside of the BPLM (refer to **Table 2**). Therefore, the SLP initiatives will further seek to empower those employee households to engage in LED activities in the other affected local municipalities.

3.2. Socio-Economic impact of the operation on the mine community and economic activities

Regulation 46 (c) (ii) (b)

The baseline situation

Ba-Phalaborwa Municipality has approximately 168 000 total population, with about 42 111 households. The inhabitants are spread across the eight areas; Lulekani, Namakgale, Phalaborwa Town, Majeje, Maseke, Makhushane, Mashishimale and Selwane.

The impact

During the operation of a mine, local communities are provided with jobs and input services to the mining operation. In the case of Palabora, the socio-economic impact on the BPLM is significantly high for the following primary reasons:

- Approximately 4 000 people are directly impacted by the mine through a dependency on income from the mine. The employees of Palabora are mainly from the town of Phalaborwa, Namakgale and Lulekani and surrounding rural areas. On a broader scale, labour is obtained from other communities within a 60 kilometre radius of the mine.
- It is estimated that a further 20% of the BPLM population are indirectly dependent on the mine for an income supply, either through the provision of services/goods to the mine, or through income earned from downstream economic activities.
- The BPLM earn substantially high revenue from Palabora in the form of rates and taxes, which it uses for bulk infrastructure supply, service provision and development for local communities.
- The BPLM, and the MDM, benefit from Palabora in terms of poverty eradication, skills development and education opportunities. However, Palabora has established the Palabora Foundation, which is completely sustainable beyond the closure of the mine.

The BPLM's economic wealth creation is inextricably linked to its three major mining operations: Palabora, Foskor and Stibium. These three operations make up as much as 80% of the economic output in the area. Therefore, the socio-economic impact of their eventual closure will be severe for the local area and further away in other regions. .

In addition to the contribution to the economy, Palabora also pays significant amounts in annual taxes, including the following: skills levies, UIF, VAT Company, power, water, Telecommunications and rates and taxes.

It should also be emphasised that Palabora is the only producer of refined copper in South Africa, and is committed to supplying the local market before exporting. Should the Mine cease to operate, however, South Africa will become a net importer of copper.

3.3. Measures to address housing and living conditions

Majority of Palabora employees are locals and have proper standard family houses. Family units have been established, and as such there are no hostels. Palabora continues to promote home ownership by facilitating opportunities for employees to secure housing loans where required, housing allowance is also granted to employees in line with this policy, most employees have purchased their own houses in Phalaborwa and the surrounding district, making use of company housing bond subsidies. All employees are eligible for housing subsidies in order to assist employees to obtain ownership of their homes. Single employees live either in rented flat in Phalaborwa, or in single quarter accommodation in Namakgale, depending on the employees' choice. Since June 2008, all employees receive an additional basic housing allowance

Palabora continues to provide its employees and their households with access to basic health care through the mine clinic, and the Palabora Foundation in the labour sending communities. Palabora also pays for medical costs of private medical treatment related to injuries and serious health issues for its employees. Palabora has an extensive primary health care programme and HIV/AIDS programme for its employees, their families and the affected communities.

During the 1990's and early 2000's Palabora Copper sold most of their houses to the Palabora employee residing in such property. To date the remaining assets, all situated in Phalaborwa, are as follows:

-10 houses (3 and 4 bedroomed) – 1 of these properties are in the process of being sold, 1 has been converted to a training centre and 1 has been converted to a medical facility

-20 flats (3 bedroomed) 10 of these residences are occupied by Palabora employees.

Rental allowance

In an effort to assist all newly employed C bands and above employees, private rental accommodation is subsidised for a period of 6 months at a rental of R1000 per month. The market related rental for the residence is then phased in over the following twelve months.

Legal fees assistance

The company assists employees with a 10% administration fee based on the purchase price of the residence, capped at R750, 000.00. The company will recover 50% of the administration fee from the employee's salary over a two-year period and will write off the remaining 50%.

Bond subsidy

Employees who have property registered in their name are eligible for a monthly bond subsidy.

Bargaining unit 1 - R 600

Bargaining unit 2 - R 820

Bargaining unit 3	-	R 770
Staff	-	R1, 245

Housing allowances

All employees are eligible for a monthly housing allowance as follows:

B1-B5	-	R 900
C1	-	R1, 000
C2-C5	-	R1, 300
D1	-	R2, 500
D2	-	R2, 800
D3-E2	-	R3, 500

Health care

Palabora will address the health care issues of its employees by means of the following measures:

- Referring to the housing and living conditions plan in Appendix 3.1,
- Through the Phelang Community HIV and AIDS programme,
- Continuing the HIV/AIDS Awareness Campaign,
- Continuing the VCT programme,
- Continuing financial provisions for potential future medical costs and employee support programmes,
- Creating awareness amongst employees and their dependants to the use of primary health care facilities established by local government in the area,
- Facilitating access to primary health care for all employees as well as their registered dependents, including those in major labour sending areas,
- Regularly assessing the quality, cost and appropriateness of services and standard/effectiveness of medication provided at the mine clinic,
- Continuing the health care programmes at the Phelang Health Centre, a Foundation initiative which serves as the mine clinic, which are open to both employees and communities members, and
- Providing educational programmes to employees and communities on how to address issues regarding family planning, marriage counselling and related subjects.

Measures to improve nutrition

Regulation 46 (c) (v) requires that mines put measures in place to ensure that employees have adequate access to a well-balanced diet and meals. Palabora is committed to improve the nutrition of its employees in accordance with the standards set out by the Chamber of Mines

and the nationally accepted health standards. A 100% black owned enterprise was given preference to operate the cafeteria. The enterprise belongs to the Community Trust that is owned by the five Tribal Authorities of Phalaborwa. Palabora has ensured that:

- The food available for sale on site at the cafeteria is of an adequate dietary requirement,
- The food is provided at an affordable cost to all the employees of Palabora,
- Equitable access of all employees to food provision during working hours,
- Education to employees and their families on the importance of adequate and proper nutrition, by means of a nutrition awareness plan,
- Regular assessment of the quality of the meals and dietary intake of employees that do not use the canteen, and

3.4. Infrastructure and poverty eradication projects

Approach

LED is an approach towards economic development which allows and encourages local communities, government and the private sector to work together to achieve sustainable economic growth and development, thereby promoting economic benefits and improved quality of life for all residents in any local municipal area. Palabora actively promotes and provides LED projects, basic services, Skills development and Education opportunities to people in the communities of the BPLM and surrounds.

Palabora's development continues to be guided by a number of constructive documents which includes the Mining Charter, our Social and Labour Plans and its corporate citizenship principles. Over the past five years 2012 to 2016, Palabora has invested R160 million in community development projects around its operations. Palabora's business principles underpin its mission, values, and stakeholder relationships. As a company, we seek to create value for our employees and their families as well as the communities and other stakeholder, the aim of such partnership being to ensure mutual understanding and engender cooperative relationships. Our stakeholders include, the government, from the municipal level to provincial level, to the national level.

The local community is engaged through our social arm, the Palabora Foundation, which is responsible for all our SED and ED activities. Palabora through the Palabora Foundation ("Foundation"), is responsible for the development of a model to support local economic and supplier development in Ba-Phalaborwa and to adopt a proactive strategy of change to foster and encourage Broad-Based Black Economic Empowerment (B-BBEE) and Transformation at the tiers of ownership, management control, skills development, procurement and rural development in line with the requirements of the relevant legislation.

Objectives for LED

- Support and enable advancement of youth, women and disabled people to actively participate in local economic development programmes;
- Create long-term jobs;
- Stimulate sector-focused economic growth;
- Strengthen the cohesion between small enterprises; and
- Participate in strategic discussions with the Ba-Phalaborwa Municipality on formulation of local economic development programme and plans.

