

## BEATRIX OPERATIONS

MINING RIGHT NUMBER: (FS) 30/5/1/2/2 (81) MR

REGISTRATION NO: 2000/016129/07

## Social and Labour Plan

2017 - 2021

July 2017



## Table of Contents

1.	Introduction and Preamble .....	2
1.1	Introduction .....	2
1.2	Preamble .....	8
1.3	Current and Expected Workforce for Beatrix Mine .....	11
1.4	Local Recruitment .....	11
2.	Employee Development Overview .....	15
3.	Human Resources Development Plan .....	17
3.1	Overview .....	17
3.2	Introduction to the Sibanye Human Resources Development Model .....	18
3.2.1	The Definition of Human Resources Development .....	19
3.2.2	The Objectives of Human Resources Development .....	19
3.3	Human Resources Development Plan .....	20
3.4	Sibanye Human Resources Development Model and Initiatives .....	20
3.5	Definition of Functional Literacy and Numeracy .....	21
3.6	Adult Education and Training (AET) .....	24
3.6.1	AET Implementation Strategy .....	25
3.7	Education and Training .....	27
3.7.1	Learnerships .....	27
3.8	Core Business Skills Programme .....	30
3.8.1	Core Business Training Implementation Strategy .....	31
3.9	Portable Skills Programme .....	33
3.9.1	Portable Skills Training Implementation Strategy .....	35
3.10	Hard-to-Fill Vacancies .....	36
3.10.1	Hard-to-Fill Vacancies Implementation Strategy .....	37
3.11	Career Progression Plan .....	47

3.11.1 Career Progression Plan Implementation Strategy .....	48
3.12 Mentorship Plan .....	53
3.12.1 Mentorship Plan Implementation Strategy .....	53
3.13 Internship .....	56
3.13.1 Internship Implementation Strategy .....	56
3.14 Study Assistance .....	57
3.14.1 Bursary Programme Implementation Strategy .....	58
4. Employment Equity .....	60
4.1 Introduction .....	60
4.2 Participation of Historically Disadvantaged South Africans .....	65
5. Community Development Overview .....	67
6. Mine Community Development Plan .....	72
6.1 Overview .....	72
6.1.1 Masilonyana Local Municipality .....	72
6.1.2 Matjhabeng Local Municipality .....	73
6.2 Socio-Economic Background .....	73
6.2.1 Demographic Profile .....	76
6.2.2 Key Economic Activities .....	81
6.2.3 Economic Profile of the Lejweleputswa Region .....	82
6.2.4 Economic Profile of the Lejweleputswa Region .....	83
6.3 Local Economic Planning .....	84
6.3.1 Integrated Development Planning: Local Municipality .....	84
6.3.2 Impact of operation on the area .....	85
6.4 Poverty Alleviation Projects Local Economic Development Projects .....	87
6.4.1 Introduction .....	87
6.4.2 Analysis of the Local Municipalities .....	88

6.4.3	Developmental Needs as Expressed by Communities of Theunissen and Welkom .....	89
6.4.4	LED Project Implementation Summary.....	91
7.	Housing and Living Conditions .....	107
7.1	Introduction .....	107
7.2	Home Ownership Strategy .....	109
7.2.1	Theunissen Project .....	110
7.3	Nutrition .....	112
7.3.1	Introduction .....	112
8.	Procurement.....	114
8.1	Current Status.....	114
8.2	Procurement Progression Plan.....	115
8.2.1	Procurement Implementation Strategy .....	118
9.	Downscaling and Retrenchments .....	120
9.1	Introduction .....	120
9.2	Establishment of a Future Forum .....	120
9.3	Communication with Authorities during Retrenchments .....	121
9.4	Capital Investment .....	122
9.5	Alternative Solutions .....	122
9.6	Mechanisms to Ameliorate the Social and Economic Impact on Individuals, Regions and Economies Where Retrenchments or Closure of an Operation is certain .....	123
9.7	Mitigating the Impact on Labour Sending Areas.....	123
9.8	Post Closure Planning.....	124
10.	Financial Provision .....	125
10.1	Financial Provision (Regulation 46 (E)) .....	126
10.2	Financial Provision for Human Resource Development Programmes.....	126
10.3	Financial Provision for Local Economic Development Programmes .....	127

10.4	Financial Provision for Accommodation and Nutritional Programmes .....	127
10.5	Provision for the Management of Downscaling and Retrenchments .....	128
11.	Undertaking by Vice President .....	129

## List of Figures and Tables

Figure 1:	General Location of Beatrix Gold Mine Operations.....	4
Figure 2:	National Development Plan: Key elements of a decent standard of living .....	6
Figure 3:	UN Global Goals for Sustainable Development .....	7
Table 1:	Total Employees Forecast for the 2017 to 2021 Period .....	9
Table 2:	Breakdown of Employees by Occupational Level as at 30 September 2016 .....	9
Table 3:	Breakdown of Contractors by Occupational Level as at 30 September 2016 .....	10
Table 4:	Summary of Expected Workforce (2017 – 2021) .....	11
Table 5:	Summary of Labour Sending Areas Workforce at Beatrix Gold Mine.....	13
Table 6:	Local Recruitment Strategy at Beatrix Mine .....	14
Table 7:	Skills Development Legislation Compliance .....	18
Table 8:	Workplace Skills Plan (WSP) and Annual Training Report (ATR) Strategic Plan .....	18
Figure 4:	Sibanye Gold Academy HRD Model and Initiatives .....	20
Table 9:	Form Q - Functional Literacy amongst Beatrix Gold Mine Employees as at December 2016	22
Table 10:	Form Q - Functional Literacy amongst Beatrix Gold Mine Contract Workers as at December 2016 .....	23
Table 11:	AET Target – Full Time .....	26
Table 12:	AET Target – Part Time .....	26
Table 13:	AET Target – Community .....	26
Table 14:	Budgetary Provision for AET .....	27
Table 15:	Internal Mining Learnerships (18.1) Targets .....	28
Table 16:	External Mining Learnerships (18.2) Targets.....	29
Table 17:	Internal Engineering Learnerships (18.1) Targets .....	29
Table 18:	External Engineering Learnerships (18.2) Targets .....	30
Table 19:	Learnership Budget.....	30
Table 20:	Core Business Training Targets.....	31
Table 21:	Core Business Training Budget .....	33
Table 22:	Portable Skills Training Employees (18.1) Targets .....	35
Table 23:	Portable Skills Training Community (18.2) Targets .....	36
Table 24:	Hard-To-Fill Vacancies .....	37

Table 25:	Hard-To-Fill Vacancy Plan.....	42
Figure 5:	Integrated Talent Management Model .....	49
Figure 6:	Integrated Talent Management Framework.....	50
Table 26:	Career Progression Plan Targets .....	51
Table 27:	Talent Pool Individual Development.....	52
Figure 7:	Mentoring and Coaching Principles .....	54
Table 28:	Mentorship Plan Targets .....	55
Table 29:	Internal Internship (From Internal Bursary Pool) Targets and Budget .....	57
Table 30:	External Internship (MQA) Targets and Budget.....	57
Table 31:	Internal Grants Bursary Targets and Budget .....	58
Table 32:	Learner Officials A-Stream Programme Targets .....	59
Table 33:	Community Bursary Targets and Budgets .....	59
Table 34:	HRD Programmes – Financial Provision .....	59
Table 35:	Employment Equity Plan Implementation Strategy .....	62
Table 36:	Employment Equity Plan Implementation Strategy .....	63
Table 37:	Employment Equity Statistics as at 30 September 2016 .....	64
Table 38:	HDSA in Management Implementation Strategy .....	65
Table 39:	HDSA'S in Management Targets 2017 – 2021 .....	66
Figure 8:	The municipal area in relation to Beatrix footprint .....	74
Table 40:	Population Distribution by Race .....	76
Table 41:	Local Municipalities and Towns in Lejweleputswa.....	77
Table 42:	Population Size .....	77
Table 43:	Employment Status .....	78
Table 44:	Human settlements and Access to Basic Services .....	79
Table 45:	Electricity Usage .....	80
Table 46:	Education Attainment Levels .....	80
Table 47:	Household Income.....	81
Table 48:	Key Economic Sectors in the Free State and Lejweleputswa District Municipality	82
Table 49:	Sectoral Contribution .....	83
Table 50:	Key Priority Issues and Objectives for the District and Local Municipalities.....	85

Table 51:	Needs and Development Priorities.....	89
Table 52:	Community Issues.....	90
Table 53:	LED Projects .....	92
Table 54:	Livestock Development and Support Infrastructure.....	94
Table 55:	Greater Kei Agriculture Training Facility .....	97
Table 56:	J S Skenjana Senior Secondary School* .....	99
Table 57:	Road Infrastructure .....	102
Table 58:	Mathematics Programme .....	105
Table 59:	Available Housing Status for Employees as at September 2016 .....	108
Table 60:	The Total Cost of Beatrix Accommodation Programme for 2017 – 2021 .....	109
Table 61:	The Rental Houses Implementation Plan (17 houses) .....	111
Table 62:	The Total Cost of Beatrix Nutrition Programme for 2017 – 2021 .....	113
Table 63:	Definition of Procurement Terms.....	115
Table 64:	Procurement Plan .....	117
Table 65:	Procurement Implementation Strategy.....	118
Table 66:	HRD Programmes: Financial Provision.....	126
Table 67:	LED Projects Financial Provision.....	127
Table 68:	Accommodation and Nutritional Programmes: Financial Provision .....	127
Table 69:	Management of Downscaling and Retrenchments: Financial Provision .....	128



## GLOSSARY OF TERMS

ABBREVIATION	MEANING
AET	Adult Education and Training
ATR	Annual Training Report
BEE	Black Economic Empowerment
CPP	Career Progression Plan
DMR	Department of Mineral Resources
DoL	Department of Labour
EE	Employment Equity
EEA	Employment Equity Act
ETD	Education, Training and Development
EXCO	Executive Committee
FY	Financial Year
GCC	Government Certificate of Competence
HDSAs	Historically Disadvantaged South Africans
HRD	Human Resources Development
HRDP	Human Resources Development Programme
IDP	Individual Development Plan
IDP	Integrated Development Plan
LED	Local Economic Development
MPRDA	Mineral and Petroleum Resources Development Act (no. 28, 2002)
MQA	Mining Qualifications Authority
NQF	National Qualifications Framework
PWD	Person with Disability
QCTO	Quality Council for Trades and Occupations
SADC	Southern African Development Community
SETA	Sector Education and Training Authority
SGL	Sibanye Gold Limited
SLP	Social and Labour Plan
SMMEs	Small, Medium and Micro Enterprises
SDF	Skills Development Facilitator
KPA	Key Performance Area
KPI	Key Performance Indicator
WIM	Women in Mining
WSP	Workplace Skills Plan

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## Section A

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### 1. Introduction and Preamble

#### 1.1 Introduction

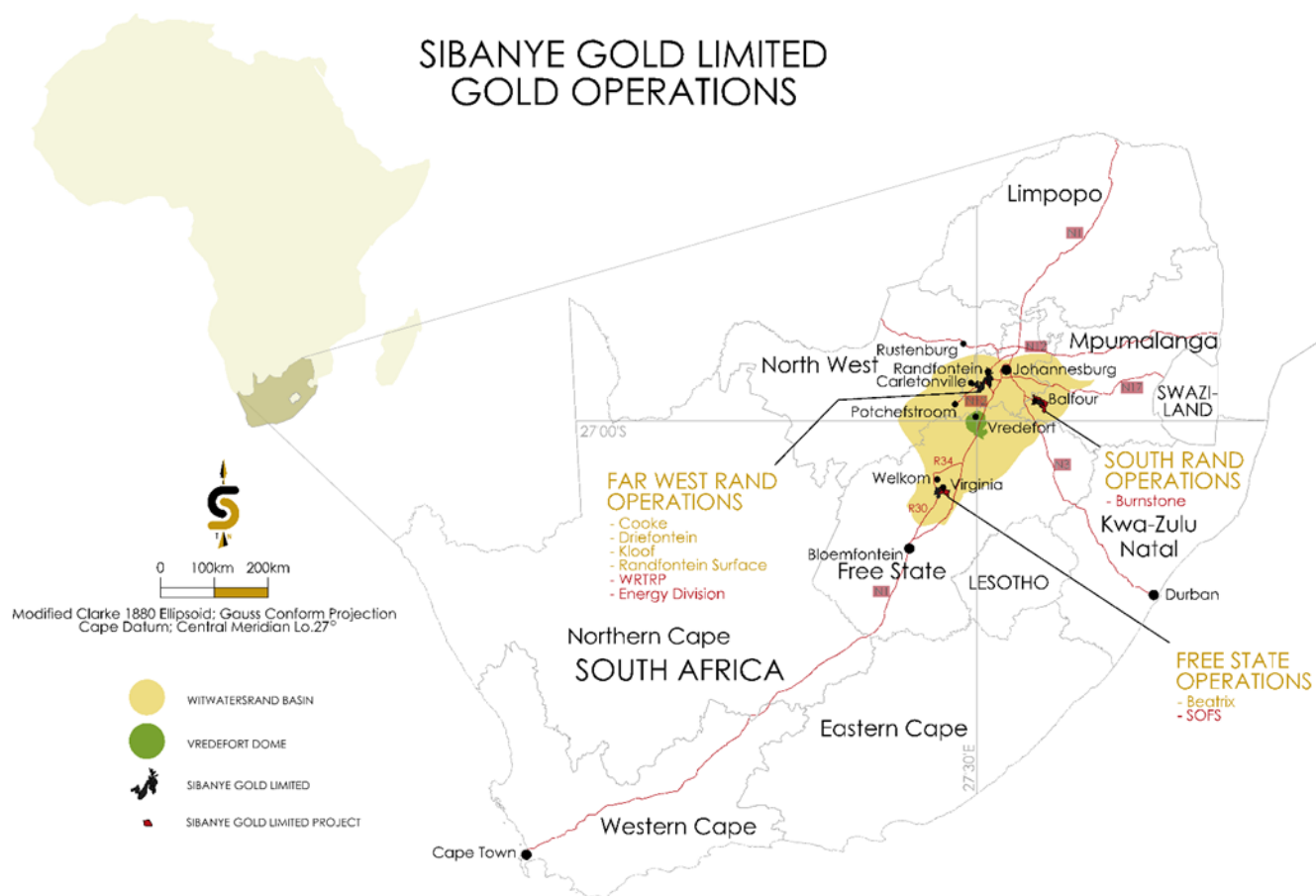
Sibanye Gold Limited (Sibanye or SGL), an independent mining group domiciled and focused on South Africa, came into being following the unbundling by Gold Fields Limited of its wholly owned subsidiary, GFI Mining South Africa Proprietary Limited (GFIMSA). Sibanye Gold comprises 5 principal gold producing operations with long and illustrious operating histories, which include Beatrix Gold Mine (hereinafter referred to as “Beatrix”), Kloof, Driefontein, Cooke 1, 2 and 3 as well as Cooke 4 Gold Mines in the Gauteng Province. The combined resources of these mines make Sibanye Gold one of the largest gold producers in South Africa and among the top 10 largest gold producers in the world. The company currently owns and operates gold operations and projects throughout the Witwatersrand Basin and in the Free State.

The conclusion of the Wits Gold acquisition in 2014 provided Sibanye the opportunity to develop a new gold mine from first principles, supported by a feasibility study that included plans for new gold processing and plant infrastructure. Through the Wits Gold acquisition and encouraging synergies with existing operations and infrastructure at Sibanye, implying costly new infrastructure would not be required to access new gold Resources and Reserves, the long term future and Life of Mine of Beatrix operations was secured. Sibanye has recently expanded its commodity portfolio through the acquisition of Rustenburg platinum assets from Anglo American Platinum Limited (Rustenburg Operations) and Aquarius Platinum Limited (Aquarius) in two separate transactions. The Aquarius transaction was finalized in March 2016, while the Rustenburg transaction became effective on 1 November 2016. Sibanye is listed on the Johannesburg Stock Exchange (JSE) and New York Stock Exchange (NYSE). In May 2017, Sibanye successfully concluded the acquisition of Stillwater Mining Company located in Montana, United States of America. This transformative transaction uniquely positions Sibanye as a global precious metals company with a unique mix of commodities. The deal makes

Sibanye the third largest producer of Platinum in the world, and also features in the top ten global gold companies.

Beatrix Gold Mine is the southern-most gold mining operation in the Sibanye stable with current mineral reserves estimated to sustain a Life of Mine to 2027. Beatrix is situated in the Magisterial District Matjhabeng, at latitude 28°15'S and longitude 26°7'E, near the towns of Welkom, Virginia and Theunissen, approximately 240 km southwest of Johannesburg, in the Free State Province of South Africa. The site is accessed via the N1 highway between Johannesburg and Kroonstad, and then via the R34. Geologically it is located in the Free State Goldfield and is the southernmost gold mine in the Witwatersrand Basin. The topography consists of flat agricultural land. The mine is situated within the magisterial districts of Virginia and Theunissen. Beatrix North and South Sections fall within the Masilonyana Local Municipal area while Beatrix West falls within the Matjhabeng Local Municipal area. Both municipal areas are situated within Lejweleputswa District Municipality in the Free State Province. Plans are afoot to extend the mining area to Adamsvele and SOFS which if approved, could see an increase in Beatrix's doorstep communities. Following the unbundling of GFIMSA assets, SGL accordingly became the holder of the mining right for Beatrix to mine gold and associated minerals, in respect of a mining area measuring 16821.4861 hectares. This Social and Labour Plan (SLP) for the period January 2017 to December 2021 is therefore being submitted to the Department of Mineral Resources (DMR) in compliance with the conditions of the Mining Right.

The map below indicates the location of the Sibanye Gold Limited Gold Operations, specific to Beatrix Gold Mine.



**Figure 1: General Location of Beatrix Gold Mine Operations**

The SLP is aligned to the principles of relevant legislation, prescribed requirements and objectives of the MPRDA. As such, it addresses the Beatrix's socio-economic development plans in accordance with the Mineral and Petroleum Resources Development Act (MPRDA) Regulation 46 (a – f), by detailing a Preamble, Human Resources Development (HRD) Programmes, a Local Economic Development Programme (which includes amongst others, Housing and Living Conditions and a Procurement Progression Plan), Processes Pertaining to Management of Downsizing and Retrenchment, Financial Provision and an Undertaking by the holder of the Mining Right. The plans largely reflect the financial strain that Beatrix Mine, in particular, Beatrix #4 Shaft has been operating under in the past year. As such, any anticipated deviations, changes and /or the need for additional programmes will be communicated to the Department of Mineral Resources (DMR) with the requisite request(s) for approval.

