



# Gold Fields

## South Deep Gold Mine

*Social and Labour Plan 2018 - 2022*



**GOLD FIELDS**

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## SECTION 1

## INTRODUCTION

**Gold Fields Limited is a globally diversified producer of gold with eight operating mines in Australia, Ghana, Peru and South Africa. Gold Fields has attributable gold-equivalent annual production of approximately 2.2Moz, attributable gold Mineral Reserves of approximately 49Moz and attributable gold Mineral Resources of approximately 104Moz. Attributable copper Mineral Reserves total 764 million pounds and attributable copper Mineral Resources of 4,881 million pounds. Gold Fields has a primary listing on the JSE Limited, with secondary listings on the New York Stock Exchange (NYSE) and the Swiss Exchange (SWX).**

Gold Fields Operations Limited (“GFO”) and GFI Joint Venture Holdings (Pty) Limited (“GFI Holdings”) acting jointly in their capacities as participants in an unincorporated joint venture known as South Deep Joint Venture (hereinafter referred to as “South Deep”). South Deep remains a strategic priority for Gold Fields, and is projected to deliver long-term, cash-generative production to the Group once it hits targeted steady state production. The successful delivery of South Deep – which accounts for 52% of the Group’s Mineral Resources and 72% of Mineral Reserves – is critical for Gold Fields’ long-term, sustainable growth.

In addition, Gold Fields committed to providing a new ramp-up plan for the mine. This plan was approved by the Gold Fields Board in February 2017 and sets the mine up to reach steady state production of approximately 500,000oz by 2022 at an AIC of below US\$900/oz (in 2017 terms).

South Deep, is the holder of the mining right for South Deep granted by the Department of Mineral Resources (“DMR”) in 2010. The mining right affords South Deep the right to mine gold, silver, nickel, uranium, copper and pyrite. The mining right was converted in terms

of Item 7 of Schedule II of the Mineral and Petroleum Resources Development Act, 28 of 2002 (“MPRDA, 2002”) in respect of a mining area measuring 4,268 hectares, still to be registered in the Mineral and Petroleum Titles Registration Office and valid for the period ending 12 July 2040.

As part of the submission of its conversion application, South Deep was legally required to also submit a Social and Labour Plan (“SLP”) as contemplated in the MPRDA, 2002 Regulations as well as an annual report detailing the extent of the Mine’s compliance with provisions of the MPRDA, 2002 and its Regulations. As such, South Deep’s SLP was approved in August 2010 as part of its Mining Right conversion.

The objectives of the MPRDA as entrenched in section 2(d), (f) and (i) of the Act are inter alia to:

- substantially and meaningfully expand opportunities for historically disadvantaged persons, including women, to enter the mineral and petroleum industries and to benefit from the exploitation of the nation’s mineral and petroleum resources;
- promote employment and advance the social and economic welfare of all South Africans; and

- ensure that the holders of mining and production rights contribute towards the socio-economic development of the areas in which they are operating.

The SLP is the key element and mechanism to achieve the objectives of the Charter. The main objective of the SLP is to contribute to the transformation of the mining industry and ensure that the whole community benefits from the exploitation of the mineral resources. This includes promotion of employment and advancement of the social and economic welfare of all South Africans. The SLP requires the mining industry to develop and implement comprehensive Human Resources Development Programmes (including Employment Equity Plans), Local Economic Development Programmes and also to develop processes to save jobs and manage downscaling on closure of mining projects.

In order to remain compliant with the terms and conditions of the current mining right, Mining Right number: GP30/5/1/2/2(220) MR, South Deep has developed an SLP for the period 2018 to 2022 in terms of Regulation 46 as read with Regulation 43 and 44 of the Act, and will be referred to as the 2018 - 2022 South Deep SLP.

It should be noted that the DMR conducted a compliance inspection in September 2012, resulting in a directive being issued in terms of Section 93 of the MPRDA, 2002 that required South Deep to revise the approved 2010 SLP in order to comply with the SLP commitments and address backlogs. The draft 2013 SLP was submitted to the

DMR in April 2013 and covered a 5-year period from January 2013 to December 2017. The draft 2013 SLP has to date not formally been approved by the DMR however all submissions and compliance reports have been given against the targets as committed in the draft 2013 SLP.

In light of the aforementioned, the 2018 - 2022 South Deep SLP document will supersede the draft 2013 SLP submitted to the DMR. This SLP is an account of South Deep's ongoing commitment to give effect to the provisions of the 2010 Amended Mining Charter.

The objective of this SLP is to:

- promote employment and advance the social and economic welfare of those who work for South Deep as well as those from South Deep communities (host and labour sending areas);
- to utilise and expand the existing skills base for the empowerment of HDSA and to serve the communities;
- ensure that as a holder of Mining Rights, South Deep contributes to the socio-economic development of the communities in which it operates;
- implement effective and transparent engagement and communication with stakeholders.

## 1.1 Preamble

### Name of the company

Gold Fields Operations Limited ("GFO") and GFI Joint Venture Holdings (Pty) Limited ("GFI Holdings") acting jointly in their capacities as participants in an unincorporated joint venture known as the South Deep Joint Venture

### Name of Operation

South Deep Gold Mine

### Physical Address

South Deep  
Farm Modderfontein  
Old Vereeniging Road  
Westonaria

### Contact details

Tel: (011) 411 1000 • Fax: (011) 411 1588

### Responsible Person

Executive Vice President – SA Region

### Location of mine

South Deep is located on Farm Modderfontein, Old Vereeniging Road, situated in the magisterial district of Westonaria (approximately 45km southwest of Johannesburg) in the Gauteng Province and access is by road on the N12 or via the R28 (Randfontein / Westonaria).

### Commodity

Gold and, pursuant to the provisions of section 5(3) of the Minerals Act No 20 of 1991, all minerals which must of necessity be mined together with gold including: silver, uraninite, pyrite, pyrrhotite, chalcocopyrite, arsenopyrite, galena, zircon, rutile, platinoids and kaolinite.

### Life of Mine:

The mining right commenced on 13 July 2010, the mining right will be legitimate for a period of 30 years, ending on 12 July 2040. The projected Life of Mine for the operation is beyond 2040.

### Financial Year of Mine:

01 January – 31 December

### SLP Annual Reporting Year:

By 31st March of each year.

## 1.2 Location

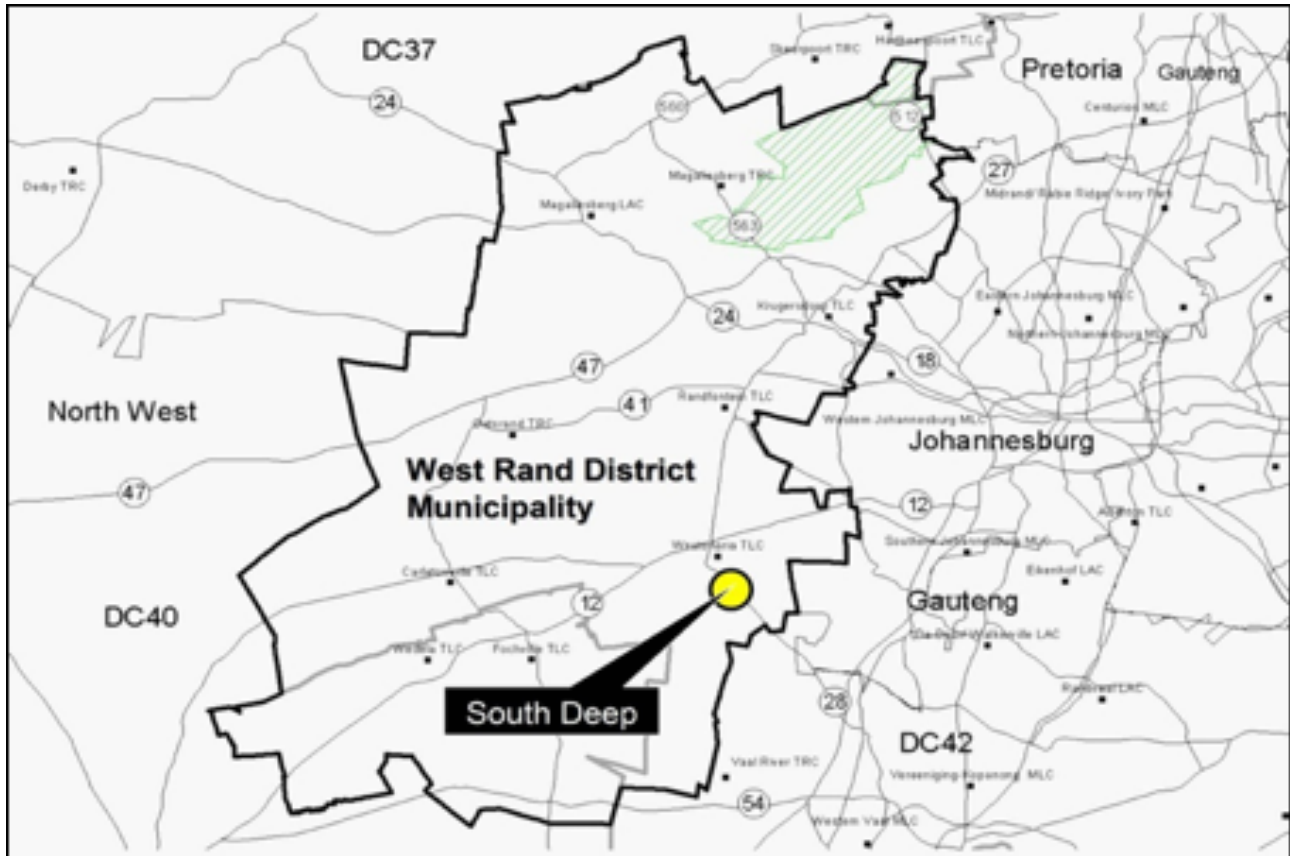


Figure 1: Location of South Deep





### 1.3 Geographic Origin of the Employees and Contractors as at June 2018

A breakdown of the geographic origin of three thousand six hundred and fifteen (3 615) employees are provided in the table below:

Table 1: Geographic Origin of Employees

Province	Total Number of South Deep Employees at the Mine
Eastern Cape	731
Free State	132
Gauteng	1 318
Kwa-Zulu Natal	270
Limpopo	243
Mpumalanga	129
North-West	167
Northern Cape	13
<b>Sub Total: Employees Per Province</b>	<b>3 003</b>
<b>Other countries</b>	
Botswana	19
Lesotho	197
Mozambique	347
Zimbabwe	10
Swaziland	35
Zambia	4
<b>Sub Total: Employees from Other Countries</b>	<b>612</b>
<b>TOTAL</b>	<b>3 615</b>

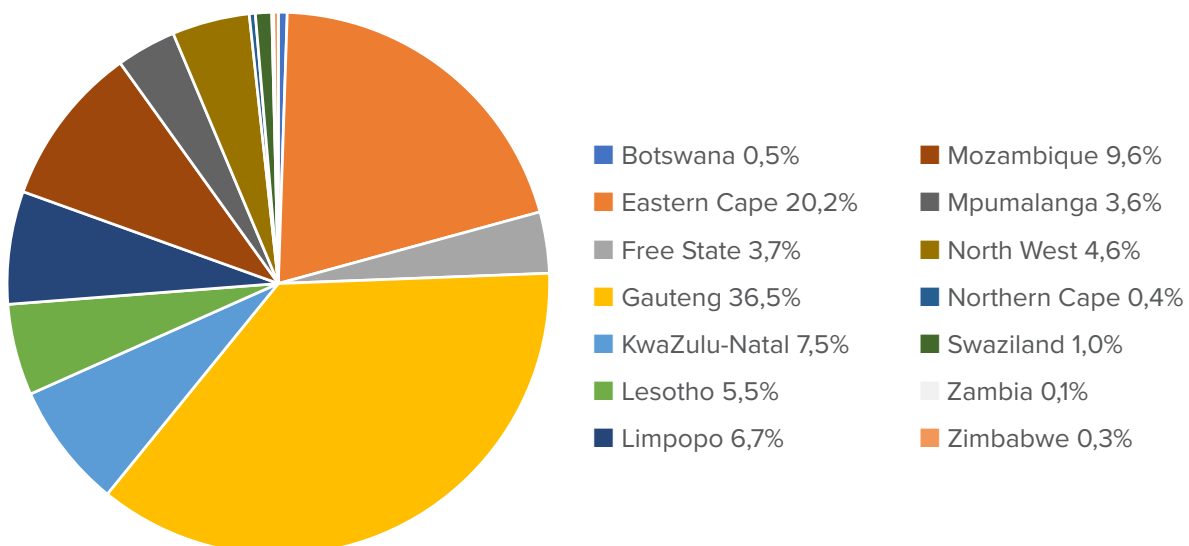
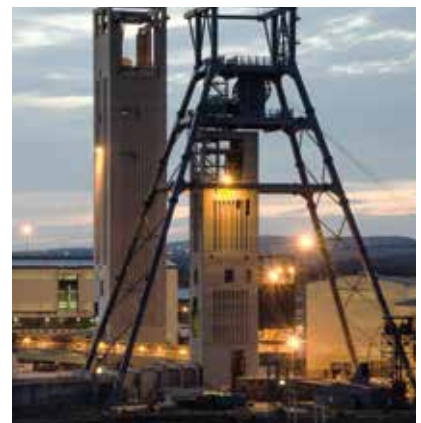


Figure 2: Geographic Breakdown of Employees

### 1.3 Geographic Origin of the Employees and Contractors (continued)

A breakdown of the geographic origin of two thousand two hundred and fourteen (2 214) contractors are provided in the table below:

Table 2: Geographic Origin of Contractors

Province	Total Number of South Deep Employees at the Mine
Eastern Cape	314
Free State	79
Gauteng	1 172
Kwa-Zulu Natal	153
Limpopo	85
Mpumalanga	78
North-West	137
Northern Cape	4
Western Cape	4
<b>Sub Total: Employees Per Province</b>	<b>2 026</b>
<b>Other countries</b>	
Mozambique	126
Lesotho	31
Botswana	131
Ghana	1
Swaziland	4
Zambia	2
Zimbabwe	20
Malawi	1
Other	3
<b>Sub Total: Employees from Other Countries</b>	<b>188</b>
<b>TOTAL</b>	<b>2 214</b>



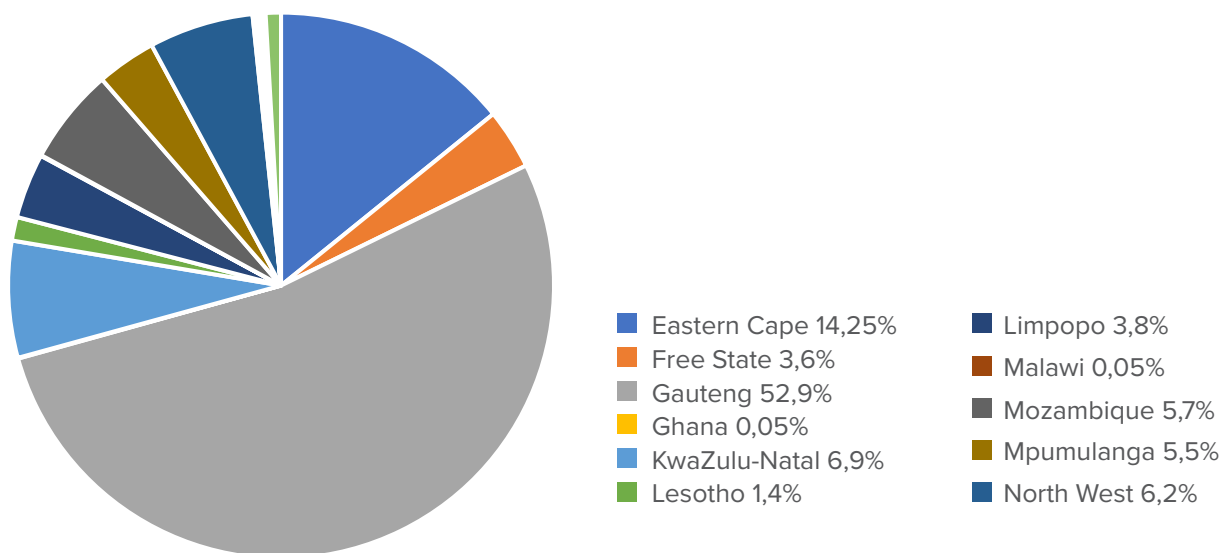


Figure 3: Geographic Breakdown of Contractors

## 1.4 Contractors Employed At South Deep

South Deep as the holder of an old order mining right as defined in the MPRDA, acknowledges that the holder of a mining right remains responsible for compliance with the requirements of the MPRDA even if the holder appoints a contractor to perform work within the boundaries of the mining area. In light of the above, South Deep will use its best endeavours to ensure compliance by its contractors with the SLP and will also make it known not only to its own employees but also to the employees of its contractors. In this regard South Deep will engage with all its contractors and use its best endeavours to cast further contractual obligations on its contractors whereby the contractor and its employees are obliged to comply with the statutory obligations of the holder of the mining right as disclosed in the SLP.

## SECTION 2

# HUMAN RESOURCES DEVELOPMENT PROGRAMME

**T**he primary objective South Deep's Human Resources Development (HRD) programme is to ensure that the workforce acquires mining, production and operation specific skills appropriate for South Deep's requirements, as well as portable skills which can be used outside the mining industry in the event that employees who no longer work in the industry will have a skill to sustain themselves. In terms of the South Deep's HRD Framework, the definition of HRD refers to the process of developing the knowledge, skills, attitudes and behaviour of individuals and teams to enable them to perform their duties safely and competently and to achieve broader social transformation objectives.

The execution of the HRD programmes will be coordinated and structured to align with the annual operational business plan and budget and where applicable, linked to strategic business requirements. In line with Regulation 46(b), this section of the SLP deals comprehensively with South Deep's five-year plan to achieve the optimal development of its human resources. The following information is provided:

- Skills Development Plan
- Current Education Levels
- Hard-to-fill Vacancies
- Adult Education and Training
- Foundational Learning Competence
- Learnerships
- Skills Programmes
- Bursaries
- Study Assistance
- Internship
- Core Skills Training Programme
- Portable Skills
- Community Training Programmes
- Career Progression Plan

It is intended that the HRD Policy for South Deep supports both the legislative and regulatory framework together with the business strategy and objectives of the Company.

Regulation 46(b) of the MPRDA requires that the contents of the SLP must contain a HRD programme that should include-a Skills Development Plan which identifies and reports on:

- the number and education levels of the employees (Form Q);  
.....
- the number of vacancies that the mining operation has been unable to fill for a period longer than 12 months despite concerted effort to recruit suitable candidates (Form R);  
.....
- a career progression plan and its implementation in line with the skill development plan;  
.....
- a mentorship plan and its implementation in line with the skills development plan and the needs for the empowerment groups.



## 2.1 Compliance with Skills Development Legislation

South Deep will comply with the requirements of the Skills Development Act, which includes the submission of a Workplace Skills Programme (WSP) and Annual Training Report (ATR) to the Mining Qualifications Authority (MQA), as well as paying and claiming of levies and grants. The WSP and ATR are developed annually by the designated skills development facilitators (SDFs), in consultation with relevant stakeholders, including organised labour. The following compliance details are pertinent in this regard:

SETA Information Required	SETA Details	
Name of SETA:	Mining Qualifications Authority (MQA)	
Registration Number with relevant SETAs:	L770732933	
Skills Development Facilitator:	Emmanuel Bolosha	
Proof of submission of Workplace Skills Plan and date of submission:	30th April 2018	
Action	Reporting	Submission Date
South Deep to submit WSP-ATR to MQA to qualify for Mandatory Grant Application for training facilitated at the mine.	Annually	30th April 2018

## 2.2 Skills Development Plan

It is imperative for the success of South Deep that a skilled workforce is in place in order to achieve its strategic and operational objectives. Human Resources Development is also an integral part of the company's drive to establish a workforce that is reflective of the demographics of the country. South Deep is accordingly committed to develop the knowledge, skills and abilities of its entire workforce, through a blend of learning methods including: mentoring and coaching, on the job training, formal courses, skills and learnership programmes and stretched assignments. Internally, performance and talent management processes enables the identification of training needs and offering employees support in terms of career options, preparing those with the ability to take on additional or different responsibilities for future career progression.

The mine aims to provide a detailed skills development plan that outlines how it intends to offer employees development of requisite skills in respect of:

- Adult Education and Training (AET);
- Literacy and numeracy skills for employees and non-employees (community members);
- Learnerships;
- Bursaries;
- Internship;
- Other training initiatives reflective of demographics as defined in the amended 2010 Mining Charter (as amended from time to time).

## 2.2 Skills Development Plan (*continued*)

The purpose of the Skills Development Plan will be to assess and record current levels of skills and education. The results of these assessments will be used as a base for upskilling of current employees and future skill development initiatives. The Skills Development Plan will form the foundation from which education, training and development initiatives will be provided.

In order to redress the shortage of skills, South Deep will collaborate with Statutory Bodies such as the MQA, in developing a comprehensive skills development strategy to ensure the availability of mine and production specific skills, a competent work force and the training of employees in skills that can be used not only in the mining or production industries, but in future employment opportunities. Every reasonable endeavour will be made to ensure South Deep's Human Resources Development Plan supports the National Development Plan and the Millennium Development Goals in relation to (i) Education (primary), (ii) Skills and Employment or Employability, and (iii) Gender Equality.

### 2.2.1 Training Facilities (Technical and Non-Technical)

South Deep offers a comprehensive catalogue of training programmes and technical short courses run by accredited training providers. The various Skills Development Programmes are offered at the following facilities:

- **External Service Providers:** South Deep utilises the services of external service providers that are fully accredited by the MQA. In addition, these service providers have approved programmes in a number of other Sector Education and Training Authorities (SETAs), giving them the ability to provide recognised and accredited education and training in a number of non-mining fields. Some of the skills and qualifications offered are Blasting Certificated Miners, Production Supervisors (e.g. Shift Bosses), Production Superintendents (e.g. Mine Overseers) and Mine Managers. They provide training for learners at all levels i.e. from new entries (Competency "A" and "B" skills training programme) to mine manager level. Learners are also provided with national qualifications at NQF levels 2 to 5.
- **South Deep Training Centre:** South Deep has two Training Centres which cater for Induction and Mining Skills Training at Enduleni Training Centre and the TM3 Training Centre at Twin Shafts. The Training Centre provides education and training exclusively to Gold Fields South Deep employees (inclusive of contractors rendering services to South Deep).