Baseline situation

Palabora has a long-term commitment to social development and empowering communities in the BPLM. Palabora has built strong relationships with local government, traditional authorities and communities, based on transparency, trust, mutual respect and active consultation.

Palabora aims to assist local communities to become self-reliant, by means of:

- LED projects and Tourism Projects, i.e. poverty eradication programmes,
- Education (Whole School Development, Learner Support Programmes, Early Childhood Education and Environmental Education),
- Skills Development Training,
- Community Health (HIV and AIDS),
- LED and Tourism participation, and
- Small Scale Economic Development Projects.

Table 40: Action plan for the implementation of LED projects

ACTION	DELIVERABLES	TARGET DATE
Development of progress reporting functions in line with the Palabora SLP.	Closer integration of Palabora Foundation into Palabora reporting mechanism.	February 2018
Formal presentation of Palabora SLP to BPLM representatives, and discussion of SLP projects. Formal minutes of the meeting.	Meeting with BPLM. Formal minutes.	November 2017
Design portable skills training programmes	Portable skills training programme.	September 2018
Continued implementation of LED projects and regular consultation with representatives of the	LED project implementation.	Ongoing

ACTION	DELIVERABLES	TARGET DATE
BPLM, DMR, traditional authorities, community representatives and other stakeholders.	Regular minutes of meetings.	
Attract donor funding from other entities in South Africa and the rest of the world, to enhance socio-economic development in BPLM.	Other donor funding options.	Ongoing

The Infrastructure and Local Economic Development projects to be established from 2018 have been selected from the BPLM's IDP and through consultation with traditional authority. The projects are:

- Community Clinic at Prisca village
- 3km tar road at Selwane village
- Upgrading of 4 classrooms at Matume Malatji High School in Maseke village
- Painting of Lepato High in Makhushane village.
- Building of kitchen for feeding scheme at Makhushane Primary, putting borehole & treatment of termites
- Building of ablution facility at Bollandoto High, kitchen, storeroom and borehole
- Building of ablution facility for learners at ST Patrick Mathibela in Makhushane
- Paving of 1km road to Mashishimale clinic
- Upgrading of 2 streets in Phalaborwa town
 - Park Street
 - Molengraaf Street
- Bus Shelter Project in all communities

Refer to **Table 41** for detailed Business Plans for these projects.

Table 41: Business plans for the implementation of Infrastructure and LED projects

PROJECT NO. 1: COMMUNITY CLINIC AT PRISCA VILLAGE			
PROJECT BACKGROUND Prisca is a village situated approximately 80km away from Phalaborwa town. The village does not have access to health care and has to travel to the nearest village which is at least 24km away to get medical attention.		OBJECTIVES Assist community members to have access to local clinic <ul style="list-style-type: none"> • Through the project, we will assist in economic development within BPLM • To support the infrastructure programmes in line with the National Development Plan 	
PERFORMANCE INDICATORS <ul style="list-style-type: none"> • Opening of clinic at Prisca 	TARGET GROUPS (beneficiaries): BPLM Community, Prisca village	LOCATION Prisca Village	EMPLOYMENT OPPORTUNITIES To be determined
ACTIVITIES	TIMEFRAME – BUDGET and MILESTONES		
	Year	2019	
<ul style="list-style-type: none"> • Contribute financially towards the building of the clinic. • Include the Department of Health in the process of building the clinic. • Monitoring and evaluation of the project to completion and then handing over to BPLM and the Department of Health. • Involve HDSA contractors in the construction phase of the project. 	Milestones	February 2019	Notify the Department of Health about the clinic
		April 2019	Develop technical scope of the project and advertise.
		July 2019	Adjudicate and identify successful supplier and award contract.
		August 2019	Site establishment by contractor and commencement of works Monthly inspection.
		September 2019	Monthly inspection by PMC and BPLM.

PROJECT NO. 2: THREE (3) KM TAR ROAD AT SELWANE VILLAGE

<p>PROJECT BACKGROUND</p> <p>Selwane is a village situated approximately 50km away from Phalaborwa town. The main road at Selwane is gravel and poses a risk of dust as other households are right next to the road. There are limited buses that go to the area to transport people to town. Taxis do not cover the route due to the dusty road.</p> <p>There are high agricultural activities at Selwane and farmers use the gravel road to transport their harvest to the market.</p>	<p>OBJECTIVES</p> <ul style="list-style-type: none"> • Assist community members to have access to all local means of transport • Assist local businesses to transport fresh produces to local markets • Assist the local youth with the weekly movements of in and out of the village due to Sports activities • Through the project, we will assist in the economic development within BPLM • To support the infrastructure programmes in line with the National Development Plan
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<p>PERFORMANCE INDICATORS</p> <ul style="list-style-type: none"> • 3 km tar road at Selwane 	<p>TARGET GROUPS (beneficiaries): BPLM Community and Selwane village</p>	<p>LOCATION Selwane Village</p>	<p>EMPLOYMENT OPPORTUNITIES To be determined</p>
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ACTIVITIES	TIMEFRAME – BUDGET and MILESTONES			
	Year	2018 to 2020		
<ul style="list-style-type: none"> • Contribute financially towards the construction of the Tar Road • Include the Department of Roads and Transports in the process of constructing the Tar Road • Monitoring and evaluation of the project to completion and then handing over to BPLM and the Department of Roads and Transports • Involve HDSA contractors in the construction phase of the project. 				
	Milestones	February 2018	Notify the Department of Roads and Transports.	
		March 2018	Develop technical scope of the project and advertise.	
		May 2018	Adjudicate and identify successful supplier and award contract.	
		August 2018	Site establishment by contractor and commencement of works Monthly inspection.	
		September 2018	Monthly inspection by PMC and BPLM.	

PROJECT NO. 3: UPGRADING OF FOUR (4) CLASSROOMS AT MATOME MALATJI HIGH SCHOOL			
PROJECT BACKGROUND Matome Malatji High School is the only High School in Maseke village situated approximately 25km away from Phalaborwa town. The School is currently accommodating plus 680 learners from the local village.		OBJECTIVES <ul style="list-style-type: none"> • Assist community learners to have access to better education and a clean learning environment. • Through the project, we will assist in the economic development within BPLM • To support the infrastructure programmes in line with the National Development Plan 	
PERFORMANCE INDICATORS <ul style="list-style-type: none"> • Upgrading the Matome Malatji High School in Maseke Village 	TARGET GROUPS (beneficiaries): BPLM Community, Maseke Village	LOCATION Maseke Village	EMPLOYMENT OPPORTUNITIES To be determined
ACTIVITIES	TIMEFRAME – BUDGET and MILESTONES		
	Year	2018	
<ul style="list-style-type: none"> • Contribute financially towards upgrading and maintaining the school • Include the Department of Education in the process of upgrading the school • Monitoring and evaluation of the project to completion and then handing over to BPLM and the Department of Education • Involve HDSA contractors in the construction phase of the project. 	Milestones	March 2018	Notify the Department of Education
		April 2018	Develop technical scope of the project and advertise.
		June 2018	Adjudicate and identify successful supplier and award contract.
		July 2018	Site establishment by contractor and commencement of works Monthly inspection.
		August 2018	Monthly inspection by PMC and BPLM.