Of importance to note is that this SLP is underpinned by our social closure strategy. This is based on the recognition that notwithstanding economic benefits to an area, mining effects socio-economic and environmental impacts that can endure over a long period. We also recognise that socio-economic closure planning is generally not integrated in the mine life-cycle. As such, our approach is a deliberate attempt aimed at avoiding the creation of “ghost towns”, unemployment and a shrinking job market. Our SLP is therefore directed at socio-economic closure planning to ensure that we leave economically viable communities that can sustain themselves in future, independent of the mine.

This SLP is further informed by results of an independent impact assessment report. The study, conducted by Knowledge Pele provides an understanding of the impact of past SLP programmes and more importantly, an indication of key risks to contend with in the implementation process. The report also provides a clear case for rethinking future investments as far as the implementation approach is concerned. Through the impact assessment report we have a better understanding of prevailing conditions in host and labour sending areas and attendant pathways desired by each community. The report is supported by official data such as StatsSA's 2011 Census, and the 2016 Community Survey.

In addition, every effort was taken to align our socio-economic interventions to the Matjhabeng and Masilonyana Local Municipalities' Integrated Development Plans (IDPs) and other developmental frameworks such as the National Development Plan 2030. In this regard, the key elements of a decent standard of living, depicted in Figure 2 below, provided a firm foundation for this SLP:



**Figure 2: National Development Plan: Key elements of a decent standard of living**

(Source: National Development Plan 2030)

We further acknowledge the United Nations' Global Goals for Sustainable Development, (formerly the Millennium Development Goals), which we relied upon as a broader premise upon which to develop the plans and respective targets that follow. It is important to note that this new set of Sustainable Development Goals (depicted in Figure 3 below), includes an unprecedented focus on the role of business. It is therefore, equally timely to focus on the role that Beatrix Mine, as an established player in the gold mining industry could play as a proactive development partner in our quest for responsible social closure.



**Figure 3: UN Global Goals for Sustainable Development**

Courtesy of: [http://www.indexmundi.com/south\\_africa/millennium-development-goals.html](http://www.indexmundi.com/south_africa/millennium-development-goals.html)

The objectives of the Social and Labour Plan are to:

- Promote economic growth and mineral and petroleum resources development in the Republic - Section 2 (e) of the MPRDA;
- Promote employment and advance the social and economic welfare of all South Africans - Section 2 (f) of the MPRDA;
- Ensure that holders of mining or production rights contribute towards the socio-economic development of the areas in which they operate as well as the areas from which the majority of the workforce is sourced - Section 2 (i) of the MPRDA, and the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (the Mining Charter); and
- Utilize and expand the existing skills base for the empowerment of HDSAs and to serve the community.

## 1.2 Preamble

<b>Name of Company</b>	<b>Sibanye Gold Limited</b> <b>Registration Number: 2002/031431/07</b>
<b>Name of Mine's</b>	<b>Beatrix Gold Mine (hereafter referred to as Beatrix)</b> A division of Sibanye Gold Limited <b>Mining Right Number: (FS) 30/5/1/2/2 (81) MR</b>
<b>Physical Address</b>	Farm Leeuwbult No. 52 District Theunissen 9461
<b>Postal Address</b>	P.O. Box 2823 Welkom 9463
<b>Telephone Number</b>	Mr. Band Malunga: Vice President and Head of Operations +27 57 733 8276  Alternative contact person: Ms. R.M. Motlatle Manager: Corporate Affairs Telephone: +27 11 278 9636 Fax number: +27 86 626 0528
<b>Location of Mine or Production Operation</b>	Beatrix North and South Sections fall within the Masilonyana Local Municipal area, while Beatrix West Section falls within the Matjhabeng Local Municipal area. Masilonyana and Matjhabeng Local Municipalities form part of the Lejweleputswa District Municipality situated in the Free State Province.



**Breakdown  
of  
Employees  
(Permanent  
and  
Contractors)**

As at 30 September 2016, Beatrix Mine employed 7835 permanent employees and 1781 contractor employees. It is envisaged that the following numbers of people (permanent and contractors) will be employed over the period of the validity of this Social and Labour Plan.

**Table 1: Total Employees Forecast for the 2017 to 2021 Period**

Current	2017	2018	2019	2020	2021
9616	8192	8087	7834	7402	7348

The employee forecast is updated quarterly as and when additional employees are appointed. Table 2 presents information on full time employees engaged by the company for the construction and initialling the operations phases as at 30 September 2016.

**Table 2: Breakdown of Employees by Occupational Level as at 30 September 2016**

Occupational Level	Male				Female				Total	
	African	Coloured	Indian	White	African	Coloured	Indian	White	HDSA	Employees
Top Management									0	0
Senior Management	0	0	0	4	0	0	0	1	1	5
Middle Management	24	1	0	41	6	0	0	0	31	72
Skilled technicians, associated professionals, including junior management, supervisors and foremen	522	11	0	268	50	0	1	10	594	862
Semi-skilled and discretionary decision making	4468	3	0	45	183	1	0	7	4662	4707
Unskilled and defined decision making	1836	1	0	6	346	0	0	0	2183	2189
<b>TOTAL</b>	<b>6850</b>	<b>16</b>	<b>0</b>	<b>364</b>	<b>585</b>	<b>1</b>	<b>1</b>	<b>18</b>	<b>7471</b>	<b>7835</b>

Table 3 presents information on full time contractors engaged by the company as at 30 September 2016.

	<b>Table 3: Breakdown of Contractors by Occupational Level as at 30 September 2016</b>										
	Occupational Level	Male				Female				Total	
		African	Coloured	Indian	White	African	Coloured	Indian	White	HDSA	Employees
	Top Management									0	0
	Senior Management	0	0	0	0	0	0	0	0	0	0
	Middle Management	0	0	0	20	0	0	0	0	20	20
	Skilled technicians, associated professionals, including junior management, supervisors and foremen	92	3	0	100	1	0	0	0	196	196
	Semi-skilled and discretionary decision making	641	8	0	40	10	0	0	2	701	701
	Unskilled and defined decision making	807	3	0	50	4	0	0	0	864	864
	<b>TOTAL</b>	<b>1540</b>	<b>14</b>	<b>0</b>	<b>210</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1571</b>	<b>1781</b>
<b>Commodity</b>	Gold, together with any other mineral which must, of necessity, be mined with gold.										
<b>Life of Mine</b>	The current mineral reserves are estimated to sustain a life of mine to 2035.										
<b>Financial Year</b>	The financial reporting year for Beatrix runs from 1 January to 31 December of each year.										
<b>Responsible person</b>	Mr. Band Malunga (Vice President and Head of Operations ) E-mail Address: <a href="mailto:band.malunga@sibanyegold.co.za">band.malunga@sibanyegold.co.za</a>										

## 1.3 Current and Expected Workforce for Beatrix Mine

**Table 4: Summary of Expected Workforce (2017 – 2021)**

Occupational Levels	2016	2017	2018	2019	2020	2021
Senior management	5	6	5	5	5	5
Professionally qualified and experienced specialists and middle management	72	70	70	69	68	67
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	862	775	765	741	700	695
Semi-skilled and discretionary decisions making	4707	4372	4316	4180	3948	3919
Unskilled and defined decision making	2189	2162	2134	2067	1952	1938
<b>TOTAL PERMANENT</b>	<b>7835</b>	<b>7385</b>	<b>7290</b>	<b>7062</b>	<b>6673</b>	<b>6624</b>
Contractors	1781	807	797	772	729	724

## 1.4 Local Recruitment

<b>Undertaking</b>	Beatrix Mine is well aware of the socio-economic conditions prevailing in the host community. In order to limit the negative impact of the mining operation on the area, the Mine has a strong focus on the recruitment and development of previously disadvantaged and unemployed members of the affected communities.
<b>Guidelines</b>	Beatrix Mine's skills development programmes have been aligned in such a manner that unskilled employees (especially from the local areas) have the opportunity for career development.

As at 30 September 2016, Beatrix Gold Mine provided employment to nine thousand, six hundred and sixteen people (9616); 7835 permanent and 1781 non-permanent people.

The employees are divided into one (1) of two (2) categories:

- Employees who are from and stay within the mine's host community, the Matjhabeng and Masilonyana Local Municipalities; and

- Migrant employees who are recruited from Labour Sending Communities such as rural provinces of South Africa and Southern African Development Community (SADC) countries such as Mozambique and Lesotho.

The table below provides a breakdown of employees by provincial labour source area including the host area, as at September 2016.

**Table 5: Summary of Labour Sending Areas Workforce at Beatrix Gold Mine**

Province	No. of Permanent Employees	No. of Contractor Employees	Percentage
Eastern Cape	2188	361	26.5%
Free State	2417	964	35.2%
Gauteng	224	91	3.3%
KwaZulu-Natal	179	42	2.3%
Limpopo	43	38	0.8%
Mpumalanga	61	26	0.9%
North West	128	80	2.2%
Northern Cape	26	6	0.3%
Western Cape	23	4	0.3%
Non-South Africans	2546	169	28.2%
Total	7835	1781	100%
	9616		

As is evident in Table 5 above, the major labour source areas within South Africa are the Free State, Eastern Cape and, to a lesser extent Gauteng. Currently, apart from the host communities in the immediate vicinity of the operations where most of the Local Economic Development (LED) spend is focused, the mine has prioritised high impact agriculture and infrastructure LED projects in the Eastern Cape due to the province's percentage (26.5%) contribution as a major labour sending area. For the past two years, the mine has focused on increasing the percentage of local recruits and LED projects in the local host community to ensure that the sustainable economic and skills development of the local Municipal area is supported through the mine's recruitment strategy below. Following the implementation of the strategy, 1819 members of local communities were employed at Beatrix, 1137 in 2016 alone.

**Table 6: Local Recruitment Strategy at Beatrix Mine**

Responsible Position	Strategic Plan	Timeframe
Manager Human Resources	Advertise vacancies through local newspapers.	As and when new vacancies arise
Unit Manager: Human Resources/Service provider	Local recruitment will be facilitated by a Service provider	As and when new vacancies arise

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## Section B: Employee Development

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### 2. Employee Development Overview

All Sibanye Gold subsidiaries are guided by the Human Resources Development (HRD) Framework of the Sibanye Gold Group. For this reason the sections of this plan relating to Human Resources Development are common across all Sibanye Gold operations namely Beatrix, Kloof, Driefontein, Ezulweni (Cooke 4), Rand Uranium (Cooke 1, 2 and 3) and Burnstone. Where appropriate, each section will start with an outline of the undertaking made on a particular initiative and specific guidelines. This will be followed by a mine-specific implementation strategy highlighting key strategic activities, timelines and responsible function.

Section 3.1 of this Social and Labour Plan provides a comprehensive overview of the Sibanye Gold HRD Framework. It also explains the method of delivery of HRD interventions and the role of the Sibanye Academy and its standing as a service provider to the mining industry. The section also provides details of the mine's compliance with Skills Development legislation.

In Sections 3.2 to 3.5 Sibanye Gold's HRD model is introduced and defined, and its objectives outlined. The section also provides Beatrix's specific HRD undertakings and guidelines adopted by the mine's Training Centre. Key HRD principles and initiatives are illustrated in a graphic showing key linkages between the various HRD initiatives. The concept of Functional Literacy is defined to provide an appropriate context and rationale for the plans and initiatives outlined in this SLP. The section also outlines educational levels of the workforce and contractors (Form Q).

Sections 3.6 to 3.9 describe the Beatrix Skills Development Plan and outline how the mine intends to offer employees opportunities in the following areas:

- Functional Literacy and Numeracy;
- Learnerships (Mining and Engineering);
- Core Skills Programmes; and

- Portable Skills Training.

Section 3.10 identifies all Hard-to-Fill Positions (Form R) and describes interventions aimed at filling these positions.

Section 3.11 describes the approach to Career Progression Planning in the Sibanye Gold Group and specifically how it is implemented at Beatrix.

Section 3.12 describes the approach to Mentorship in the Sibanye Gold Group, and specifically how it is implemented at Beatrix.

Section 3.13 describes Internships, Study Assistance including Bursaries and Grants in the Sibanye Gold Group, and specifically how these are implemented at Beatrix.



## 3. Human Resources Development Plan

### 3.1 Overview

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The primary objective of Sibanye Human Resources Development (HRD) Model is to ensure development of requisite skills in respect of learnerships, bursaries (core and critical skills), artisans, AET training (Level I, II, III), AET Level 4/NQF Level 1 and other training initiatives reflective of demographics as defined in the Mining Charter and MRPDA. All efforts in this regard have been aligned with the National Development Plan and the UN Global Goals for Sustainable Development in relation to (i) Education, (ii) Gender Equality, (iii) Reduced Inequalities, iv) Decent Work and Economic Growth.

Beatrix is fully accountable for the identification and fulfilment of its own Human Resource's Development needs and has substantial discretion based on its own business needs according to the five year plan and circumstances in the context of a broader Sibanye HRD Model. Since operational challenges and unyielding costs had impacted negatively on Human Resources Development plans during the past two years, targets were accordingly adjusted as per business needs.

Sibanye Gold Academy (SGA), a 100% owned subsidiary of Sibanye Gold Limited, provides world class Human Resources Development services to Beatrix and the rest of the Sibanye Group. SGA is also fully accredited by the Mining Qualifications Authority (MQA) and, has programme approval in a number of other SETA's, giving it the ability to provide recognised and accredited education and training in a number of non-mining fields. The ability to meet its undertakings in so far as they relate to Leadership Development, Adult Education and Training (AET), Technical Skills and Portable Skills is therefore enhanced, and a fully operational functional satellite campus of the SGA operates from the Mine. The table below provides details regarding Beatrix's compliance with Skills Development legislation.

**Table 7: Skills Development Legislation Compliance**

SETA Information Required	SETA Details
Name of SETA:	Mining Qualifications Authority (MQA)
Registration Number with relevant SETAs:	L230750137
Skills Development Facilitator:	Mr. Tebello Makwala
Proof of submission of Workplace Skills Plan and date of submission	Annual Submission

The table below shows Beatrix's commitment towards submission of their Annual Workplace Skills Plan (WSP)/Annual Training Report (ATR).

**Table 8: Workplace Skills Plan (WSP) and Annual Training Report (ATR) Strategic Plan**

Action	Reporting	Submission Date
Beatrix to submit a WSP and ATR to the MQA to qualify for Mandatory Grant Application for training facilitated at the Mine.	Annually	In line with MQA timelines.

### **3.2 Introduction to the Sibanye Human Resources Development Model**

The intention of this Social and Labour Plan is to reflect Beatrix's plans for the period 2017 to 2021. However, a brief description of Human Resources Development (HRD) approaches, policies and strategies, within the context of the broader **Sibanye Human Resources Development Model**, is important for context and understanding.

While Beatrix is fully accountable for the identification and fulfilment of its own HRD needs and has substantial discretion based on its own business needs and circumstances, it operates within the ambit of the Sibanye Gold HRD Model. This is an explicit and well-understood Model, covering all aspects of Human Resources Development within the Sibanye Gold Group and specifically as it applies to each one of its subsidiaries, including Beatrix.

Where relevant in this Plan, reference is made to those elements of the Model that have a direct bearing on the implementation of Beatrix's specific Human Resources Development Plan.

### **3.2.1 The Definition of Human Resources Development**

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HRD refers to the process of developing the knowledge, skills, attitudes and behaviours of individuals and teams to desired levels of performance, to achieve organizational, personal and broader social objectives.

### **3.2.2 The Objectives of Human Resources Development**

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The primary objectives of HRD are to ensure:

- The availability, in terms of quality, quantity, and employment equity, of the range of skills required to access, extract and process the ore body productively and safely, on a sustainable and environmentally responsible basis, inclusive of production, technical, support, administrative competencies and leadership development; and
- The skilling of employees in portable competencies, which relate to existence outside the mining environment and which can be applied to sustain individuals and communities once mining operations are ended.

### 3.3 Human Resources Development Plan

<b>Undertaking</b>	Beatrix will ensure the availability, in terms of the quality and quantity of the range of skills required to access, extract and process the ore body productively and safely, on a sustainable and environmentally responsible basis as per the business needs. This will include production, technical, support and administrative and leadership competencies. Sibanye Gold Mine has appointed a Skills Development Facilitator and will continue to submit its Workplace Skills Plan (WSP) and Annual Training Report (ATR) to the Mining Qualifications Authority (MQA).
<b>Guidelines</b>	The technical, behavioural and social skills and competencies required by employees are transferred within the comprehensive Sibanye Gold HRD Model. The Model is supported at a practical level by Sibanye Gold Academy funded on a proportional basis by each of the operations within the Sibanye Gold Group, including. This comprises physical infrastructure, learning products and solutions, as well as adequate skilled HRD practitioners who transfer the skills required to learners.