At *Enduleni Training Centre (South Shaft)* the following training interventions are offered:

1. Induction Training which include the following:
  - a) DNA Training;
  - b) Financial Training;
  - c) First Aid Training;
  - d) Harness Training;
  - e) e-Learning;
  - f) Gas Detection Instrument (GDI) Training;
  - g) Cutting Torch Training;
  - h) Loco Training;
  - i) Booyco Training.

2. Supervisory Training “Back to Basics Course”;
3. Trans 4 Mine Training Course “Trackless Mobile Machines (TMM)”;
4. Strata Control Training Course;
5. Pre-Conditioning Training Course;
6. Competent “A” Training Course;
7. Competent “B” Training Course;
8. Blasting Assistants Training Course.

*At Mechanised Training Centre (Twin Shaft) the following training interventions are offered;*

1. Operator Training which includes all Underground and Trackless Mobile Machines;
2. Mechanical and Electrical Training which include all Underground Trackless Mobile Machines and Surface Machines;
3. Maxus’s System for Loco Training;
4. Engineering Basic Hydraulics Training;
5. Safe Lifting Training Course;
6. Basic Rigging Course.



## 2.3 Education levels of South Deep Mine's workforce

The number and education levels form which is referred to as Form Q (as at 18 June 2018) for employees is illustrated below:

Table 3: Education Levels for Employees at 18 June 2018

BAND	NQF	OLD SYSTEM	Male				Female				Total		Total
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
General Education and Training (GET)	1	No Schooling / Unknown	60	0	0	22	40	1	1	5	82	47	129
		Grade 0 / Pre	0	0	0	0	0	0	0	0	0	0	0
		Grade 1 / Sub A	18	0	0	0	0	0	0	0	18	0	18
		Grade 2 / Sub B	5	0	0	0	0	0	0	0	5	0	5
		Grade 3 / Std 1 / ABET 1	92	0	0	0	1	0	0	0	92	1	93
		Grade 4 / Std 2	66	0	0	0	3	0	0	0	66	3	69
		Grade 5 / Std 3 / ABET 2	83	0	0	1	5	0	0	0	84	5	89
		Grade 6 / Std 4	91	0	0	0	3	0	0	0	91	3	94
		Grade 7 / Std 5 / ABET 3	160	0	0	0	9	1	0	0	160	10	170
		Grade 8 / Std 6	153	0	0	0	7	0	0	0	153	7	160
		Grade 9 / Std 7 / ABET 4	180	0	0	2	12	0	0	0	182	12	194
Further Education and Training (FET)	2	Grade 10 / Std 8 / N1	205	0	0	28	48	3	0	2	233	53	286
	3	Grade 11 / Std 9 / N2	320	1	1	28	117	0	0	0	350	117	467
	4	Grade 12 / Std 10 / N3	720	8	5	125	345	5	4	30	858	384	1,242
Higher Education and Training (HET)	5	Diplomas / Certificates	220	0	2	98	109	3	1	12	320	125	445
	6	First degrees / higher diplomas	51	4	1	8	35	2	0	4	64	41	105
	7	Honours / Master's degrees	23	2	1	2	16	0	1	1	28	18	46
	8	Doctorates	1	1	0	0	1	0	0	0	2	1	2
TOTAL			2448	16	10	314	751	15	7	54	2,788	827	3,615



The number and education levels for contractors as at 18 June 2018 is illustrated below. Further breakdown according to educational levels is being verified. A full table with breakdown will be submitted at a later stage as an addendum.

Table 4: Education Levels for Contractors at 18 June 2018

BAND	NQF	OLD SYSTEM	Male				Female				Total		Total
			African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
General Education and Training (GET)	1	No Schooling / Unknown	1562	33	8	397	190	5	0	19	2000	214	
		Grade 0 / Pre									0		
		Grade 1 / Sub A									0		
		Grade 2 / Sub B									0		
		Grade 3 / Std 1 / ABET 1									0		
		Grade 4 / Std 2									0		
		Grade 5 / Std 3 / ABET 2									0		
		Grade 6 / Std 4									0		
		Grade 7 / Std 5 / ABET 3									0		
		Grade 8 / Std 6									0		
		Grade 9 / Std 7 / ABET 4									0		
Further Education and Training (FET)	2	Grade 10 / Std 8 / N1									0		
	3	Grade 11 / Std 9 / N2									0		
	4	Grade 12 / Std 10 / N3									0		
Higher Education and Training (HET)	5	Diplomas / Certificates									0		
	6	First degrees / higher diplomas									0		
	7	Honours / Master's degrees									0		
	8	Doctorates									0		
TOTAL			1562	33	8	397	190	5	0	19	2000	214	

## 2.4 Hard-to-fill vacancies: Form R

Form R below presents the current hard-to-fill vacancies that affects South Deep. These positions have been identified in terms of South Deep's WSP. The inherent requirements of these positions include a formal qualification with mathematics as a major subject. These hard-to-fill vacancies are partly addressed through implementation of skills development and learnerships. In allocating learnerships, bursaries and undertaking other skills development programmes, cognisance will be taken of South Deep's hard-to-fill positions, in conjunction with the Mine's Employment Equity targets.

Table 5: Hard-to-fill Positions

Occupation Level	Job title of Vacancy	Hard To Fill	Vacant	Main Reason for being unable to fill the vacancy
Top Management	N/A			N/A
Senior Management	Mine Manager			Relative scarce skill – employment equity
Professionally qualified and experienced specialists and mid-management	Engineer		X	Relative scarce skill – employment equity
	Rock Engineer	X	X	Absolute – lack of skilled people in South Africa
	Resource Geologist		X	Absolute – lack of skilled people in South Africa
	Mine Planner		X	Absolute – lack of skilled people in South Africa
	Geologist	X	X	Absolute – lack of skilled people in South Africa
	Surveyor			Absolute – lack of skilled people in South Africa
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	Instrument Mechanician	X	X	Absolute – lack of skilled people in South Africa
	Diesel Mechanic		X	Absolute – lack of skilled people in South Africa
	Electrician		X	Absolute – lack of skilled people in South Africa
	Boiler Maker		X	Absolute – lack of skilled people in South Africa
	Electrician (Engineering)		X	Absolute – lack of skilled people in South Africa
	Dump Truck Operator	X	X	Absolute – lack of skilled people in South Africa
	Drill Rig Operator		X	Absolute – lack of skilled people in South Africa
	Fitter and Turner		X	Absolute – lack of skilled people in South Africa
	Load-haul-dump (LHD) Operator		X	Absolute – lack of skilled people in South Africa
	Rigger			Absolute – lack of skilled people in South Africa
	Production / Operations Supervisor (Mining)			Absolute – lack of skilled people in South Africa
	Miner		X	Absolute – lack of skilled people in South Africa
Semi-skilled and discretionary decision making	N/A			N/A
Unskilled and defined decision making	N/A			N/A

Table 6: Form R hard-to-fill vacancies aligned to Workplace Skills Plan & Annual Training Report

Occupation or Specialisation Title	Reason for Occupation being Scarce	Add comments regarding the scarcity, i.e. which tasks/outputs that are critical for the occupation are not being met or performed by employees.	What type of learning programmes are you planning to address this occupational scarcity?	NQF Level
Boiler Maker	Absolute – replacement demand	Machinery maintenance	MQA_ Learnership	3
Diesel Mechanic	Absolute – replacement demand	Machinery maintenance	MQA_ Learnership	4
Electrician (Engineering)	Absolute – replacement demand	Machinery maintenance	MQA_ Learnership	4
Dump Truck Operator	Absolute – replacement demand	Tramming	Short Course	2
Drill Rig Operator	Absolute – replacement demand	Drilling and Blasting	MQA_ Learnership	2
Fitter and Turner	Absolute – replacement demand	Maintenance	MQA_ Learnership	3
Load-haul-dump (LHD) Operator	Absolute – replacement demand	Tramming	Short Course	2
Rigger	Absolute – replacement demand	Infrastructure Maintenance	MQA_ Learnership	3
Production / Operations Supervisor (Mining)	Absolute – replacement demand	Production	Short Course	4
Miner	Absolute – replacement demand	Production	MQA_ Learnership	3

## 2.5 Adult Education and Training (AET)

AET constitutes a fundamental building block of vocational skills development and career path progression. It provides an entry point for individuals to begin at AET Level 1 and to progress through the learning pathway to attain AET Level 4 (NQF 1 qualification), which gives access to vocationally directed learnerships, skills programmes and courses within a career learning pathway.

The future recruitment strategy of South Deep will focus on the employment of individuals with AET level qualifications. However the mine is committed to the upskilling of illiterate employees. South Deep will accordingly ensure that its employees, and members of the communities are offered the opportunity to become functionally literate and numerate (up to and including AET level 3) through the implementation of AET. The key drivers of the AET strategy entails advertising campaign on and off mine to attract mine employees, and host community members.

## 2.5 Adult Education and Training (AET) (continued)

The following AET programmes will be offered:

AET – Level 1 / Std 1 / Grade 3

AET – Level 2 / Std 3 / Grade 5 AET – Level 3 / Std 5 / Grade 7

AET – NQF1 / Level 4 / Std 7 / Grade 9

The quality assurance for content, the delivery of the prescribed content and training facilities will meet the requirements of the MQA. AET will be offered to employees and members of the communities as part of the South Deep HRD Programme. Classroom facilities are provided at South Deep to offer AET to employees and members of the communities.

Apart from the challenges faced by the mining industry as a whole regarding AET, South Deep has also encountered various challenges in the uptake by employees in AET. These challenges range from learner turnover to the lack of interest amongst a component of the population due to their age, with many of them approaching retirement. However, South Deep continues to encourage employees to enroll and has subsequently conducted extensive literacy assessments and will continue to design alternate plans to enhance literacy and educational levels.

Table 7: AET duration per level

AET Duration per Level	Duration (Full Time)	Duration (Part Time)	Grade Equivalent
Level 1 (mother tongue)	6 months	9 months	No education/ below Grade 3
Level 1 (English & Numeracy)	3 months	6 months	STD 1/Grade 3
Level 2 (English, Numeracy and Life Orientation)	3 months	6 months	STD 3/Grade 5
Level 3 (English; Numeracy; Life Orientation & Mining)	3 months	6 months	STD 5/Grade 7
Level 4 / NQF 1 (English; Numeracy; Life Orientation, Natural Science and Mining electives)	9 months	12 – 15 months	STD 7/Grade 9

### AET Guideline per level

South Deep will offer AET classes with the intention of improving the current education level of employees, which is outlined below:

- Level 1: 5 % of employees – AET level 1
- Level 2: 5 % of employees – AET level 2
- Level 3: 6 % of employees – AET level 3
- Level 4: 12 % of employees – AET level 4

However the mine will take into consideration the current class efficiency to ensure effective training and reasonable targets which will align to the production requirements.



Table 8: Total Planned FLC/NQF1 & AET

AET LEVEL	C2018		C2019		C2020		C2021		C2022	
(Number of participants)	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake
Full Time	44	0	42	0	0	35	0	35	0	35
Part Time	13	0	5	0	0	55	0	55	0	55
Community	298	0	272	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>355</b>	<b>0</b>	<b>319</b>	<b>0</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>90</b>

Note: The figures above are influenced by the current class room efficiency

To achieve the planned numbers reflected in table 8, provision will be made for 61% of participants to attend full-time ABET classes and an additional 39% to attend part-time classes.

Table 9: Planned FLC/NQF1 & AET – Full-time

AET LEVEL	C2018		C2019		C2020		C2021		C2022	
(Number of participants)	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake
Pre AET	10	0	10	0	0		0		0	
AET Level 1	93	0	10	0	0	10	0	10	0	10
AET Level 2	81	0	93	0	0	10	0	10	0	10
AET Level 3	51	0	81	0	0	10	0	10	0	10
AET Level 4/ NQF 1/FLC	34	0	51	0	0	5	0	5	0	5
<b>TOTAL</b>	<b>269</b>	<b>0</b>	<b>245</b>	<b>0</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>35</b>

Note: The figures above are influenced by the current educational literacy level

Table 10: Planned FLC/NQF1 & AET – Part -time

AET LEVEL	C2018		C2019		C2020		C2021		C2022	
(Number of participants)	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake
AET Level 1	33	0	0	0	0	20	0	20	0	20
AET Level 2	26	0	33	0	0	15	0	15	0	15
AET Level 3	15	0	26	0	0	15	0	15	0	15
AET Level 4/ NQF 1/FLC	12	0	15	0	0	5	0	5	0	5
<b>TOTAL</b>	<b>86</b>	<b>0</b>	<b>74</b>	<b>0</b>	<b>0</b>	<b>55</b>	<b>0</b>	<b>55</b>	<b>0</b>	<b>55</b>

## 2.5 Adult Education and Training (AET) (*continued*)

Table 11: Costs of AET 2018 – 2022

	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Numbers	355	319	90	90	90
Average Rate per Participant	R29 822	R31 611	R33 508	R35 518	R37 650
<b>TOTAL</b>	<b>R10 586 810</b>	<b>R10 084 011</b>	<b>R3 015 720</b>	<b>R3 196 663</b>	<b>R3 388 463</b>

## 2.6 Foundational Learning Competence (FLC)

South Deep will provide community members the opportunity to participate in the FLC Programme in Communications and Mathematics. The FLC in Communications develops participants' basic knowledge of language and the thinking processes required to communicate effectively in the workplace.

The programme develops reading, writing, speaking and listening skills that will enable the learner to function optimally in the workplace, to deal successfully with further learning and finally to access occupational training materials and related assessments. The FLC Communications is registered at NQF Level 2 and carries 20 credits.

The FLC in Mathematical Literacy provide learners with an adequate foundation to cope with the mathematical demands of occupational training and to engage meaningfully in real-life situations involving mathematics. Foundational Mathematical Literacy will also serve as the foundation for further development of an individual in mathematical literacy contexts and mathematical concepts that may be specific to an occupation or trade. The FLC Mathematical Literacy is registered at NQF Level 2 and carries 20 credits.

Table 12: FLC Communication and Mathematical Literacy Training (50% per subject) for 2018 – 2022

FLC	C2018		C2019		C2020		C2021		C2022	
(Number of participants)	Cont.	New Intake	Conti.	New	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake
FLC: Mathematical Literacy	200	0	0	20	0	20	0	20	0	20
<b>TOTAL</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>20</b>

## 2.6 Foundational Learning Competence (FLC) (continued)

Table 13: Costs of FLC 2018 – 2022

		C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
FLC: Communications	Numbers	200	20	20	20	20
	Average Rate per Participant	R5 000	R5 300	R5 618	R5 955	R6 312
FLC: Mathematical	Numbers	200	20	20	20	20
	Average Rate per Participant	R5 000	R5 300	R5 618	R5 955	R6 312
<b>TOTAL</b>		<b>R2 000 000</b>	<b>R212 000</b>	<b>R224 720</b>	<b>R238 201</b>	<b>R252 495</b>

## 2.7 Learnerships

Learnerships are registered and accredited learning programmes that result in a registered qualification with the South African Qualifications Authority (SAQA). Learnerships consist of a blend of theoretical learning, improved through practical on-the-job work experience. Learnership programmes are also one of the identified mechanisms to achieve portable skills and in so doing minimise the adverse impacts of downscaling and retrenchments.

Learnerships are granted in the form of (i) employees' learnerships (18.1 Learnerships: Skills Development Act, 97 of 1998, s18.1) and (ii) community members learnerships (18.2 Learnerships: Skills Development Act, 97 of 1998, s18.2).

South Deep offers learnerships in core business disciplines, e.g. Electro\Mechanical, Diesel Mechanic, Fitters, Rigger Ropesman, Boilermaker, Instrumentation and Electrical. The minimum duration of learnerships is 18 months. All learnerships will be approved by the MQA as well as the SAQA, and registered with the Department of Labour (DoL).

The availability of learnerships is dependent on specific discipline skill demands, as well as the availability of learnerships from the various Skills Education Training Authorities (SETAs). It is acknowledged that job creation in the local community must include opportunities for the youth. Registering Learnerships will provide opportunities for young people to remain in their communities and contribute to economic growth in the area. The learnerships will be distributed between the various population groups including females. Learnerships streams in both engineering and mining will be determined by South Deep on an annual basis after taking into account the skills needs on the mine.

## 2.7 Learnerships (*continued*)

Table 14: Learnership Plans for 2018 – 2022

YEAR		ENGINEERING		Junior Engineer	MINING	
		18.1	18.2		18.1	18.2
2018	Cont.	48	80	23	52	18
	New Intake	0	0	0	0	0
2019	Cont.	28	52	11	24	9
	New Intake	0	0	0	0	0
2020	Cont.	7	26	7	2	3
	New Intake	0	0	0	2	0
2021	Cont.	0	0	6	2	1
	New Intake	4	3	0	2	2
2022	Cont.	4	3	6	4	3
	New Intake	4	3	0	4	3
TOTALS	Cont.	87	161	53	84	34
	New Intake	8	6	0	8	5

Table 15: Table Costs of Learnerships 2018 – 2022

		C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
18.1 Learners	Numbers	100	52	11	8	16
	Average Rate per Participant	R171 132	R192 441	R179 232	R194 014	R200 196
18.2 Learners	Numbers	98	61	29	6	12
	Average Rate per Participant	R171 132	R192 441	R179 232	R194 014	R200 196
Junior Engineer	Numbers	23	11	7	6	6
	Average Rate per Participant	R171 132	R192 441	R179 232	R194 014	R200 196
TOTAL		R37 820 172	R23 862 646	R8 423 938	R3 880 285	R6 806 689

## 2.8 Supervisory and Managerial Learnerships

Development of employees through various leadership programmes is paramount for the long time success of South Deep. South Deep will contract a number of service providers to assist with the development of accredited supervisory and managerial development programmes outlined in Table 16. Supervisory and managerial learners will be drawn from the workplace and developed through a combination of in-service and class room training.

Table 16: Supervisory and Managerial Learnerships

Name of programme	NQF level	Learnership programme purpose
Supervision	NQF Level 3	The programme aims at equipping every first-line manager with the essential knowledge and skills necessary to: <ul style="list-style-type: none"> <li>• Develop, lead and inspire productive workplace teams.</li> <li>• Ensure that all team members are developed to their full potential</li> </ul>
Energised Leadership	NQF level 4/5	The qualification is intended for junior managers of small organisations, first line managers of business units in medium and large organisations, or those aspiring to these positions. Junior managers include team leaders, supervisors, foremen and section heads. It lays the foundation for further management development. The focus of this qualification it to enable learners to develop competence in knowledge, skills, attitudes and values.
Mine Manager Certificate of Competency	NQF Level 6 MMC NQF Level 7 Degree	<b>Mine Managers Certificate Part A =Geology 1+2 1 = Theory 2 = Practical</b> Designed to equip the enrolled candidate with the required theoretical knowledge of the fundamental geology experience in hard-rock metalliferous mining in South Africa, as well as the practical knowledge to draw geological sections and interpret borehole information. The course is presented in two parts: 10 days Theory, 5 days Plan and Section drawing.
Management Development Programme	NQF 7/8	To develop the management and leadership capability of employees occupying and/or those identified to, in future occupy management and/or leadership roles. Individuals will gain knowledge and insight of their natural management and leadership styles, how to enhance their styles and successfully manage and lead teams.
Advanced Management Development Programme	NQF 7/8	Prepares high potential managers for business leadership roles. It raises leadership contribution and shifts focus from operational management to strategic leadership.

The numbers of participants identified to participate in the Supervisory and Managerial Learnership programmes for the duration of this plan are reflected in Table 17.



## 2.8 Supervisory and Managerial Learnerships (*continued*)

Table 17: Supervisory and Managerial Learnerships

Development programme	C2018 Intake	C2019 Intake	C2020 Intake	C2021 Intake	C2022 Intake
Shift Boss Course	10	10	10	10	10
Supervisory Development Programme	20	20	20	20	20
Energised Leadership	10	10	10	10	10
Mine Manager Certificate of Competency	2	2	2	2	2
Management Development Programme	10	10	10	10	10
Advanced Management Development Programme	2	2	2	2	2

Table 18: Cost of Supervisory and Management Development Programmes

Type of Training	Numbers	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Shift Boss Course	Numbers	10	10	10	10	10
	Average Rate per Learner	R10 000	R10 600	R11 236	R11 910	R12 625
Supervisory Development Programme	Numbers	20	20	20	20	20
	Average Rate per Learner	R20 000	R21 200	R22 472	R23 820	R25 250
Energised Leadership	Numbers	10	10	10	10	10
	Average Rate per Learner	R30 000	R31 800	R33 708	R35 730	R37 874
Mine Manager Certificate of Competency	Numbers	2	2	2	2	2
	Average Rate per Learner	R40 000	R42 400	R44 944	R47 641	R50 499
Management Development Programme	Numbers	10	10	10	10	10
	Average Rate per Learner	R75 000	R79 500	R84 270	R89 326	R94 666
Advanced Management Development Programme	Numbers	2	2	2	2	2
	Average Rate per Learner	R85 000	R90 100	R95 506	R101 236	R107 311
<b>TOTAL</b>		<b>R1 800 000</b>	<b>R1 908 000</b>	<b>R2 022 480</b>	<b>R2 143 829</b>	<b>R2 272 459</b>

## 2.9 Bursaries

South Deep has a well-established bursary scheme. The objective of the bursary scheme is to increase skills, close the gap on hard to fill vacancies and scarce skills, and support South Deep's transformation objectives. Bursaries will be awarded to students interested or busy studying in the following core mining disciplines: geology, ventilation, metallurgical and chemical engineering, electrical and mechanical engineering, mining engineering and support services, should they meet the required criteria.