PROJECT NO. 4: PAINTING OF LEPATO HIGH SCHOOL IN MAKHUSHANE VILLAGE				
PROJECT BACKGROUND Lepato High School is situated in Makhushane village situated approximately 25km away from Phalaborwa town. The School is currently accommodating plus 852 learners from the local village. The painting at the school has dilapidated.		OBJECTIVES <ul style="list-style-type: none"> • Assist community learners to have access to better education and a clean learning environment • Through the project, we will assist in economic development within BPLM • To support the infrastructure programmes in line with the National Development Plan 		
PERFORMANCE INDICATORS <ul style="list-style-type: none"> • Painting the Lepato High School in Makhushane Village 		TARGET GROUPS (beneficiaries): BPLM Community, Maseke Village	LOCATION Makhushane Village	
		EMPLOYMENT OPPORTUNITIES To be determined		
ACTIVITIES	TIMEFRAME – BUDGET and MILESTONES			
	Year	2018		
<ul style="list-style-type: none"> • Contribute financially towards painting the school • Include the Department of Education in the process of painting the school • Monitoring and evaluation of the project to completion and then handing over to BPLM and the Department of Education • Involve HDSA contractors in the construction phase of the project. 				
	Milestones	February 2018	Notify the Department of Education.	
		April 2018	Develop technical scope of the project and advertise.	
		July 2018	Adjudicate and identify successful supplier and award contract.	
		August 2018	Site establishment by contractor and commencement of works Monthly inspection.	
September 2018	Monthly inspection by PMC and BPLM.			

PROJECT NO. 5: BUILDING OF KITCHEN FOR FEEDING SCHEME AT MAKHUSHANE PRIMARY & PUTTING BOREHOLE AND TREATMENT OF TERMITES

<p>PROJECT BACKGROUND</p> <p>Makhushane Primary School is situated in Makhushane village approximately 25km away from Phalaborwa town. The School is providing day to day feeding scheme to learners and it does not have a proper Kitchen to prepare and store food. The area also has a shortage of water supply at the school, sometimes learners run out of water and some of the classrooms are collapsing due to termites.</p>	<p>OBJECTIVES</p> <ul style="list-style-type: none"> • Assist community learners to have access to better education and a clean learning environment. • Assist the community learners to use classrooms that are safe and food that is stored & prepared in a clinically hygiene environment. • Provide community learners with day to day running water.
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<p>PERFORMANCE INDICATORS</p> <ul style="list-style-type: none"> • Building a proper kitchen, putting a borehole and treating termites at Makhushane Primary School in Makhushane Village 	<p>TARGET GROUPS (beneficiaries): BPLM Community, Makhushane Primary</p>	<p>LOCATION Makhushane Village</p>	<p>EMPLOYMENT OPPORTUNITIES To be determined</p>
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ACTIVITIES	TIMEFRAME – BUDGET and MILESTONES			
	Year	2018		
<ul style="list-style-type: none"> • Contribute financially towards building a proper kitchen, putting a borehole and treating termites at the school • Include the Department of Education in the process of Building a proper kitchen, Putting a Borehole and Treating Termites at the school • Monitoring and evaluation of the project to completion and then handing over to BPLM and the Department of Education • Involve HDSA contractors in the construction phase of the project. 				
	Milestones	February 2018	Notify the Department of Education.	
		April 2018	Develop technical scope of the project and advertise.	
		July 2018	Adjudicate and identify successful supplier and award contract.	
		August 2018	Site establishment by contractor and commencement of works Monthly inspection.	
September 2018	Monthly inspection by PMC and BPLM.			

PROJECT NO. 6: BUILDING OF KITCHEN & STOREROOM AND ABLUTION FACILITIES & BOREHOLE AT BOLLANOTO HIGH SCHOOL			
PROJECT BACKGROUND Bollanoto High School is situated in Makhushane village situated approximately 30 km away from Phalaborwa town. The School is providing day to day feeding scheme to learners and it does not have a proper Kitchen to prepare food. The area also has a shortage of water supply and sometimes learners run out of water. There is also shortage of ablution facilities.		OBJECTIVES <ul style="list-style-type: none"> • Assist community learners to have access to better education and a clean learning environment • Assist the community learners to use classrooms that are safe and receive food that is stored & prepared in a clinically hygiene environment • Provide community learners with running water • Provide community learners with hygienically clean ablution facilities 	
PERFORMANCE INDICATORS <ul style="list-style-type: none"> • Building a proper kitchen for feeding scheme, putting a borehole and building ablution facilities at Bollanoto High School in Makhushane Village 	TARGET GROUPS (beneficiaries): BPLM Community, Makhushane Village	LOCATION Makhushane Village	EMPLOYMENT OPPORTUNITIES To be determined
ACTIVITIES	TIMEFRAME – BUDGET and MILESTONES		
	Year	2018	
<ul style="list-style-type: none"> • Contribute financially towards Building a proper kitchen and storeroom, Putting a Borehole and building ablution facilities • Include the Department of Education in the process of Building a proper kitchen and storeroom, Putting a Borehole including building ablution facilities the school • Monitoring and evaluation of the project to completion and then handing over to BPLM and the Department of Education • Involve HDSA contractors in the construction phase of the project. 	Milestones	April 2018	Notify the Department of Education.
		June 2018	Develop technical scope of the project and advertise.
		August 2018	Adjudicate and identify successful supplier and award contract.
		October 2018	Site establishment by contractor and commencement of works Monthly inspection.
		September 2018	Monthly inspection by PMC and BPLM.

• PROJECT NO. 7: BULDING OF ABLUSTION FACILITIES AT ST PATRICK MATHIBELA AT MAKHUSHANE VILLAGE

PROJECT BACKGROUND

ST Patrick High School is situated in Makhushane village approximately 30km away from Phalaborwa town. The learners have shortage of ablution facilities at the school.

OBJECTIVES

- Assist community leaners to have access to better education and a clean learning environment.
- Provide community leaners with enough hygienically clean ablution facilities.
- Through the project, we will assist in economic development within BPLM.
- To support the infrastructure programmes in line with the National Development Plan.

PERFORMANCE INDICATORS

- Building of ablution facilities at ST Patrick High School in Makhushane Village

TARGET GROUPS

(beneficiaries):
BPLM Community, Makhushane Village

LOCATION

Makhushane Village

EMPLOYMENT OPPORTUNITIES

To be determined

ACTIVITIES

- Contribute financially towards building proper ablution facilities for leaners
- Include the Department of Education in the process of building ablution facilities at the school
- Monitoring and evaluation of the project to completion and then handing over to BPLM and the Department of Education
- Involve HDSA contractors in the construction phase of the project.

TIMEFRAME – BUDGET and MILESTONES

Year

2018

Milestones

June 2018

Notify the Department of Education

July 2018

Develop technical scope of the project and advertise.

September 2018

Adjudicate and identify successful supplier and award contract.

October 2018

Site establishment by contractor and commencement of works Monthly inspection.

November 2018

Monthly inspection by PMC and BPLM.

• **PROJECT NO. 8: PAVING OF ONE (1KM) ROAD TO MASHISHIMALE CLINIC**

PROJECT BACKGROUND

Mashishimale Clinic is situated in Mashishimale village approximately 40 km away from Phalaborwa town. There is a Tar Road from the Mashishimale entrance joining from R 71 Phalaborwa main road, however it ends at a school called Lebeko High School. There is a local clinic just a kilometre away from Lebeko and the road is gravel.

OBJECTIVES

- Assist the community to have access to better roads, especially emergency vehicles from the clinic to transport patients to the nearest hospital.
- Through the project, we will assist in the economic development within BPLM
- To support the infrastructure programmes in line with the National Development Plan and IDP

PERFORMANCE INDICATORS

- Paving of the road (1KM) to Mashishimale Clinic in Mashishimale Village

TARGET GROUPS

(beneficiaries):
BPLM Community, Mashishimale Village

LOCATION

Mashishimale Village

EMPLOYMENT OPPORTUNITIES

To be determined

ACTIVITIES

TIMEFRAME – BUDGET and MILESTONES

Year

2019

- Contribute financially towards paving of the road
- Include the Department of Roads and Transport in the process of paving of the road (1KM) to Mashishimale Clinic
- Monitoring and evaluation of the project to completion and then handing over to BPLM and the Department of Education
- Involve HDSA contractors in the construction phase of the project.