### 3.4 Sibanye Human Resources Development Model and Initiatives

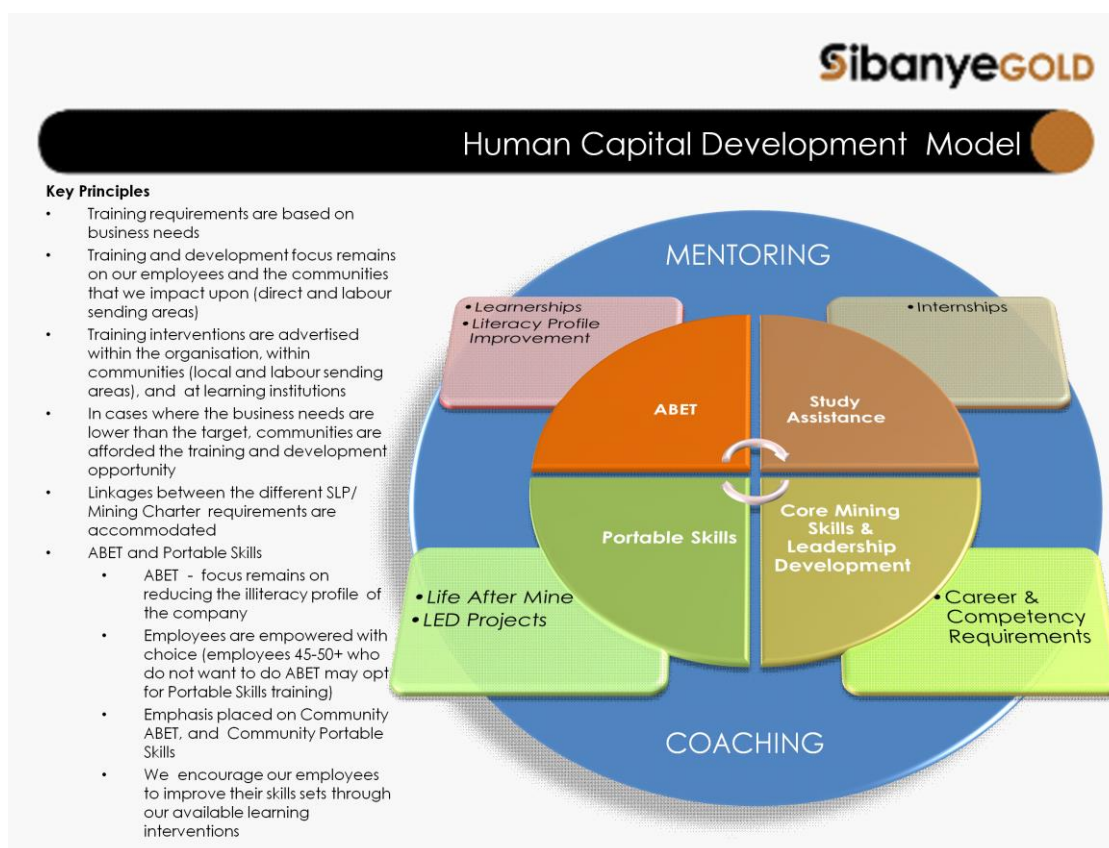


Figure 4: Sibanye Gold Academy HRD Model and Initiatives

### **3.5 Definition of Functional Literacy and Numeracy**

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The Sibanye Group, including Beatrix, defines Functional Literacy and Numeracy as follows:

- AET Level 3 with exit outcomes equivalent to seven (7) years of compulsory schooling and that will qualify the employee to register for occupationally directed qualifications registered within the NQF.

**Table 9: Form Q - Functional Literacy amongst Beatrix Gold Mine Employees as at December 2016**

Qualification Group	African		Indian		Coloured		White		Total	PWD		Foreign Nationals		Age Group				Total
	Male	Female	Male	Female	Male	Female	Male	Female		Male	Female	Male	Female	<35	35-45	46-55	>55	
Undefined	448	21	0	0	0	0	0	0	469	0	0	187	9	68	170	188	43	469
Pre-AET(Below NQF1)	1893	24	0	0	0	0	0	0	1917	5	0	934	7	190	576	965	186	1917
AET 1 (Below NQF1)	382	7	0	0	0	0	0	0	389	0	0	163	5	71	141	147	30	389
AET 2,Grade 5 (Below NQF 1)	674	37	0	0	0	0	0	0	711	0	0	339	20	209	236	232	34	711
AET 3, Grade 7 (Below NQF 1)	525	43	0	0	0	0	2	0	570	1	0	205	18	206	202	142	20	570
AET 4, Grade 9 (NQF 1)	486	36	0	0	0	0	0	0	522	0	0	141	13	243	165	104	10	522
Grade 10, NATED 1, NCV Level 1 (NQF 2)	654	83	0	0	3	0	137	3	880	0	0	147	5	317	275	232	56	880
Grade 11, NATED 2, NCV Level 2(NQF 3)	740	110	0	0	2	1	28	0	881	0	0	123	7	369	359	132	21	881
Grade 12, NATED 3, NCV Level 3 (NQF 4)	1055	210	0	0	8	0	176	14	1463	0	0	121	16	716	515	202	30	1463
National Certificate/Diploma, Advanced Certificate, NATED 4 – 6 (NQF 5/6)	48	16	0	0	1	0	20	0	85	0	0	7	0	39	29	15	2	85
National Certificate/ Advanced Diploma/ B Tech Degree/ Bachelor's Degree(NQF 7/8)	11	4	0	0	1	0	0	0	16	0	0	0	1	7	7	1	1	16
Masters' Degree (NQF 9)	1	0	0	0	0	0	0	0	1	0	0	1	0	1	0	0	0	1
Doctoral Degree and Post-doctoral Degree(NQF 10)	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	1
<b>Total</b>	<b>6918</b>	<b>591</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>1</b>	<b>363</b>	<b>17</b>	<b>7905</b>	<b>6</b>	<b>0</b>	<b>2368</b>	<b>101</b>	<b>2436</b>	<b>2675</b>	<b>2361</b>	<b>433</b>	<b>7905</b>

**Table 10: Form Q - Functional Literacy amongst Beatrix Gold Mine Contract Workers as at December 2016**

Qualification Group	African		Indian		Coloured		White		Total	PWD		Foreign Nationals		Age Group				Total
	Male	Female	Male	Female	Male	Female	Male	Female		Male	Female	Male	Female	<35	35-45	46-55	>55	
Undefined	280	3	0	0	4	0	21	0	308	0	0	26	0	142	90	49	27	308
Pre-AET(Below NQF1)	34	0	0	0	0	0	0	0	34	0	0	5	0	11	6	13	4	34
AET 1(Below NQF1)	70	0	0	0	0	0	0	0	70	0	0	11	0	4	18	29	19	70
AET 2,Grade 5 (Below NQF 1)	95	0	0	0	1	0	0	0	96	0	0	20	0	24	23	37	12	96
AET 3, Grade 7 (Below NQF 1)	161	0	0	0	1	0	4	0	166	0	0	31	0	58	38	58	12	166
AET 4, Grade 9 (NQF 1)	128	0	0	0	0	0	1	0	129	0	0	16	0	74	28	22	5	129
Grade 10, NATED 1, NCV Level 1 (NQF 2)	264	8	0	0	3	0	96	1	372	0	0	6	0	184	96	70	22	372
Grade 11, NATED 2, NCV Level 2(NQF 3)	260	0	0	0	6	0	15	1	282	0	0	10	0	152	80	41	9	282
Grade 12, NATED 3, NCV Level 3 (NQF 4)	291	11	0	0	6	0	104	3	415	0	0	1	0	230	119	51	15	415
National Certificate/Diploma, Advanced Certificate, NATED 4 – 6 (NQF 5/6)	3	0	0	0	0	0	3	1	7	0	0	0	0	2	2	3	0	7
National Certificate/ Advanced Diploma/ B Tech Degree/ Bachelor's Degree(NQF 7/8)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Masters' Degree (NQF 9)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Doctoral Degree and Post-doctoral Degree(NQF 10)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1586</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>244</b>	<b>6</b>	<b>1879</b>	<b>0</b>	<b>0</b>	<b>126</b>	<b>0</b>	<b>881</b>	<b>500</b>	<b>373</b>	<b>125</b>	<b>1879</b>

### 3.6 Adult Education and Training (AET)

AET classes are undertaken either part-time, or full-time for employees, with an opportunity for employees and community learners to be enrolled part-time and attend classes in their own time after work. Recognition of Prior Learning (RPL) is also employed as part of our AET approach to give employees and community learners the opportunity to gain a recognised qualification. In the main, RPL is used to determine the placement and competence of employees at appropriate AET levels. Such employees undergo an assessment and if competent, are certified and an MQA grant is secured for them. Employees are motivated to attend AET classes to bring them in line for possible further development, training and promotion opportunities, where vacancies exist. AET allows employees to compete with other qualified employees and gives them the ability to market themselves. AET levels are also a requirement for promotion in other occupations.

The change in terminology from ABET to AET is in line with the position held by the MQA that adult learning is much more than basic learning. In this regard, the Academy has decided to align itself with the MQA and use the new terminology henceforth.

To qualify for full-time AET, a person must have undergone screening for placement through the RPL process. Candidates who demonstrate high levels of potential during the placement/RPL assessments may be recommended for full-time AET by the Human Capital Manager, together with Shaft committees. Nomination of learners into AET will be based on the shaft business pipeline needs.

#### Undertaking

The Mine undertakes to afford employees and community members an opportunity to become functionally literate and numerate. This will continue to be done through the provision of AET on a full-time and on a part-time basis. The following instruments will be used to achieve the numeracy and literacy objectives:

- Recognition of prior learning (RPL) (AET assessments are used to determine RPL and placement);
- Recruitment of employees will be based on the information on Form Q, age profile (employees below 45 years of age) and as per identified business needs; and



	<ul style="list-style-type: none"> <li>Recruitment of community members will be done in consultation with the Local Municipality.</li> </ul>
<b>Guidelines</b>	<p>Adult Education and Training will continue to be provided to both employees and qualifying local community members. This will be done equally on a full time (AET Levels 1 to 3) and part time (Pre AET to AET Levels 3) basis for employees and community members. The setting of AET targets annually for employees will be guided by the need identified through Form Q, age profile, literacy profile and as per the business requirements. With regards to community AET, the targets will be informed through information sharing with the local municipality. Subsequently, employees and community members will be able to access further development opportunities.</p> <p>Either AET 4/NQF1//Occupational AET framework (as approved by QCTO and SAQA) to be offered, to bridge the gap between AET Level 3 and Learnership Programme / relevant Skills Programmes. The Programme to be offered in this regard to be approved by Sibanye Gold Board.</p>

### 3.6.1 AET Implementation Strategy

Accountable Position	Strategic Plan	Timeframe
Unit Manager: HRD	1. Employees, requiring AET to be selected through company selection process to enable reaching of set AET targets.	Ongoing
Unit Manager: HRD	2. Provide an accredited learning programme.	Ongoing
Unit Manager: HRD	3. Assessment to be provided by an accredited external assessment body.	Ongoing
Unit Manager: HRD	4. Qualified facilitators to provide quality training.	Ongoing
Unit Manager: HRD	5. Continuous development of facilitators to improve their required skills to be offered.	Ongoing
Unit Manager: HRD	6. Learning facilities to be conducive to learning.	Ongoing
Unit Manager: HRD	7. IDPs in place for AET learners, with potential, and learners are made aware of career pathways in each discipline.	Ongoing
Unit Manager: HRD	8. A pool of mentors confirmed for AET learners with potential.	Ongoing

The targets for AET Full Time and Part Time AET are shown in the tables below along with the budget provision for the proposed training. The shortfall of 9 identified in the issued section 93 directive has been incorporated. Budget provision for part-time AET for employees excludes salaries.

**Table 11: AET Target – Full Time**

AET Level	Target Enrolments - 2017	Target Enrolments - 2018	Target Enrolments - 2019	Target Enrolments - 2020	Target Enrolments - 2021	Total Enrolments (2017 to 2021)
AET Level 1	80	82	82	82	83	409
AET Level 2						
AET Level 3						
NQF Level 1	52	20	20	20	20	132
<b>Total No. of AET Enrolments</b>	<b>132</b>	<b>102</b>	<b>102</b>	<b>102</b>	<b>103</b>	<b>541</b>

**Table 12: AET Target – Part Time**

AET Level	Target Enrolments - 2017	Target Enrolments - 2018	Target Enrolments - 2019	Target Enrolments - 2020	Target Enrolments - 2021	Total Enrolments (2017 to 2021)
AET Level 1	50	50	50	50	50	250
AET Level 2						
AET Level 3						
NQF Level 1	10	10	10	10	10	50
<b>Total No. of AET Enrolments</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>300</b>

**Table 13: AET Target – Community**

AET Level	Target Enrolments - 2017	Target Enrolments - 2018	Target Enrolments - 2019	Target Enrolments - 2020	Target Enrolments - 2021	Total Enrolments (2017 to 2021)
Community learners	26	20	20	20	20	106
<b>Total No. of AET Enrolments</b>	<b>26</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>106</b>

**Table 14: Budgetary Provision for AET**

AET Annual Budget	Budget Provision 2017	Budget Provision 2018	Budget Provision 2019	Budget Provision 2020	Budget Provision 2021	Total Cost Estimate (2017 – 2021)
<b>Total Budget</b>	<b>R26 945 590</b>	<b>R23 219 926</b>	<b>R24 613 121</b>	<b>R26 089 908</b>	<b>R27 867 399</b>	<b>R128 735 944</b>

## 3.7 Education and Training

<b>Undertaking</b>	<p>Beatrix undertakes to:</p> <ul style="list-style-type: none"> <li>Identify employees with potential for further education, training and development;</li> <li>Train core skills to ensure the availability of adequate skills to sustain business needs;</li> <li>Award bursaries, internships, learnerships and mentorships to support business needs; and</li> <li>Award study assistance opportunities to all employees to support business needs.</li> </ul>
<b>Guidelines</b>	<p>The purpose of continuous education and training of employees, is to ensure a healthy pipeline of professional, technical and leadership skills. This is ensured through the following interventions:</p> <ul style="list-style-type: none"> <li>Internship, bursary and learnership opportunities to address hard to fill vacancies, women in mining and HDSAs in Management;</li> <li>Legal (mandatory) training that ensures that the mine complies with all legislative requirements;</li> <li>Both Sibanye Gold Academy and the mine's SGA Campus will be used to deliver on all HRD interventions.</li> </ul>

### 3.7.1 Learnerships

<b>Undertaking</b>	The Mine recognises the importance of learnerships as an integral component to fulfil the company's Employment Equity Strategy, and meeting both the business' and the country's skills development needs.
<b>Guideline</b>	Learnerships will be offered to employees and the community members. Learnerships will be allocated as per the business requirements and the employment strategy of the company. The local community learnerships will be in support of the economic development strategy.

### 3.7.1.1 Learnership Implementation Strategy

Accountable Position	Strategic Plan	Timeframe
Unit Manager: Community Engagement and Development	1. Advertise learnership opportunities externally through community newspapers, municipal councils and other relevant authorities to attract recruits from the local community.	Ongoing
Unit Manager: HRD	2. Advertise learnership opportunities internally for employees.	Ongoing
Unit Manager: HRD	3. Candidates for learnership opportunities will be selected according to the selection procedure of the company. Learnership targets are based on business requirements.	Ongoing
Unit Manager: HRD	4. Provide accredited learning programmes as per SETA requirements.	Ongoing
Unit Manager: HRD	5. Qualified facilitators to provide quality training.	Ongoing
Unit Manager: HRD	6. Learning facilities to be conducive to learning.	Ongoing
Unit Manager: HRD	7. IDPs in place for learners with potential, and learners are made aware of career pathways in the relevant disciplines.	Ongoing
Unit Manager: HRD	8. A pool of mentors confirmed for learners with potential.	Ongoing

The targets for learnerships are shown in the tables below along with the budget provision for the proposed training. The shortfall of 16 identified in the issued section 93 directive has been incorporated.

**Table 15: Internal Mining Learnerships (18.1) Targets**

Annual Targets	Length of Programme (e.g. 3 years, etc.)	2017	2018	2019	2020	2021	Total (2017 – 2021)
		Target	Target	Target	Target	Target	
Team Leader: National Certificate	1 Year	49	46	44	41	41	221

Mining Operations							
Learner Miner: National Certificate Rock Breaking	2 Years	20	14	12	11	10	67
Learner Official Production Supervisor	3 Years	11	11	10	9	8	49
<b>Total</b>		<b>80</b>	<b>71</b>	<b>66</b>	<b>61</b>	<b>59</b>	<b>337</b>

**Table 16: External Mining Learnerships (18.2) Targets**

Annual Targets	Length of Programme (e.g. 3 years, etc.)	2017	2018	2019	2020	2021	Total (2017 – 2021)
		Target	Target	Target	Target	Target	
Learner Miner: National Certificate Rock Breaking	2 Years	1	4	4	4	4	17
Learner Official Production Supervisor	3 Years	0	2	2	1	1	6
<b>Total</b>		<b>1</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>23</b>

**Table 17: Internal Engineering Learnerships (18.1) Targets**

Annual Targets	Length of Programme	2017	2018	2019	2020	2021	Total (2017 to 2021)
		Target	Target	Target	Target	Target	
Electro Mechanical L2	2 years	20	21	20	20	20	101
Fitting L3	3 years						
Plater L3	3 years						
Rigging L3	3 years						

Electrical L4	3 years						
Instrumentation Mechanician L4	3 years						
<b>Total</b>		<b>20</b>	<b>21</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>101</b>

**Table 18: External Engineering Learnerships (18.2) Targets**

Annual Targets	Length of Programme	2017	2018	2019	2020	2021	Total (2017 to 2021)
		Target	Target	Target	Target	Target	
Fitting L3	3 years						
Plater L3	3 years						
Rigging L3	3 years						
Electrical L4	3 years						
Instrumentation Mechanician L4	3 years						
<b>Total</b>		<b>11</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>51</b>

**Table 19: Learnership Budget**

Annual Budget	2017	2018	2019	2020	2021	Total
Learnerships Engineering	R13 003 062	R15 365 854	R20 426 814	R25 751 110	R24 096 227	R98 643 067
Learnerships Mining	R27 658 654	R33 835 923	R35 121 642	R24 835 382	R32 522 598	R153 974 199
<b>Total</b>	<b>R40 661 715</b>	<b>R49 201 777</b>	<b>R55 548 456</b>	<b>R50 586 492</b>	<b>R56 618 826</b>	<b>R252 617 266</b>

### 3.8 Core Business Skills Programme

Core Business skills programmes include all legislative requirements specified in 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 proficiently and in a safe manner; and
- Providing skills development towards career progression.