Bursaries will be offered to both external individuals (i.e. members of the community) and employees' children and relatives who wish to study for a tertiary qualification in a mining related diploma or degree. The selection of bursars will be aligned to the Company's Employment Equity Plan. South Deep will allocate the requisite amount to a bursary student for each year for the duration of the bursary. The fees will cover books, allowance, accommodation and tuition.

Table 19: Planned Bursars for 2018 – 2022

Field of Study	C2018		C2019		C2020		C2021		C2022	
	New Intake	Conti.	New Intake	Conti.	New Intake	Conti.	New Intake	Conti.	New Intake	Conti.
Mining	0	2	0	1	1	1	1	1	1	2
Processing	0	2	0	1	1	1	1	1	1	2
Engineering	0	10	0	4	1	0	1	1	1	2
MRM	0	2	1	0	1	1	1	1	1	2
Support Services (HR, Finance, SHE)	0	16	0	7	0	3	1	0	1	1
<b>TOTAL</b>	<b>0</b>	<b>32</b>	<b>1</b>	<b>13</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>9</b>

Table 20: Costs of Bursaries for 2018 – 2022

Bursars	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Numbers	32	14	10	9	14
Average Rate per Bursar	R122 248	R129 583	R137 358	R145 599	R154 335
<b>TOTAL</b>	<b>R3 911 936</b>	<b>R1 814 160</b>	<b>R1 373 579</b>	<b>R1 310 394</b>	<b>R2 160 694</b>

## 2.10 Study Assistance Scheme

In-service training forms an important component of South Deep's Skills Development Programme. In-service training incorporates a large variety of training methods, including structured courses, seminars and on-the-job training.

A key component of South Deep's in-service training is the self-study scheme. This scheme offers financial assistance to all permanent employees for part-time courses of study leading to any approved qualification, provided the proposed studies falls within the relevant mine business disciplines. The self-study scheme offers employees opportunities to further their development in line with personal and organisational goals. It is important to note that this scheme is individual driven based on the employees career direction as aligned with the conditions of the scheme.

Table 21: Costs of Study Assistance for 2018 – 2022

Study Assistance	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Numbers	20	20	20	20	20
Average Rate per Bursar	R37 500	R39 750	R42 135	R44 663	R47 343
<b>TOTAL</b>	<b>R750 000</b>	<b>R795 000</b>	<b>R842 700</b>	<b>R893 262</b>	<b>R946 858</b>

## 2.11 Graduates and Internship

South Deep offers practical training to students and bursars in terms of vacation work and experiential training. Graduate trainees are also accommodated through postgraduate training with each professional-in-training being assigned a mentor. The emphasis of the graduate and internship programme is to identify high-potential young HDSA candidates and give priority to candidates sourced from within the local community. Graduates and internships that are offered by South Deep are dependent on the specific operational needs of the Mine and will focus on core mining disciplines such as engineering, mining, geology, survey, metallurgy and rock engineering. Once these learners have completed the internship programme, South Deep exercises the first option whether or not to offer the candidates permanent employment.

Table 22: Planned Graduates and Internships 2018 – 2022

Field of Study	C2018		C2019		C2020		C2021		C2022	
	New Intake	Conti.	New Intake	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake	Cont.
Mining	0	0	0	0	0	0	1	0	1	1
Processing	0	3	0	1	0	3	1	0	1	1
Engineering	0	5	0	5	0	0	1	0	1	1
MRM	0	8	0	7	0	5	1	0	1	1
Support Services (HR, Finance, SHE)	0	4	0	4	0	4	1	0	1	1
<b>TOTAL</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>12</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>5</b>

## 2.11 Graduates and Internship (*continued*)

Graduate Disciplines	2018		2019		2020		2021		2022	
	18.1	18.2	18.1	18.2	18.1	18.2	18.1	18.2	18.1	18.2
Engineering	1	0	1	0	1	0	0	1	0	2
Mining	0	0	0	0	0	0	0	1	0	2
Finance	0	3	0	3	0	3	0	0	0	0
Human Resources	0	6	0	6	0	6	0	1	0	2
Survey	0	2	0	2	0	2	0	1	0	2
Geology	0	4	0	4	0	4	0	0	0	0
Rock Engineering	0	5	0	5	0	5	0	0	0	0
Environmental	0	3	0	3	0	3	0	0	0	0
Safety	0	0	0	0	0	0	0	0	0	0
Sustainable Development	0	0	0	0	0	0	0	0	0	0
Metallurgy	0	5	0	5	0	5	0	1	0	2
<b>TOTAL</b>	<b>1</b>	<b>28</b>	<b>1</b>	<b>28</b>	<b>1</b>	<b>28</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>10</b>

Table 23: Costs of Planned Internships 2018 – 2022

Internships	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Numbers	49	46	41	10	20
Average Rate per Intern	R276 983	R303 122	R341 411	R304 440	R322 706
<b>TOTAL</b>	<b>R13 572 187</b>	<b>R13 943 629</b>	<b>R13 997 839</b>	<b>R3 044 398</b>	<b>R6 454 123</b>

## 2.12 Core Skills Training Programmes

In addition to the training described above, South Deep also offers a comprehensive catalogue of training programmes and technical short courses run by accredited training providers. The various Skills Development Programmes are offered at South Deep Enduleni Training Centre (South Shaft) and Mechanised Training Centre (Twins Shaft) respectively.

The core business skills programmes include all legislative requirements specified in the company competency profiles, national registered skills programmes and relevant mining legislation. The programmes are occupationally directed technical skills interventions aimed at providing employees with the requisite knowledge and skills required to perform their work safely and in a proficient manner and providing skills development towards career progression. Health and Safety training, Environmental Training and First Aid Training are compulsory modules offered to employees returning from leave as well as new employees coming in to the operation.

South Deep plans to implement the following mine related compulsory core business induction training interventions for both mine employees and contractors:

Table 24: Compulsory Training Interventions for South Deep

Intervention	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Health and Safety Induction Training	1 000	1 000	1 000	1 000	1 000
Environmental Induction Training	1 000	1 000	1 000	1 000	1 000
First Aid Training	1 000	1 000	1 000	1 000	1 000
Rock Mechanics and Risk Assessment	10	10	10	10	10
<b>TOTAL</b>	<b>3 010</b>	<b>3 010</b>	<b>3 010</b>	<b>3 010</b>	<b>3 010</b>

## 2.12 Core Skills Training Programmes (*continued*)

Table 25: Cost of Compulsory Training Interventions 2018 – 2022

Type of Training	Numbers	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Health and Safety Induction Training	Numbers	1 000	1 000	1 000	1 000	1 000
	Average Rate per Learner	R1 000	R1 060	R1 124	R1 191	R1 262
Environmental Induction Training	Numbers	1 000	1 000	1 000	1 000	1 000
	Average Rate per Learner	R1 000	R1 060	R1 124	R1 191	R1 262
First Aid Training	Numbers	1 000	1 000	1 000	1 000	1 000
	Average Rate per Learner	R1 000	R1 060	R1 124	R1 191	R1 262
Rock Mechanics and Risk Assessment	Numbers	10	10	10	10	10
	Average Rate per Learner	R1 000	R1 060	R1 124	R1 191	R1 262
<b>TOTAL</b>		<b>R3 010 000</b>	<b>R3 190 600</b>	<b>R3 382 036</b>	<b>R3 584 958</b>	<b>R3 800 056</b>

Technical skills training programmes form an important component of training and development interventions in the following occupational groups: machine operator, drivers and elementary workers. Technical skills programmes offered by South Deep comply with the unit standard requirements of the NQF and the MQA and therefore offer participants portable skills credits towards a NQF registered qualification. The Technical skills Programmes offered by South Deep are outlined below:

Table 26: Technical Skills Programmes

Type of Training	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Competent A	20	20	20	20	20
Competent B	100	100	100	100	100
Blasting assistant	5	5	5	5	5
Team leader	10	10	10	10	10
Loco Operator	10	10	10	10	10
Drill Rig Operators	10	10	10	10	10
Dump Truck Operators	10	10	10	10	10
LHD Operators	10	10	10	10	10
Utility Vehicle Operators	10	10	10	10	10
<b>TOTAL</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>185</b>	<b>185</b>



## 2.12 Core Skills Training Programmes (*continued*)

Table 27: Costs of Technical Skills Programmes 2018 - 2022

Type of Training	Numbers	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Competent A	Numbers	20	20	20	20	20
	Average Rate per Learner	R40 000	R42 400	R44 944	R47 641	R50 499
Competent B	Numbers	100	100	100	100	100
	Average Rate per Learner	R45 500	R48 230	R57 124	R54 191	R57 443
Blasting assistant	Numbers	5	5	5	5	5
	Average Rate per Learner	R13 000	R13 780	R14 607	R15 483	R16 412
Team leader	Numbers	10	10	10	10	10
	Average Rate per Learner	R10 000	R10 600	R11 236	R11 810	R12 625
Loco Operators	Numbers	10	10	10	10	10
	Average Rate per Learner	R2 000	R2 120	R2 247	R2 382	R2 525
Drill Rig Operators	Numbers	10	10	10	10	10
	Average Rate per Learner	R19 250	R20 405	R21 629	R22 927	R24 303
Dump Truck Operators	Numbers	10	10	10	10	10
	Average Rate per Learner	R19 250	R20 405	R21 629	R22 927	R24 303
LHD Operators	Numbers	10	10	10	10	10
	Average Rate per Learner	R16 000	R16 960	R17 978	R19 056	R20 200
Utility Vehicle Operators	Numbers	10	10	10	10	10
	Average Rate per Learner	R7 000	R7 420	R7 865	R8 337	R8 837
<b>TOTAL</b>		<b>R6 150 000</b>	<b>R6 519 000</b>	<b>R6 910 140</b>	<b>R7 324 748</b>	<b>R7 764 233</b>

## 2.13 Portable Skills Training Programme

Skills development planning at South Deep encompasses training and development that support the current position requirements. However, every endeavour is made to ensure that the skills that are provided to employees as a core business competence are transferable to other mining operations and beyond the mining industry. South Deep as part of its skills development plan will provide training in portable skills which are applicable to both the mining industry and other sectors. The key objective is to offer portable skills training to the employees who are close to retirement age or as and when retrenchments do occur. Portable skills programmes will also be offered to community members to reduce dependency on the mine and promote job creation opportunities. Portable skills training will fall in the following broad categories:

- **Transferable skills:** “which are compliance based, functional and important during the life of the mine, but imparts a skill that can facilitate employability post mine closure. These programmes will be determined by the needs and interests of the employees and the delivery capacity of the Mine. South Deep’s commitment in this regard is reflected in the sections above.
- **Entrepreneurial skills:** wide range of skills that are ingredients for the success of commercial enterprises. These skills can be classified into broad categories such as enterprise management, marketing competency, production proficiency, ICT, and financial management.

## 2.13 Portable Skills Training Programme (*continued*)

- **Portable skills:** non-mining related-skills skills in the local labour-sending area that are non-mining related and can be utilised to support and improve opportunities for employment at times of potential retrenchment, downsizing or mine closure.

**List of portable skills include:**

Plumbing  
Carpentry  
Bricklaying  
Vegetable Farming  
Mechanical  
Welding / Cutting Torch  
Broiler Production  
Electrical Domestic Installer  
Garment making  
Home Textiles  
Computer Skills

- **Job-conversion skills:** Employees may be equipped with the skills to assist them in being redeployed into other mining operations or into

other sectors of the economy. The job-conversion skills will involve equipping employees with skills relating to:

- The formulation of Curriculum Vitae;
- How to look for a job;
- How to market ones skills;
- How to approach a migration scenario;
- Counselling; and Mentoring.

- **Life skills training programme:** this programme will equip employees with education on fundamental life aspects essential for promoting sustainability. Some examples include: financial management skills, compiling budgets, payment of rates and taxes, family building skills and taking ownership for one's future.

South Deep's commitment to portable skills, over and above that outline elsewhere in this SLP is reflected in the tables below:

Table 28: Portable Skills Training Programme

Portable Skills Training Programme	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Employees and Community	20	20	20	20	20
<b>TOTAL</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>

Table 29: Cost for Portable Skills Training Programme 2018 - 2022

	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Numbers	20	20	20	20	20
Average Rate per Learner	R44 200	R46 852	R49 663	R52 643	R55 802
<b>TOTAL</b>	<b>R884 000</b>	<b>R937 040</b>	<b>R993 262</b>	<b>R1 052 858</b>	<b>R1 116 030</b>

## 2.14 Community Training Programmes

### 2.14.1 Maths and Science Programme

South Deep will provide Maths and Science programmes at its AET Centre on Monday, Wednesday and Saturdays to assist matric learners from host communities. The purpose of the programme is to offer enrichment classes to Grade 12 local learners in Mathematics and Science in order to improve Matric pass rate. The support provided by South Deep will include: printing, co-ordinating registration, food, transport, progress reports, venues, flip charts, pens, pencils, etc.

## 2.14.1 Maths and Science Programme (*continued*)

Table 30: Community Maths and Science Programme

Math's and Science Programme	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Community Total	30	30	30	30	30

Table 31: Costs community Maths and Science Programme

	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Numbers	30	30	30	30	30
Average Rate per Learner	R35 960	R38 118	R40 405	R42 829	R45 399
<b>TOTAL</b>	<b>R1 078 800</b>	<b>R1 143 528</b>	<b>R1 212 140</b>	<b>R1 284 868</b>	<b>R1 361 960</b>

## 2.14.2 FET Provision – Grade 12

South Deep has partnered with the Department of Education (21 Battalion Public Learning Centre) to offer Grade 12 classes to both external individuals (i.e. members of the host Community) and employees who wish study and upgrade their grade 12. The learners will do both the new (NCS) and the old curriculum NATED 550. Registered learners will use a local and registered exam centre. South Deep will provide the venue, the learning material and stationery whilst the department will make the educators available as stipulated in the Memorandum of Understanding between the two parties' fees will cover books, exam registration, stationery and transport. South Deep will endeavour to increase the participation of public further and higher education institutions for the delivery of the programmes on a gradual basis.

Table 32: FET Training Programme

FET (Number of participants)	C2018		C2019		C2020		C2021		C2022	
	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake	Cont.	New Intake
Employees	10	0	0	5	0	5	0	5	0	5
Community	70	0	0	15	0	15	0	15	0	15
<b>TOTAL</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>20</b>

Table 33: Costs of FET Training Programme 2018 - 2022

	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Numbers	80	20	20	20	20
Average Rate per Learner	R31 380	R33 263	R35 259	R37 374	R39 617
<b>TOTAL</b>	<b>R2 510 400</b>	<b>R665 256</b>	<b>R705 171</b>	<b>R747 482</b>	<b>R792 331</b>

## 2.15 Career Progression Plan

South Deep strives to grow and develop our people internally through a formal career progression process. Career progression does however need to be managed sustainably and realistically to avoid setting unrealistic expectations and rather focus on tangible career progression in line with individual capabilities and business needs. Career progression within South Deep is regarded as a process in which responsibility must be shared by South Deep and employees alike. The onus of creating career development goals and achieving those goals falls upon the employee, while the Company's role includes support for the employee in his/her career development objectives and provision of relevant tools and development opportunities. Within South Deep the objective of career progression is achieved through the implementation of and management of our talent management process including:

- Clearly defined career pathways (technical and managerial);
- Assessment for recruitment and development;
- Development programmes for managers, supervisors and employees;
- Mentorship programs and on the job coaching.

### 2.15.1 Career Paths

Career paths have been implemented for each discipline and apply to all employees within that particular discipline. In essence these career paths describe the hierarchical steps or job positions within the particular discipline together with the minimum requirements for each position. These are generic to the discipline, and are applicable to role profiles and detailed qualifications, experience and training interventions required in order to progress through various positions within the discipline. Employees on a career progression plan will be mapped within a specific career path. An example of the career path framework for the Mining discipline is outlined below. South Deep recognises that some individuals will choose a specialist career path and some may want to follow a managerial career path.

Development Progression levels	Mechanized Mining Career Path (Excluding Logistics)	Grade	Dover Test	Preferred Requirements	Mandatory requirements	Drivers License	Computer Literacy	Basic Rock Mechanic's	Hydraulics Appreciation Course	Machine Specific Training	Mechanized Mining Experience
12	Senior Operations Manager	EU	Yes	Mining Degree / Diploma / GIBBS - MDP / LDP / POLC course	Mine Managers Certificate, Professionals Registrations, Safe Production Rules, Health and Safety course	Yes	Yes	No	No	No	15 Years
11	Operation Manager	EL	Yes	Mining Degree / Diploma / GIBBS - MDP / LDP / POLC course	Mine Managers Certificate, Professionals Registrations, Safe Production Rules, Health and Safety course	Yes	Yes	No	No	No	12 Years
10	Unit Manager	DU	Yes	Mining Degree / Diploma / GIBBS - MDP / LDP	Mine Managers Certificate, Professionals Registrations, Safe Production Rules, Health and Safety course	Yes	Yes	No	No	Progressed through levels	10 Years
9	Mine Overseer	DL	Yes	Mine Managers Certificate / Grade 12 / GIBBS - MDP / LDP	Mine Overseer Certificate, Safe Production Rules, Health and Safety course	Yes	Yes	Yes	Yes	Progressed through levels	8 Years
8	Production Supervisor	CU	Yes	M O Certificate / Grade 12, Assessors Certificate / POLC course	Blasting and Production Supervisors Certificate, Methane Test Certificate, Safe Production Rules, Health and Safety course	Yes	Yes	Yes	Yes	Progressed through levels	6 Years

## 2.15.1 Career Paths (*continued*)

Development Progression levels	Mechanized Mining Career Path (Excluding Logistics)	Grade	Dover Test	Preferred Requirements	Mandatory requirements	Drivers License	Computer Literacy	Basic Rock Mechanic's	Hydraulics Appreciation Course	Machine Specific Training	Mechanized Mining Experience
7	Crew leader	CU	Yes	Leaner Official Prog / Grade 12 / POLC course	Blasting Certificate, Certificate, Safe Production Rules, Health and Safety course	Yes	Yes	Yes	Yes	Progressed through levels	4 Years
6	Drill rig Operator / Support rig Operator / Long hole Rig Operator	CL	Yes	Blasting Certificate, Grade 10	Comp A, Safe Production Rules, Health and Safety course	Yes	No	Yes	Yes	10 Days	30 Months
5	LHD Operator	CL	Yes	Blasting Certificate, Grade 10	Comp A, Safe Production Rules, Health and Safety course	Yes	No	Yes	Yes	10 Days	24 Months
4	Dumptruck Operator / Grader Operator / Dozer Operator	BU	Yes	ABET 4	Comp B, Safe Production Rules, Health and Safety course	Yes	No	No	Yes	10 Days	18 Months
3	Scaler Operator/ Utility Vehicle Operator/ Charmec Operator/Spray-mec Operator	BU	Yes	ABET 3	Comp B, Safe Production Rules, Health and Safety course	Yes	No	No	Yes	5 Days	12 Months
2	Impact Breaker Operator	BL	Yes	ABET 2	Comp B, Safe Production Rules, Health and Safety course	No	No	No	Yes	3 Days	6 Months
1	General Labourer	AU	No	ABET 1	Comp B, Safe Production Rules, Health and Safety course	No	No	No	No	Nil	None
*Duration of Training and Development dependent on individual performance, competence and progression *Valid First Aid Certificate and Medical Certificate of Fitness are compulsory for all underground employees											

## 2.15.2 Talent Management:

In line with South Deep's strategic objective of building sustainable human capacity, strengthening leadership and achieving transformational excellence, South Deep will continue to focus on talent as a critical resource that must be managed. Towards this end an integrated talent management strategy has been developed that caters for the needs of the company and the individual. The strategy consists of:

- **Performance management:** Annually performance contracts in the form of Balanced Scorecards are put in place for all D band and above employees aligned to the objectives of South Deep Business Plan. Progress against the objectives are assessed bi-annually which are linked to annual incentives/bonus schemes where applicable.
- **Annual talent reviews:** Career discussions will take place with all D band and above employees once a year taking into account the past performance of the employee as well the employee's own aspirations and potential. In these discussions employees and managers will discuss progress against the individual's career path as well as their development plan action and progress. Employees will be asked to complete talent review assessments in order to help objectively map the South Deep talent into various talent pools in order for the organisation to better manage their development.



## 2.15.2 Talent Management: *(continued)*

- **Talent Councils:** Progress has been made in an effort to establish Discipline Talent Councils for each discipline. The key objectives of Talent Councils are to meet at least once per year to:
  - ensure a continuous supply of the right people with the right capability in the right roles at the right time to meet and deliver value for the business needs now and in the future;
  - accelerate the development of identified and selected high performing and high potential employees through actively managing their development;
  - improve the attraction and retention of critical talent pools as well as harnesses talent and delivery through people;
  - fast-track the development of HDSA's in support of the company's objective to establish a workforce that reflects the demographics of the business at all levels;
  - implement succession plans for mission critical and high impact positions within South Deep and for Gold Fields as a whole;
  - provide input into the annual talent review processes from a panel of senior managers to improve development planning; and
  - identify successors for key roles to ensure business continuity.

Formal talent reviews are conducted annually within each of the discipline talent councils.

**Talent Pools:** South Deep will be creating a number of talent pools aimed at accelerating the development of high potential individuals, especially from HDSA categories. South Deep focuses on four key talent pools:

- High performing talent that are specialists in their fields;
- High potential talent that have potential for future leadership roles;
- Solid performers that form the heart of the organisation; and
- Talent that need assistance to perform better.

Talent will be segmented into the above talent pools through a rigorous process of reviewing current performance, potential and culture fit. Input from assessments, line managers and talent councils assist in segmenting the talent.

Development, retention and rewards for each talent segment is tailored according to the talent segment.