Milestones

February 2018	Notify the Department of Road and Transport
April 2018	Develop technical scope of the project and advertise.
July 2018	Adjudicate and identify successful supplier and award contract.
August 2018	Site establishment by contractor and commencement of works Monthly inspection.
September 2018	Monthly inspection by PMC and BPLM.

• PROJECT NO. 9: UPGRADING OF Two (2) STREETS IN PHALABORWA TOWN

PROJECT BACKGROUND

On the projects submitted by the Ba-Phalaborwa Municipality as per their priorities, Two (2) streets – Molengraaf Street (1 km) and Park Street (2.2 km) have been chosen to be upgraded.

OBJECTIVES

- Assist the community to have access to better Roads, especially emergency vehicles around town.
- Through the project, we will assist in economic development within BPLM
- To support the infrastructure programmes in line with the IDP

PERFORMANCE INDICATORS

- Upgrading & Rehabilitation of Roads in Phalaborwa Town

TARGET GROUPS

(beneficiaries):
BPLM Community, Phalaborwa Town

LOCATION

Phalaborwa Town

EMPLOYMENT OPPORTUNITIES

To be determined

ACTIVITIES

TIMEFRAME – BUDGET and MILESTONES

Year

2019 to 2020

- Contribute financially towards upgrading & rehabilitation of the roads in Phalaborwa Town
- Include the Department of Roads and Transport in the process of upgrading and rehabilitating the roads
- Monitoring and evaluation of the project to completion and then handing over to BPLM and the Department of Roads and Transport
- Involve HDSA contractors in the construction phase of the project.

Milestones

February 2018

Notify the Department of Road and Transport

April 2018

Develop technical scope of the project and advertise.

July 2018

Adjudicate and identify successful supplier and award contract.

August 2018

Site establishment by contractor and commencement of works Monthly inspection.

September 2018

Monthly inspection by PMC and BPLM.

• PROJECT NO. 10: BUS SHELTER PROJECT IN ALL COMMUNITIES

PROJECT BACKGROUND

The bus shelter project is extracted from the Municipal IDP; this project has been requested by employees who are also community members. Phalaborwa has high temperatures and employees and ordinary community members need shelter when waiting for a bus to then mine or town.

OBJECTIVES

- To assist employees and ordinary members of the community to have shelter when they are waiting for transport. .
- Through the project, we will assist in the economic development within BPLM
- To support the infrastructure programmes in line with the IDP

PERFORMANCE INDICATORS

- Handing over of bus shelters to the Municipality

TARGET GROUPS

(beneficiaries):
BPLM Community

LOCATION

Eight communities of Phalaborwa

EMPLOYMENT OPPORTUNITIES

To be determined

ACTIVITIES

TIMEFRAME – BUDGET and MILESTONES

Year

2018

- Contribute towards the building of bus shelters in Phalaborwa
- Monitoring and evaluation of the project to completion and then hand it over to BPLM
- Involve HDSA contractors in the construction phase of the project.

Milestones

December 2017	Issue out a tender
January 2018	Adjudicate and identify successful supplier and award contract.
February 2018	Site establishment by contractor and commencement of works Monthly inspection
March 2018	Monitoring of progress
June 2018	Handing over of bus shelters to Municipality

3.4.1 Small, Medium and Micro Enterprises (SMMEs) creation

Appendix 3.2 Enterprise and Supplier Development Terms of Reference

The support infrastructure required by companies in the Enterprise Development (ED) and Supplier Development (SD) Programmes is presumed to be similar. The key difference between these enterprises only relate to who they do business with – with the SD enterprises being the ones contracted to supply PC and ED entities not necessarily trading with PC, even though they could be supplying PC as well.

It is believed that economic growth is essential to addressing unemployment, gender equality health and other poverty related issues worldwide. In most cases, the key way to ensure to an increase economic growth is mainly through Enterprise and Supplier Development, wherein sustainability, i.e. job creation and empowerment are facilitated.

With regards to the amended bill on Broad Based Black Economic Empowerment (B-BBEE) Act, as approved by the Cabinet, Enterprise and Supplier Development (ESD) is one of the 5 elements contained within the B-BBEE scorecard. It counts for 40 points towards the scorecard and has a strong link with procurement (Procurement counts for 25 points, Supplier Development 10 points and Enterprise Development has 5 points).

PC's SD journey dates back to 2011 when we ran a 30TEN+5 ED Programme. We learnt some key lessons from that Programme. KPMG was contracted to review the Programme and they picked up the following lessons on what makes for a successful Enterprise and Supplier Development:

- **Employment Potential:** An enterprise should demonstrate high employment potential.
- **Market Needs:** The project should meet a specific market needs.
- **Entrepreneurial traits:** Business owners of the enterprise must have entrepreneurial traits with the required balance of passion, business acumen and skills, and access to market.
- **Capacity building:** Technical support was embedded at design throughout the project life cycle without creating dependency on the support organization.
- **Social value creation:** Some of the projects had potential for high social value creation as these businesses addressed a social need such as high unemployment rate amongst the youth.

Palabora aims to develop 15 enterprises through the enterprise development programme and 20 enterprises through our supplier development programme. This ED programme will run for a period of two years and three years for SD.

Business Case for Supporting ED and SD

- To meet the B-BBEE prescriptions and improve our B-BBEE rating and ultimately improve our business activity wherein our B-BBEE rating will influence our business activity;
 - To use SD and ED instruments as transformational instruments to address community demands for employment and business opportunities;
 - To link SD and ED to develop and grow beneficiation drive, another link to ensuring our surrounding communities benefit from our existence
 - To join governmental strategy on the creation of alternate industries, specifically black industrialists;
 - To impact on the unemployment rate in the Ba-Phalaborwa following the understanding that PC alone cannot provide employment to all job seekers in the surrounding area;
 - To collaborate with other role players in pursuit of achievements of all above objectives
-

ESD Support Elements

The range of support to the ED and SD companies will be offered a range of support to enhance their businesses. These offerings will include but not limited to:

- Infrastructural support & equipment relevant to the business;
 - Industry specific training from independent, specialized service providers;
 - Business incubation that ensures technical, business and compliance excellence through mentorship;
 - Facilitation of SABS approval;
 - Business plan development (inclusive of marketing plans)
 - Management System Development;
 - Human Resource Policy and System Development;
 - Financial projections;
 - Market development; Etc.
-

3.5. Procurement progression plan

Palabora Copper (“Pty) Ltd (“PC”) is a good corporate citizen which complies with South African legislation as promulgated from time to time. PC complies fully with Broad Based Black Economic Empowerment (“BBBEE”) Act as a tool to enable Black owned companies into the mainstream economy / supply chain through preferential procurement. Appendix 3.4 provides Palabora’s Procurement Policy.

Approach

A preferential procurement policy was approved in 2014 that clearly states Palabora’s Copper commitment to B-BBEE. In line with the requirements of the Mining Charter, the policy specifically focuses on procurement from B-BBEE suppliers and promotes opportunities for meaningful participation by B-BBEE companies in Palabora’s Copper procurement spend.

The policy makes provision for the following methodology:

- Palabora wishes to drive transformation through the procurement activities it undertakes on a daily basis. This is carried out through strategic selection of new suppliers and the encouragement of existing suppliers to provide proof of transformation progress through the presentation of an accredited B-BBEE Certificate.
- Procurement shall analyse the demand plan for 2018 – 2022 and identify commodities and services where local black owned suppliers will be encouraged to participate on.
- Procurement shall advertise tenders in the local newspaper whereby local black owned companies are encouraged to participate.
- Targets shall be set for each staff member within the procurement department as a key performance indicator (KPI).
- Facilitate vendor application access of B-BBEE new entrance to Palabora’s procurement activities.
- Contribute to the development and growth of the B-BBEE Suppliers by ensuring that a target value of expenditure on goods, consumables and services is procured from such enterprises as determined by the Mining Charter (DMR) targets.
- Establish, monitor and report progress against annual targets set by DMR.
- Encourage non B-BBEE Suppliers to establish and implement B-BBEE initiatives.