<b>Undertaking</b>	Core business skills training are provided to ensure that each employee meets the legal requirements of their position. The interventions satisfy the minimum requirements and experience for a position as per business needs.
<b>Guidelines</b>	<p>The purpose of core skills training of employees is to ensure that each individual is equipped to perform fully in his/her position. This is ensured through the following interventions:</p> <ul style="list-style-type: none"> <li>• Technical Skills Training</li> <li>• Legal (mandatory) training that ensures that the mine and employee complies with all legislative requirements</li> <li>• Leadership and Supervisory Training</li> <li>• Team and mobilization interventions</li> </ul> <p>Both Sibanye Gold Academy and the mine's SGA Campus will be used to deliver on all HRD interventions.</p>

### 3.8.1 Core Business Training Implementation Strategy

Accountable Position	Strategic Plan	Timeframe
HODs	1. Employees to be continuously assessed against job requirements	Ongoing
Unit Manager: HRD	2. Provide an accredited learning programme	Ongoing
Unit Manager: HRD	3. Qualified facilitators to provide quality training	Ongoing
Unit Manager: HRD	4. Learning Facilities to be conducive to learning	Ongoing

**Table 20: Core Business Training Targets**

Core Business Area	2017	2018	2019	2020	2021	Total Enrolments
	Target Enrolments	Target Enrolments	Target Enrolments	Target Enrolments	Target Enrolments	
Mining Skills Programme: Competent A	39	36	34	32	30	171

Core Business Area	2017	2018	2019	2020	2021	Total Enrolments
	Target Enrolments	Target Enrolments	Target Enrolments	Target Enrolments	Target Enrolments	
Mining Skills Programme: Competent B	440	408	377	349	322	1 896
Mining Skills Programme: Blasting Assistant	100	100	100	100	100	500
Safety Representative Training	275	158	243	228	215	1 119
Mining Rock Drill Operator	180	163	168	177	169	857
Mining Licenced Equipment Operator (Inclusive of Loader, Loco, Winches and rigs)	462	444	436	398	362	2 102
Mining Specialised Skills (Inclusive of construction, mesh and lacing, Hydropower and loco guards)	19	18	17	16	15	85
Health and Safety Technical training	15	14	13	12	12	66
Strata Control Technical training	14	13	12	12	11	62
Mining: Mine Overseer certificate training	2	2	2	2	2	10
Mining: Mine Managers Certificate training	0	0	1	0	0	1
Supervisory Management and Leadership Training	41	38	36	34	32	181



Core Business Area	2017	2018	2019	2020	2021	Total
	Target Enrolments	Target Enrolments	Target Enrolments	Target Enrolments	Target Enrolments	
Induction/Refresher	8 381	7 878	7 405	6 961	6 543	37 168
First Aid Training	4 985	4 686	4 405	4 140	3 892	22 108
<b>Total</b>	<b>14 953</b>	<b>13 958</b>	<b>13 249</b>	<b>12 461</b>	<b>11 705</b>	<b>66 326</b>

With reference to the training provided in the table above, the following:

- Refresher training and Team Mobilisation training are to be done on shafts;
- New employees and contractors go through Induction; and
- A First Aid training Certificate is valid for 3 years. Therefore employees only need training once in 3 years.

**Table 21: Core Business Training Budget**

Annual Budget	2017	2018	2019	2020	2021	Total
<b>Total</b>	R18 448 486	R20 063 274	R21 161 725	R22 056 767	R22 926 398	R104 656 650

### 3.9 Portable Skills Programme

Sibanye, in partnership with accredited Service Providers, offers specially designed, portable skill programmes. These accredited programmes will equip exit and in service employees as well as members of the community with the ability and entrepreneurial skills to become self-reliant or pursue other career opportunities within mining and other sectors of the South African economy.

For SETA recognition, the entry requirement for community portable skills training is AET 3 (English –speaking, writing and Mathematics literacy as required by the unit standards).

Candidates nominated at a lower entry level will only receive a standard SGA Certificate.  
Programmes to be offered to employees include:

<b>Undertaking</b>	The Mine is dedicated to provide learning opportunities, thereby increasing employees and local community members' marketability and employability in the open labour market in the possible event of downscaling and/or mine closure.
<b>Guidelines</b>	<p>The Mine provides portable skills training to mine employees. These services have been extended to members of the surrounding community. The focus of these skills is to meet some or all of the following objectives:</p> <p>Enhance employee potential that will lead to marketability into alternative employment; Support income generating activities beyond "Life of Mine"; and</p> <ul style="list-style-type: none"> <li>• Provide skills that can be utilised not only in the formal sector but also in the informal sector.</li> </ul>

### 3.9.1 Portable Skills Training Implementation Strategy

Accountable Position	Strategic Plan	Timeframe
Unit Manager: Community Engagement and Development	1. Advertise portable skills opportunities externally through municipal councils and other relevant authorities to attract recruits from the local community.	Ongoing
Unit Manager: HRD	1. Advertise portable skills opportunities internally for employees	Ongoing
Unit Manager: HRD	2. Accredited learning programmes as per SETA requirements	Ongoing
Unit Manager: HRD	3. Qualified facilitators to provide quality training	Ongoing
Unit Manager: HRD	4. Learning facilities to be conducive to learning	Ongoing

**Table 22: Portable Skills Training Employees (18.1) Targets**

Type of Portable Skills Training	2017	2018	2019	2020	2021	Total Expected Enrolments 2017 to 2021
	Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	
Welding and cutting Techniques	35	33	31	29	27	155
Carpentry (Roofing and ceiling installations)						
Plumbing Installations						
Masonry building techniques						
Clothing manufacturing processes (NQF 1)						
Basic Computer Skills						
<b>Total</b>	<b>35</b>	<b>33</b>	<b>31</b>	<b>29</b>	<b>27</b>	<b>155</b>
<b>Budget</b>	<b>R182 229</b>	<b>R193 163</b>	<b>R204 753</b>	<b>R217 038</b>	<b>R230 060</b>	<b>R1 027 242</b>

**Table 23: Portable Skills Training Community (18.2) Targets**

Type of Portable Skills Training	2017	2018	2019	2020	2021	Total Expected Enrolments 2017 to 2021
	Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	
Welding and cutting Techniques	90	85	80	75	70	400
Carpentry (Roofing and ceiling installations)						
Plumbing Installations						
Masonry building techniques						
Clothing manufacturing processes (NQF 1)						
Basic Computer Skills						
<b>Total</b>	90	85	80	75	70	400
<b>Budget:</b>	<b>R289 749</b>	<b>R290 071</b>	<b>R289 388</b>	<b>R287 579</b>	<b>R284 512</b>	<b>R1 441 298</b>

### 3.10 Hard-to-Fill Vacancies

<b>Undertaking</b>	Beatrix will endeavour to find suitable internal candidates to fill hard-to-fill vacancies as per business needs.
<b>Guidelines</b>	<p>Hard to fill vacancies that have been identified as per the business requirements will be addressed through various Human Resources Development interventions.</p> <p>An incumbent for a hard to fill vacancy that arise should be sourced and placed within a 1-3 month period. Anything longer would have negative implications on the business.</p> <p>Acting in preparation and evaluation of a candidate for an internal vacancy should not exceed 180 consecutive days, unless otherwise mutually agreed.</p>

### 3.10.1 Hard-to-Fill Vacancies Implementation Strategy

Responsible Position	Strategic Plan	Timeframe
Unit Manager: HRD	<ol style="list-style-type: none"> <li>1. Provide a list of business needed hard to fill designations in Supervisory/Middle Management levels</li> <li>2. Provide list of employees acting /promoted into the vacant position</li> <li>3. Provide for relevant training programmes afforded, including mentoring</li> <li>4. Secure IDPs</li> <li>5. Confirm mentorship</li> </ol>	Ongoing

The table below depicts those vacancies that **Sibanye Gold Division** was unable to fill for a period in excess of twelve (12) months.

**Table 24: Hard-To-Fill Vacancies**

Occupational Group	Occupational Level	Position	Patterson Grading	Reason For Being Unable To Fill The Vacancy	Action To Fill Vacancy	Appointment Plan
Management	Professionally qualified and experienced specialists and mid-management	Unit Manager Mining (2.6.1)	DU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
Management	Professionally qualified and experienced specialists and mid-management	Unit Manager Engineering (GCC)	DU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
Management	Professionally qualified and experienced specialists and mid-management	Unit Manager Engineering (Civils)	DU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy

<b>Management</b>	Professionally qualified and experienced specialists and mid-management	Unit Manager Rock Engineering	DU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Management</b>	Professionally qualified and experienced specialists and mid-management	Unit Manager Environmental Engineering	DU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Management</b>	Professionally qualified and experienced specialists and mid-management	Unit Manager Metallurgy	DU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Management</b>	Professionally qualified and experienced specialists and mid-management	Geotechnical Tailings Engineer	DU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Management</b>	Professionally qualified and experienced specialists and mid-management	Superintendent Environmental Engineering	DL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Management</b>	Professionally qualified and experienced specialists and mid-management	Superintendent Survey	DL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Management</b>	Professionally qualified and experienced	Superintendent Water Systems	DL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy

	specialists and mid-management					months of vacancy
<b>Management</b>	Professionally qualified and experienced specialists and mid-management	Superintendent Instrumentation	DL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Management</b>	Professionally qualified and experienced specialists and mid-management	Superintendent Rock Engineering	DL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor Operations	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor Metallurgical (Foreman)	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor Engineering Electrical, Mechanical and Boilermaker	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy

	supervisors, foremen, and superintendents					
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor Engineering Shafts	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor Technicians	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor Environmental Engineering	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Senior Grade Officer	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy



<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Senior Surveyor	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Senior Mineral Resources Technicians	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor Strata Control	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor ETD (Psychometrist)	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically	Supervisor ETD Electrical	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3

	qualified workers, junior management, supervisors, foremen, and superintendents					months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor ETD Rigging	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor ETD Fitting	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor ETD Instrumentation	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Officials</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor ETD Metallurgy	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy

**Table 25: Hard-To-Fill Vacancy Plan**

	supervisors					
Occupational Level		Job Title Vacancy		Target 2017 - 2021		Appointment Plan
Skilled technical and academically qualified workers, junior management, supervisors, foremen	superintendents	As per the Table above		As per mine		As per mine
Officials	Skilled workers, technical supervisors, academically	Supervisor ETD Welder /Plater	CU	vacancy	Skills business need shortage and certification	Advertise Screening Shortlisting Interviews Appointments
	qualified workers, junior management, supervisors, foremen, and superintendents					Appointment to be made within 3 months of vacancy
Officials	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Mineral Resource Technicians	CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
Officials	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Assistant Officer ETD (Shafts)	CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
Officials	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Supervisor Finance/Costing	CU	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy

<b>Miner Artisan</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Artisan Engineering Mill right Underground	CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Miner Artisan</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Artisan Engineering Winders (Winder Technicians/Winder Electricians)	CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Miner Artisan</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Artisan Engineering Fitting (Pump Fitter)	CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Miner Artisan</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Artisan Engineering Electrical (Winders)	CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Miner Artisan</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Artisan Engineering Platers (Shaft Boilermakers)	CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy

	qualified workers, junior management, supervisors, foremen, and superintendents					months of vacancy
<b>Miner Artisan</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Artisan Engineering Plate laying	CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Miner Artisan</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Artisan Engineering Rigging	CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Miner Artisan</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Instrumentation Technicians/Mechanics Metallurgy	CU/CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Miner Artisan</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Instrumentation Technicians/Mechanics Operations	CU/CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy

	supervisors, foremen, and superintendents					
<b>Miner Artisan</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Mechanised Mining Miners: Stopping	CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy
<b>Miner Artisan</b>	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	Mechanised Mining Miners: Development	CL	Skills shortage and certification	Advertise Screening Shortlisting Interviews Appointments	Appointment to be made within 3 months of vacancy

At the beginning of 2016, the SGA Board tasked the Human Capital team with the development of an executive development and succession plan, the key objectives of which were to identify executive talent requirements and to implement strategies to attract and develop executives qualified to fill **critical positions** to enable Sibanye to deliver on its strategy. This also involved **developing plans to ensure talent retention** and engagement, and to facilitate the timely transfer of knowledge from current incumbents to successors.

In compiling the plan, it was necessary to understand the critical roles and competencies required, to assess existing competencies and the potential of internal candidates in terms of readiness as well as exposure and development, and to propose appropriate interventions. The plan incorporated a short-term (three to six months) contingency plan and permanent replacements, as well as an emergency plan.

A detailed plan was completed and implemented in three phases at executive, senior management and management level.

By the end of 2016, critical roles had been identified and competencies required for executive positions finalised and incorporated into the Sibanye Leadership Development Framework. Assessments to identify potential, readiness and development were completed for all executive and senior management. The process for management level employees has begun and is on track to be completed by the end of 2017.

An initial executive succession plan was developed and presented to the Chief Executive Officer and the SGA Board for approval. The initial succession plan includes a pool of external of potential candidates to be considered as needed. The plan will be updated on an ongoing basis.

It is important that the executive development and succession process **forms the basis of our Integrated Talent Management framework**. All processes, including the leadership development and competency framework, the strategic workforce plan, training and transformation plans, succession planning as well as performance management, among others, will therefore be aligned with this process. With this in mind, starting in 2017, a talent review will be conducted biannually.

Therefore, the strategy to address hard-to-fill positions, is interlinked with the plans in the sections below.

### 3.11 Career Progression Plan

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#### Undertaking

The Mine is committed to providing its workforce with the opportunity to grow in knowledge and skills. Inherent in this is the opportunity to progress in a career path that is aligned to the Mine's business needs and suits each employee's skill sets and personal goals. Sibanye has adopted an integrated approach to skills development and learning which, in essence, provides the

	opportunity for employees with potential to follow a formal career path within the employee's chosen occupation.
<b>Guidelines</b>	The Career Paths show how people can advance from one position to another within the career groups through the development of further skills and competencies. The Career Paths further outline minimum requirements for each position and minimum training/experience required; therefore serving as a planning framework for self-development.

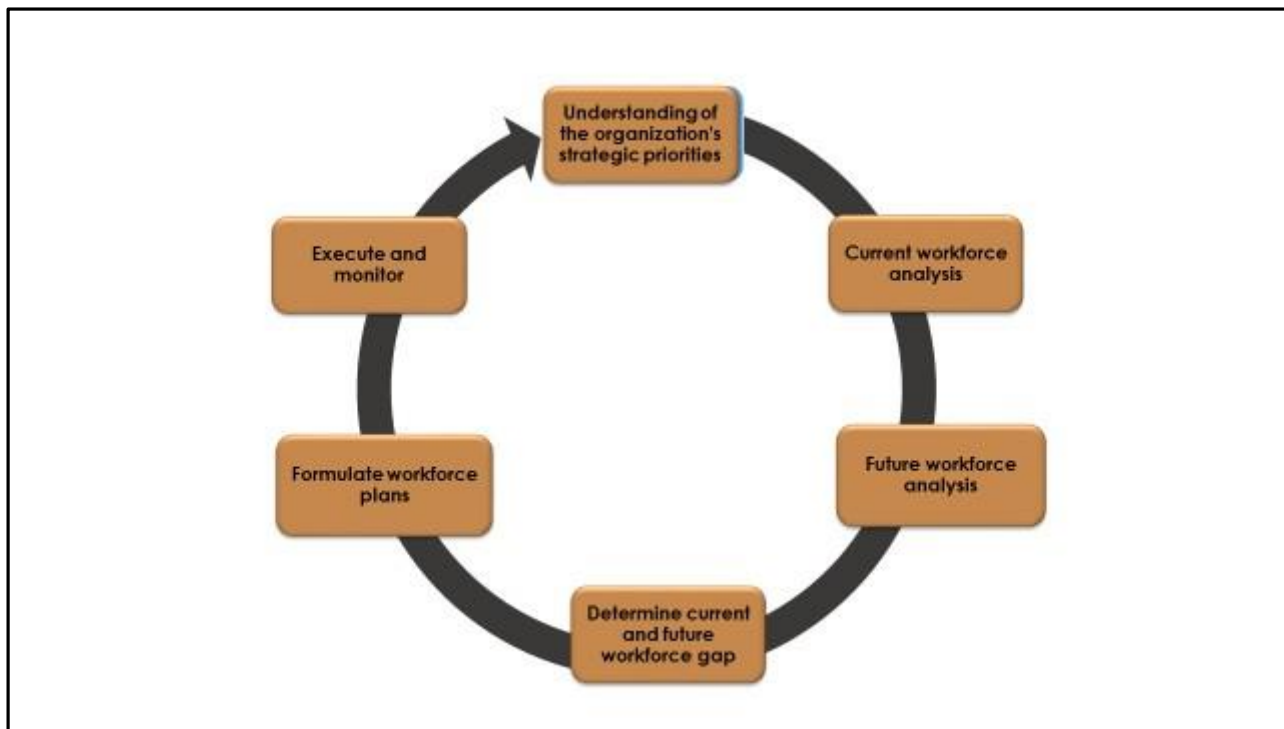
### 3.11.1 Career Progression Plan Implementation Strategy

Responsible Position	Strategic Plan	Timeframe
HOD, Talent Management	1. Successors are selected utilising succession criteria; for D Band and above, Qualification, Performance, time in current role, experience and readiness for next level, for the levels below D Band the succession criteria is, work attendance, safety record and qualification. These successors selected will be verified by the Shaft Talent councils and the Discipline Talent councils. The succession pool will be reviewed on an annual basis.	Ongoing
Talent Management, Talent Council Committee	2. Succession development will be monitored by the talent council on a quarterly basis.	Ongoing
HR Managers	3. Operational talent pool will be presented at each EE meeting	Ongoing
HR Managers, HODs	4. When vacancy exist the relevant discipline talent pool will first be reviewed for suitable candidates. Only where there is no suitable candidates in the pool, external recruitment can be considered.	Ongoing

An integrated Talent Management process is vital to support career progression opportunities. The Talent Management process starts with a Strategic Workforce Plan. A Strategic Workforce Plan is a systematic process for forecasting an organisation's future workforce and determining the most effective practices to close the gaps to meet future workforce needs taking into consideration Employment Equity, Women in Mining, turnover and production profile.

The figure below depicts the Integrated Talent Management Process.





**Figure 5: Integrated Talent Management Model**

The figure below depicts the integrated Talent Management Model. The integrated Talent Management model has three pillars, **Attract**, **Develop** and **Retain**, which forms part of the employee life cycle.