## 2.16 Mentorship Plan

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Mentoring is the process of using specially selected and trained individuals to provide guidance and advice which will help to develop the careers of the “protégés” allocated to them. Mentoring is aimed at complementing learning on the job, which must always be the best way of acquiring the particular skills and knowledge the job holder needs. Mentoring also complements formal training by providing those who benefit from it with individual guidance from experienced managers within the organisation.

South Deep believes that mentoring is an important process to use in the development of its people specifically in regard to the transfer of knowledge and skills. Mentorship is also a crucial component of any HDSA fast-tracking plan. A successful mentorship system should be integrated with career and succession planning processes. Formal and informal mentoring activity commonly involves protégés with high potential and aspirations for advancement into more senior organisational levels.

## 2.16 Mentorship Plan (*continued*)

South Deep is committed to providing leaders and employees the opportunity to be actively involved in mentorship programmes. To this end, the following people are encouraged to participate in mentorship programmes:

- Employees on structured development as per the outcome of the Talent Review Process;
- Employees identified as future successors as per the outcome of the Talent Review Process;
- Employees on internships, learnerships and bursaries;
- Graduates who are new entrants in the company; and
- Employees targeted for Talent pool.

The mentorship programme is provided in the following categories: Junior Management, Junior Engineers, Bursars (Graduates & Diplomats), Engineering Learnerships, Mining Learnerships and Internships. Mentoring training is provided to employees.

Table 34: Mentorships

Mentorship Programme	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Number of Mentees	20	20	20	20	20
Number of Mentors	5	5	5	5	5

## 2.17 Financial provision – Human Resource Development

The details of the five year financial provision for the SLP programme are outlined in the table below:

Table 35: Training Costs

Training Intervention	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
AET	R10 586 810	R10 084 011	R3 015 720	R3 196 663	R3 388 463
FLC	R2 000 000	R212 000	R224 720	R238 203	R252 495
Learnerships	R37 820 172	R23 862 646	R8 423 938	R3 880 285	R6 806 689
Bursars	R3 911 936	R1 814 160	R1 373 579	R1 310 394	R2 160 694
Study Assistance	R750 000	R795 000	R842 700	R893 262	R946 858
Graduates and Interns	R13 572 187	R13 943 629	R13 997 839	R3 044 398	R6 454 123
Skills Programmes	R6 150 001	R6 519 000	R6 910 140	R7 324 748	R7 764 233
Compulsory Training Programmes	R3 010 000	R3 190 600	R3 382 036	R3 584 958	R3 800 056
Leadership Development	R1 800 000	R1 908 000	R2 022 480	R2 143 829	R2 272 459
Portable Skills	R884 000	R937 040	R993 262	R1 052 858	R1 116 030
Community Maths and Science Programme	R1 078 800	R1 143 528	R1 212 140	R1 284 868	R1 361 960
FET Training Programme	R2 510 400	R665 256	R705 171	R747 482	R792 331
<b>TOTAL</b>	<b>R84 074 306</b>	<b>R65 074 870</b>	<b>R43 103 725</b>	<b>R28 701 948</b>	<b>R37 116 391</b>

## SECTION 3

# EMPLOYMENT EQUITY

**S**outh Deep is committed to the socio-economic transformation of South Africa and aims to establish a workforce that more realistically reflects the demographics of the country. South Deep accordingly supports the intent and principles underlying the Employment Equity Act, No. 59 of 1998 (“EEA”) and the MRPDA. The Company through its commitment to Employment Equity, will therefore continually strive towards:

- Eliminating unfair discrimination;
- Promoting a broadly representative workforce;
- Redressing imbalances caused by past practices of unfair discrimination;
- Ensuring fair equality of opportunity for all;
- Managing diversity for the long-term benefit of the organisation and its employees;
- Ensuring compliance with the EEA and the MRPDA; and
- Valuing the contribution made by all employees.

Giving effect to these commitments require the development and implementation of a roadmap that embodies timeframes, goals and positive measures through which South Deep’s Employment Equity objectives can be achieved. South Deep has accordingly developed a five year Employment Equity Plan (“EE Plan”) not only to comply with its statutory obligation in terms of the EEA and the MRPDA, but also seeks to address the Company’s strategic objectives by accessing a broader skills base. The purpose of the EE Plan is to ensure diversity as well as participation of HDSA at all decision-making positions and core occupational categories in the mining industry.

In line with Regulation 46(b): Human resources development programme the following information is provided in this section: Regulation 46(b) (v):

- Employment equity plan and statistics
- Introduction
- Employment equity policy
- Gender and disability equity

### 3.1 Objectives to be achieved for each year of the EE Plan

Specific objectives have been set to ensure reasonable progress towards transformation, as follows:-

Timeframe	Objective
2018 -2022	Eliminate all barriers to employment equity by improving the efficiency of the EE Committee.
	Design and apply measures to further diversity based on equal dignity and respect.
	Continue with the elimination of any unfair discrimination in employment policy, procedure and practice, and in the working environment
	Preferential treatment of suitably qualified employees from designated groups, with appointment and promotions.
	Achievement of numerical targets for each year of the plan.
	Fast track employees from designated groups by implementing appropriate skills training measures (coaching/mentoring).
	Improving the number of females through internal learnerships and skills programmes.
	Improve DBCM'S disability profile through targeted recruitment and workplace accommodation.

## 3.2 Employment Equity Forum

An Employment Equity Forum (EE Forum) has been established to deal with employment equity issues and make decisions as provided for in the employment equity legislation. Members of the EE Forum include: Representatives of Organised Labour, the Head of Mining, the Head of Engineering, the Unit Manager HR Operations, the Unit Manager Employee Relations, and the Unit Manager Talent and Performance.

## 3.3 Workplace Barriers and Affirmative Action Measures

In accordance with the requirements of the EEA, an analysis of the employment equity policies, procedures and the working environment has been conducted at South Deep Mine, in order to identify employment barriers which adversely affect people from designated groups. A summary of the analysis conducted and action plan to address the barriers is outlined below:

Table 36: Employment Barriers

Employment barriers identified as per S19 of EEA	Measures to eliminate in terms of S15(2)(a) of EEA
Recruitment procedures	<ul style="list-style-type: none"><li>• Review Recruitment Policy, eliminate any unfair discrimination and align with the EE plan</li><li>• Train Line Managers in interviewing skills and procedures</li><li>• Ensure recruitment is carried out with reference to stated EE goals and targets in the EE Plan</li></ul>
Advertising positions	<ul style="list-style-type: none"><li>• Advertise more widely in relevant recruitment areas, e.g. professional associations, national papers</li><li>• Advertisements to clearly indicate EE criteria and prerogative of the employer to appoint according to EE Plan as strategic objective</li></ul>
Selection criteria	<ul style="list-style-type: none"><li>• Train senior managers to follow existing guidelines for selection and interviewing of prospective candidates</li></ul>
Appointments	<ul style="list-style-type: none"><li>• Consider capacity to acquire skills over reasonable time period in the selection of candidates</li><li>• State development objectives and expectations in the Contract of Appointment</li><li>• Stipulate time frames for growth and development (internal candidates)</li></ul>
Remuneration and benefits	South Deep to become employer of choice in mechanised mining environment; identify and promote benefits of employment in a trackless environment
Terms and conditions of employment	Amend employment contracts to reflect the need for reasonable accommodation (Gender and People With Disabilities)
Work environment and facilities	Commence with improvements in access and facilities for PWD on the mine
Promotions	Review and develop a succession and career planning policy for Departments
Succession and experience planning	Review and develop a succession and career planning policy for Departments for Management levels as well as Lower levels
Disciplinary measures	Communicate and provide training on disciplinary code and procedure to all staff

### 3.3 Workplace Barriers and Affirmative Action Measures (*continued*)

Table 36: Employment Barriers

Employment barriers identified as per S19 of EEA	Measures to eliminate in terms of S15(2)(a) of EEA
Retention	<ul style="list-style-type: none"> <li>Promote mentoring and coaching for new and current staff, especially designated staff</li> <li>Create conducive working environment, both in terms of culture and resources</li> </ul>
Corporate culture	<ul style="list-style-type: none"> <li>Promote social inclusion and “collegiality” in the South Deep culture</li> <li>Establish a Leadership Development Programme</li> <li>Provide training on Employment Equity for Senior Managers</li> </ul>
Reasonable accommodation	Develop policy to regulate reasonable accommodation as a result of occupational injuries
HIV/AIDS education and prevention programme	Appoint Peer educators Improvement on distribution of protection Provide for the existence of a HIV co-ordinator
Appointed senior manager(s) to manage EE implementation	Identify support staff required to monitor and manage EE and transformation in the South Deep
Budget allocation in support of employment equity goals	Motivate budget to EXCO for funding improvements to work environment, reasonable accommodation, and appointment of support staff

### 3.4 Employment Equity Profile and Goals

The purpose of the SLP is to ensure diversity as well as participation of HDSA at all decision-making positions and core occupational categories in the mining industry. To determine the degree of underrepresentation of people from designated groups in decision-making positions, South Deep conducted a workplace profile analysis comparing its diversity profile against the economic active population of South Africa and the region in which it operates. Table 37 represents the current employment equity staff profile in decision-making positions according to gender and race:

Table 37: Demographic Profile in Decision-Making Positions as at June 2018

Occupational Level	Female				Male				Total	Disabled	
	A	C	I	W	A	C	I	W		Male	Female
Top Management (Board)							1	2	3		
Senior Management (Exco)	1	0	0	1	1	0	0	4	7	0	0
Middle Management	19	4	2	7	55	9	8	76	180	1	0
Junior Management	25	2	0	16	168	3	5	83	302	2	0
Occupational Level	Female				Male				Total	Foreign Nationals	
	A	C	I	W	A	C	I	W			
Core Skills	274	10	4	39	976	11	6	274	1 821	227	



### 3.4 Employment Equity Profile and Goals (*continued*)

The Employment Equity Act requires that a designated employer must, as part of its Employment Equity Plan, determine numerical goals and targets to achieve equitable representation of suitably qualified people from all designated groups (including persons with disabilities) within each occupational category of the workforce. The targets will form the framework for implementation of the EE Plan. South Deep Mine has made a policy decision to set goals at two levels:

- National economic active demographics taken into account at Top Management, Senior Management and Professionally qualified levels.
- Regional economic active demographics taken into account at Skilled Technical, Semi-skilled and Unskilled levels.

The tables below reflect the employment equity goals South Deep will endeavour to achieve in decision-making positions for each year of the current EE Plan.

Table 38: Employment Equity Targets 2018

Occupational Level	Female				Male				Total	Disabled	
	A	C	I	W	A	C	I	W		Male	Female
Top Management (Board)			1				1	2	4		
Senior Management (Exco)	3	0	0	1	4	0	0	4	12	1	0
Middle Management	16	0	0	0	45	0	0	0	61	1	1
Junior Management	28	3	0	16	169	4	5	79	302	3	1
Occupational Level	Female				Male				Total	Foreign Nationals	
	A	C	I	W	A	C	I	W			
Core Skills	275	14	5	39	986	16	11	260	1 821	214	

Table 39: Employment Equity Targets 2019

Occupational Level	Female				Male				Total	Disabled	
	A	C	I	W	A	C	I	W		Male	Female
Top Management (Board)			1				1	2	4		
Senior Management (Exco)	3	0	1	1	3	0	0	4	12	1	0
Middle Management	18	0	0	0	39	0	0	2	61	1	2
Junior Management	31	3	0	15	170	4	4	75	302	3	2
Occupational Level	Female				Male				Total	Foreign Nationals	
	A	C	I	W	A	C	I	W			
Core Skills	276	18	6	40	996	21	16	247	1 821	201	

### 3.4 Employment Equity Profile and Goals (*continued*)

The table below reflects the percentage HDSA status in decision-making positions for each year of the plan:

Table 40: Employment Equity Targets 2020

Occupational Level	Female				Male				Total	Disabled	
	A	C	I	W	A	C	I	W		Male	Female
Top Management (Board)			1				1	2	4		
Senior Management (Exco)	3	0	1	1	3	1	0	3	12	1	0
Middle Management	20	1	0	1	34	1	1	3	61	2	2
Junior Management	33	4	0	15	170	4	4	72	302	3	3
Occupational Level	Female				Male				Total	Foreign Nationals	
	A	C	I	W	A	C	I	W			
Core Skills	277	21	7	40	1 004	26	20	236	1 821	190	

Table 41: Employment Equity Targets 2021

Occupational Level	Female				Male				Total	Disabled	
	A	C	I	W	A	C	I	W		Male	Female
Top Management (Board)			1				1	2	4		
Senior Management (Exco)	3	0	1	1	3	1	0	3	12	1	0
Middle Management	22	1	0	1	30	1	1	5	61	2	2
Junior Management	36	4	1	14	171	5	4	68	302	3	4
Occupational Level	Female				Male				Total	Foreign Nationals	
	A	C	I	W	A	C	I	W			
Core Skills	278	24	7	40	1 013	30	24	225	1 821	180	

Table 42: Employment Equity Targets 2022

Occupational Level	Female				Male				Total	Disabled	
	A	C	I	W	A	C	I	W		Male	Female
Top Management (Board)			1				1	2	4		
Senior Management (Exco)	3	1	1	0	4	1	0	2	12	1	0
Middle Management	24	1	0	1	26	1	2	5	61	2	2
Junior Management	38	5	1	14	171	5	4	65	302	4	4
Occupational Level	Female				Male				Total	Foreign Nationals	
	A	C	I	W	A	C	I	W			
Core Skills	278	26	8	40	1 020	33	27	215	1 821	174	

### 3.4 Employment Equity Profile and Goals (*continued*)

The table below reflects the percentage HDSA status in decision-making positions for each year of the plan:

Table 43: HDSA Percentage

Measure	Compliance Target	Progress Achieved				
		2018	2019	2020	2021	2022
Top Management (Board)	40%	50%	50%	50%	50%	50%
Senior Management (Exco)	40%	67%	67%	75%	75%	83%
Middle Management	40%	67%	69%	71%	72%	74%
Junior Management	40%	74%	75%	76%	77%	78%
Core Skills	40%	74%	75%	77%	78%	79%

### 3.5 EMPLOYMENT EQUITY PLAN TO PROGRESS WOMEN IN MINING AND HDSA PARTICIPATION IN MANAGEMENT

South Deep is committed to the progress of women in the mining industry as well as increasing HDSA participation in management. Deep will offer women an equal opportunity to participate in all of its operations, and at all levels of responsibility. Initiatives undertaken to ensure the achievement of the above:

- **Recruitment:** Preference during recruitment will be given to women who meet the requirements of the job and show the capacity to perform the job.
- **Selection:** Once all the applications have been received for a particular position these are scrutinised according to the required competencies, experience and qualifications necessary for the task. Preference is given to women who meet the requirement of the job.
- **Training:** As a result of the general lack of skills women have in the industry, South Deep is committed to identifying those employees and training them to acquire the necessary skills. South Deep Mining will focus on the development of women to enable the company to meet the employment equity targets. This would be done through various skills programmes, in respect of fields of disciplines and experiential training.

#### 3.5.1 Action Plans

The following action plans are in place in order to ensure the recruitment of women is not only administrative positions but also in core mining activities as well:

- Recruitment of C2013 Labour to address the current shortfall;
- Target Core disciplines;
- Target Employment Equity requirements; and
- As part of Transformation and Women development, we use the current Skill and Qualification Audit as a baseline.

Table 44: The Information Pertaining To Women In Mining Is Provided Below:

Women In Mining	Female				Foreign Nationals	HDSA %	Foreign
	A	C	I	W	F		
Woman in core	444	3	2	20	34	16.7%	1.2%
Woman in support	261	12	5	34	12	8.6%	0.03%
Women In Mining							
May 2018	Plan				Actual		
Total Mine Complement: June 2018					3615		
Women at the Mine					23% (827)		
Total No. of employees in Core Mining Occupations					2812		
Women in Core Mining Occupations	12% (337)				18% (503)		
Percentage Needed to achieve 12% Women in Core Mining occupations					0%		

Table 45: Women In Mining Per Core Discipline:

Grade	Discipline								
	Actual Women In Core								
	Total Mine	Total in Core	Mining	Engineering	Metallurgy	Technical Services	SHEE	Total	10% Target
E-Band	21	9	0	0	0	0	0	0	0%
D-Band	104	66	1	0	0	3	1	5	8%
C-Band	1276	1114	32	79	8	9	12	143	13%
B-Band	956	735	39	74	6	2	6	127	17%
A- Band	985	874	84	119	5	7	11	226	26%
NG	173	14	5	0	0	0	0	5	36%
Totals	3615	2812	161	272	19	21	30	503	18%

### 3.5.2 Two pronged plan to be followed to achieve the targets

**Plan 1:**

- Current female employees will be career progressed (Learnerships, Bursaries, Internships etc); and
- Female employees with core discipline qualifications currently in service organizations will be targeted for career progression in core i.e. Female Training Officers with Supervisor Operation qualification.

**Plan 2:**

- Community Learnerships, Bursaries, Internships;
- ABET Learners;
- Create developmental positions specifically for non-white HDSA employees;
- Appoint more female Learnerships; and
- Target women for the appointment in vacant positions and ensure that female employees who leave the mine are replaced by other women.

### 3.5.3 Barriers to achieving these goals and ways of overcoming them:

- Attracting and retaining talent: Given the skills shortage in the mining industry in terms of women it is very difficult to compete with other mining houses that pay higher salaries. Therefore many employees that we train or attract through recruitment tend to and take on more lucrative positions in other mines.
- However, despite these barriers, South Deep remains committed to achieving the targets as set out in the Mining Charter and will continue to strive in all our operations to fulfil the objectives of the Mining Charter.

### 3.5.4 HDSA Participation in Management: PLAN

The process flows for women career progression in core disciplines will be the following:

- Mining
- Engineering
- Plant
- Rock Engineering; and
- Environmental Engineering

The process flows for women career progression in non-core disciplines will be the following:

- Safety
- HR
- Finance; and
- Sustainable Development

## SECTION 4

# MINE COMMUNITY DEVELOPMENT

**T**he primary objective of mine community development is to meaningfully contribute towards community development, both in terms of size and impact, in keeping with the principles of the social license to operate. South Deep will meaningfully consult and co-operate with key stakeholders in the formulation and review of the Integrated Development Plan (IDP's) of the mine communities. South Deep will furthermore consult with other economic development frameworks like Provincial Growth and Development Strategy (PGDS), National Spatial Development Strategy (NSDS), National Priorities and any other relevant stakeholders.



The Mining Charter states that the Mine Communities form an integral part of mining development, which requires a balance between mining and the Mine Community's socio- economic development. South Deep must meaningfully contribute towards the development of the Mine Community (with a bias towards communities where mining takes place) both in terms of impact, and also in keeping with the principles of the social license to operate. Mine Community development projects referred to above must include infrastructure projects, income generating projects and enterprise development



## 4.1 District, Metropolitan and Local Municipalities

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District, metropolitan, and local municipalities as constitutionally mandated institutions for community development, have a responsibility to develop integrated development plans (IDP's) in consultation with all relevant stakeholders in a transparent and inclusive manner in terms of applicable legislation. South Deep must contribute towards Mine Community development by identifying priority project/s as per the approved IDP.

South Deep invests in the development of communities that are directly and indirectly affected by its operations. Projects supported by the mine contribute towards sustainable socio-economic development in communities where the majority of its employees and their families live. In so doing the mine plans to also fulfil its Local Economic Development (LED) objectives as contained in its SLP.

South Deep will, through consultation with communities and relevant authorities provide a plan. The plan should be in line with the IDP's of the mine community. In this regard:

- South Deep's contribution towards Mine Community development will be proportionate to the size of the investment;
- South Deep will meaningfully contribute towards Mine Community development in terms of its approved SLP; and
- South Deep will endeavor to collaborate on projects with other mining houses that operates in the same area. These projects for collaboration will be informed by their SLPs, which are aligned to the district, metropolitan and local municipality's IDP's for maximum socio- economic developmental impact.

## 4.2 Social and Economic Background Information

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South Deep operates in the Rand West City Local Municipality (RWCLM), which is one of three local municipalities in the West Rand District Municipality (WRDM). It is located on the South Western edge of Gauteng Province, and approximately 60km from Johannesburg. The West Rand Region is 4 095 km<sup>2</sup> in size with a population of 820 165. Towns in the region include Krugersdorp, Randfontein, Westonaria and Carletonville.

For South Deep the Rand West City LM is key since the mine is operating in this local municipality and has to support the development priorities of the municipality. While this document will cite information and statistics about the District Municipality for greater context, the emphasis will be on the local municipality and host communities. It is important to note that South Deep uses its SLP budget to the benefit of the RWCLM and its host communities. Host communities are defined as those in close proximity to the mine, and therefore impacted by mining operations. As a responsible company, South Deep therefore wishes to contribute positively to the social upliftment and development of these communities and to mitigate any real and perceived negative impacts.

### 4.2.1 Population

The West Rand is the least populated area in the Gauteng Province. The population size (according to Stats S.A.) is estimated at below 900 000 and has shown a slight decline between 2010 and 2016.

Rand West City LM (newly formed and combining the Westonaria LM & Randfontein LM), has a population of 265 538, with Stats S.A. data from 2011 and 2016 showing an overall decrease of 2.6% in population size. The household sizes in the local municipality is smaller than the District and the Province, with an average of 2.8 people per household (2015 – Westonaria, Distressed Mining Towns).

### 4.2.1 Population (*continued*)

The in-migration numbers have declined for the former Westonaria LM, where South Deep operates. Between 2001 and 2011 there were 20 735 people who had in-migrated, while during 2011 - 2016, the number had dropped to 5 234. (ERM, Baseline Study, July 2017). Stats S.A. Census from 2011, indicates that in-migration into this local municipality from within South Africa, is mostly coming from the Eastern Cape and KZN.