- Procurement department will be required to implement and manage Preferential Procurement programs which will ensure Palabora achieves its transformation objectives.
- Palabora's primary requirement is to identify and engage with reliable suppliers which have the capability and capacity to deliver. Where a B-BBEE Supplier is deemed to lack the capability and capacity to deliver they may be assisted through Palabora's Supplier Development Program.

Engage Ba-Phalaborwa Community Forum (BCF) on local business opportunities within PC on a monthly basis.

- Palabora implemented measures to promote, affirm, prefer and advance procurement to persons who have been subjected to unfair discrimination in the past.
- All suppliers will be required to disclose information regarding their ownership/control and internal B-BBEE programmes,
- Palabora will put measures in place to monitor and verify the current status of various suppliers, and to ensure that such information is reliable,

The baseline situation

The DTI appointed SANAS to ensure standard application of the B-BBEE Codes is being applied in the B-BBEE audit process. SANAS does this by accrediting Verification Agencies as licensed operators permitted to perform standard verifications on companies claiming a B-BBEE status. Palabora elects to accept B-BBEE Certificates issued by SANAS accredited verification agencies and as such does not require Palabora staff to perform audits on suppliers to establish their B-BBEE status.

Palabora does however reserve the right to check any suppliers' B-BBEE claims should it identify or receive reports of any fronting or false claim activities related to the claims of any supplier. The list of accredited B-BBEE Verification Agencies can be found on the following website; www.sanas.co.za

In order to check if the Verification Agency is accredited select;

- Accredited Facilities
- Directory of Accredited Facilities
- B-BBEE Verification Agencies
- Select a Verification Agency

- Check to see if the Schedule has an active link.
- If the link is not active the Verification Agency has had its accreditation suspended.

Palabora wish to ensure that all supplier engagements are meaningful and that there is true transformation resulting from all Preferential Procurement activities. Black Ownership can be determined from the percentage Voting Rights and Economic Interest that black people have in the business. It is important to consider the Net Value achieved by the black shareholders/members.

Net Value is the differential between the value of the share asset and the associated liability which may exist in the form of a loan. The Net Value is the real value which the black owners in any business will realise if they were to sell their shares and pay off all related loans.

A summary of the primary items Palabora spend on, has been provided in **Table 35**.

Table 42: Palabora Spend in terms of Capital, Consumables and Services for a period of 2015 and 2016

Category Spend	Total Spend 2015 (ZAR)	Annual Spend	BEE % BBBEE Spend of Total	Total Spend 2016 (ZAR)	Annual Spend	BEE % BBBEE Spend of Total
Capital	2 169 667 698.85	1 014 062 180.83	46.74%	157 917 729.23	42 266 933.19	26.77%
Consumables	1 837 240 948.48	761 286 141.31	41.44%	161 143 229.54	93 430 916.08	57.98%
Services	4 306 073 616.08	1 147 632 111.47	26.65%	2 993 040 208.24	2 416 167 053.57	80.73%
Total	8 312 982 263.41	2 922 980 433.61	35.16%	3 312 101 167.01	2 551 864 902.84	77.05%

Table 43: Procurement spend of Palabora per Ba-Phalaborwa Community in 2015 and 2016.

Category	2015 (ZAR)	2016 (ZAR)
Supplier Development (SD)	48 655 603.75	52 675 892.77
Ba-Phalaborwa Spend	766 933 383.15	493 955 805.00
Total	815 588 986.90	546 631 697.77

Palabora plans to increase the above spend by 5% year on year until 2022.

Table 44: below outlines specific targets that have been set by Palabora in order to increase the participation of B-BBEE supplier companies. As from 2018 Palabora will report annually to DMR and to local stakeholders on BBEE performance.

Table 44: Targets for increasing the spend to B-BBEE companies

Category Spend (%)	2018	2019	2020	2021	2022
Capital goods	40%	41%	42%	43%	44%
Consumables	70%	71%	72%	73%	74%
Services	50%	51%	52%	53%	54%
Local suppliers in Ba-Phalaborwa Municipality	20%	25%	26%	28%	30%

Table 45: below provides a breakdown of Palabora's expenditure with top 15 vendors in Ba-Phalaborwa.

Table 45: Palabora's top 15 vendors from Ba-Phalaborwa

2015 Vendors	B-BBEE Level	2016 Vendors	B-BBEE Level
L A CRUSHERS (PTY) LTD	2	L A CRUSHERS (PTY) LTD	2
SULLWALD PROJECTS (PTY) LTD	3	GEARS TECHNOLOGIES (PTY) LTD	2
CRANETECH CC	5	RICHLINE CONSTRUCTION (PTY) LT	2
GEARS TECHNOLOGIES (PTY) LTD	2	CRANETECH CC	5
LE VEXOLINK (PTY) LTD	1	C MILLS INSULATORS CC	2
GEARDIFF GEARBOX CENTRE CC	1	MICA MINING WAREHOUSE	9

2015 Vendors	B-BBEE Level	2016 Vendors	B-BBEE Level
C MILLS INSULATORS CC	2	JM JOHNDRE PLANT CC	4
JM JOHNDRE PLANT CC	4	VEXO VAX (PTY) LTD	1
PUMPQUIP CC	9	LH MARTHINUSEN PHALABORWA	3
PALABORA SCAFFOLDING	2	PALABORA SCAFFOLDING	2
RICHLINE CONSTRUCTION (PTY) LT	2	KENCO ENGINEERING (PTY) LTD	1
MJM MAINTENANCE INSTALLATIONS	1	MJM MAINTENANCE INSTALLATIONS	1
MASORINI BUILD. SERV. & REFRAC	4	MACSTEEL TRADING PHALABORWA	5
WALTZUZ PROJECTS CC	1	SULLWALD VERVOER BK	3
KENCO ENGINEERING (PTY) LTD	1	VOLTEX (PTY) LTD	2

Table 46: contains a concise action plan for implementing the Palabora procurement plan and measures contained in this section.

Table 46: Action plan for preferential procurement

ACTION	DELIVERABLES	TARGET DATE
Constant reminders to non-compliant vendors for them to be compliant.	Supplier Evaluation with vendors to measure their performance on B-BBEE	Ongoing
Conduct a B-BBEE workshop to highlight the importance of B-BBEE compliance by vendors for their own business growth and client's growth	B-BBEE Workshop	June 2018

ACTION	DELIVERABLES	TARGET DATE
(Palabora).		
Palabora to award tenders above R 100 000.00 to companies that are 51% black owned and have B-BBEE level 1 - 6 to enforce compliance from the vendors.	Current B-BBEE certificate received from vendors during the tendering stage.	Ongoing
PC to open up a vendor master file / supplier database for B-BBEE suppliers with preference given to black women owned companies.	Communication to the market through local newspaper and other media.	Ongoing
Encourage supplier development / enterprise development, youth and people with disabilities to partake in business opportunities advertised by PC in the local newspaper and other media platforms.	Quarterly reports on preferential procurement clearly indicating the progress made on these categories.	Ongoing

The Procurement Plan will be implemented by means of the following measures:

- Applying this procurement plan to all PC registered suppliers.
- On tender evaluation preference to be given to B-BBEE compliant and black owned companies.
- Adhering to the standards and practices in terms of the B-BBEE and reporting in terms of the BBEE scorecard,
- PC to assign services and commodities taken from its annual demand plan to B-BBEE compliant vendors.
- Liaising with the Department of Mineral Resources (DMR) to identify B-BBEE companies with the necessary capability wishing to operate in the mining industry.
- Ensuring that B-BBEE tender requirements are comprehensively communicated to vendors,
- Assist aspiring B-BBEE companies on tender pricing and proposal compilation.
- Assist B-BBEE suppliers with their training requirements and better position them to compete on bigger and complex tasks.
- Notice boards will be made available in and around Ba-Phalaborwa where tender opportunities in Palabora Copper and other mining towns will be advertised to the benefit of local black owned companies.