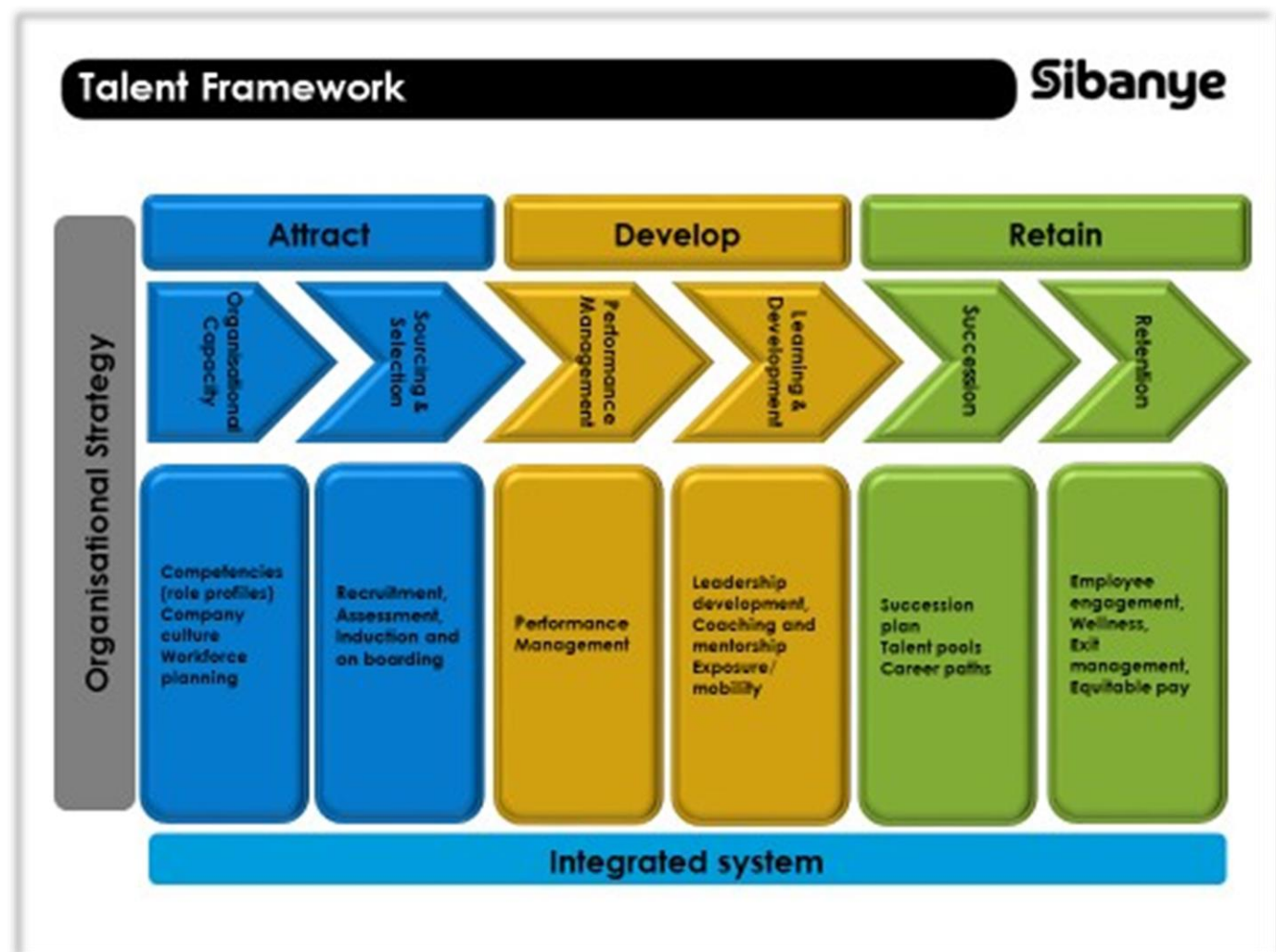


Figure 6: Integrated Talent Management Framework

**Table 26: Career Progression Plan Targets**

Paterson Band	Current Position	Training Intervention	Qualification	Employees Identified and IDPs Secured	2017	2018	2019	2020	2021	Possible Progression Opportunity/ HRD Linkage
D Level	Middle Manager	As per approved IDP	As per job requirement	10% top potential Middle Managers in Leadership Development programmes	2	2	2	2	2	Appointment into vacant position, if advertised and candidate is selected through the recruitment process.
C Level	Supervisor/ Intern	As per approved IDP	As per job requirement	10% top potential Supervisors/Interns in Leadership Development programmes	8	8	8	8	8	Appointment into vacant position, if advertised and candidate is selected through the recruitment process.
NG	Bursar	As per approved IDP	Relevant Degree	Final year bursars	6	5	3	4	5	Graduate Development programme and internship, if the position is advertised and the candidate is selected through the recruitment process.
B Level	Cat 3-8 Employee	As per approved IDP	As per job requirement	Top potential learnership trainees	6	39	53	61	54	Appointment into vacant position, if advertised and candidate is selected through recruitment process.
A Level	Cat 3-8 Employee	As per approved IDP	As per job requirement	Top potential AET (employees) learners in training	5	5	5	5	5	Learnership/Skills Programme, if advertised and candidate is selected through the recruitment process.
<b>Total</b>					<b>27</b>	<b>59</b>	<b>71</b>	<b>70</b>	<b>74</b>	

**Table 27: Talent Pool Individual Development**

Employee Categories	No. Employees in Succession pool	2017		2018		2019		2020		2021	
		No. of Employees with IDP	% with IDP	No. of Employees with IDP	% with IDP	No. of Employees with IDP	% with IDP	No. of Employees with IDP	% with IDP	No. of Employees with IDP	% with IDP
<b>Paterson E Level</b>	1	1	100.00	1	100	1	100	1	100	1	100
<b>Paterson D Level</b>	32	32	100.00	32	100	32	100	32	100	32	100
<b>Paterson C Level</b>	115	112	97.39	115	100	115	100	115	100	115	100
<b>Paterson B Level</b>	64	62	96.88	64	100	64	100	64	100	64	100
<b>Paterson A Level</b>	5	5	100.00	5	100	5	100	5	100	5	100
<b>NG</b>	19	17	89.47	19	100	19	100	19	100	19	100
<b>Total</b>	<b>236</b>	<b>229</b>	<b>97.03</b>	<b>236</b>	<b>100</b>	<b>236</b>	<b>100</b>	<b>236</b>	<b>100</b>	<b>236</b>	<b>100</b>

## 3.12 Mentorship Plan

<b>Undertaking</b>	Beatrix undertakes to formalize its mentorship programme, which will encompass formal mentorship agreements between mentors and protégés for learners in training/on development programmes.
<b>Guidelines</b>	<p>The mentorship plan at will be designed to:</p> <ul style="list-style-type: none"> <li>• Identify areas of development that require mentoring;</li> <li>• Provide a detailed mentoring plan via mentoring agreement;</li> <li>• Highlight the number of mentors and protégés with targets and timeframes;</li> <li>• Monitor implementation of the programme.</li> </ul>

### 3.12.1 Mentorship Plan Implementation Strategy

<b>Accountable Position</b>	<b>Strategic Plan</b>	<b>Time frame</b>
Manager HRD	1. Review the mentorship plan	Ongoing
Discipline Managers Manager HRD	2. Identify pool of mentors for protégés (employees in training/ Supervisors and Middle Managers with potential)	Ongoing
Discipline Managers Manager HRD	3. Provide mentorship and protégé training to build capacity where required	Ongoing
Discipline Managers Manager HRM	4. Contracting through the mentorship agreements in line with learnership/learning programme duration	Ongoing
Manager HRD	<p>5. Monitor implementation and confirm mentorship regarding:</p> <ul style="list-style-type: none"> <li>• Protégé Personal details including race, gender, current position and level and future possible opportunities</li> <li>• Mentor Personal details and designation</li> </ul>	Ongoing

In addition to the above strategy, the figure below describes the principles of our approach to Mentoring and Coaching. Mentorship, in broad terms, refers to a relationship enabling individuals to develop and acquire knowledge, work and life experiences informally or via a formal developmental programme. A competent mentor will successfully guide the protégé in a multi-faceted manner.

Coaching is specifically directed at job-related performance. Effective supervisors and leaders who act as coaches, should actively provide required instruction, guidance, advice and encouragement to assist subordinates to improve their performance in current jobs. Coaching is aimed at translating operational theory into practice.



Figure 7: Mentoring and Coaching Principles

**Table 28: Mentorship Plan Targets**

Mentoring Plan	2017	2018	2019	2020	2021
Learnerships	112	108	102	96	94
Bursaries	28	26	24	22	22
Learner Official A-Stream	5	2	2	2	2
Internships	16	5	3	4	5
Full time AET	79	47	47	47	48
Talent Pool	27	59	71	70	74
<b>Total:</b>	<b>267</b>	<b>247</b>	<b>249</b>	<b>241</b>	<b>245</b>
Individual Development Plans	229	236	236	236	236
<b>Training</b>					
Pool of Mentors to be trained:	15	15	15	15	15
Protégés to be trained:	267	247	249	241	245
<b>Total:</b>	<b>282</b>	<b>262</b>	<b>264</b>	<b>256</b>	<b>260</b>
Budget	R175 500	R186 030	R197 192	R209 023	R221 565

With reference to the table above, learners currently enrolled for various training and development programmes, will enter into a coaching/mentorship relationship for further career guidance and development. In order for this relationship to succeed, a pool of mentors and the same learners will have to undergo mentorship/protégé training for effective application and understanding of the relationship role and process. Parties have agreed to engage on AET Level 4 matter to ensure linkage/career progression to learnerships.

### 3.13 Internship

<b>Undertaking</b>	The mine undertakes to provide opportunities for practical exposure or experiential learning to graduates and diplomats required as per business needs.
<b>Guidelines</b>	<p>Practical exposure or experiential learning opportunities are provided for both internal and external persons completing tertiary studies.</p> <p>Community Commitments apply to both Local and Labour sending communities</p> <p>A challenge exists in terms of the accurate reporting of local/labour sending split due to learners not accurately reporting their origin on enrolment.</p>

#### 3.13.1 Internship Implementation Strategy

Accountable Position	Strategic Plan	Timeframe
Unit Manager: HRD	1. Provide a Graduate Development Programme	Ongoing
Unit Manager: HRD	2. Provide a coaching and mentoring process	Ongoing
Unit Manager: HRD	3. Employees to be continuously assessed against required programme outcomes	Ongoing
Unit Manager: HRD	4. IDPs in place for learners and learners are made aware of career pathways	Ongoing
Unit Manager: HRD	5. A pool of mentors confirmed for Interns	Ongoing
Unit Manager: HRD	6. Provide a Graduate Development Programme	Ongoing
Unit Manager: HRD	7. Provide a coaching and mentoring process	Ongoing
Unit Manager: HRD	8. Employees to be continuously assessed against required programme outcomes	Ongoing
Unit Manager: HRD	9. IDPs in place for learners and learners are made aware of career pathways	Ongoing
Unit Manager: HRD	10. A pool of mentors confirmed for Interns	Ongoing



The targets for internships are shown in the tables below along with the budget provision for the proposed training. The shortfall of 4 identified in the issued section 93 directive has been incorporated.

**Table 29: Internal Internship (From Internal Bursary Pool) Targets and Budget**

Annual Targets	2017	2018	2019	2020	2021	Total
No. of Internal Interns	6	5	3	4	5	<b>23</b>
<b>Budget</b>	<b>R6 360 794</b>	<b>R9 017 703</b>	<b>R8 111 699</b>	<b>R10 643 588</b>	<b>R11 282 203</b>	<b>R45 415 986</b>

**Table 30: External Internship (MQA) Targets and Budget**

Annual Targets	2017	2018	2019	2020	2021	Total
No. of Internal Interns	10	0	0	0	0	10
<b>Budget (R)</b>	<b>R900 000</b>	<b>R954 000</b>	<b>R1 011 240</b>	<b>0</b>	<b>0</b>	<b>R2 865 240</b>

### 3.14 Study Assistance

<b>Undertaking</b>	The Mine undertakes to offer study assistance to employees and individuals from local communities and key labour sending areas. In line with the bursary policy, if a company bursar fails a subject/year of study once, the bursar will pay for that subject/ year of study himself/herself, and his/her bursary will be placed in abeyance. Bursars placed in abeyance will be counted against the target set with other active bursars. As soon as the bursar passes the subject/ year of study, their bursary will resume.
<b>Guidelines</b>	<p>Study Assistance will be given to employees and individuals from the local and labour sending communities through the following offerings:</p> <ul style="list-style-type: none"> <li>• Bursaries to employees for full time studies;</li> <li>• Bursaries to individuals from the local and labour sending communities for full time studies;</li> <li>• Study Grants to employees for part time studies</li> </ul> <p>Community Commitments apply to both Local and Labour sending community. A challenge exists in terms of the accurate reporting of local/labour sending split due to learners not accurately reporting their origin on enrolment.</p>
<b>JB Marks</b>	The Mine will further <b>support</b> bursars funded through the JB Marks Bursary Scheme (a National Union of Mineworkers initiative) on a <b>part time basis</b> , or in line with the

	<p>decision of the SGA board. JB Marks bursaries are <b>funded</b> and <b>allocated</b> by the JB Marks Bursary Scheme. The Mine's contribution to this scheme, is limited to the salary component relating to the bursars during the period of the agreement, and will be reported as such. This will be the extent of the SLP credit due to the mine.</p> <p>It must be noted that this does not constitute additional targets in terms of bursaries and will not include any commitment towards things like logistics, accommodation, meals, etc., which remains the responsibility of the JB Marks Scheme.</p>
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### 3.14.1 Bursary Programme Implementation Strategy

Accountable Position	Strategic Plan	Timeframe
Unit Manager: HRD	1. Advertise study assistance opportunities internally for employees	Ongoing
Unit Manager: Sustainable Development	2. Advertise study assistance opportunities externally through community newspapers, municipal councils and other relevant authorities to attract recruits from the local and labour sending communities	Ongoing
Unit Manager: HRD	3. Candidates for bursaries and study assistance opportunities will be selected according to the selection procedure of the company	Ongoing
Unit Manager: HRD	4. Accredited learning institutions as per company needs will be used	Ongoing
Unit Manager: HRD	5. IDPs in place for learners, and learners are made aware of career pathways in relevant disciplines	Ongoing
Unit Manager: HRD	6. Mentors confirmed for learners	Ongoing

**Table 31: Internal Grants Bursary Targets and Budget**

Annual Targets	2017	2018	2019	2020	2021	Total (2017 – 2021)
	Target	Target	Target	Target	Target	
Full Time Bursaries	10	7	5	3	2	<b>27</b>

Part Time Bursaries	10	13	15	17	18	<b>73</b>
Total	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>100</b>
<b>Budget</b>	<b>R4 784 000</b>	<b>R5 947 880</b>	<b>R6 633 170</b>	<b>R7 936 545</b>	<b>R6 007 982</b>	<b>R31 309 577</b>

**Table 32: Learner Officials A-Stream Programme Targets**

Annual Targets	2017	2018	2019	2020	2021	Total (2017 – 2021)
	Target	Target	Target	Target	Target	
<b>Learner Official A-Stream</b>	5	2	2	2	2	<b>13</b>
<b>Budget</b>	<b>R1 777 000</b>	<b>R2 301 896</b>	<b>R2 883 382</b>	<b>R3 526 360</b>	<b>R4 236 115</b>	<b>R14 724 754</b>

The Learner Official A-stream programme is a new 18.1 initiative implemented to attract talent into the mining industry and comprises an integrated Tertiary and Occupational Qualification programme.

**Table 33: Community Bursary Targets and Budgets 1**

Annual Budget	2017	2018	2019	2020	2021	Total (2017 – 2021)
	Target	Target	Target	Target	Target	
Bursar	8	6	4	2	2	<b>22</b>
<b>Budget</b>	<b>R1 913 660</b>	<b>R2 121 760</b>	<b>R2 249 065</b>	<b>R2 488 818</b>	<b>R2 304 854</b>	<b>R11 078 157</b>

**Table 34: HRD Programmes – Financial Provision**

Annual Budgets	2 017	2 018	2 019	2 020	2 021	Total Financial Provision (2017 to 2021)
<b>Financial Provision for Human Resources Development Programmes</b>	<b>102 438 722</b>	<b>113 497 478</b>	<b>122 903 191</b>	<b>124 042 119</b>	<b>131 979 913</b>	<b>R594 861 423</b>

<sup>1</sup> Community targets include host community as well as labour sending community commitments

## 4. Employment Equity

### 4.1 Introduction

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The purpose of the Employment Equity plan is to ensure that a demographically appropriate profile is achieved through the participation of Historically Disadvantaged South African (HDSAs) in all decision-making positions and core occupational categories at the mine. In striving to achieve a 40% HDSA composition in the management structure and 10% participation of women in core mining occupations, Beatrix seeks to redress the existing gender and racial disparities. The plan reflects the company's annual progressive targets. As a leading South African company, Sibanye Gold embraces the challenge to transform the composition of the company's workforce and management. This is a business imperative to ensure that we tap into the entire skills base of the South African population. All efforts in this regard have been aligned with the National Development Plan and the UN Global Goals for Sustainable Development in relation to (i) No poverty, (ii) Zero hunger, (iii) Quality Education, (iv) Gender Equality, (v) Decent Work and Economic Growth, and (vi) Reduced Inequalities.

Employment Equity Strategies are aligned to succession planning, development of the company's talent pool, learner development programmes, core and critical skills training programmes, career development plans, mentoring and coaching.

The following Sibanye Gold principles guide the way in which Employment Equity is implemented at Beatrix mine, and to further comply with our Ethics and Human Rights policies:

- Recognising historic inequalities, HDSAs and women with recognised potential are afforded special opportunities and additional support to realise their potential;

- To fill each position in the company with a fully performing individual. Thus, we will not create phantom jobs nor make token appointments;
- Diversity is encouraged in the workplace and any form of racism is not tolerated;
- Some employees in management positions may be involuntarily redeployed to make space for HDSAs and women;
- All employees are developed to ensure that they are fully performing in their current jobs and, where applicable, to prepare them for future opportunities; and
- In placing women in jobs, the company will take cognisance of the special risks to which women of child-bearing age, pregnant and lactating women should not be exposed.

Each mining operation and service unit in Sibanye Gold is required to translate the company strategy to five (5) year action plans that are implementable and measurable. Beatrix Mine is committed to creating a workplace in which individuals of ability and competency can develop rewarding careers at all levels regardless of their background, race or gender. Beatrix mine's employment practices and policies emphasise equal opportunity for all, and aim to identify, develop and reward those employees who demonstrate qualities of individual initiative, enterprise, commitment and competencies. Employment Equity policies also aim to create an inclusive organisational culture in which all employees are valued. The implementation of Employment Equity is overseen by senior management and is at the core of the mine's strategy.

Where appropriate, Employment Equity is implemented in consultation with employee representative bodies. As a key business imperative for Beatrix, Employment Equity is critical in assisting the Mine to place competent employees in the correct jobs aligned to the Mine's objectives. These are:

- Beatrix is committed to developing its employees to their greatest potential, which will contribute to the achievement of the Mine's objectives;
- Beatrix recognises the need for continued investment in its employees through training and development, which is demonstrated through training and development opportunities and job placements with a focus on the development of key competencies, career path progression and retention of talent; and
- Beatrix has adopted a proactive recruitment, selection and appointment policy, which favours candidates from designated groups. This has assisted the Mine in working towards the achievement of numerical goals of the Mine's Employment Equity Plan.