The male population in the (former) Westonaria LM (55%), is higher than the District (52%), the Gauteng Province (51%) and South Africa (49%), and is deemed to be due to the influence of mining, which attracts more men than women as labourers (2013 data obtained in 2015 – Westonaria, Distressed Mining Towns).

The youth data is also different from the country norm, in that the former Westonaria LM has an ageing population. The number of people above the age of 65 grew by 31% between 2011 and 2016 (based on Stats S.A. data). In 2011 the youth group, aged between 15 and 34 comprised 41% of its population (a number of 45 812 people). This number had decreased by 12% to 40 275 in 2016. The statistics indicate that the decline in the population include the out-migration of families with children, and young people leaving for job opportunities elsewhere.

### 4.2.2 Language

The three main languages spoken in the Rand West City Local Municipality in 2016 were IsiXhosa (26%), Sesotho (21%) and Setswana (20%).

### 4.2.3 Economic Profile

At a District Municipal level the three economic drivers have consistently been mining, manufacturing and construction, as depicted below:

- Mining (Westonaria, Merafong City and Randfontein)
- Manufacturing (Mogale City and Randfontein)
- Construction (Randfontein and Mogale City)

Mining is not sustainable and both the District and Local municipalities have realised the urgency of diversifying the local economy. The District forms part of the Maize Triangle and consequently the Gauteng Provincial Government is reinforcing this strength by investing in the area as part of the roll-out of Agricultural Hubs. For South Deep the closest agri-hub is the Westonaria Agri-hub which already forms part of the mine's social benefit projects.

The strategic location of the WRDM in relation to the Gauteng Province creates a potential for the agriculture sector to grow and stimulate economic development in the region. The advantage held by farmers within the West Rand is their close proximity to the largest consumer market of perishable goods in South Africa (i.e. City of Tshwane and City of Johannesburg), coupled with the fact that the region has areas with good to excellent agricultural potential. Furthermore, the region possesses the potential to develop agro-processing within its borders, as the majority of required resources are available (Rand West District Municipality, IDP 2016/7 to 2020/1\_14 Outcomes Document).

South Deep has taken cognisance of this development opportunity and has already contributed through its former Gold Alliance Agriculture Programme (GAAP), where Outgrowers are contributing to community benefit. Through GAAP, the mine has made a substantial investment at Donaldson Dam (adjacent to

### 4.2.3 Economic Profile (*continued*)

the Westonaria Agri-hub), and assisted the Agri-future cooperative to start their business and earn. The programme will continue to work with the Gauteng Department of Agriculture and Rural Development (GDARD) and the Rand West City Local Municipality to create sustainable agriculture small businesses.

Inequality levels are high in the District Municipality and highest in Mogale City, at 0.64, with that of the Rand West City Local Municipality the second highest, at 0.60. While Mogale City recorded positive growth rates from 2010 to 2013, the Rand West City did so for 2013 and 2014 only. Economic growth remains in negative territory for the district and the rest of the local municipalities for most parts of the review years. For Merafong City, the growth rate has been negative throughout the review period (2010 – 2014).

Table 44: Sectors Share of the Regional Total, 2016

	West Rand District	Mogale City	Rand West City	Merafong City
1. Agriculture, forestry and fishing	1.7%	2.4%	1.2%	1.3%
2. Mining and quarrying	28.6%	4.9%	47.6%	33.8%
Primary Sector	30.0%	7.3%	48.8%	35.0%
3. Manufacturing	13.6%	24.4%	11.9%	4.2%
4. Electricity, gas and water	4.4%	7.5%	3.4%	2.2%
5. Construction	3.1%	4.1%	2.6%	2.6%
6. Wholesale and retail trade	11.4%	12.4%	8.9%	12.9%
7. Transport and communications	7.0%	8.1%	5.2%	7.6%
8. Finance and business services	12.8%	13.9%	8.1%	16.4%
9. Government, social and personal services	17.4%	22.2%	11.1%	18.8%

Source: IHS Markit, 2017

According to the RWCLM's recent IDP, "the scope for new development north of the ridge, is very limited due to dolomitic conditions. The established settlements e.g. Westonaria, Simunye, Bekkersdal and Venterspost cannot be expanded / can only be expanded in a very limited way". Plans for integrated regional development is most likely to be closer to the City of Johannesburg. (Rand West City Local Municipality, 2016/17 – 2020/21 Draft IDP).

### 4.2.4 Education Levels

Education levels are very low for this District Municipality, although there are slight improvements across all three local municipalities. The percentage of people with "no schooling" in the West Rand is at 3.8% (2015), whereas in 2010 it was 4.8%. There is an increase in the percentage of people with matric, from 29.7% to 31.2% (2015). Tertiary educated percentage is now at 11.2%, up from 10.3%. This improved pattern in education levels is reflected in all three municipalities. (Rand West District Municipality, IDP 2016/7 to 2020/1\_14 Outcomes Document). The increase in matric and tertiary levels in the RWCLM is encouraging to South Deep Mine, which contributes substantially to education.

The Westonaria has 13 Primary Schools, 4 Secondary Schools and 2 Intermediate Schools. For South Deep to make a positive contribution to education in this municipality, South Deep's focus will have to be on these identified schools. The education levels have improved for the municipal area and the company, together with its Trusts (South Deep Education Trust and South Deep Community Trust) have steadily contributed to the increase in these percentages, given the number of bursaries provided through the mentioned entities. Facilities at most schools are poor, and only six of the 12 schools have libraries.

The matric pass rate has steadily increased from 2012 to 2016, from a 78% to 87%. The average Pupil-Teacher Ratio has increased which is not contrary to the norm in the rest of Gauteng.

In 2016, 55% of school children in the (former) Westonaria Local Municipality walked to school. Of this number, about 67% took between 15 – 30 minutes to reach their destinations. ([www.statssa.gov.za](http://www.statssa.gov.za)). Although public transport in the form of taxis is ample in the townships, the costs prohibit children from travelling in this way.

It is important to note the lack of sports facilities at the schools in low-income areas in the LM, including Bekkersdal and Simunye, which is in stark contrast to the schools in more affluent areas, such as Westonaria town. The lack of sport facilities may be a contributing factor to the high crime rate in the local municipality, and partly attributed to youth unemployment and boredom.

#### 4.2.5 Employment

Unemployment remains high in the district with RWCLM having the highest unemployment rate at 39%. The sectors include mining, manufacturing and construction in the District Municipal area, and for RWCLM it is mining. The youth unemployment number has increased, with Bekkersdal and Simunye having alarmingly high youth unemployment figures.

#### 4.2.6 Wards and South Deep Host Communities

Youth unemployment is a great challenge in the in the communities close to South Deep mine including former Westonaria Local Municipality as revealed by the data from the Gold Fields' commissioned baseline study conducted by ERM, July 2017. The Bekkersdal and Simunye communities (Wards 27, 28, 29, 31, 32, 33, 34 and 35) have the highest unemployment rate of close to 50%.

Table 45: Youth Unemployment

Wards	Youth Employed	Youth Unemployed	Youth Labour Force	Youth Unemployment Rate (%)
Wards 30, 17	3 742	1 504	5 246	29%
Wards 23, 25	3 821	1 113	4 934	23%
Wards 24, 26	2 216	736	2 952	25%
Wards 27, 28, 29, 31, 32, 33, 34 and 35	8 360	8 391	16 751	50%
Former Westonaria Local Municipality	18 138	11 745	29 883	39%

## 4.2.7 Poverty

It is important to highlight the challenge of poverty and food insecurity in this local municipality independently from the employment statistics, since it is such an alarming issue.

In 2016 almost 15% of households in the former Westonaria LM lived below the poverty line. The poverty head count ratio (i.e. defined as the proportion of a population that exists, or lives, below the poverty line for an area), is significantly higher than Gauteng and South Africa.

Table 46: Households below the Poverty Line

	2011	2016
Westonaria LM	15.4%	14.9%
Gauteng	4.8%	4.6%
South Africa	8.0%	8.0%

The South African Multidimensional Poverty Index (SAMPI), a measure of acute poverty, shows RWCLM's 2016 percentage to be at 0.07%, with Gauteng at 0.02%, and South Africa at 0.03%.

When looking at food security versus insecurity, it is important to note that 10% of the population in 2016 stated that they had “skipped a meal in the past 12 months” and 15% had “run out of money to buy food in the past 12 months”. (www.statssa.gov.za, 2016 survey data).

## 4.2.8 Crime

The crime scenario in the former Westonaria LM is an alarming issue, which is emphasised here as part of context setting and for consideration as a social development priority. Recent data shows the increases across a significant number of serious crimes, over a five-year and one-year period, with Westonaria local municipality significantly higher than the Gauteng Province for a number of serious crimes. (ERM Baseline Study, July 2017).

### 4.2.8 Crime (*continued*)

Table 47: Westonaria Crime Rate

	Gauteng	Westonaria LM	Gauteng	Westonaria LM
	Change In Crime Rates Over 5 years: 2012 - 2016		Change In Crime Rates Over 1 Year: 2015 - 2016	
Contact Crimes				
Murder	28%	39%	5%	7%
Attempted Murder	33%	54%	9%	43%
Assault (with the intent to inflict grievous bodily harm)	0%	29%	2%	18%
Robbery with aggravating circumstances	42%	17%	5%	6%
Property Related Crimes				
Stock theft	35%	225%	2%	24%
Other Serious Crimes				
Commercial crimes	-21%	26%	-1%	7%
Crime Detected As A Result Of Police Action				
Drug-Related Crime	114%	387%	-21%	-35%
Driving under the Influence	56%	76%	25%	10%
Subcategories of Aggravated Robbery				
Carjacking	48%	30%	7%	-6%
Truck hijacking	57%	400%	-14%	-20%
Robbery at residential premises	25%	91%	-3%	38%
Robberies at non-residential premises	35%	11%	9%	11%

The statistics above compare change in crime over a five year versus one year period at a provincial and municipal level. It is important to note that a 387% increase in drug-related crimes for the municipality means the number of these types of crime had increased from 62 in 2012 to 302 in 2016. In the case of the province the numbers increased from around 25 000 to over 55 000 cases, over the same period, therefore a 114% increase.

The data strongly correlate with the anecdotal information that community members share with the mine representatives in community engagement forums. Community safety should be a priority area for all stakeholders operating in the local municipality.

### 4.2.9 Health

There are no public hospitals in Westonaria LM but eight (8) health facilities are available. These include clinics in Venterspost, Westonaria, Bekkersdal West, Bekkersdal East, Simunye, Thusanang, Zuurbekom and Glenharvie. Mobile clinics are used to service other areas that do not have health clinics such as Hillshaven.



#### 4.2.10 HIV/Aids

The RWCLM's IDP quotes data from "Global Insight", which shows a slight decline in the HIV/Aids cases between 2003 and 2013. Mogale City had 8.8% of the population living with the disease in 2003, which decreased to 8.5% by 2013. Randfontein had the lowest percentage of people living with HIV during 2013, at 7.6% (down from 7.9% in 2003). Westonaria had the second highest percentage for the district in 2013, at 10.3%, and the figure has decreased to 10.09% by 2013. At 12%, Merafong had the highest percentage of people living with HIV in the West Rand LM in 2003 and 2013.

#### 4.2.11 Housing and Infrastructure

Census 2011 data indicates that those that live in formal dwellings within the RWCLM earns on average 2.5 times more than those residents living in informal dwellings. The data further indicates that both the number of formal and informal dwellings increased between 2011 and 2016 BUT the proportional percentage of informal dwellings decreased (from 40% to 38%) during the same period.

#### 4.2.12 Electricity

Access to electricity is high and above 80% for Mogale City, Merafong City and Randfontein, but low for Westonaria, which sits at 60.6%. The increase in electricity tariff from Eskom between 2011/12 and 2012/13 has been the highest for Westonaria.

The Stats S.A. data from 2016 shows that 32% of the population on the RWCLM have "no access to electricity" and those with access have declined from 2011 (71%) to 2016 (67%).

#### 4.2.13 Sanitation

In contrast to access to water, all households in the region saw an increase in access to proper sanitation. In 2003, Randfontein households had the highest level of access, at 86.6 percent, followed by Mogale City at 86.4. However, Randfontein had only marginal growth in access, reaching 87.5 percent in 2012. Access in Mogale City grew to 91.6 percent over the same period, making it the highest in 2012. It is again lowest for the Westonaria LM, at 77.1%.

There are discrepancies between the IDPs of the District Municipality and the data from the Distressed Mining Towns", 2015 research, but it still shows a significant improvement in sanitation for the Westonaria Local municipality. The "2015 – Westonaria Distressed Mining Towns", state that the "number of households with access to flush toilets has increased from 49% to 62.6% between 1995-2013 period. The proportion of households with access to sanitation below RDP standards has decreased from 10% to 4.7% between 1995 and 2013.

Table 48: Refuse Removal in the Rand West City Local Municipality:

	2011	2106
Refuse removal	76%	88%
Communal Refuse Dump	6%	2%
Own Refuse Dump	15%	8%
No Refuse Disposal	2%	2%

### 4.2.13 Sanitation (*continued*)

Table 49: Sanitation and Water access in the Rand West City Local Municipality

	2011	2106
Flush Toilet	69%	67%
Chemical Toilet	1%	1%
Pit Latrine	26%	21%
Bucket Toilet	1%	9%
No access to sanitation	2%	2%
Access to piped water (within house/yard)	71%	68%
Access to piped water (within community)	28%	31%
No access to piped water	1%	1%

### 4.2.14 Key economic activities

- Mining, Manufacturing and Construction are the primary sources for the District Municipality and Mining is for the Rand West Local Municipality where South Deep operates. Agriculture and agri-processing has been identified as the key diversifier and both the district and local municipalities are working on growing this sector.
- Sibanye Resources operates in the same district and local municipality, and share host communities with Gold Fields' South Deep. The two companies have leveraged this proximity in order to bring maximum positive net worth to communities, through a formal partnership arrangement which was known as the Gold Alliance. Through the Gold Alliance, the companies have implemented a "Gold Alliance Agriculture Programme", aimed at creating local black emerging farmers and create jobs. This emphasis on agriculture is in line with the Gauteng Province and District municipal identification of agriculture as a key economic driver for the region, as well as the RWCLM's "14 Outcomes document", which contains the priorities for the municipality. The Gold Alliance has been replaced by a new collaboration between Sibanye Stillwater and South Deep Gold Mine.

### 4.2.15 Negative Impact of the mining operation

- **Relocation of people**  
South Deep has not relocated any people and it has no relocation plans in place since mine growth plans do not necessitate the relocation of communities/ individuals.
- **Influx of people –Informal settlements**  
The operation has identified "Thusanang's" growth as a potential risk to the mine's operations as well as for the municipality, given this is not a proclaimed township. The area known as Thusanang has grown since its inception in 1998 from 121 households to 1182 households in 2016. The land ownership structure adds complexity to finding a solution to the influx situation, since there are two private individuals as landowners, with the third landowner being the "Thusanang Community Trust".

The RWCLM does not have development of Thusanang as a priority in the new IDP but acknowledges the informal settlement as a 'challenging in need of a solution'.

### 4.3 South Deep Host Communities

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The mine had historically identified the following nine host communities, in close proximity to the operation and affected by the mine:

- Thusanang; Westonaria, Hillshaven, Bekkersdal, Simunye, Jachtfontein; Kalbasfontein, Zuurbekom and Poortjie.

These impacts are positive (employment) and negative (dust, noise, traffic, etc.), and the mine has a social responsibility towards the communities who experience the negative impacts of mining on their daily lives. The host community definition is now broader to reflect Rand West City Local Municipality following the merger between Randfontein and Westonaria local municipalities in August 2016.

### 4.4 Partnerships and Collaboration

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South Deep also undertakes community investment beyond its SLP. Socio-economic development is undertaken directly by the mine and also through collaboration with the mine's community trusts – the South Deep Education Trust and the South Deep Community Trust. Gold Fields social investment focuses on socio-economic development and shared value projects at community level. These projects create positive socio-economic impacts for host communities by targeting their priority needs including employment, and skills and enterprise development. Shared value projects – ensure that value created is shared by the business and the community. At South Deep these include a host community procurement project and an education and skills training programme.

The two community trusts, act independently of South Deep, to bring socio-economic development benefit to the mine's host and labour sending communities. Projects undertaken are in the areas of education and training, health and wellbeing and economic diversification.

As a composite part of meeting its LED objectives, as well as Gold Fields Society and Community Charter commitment to build strong relationships and trust, South Deep effectively engages with its stakeholders in accordance with its stakeholder engagement principles in order to achieve:

- a) Meaningful contribution to the socio – economic development of host and labour sending communities;
- b) Collaboration with local and district municipalities and contribution to the design and implementation of Integrated Development Plans;
- c) Liaison, consultation and engagement with communities, relevant government departments and agencies pertaining to development programmes; and

## 4.5 Aim of Local Economic Development (LED) Projects

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LED Projects are aimed at the eradication of poverty and community upliftment in the area within which South Deep undertakes mining operations and in areas from which the majority of employees are sourced. These projects are identified in consultation with the local authorities, communities, key stakeholders and within the context of the Integrated Development Plans.

The identification of these projects are based on various sources of information in addition to the Integrated Development Plan of the local municipality. These sources of information include the formal structured community meetings done monthly in different host communities, the complaints & grievance mechanism and the issue log based on issues raised during one-on-one and group engagements undertaken by the mine's relationship management team.

Our approach is matched by clear delivery principles and standards where projects supported must:

- Meet real needs,
- Be sustainable,
- Be aligned to government growth and development strategies (local, district and provincial),
- Seek partnerships as far as possible,
- Make measurable impact,
- Obtain stakeholder input in selection and prioritisation.

## 4.6 Funding for LED Projects

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South Deep provides its own funding for LED Projects in line with the Operational Business Plan.

## 4.7 LED Projects: 2018 to 2022

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Regulation 46 (c) iv requires the mine to implement Infrastructure and poverty eradication projects that the mine would undertake in line with the Integrated Development Plan (IDP) of the areas and other relevant frameworks in which the mine operates and the major sending areas. Projects to be implemented should be classified as follows:

- Infrastructure projects;
- Income generating projects.

### 4.7.1 South Deep LED Projects in Host Communities

South Deep participates in the socio – economic development initiatives of Rand West City Local and West Rand District Municipalities and supports projects that are aligned to their IDP's, in particular, projects relating to housing, people and infrastructure development and in projects identified and prioritised as key development needs such as:

- Access to land and housing
- Poverty reduction
- Economic viability
- Education
- Job creation
- Urban Renewal
- Preferential Procurement
- Entrepreneurship capacity building

## 4.7.2 South Deep LED Projects in Labour Sending Areas

South Deep also undertakes economic development projects in the labour sending areas. South Deep has a cross-cut of employees from various communities in South Africa. The Eastern Cape is as a focal Labour Sending Area (LSA) as a significant number of the employees at the Mine come from this impoverished province.

The projects are mainly in villages where infrastructure and resources will yield the highest impact and deliver on the Mine's intention to invest in communities around the operation and areas where the employees come from. However, conceptualisation of the elements of this SLP does consider other LSAs for local economic development projects based on internal research into the communities of origin of our employees.

The major labour sending communities are situated in the Eastern Cape.

LED Projects in the labour sending areas are geared to address:

- Poverty and unemployment
- Infrastructure Development
- Subsistence and commercial agriculture

## 4.8 PROPOSED PROJECTS

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South Deep has undertaken the engagement and analysis work in order to deepen discussions on a proposed pipeline of development project. The final selection is based on these discussions and consultations with relevant stakeholders, as well as a focus on those projects that will make the highest positive impact and enhance benefits for our communities.

The proposed projects are also based on the lessons learned from a recent Social Impact and Social Return on Investment (SROI) Assessment that was conducted by ERM. The findings from this assessment points to the high value of infrastructure projects, when done in partnerships and when all aspects of the project are considered and delivered, e.g. construction of a computer centre should have partners delivering the hardware and software, the security and insurance, the electricity and training of teaching staff and learners. Projects with a high SROI have been proposed.