SECTION 4

PROCESS PERTAINING TO MANAGING OF DOWNSCALING AND RETRENCHMENT

Regulation 46 (d)

4. PROGRAMME FOR MANAGING OF DOWNSCALING AND RETRENCHMENT

Regulation 46 (d)

4.1. Establishing a Future Forum (FF)

Regulation 46 (d) (i)

Appendix 4: Life of Mine Document

The establishment of a Future Forum is required under Regulation 46 (d) (i) of the MPRDA. A FF is a site specific labour management body that will focus on the implementation and monitoring of the SLP. The purpose is to provide a formal vehicle where all affected parties can consult and discuss challenges and possible solutions to problems facing the mine that may have the potential of leading to possible retrenchments in the future.

Palabora has established a Transformation Consultative Forum that meets quarterly to discuss progress on the implementation of SLP. This Forum constitutes representatives from Palabora, its employees and unions, and a local community member who works for the Palabora Foundation. The forum serves to promote ongoing consultation between the mine and employees. The following are main objectives of the Transformation Consultative Forum:

- To contribute to and monitor the implementation of the Palabora SLP,
- To regularly discuss the progress and issues pertaining to the implementation of the SLP, and to propose new solutions and programmes for the SLP,
- To promote discussions between the mine and employees/contractors, or their representatives and other relevant parties, with reference to any problems and challenges experienced by either of the parties in respect of, or relating to, possible retrenchments or job losses by employees,
- To jointly debate potential solutions to job losses and retrenchments by taking account of the viability and operational requirements of the mine,
- To jointly engage in strategic planning to avoid or minimise retrenchment and job losses, and to promote business sustainability and growth, thereby preventing and averting future retrenchments and job losses,
- To initiate turnaround and/or redeployment or other appropriate strategies, to prevent job losses whilst promoting business competitiveness and viability,
- To jointly structure and implement solutions to prevent job losses and retrenchments, and
- To address any issues, which are incidental and conducive to the attainment of the afore-going objectives.

Palabora has drawn up a Transformation Consultative Forum Terms of Reference, contained in Appendix 4, to govern and guide the operation of this forum.

Approach

Appendix 4: Life of Mine Document

The following sections contain the strategic activities applicable to the workforce, which form the basis for the Palabora Downscaling and Retrenchment Plan.

The following key strategies have been established and are focused on in the ensuing sections:

- Mechanisms to save jobs and avoid downscaling and retrenchment,
- Measures during downscaling and retrenchment,
- Alternative livelihood opportunities and integration with the IDP, and
- Integration of Core contractors.

The official expected life of the mine is 15 years (from 2018) for copper, 13 years for vermiculite, and 30 years for magnetite, based on the current scale of operations, production rates, costs and product prices.

A summary of the primary activities pertinent to Palabora's Downscaling and Retrenchment Plan is provided in **Table 40**.

Table 47: Downscaling and retrenchment action plan

ACTIVITY	DELIVERABLE	TARGET DATE
Review, audit and update downscaling and retrenchment policy/agreement, procedure and plan, in line with the SLP. Consultation with unions on the update of these plans. Ensure compliance with all relevant legislation, e.g. Labour Relations Act, MPRDA, Mining Charter, Mine Health and Safety Act, etc.	Updated downscaling and retrenchment policy, procedure and plan.	June 2018.
Formulation of measures and financial provisions for catering for unforeseen downscaling, large-scale retrenchment and closure. Base this on dealing with past experiences of this nature in early	Unforeseen downscaling and retrenchment plan.	Ongoing

ACTIVITY	DELIVERABLE	TARGET DATE
2000, which faced Palabora. Consultation with unions on the formulation of these measures.		

Palabora will follow the procedures for downscaling and retrenchment as set out by the DoL, DMR, Retrenchment Agreement and the Labour Relations Act (LRA) should there be unforeseen downscaling or large-scale retrenchments.

4.2. Mechanisms to save jobs and avoid a decline in employment

Regulation 46 (d) (ii) and (iii)

Appendix 4: Life of Mine Document

“Organizations have to retrench workers from time to time for economic reasons and to remain globally competitive. This is one of the worst things that can happen to a worker and affects his/her whole life. It is, therefore, important that employers should first make sure that no other viable options to achieve operational requirements are available before considering downscaling of workers” - *SLP guidelines for the mining and production industries*.

Palabora will develop strategies to introduce measures that could prevent job loss in the event of circumstances threatening guaranteed employment. Certain processes will be followed when prevailing economic conditions cause the profit-to-revenue ratio of Palabora to drop below 6% on average for a continuous period of 12 months, or where the scenarios indicated in **Box 1** occur.

Box 1: Notification Process

Notification in terms of the Retrenchment Agreement	Notification to union / employee
Notification to the Chairperson of the Minerals and Mining Development Board	Notification to the Minister of Labour
Where Palabora foresees a physical depletion of the mineral being mined and/or becomes marginal where the mine becomes unprofitable.	Where Palabora contemplates or intends large scale retrenchments (10% or more of the workforce)

Where Palabora contemplates or intends large scale retrenchments (10% or more of the workforce) in a period of one (1) year.	
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If it becomes evident that the operation will be entering a downscaling or closure phase, alternatives to save jobs and avoid downscaling / closure will be discussed at the FF, 18 months before this eventuality. In the event of potential challenges which Palabora might face and which may lead to downscaling or retrenchment, Palabora will develop and implement turnaround strategies and mechanisms to save jobs, prevent unemployment and avoid downscaling.

Palabora will formulate a plan containing measures and financial provisions for catering for unforeseen downscaling, large-scale retrenchment and closure.

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

Regulation 46 d (iii)

Appendix 4: Life of Mine Document

If it becomes evident, and after considering all other alternatives for prolonging the life of the mine, that downscaling and retrenchment are inevitable, the relevant provisions of the Retrenchment Agreement will be invoked. Alternatively an appropriate retrenchment proposal will be formulated in consultation with the relevant parties and finalised four (4) months before this eventuality, where appropriate. Except, unforeseen circumstances come to the fore during the event. During this phase, Palabora will regularly communicate with the FF to direct the retrenchment process and to provide job advice, counselling and support to employees.

Palabora’s most direct and appropriate intervention will be to assist employees, who could be retrenched, in securing alternative employment. A second direct intervention to maintain job security with employees that face retrenchment is through Palabora’s **Redeployment Programme**, described hereafter.

Names of employees whose positions become redundant (the “affected employees”) will, as from the date of redundancy, be placed on the Human Resources redeployment list. The main purpose for the creation of the redeployment list and the placement of affected employees onto such list is to avoid their dismissal as envisaged in section 189 of the Labour Relations Act, 1995 (“the Act”). As such, the Company will seek to re-deploy the affected employees to permanent positions should such possibility exist in accordance with what is set out below.