<b>Undertaking</b>	The Mine is committed to the strategic objectives of the Employment Equity Act that include having individuals from previously disadvantaged groups represented in all positions of skill, responsibility and at all levels within the next five (5) year period; specifically 10% participation of women and 40% HDSA composition of management structures.
<b>Guidelines</b>	Employment Equity will be aligned to local recruitment and human resources development strategies. Beatrix is committed to developing and promoting from within the organisation, with preference given to females and historically disadvantaged individuals.

**Table 35: Employment Equity Plan Implementation Strategy**

<b>Responsible Position</b>	<b>Strategic Plan</b>	<b>Start Date</b>
Unit Manager HR	1. Focus to be placed on attracting and retaining HDSAs including women and nurturing talent to supplement the workforce complement and to plan for succession.	Ongoing
Unit Manager HR	2. Targeting the recruitment of HDSAs and Women in Mining Positions is a specific focus of the workforce plan.	Ongoing
Unit Manager HR	3. Recruitment targets for HDSAs to be specifically aimed at developing and promoting such employees into management positions as and when these opportunities arise.	Ongoing
Unit Manager HR	4. Mining-related occupations to be identified in the workforce plan and strategies and targets identified to support the inclusion of women into these occupations.	Ongoing

Responsible Position	Strategic Plan	Start Date
Unit Manager Talent	5. Skills assessments to be focused on the identification of employees with the potential to be developed into management positions and career development plans will drive the growth and advancement of these employees.	Ongoing
Unit Manager Talent	6. Appropriate skills training in line with the career path structure to be provided for HDSAs and Women to ensure that they acquire the appropriate skills and competencies.	Ongoing
Unit Manager Talent	7. Mentoring of HDSAs to provide them with support and assistance to ensure that they can assume their roles with success.	Ongoing
Manager HR	8. Develop policies directed at the retention of HDSAs and Women.	Ongoing
Manager HR	9. Develop recruitment plans for external candidates should internal employees not be suited for management roles.	Ongoing

**Table 36: Employment Equity Plan Implementation Strategy**

MECHANISM	Current		2017		2018		2019		2020		2021	
	WIM	HDSA	WIM	HDSA	WIM	HDSA	WIM	HDSA	WIM	HDSA	WIM	HDSA
Fast Tracking		3	1	3	1	3	3	1	2	2	2	2
Succession Planning	3	7	2	8	2	10	4	11	2	12	2	12
Talent Pool	14	61	17	69	27	72	20	93	29	97	32	97
<b>Total</b>	<b>17</b>	<b>71</b>	<b>20</b>	<b>80</b>	<b>30</b>	<b>85</b>	<b>27</b>	<b>105</b>	<b>33</b>	<b>111</b>	<b>36</b>	<b>111</b>

**Table 37: Employment Equity Statistics as at 30 September 2016**

OCCUPATIONAL LEVELS		Male				Female				Foreign Nationals		TOTAL	DISABLED	
	Level	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female		Male	Female
Top Management (Board)		3			7				1	2		13		
Senior Management (Executive Committee)	F/E	9	3	2	23	2		1	2			42		
Middle Management	E				4						1	5		
Junior Management	D	23	1		41	6				1		72		
Core Skills (Excluding Management)	All	4242	14		306	387	1		13	2364	91	7418	6	
<b>TOTAL PERMANENT BEATRIX (Excluding Board and Executive)</b>	<b>Total</b>	<b>4432</b>	<b>16</b>		<b>364</b>	<b>485</b>	<b>1</b>	<b>1</b>	<b>18</b>	<b>2418</b>	<b>100</b>	<b>7835</b>	<b>6</b>	<b>0</b>



## 4.2 Participation of Historically Disadvantaged South Africans

Beatrix is committed to promoting HDSA's in its management structure by instituting a framework geared towards local recruitment, and human resources development. Vacancies are primarily filled by candidates from local communities. Where specialist skills are not available locally they are sourced from outside local communities. The Mine's long term objective is to have these skills shortages addressed via skills development programmes. Employees identified with potential have the opportunity to progress within their chosen career paths and therefore advance within the organization.

<b>Undertaking</b>	Beatrix mine is committed to attaining the 40% HDSAs in management target as set by the DMR and recognizes that this refers to Management in the D, E and F Paterson bands.
<b>Guidelines</b>	Build capacity within the organization through HRD initiatives with preference given to individuals from designated groups. These employees to form the pipeline for the company's talent pool and succession planning.

**Table 38: HDSA in Management Implementation Strategy**

Responsible Position	Strategic Plan	Start Date
Manager HR	1. Develop Employment Equity (EE) policies, procedures and guidelines appropriately aligned to HRD initiatives such as talent management, etc.	Ongoing
Manager HR	2. Liaise with stakeholders to develop EE targets.	Ongoing

**Table 39: HDSA'S in Management Targets 2017 – 2021<sup>2</sup>**

Occupational Level/Paterson Bands	Prescribed Target	Current		%	2017		Prescribed %	2018		Prescribed %	2019		Prescribed %	2020		Prescribed %	2021		Prescribed %
		Designated	Non-Designated		Designated	Non-Designated		Designated	Non-Designated		Designated	Non-Designated		Designated	Non-Designated		Designated	Non-Designated	
Middle Management Levels	40.00%	1	4	20.00%	2	4	33.30%	2	3	40%	2	3	40%	2	3	40%	2	3	40%
Junior Management Levels	40.00%	30	42	41.70%	30	40	42.90%	30	40	42.90%	30	39	43.50%	30	38	44.10%	30	37	44.80%
Core and Critical Skills	40.00%	4657	2761	62.80%	4282	2515	63%	4230	2484	63%	4096	2405	63%	3866	2271	63%	3838	2254	63%
Total HDSAs in Management:		40.3%			42.10%			42.70%			43.20%			43.80%			44.40%		

<sup>2</sup> Note the differences between the Employment Equity Statistics and the HDSA's in Management Targets. The numbers are valid with respect to the original date of submission, but have since changed in order to reflect the Sibanye Gold Business Model, which may change as and when the business needs dictate.

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## Section C: Community Development

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### 5. Community Development Overview

The Mining Charter and Social and Labour Plans are key transformational tools enabled by the Mineral and Petroleum Resources Development Act (MPRDA). Its key elements include a spread of principles designed to transform our employees, our communities as well as the environment in which they reside. This also provides an opportunity to carefully craft long-term outcomes that will see self-sustaining communities become independent of the mines that they host. This resonates with our social closure philosophy which articulates our approach to community development. Our approach is premised on a strategy which seeks to proactively create parallel economies to enable communities, to sustain themselves in a post mining era. The closure of some mining companies has often revealed the devastation and human suffering caused by mine closure.

Our approach seeks to minimize post closure social impacts, reducing dependency on the mine for social and community services and economic benefit, and leaving a positive social legacy. This will require deliberate exploration of alternative economic and employment options and the articulation of a future social and regional economic identity that does not include mining. It is our belief that executed appropriately, social closure can transform our mines into engines for development beyond their own life by minimizing adverse impacts and maximizing after-use benefits in the long run. Through innovative thinking, mine assets and infrastructure *inter alia*, will become catalysts for implementing long-term sustainable development programmes while reducing the company's residual liability at mine closure.

Our environmental scanning also indicates that societal issues and challenges are far from abating. Levels of poverty and unemployment are not relenting;

the threat of social and economic instability seems to be worsening, and informal settlements continue to proliferate, while a negatively impacting social environment continues to grow. Service delivery protests became the order of the day in the run up to, and following the 2016 local government elections, exacerbated in large part, by the non-payment for service delivery culture. Because we do not operate in a vacuum, our communities have the ability to impact on our operations, particularly in terms of safety and other societal risks. For this reason, it is imperative to nurture positive relationships with communities so as to maintain our social license to operate.

Our experiences to date have shown that our approach to Local Economic Development (LED) implementation in the areas of our mine operations has had varying degrees of success. Interim findings indicate that the projects that have been implemented to date, while aligned with the local municipalities' Integrated Development Plans (IDPs) and having been approved by the DMR, do not necessarily have the desired impacts on communities. This was recently confirmed in an independent social impact assessment study conducted by Knowledge Pele on behalf of Sibanye Gold during 2016. Amongst other things, the following shortcomings feature prominently:

- The scale of projects implemented was found to be far too small due to budgets being spread over large areas;
- Implementation was frustrated by the requirement or expectation to satisfy several different stakeholders, each with a unique and often conflicting and competing agendas;
- As a result of the enormous socio-economic need, investments were made in many small but generally unsustainable projects with little or no impact. This was often complicated by the expectation to implement "local" as opposed to "regional" projects;

- Implemented projects showed too few linkages and too little integration; and
- Where established, partnerships were unsuccessful or did not always yield the desired results.

It is against this backdrop that we started working on a revised community development strategy premised on maintaining our social license to operate and, with social closure as the ultimate goal in mind. Therefore, while we acknowledge that it would not be possible to return the natural environment to its pristine condition, our aim with social closure is to go beyond compliance by implementing economically catalytic projects that will enable the creation of a parallel economy so as to avoid the creation of “ghost towns” when our mines reach the end of their production life. For greater impact, such projects would require greater collaboration by sharing capacity and expertise with our peers in the mining sector, the communities, municipalities, regulators and other businesses. This would further entail establishing economically meaningful alliances with corporate partners in sectors other than mining and creating geared investments through joint ventures, partnerships and value adding collaborations.

This will be facilitated through the creation of an investment-enabling funding vehicle and the establishment of a community trust fund. The focus will be more on pursuing regional projects aligned to Sibanye Gold's strategic objectives, local, provincial and national government developmental frameworks and plans, as well as international imperatives such as the UN Global Goals for Sustainable Development for greater and more meaningful impact. Within our strategy, much effort went towards aligning to the above imperatives and particularly the following UN Global Goals for Sustainable Development: (i) No poverty, (ii) Zero hunger, (iii) Sustainable Cities and Communities (iv) Decent Work and Economic Growth, v) Quality Education and vi) Industry, Innovation and Infrastructure.

In this regard, underpinning our approach are the following principles:

- Going beyond compliance by developing and maintaining our license to operate through effective engagement and relationship building;
- We will use our resources appropriately and effectively in responding to identified and agreed community needs, both current and future in nature;
- We will actively identify key multi-sectoral partnership opportunities in order to leverage our contribution and associated impacts;
- Our efforts will be focused on achieving tangible and sustainable impact that will continue beyond the life of our mine;
- We will continuously monitor and evaluate our impact and social return on investment;
- To achieve the greatest impact, our focus will be on a few key areas that the company can effectively leverage;
- We will go beyond financial resources and consider how to make the best use of company assets, resources, expertise and relationships through collaboration to benefit mine communities; and
- Consistent with our closure strategy, we seek to avoid dependency, encourage the creation of parallel economies and create long-term sustainability.

Our key strategic objective is to maintain our social license to operate through social closure. Our strategy has three key focus areas viz. (i) local economic development (ii) education and skills development and (iii) community health and safety. It is important to note that the three strategic pillars are not mutually exclusive, for example, local economic development cannot happen without skills and capacity building and healthy community. The above strategic thrusts further grow into strategic legs that include amongst

others, Industrial Development, Agri-business Development, Infrastructure Development, Education and Training and Health.

We believe that the identified strategic focal areas are in line with developmental aspirations of the local municipality. We also believe that implementing projects in these critical areas will result in the attainment of our primary strategic objective of creating a resilient parallel economy. The identified strategic focal areas are directly linked to the strategic legs referred to above:

- Light industry
- Agriculture
- Agri-infrastructure
- Integrated Urban Farming with housing developments
- Education/Health Infrastructure
- Schools 1<sup>0</sup> and 2<sup>0</sup>
- TVETs
- Universities.

LED projects addressed in this plan were identified in consultation with local municipal authorities within the context of Integrated Development Plans, for specifics regarding LED projects in Masilonyana – refer to 6.4.4.1.1. Funding for LED is obtained from Beatrix Mine and is based on the Revised Mining Charter and as such is proportionate to the investment. Therefore, based on the **current production profile** of Beatrix mine and **prevailing gold price estimates and production costs**, LED projects will most likely receive estimated funding to the value of **R60m** for the duration of this 5 year SLP cycle. This projection is based on the mine's **current financial performance** and did not take into account internal and external factors that could impact mining activity negatively. As a result should events beyond our control impede Beatrix mine's performance, the roll-out of the programmes outlined in this Mine Community Development Programme may require re-assessment.

## 6. Mine Community Development Plan

### 6.1 Overview

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The socio-economic profile of the area was compiled from the Matjhabeng and Masilonyana Local Municipality IDPs, Stats SA 2011 Census data and Stats SA 2016 Community Survey Report. This information is supplemented by the findings of the socio-economic impact assessment commissioned by the company to evaluate the mine's previous SLP interventions, identify risks associated with project implementation. The findings from the study also confirm the host municipality's priority needs and identify recommended areas of focus for the mine's socio-economic interventions in the area. The socio-economic profile also provided the backdrop for the development of the Sibanye Gold Community Development Strategy on which this SLP is premised.

#### 6.1.1 Masilonyana Local Municipality

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Masilonyana Local Municipality is located centrally in the Free State and borders Thabo Mofutsanyana District Municipality to the north-east and Motheo District Municipality to the south-east. The municipality comprises the following main towns, Theunissen, Brandfort, Winburg, Verkeerdevlei and Soutpan. The administration Head Office of the municipality is in the town of Theunissen. Masilonyana is the third biggest municipality in the Lejweleputswa District Municipality, with a total population of 66 084 according to the Stats Community Survey for 2016, up from the 2011 Census figure of 63 334.

Racial distribution within the municipality is as follows: Blacks (91.6%), Coloureds (1.1%), Indians (0.3%), and Whites (6.7%). The male/female ratio is very significant and correlates with most mining towns; 50.5% of the population is male and only 49.5% is female. (Source: StatsSA Census 2011). A significantly high number of the population is unemployed with the unemployment rate at 38.8%; and a youth unemployment rate of 49.8%.



### **6.1.2 Matjhabeng Local Municipality**

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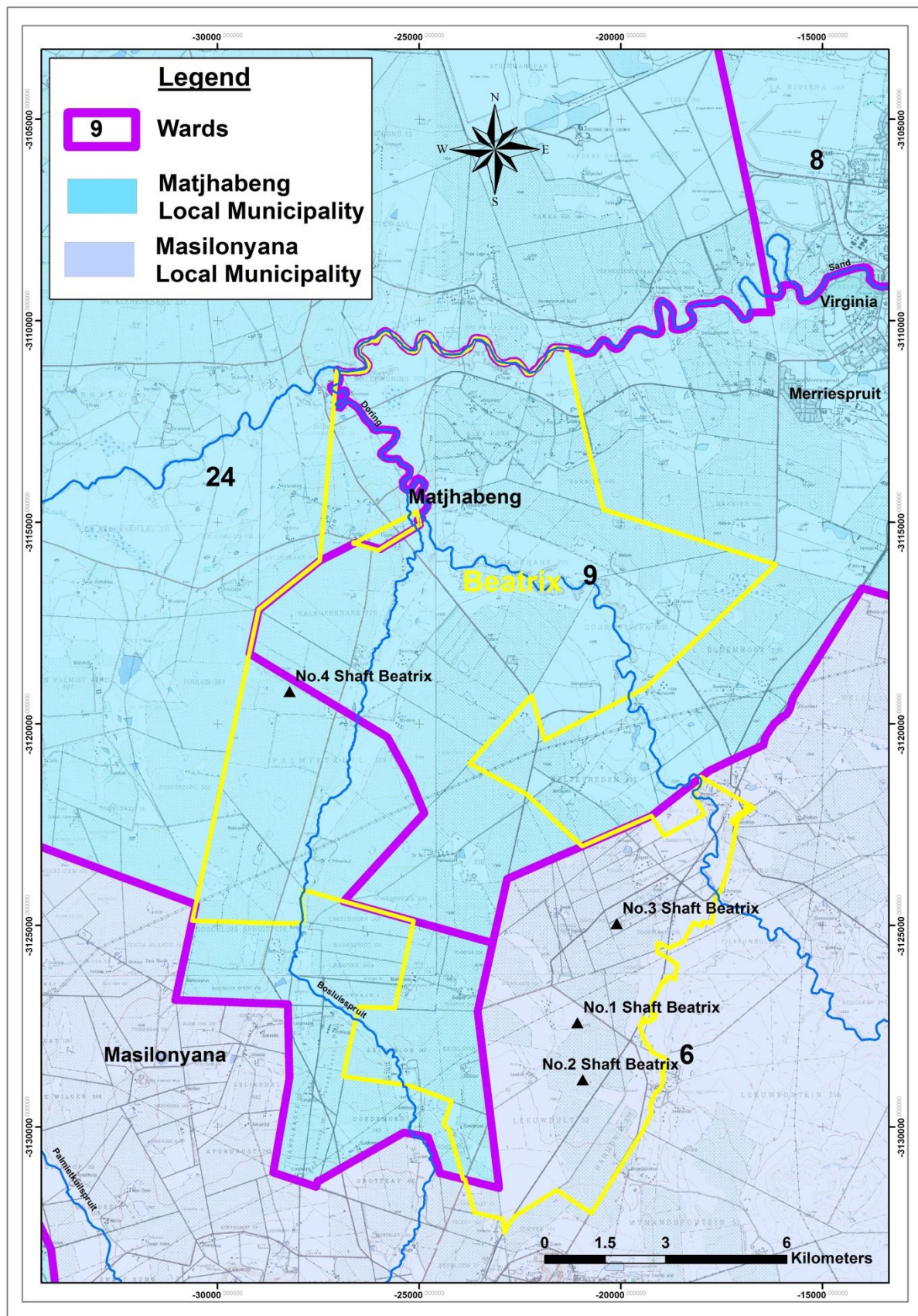
Matjhabeng Local Municipal area, previously known as the Free State Goldfields is centrally located in the Free State Province of South Africa and consists of the following main towns: Welkom, Virginia, Odendaalsrus, Hennenman, Ventersburg and Allanridge. Matjhabeng is the largest municipality in the Lejweleputswa District Municipality, with a total population of 406 461. (Source: Stats SA Census 2011). The population has since grown to 428 843 according to StatsSA 2016 Community Survey.

Racial distribution within the municipality is as follows: Blacks (87.7 %), Coloureds (2.1 %), Indians (0.4 %), and Whites (9.6 %). The male/female ratio is very significant and correlates with most mining towns; 49.6% of the population is male and 50.4% is female. A significantly high number of the population is unemployed with the unemployment rate at 37%; and a youth unemployment rate of 49.7%.