The projects are listed on the following page:

Table 50: Proposed Community Development Projects for Host Communities:

#	General	Specific	Type of need	Municipality	Township	Potential Partners
1.	Health	Provision of a site and contribution towards construction Clinic	Infrastructure	Hillshaven Township (Rand West City Local Municipality)	Hillshaven Township	West Rand Department of Health, Rand West City Local Municipality
2.	Sport Development	Refurbishment of Sports Complex	Infrastructure	Rand West City (Rand West City LM) Hillshaven	Hillshaven Township	Rand West City Local Municipality
3.	Education	West Rand Academy formerly known as Westonaria TVET College	Infrastructure	Westonaria Town (Rand West City Local Municipality)	Westonaria Town	Sibanye Resources, WCT, South Deep Education Trust, Department of Higher Education, Rand West City Local Municipality
4.	Education	Dual purpose Library: Zuurbekom	Community Services	Zuurbekom Township (Rand West City Local Municipality)	Zuurbekom Township	Rand West City Local Municipality
5.	Education	Upgrade and equip Science lab at TM Letlhake Secondary School	Infrastructure	Simunye Township (Rand West City Local Municipality)	Simunye Township	South Deep Education Trust, Department of Higher Education, Rand West City Local Municipality
6.	Enterprise Development	SME funding and business support	Enterprise Development	Rand West City and all host communities (Rand West City LM)	Westonaria Town	Sibanye Resources, South Deep Community Trust, Rand West City Local Municipality
7.	Agriculture	Agricultural Support Programme (Jachtfontein & Kalbasfontein)	Income generating	Rand West City	Jachtfontein and Kalbasfontein	South Deep Mine
Budget for Host community projects					R17 Million	



Table 51: Proposed Community Development Projects For Labour Sending area Community

Labour Sending Areas Community Development Project						
1.	Infrastructure	Construction of Transportation Hub	Infrastructure	Flagstaff (Ingquza Hill Local Municipality)	Flagstaff	Ingquza Hill Local Municipality
2.	Agriculture	Agricultural Project	Income generating	Eastern Cape	Umzimvubu	LiMA, Jobs Fund, South Deep Education Trust, South Deep Community Trust
Budget for Labour Sending Areas community projects					R8 Million	
*This is a list of potential projects subject to stakeholder engagements, viability and final selection. Project charters will be developed on the selected projects						

Table 52: Summary of LED Project Costs for Host Community Development Projects (2018 – 2022)

Project Name		C2018	C2019	C2020	C2021	C2022	Total Budget
Infrastructure Development							
1.	Provision of Site and contribution towards construction of a clinic (Hillshaven)	R500 000	R500 000	R500 000	R250 000	R250 000	R2 000 000
2.	Refurbishment of Sports Complex (Hillshaven)	R800 000	R900 000	R200 000	R100 000	-	R2 000 000
3.	Partnership for Construction of West Rand Academy – Phase 1 (Westonaria)	R500 000	R2 000 000	R2 500 000	-	-	R5 000 000
4.	Construction of Dual Purpose Library (Zuurbekom)	R500 000	R1 000 000	R500 000	-	-	R2 000 000
5.	Upgrading and Equipping of Science Lab at TM Letlhake Secondary School (Simunye)	R1 000 000	R1 000 000	R500 000	-	-	R2 500 000
Business Development							
6.	SMME funding & Business support centre (Westonaria)	R400 000	R400 000	R400 000	R200 000	R100 000	R1 500 000
Income Generating							
7.	Agricultural Support Programme (Jachtfontein & Kalbasfontein)	R200 000	R800 000	R400 000	R300 000	R300 000	R2 000 000
GRAND TOTAL							R17 000 000

## 4.8.1 Provision of Site & Construction of Community Clinic (Hillshaven)

### Project Description

South Deep has committed to building a clinic that will provide regular primary health care services, at Hillshaven Township in the Rand West City Local Municipality. The clinic will be a type B clinic (prefab building with 5 consulting rooms) according to the Department of Health standards. To date, South Deep has successfully completed the construction of a community clinic in Thusanang Informal Settlement and the Pilani clinic, as part of the 2017 SLP cycle. Both of these projects obtained a positive Social Return on Investment, based on the impact it had in the communities.

### Project Rationale

Delivery of services to communities is a local government responsibility. However, not all municipalities are able to adequately provide services for all the people residing in their areas. The community of Hillshaven currently access a mobile clinic once a week. There is a need for regular primary health care services in this community. In response to a request from the local community and the Department of Health to support the local municipality's integrated development plan (IDP), South Deep identified a community clinic as part of the SLP local economic development (LED) projects.

South Deep's independent assessment of the Thusanang and Pilani clinics shows that a formal structure has a positive impact on the number of patients that can be accommodated daily, the overall improved healthcare experience of patients and a reduction in waiting time. The mine has learned the benefit of delivering through a partnerships approach and will manage this project in a similar manner.

### Project Objectives

The project aims to assist the Rand West City Local Municipality with service delivery by building and facilitating provision of regular reliable primary health care services at Hillshaven Township that the Municipality is unable to provide consistently. The project will increase access to health services for Hillshaven community and surrounding areas.

### Project Location

The project will be situated within the Rand West City Local Municipality at Hillshaven.

### Project Beneficiaries

The project will benefit the community of Hillshaven, surrounding areas and neighbouring farms.

### Project Costs

The cost of this project for a period of five years (2018 – 2022) is R2 million.

### Implementation & Sustainability Plan

The Mine will ensure that there is a partnership with the Rand West City Local Municipality and the Gauteng Department of Health who are the custodians of health services in the region. This approach is to ensure that there is sustainability of delivery of services for residents in the area. Implementation of the project entails the following:

- Development and signing of a memorandum of understanding among the partners
- Drafting and approval of plans for the clinic (site and building)
- Provision of bulk infrastructure
- Construction of the clinic building
- Equipping of the facility
- Handover of the facility

Local contractors who have the relevant credentials will be used to build the clinic and they will be encouraged to employ local community members. This will ensure that local communities benefit by obtaining employment during construction. There will also be employment created during operation of the clinic as there is currently no permanent clinic in the area.

### Exit Strategy

On completion of the project, the mine will hand over the project to the Department of Health and the Local Municipality provision of health services to benefit the community. There will be a legally binding agreement prior to construction which will include commitment by the Department of Health to equip, operate and maintain the infrastructure that South Deep will construct.

Hillshaven Community (Prefab) Clinic												
Project Incorporated into which IDP		RAND WEST CITY LOCAL MUNICIPALITY						Prefab Clinic Project				
Project Partners		Rand West City Local Municipality						Beneficiaries	Communities in Rand West City Local Municipality			
		Gauteng Department of Health										
Project Start Date	March 2018	No. Permanent Jobs	No. Part-time Jobs	Males Employed	Females Employed	Youth Employed	Disabled Employed	Geographical Location of Project				
Outcome		TBC	TBC	TBC	TBC	TBC	TBC	Hillshaven Rand West City				
		Responsible Entity		Activity KPI Initiative		KPI (Measurable)		Timeframe				
								2018	2019	2020	2021	2022
Engagement with the Rand West City Local Municipality, and Department of Health in relation to project funding, operation and maintenance		South Deep Mine		Develop and implement programme		Project Scope finalised		X				
Formal agreement with Rand West City Local Municipality and other partners		South Deep Mine		Formulate agreement on terms and conditions of partnership		Signed MOU among the partners		X				
Preparation work including drawing and approval of mobile clinic construction		South Deep Mine and partners				Approvals granted		X				
Request and approval of funding		South Deep Mine				Bill of quantities and approved AFE		X				
Selection and appointment of contractors		South Deep Mine		Select local contractor for the project		Contractor appointed		X				
Construction of clinic		South Deep Mine						X	X			
Formal sign-off and handover and monitoring		South Deep Mine and partners						X	X	X	X	X
Financial Provision								R500 000	R500 000	R500 000	R250 000	R250 000
Total Financial Provision								R2 000 000				

## 4.8.2 Refurbishment of Sports Complex (Hillshaven)

### Project Description

South Deep has committed to refurbishing the sports complex at Hillshaven in order to assist the local municipality with provision of services for sports and recreation. The current complex comprises netball and tennis courts, a swimming pool and a soccer field.

### Project Rationale

Hillshaven is a suburb that was established for mine workers at South Deep. The suburb is now a proclaimed municipal area. The Rand West City Local Municipality is able to render some services to the community of Hillshaven. The Sports complex at Hillshaven is in an unusable state and requires repairs. South Deep has committed to refurbishment of the Sports complex at Hillshaven in order to assist the municipality with delivering sports and recreation facilities for the community of Hillshaven.

### Project Objectives

The project aims to assist the Rand West Municipality with service delivery by refurbishing sports and recreations facilities for the community. In addition, the community, especially the youth can develop skills and be occupied by sports and undertake physical exercise which is good for mind, body and spirit. Furthermore, team sports are good for learning accountability, dedication, and leadership, among many other traits. This will improve the overall quality of life of the community.

### Project Location

The project will be situated within the Rand West City Local Municipality at Hillshaven.

### Project Beneficiaries

The project will benefit the community of Hillshaven in the West Rand City Local Municipality and surrounding areas.

### Project Costs

South Deep has committed an amount of R2 million for a period of five years (2018 – 2022) towards this project.

### Implementation & Sustainability Plan

The Mine will ensure that there is a partnership with the Rand West City Local Municipality, and the Hillshaven Homeowners Association who are a body responsible for managing Hillshaven community in an orderly and respectful manner. This approach is to ensure that there is sustainability of delivery of quality recreational facilities for residents in the area. Implementation of the project entails the following:

- Development and signing of a memorandum of understanding among the partners
- Confirmation of approval of budget for project
- Appointment of services providers
- Refurbishment of sport facility
- Handover of facility

### Exit Strategy

On completion of the project, the mine will hand over the project to the Local Municipality and to the community representatives to manage. This will ensure that there is community ownership of the property and accountability. There will be a legally binding agreement prior to construction which will include commitment by the Rand West City Local Municipality and the community to operate and maintain the infrastructure that South Deep will refurbish.

Refurbishment of Hillshaven Sports Complex												
Project Incorporated into which IDP		RAND WEST CITY LOCAL MUNICIPALITY						Refurbishment of Hillshaven Sports Complex				
Project Partners		Rand West City Local Municipality						Beneficiaries		Communities in Rand West City Local Municipality		
		Hillshaven Homeowners Association										
Project Start Date	March 2018	No. Permanent Jobs	No. Part-time Jobs	Males Employed	Females Employed	Youth Employed	Disabled Employed	Geographical Location of Project				
Outcome		TBC	TBC	TBC	TBC	TBC	TBC	Westonaria Rand West City LM				
		Responsible Entity		Activity KPI Initiative		KPI (Measurable)		Timeframe				
								2018	2019	2020	2021	2022
Engagement with the Rand West City Local Municipality, and other partners in relation to project funding, operation and maintenance		South Deep Mine		Develop and implement programme		Project Scope finalised		X				
Formal agreement with Rand West City Local Municipality and other partners		South Deep Mine		Formulate agreement on terms and conditions of partnership		Signed MOA among the partners		X				
Selection and appointment of contractors		South Deep Mine		Select local contractor for the project		Contractor appointed		X				
Refurbishment		South Deep Mine				Completed refurbished sports facilities		X	X			
Formal sign-off, handover and monitoring		South Deep Mine and partners							X	X	X	X
Financial Provision								R800 000	R900 000	R200 000	R100 000	–
Total Financial Provision								R2 000 000				

### 4.8.3 West Rand Academy (Partnership for Phase 1 project)

#### Project Description

South Deep has committed to building a TVET College to provide agriculture and engineering courses. This is the only institution of higher learning in Westonaria in the Rand West City Local Municipality. The college will be constructed in a phased approach in collaboration with different stakeholders.

#### Project Rationale

The West Rand District Municipality has been identified as an agricultural corridor. In order to realise this, the community of the WRMD needs to be trained in relevant skills to support the agricultural sector. South Deep Mine together with other stakeholders have identified that an agricultural college is required in Westonaria since there are no institutions of higher learning to provide skills that will support the vision of the region to be developing the agriculture sector and reducing reliance on mining. To support the local municipality's integrated development plan (IDP) South Deep identified the building of a TVET as part of the SLP local economic development (LED) projects.

During 2015 and 2016, Gold Fields through the Westonaria Community Trust (WCT), invested in temporary facilities for the TVET West College ('Westcol') in Westonaria (on the sports ground). The temporary facility can currently host about 500 learners from the local host communities, in a range of vocational courses. The project has been rated with a positive SROI due to the provision of access to vocational training at lower costs, as well as the positive feedback from the beneficiaries.

The newly proposed project of a permanent structure will increase the benefits and support the local municipality's integrated development plan (IDP). It has therefore been included as part of the SLP local economic development (LED) projects.

#### Project Objectives

The project aims to assist the Rand West Municipality with service delivery by building and facilitating provision of engineering and agricultural tuition to communities at a location that is easily accessible.

#### Project Location

The project will be situated within the Rand West City Local Municipality at Westonaria town.

#### Project Beneficiaries

The project will benefit the community of the West Rand City Local Municipality and surrounding areas.

#### Project Costs

The total cost of this project phase is R25 million. South Deep has committed an amount of R5 million for a period of five years (2018 – 2022) to contribute to construction of phase 1 of the project which is estimated to be R25 million.

#### Implementation & Sustainability Plan

The Mine will ensure that there is a partnership with the Rand West City Local Municipality, the Department of Higher Education and WestCol who are already operating and managing the current TVET, and funders (Westonaria Community Trust and Sibanye).

This approach is to ensure that there is sustainability of delivery of quality education for residents in the area. Implementation of the project entails the following:

- Development and signing of a memorandum of understanding among the partners
- Confirmation of approval of plans for the TVET (site and building)
- Appointment of services providers
- Construction of the TVET building
- Equipping of the facility
- Handover of facility

#### Exit Strategy

On completion of the project, the mine will hand over the project to the Department of Higher Education and the Local Municipality to benefit the community. There will be a legally binding agreement prior to construction which will include commitment by the Department of Higher Education and WestCol to equip, operate and maintain the infrastructure that South Deep and other partners will construct.



TVET College Construction in Westonaria												
Project Incorporated into which IDP		RAND WEST CITY LOCAL MUNICIPALITY						TVET College construction				
Project Partners		Rand West City Local Municipality, Department of Higher Education, WestCol, Westonaria Community Trust, Sibanye						Beneficiaries		Communities in Rand West City Local Municipality		
Project Start Date	March 2018	No. Permanent Jobs	No. Part-time Jobs	Males Employed	Females Employed	Youth Employed	Disabled Employed	Geographical Location of Project				
Outcome		TBC	TBC	TBC	TBC	TBC	TBC	Westonaria Rand West City LM				
		Responsible Entity		Activity KPI Initiative		KPI (Measurable)		Timeframe				
								2018	2019	2020	2021	2022
Engagement with the Rand West City Local Municipality, and Department of Health in relation to project funding, operation and maintenance		South Deep Mine		Develop and implement programme		Project Scope finalised		X				
Formal agreement with Rand West City Local Municipality and other partners		South Deep Mine		Formulate agreement on terms and conditions of partnership		Signed MOU among the partners		X				
Preparation work including drawing and approval of TVET phase 1		South Deep Mine and partners				Approvals granted		X				
Selection and appointment of contractors		South Deep Mine		Select local contractor for the project		Contractor appointed		X				
Construction of TVET college		South Deep Mine						X	X			
Formal sign-off and handover and monitoring		South Deep Mine and partners							X	X	X	X
Financial Provision								R500 000	R2 000 000	R2 500 000	–	–
Total Financial Provision								R5 000 000				

#### 4.8.4 Construction of Dual Purpose Library (Zuurbekom)

##### **Project Description**

South Deep has committed to building a dual purpose library (one that serves both learners at a nearby school and the community) at Zuurbekom.

##### **Project Rationale**

The Rand West City Local Municipality as part of its Infrastructure Development and Service Delivery programme has identified the need for dual purpose libraries in its communities. Zuurbekom is one of the communities without a library and has not benefitted from the South Deep 2013 SLP cycle. The objective of a dual-purpose library is to make both books and internet access available to learners, youth and the community at large. The community will benefit from the use of the library as an access to information centre. Exposure to ICT will support young people in their search for information, knowledge and job opportunities. The project will provide the infrastructure needed for other partners to bring much needed skills into the community.

##### **Project Objectives**

The project aims to assist the Rand West City Local Municipality with service delivery by building a library at Zuurbekom. This will provide easy access to ICT services for the community, especially the youth. Learners will also have a facility that supports their learning at a location that is easily accessible.

##### **Project Location**

The project will be situated within the Rand West City Local Municipality at Zuurbekom.

##### **Project Beneficiaries**

The project will benefit the community of Zuurbekom in the West Rand City Local Municipality and surrounding areas.

##### **Project Costs**

South Deep has committed an amount of R2 million for a period of five years (2018 – 2022).

##### **Implementation & Sustainability Plan**

The mine will ensure that there is a partnership with the RWCLM and Gauteng Department of Sports, Arts, Culture and Recreation who are custodians of the libraries in the province.

This approach is to ensure that there is sustainability of delivery of quality education for residents in the area. Implementation of the project entails the following:

- Development and signing of a memorandum of understanding among the partners
- Identification of land for the library
- Confirmation of approval of plans for the library (site and building)
- Appointment of services providers
- Construction of the library building
- Equipping of the facility
- Handover of facility

##### **Exit Strategy**

On completion of the project, the mine will hand over the project to the Local Municipality to benefit the community. There will be a legally binding agreement prior to construction which will include commitment by the Local Municipality, to operate and maintain the infrastructure that South Deep and other partners will build.

Construction of Dual Purpose Library (Zuurbekom)												
Project Incorporated into which IDP		RAND WEST CITY LOCAL MUNICIPALITY						Construction of Dual Purpose Library				
Project Partners		Rand West City Local Municipality						Beneficiaries		Communities in Rand West City Local Municipality		
Project Start Date	March 2018	No. Permanent Jobs	No. Part-time Jobs	Males Employed	Females Employed	Youth Employed	Disabled Employed	Geographical Location of Project				
Outcome		TBC	TBC	TBC	TBC	TBC	TBC	Westonaria Rand West City LM, Zuurbekom				
		Responsible Entity		Activity KPI Initiative		KPI (Measurable)		Timeframe				
								2018	2019	2020	2021	2022
Engagement with the Rand West City Local Municipality, and Department of Health in relation to project funding, operation and maintenance		South Deep Mine		Develop and implement programme		Project Scope finalised		X				
Formal agreement with Rand West City Local Municipality and other partners		South Deep Mine		Formulate agreement on terms and conditions of partnership		Signed MOA among the partners		X				
Preparation work including drawing and approval of library		South Deep Mine and partners				Approvals granted		X				
Selection and appointment of contractors		South Deep Mine		Select local contractor for the project		Contractor appointed		X				
Construction of library		South Deep Mine						X	X			
Formal sign-off and handover and monitoring		South Deep Mine and partners							X	X	X	X
Financial Provision								R500 000	R1 000 000	R500 000	–	–
Total Financial Provision								R2 000 000				

#### 4.8.5 Upgrading and Equipping of Science Lab at TM Letlhake Secondary School (Simunye Township)

##### Project Description

South Deep has committed to construction of a new / refurbishment of an existing building and equipping a science laboratory at TM Letlhake Secondary School in Simunye.

##### Project Rationale

TM Letlhake is one of the secondary schools within Westonaria. It is located at Simunye and is the only secondary school in the area. T.M Letlhake Secondary is a quintile three school, with minimal educational department budget. Natural sciences are taught at the school but there is no functional science laboratory for learners to undertake practical as part of their lessons. In the quest to source labour for South Deep locally, with focus on engineering graduates, it is imperative that support for science education is rendered to schools to ensure that the pipeline for the employee of the future is created. In an endeavour to assist the school to produce better results in science, South Deep has committed to construct and equip a science laboratory at TM Letlhake.

##### Project Objectives

The project aims to assist the Department of Education, the school and the local community, by ensuring that science students can undertake practicals in a fully functional laboratory to enhance learning. The secondary objective is to facilitate the production of competent maths and science students who can study engineering related subjects and become a pipeline for employment at South Deep.

The mine will create linkages between this project and an existing Math & Science project that is being delivered through the South Deep Education Trust (SDET). Such a partnership will enable cross-learning and potentially create opportunities for an improved Math & Science curriculum, in addition to the infrastructure delivery.

##### Project Location

The project will be situated within the Rand West City Local Municipality at Simunye.

##### Project Beneficiaries

The project will benefit the community of Simunye in the West Rand City Local Municipality and surrounding areas.

##### Project Costs

South Deep has committed an amount of R2.5 million for a period of five years (2018 – 2022).

##### Implementation & Sustainability Plan

The Mine will ensure that there is a partnership with the Department of Education and the School Governing Body for this project to be a success. This approach is to ensure that there is sustainability of delivery of support facilities for quality education for residents in the area. Implementation of the project involves the following:

- Engagement with relevant parties to define project scope
- Development and signing of a memorandum of understanding among the partners
- Confirmation of approval of plans for the laboratory (site and building)
- Appointment of services providers
- Construction/renovation of the laboratory building
- Equipping of the facility
- Handover of facility

##### Exit Strategy

On completion of the project, the mine will hand over the project to the Department of Education and the School Governing Body (SGB) to benefit the school community. There will be a legally binding agreement prior to construction between the appropriate parties, which will include commitment by the Department of Education and the SGB, to operate and maintain the infrastructure that South Deep will provide.

Construction of Science Laboratory at TM Letlhake Secondary School												
Project Incorporated into which IDP		RAND WEST CITY LOCAL MUNICIPALITY						Construction of Science Laboratory at TM Letlhake Secondary School				
Project Partners		Department of Education , School Governing Body						Beneficiaries	Communities in Rand West City Local Municipality			
Project Start Date	March 2018	No. Permanent Jobs	No. Part-time Jobs	Males Employed	Females Employed	Youth Employed	Disabled Employed	Geographical Location of Project				
Outcome		TBC	TBC	TBC	TBC	TBC	TBC	Westonaria Rand West City LM, Simunye				
		Responsible Entity		Activity KPI Initiative		KPI (Measurable)		Timeframe				
								2018	2019	2020	2021	2022
Engagement with the Rand West City Local Municipality, and Department of Health in relation to project funding, operation and maintenance		South Deep Mine		Develop and implement programme		Project Scope finalised		X				
Formal agreement with DoE, SGB and other partners		South Deep Mine		Formulate agreement on terms and conditions of partnership		Signed MOA among the partners		X				
Preparation work including drawing and approval of library		South Deep Mine and partners				Approvals granted		X				
Selection and appointment of contractors		South Deep Mine		Select local contractor for the project		Contractor appointed		X				
Construction/renovation of laboratory		South Deep Mine		Construction schedule		Complete science laboratory infrastructure		X	X			
Formal sign-off and handover and monitoring		South Deep Mine and partners							X	X	X	X
Financial Provision								R1 000 000	R1 000 000	R500 000	–	–
Total Financial Provision								R2 500 000				

#### 4.8.6 SMME support project through a Business Support Centre (Westonaria)

##### Problem Statement

The SMMEs in the local communities of South Deep struggle with access to finance, business mentoring, and access to markets. Most of these SMMEs are not bankable due to a lack of assets and financial track record and struggle to manage orders when they successfully tender. Entrepreneurs also need more hands-on mentoring that is practical and based on immediate business challenges rather than full-time business courses.

##### Project Description

The proposed project will support local SMMEs with access to a loan facility and business mentoring. This will be offered through a Business Support Centre that is already functional through funding from the South Deep Community Trust (SDCT). The project will scale the investment through partnership by increasing the number of SMME that can be supported. These will include SMMEs who supply to the South Deep mine as well as those supplying to markets outside of mining. A funding partner will be identified to provide assistance to SMMEs to develop business plans, will make loan funding available, collect repayments of loans, and provide mentoring. The repayment of loans will ensure a revolving capital facility.