The following will apply in respect of affected employees placed on the redeployment list:

- affected employees shall be carried against the strength of the Human Resources department until such time as suitable permanent vacancies can be found for them, or when the need for their retrenchment arises;
- whilst on the redeployment list, affected employees shall retain their Paterson grade and the remuneration which they received prior to their placement on the redeployment list;
- the Company shall endeavour to place the affected employees in suitable alternative permanent vacancies as and when such become available. Placement of affected employees meeting job specifications shall be subject to the length of service;
- should an affected employee be found suitable for such a vacancy, he/she shall be offered a transfer into this vacancy. Should the employee accept this offer of transfer, he/she shall be appointed in the said vacant job on the terms and conditions of employment applicable to that job. In the event of the vacancy being at a lower grade than that of the employee's position prior to being transferred, placed on the redeployment list, the employee shall be entitled to the same remuneration which the employee received prior to the placement on the redeployment list. Such employee will remain on his/her previous salary until his/her salary falls within his/her new position's salary scale;
- whilst an employee is on the redeployment list, and until such time that a suitable alternative permanent vacancy is found for that employee, the Company shall be entitled to utilise the services of the affected employee in temporary jobs throughout the Company as and when the need arises. In placing affected employees into temporary jobs, cognisance will be taken of age, medical conditions, health, safety, skills and training requirements. Employees shall be assessed by the company Medical Officer in order to determine their medical suitability for positions available or likely to be available within the company. Affected employees who are declared medically unfit to meet job specifications of the above named positions will be treated in terms of the Medical Separation Agreement;
- where practicable, the Company may require of affected employees on the redeployment list to undergo training to enhance their skills in general or relating to specifically identified positions where re-deployment may be possible in the near future. The Company and the Union shall consult as and when the Company has identified such training possibilities. Following such consultation, the Company will select the affected employees whom it is of the opinion qualify for such training;
- in the event of a refusal to accept a vacant position or a temporary re-deployment, the Company shall convene a formal enquiry to investigate whether such refusal is with or without good cause. In the event of a finding by the Company that the refusal was without good cause, such employee will enjoy no further rights as an affected employee and his/her services will be terminated by notice. Such employee will also not be entitled to any benefits accruing to affected employees duly retrenched in accordance with the provisions of this agreement;
- if any employee alleges that he/she suffers from a medical condition which precludes him/her from working in any temporary or permanent job offered or assigned to him/her,

the company Medical Officer shall then determine whether such employee is medically fit to perform such temporary or permanent job offered or assigned to him/her; and

- whilst on the deployment list, employees shall continue to be subject to all company rules and regulations.

Although further measures to avoid retrenchment shall be considered as possible means of avoiding retrenchments, it is accepted that it may not be possible to find suitable vacancies for all affected employees and that retrenchments may have to take place.

In the event that the Company, within its sole discretion and at any time after an employee's placement on the redeployment list, comes to the conclusion that no suitable re-deployment opportunity exists, the Union shall be given due notice of this fact and consultations shall take place in accordance with the provisions of this agreement.

Following a decision, affected employees may apply for voluntary retrenchment.

At the Company's sole discretion affected employees over the age of 60 may be offered early retirement with benefits projected to normal retirement age, i.e. 63 years. However, the Company reserves the right not to agree to early retirement on such terms, *inter alia* where the skills and services of the employee are still required.

In order to enhance the possibility of vacancies for affected employees, the following steps may be taken by the Company:

- the recruitment of new employees for vacant posts will only take place once the Company has taken reasonable steps in an attempt to fill the vacant position by re-deploying affected employees, who, in the opinion of the Company, are suitably qualified to fill such positions;
- the Company may terminate or not renew the contract of a temporary employee on a fixed term, and require of an affected employee to perform such duties as a permanent employee, subject to such affected employee being suitably qualified and the Company having the legal right to terminate the fixed term contract or not renew it;
- at the sole discretion of the Company employees, other than the affected employees, over the age of 60 may be offered the opportunity to apply for early retirement with benefits projected to normal retirement age. However, the Company reserves the right not to agree to early retirement on such terms, *inter alia*, where the skills and services of the employee are still required, or where the early retirement, of such employee will not lead to the creation of a vacancy that can be filled by an affected employee; and
- employees in such categories as designated by the Company may be permitted to apply for voluntary retrenchment. However, the Company reserves the right not to retrench an employee or employees within such categories or positions if this is deemed in the interest of the Company. This will, *inter alia*, be the case where the employee qualifies for early retirement or where there is a need to retain the skills and experience of the employee concerned.

Where it is necessary to select employees to be retrenched, the Company will be guided by the requirements for appropriate skills, qualifications, and experience and performance levels. In cases where the above is irrelevant, the principle of last in first out (LIFO) will be applied in each particular section or category. Once the selection has been made by the Company, but before the employees concerned are notified, details of selection will be sent to the Secretary of the Union Branch Committee. The dates of engagement of employees' selected, as well as other information, on which the Company based its selection, shall also be supplied. In determining length of service, absences of less than 6 (six) months shall be disregarded.

When the mine is to be scaled down (with the possible effect of job losses) or when mining is to cease, the following processes will be followed:

- Consultations – the consultation process in terms of Section 52 (1) of the Labour Relations Act,
- Implementing measures of downscaling and retrenchment contained in Section 189 of the Labour Relations Act, 1995,
- Notification to the Minerals and Mining Development Board – the notification process to the Board in terms of Section 52 (1) (a) of MPRDA,
- Complying with ministerial directive – compliance with the Minister's directive and confirming how corrective measures will be taken, and
- Communicating possible retrenchments – an effective communication strategy will be followed:
 - Informing employees of possible retrenchments,
 - Informing other affected parties (sending areas, municipalities, etc.) of the possible retrenchments at the operation, and
 - Informing outside parties (media, etc.) of the possible retrenchments at the operation.

4.4. Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the mine is certain

Regulation 46 (d) (iv)

Appendix 4: Life of Mine Document

A **Social Closure Plan** will be **formulated six (6) years before planned closure** and will focus on the following:

- Predicting the likely Socio-Economic impact on employee households, communities and the region,
- Identifying critical issues affecting the ongoing sustainability of employees and communities during closure, by means of a detailed consultation process,

- Identification of alternative livelihood and Socio-Economic development opportunities and projects, which may become sustainable over the long term,
- Mitigating and managing the adverse impacts of closure,
- Providing alternative livelihood options, and
- Implementing socio-economic development projects in the surrounding and affected communities through the Palabora Foundation, which will continue with activities, after the closure of the Mine.

Palabora will take the necessary measures to ameliorate the social and economic impact on individuals, regions and economies where retrenchment and closure of the Mine are certain.

Should downscaling and retrenchment take place, Palabora will assist affected employees in finding alternative employment or livelihood opportunities. This will be done where employees cannot be integrated or redeployed to any of the other mining operations, and where they are not of retirement age.

The Mine, in partnership with the Department of Provincial and Local Government, will jointly manage any process of this nature. The integration of the workforce into various LED projects, if required, will be done in collaboration with the district and local municipalities, and other stakeholders serving on the LED Forum. Where workers cannot be absorbed into LED initiatives, they will be furnished with skills training opportunities which will enable them to find alternative employment after decommissioning or retrenchment. Other initiatives will focus on assessment and counselling services for affected individuals.

In order to assist retrenched employees to find alternative employment, the Company agrees to pay the cost of approved vocational training programmes provided at the Palabora Foundation in Phalaborwa subject to the terms below:

The courses must be approved by the Company.

- The course must be of a maximum duration of 5 months.
- Employees must apply to the Company for such training within 4 (four) weeks of being retrenched.
- The Company will only pay the fees for the training, including the costs of prescribed books, and not additional costs relating to aspects such as accommodation and equipment, etc.
- Employees will qualify for one course only at Company expense.
- The number of retrenched employees accepted at any one time will depend on the Foundation's commitments.
- The Company agrees to consider alternate training centres which can provide similar/applicable training.

The following practical courses are run at Palabora Foundation Training Centre:

- Carpentry
- Bricklaying

- Sewing
- Plumbing

All these programmes provide the student with the ability to work independently..

The courses will last for 13 weeks and commence in January, May and August. Each course will accommodate 10 – 12 students with a maximum of two courses per trimester, dependent upon the availability of lecturers, workshops and the requirements of the other classes.