## **6.2 Socio-Economic Background**

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Beatrix is situated in the Lejweleputswa District Municipality and has three (3) operating sections: Beatrix North and South Section (Section 2) based in the Masilonyana Local Municipality area and Beatrix West Section 1 (Section 1) based in the Matjhabeng Local Municipality area. These two (2) municipalities form part of the Lejweleputswa District Municipality in the Free State Province.



**Figure 8:** The municipal area in relation to Beatrix footprint

Lejweleputswa District had a total population of 649 964, according to StatsSA 2016 Community Survey. The figure has gone up from 627 626 recorded in Census 2011. The District comprises the following 5 municipalities and covers an area of 31 686 square kilometres:

- **Masilonyana Local Municipality** consisting of the following towns: Theunissen, Brandfort, Winburg, Soutpan and Verkeerdevlei;
- **Matjhabeng Local Municipality** consisting of the following towns: Welkom, Virginia, Odendaalsrus, Hennenman, Ventersburg and Allanridge;
- **Nala Local Municipality** consisting of the following towns: Bothaville and Wesselsbron;
- **Tokologo Local Municipality** consisting of the following towns: Boshof, Dealesville and Hertzogville; and
- **Tswelopele Local Municipality** consisting of the following towns: Bultfontein and Hoopstad.

As with many communities in South Africa, Matjhabeng and Masilonyana Local Municipalities face a set of reinforcing development challenges that threaten to create a vicious and inescapable cycle of poverty, unemployment, ill-health, poor social services, aging infrastructure and low education levels.

Notwithstanding the above-mentioned conditions, a key finding of the independent Socio-economic Needs Survey conducted by Knowledge Pele (KP) on behalf of Sibanye Gold during 2016, is that members of the community surveyed expressed little trust in the authorities meant to address these problems, inter alia, ward councillors, municipal workers and big business.

## 6.2.1 Demographic Profile

**Table 40: Population Distribution by Race**

Population	Free State Province		Lejweleputswa District Municipality District		Matjhabeng Local Municipality		Masilonyana Local Municipality	
	Census 2011	Community Survey 2016	Census 2011	Community Survey 2016	Census 2011	Community Survey 2016	Census 2011	Community Survey 2016
Total population	2 745 590	2 834 714	627 626	649 964	406 461	428 843	63 334	66 084
Black /African	84.8%	88.7%	85.6%	89.4%	87.7%	87.8%	91.6%	89.5%
Coloured	3%	2.5%	1.8%	1.8%	2.1%	2.2%	1.1%	0.8%
White	12.1%	8.4%	12.5%	8.3%	9.6%	9.6%	6.7%	9.3%
Indian	0.1%	0.25%	0.1%	0.2%	0.4%	0.4%	0.3%	0.2%
Brief Analysis	<p>According to StatsSA and 2016 Community Survey, the total population of Lejweleputswa District Municipality grew slightly from Census 2011 to 649 964. This trend is also evident in the Matjhabeng and Masilonyana Local Municipalities which grew to 428 843 and 66 084 respectively. The population of Matjhabeng represents 15.1% of the total Free State population and 65.9% of the Lejweleputswa District Municipality population. On the other hand, Masilonyana represents 2.3% of the total Free State population and 10.1% of the Lejweleputswa District Municipality population. Both municipalities are predominantly Black communities with a slightly higher proportion of African people than the national average, which is 79.2%. Africans comprise the majority of the of the population with an average representation of 89.65%, followed by Whites with an average representation of 8.15% of the population and Coloureds constituting on average, 1.6% and Indians each constituting less than half a percentage of the total population in both municipalities.</p> <p>Census 2011 had shown that Matjhabeng and Masilonyana Local Municipalities had a negative population growth rate of 0.04% and 0.17% respectively. Interestingly, for Matjhabeng and Masilonyana Local Municipalities, the 2016 Community survey demonstrated a positive population growth rate of 0.012% and 0.010% respectively. On average, the population of Males and Females is similar at 50% each, although there are slightly more females in Matjhabeng while Masilonyana has slightly more males than females.</p>							

**\*Source: Census 2011 (StatsSA); Community Survey 2016 (StatsSA)**

The District comprises the 5 municipalities and covers an area of 31 686 square kilometres:

The Lejweleputswa District Municipality covers an area of 31 686 km<sup>2</sup> and most of the 649 964 people reside in the various urban area within the 5 local municipalities. The table below provides a snapshot of the various towns within the 5 local municipalities.

**Table 41: Local Municipalities and Towns in Lejweleputswa**

Lejweleputswa District Municipality, Local Municipalities and Towns				
Masilonyana	Matjhabeng	Nala	Tokologo	Tswelopele
Theunissen	Welkom	Bothaville	Boshof	Bultfontein
Brandfort	Virginia	Wesselsbron	Dealesville	Hoopstad
Winburg	Odendaalsrus		Hertzogville	
Soutpan	Hennenman			
Verkeerdevlei	Ventersburg			
	Allanridge			

**Table 42: Population Size**

Socio-Economic Indicators	Free State Province	Lejweleputswa District Municipality	Matjhabeng Local Municipality	Masilonyana Local Municipality
Total number of people	2 834 714	649 964	428 843	66 084
Total number of households	946 638	219 014	149 021	22 802
Average household size	3.0	3.0	2.9	2.9
Female-headed households	41.7%	39.8%	39.8%	42.7%
Child-headed households	0.5%	0.4%	0.4%	0.5%
Formal dwelling	791 485	182 454	126 049	19 210
Traditional	15 509	1047	335	48
Informal)	132 448	34 370	21 949	3 498
<b>Brief Analysis</b>	It is evident from the above statistics that the average household size within the region consists of three (3) household members. The average household size in both local municipalities decreased to 2.9 members per household according to StatsSA 2016			



	<p>Community Survey from the previous Census 2011 figure of 3. This is consistent with the decline in the average population growth rate in the province, district and local municipalities. Also evident in the table is the seemingly consistent figure of 40% of female headed households, throughout the province, district and local municipal level.</p> <p>The 2016 Community Survey also reveals the increase in the number of formal dwellings throughout the province, including in the district and local municipal areas. There has also been a decline in the number of traditional dwellings across the province. While the number of informal dwellings has increased in the province, there has been a steady decline of such dwellings in the district and local municipal areas.</p> <p>The StatsSA 2016 Community Survey also reports on the dynamics of poverty and its intensity during the 10 years from Census 2011. During the period under review, poverty headcount remained the same within the Free State Province; increased slightly in Masilonyana and decreased somewhat in Lejweleputswa District and Matjhabeng Local Municipalities. Poverty Intensity on the other hand decreased slightly in the province and Lejweleputswa District Municipality and Matjhabeng Local Municipality but remained unchanged in Masilonyana.</p>
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**Source: Census 2011 (StatsSA); Community Survey 2016 (StatsSA)**

**Table 43: Employment Status**

Labour Market	Free State Province		Lejweleputswa District Municipality		Matjhabeng LM		Masilonyana LM	
	C2011	CS2016	C2011	CS2016	C2011	CS2016	C2011	CS2016
Unemployment Rate (15-64)	33.0%	34.7%	37.0%	37%	37.0%	37%	42.2%	39.0%
Unemployed	309 857	313 793	80 435	82 254	57 097	99650	7 099	7227
Employed	638 331	649 661	139 262	143 154	96 678	58524	10 930	11406
<b>Brief Analysis</b>	<p>Of the two local municipalities in Lejweleputswa, Masilonyana is the worst performer with a high unemployment rate of 39% and a youth unemployment rate of 49.8%. Matjhabeng follows closely with an unemployment rate of 37.0% and a youth unemployment rate of 49.7%. This seems to imply that approximately half of the youth in the district are unemployed according to Census 2011. The situation also appears to be bleak in view of mine closures in the region.</p> <p>This high unemployment figure in Lejweleputswa District is aligned to the average household income in the area. It could also be indicative of previously low literacy levels of the same area and employment in fairly low skilled occupations in mining while the province has a more varied employment profile and a high percentage of employees in the government sector. The Mining Sector is a dominant employer in Lejweleputswa accounting for 42.9% of sectoral employment within the area, while for the Free State the figure is 9.0%. Knowledge Pele impact evaluation revealed that respondents raised illegal mining as concern and that this could be due to a shortage of economic opportunities available when mine closure occurs.</p> <p>It is important to note even though the mining sector is still regarded as a preferred employer, it is prone to economic volatility and consequently compelled to downscale, retrench or even close down at short notice particularly when the gold price declines and areas become uneconomical to mine. It is therefore crucial to identify alternative sources of employment for locals as part of the mine's closure plans.</p>							

**Source: Census 2011 (StatsSA); CS 2016; 2012-2016; Knowledge Pele Impact Evaluation**

The table below provides a synoptic overview of the availability of the basic services to the community. Such an overview is presented to provide an overview of the municipal infrastructure backlog and the developmental needs of the areas. The section analyses access to the following various municipal services during the census 2011:

- Human settlement
- Water access facilities
- Sewerage systems
- Sources of energy

**Table 44: Human settlements and Access to Basic Services**

Socio Economic Indicators	Free State Province		Lejweleputswa District Municipality		Matjhabeng LM		Masilonyana LM	
Census Year	C2011	CS2016	C2011	C2016	C2011	C2016	C2011	CS2016
Formal dwelling	667 759	791 485	145 018	182 454	96 679	126 049	14 565	19 210
Flush toilet with sewerage system	557 436	702 997	142 139	179 008	101 029	126 135	13 329	19 279
Pit Latrine (Without ventilation)	183 133	227 958	17 684	15 166	10 920	10 712	706	496
No access to any toilet facilities	25 729	15 684	5 926	4225	3 071	1886	579	618
Weekly waste removal by local authority or private company	598 479	659 477	149 666	158 249	107 609	108 414	10 748	15 229
No rubbish disposal	34 011	37 494	7 885	6894	4 917	5414	1 257	289
Access to piped water	733 308	910 582	166 378	205 845	111 794	142 116	16 376	21 039
No access to piped water	18 092	36 056	3 705	2332	2 480	1274	430	863
<b>Brief Analysis</b>	A key challenge of a developmental state like South Africa is to ensure that all citizens have access to basic services such as housing, water, and sanitation. While a large proportion of the population of the region lacked these services in the past 20 years, there have been considerable improvements in the delivery of such services, albeit slow in certain municipalities. The table above shows that not all households in the region have access to municipal infrastructure and service delivery. There are communities who are still unable to access piped water, waste disposal and sanitation facilities. The above issues not only pose a challenge to the local municipalities in terms of infrastructure and service provision, but will mostly likely hamper the mine in terms of its programmes to improve socio-economic conditions for local communities.							

	Knowledge Pele revealed that while the majority of households had flushing toilets, these were invariably found outside of the dwelling. Knowledge Pele also found that while respondents bemoaned the quality of such infrastructure, they did not have the means to afford better infrastructure due to lack of or inadequate financial means. Further, the most critical infrastructure challenge is piped water. According to the Stats SA 2016 Community Survey Report, the number of residents with no access to piped water was reduced from Census 2011 but has not been totally eradicated.
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**Source: Census 2011 (StatsSA); Community Survey 2016 (StatsSA)**

**Table 45: Electricity Usage**

Electricity Usage	Lejweleputswa District Municipality	Matjhabeng Local Municipality	Masilonyana Local Municipality
Lighting	94%	94.7%	93%
Cooking	92%	94%	90.2%
Heating	92%	89%	93%
<b>Brief Analysis</b>	The provision of basic services such as electricity appears to be increasing, with the number of households utilising electricity for lighting, cooking and heating increasing. The statistics above show that the region is very close to achieving the objective of having electricity in every home. It is however likely that there is still a sizable portion of the Lejweleputswa community that still relies on gas, paraffin, wood and coal as preferred fuel for cooking and heating, but this number is clearly on the decline		

**Source: Census 2011 (StatsSA); Community Survey 2016 (StatsSA)**

**Table 46: Education Attainment Levels**

Educational profile of adults aged 20+	Free State Province	Lejweleputswa District Municipality	Matjhabeng LM	Masilonyana LM
No schooling	7.1%	3.6%	2.6%	8.7%
Matric	27.1%	25.9%	22.9%	22%
Higher education	9.4%	7.7%	4.7%	6.9%
<b>Brief Analysis</b>	According to Census 2011 results the number of people who reported to have had no schooling has declined over the past 20 years. Community Survey 2016 has shown that 3.6% of the population were recorded as having none or limited primary education in Lejweleputswa District and 2.6% and 8.7% in Matjhabeng and Masilonyana respectively. On average, about 22% of the population of Lejweleputswa District and the two local			



	<p>municipalities completed secondary school, while about 6% of the population had completed tertiary studies.</p> <p>Within the Lejweleputswa district, Matjhabeng has the highest educational levels with higher literacy rates, more people with matric and higher education qualifications. Masilonyana seems to be lagging behind. Knowledge Pele survey revealed that the level of educational attainment is high and the importance to provide additional support for learners with the intention to derive optimal benefit for learners who would be able to access greater educational opportunities as a result.</p>
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**Source: Census 2011 (StatsSA); IHS Global Insight; 2012-2016 Knowledge Pele Impact Evaluation**

**Table 47: Household Income**

Average household income (R)	Free State Province	Lejweleputswa District Municipality		Matjhabeng LM	Masilonyana LM			
	2001	2011	2001	2011	2001	2011	2001	2011
	30 726	75 314	28 341	65 932	31111	71331	20171	51271
<b>Brief Analysis</b>	<p>While average income of the region seems to be on the rise, it belies the fact that over 20% of the population receives little or no income. This is corroborated by findings of the Community Survey (2016) which indicates that the number of grants and subsidies the population received as percentage of income is on the rise. The Community Survey also found no significant change in poverty headcount and intensity between the previous Census (2011) and 2016. The high unemployment rate especially amongst the youth and low tertiary education levels are also contributing factors to low levels of household income. The situation is obviously dire in child headed households where the only source of income is social grants.</p> <p>Within the region under review, Masilonyana LM has the lowest average household income, followed by the Lejweleputswa District Municipal area. Matjhabeng Local municipal area boasts the highest average household income in the region, just short of the average income in the Free State Province.</p> <p>According to the survey conducted by Knowledge Pele, most respondents in Matjhabeng and Masilonyana Municipalities indicated Government Grants as their source of income.</p>							

**Source: Census 2011 (StatsSA); Community Survey 2016 (StatsSA)**

## 6.2.2 Key Economic Activities

The purpose of this section is to identify key economic sectors through a sectoral review of the region. The section also provides an indication of the characteristics of the economy and highlights trends in the economy. The section presents the strategic role that the economy plays within the national context and the following features are discussed:

- An overview of the economic profiles (sectors)
- Sectoral employment
- Employment and unemployment
- Contribution of the municipalities to the Lejweleputswa District Municipality's industries' GVA

### 6.2.3 Economic Profile of the Lejweleputswa Region

The table below provides a synoptic overview of the key economic sectors in the Free State Province and Lejweleputswa District Municipality.

**Table 48: Key Economic Sectors in the Free State and Lejweleputswa District Municipality**

Economic Sector	Free State Province		Lejweleputswa District Municipality	
	1996	2012	2012	2014
Agriculture	5.3%	4%	5.5%	5.6%
<b>Mining</b>	<b>16%</b>	<b>9%</b>	<b>42.9%</b>	<b>46.5</b>
Manufacturing	13%	14%	1.3%	2.5%
Utilities	3.5%	3%	0.6%	1.5%
Construction	2%	2%	1.5%	1.7%
Wholesale and Retail Trade	12%	11%	11.7%	11%
Transport	7%	9%	5.5%	6.3%
Financial, insurance, real estate and business services	15%	20%	10.6%	10.8%
Community Services	26%	26%	20.4%	14.2%

**Source: Global Insight – Regional Explorer (2015): Free State Growth and Development Strategy (2012)**

As indicated in the table above, the mining sector's contribution to the GDP of the province and district municipal areas decreased significantly in the past

20 years. Agriculture's contribution is also trending downwards. The financial, insurance, real estate and business services are the only sectors that have shown some promising growth from 1996, while the community services sector had increased quite significantly at the district level. This growth is attributed to the expansion of government departments and growth in the public sector services.

#### 6.2.4 Economic Profile of the Lejweleputswa Region

**Table 49: Sectoral Contribution**

2014	Masilonyana	Matjhabeng
Agriculture	6.2%	0.8%
<b>Mining</b>	<b>50.3%</b>	<b>56%</b>
Manufacturing	2.1%	2.1%
Electricity	1.2%	1.3%
Construction	2.2%	1.5%
Trade	8.3%	10%
Transport	5.2%	5.6%
Finance	8.4%	10.8%
Community services	16.2%	11.9%
Total Industries	100%	100%

**Source: IHS Global Insight Regional eXplorer, 2015**

Mining is the major economic activity in the area. It contributes 56% of the Gross Domestic Product of Matjhabeng with towns such as Welkom, Virginia, Odendaalsrus and Hennenman having developed as a result of mining being the predominant economic activity. The other towns developed as support

centres for farming communities in the area. The next prominent sector is community services, followed by manufacturing, trade, transport, utilities, and construction.

Masilonyana is a predominantly rural area with no major urban centres. It is mainly dependent on crop and livestock production as agricultural activities. However, mining is a dominant economic activity in the area, with Beatrix Gold Mine being one of the major mines. The predominant land uses in the area include commercial agriculture. Main economic sectors are agriculture, mining and community services.

## **6.3 Local Economic Planning**

### **6.3.1 Integrated Development Planning: Local Municipality**

This section seeks to align Beatrix Mine's Local Economic Development (LED) programme with the Integrated Development Plan of the host municipalities. This is to ensure that projects identified in this SLP address the host community's priority issues and that the community enjoys the benefits that accrue from mining and production activities of the mine. The process followed to compile this section comprised the following key activities:

- A socio-economic baseline study conducted in the area;
- Participation in the IDP process of Matjhabeng Local Municipality, Masilonyana Local Municipality and Lejweleputswa District Municipality;
- Review of the local and district municipality IDPs and
- Engagements with the Matjhabeng and Masilonyana Unemployment Forum which takes place quarterly.