##### Project Location

The project will be situated within the Rand West City Local Municipality

##### Project Beneficiaries

The project will benefit SMMEs in the local community of Westonaria and surrounding areas of the Rand West City LM.

##### Project Costs

South Deep will contribute R1.5 million towards the operating costs of the centre during the 2018 – 2022 SLP cycle. This will cover mentoring and business support to the SMMEs who are successful in obtaining the loan funding. The loan facility will assist in making a revolving loan possible, and the interest earned will go towards future mentoring and training, which will make the centre self-sustainable.

##### Indicators

This will be measured on a monthly basis:

- Total Number of SMMEs supported (loans and mentoring)
  - Female Entrepreneurs Supported (where SMME owner is female)
  - Youth Entrepreneurs Supported (where SMME owner is younger than 35)
- Number of jobs (a total based on employees in each SMME)
- Funds disbursed
- Total cash collected (% of loan repayment)
- Total in Interest collected

##### Impact

- The project will create permanent jobs as business support managers with specific on-the-job training
- Jobs will be created in the host communities through SMMEs over a SLP cycle period
- Access to finance for SMMEs that struggle to obtain financial backing from banks
- Access to South Deep mine's supply chain through preferential procurement and financial as well as mentoring support to the successful local SMMEs

##### Exit Strategy

On completion of the project, the mine will hand over the project to the Rand West City Local Municipality who will be providing the accommodation/ building for the Centre (MOU being finalised). Various implementation partners who will be delivering training in business skills, computer skills, providing loan capital, and managing the Centre will continue to report to South Deep, the South Deep Education Trust and the RWCLM. A formal agreement, i.e. MOA, between the parties will ensure the municipality rents the building/ accommodation to the project for the long term, i.e. at least 5 years and will assume responsibility for the project. It is also planned that the interest earned from the loan funding will be used for future maintenance and operational costs.



Business Support Centre Construction in Westonaria													
Project Incorporated into which IDP		RAND WEST CITY LOCAL MUNICIPALITY						Business Support Centre Construction					
Project Partners		Rand West City Local Municipality, South Deep Education and Community Trusts, Phakamani						Beneficiaries	Communities in Rand West City Local Municipality				
Project Start Date	March 2018	No. Permanent Jobs	No. Part-time Jobs	Males Employed	Females Employed	Youth Employed	Disabled Employed	Geographical Location of Project					
Outcome		TBC	TBC	TBC	TBC	TBC	TBC	Westonaria Rand West City LM					
		Responsible Entity		Activity KPI Initiative		KPI (Measurable)		Timeframe					
								2018	2019	2020	2021	2022	
Engagement with the Rand West City Local Municipality, and Department of Health in relation to project funding, operation and maintenance		South Deep Mine		Develop and implement programme		Project Scope finalised		X					
Formal agreement with Rand West City Local Municipality and other partners, including Trusts		South Deep Mine		Formulate agreement on terms and conditions of partnership		Signed MOA among the partners		X					
Formal sign-off and handover and monitoring		South Deep Mine and partners							X	X	X	X	X
Financial Provision								R400 000	R400 000	R400 000	R200 000	R100 000	
Total Financial Provision								R1 500 000					

## 4.8.7 Partnership for Agricultural Project (EC)

### Problem Statement:

Smallholder farmers have resources available for food production, but face difficulties breaking into the agricultural value chain and accessing certified and quality inputs, sustainable markets, production credit, technical information, and updated technologies. Therefore, large-scale commercial farmers dominate markets. A major problem of excluding small farmers is lack of high quality locally produced food, exclusion of the poor from affordable quality produce, and continued dependence on long distance food delivery. This is particularly true in Lusikisiki, Eastern Cape where agricultural production potential is massive, with good soils and good climate.

Ultimately these challenges result in increased transaction costs to farmers. Logistical difficulties and high costs result in farmers using cheaper uncertified inputs which results in poor production. A lack of access to credit, limits any farm growth substantially. Micro financing is risky, and even if a farmer is able to get a loan, the interest rate charged is exorbitant and puts the farmer at huge risk. Agriculture relies heavily on production credit as farmers need affordable loans to buy the inputs, capital structures and equipment required to increase production, reach economies of scale and create more jobs. These issues, combined with massive transport costs and difficulty of entry into sustainable long term markets, limits farmers production capacity despite massive potential resulting in little to no job creation.

### Project Description and Rationale

An implementation partner will be identified to support the small holder farmers through provision of technical, on the job training, access to finance through a business hub, market linkages and off-take agreements.

The project will track the number of farmers in the training programme, the turn-over and business growth indicators, the number of jobs created and the number of sustainable farming enterprises.

A business support centre that provides both access to loan capital as well as business knowledge support will increase the sustainability of local small and micro farming enterprises (small holder farmers).

### Project Objectives

The project aims to assist the smallholder farmers to break into the agricultural value chain and access certified and quality inputs, sustainable markets, production credit, technical information, and updated technologies.

### Project Location

The project will be implemented in Lusikisiki in the Eastern Cape.

### Project Beneficiaries

Small holder farmers in rural communities of Lusikisiki.

### Project Costs

South Deep has committed R2 million during the 5 year SLP cycle (2018 - 2022)

### Indicators

We will measure the following indicators to determine success of the project:

- A number of farmers across Lusikisiki with access to a range of growth and productivity enhancement support & training services.
- Registered individual farmers and farming groups with an annual farm turnover of R32 000

### **Anticipated impact**

The following outcomes will be achieved:

- Increase and improvement in smallholder farmer production
- Development and stimulation of the entire agricultural value chain at a rural level
- Development of long term sustainable market entry for smallholder farmers resulting in systematic sector change through facilitating market linkages
- Introduction of innovative technologies and support methods and testing of new business models
- Job creation
- Access to affordable finance for rural smallholder farmers
- Improving rural nutrition through improved access to fresh nutritious product with lower transport costs and food miles
- Ecologically, the programme contributes to soil conservation and better land use practice, through its training component.

### **Implementation & Sustainability Plan**

South Deep will work with identified and other funders to deliver this project, and will do continued due diligence through the 5 year investment period. The local municipalities will be tasked with the maintenance of the projects and has an existing relationship with Lima Foundation through the respective LED managers at each Local Municipality. Implementation of the project entails the following

- Agreement and approval of the funding for the project at South Deep internal partners/ stakeholders
- Agreement and approval from external stakeholders
- Site visits and meetings with the existing and potential small holder farmers in the area
- Review of the indicators and setting targets with Lima and the beneficiaries

### **Project Costs**

The project will mean an investment of R2 million during the 5 year SLP cycle (2018 - 2022)

### **Implementation & Sustainability Plan**

South Deep will work with an identified partner and other funders to deliver this project, and will do continued due diligence through the 5 year investment period. Implementation of the project entails the following:

- Agreement and approval of the funding for the project at South Deep internal partners/ stakeholders
- Agreement and approval from external stakeholders
- Review of the indicators and setting targets with an identified partner and the beneficiaries
- Governance, including M&E and Reporting after investment

### **Exit Strategy**

The local municipalities will be a key partner to the project and will assume responsibility for the project. South Deep will do due diligence to ensure the successful implementation and sustainability of the project.

Smallholder Farmer Support Programme												
Project Incorporated into which IDP		NGQUZA Hill LOCAL MUNICIPALITY						Agriculture				
Project Partners		Ngquza Hill Local Municipality; Jobs Fund, South Deep Education & Community Trusts						Beneficiaries		Smallholder farmers in Local Municipalities (LSA)		
Project Start Date	March 2018	No. Permanent Jobs	No. Part-time Jobs	Males Employed	Females Employed	Youth Employed	Disabled Employed	Geographical Location of Project				
Outcome		TBC	TBC	TBC	TBC	TBC	TBC	Ngquza Hill: Eastern Cape				
		Responsible Entity		Activity KPI Initiative		KPI (Measurable)		Timeframe				
								2018	2019	2020	2021	2022
Provision of agricultural technical training to farmers		Partners		Training programme		Number of registered farmers on programme & graduates		X				
Establishment of Agri-hubs and improved market access		Partners		Agri-hub active		Number of farmers registered with the agri-hub		X				
Revolving credit system and facility		Partners		Farmers accessing the loan facility		Number of farmers accessing loans and % loan repayments		X	X			
New Permanent Jobs Created		South Deep and identified partner				Number of jobs (permanent, seasonal, temporary)		X	X	X	X	X
Financial Provision								R500 000	R500 000	R400 000	R300 000	R300 000
Total Financial Provision								R2 000 000				

Table 53: Summary of LED project costs for Labour Sending Area (2018 – 2022)

Project Name		C2018	C2019	C2020	C2021	C2022	Total Budget
Infrastructure Development							
1.	Construction of a Transportation Hub at Flagstaff	–	R4 000 000	R2 000 000	–	–	R6 000 000
Agricultural Development							
2.	Partnership for Agricultural Project (EC)	R500 000	R500 000	R500 000	R500 000	–	R2 000 000
GRAND TOTAL							R8 000 000

## 4.8.8 Construction of a Transportation Hub at Flagstaff

### Project Description

South Deep has committed to construction of a transportation hub at Flagstaff which will house hawkers, a taxi and bus rank in partnership with the Ingquza Hill Local Municipality and the Eastern Cape Office of the Premier. The hub will need to accommodate at least 100 taxis (10 loading on a same time), at least 15 bus bays with a separate entrance, rank office with ablution facilities, wash bay and trading space for at least 100 Informal traders. Hawkers trading zone will be used as a buffer between the taxi and bus rank.

### Project Rationale

The Ingquza Hill Local Municipality has a high rate of unemployment, estimated at 51% which is the second highest in O.R. Tambo District Municipal Area. As a result, the trend of large population numbers migrating from the rural areas to town in order to look for employment opportunities is one of the main factors that contribute to rapid urbanisation within the Municipal Towns. Reality is Ingquza Hill economy cannot absorb a high labour pool due to a number of factors.

The main factor is that Flagstaff and Lusikisiki towns do not have industries that provide the necessary employment opportunities. With little hopes of survival, informal trading becomes a feasible and the most accessible alternative for most. This has resulted in a rapid growth of the informal trading sector in the two towns. Between the years 2015 to 2017, the municipality has experienced exponential growth in the sector, with numbers doubling in Flagstaff Town from 200 to 400 registered informal traders. Flagstaff town cannot accommodate a large number of street traders because of its small size. Traders therefore set up trading tables and shacks on the main road reserve which could have been used by pedestrians and for parking bays. The town which is one of the two major service centres for the community has a population that is 90% rural.

The dominant mode of transport for the community is public transportation in the form of buses and taxis. These range from local rural-town trips to long distance provincial and inter-provincial trips. Over the years the rate of growth of the public transportation industry could not be matched by the provision of adequate infrastructure. There is no provision for safe drop-off and pick-up points in the two towns. Thus leaving the town to use the only street which is also the main street where business are located for the drop-off and pick up. Spatially, this has meant that all the on-street parking bays that are supposed to be used by shoppers, during peak and off-peak times, are used as informal taxi ranks. The taxi and bus ranks together with all the shops on the main street are key locational factors and additional pull factors for informal traders. Pedestrians that rely on public transport are the main customers of informal traders. This has forced around four hundred (400) street traders in Flagstaff alone, to flock in the main street in order to be closer to their clients. This results in the main street being congested by pedestrians that cannot use sidewalks due to traders having occupied the sidewalks. Motorists have to wait on the main street for more than 30 min during peak hour for them to get parking space as some of the parking bays are used as informal ranks. The resultant effect is a constant traffic jam in the main street.

The problem with the congestion of the Flagstaff main street is exacerbated by the prominence of the main street and the strategic role that it plays in linking the Towns of Port St Johns, Mbizana and Kokstad. Between the three mentioned towns, the main street serves as a major transportation link, and the shortest Provincial road. This makes it a cost effective option for private businesses, community and government bodies that conduct business within these towns. The nature of the use of this road as a service trunk for other towns also adds to the congestion that has been built up at local level. All of this has resulted into a very poor and unhygienic situation.

### Project Objectives

The project is aimed at alleviating congestion in the Flagstaff Town, providing infrastructure support for the bus and taxi operators, provision of infrastructure for informal traders. This will also assist the Local Municipality in enforcing local by-laws relating to traffic control and informal trading as well as provision of ablution facilities currently missing.

**Project Location**

The proposed taxi rank will be located in Flagstaff town centre on Erf. 102.

**Project Beneficiaries**

The project will benefit the residents and people residing and travelling through Flagstaff, commuters, taxi and bus operators and informal traders in Flagstaff.

**Project Costs**

The total project is estimated to cost R 18 million. South Deep will contribute R 6 million towards the construction of the Flagstaff Transport Hub during the 2018-2022 SLP cycle.

**Implementation & Sustainability Plan**

There will be a partnership with the Eastern Cape Office of the Premier and the Ingquza Hill Local Municipality. The municipality will be responsible for maintenance of the Transport Hub and regulation of both the taxi rank and the Hawkers Trading Zone. Implementation of the project entails the following:

**Exit Strategy**

On completion Gold Fields will hand over the taxi rank to the Ingquza Hill Local Municipality to operate and maintain for the benefit of the community.

Construction of Transport Hub at Flagstaff												
Project Incorporated into which IDP		FLAGSTAFF INGQUZA HILL LOCAL MUNICIPALITY EASTERN CAPE						Infrastructure				
Project Partners		Ingquza Hill Local Municipality; Eastern Cape Office of the Premier						Beneficiaries	Flagstaff residents, informal traders, taxi and bus owners and users			
Project Start Date	March 2018	No. Permanent Jobs	No. Part-time Jobs	Males Employed	Females Employed	Youth Employed	Disabled Employed	Geographical Location of Project				
Outcome/Activity		TBC	TBC	TBC	TBC	TBC	TBC	Flagstaff Ingquza Hill: Eastern Cape				
		Responsible Entity		Activity KPI (Initiatives)		KPI (Measurable)		Timeframe				
								2018	2019	2020	2021	2022
Project definition and scope and budget confirmation		Gold Fields and Partners				Project scope and defined budget		X				
Drafting and signing of MOU		Gold Fields and Partners		Engagement of all project funders and partners		Signed MOU		X				
Stakeholder Engagement		Ingquza Hill Local Municipality		Implement stakeholder engagement strategy		Full stakeholder support		X	X	X	X	X
Selection & appointment of contractor		Gold Fields and Partners		Agreed procurement and tender process		Contractor appointed		X				
Construction of Transport Hub		All partners				Completed Transport Hub			X	X		
Handover & Exit		Gold Fields & OTP				Project handover and launch						
Financial Provision									R5 000 000	R1 000 000		
Total Financial Provision								R6 000 000				



## SECTION 5

# HOUSING AND LIVING CONDITIONS

**S**outh Deep fully subscribes to the principles as set out in the Housing and Living Conditions Standards for the Mining and Minerals Industry developed in terms of section 100(1)(a) of the MPRDA and Mining Charter which includes:

- Decent standards of living;
- Centrality of home ownership;
- Provision for social, physical and economic integrated human settlements;
- Involvement of employees in the housing administrative system;
- Affordable, equitable and sustainable health system; and
- Proper nutrition requirements and standards.

### 5.2 Accommodation Survey

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A South Deep employee accommodation survey was undertaken in 2014 by an independent organisation specialising in employee accommodation research. The purpose of the survey was to delineate the current housing situation, housing needs and preferences of South Deep employees and assess these in terms of the current housing policy.

The study entailed a representative sample of 35% of full-time employees in the A-D job grades. A total of 1345 interviews were undertaken. Based on the survey results, 70% of employees would prefer to own a home and their preferred suburbs were Westonaria and Hillshaven. There is an element of “out of towners” who prefer to lease or live in the single accommodation and family units for free.

### 5.3 Housing Strategy

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All of the above factors have contributed to the current South Deep Mine Housing Strategy. One of the cornerstones of this strategy is that South Deep as a responsible Miner wants its employees to live in good quality, affordable accommodation that is located in integrated communities that are located close to the Mine. The housing strategy is for the C Band and below employees only. At end May 2018, there were 3 805 employees on the Mine that were of C band and below grade. The housing strategy aims to provide South Deep employees with freedom of choice with respect to where they want to live and the type of accommodation they choose to live in. The accommodation options vary in terms of type, size, price and location. South Deep employees will have the right to choose an accommodation option, from the following list:

#### 5.3.1 Single Accommodation Units

The hostel upgrade was completed in 2014 and all rooms are now on a single basis only. 848 employees can be accommodated in the Single Accommodation Units on a one to a room basis. These residents do not pay rent nor do they pay for water and electricity. Food and beverage is also provided daily.

### 5.3.2 Family Units

A hostel was converted into 2 and 3 bedroom Family Units that now house 203 families. These residents do not pay rent nor do they pay for water and electricity. They also prepare their own meals in their own kitchens. South Deep continues to actively and regularly maintain the upgraded accommodation to (i) ensure the one person per room policy, but (ii) also to ensure that the accommodation is suitable for our employees. A maintenance plan is followed.

### 5.3.3 Existing South Deep Mine owned houses and apartments

There are 471 houses in Hillshaven, Westonaria and Glenharvie townships. Furthermore, there are 50 sectional titles in Glenharvie and 84 apartments in Hillshaven. Employees currently (2017) receive a housing allowance of R3500 per month to subsidise the monthly rental, water and electricity costs. Maintenance is carried out by the Mine at its cost. Employees can use the housing scheme to purchase the houses and sectional title. The apartments may be purchased by employees in the future. (See below for details).

### 5.3.4 Employee facilitated purchases or leases

Some employees have either purchased or leased a house that is not in Westonaria Township but which complies with the rules of the housing scheme. These are houses that are not rented nor owned by the Mine. These employees receive the monthly housing allowance of R3 500 to subsidise lease or bond payments and water and electricity. At end May 2017, 665 employees have taken up this accommodation option. A full verification is done by the Mine to ensure that the house leased is of good quality and meets the requirements of the housing scheme.

### 5.3.5 South Deep leased houses from Third Party Landlords

At 30 September 2017, South Deep leased 460 houses from third party landlords to house employees who will eventually buy or lease a New Build described below. Third party rentals will be phased out as the New Builds are handed over. However, this is a valid accommodation option that can be used to manage sudden increases in Mine headcount.

### 5.3.6 Housing Allowance for Non-Mine Facilitated Accommodation

By end March 2018, 744 employees chose to access the monthly housing allowance of R 3 500 for living in approved accommodation of their choice located within a 100-km radius of South Deep Mine. Of these 744 employees, 162 live in fully paid-up homes, 336 are paying off a bond and the remaining 246 are in leased accommodation.

### 5.3.7 New Builds

South Deep housing strategy had 150 houses constructed and handed over to employees in 2016. South Deep had further undertaken to construct new 206 houses and apartments from 50 square meters to over 70 square meters in Hillshaven and Westonaria. The remaining 850 were either going to be purchased from other Mines close to South Deep or newly built. On completion of the new builds and purchases of houses from third parties 3 341 employees would have been able to access an accommodation option that suits their personal requirements.

Due to operational changes at the mine as well low uptake of houses available to employees, South Deep is reviewing its current housing strategy and plans to develop an alternative approach to facilitate home ownership, other than a company managed house construction programme. On the back of this, unions and other stakeholders will be engaged to find a way forward. Notwithstanding, the mine remains committed to provide decent accommodation to its employees at C levels and below.

## 5.4 Tswelopele Home Ownership Scheme

Although all employees will be able to access one of the accommodation options, some of them will prefer to take a living out allowance and live in an informal settlement. However, we are hoping that these employees will be a small minority and that the majority of employees will take up the options that enable them to live in decent accommodation. To this end, South Deep Mine continues to actively promoting home ownership and as such the Tswelopele Home Ownership Scheme was designed in 2015 and implemented in 2016. Affordability and qualification for a bond are the two main barriers to home ownership and as such South Deep Mine has implemented a package of benefits that addresses both issues and thus allows more employees to enter the housing market.



Moreover, the Scheme has been devised to be equitable to all participating employees, be understandable to all stakeholders, reduce the income tax burden (e.g. fringe benefit taxes), where possible, be capable of being implemented in an efficient manner, and most importantly, remain sustainable over the long-term.

The components of the South Deep Home Ownership Scheme are as follows:

- **Interest Free Loan of R100 000:** repayment is R417 per month for 240 months, the interest free loan bond agreement between South Deep and the employee has been drafted and finalised. Using a 10.5% interest rate and a 20 year loan repayment period, the Interest Free Loan of R100 000 results in a saving of R239 611 over the life of the bond.
- **20% discount on the purchase price of the house:** for house that cost R515 000 and at an interest rate of R10.5% over a 20 year loan period, the employee receives a benefit of R165 356 over the life of the bond.
- **Purchase price is at cost:** South Deep finances the development but does not add the financing cost to the house price. The house is sold to the employees at cost.
- **Monthly Housing Allowance of R3 500:** Any employee who lives in decent accommodation and who meets the requirements of the Tswelopele Homeownership Scheme can access the monthly housing allowance.
- An on-site Help Desk to assist with queries pertaining to the scheme has been implemented. Rent or Buy options, affordability and how to apply for a bond are some of the services offered by the Housing Help Desk employees.

## 5.4 Tswelopele Home Ownership Scheme (*continued*)

- Financial Literacy Training and Borrower Education is offered to employees free of charge.
- Negotiation for favourable bond interest rates with South African Banks, on the employee's behalf, has been completed and implemented.
- Employees are given assistance with the completion of the bank application forms.
- Group Insurance (life and house cover) package deals have been negotiated and implemented.
- For employees who apply for a bond and are rejected by the Bank, a debt rehabilitation program has been implemented. Depending on the employee adherence to the program, such employee can purchase a house from South Deep on full rehabilitation.