According to the BSETS that was conducted in the past, majority of employees are aware of the fact that the mine will close at some point, and most of them indicated that they have plans in place that will sustain their livelihood. However, a very small number of employees (5) would want to start their own business, especially in light of the lack of employment opportunities in the local area. The small number of employees who would like to start their own businesses implies that most employees lack the confidence to embark on such an enterprise. It reflects the workforce's dependency on the income from the mine for survival. Therefore, Palabora needs to encourage employees to change their mindsets from a dependency tendency into becoming entrepreneurs, in order create employment for themselves and other members of the surrounding communities. Palabora could expand the activities of the Enterprise Development Centre to include mentoring of employees showing initiative and capacity to start their own projects.

SECTION 5

IMPLEMENTING MECHANISM

5. Implementing mechanism

Palabora will implement the SLP in consultation with key stakeholders in consultative forums and committees as described below. Palabora will establish and implement the following forums:

- *HR Team.* The primary implementing mechanism for the Palabora SLP HRDP will be the Palabora HR team. This team will report to the General Manager Human Resources,
- *Palabora Foundation.* The Palabora Foundation will be the primary implementing mechanism for the Palabora LEDP. The management team will report to the General Manager Human Resources,
- *Future Forum.* Palabora refers to the Future Forum as Transformation Consultative Forum which provides an opportunity for management and selected employee representatives to meet and discuss issues related to the SLP. The Forum meets quarterly to discuss progress, and
- *LED Forum.* Representatives from Palabora will interact on the BPLM LED Forum. The purpose of this Forum will be to integrate all the SLPs into the IDP and promote the attainment of development objectives for the region. It will also attempt to diversify the regional economy in a manner that is independent of mining.

The Chief Executive Officer of Palabora will be held accountable to the DMR for the implementation of the Palabora SLP.

SECTION 6

FINANCIAL PROVISION FOR IMPLEMENTING THE SOCIAL AND LABOUR PLAN

Regulation 46 (e)

6. Financial Provision For Implementing The SLP

Palabora will provide adequate finances for the implementation of its SLP programmes and projects. Palabora will commit the amounts described in the **Cash Flow Forecast in Table 40** for funding its HRDP and the LEDP over a five (5) year period. Funding for Downscaling and Retrenchment has been included in the operational cost of the mine, which falls under the funding arrangements and policies of Palabora. **A total budget estimate of R 159 207 462.00 (excluding D&R) will be spent on funding the Palabora SLP from 1 January 2018– 31 December 2022.** Please refer to **Table 40**. The following assumptions apply to the financial mechanism:

- The financial year end is December, and as such the SLP Cost Schedule has been structured from 1 January (month beginning after financial year end) until 31 December of each year, which will be initiated from 1 January,
- The SLP amount will be increased every financial year to reflect increases in inflation as well as growth in the mine's size and economic sustainability, i.e. SLP funds have been escalated at an average of 8 - 10% per annum, varying for various projects.
- Any SLP funds that are not spent during the financial year will be added to the ensuing year's SLP budget, i.e. the funds not spent will be accumulated,
- Funds that are claimed back from the MQA in terms of the Skills Development Levy Claim Backs, will be added to the Palabora SLP funding mechanism and used for the implementation of the HRDP,
- Due to the capital investment nature of establishing LEDP projects and the costs involved in their initial sustainability period, Palabora may elect to spend funds budgeted for future annual periods within an earlier, or later, annual period, e.g. SLP funds that may be allocated for the 2019 period of the mine may need to be spent in the 2018 period of the mine,
- Palabora reserves the right to exercise full decision making and discretionary powers for SLP spending, or amendment, as contemplated in this SLP according to the financial viability of its activities, and
- At the end of the five (5) year forecast period (31 December 2022), a new SLP financial provision will be calculated.

HRDP funds have been based on 3 - 4% of annual payroll and added to any monies received from skills development levy claim backs.

In addition to funding from Palabora for the LEDP, Palabora's Palabora Foundation will also source funding from other donor entities in South Africa and the world. Therefore, the SLP funds for LEDP may increase during any given timeframe. (The Palabora Foundation has already raised a substantial amount of funding in this manner to date. The Palabora Foundation is a self-sustaining entity created by Palabora.)

Table 48: Breakdown of the SLP financial provision from 1 January 2018 – 31 December 2022

COMPONENT OF THE SLP	TIMEFRAMES					TOTAL
	1 Jan 2018 - 31 Dec 2018	1 Jan 2019 - 31 Dec 2019	1 Jan 2020 - 31 Dec 2020	1 Jan 2021 - 31 Dec 2021	1 Jan 2022 - 31 Dec 2022	
* Human Resource Development Programme						
Compliance/Skills Training						
Adult Education (AET, FLC and ASC)						
Bursary programmes						
Leainership & Skillsprogram						
Career Progression programmes						
Mentorship programmes						
Internship, GDP and In-Service Training						
Sub-total						
Local Economic Development Programme						
Infrastructure and LED Projects						
Community Clinic at Prisca village						
3km tar road at Selwane village						
Upgrading of 4 classrooms at Matume Malatji High School in Maseke village						
Painting of Lepato High in Makhushane village						
Building of kitchen for feeding scheme at Makhushane Primary & putting borehole						
Building of ablution facility at Bollanoto High, kitchen, storeroom and borehole						
Building of ablution facility for learners at ST Patrick Mathibela in Makhushane						
Paving of 1km road to Mashishimale clinic						
Upgrading of 3 streets in Phalaborwa town						
Bus Shelter Project						
Housing & living conditions, health care, nutrition, and procurement programmes						
Sub-total						

COMPONENT OF THE SLP	TIMEFRAMES					TOTAL
	1 Jan 2018 - 31 Dec 2018	1 Jan 2019 - 31 Dec 2019	1 Jan 2020 - 31 Dec 2020	1 Jan 2021 - 31 Dec 2021	1 Jan 2022 - 31 Dec 2022	
*** Provision for unforeseen management of downscaling and retrenchment (D&R)						
Procurement - % of local Procurement spend from total Procurement						
Capital Goods	40%	41%	42%	43%	44%	
Services	50%	51%	52%	53%	54%	
Consumables	70%	71%	72%	73%	74%	
ANNUAL TOTAL SLP	R 163 729 300	R159 522 850	R 155 950 515	R 151 368 502	R 151 536 297	R 782 107 464

NOTES:

General: SLP funds have been escalated at an average of 8 - 10% per annum, varying for various projects.

* HRDP funds based on 3 - 4% of annual payroll and skills development claim backs.

*** These are funds that will be spent by PMC on management of UNFORESEEN downscaling, closure and retrenchment, should this occur. Therefore, although an estimated cost appears, it has been included in the total annual SLP budget. Provision for D&R costs are also allowed for in the Mining Works Programme (operational costs) for PMC.

SECTION 7

UNDERTAKING

Regulation 46 (f)

7. Undertaking

Regulation 46 (f)

This represents an undertaking by the holder of the mining right to ensure compliance with the SLP and to make it known to employees.

I, _____ (General Manager Human Resources) the undersigned and duly authorised thereto by

Palabora Copper (Pty) Ltd undertakes to adhere to the information, requirements, commitments, and conditions as set out in the Palabora SLP.

Signed at _____ on this _____ day of _____ 2017

Signature of responsible person _____

Designation: General Manager Human Resources

APPENDIX 1

COMPANY ANNUAL AND SUSTAINABILITY REPORTS

APPENDIX 1.2

BA-PHALABORWA INTEGRATED DEVELOPMENT PLAN

APPENDIX 1.3

ATTENDANCE REGISTER FOR MEETINGS FROM SLP CONSULTATION PROCESS WITH STAKEHOLDERS

APPENDIX 2

SUPPORTING HRDP WORKING PLANS

APPENDIX 3

SUPPORTING LED WORKING PLANS

APPENDIX 4

MANAGEMENT OF DOWNSCALING AND RETRENCHMENT SUPPORTING WORKING PLAN