South Deep employees have shown much enthusiasm for home ownership, but the reality is that not all employees will qualify for a bond. At 30 September 2017, 88 bond applications have been approved by the bank. 88 on 242 applications is a 36% approval rate which is higher than the industry norm which suggests that only around 25% to 30% of applicants will qualify for a bond in the affordability housing market.

In order to increase the number of successful bond applications, South Deep has appointed Summit Financial Partners to provide financial wellness, debt consolidation and debt rehabilitation services to all employees on the mine.

# An investment for the future



**GOLD FIELDS**  
South Deep Gold Mine

**Help Desk**  
Tel: 011 411 2399  
Email: infodesk@goldfields.co.za

**Towards a sustainable, successful South Deep.**



## 5.5 Nutrition

Provision of a healthy and balanced diet is a key and integral element of ensuring healthy and adequate nutrition to our employees. With this commitment in mind, the following initiatives are in place at South Deep:

- Cooks have been trained by the HTA School of Culinary Art to produce quality food for employees at South Deep ;
- Meals are prepared in line with the Centre for Scientific and Industrial Research (CSIR) nutritional guidelines;
- New kitchen equipment was purchased and the kitchen complies with ISO 14001-standards;
- A balanced diet plan has been introduced at the mine kitchen located at South Shaft.

## SECTION 6

# PROCUREMENT, SUPPLIER AND ENTERPRISE DEVELOPMENT

**S**outh Deep is aware that affirmative procurement is an ideal mechanism for the economic empowerment of HDSAs. South Deep is committed to the preferential purchasing and procurement objectives of the 2010 Amended Mining Charter. The purpose of the South Deep Procurement Progression Plan is to ensure the identification, procurement and subsequent management of suppliers categorised as BEE Entity – HDSA suppliers (i.e. Ownership >25%). South Deep is also committed to procuring locally and assisting potential HDSA suppliers, through mentoring, to become part of the mine's supply chain. Through its mining operation, South Deep will have the ability to create an enabling environment for the empowerment of HDSAs within the surrounding areas.

South Deep will provide preferred supplier status to HDSAs through the implementation of the following measures:

- Increase level of contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability;
- Increase business opportunities for HDSA/BEE suppliers and grow local enterprises so that they can become sustainable and eventually full suppliers to South Deep (i.e. promoting entrepreneurship amongst HDSA/BEE businesses);
- Encourage existing suppliers to form alliances, and/or collaborative partnerships with HDSA/BEE enterprises;
- Eliminate unfair discrimination in policies, practices and procedures through transparency in the adjudication processes;
- Give preference to HDSA/BEE suppliers involved in local job creation based on sound commercial and sustainable business cases;
- Commitment to Preferential Procurement & Transformational goals in local procurement and job creation;
- Increasing local spend;
- Increasing procurement opportunities; and
- Creating sustainable businesses.

Mining Charter states that leveraging maximum benefit from the Republic's mineral resources will require strengthening linkages between the mining and minerals industry and the broader economy. Local procurement is attributable to competitiveness and transformation, captures economic value, presents opportunities to expand economic growth that allows for creation of decent jobs and widens scope for market access of South African capital goods and services.

In order to achieve this, the mining industry must procure from BEE entities in accordance with the following criteria:

- Procure a minimum of 40% of capital goods from BEE entities;
- Procure 70% of services and 50% of consumer goods from BEE entities; and
- Ensure that multinational suppliers of capital goods annually contribute a minimum of 0.5% of annual income generated from local mining companies towards socio-economic development of local communities into a social development fund.

## 6.2 Preferential Procurement Targets

South Deep has used the 2016/7 expenditure analysis and the Working Cost Escalation (CPI) from the Mine as the base for formulating Preferential Procurement Targets.

Table 54: Preferential Procurement Targets

BEE Procurement Spend	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Capital goods (40%)	50%	53%	55%	60%	65%
Services (70%)	70%	72%	75%	77%	80%
Consumable Goods (50%)	55%	57%	60%	63%	65%
The targets above are exclusive of non-discretionary procurement expenditure					

## 6.3 Multinational Companies Contribution to Socio-Economic Development

South Deep will use its best endeavours, through its contractual requirements, to ensure compliance by its Multinational contractors with the requirements for suppliers of capital goods, to contribute a minimum of 0.5% of annual income generated from South Deep towards socio-economic development of local communities into a social development fund.

## 6.4 Host Community Procurement Project

The formation of the Host Community Procurement project aims to guide and support the procurement department's decisions through its host community procurement strategy. The host community procurement strategy expresses the company's commitment to contributing to the economic development of host communities by sourcing goods and services from local businesses, addressing the gaps in local capability, and building suppliers' competitiveness in order to meet global standards and qualify for lucrative contracts.

South Deep has revised its host community definition as the communities are directly affected by and have an expectation regarding our activities. They typically include the communities nearest our operations, within newly demarcated Rand West City Local Municipality and Poortjie, and include any person(s) residing there.

A range of specific objectives to be achieved includes the following:

- Developing host community SMMEs to match the willingness and capacity for change in local communities;
- Integrating host community SMMEs within the supply chain;
- Identifying missing links in the value chain and prioritising these in attracting new businesses to the area;
- Facilitating host community SMME ventures; and
- Creating an enabling environment for enterprise development by promoting collaboration between the local business community and government institutions.

## 6.4 Host Community Procurement Project (*continued*)

Evaluating opportunities for investment in local capability development usually starts with demand analysis. This involves identifying supplier opportunities and assessment of their capability for each opportunity and a rigorous cost-saving analysis of sourcing from a local company against regional or national content. Generally, companies should start small, with simple and small contracts and progress towards contracts that are more complex.

South Deep achieved sixteen percent (16%) local spend at end quarter 3 2017. This progress was as a result of committing to setting aside opportunities earmarked for host community enterprises instead of continuing setting up joint ventures that proves not to be sustainable as envisaged. The set aside strategy will continue to be employed by the procurement department in association with the host community procurement project in addressing the gaps in local capability, and building suppliers' competitiveness in order to meet global standards.

The set aside opportunities will be clearly stated by the procurement department for tendering purposes which will only involve host community enterprises and should not be confused with normal procurement opportunities. The criteria below will be deployed to select local suppliers for development.

Table 55: Criteria used to select Local Suppliers

	Option One : selection criteria for qualification as a Local Supplier	Option Two : selection criteria for qualification as a Local Supplier
Business is in Rand West City Local Municipality including Poortjie	Yes	Not located in Westonaria or Poortjie but must comply with the both criteria listed below
Shareholder(s) live in Rand West City Local Municipality and Poortjie	Yes, and minimum of 25% plus 1 vote	Yes, and minimum of 25% plus 1 vote
Employees of the entity are residents of Rand West City Local Municipality and Poortjie	Yes, with a minimum of 25% of total labour being from Rand West City Local Municipality and Poortjie	Yes, with a minimum of 50% of total labour being from Rand West City Local Municipality and Poortjie

South Deep has identified the following targets as part of its Enterprise Development programme in preparation and development of Host Community Suppliers.

Table 56: Enterprise Development Targets

Enterprise Development	C2018 Target	C2019 Target	C2020 Target	C2021 Target	C2022 Target
Number of local vendors targeted yearly, that meets the selection criteria	3	2	2	2	1
Number of new entrants	1	1	1	2	2
SMME training	5	5	5	5	5



## SECTION 7

# MANAGEMENT OF DOWNSCALING AND RETRENCHMENT

The primary objective of downscaling and retrenchment management is to ensure that there are no other viable options to achieve operational requirements before considering the downscaling of workers. To achieve this, the following have been put in place:

### 7.1 Future Forum (“Forum”)

South Deep embraces the legislative requirement relating to the establishment of a Future Forum (“Forum”) to ensure compliance in the event of downscaling and/or retrenchment. As such the Mine has engaged Organised Labour to nominate representatives to serve on this Forum and senior members of management are also represented. The Forum seeks to engage Organised Labour on pertinent business issues and the impact thereof on the workforce with terms of reference aligned to those set out in Regulation 46.

### 7.2 Functions of the Future Forum

The intention of the Forum, as outlined in the table below, stipulates the Regulation 46 requirements for the establishment of and conducting the Future Forum:

#### Establishment of a Future Forum

- Promote ongoing discussions between worker representatives and employers about the future of the Mine;
- Look ahead to identify problems, challenges and possible solutions with regard to productivity and employment;
- Develop turnaround and redeployment strategies to help reduce job losses and to improve business sustainability;
- Implement strategies agreed upon by both employer and work parties; and
- Mechanisms to save jobs, avoid job losses and a decline in employment.

The key issues which are discussed include (amongst others):

- The state of the business in terms of production and processing;
- Health and safety;
- The financial performance of the company together with constraints impacting the viability of the Mine;
- Development of a mitigating strategy in respect of potential job losses at closure; and
- Investigate potential post-closure projects creating a platform for continued employment.

### 7.3 Engagements

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South Deep annually develops a schedule of engagements with Organised Labour. This schedule includes quarterly Future Forum meetings. The Future Forum is chaired by either the Vice-President and Head of Operations or the Executive Vice-President South African Region. Over and above the Future Forum, South Deep has established a number of other forums. The SLP Forum is one such forum, which meets on a regular basis to engage on matters relating to the progress tracking on the implementation of the SLP. The SLP Forum will continue to engage to ensure that compliance is sustained at the operation.

### 7.4 Processes to be followed to Avoid Job Losses and a Decline in Employment

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- The resource information upon which the Mine Work Programme was based indicates that South Deep has a 70-year operational life span. However, this may be impacted upon by various economic factors, both internal and external. This could negatively affect the future economic viability of the mine. In the event that it becomes impossible to avoid downscaling, South Deep will follow due process, supported by the following engagement process:
- Communication and Planning through the relevant engagement structures, as established at the Mine;
- Any potential downscaling or closure requirements will be identified during on-going consultations, discussions and deliberations at the quarterly future forum-meetings;
- All strategic plans identified by the relevant engagement structures will be implemented with a view to avoiding job losses. Plans and strategies will be continuously assessed to ensure that they are relevant to the prevailing conditions at the time that closure or downscaling is envisaged;
- The relevant engagement structures will assess the economic conditions and the number of employees that are likely to be affected by the downscaling or closure;
- The relevant engagement structures will discuss and agree on strategies and action plans that will be implemented to avoid job losses;
- Potential Strategies and plans to avoid job losses will include but not be limited to:
  - Voluntary early retirement for employees who qualify in terms of relevant provident funds, etc.;
  - Suspension of overtime, job-sharing schemes, short and extended leave;
  - Cease recruitment of new employees until South Deep operations have attempted to fill vacant positions from internal sources;
  - Where relevant and viable, cease the employment of temporary employees and/or contractors;
  - Where closure or downscaling is envisaged every position that becomes vacant through resignation, retirement, death or dismissal, in the period up to the downscaling or closure, will be critically reviewed before the position or dismissal, is filled to allow for natural attrition of employees thereby avoiding unnecessary job losses and retrenchment.

During the life of the operation there will be on-going accredited mining related training and non-mining portable skills training programmes to equip employees with alternate skills to remain economically active in the event of retrenchment.

## 7.5 Section 52 of the MPRDA

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In terms of section 52 of the MPRDA, the holder of a mining right is obliged to notify the Minister of Mineral Resources in instances where any mining operation is to be scaled down or cease with the possible effect that 10% or more of the labour force or more than five hundred employees, whichever is the lesser, are likely to be retrenched in any twelve month period. South Deep Mine will issue the DMR with a formal notification in terms of section 52 where the circumstances contemplated in section 52(1) of the MPRDA arise.

## 7.6 Financial Provision for Downscaling and Retrenchment

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Decisions to embark upon organisational restructuring is dictated by the company's operational requirements and the prevailing economic circumstances of the mine at a particular point in time. South Deep Mine accordingly does not plan for retrenchments ahead of time. Where the need for such decisions do arise the Mine will incorporate financial provisions for the management of downscaling and retrenchment in its business and financial plan.

South Deep Mine has concluded several agreements with the National Union of Mineworkers and the United Association of South Africa, with regards downscaling and retrenchments. These agreements replicate the processes and procedures set out above, but also deal with such issues as severance pay. These agreements commit South Deep Mine to paying severance packages in excess of the minimum required by legislation and provides for the following.

- Salary due at date of termination (including where applicable, outstanding authorised overtime, standby, pro-rata bonus and contract earnings);
- Pro-rata holiday leave allowances;
- Leave pay;
- Benefits in accordance with the applicable retirement fund rules;
- Payments as per the Group Long Service Award Scheme, if applicable;
- One month's pay in lieu of notice;
- A severance package consisting of:
  - o two week's basic wage for each completed year of continuous service with the Group;
  - o Ex gratia payment, equivalent to 4(four) months basic rate of pay
  - o provided that the minimum severance package shall not be less than R40 000.
- A Portable Skills Allowance will be made available to employees in the A and B Paterson Bands. This allowance will not exceed R 15 000 and will be paid directly to a SETA approved training providers only, on receipt of a valid invoice.

Financial provisions for downscaling and retrenchment, is determined by the operation requirements at a time when there is a need to retrench or downscale employees.

## SECTION 8

## FINANCIAL PROVISION

PROPOSED FINANCIAL PROVISION						
FINANCIAL YEAR	C2018 - C2022 Budget R mil					
Item	Budget C2018	Budget C2019	Budget C2020	Budget C2021	Budget C2022	Total Budget (2018 – 2022)
Estimated HRD SLP spent (R mil)	R84 074 306	R65 074 870	R43 103 725	R28 701 948	R37 116 391	R258 071 240
Mine Community Development – Host Community (R mil)	R6 900 000	R4 200 000	R3 500 000	R850 000	R650 000	R17 000 000
Mine Community Development – Labour Sending Areas (R mil)	R2 500 000	R2 500 000	R2 500 000	R500 000	R0	R8 000 000
Housing and Living Conditions (Home Ownership Scheme)	As per the Operational Requirements	As per the Operational Requirements	As per the Operational Requirements	As per the Operational Requirements	As per the Operational Requirements	As per the Operational Requirements
Management of Downscaling and Retrenchment	As per the Operational Requirements	As per the Operational Requirements	As per the Operational Requirements	As per the Operational Requirements	As per the Operational Requirements	As per the Operational Requirements

# UNDERTAKING

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I, \_\_\_\_\_ the undersigned and duly authorised by South Deep Joint Venture undertake to ensure compliance with the Social and Labour Plan and to make it known to the employees and other stakeholders.

SIGNED AT.....ON THIS.....DAY OF.....

\_\_\_\_\_  
SIGNATURE OF THE RESPONSIBLE PERSON  
DESIGNATION:

APPROVED BY THE DEPARTMENT OF MINERALS & RESOURCES

SIGNED AT.....ON THIS..... DAY OF.....

\_\_\_\_\_  
SIGNATURE OF THE RESPONSIBLE PERSON  
DESIGNATION:

## DEFINITIONS

**“Broad Based Socio-Economic Empowerment”**- means a social or economic strategy, plan, principle, approach or act which is aimed at:

- Redressing the results of past or present discrimination based on race, gender or other disability of historically disadvantaged persons in the minerals and petroleum industry, related industries and in the value chain of such industries
- Transforming such industries so as to assist in, provide for, initiate or facilitate:
- The ownership, participation in or the benefiting from existing or future mining, prospecting, exploration or production operations.
- The participation in or control of management of such operations
- The development of management, scientific, engineering or other skills in historically disadvantaged persons.
- The involvement of or participation in the procurement chains of the operations.
- The ownership of and participation in the beneficiation of the proceeds of the operations or other upstream or downstream value chain in such industries.
- The socio-economic development of communities immediately hosting mines, affected by the supplying of labour to the operations.
- The socio-economic development of all historically disadvantaged South Africans from the proceeds or activities of such operations.

### WARDS THAT MAKE UP SOUTH DEEP'S HOST COMMUNITY

WARD 1:	Thusanang
WARD 2:	Leeudoorn Mine, Glenharvie
WARD 3:	Kloof Mine
WARD 4:	C.B.D it is constituted by two portions – the area between West & Bridges Streets and the area between Bridges and Forbes Street
WARD 5:	Libanon Mine & Venterspost
WARD 6:	Hillshaven, the area covering Zenex, Shell and PNP moving towards Simunye, also covering Westonaria Extension 8 including WLM and the Clinic
WARD 7:	Simunye Phase 5 Portion of Simunye Phase 1 (Nare side)
WARD 8:	Portion of Simunye Phase 1 (Station side), Phase 2 (Big), Phase 2 (Small), Phase 3, Phase Lucky Farms
WARD 9:	Winnie Section, Holomisa section, Transit Camp, Portion of Spook town
WARD 10:	Portion of Ghana, Silver City Informal Settlements, and Portion of Spook town

WARD 11:	Mandela Informal Settlement
WARD 12:	Zuma Street to Uptown, Z Section, X Section, Cook 2 Mine
WARD 13:	Portion of Zama Zama Street, Johnson Street, Godlo Street, Mosidi Street moving towards Panya-Panya Street and, the Informal Settlements at Ghana Section
WARD 14:	Tambo Informal Settlements
WARD 15:	Tambo Outline, Skerlek, Bekkersdal Hostel
WARD 16:	Water Works, Zuurbekom, Cook 3 Mine
Poortjie:	Which falls under the Johannesburg City Council but due to its proximity to the Mine, is included as Host Community
Randfontein:	Which includes Randfontein, Mohlakeng and Toekomsrus

**“Contractor”** – means a contractor appointed by South Deep for a period of at least 3 years, to perform work within the boundaries of the mining area and:

- the employees of such contractor, who are employed by the contractor on a full time basis and who form part of the workforce at the mine; and
- performs work of a repetitive nature (e.g. mining operations, repair and maintenance, construction, catering and cleaning services, etc.)

**“Core and Critical Skills”** shall mean skills necessary and inextricably linked to the day to day operations or skills that enhance the performance of an operation and are scarce in supply. This includes artisans, engineers including rock engineers, professionals (i.e recognised by a professional body), specialists (e.g surveyor, safety, geologist, metallurgist, winding engine driver, environmental, etc), technologists, technicians and persons with mining specific qualifications or licenses.

**“Corporate social investment”** – contributions (monetary, staff time or gifts in kind) that are made to stakeholders associated with an operation which brings benefits over and above the core activities of any mine. These investments are generally aimed at addressing needs within the selected target community. The scope of these activities range from donations to charities to those that tie in with business needs (e.g. capacity building among local residents for employment purposes).

**“Employee”** – means any person who works for the holder of a prospecting right, mining right, mining permit, retention permit and who is entitled to receive any remuneration, and includes any employee working at or in a mine, including any person working for an independent contractor.



**“Foreign migrant labour”** – employees from neighbouring countries who have retained their non-permanent resident status in South Africa while working at South Deep..

**“Integrated Development Plan (IDP)”** – the Municipal Systems Act requires every municipality to develop an IDP as a tool to plan and coordinate development within their areas of jurisdiction. This tool is meant to assist municipalities to involve all stakeholders in the planning and delivery of services and thereby enhance the chances of sustainable development in their areas.

**“High impact positions”** – drives strategically identified change in the organisation (long-term outcome). Not key to operational continuity, but if wrong person is in the role, the organisation misses opportunities for growth/efficiency.

**“Historically Disadvantaged Person”** – any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993, took effect; any association, a majority of whose members are persons contemplated in Paragraph (a); and any juristic person other than an association, in which persons contemplated in Paragraph (a) own and control a majority of the issued capital or members’ interest and are able to control a majority of the members’ votes.

**“Historically Disadvantaged South Africans”** – means any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) came into operation.

**“Junior Management”** shall mean skilled technical and academically qualified workers, junior management, supervisors, foreman and super-intendants who are at Paterson Grade C

**“Learnerships”** – a “work-based” process that leads to the achievement of a qualification, but is not necessarily the only means of achieving a qualification. A skills plan can be considered a “mini- qualification”, as it comprises an agreed cluster of unit standards. A skills programme, when completed, will constitute credit toward an NQF registered qualification. Skills Programmes are registered by the relevant SETA.

**“Major labour sending areas”** – areas from which a significant number of mineworkers are or have been recruited.

**“Middle Managers”** – all employees within the Paterson D, and E bands that are not part of the Mine Exco.

**“Mining Charter”** – means the Broad Based Socio-Economic Empowerment Charter for the South African Mining industry.

**“Regional Office”** – Regional Offices of the Department of Mineral Resources situated in Braamfontein.

**“Senior Management”** (Only as part of EXCO) – E Band employees as members of the Mine and Regional ExCo and on South Deep’s payroll.

**“Scorecard”** – means the scorecard or way of measuring the implementation, commitment and the achievement of the targets as set out in the Broad Based Socio-Economic Empowerment Charter for the South African mining industry.

**“Sustainable development”** – means the integration of social, economic and environmental factors into planning, implementation and decision making so as to ensure that mineral and petroleum resources development serves present and future generations.

**“Top Management”** – Directors of Gold Fields Operations Limited and GFI Joint Venture Holdings (Pty) Limited.

## SLP GLOSSARY OF TERMS AND ABBREVIATIONS

SLP GLOSSARY OF TERMS AND ABBREVIATIONS	
Abbreviation	Full Word
AET	Adult Education and Training
ATR	Annual Training Report
WSP	Workplace Skills Plan
BBBEE	Broad Based Black Economic Empowerment
DMR	Department of Mineral Resources
DoL	Department of Labour
EE	Employment Equity
FET	Further Education and Training
HDSA	Historically Disadvantaged South African
HRD	Human Resources Development
IDP	Individual Development Plan
IDP	Integrated Development Plan
JV	Joint Venture
LED	Local Economic Development
LSA	Labour Sending Area
MPRDA	Mineral and Petroleum Resources Development Act 28 of 2002
MQA	Mining Qualifications Authority
NQF	National Qualifications Framework
SA	South Africa
SAQA	South African Qualifications Authority
SETA	Sectoral Education and Training Authority
SMME	Small Medium and Micro Enterprises
RWCLM	Rand West City Local Municipality
WRDM	West Rand District Municipality



**GOLD FIELDS**