**Table 50: Key Priority Issues and Objectives for the District and Local Municipalities**

District Priority Issues:	Masilonyana Local Municipality	Matjhabeng Local Municipality
Local Economic Development	Local Economic Development	To develop a capable and sound municipal administration
Municipal Transformation and Institutional Development	Improve relations for stakeholder to engage in a meaningful way	To create a financially viable and sustainable municipality
Financial Viability and Financial Management	Address poverty and unemployment	To improve and accelerate service delivery
Basic Service Delivery and Infrastructure Investment	Basic Service Delivery and Infrastructure Investment	To promote local economic development and create sustainable jobs
Good Governance and Community Participation	Good Governance and administration	To promote good governance and effective public participation
	People development	
	Integrated sustainable human settlements	
	Environmental management	
	Spatial form and urban management	
	Safe and secure environment	
	Financial sustainability	
	Ensure strict credit control	
	Manage the health environment and the HIV/Aids pandemic	

### **6.3.2 Impact of operation on the area**

Mineral resources are non-renewable in nature, thus Sibanye Gold commits to responsible mining practices that will leave a positive legacy in the communities in which mining occurs. Mining activities have inherently positive and negative economic, social and environmental impacts on the communities that live close to the mines. Positive impacts are typically

enhanced by pro-active socio-economic, social and environmental management programmes. Positive impacts by the mine's operations have included investments in job creation, skills development, education and health, as well as local business development, procurement opportunities and infrastructural provision.

The direct impacts that Beatrix has on the aggregate economy in terms of the wage bill and procurement cannot be overemphasised. Beatrix is one of the largest employers in the Masilonyana and Matjhabeng municipal areas. As at December 2016, the mine employed in total 9616 employees (7835 direct and 1781 contractors). This is a remarkable contribution for municipal areas where unemployment is estimated to be close to 40%.

Employment created provides employees and their dependants with a source of income. This household income is used to fulfil the basic needs (and more) of the employees and their households. Fulfilment of basic needs is necessary for economic development since healthy people are more productive in terms of learning, working, entrepreneurial spirit and wealth creation. The income further contributes to the municipalities' tax base in the form of rates and taxes paid by employees for basic services rendered by the municipalities of Matjhabeng and Masilonyana. The household income also increases the buying power of employees who in turn, spend their income on a variety of household goods that generate additional economic activities, in the tertiary sector particularly.

## **6.4 Poverty Alleviation Projects Local Economic Development Projects**

### **6.4.1 Introduction**

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As mentioned in the section on the community development strategy, Sibanye's approach to this SLP stems from the pursuit of the strategic objective of maintaining our social license to operate through social closure. Central to this approach is alignment with critical national and global imperatives such as the NDP and the UN Global Goals for Sustainable Development. In addition, MPRDA Regulation 46 (c) (iii) requires mining operations to align LED projects to municipal IDPs.

The section summarises the Matjhabeng and Masilonyana Local Municipalities' IDPs strategic thrusts as well as their development priorities in order to establish the interventions that have a strategic fit to Sibanye's key focus areas to enhance the partnership with the municipalities in addressing the socio economic challenges facing the municipalities.

Of importance to note is that LED projects that will ultimately be implemented by Beatrix need to address the communities' current aspirations whilst creating a parallel economy that will sustain the communities for posterity.

The LED projects that will be implemented through this SLP will address the development priorities of the Matjhabeng and Masilonyana Local Municipalities. The intention is to identify the local economic development projects that Beatrix will support as a contribution to develop and sustain economic growth in the host municipal areas. The projects are selected from the IDPs and other existing planning documents such as LED Strategies where available. A critical aspect that is included in this section is a demonstration of the alignment of the proposed projects to the municipalities' development priorities.

An integrated approach is used to ensure the implementation of economic development that will have ripple effect and benefit the local municipal area as a whole. For this reason the projects that will be pursued have to be sustainable, outlive the life of mine and be able to amass additional resources through partnerships. Therefore, from a strategic development facilitation point of view, it is necessary to ensure that the appropriate linkages and interactions between projects are established.

#### **6.4.2 Analysis of the Local Municipalities**

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Beatrix is cooperating with the local and district municipalities. It is actively involved in the municipal level Integrated Development Plans process and the associated programmes of the Matjhabeng, Masilonyana Local and Lejweleputswa District Municipalities. The company participates in the local IDP process at various levels of government to ensure that the mine's contribution to the LED initiatives are linked to the local level development priorities. To the possible extent, all projects that the mine supports will be relevant, defensible, auditable and sustainable.

The implementation of all local development projects will be supported by committees that will have representatives of local government and/or other relevant government departments where appropriate.

A detailed account of the various planned interventions is presented in the section that deals with the implementation framework. The following sub-section outlines the development priorities of the communities of Theunissen and Welkom as determined through an SLP projects impact assessment study that was commissioned by Sibanye in 2016.



### 6.4.3 Developmental Needs as Expressed by Communities of Theunissen and Welkom

**Table 51: Needs and Development Priorities**

Theunissen	Welkom
<ul style="list-style-type: none"> <li>- Development in education and training</li> <li>- Support and maintenance of schools</li> <li>- Skills Development Centre</li> <li>- Bursary funding for matriculants</li> <li>- Recreation and media facilities</li> <li>- Development of a shopping centre</li> </ul>	<ul style="list-style-type: none"> <li>- Education and training</li> <li>- Skills Development Centre</li> <li>- Internships</li> <li>- Recreation and media facilities</li> </ul>

**Source: Sibanye Gold 2012-2016 SLP Independent Impact Evaluation Report by Knowledge Pele**

In addition to the impact assessment, meetings were held with the Matjhabeng/Masilonyana Unemployment Forum. This forum is used as a primary method for engagements with the community. The Forum is made up of representatives from Welkom, Theunissen, Odendaalsrus, Virginia and Hennenman towns. The Matjhabeng Local Municipality's Development Planning Portfolio Chairman, chairs the meeting.

The Forums provides an ongoing opportunity for community members to be informed about Beatrix's business and are afforded an opportunity to raise issues, to discuss those issues and give their viewpoint and feedback on issues that come about as a result of Beatrix operation mining and production activities.

The issues that have been raised by the forum are contained in Table 50 below.

**Table 52: Community Issues**

Issue	Possible Mitigation/Intervention
Recruitment of local community.	Memorandum of understanding between the structure, TEBA, Sibanye and the municipalities.
Contractors do not utilise Sibanye's recruitment model and this is to the detriment of communities that do not meet requirements to be employed by the mine.	Employment of local communities is made mandatory for contractors, unless they cannot find the skills locally. They are required to utilise Sibanye recruitment systems.
Local enterprises do not benefit from Beatrix's procurement opportunities.	A database of local enterprises was compiled. This database is used foster procurement from the local enterprises. An Enterprise Development Strategy is being finalised for implementation.
Lack of programmes to equip local youth for mining related jobs.	A cadetship programme is being explored to prepare communities for the industry.
No feedback on the allocation of bursaries, learnerships and other training opportunities that should benefit youth.	This will be included in the reporting template as a progress report that will be provided on quarterly basis to the Unemployment Forum.
Communities and local enterprises do not benefit from infrastructure projects implemented in the mine community development programme.	Sibanye has since adopted a whole school development approach for any school infrastructure project implemented, which incorporates community infrastructure development benefits.
Beatrix mine has not implemented socio economic development projects as required by the Mining Charter.	The projects that will be identified for this SLP will be shared with the Forum and progress reports will be presented quarterly.

The implementation framework in the table that follows, details the projects that Beatrix will implement in support of the IDP of the host municipalities. The implementation of the projects will also facilitate a localised approach for the realisation of the following macro development objectives:

- Job creation
- Poverty reduction
- Inequality
- Growing the economy
- SMME development

#### **6.4.4 LED Project Implementation Summary**

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The following projects have been identified as being appropriate in terms of Sibanye Gold's purpose statement of improving lives. The investment in this regard is commensurate with the current production levels and associated profit levels of the Beatrix Operations.

**Table 53: LED Projects**

Geographic Areas	Projects	Partners	Impact	Proposed budgets
Host	Roads	Matjhabeng LM	Infrastructure for the benefit of the community as whole	R27m
	Local Economic development in support of infrastructure development	Masilonyana LM	Infrastructure for the benefit of the community as whole Infrastructure for the benefit of the community as whole	R27m
Labour Sending Areas	Livestock infrastructure	Chris Hani District Municipality	Reduce animal mortality and increase yields for the farmers	R3m
	Greater Kei	Phakisa (Ocean Economy)	Ensure job readiness of local communities for the jobs that will arise from the ocean economy	R3m
<b>Total</b>				<b>R60m</b>

The Projects that follow have been split into (i) Labour Sending Area Projects and (ii) Host Community Projects.

The strategy is designed to focus on infrastructure development projects in local and labour sending areas. As a result of limited resources the LSA projects are only in the Eastern Cape.

**Table 54: Livestock Development and Support Infrastructure**

Project Name	Livestock Development and Support Infrastructure				FY of Project Sheet	2017		
Background to project	<p>Shearing sheds and accompanying livestock handling facilities are a vital part of wool marketing and livestock marketing and for farmer gathering and organisation. The majority of shearing sheds are built by private sector wool marketing firms and are for only that purpose. This is a limiting factor because there are as few of them as possible because this suits the commercial wool companies. But it means that farmers have less choice and have to drive their animals and to hold them while waiting to be shorn.</p> <p>The establishment of sheds will provide the farmers with the much needed infrastructure that will support this economic activity, which could double for other community activities.</p>				Project start date		2017	
					Project End Date		2021	
Project Partners	Sibanye Gold: - will assist with funding for infrastructure and project management Chris Hani District Municipality: - Provided land and services to the site				Information Valid as at:		June 2017	
Project Incorporated into which IDP	Chris Hani District Municipality			Beneficiaries (Community Specific)	5 feeder schools around the town of Idutywa			
IDP Reference Number of Project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled	Geographical Location of Project	Idutywa, Eastern Cape Province	
		15	25	0	nd			
	Spin off employment opportunities	Male	Female	Youth	Disabled			
		20	10	30	nd			
		Total Employment Opportunities Created:						
	Short Term	Medium Term	Long Term					

		100	20	10																	
Output	Responsible Entity	Activity																			
		Key Performance Area (KPA)	Key Performance Indicator (KPI)	Year 1		Year 2		Year 3		Year 4		Year 5									
Social Facilitation	Sibanye Gold Limited	Engagements with the farmers	Community ownership																		
centrally situated areas for the building of the 1 sheds	Chris Hani District Municipality	Identify centrally located areas to build the sheds	Council resolution																		
Designs and drawings	Sibanye Gold Limited	Building plans	Municipality approved building plans																		
Set up cooperatives to distribute medicines		Institutionalisation of the distribution point	Registered community enterprises/business entities																		
Training and mentoring of cooperative (distribution point)		Training and development of the cooperative	Management systems																		
Drawings and designs		Building plans	Approved structures																		
Construction of sheds		Construction	1 functional shed																		
Exit		Hand over	Certificate of occupancy																		
Budget				R3 000 000																	

<b>Exit Strategy:</b>	The infrastructure will be handed over to the Department of Education and the school governing body for up keeping and maintenance
<b>Completion Date:</b>	Review in 2018



**Table 55: Greater Kei Agriculture Training Facility**

Project Name	Greater Kei Agriculture Training Facility				FY of Project Sheet		2014
Background to project	<p>Greater Kei local municipality has identified the following projects for the Oceans Economy :</p> <ul style="list-style-type: none"><li>Kei Mouth Small Towns Revitalization</li><li>Small Boat fishing Harbor</li><li>Kei River Mouth: upgrade the small craft facilities including: boat storage and recreational use.</li></ul> <p>In order to ensure readiness of youth to access opportunities that will arise from the implementation of the above interventions as driven through Operation Phakisa (Ocean Economy), the municipality has approached Sibanye for assistance in building a facility to train youth in agriculture and marine time .</p>				Project start date		Jan 15
					Project End Date		Dec 15
Project Partners	<p><b>Sibanye Gold:</b> - will assist with funding for infrastructure and project management</p> <p><b>Department of Education:</b> - MOA to provide specifications , staffing, equipping and maintenance going forward including coordinating the contribution of local stakeholders</p> <p><b>Greater Kei Local Municipality:</b> - Provided land and services to the site</p> <p><b>Department of Agriculture</b></p>				Information Valid as at:		November 2014
Project Incorporated into which IDP	Greater Kei Local Municipality			Beneficiaries (Community Specific)	5 feeder schools around the town of Idutywa		
IDP Reference Number of Project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled	Geographical Location of Project	Idutywa, Eastern Cape Province
	Spin off employment opportunities						
		Total Employment Opportunities Created:					
		Short Term	Medium Term	Long Term			

		100	20	10																								
Output	Responsible Entity	Activity																										
		Key Performance Area (KPA)	Key Performance Indicator (KPI)	Year 1			Year 2			Year 3			Year 4			Year 5												
Memorandum of Agreement (MoA)	Greater Kei LM/Sibanye	Enter into an agreement	Signed MoA																									
Professional services	Greater Kei LM/Sibanye	Project management	Project plan																									
Planning	Sibanye	EIA, Rezoning and building plans	Approved development and building plans																									
Mobilisation of additional Resources	Greater Kei LM/Sibanye	Identify and secure additional partners	Memorandum of agreement																									
Tender process	Sibanye	Appointment of a contractor	Service Level Agreement																									
Agriculture training centre/college	Sibanye	Building of the facilities	Number of community members that will benefit during construction and during the utilisation of the facility																									
Hand over	Department of Mineral Resources/Sibanye	Opening of the facility																										
Budget				R3 000 000																								
Exit Strategy:	The infrastructure will be handed over to the Department of Education for up keeping and maintenance																											
Completion Date:	Review in 2018																											

**Table 56: J S Skenjana Senior Secondary School\***

Project Name	J S Skenjana Senior Secondary School				FY of Project Sheet		2014	
Background to project	Identified in January 2014 by the then MEC in the Eastern Cape (Ms Noxolo Kiviet) who requested assistance from the DMR through mining houses for assistance with school buildings for the school. In June 2014 a visit was undertaken to the existing facility by Sibanye Gold, the DMR and Department of Education (DoE) as well as representatives from the Eastern Cape Premiers office.  The previous cycle of the SLP addressed the feasibility and the planning activities of the project. In this SLP the next stage gate of the project i.e. construction will be implemented.				Project start date		Jan 15	
					Project End Date		Dec 15	
Project Partners	<b>Sibanye Gold:</b> - will assist with funding for infrastructure and project management <b>Department of Education:</b> - MOA to provide specifications , staffing, equipping and maintenance going forward including coordinating the contribution of local stakeholders <b>Mbhashe Local Municipality:</b> - Provided land and services to the site				Information Valid as at:		November 2014	
Project Incorporated into which IDP	Mbhashe Municipality			Beneficiaries (Community Specific)	5 feeder schools around the town of Idutywa			
IDP Reference Number of Project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled	Geographical Location of Project	Idutywa, Eastern Cape Province	
		40	5	15	Nd			
	Spin off employment opportunities	Male	Female	Youth	Disabled			
		20	10	30	nd			
		Total Employment Opportunities Created:						
		Short Term	Medium Term	Long Term				
45	0	0						

Output	Responsible Entity	Activity																			
		Key Performance Area (KPA)	Key Performance Indicator (KPI)	Year 1			Year 2			Year 3			Year 4			Year 5					
Professional services	Sibanye	Enlist project Management services	Service level agreement																		
Social facilitation	Department of Education/Sibanye	Prior Informed Consensus	Community ownership																		
Tender process		Sibanye	Local contractors and labour	Service level agreement																	
Phase 1 and 2	Sibanye	Complete phase 1 of the school infrastructure	Certificate of occupation																		
Hand over	Sibanye and Department of Mineral Resources	Opening of the new school	Hand over function																		
Budget				R70m (To be co-funded by other Sibanye operations and third party Trust Fund with whom negotiations are in progress)																	
Exit Strategy:	The infrastructure will be handed over to the Department of Education and the school governing body for up keeping and maintenance																				
Completion Date:	2019																				

\*To be pro-rated as per production profile of each Sibanye Operation

\*\*Not included in SLP Financial Provision due to project being part of backlog SLP Projects

#### 6.4.4.1 Host Community LED Projects

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##### 6.4.4.1.1 LED Projects in Masilonyana LM

In the quest for an alignment of the 2017-2021 SLP Mine Community Development Programme to the IDP of Masilonyana Local Municipality, Sibanye met with the Masilonyana Local Municipality to discuss the best options of addressing Masilonyana's IDP priorities. No conclusion was reached on the Mine Community Development projects that will be implemented by Beatrix to address the socio economic challenges besetting the host community of Masilonyana. In an attempt to ensure this alignment the DMR arranged a meeting between the Masilonyana and Sibanye to finalise the matter. In this meeting it was agreed that R27m of the R60m Beatrix's SLP budget allocation for the period 2017-2021 would be set aside to implement Masilonyana Local Municipality's socio economic projects once discussions are finalised between the municipality and the DMR. This budget will be disbursed in 5 equal instalments over the 5 year period starting in 2017.

##### 6.4.4.1.2 Plan to Address LED Backlog

In addition to the abovementioned projects three projects which were initiated in the 2012-2016 SLP cycle will be completed during the course of 2017. Two of the projects are school infrastructure projects located in Matjhabeng, which will be handed over before the end of year. The third project is the Mathematics and Science programme which commenced in 2013. Due to the late start, the project overlapped into this SLP cycle and will be completed at the end of the year. Two hundred and seventy-nine learners are currently enrolled in the programme.

**Table 57: Road Infrastructure**

Project Name	Road infrastructure Development		FY of Project Sheet	2017
Background project	<p>Effective and efficient transportation provide economic benefits that result in multiplier effects such as better accessibility to markets, employment and additional investments. Consequently citizens who are deprived of good road infrastructure miss out on several economic opportunities. Roads in general improve accessibility, enhance mobility and improve welfare.</p> <p>When organizations make investment choices they take cognizance of the cost of supplying raw material will be minimized. In order to establish if there are two determining factors namely; i) cost of transport and ii) satisfactory transportation services. The two cannot happen in the absence of well-maintained road infrastructure.</p> <p>In areas where communities are separated from the workplace a reliable transport road network cannot be overemphasized. Connectivity provided by roads is perhaps the single most important determinant of the quality of life of people living in urban areas.</p> <p>However, the impact of heavy vehicles on roads is significant, and the cost of maintenance and upgrades is increasing as traffic demands grow. It is for this reason that Matjhabeng has requested Sibanye to invest in the improvement of municipal road infrastructure.</p>		Project start date	Jan 2017
Project Partners	Matjhabeng Local Municipality		Project End Date	Dec 2021
IDP Alignment	The project addresses the development priorities articulated in the Matjhabeng Local Municipality Integrated Development Plan		Information Valid as at:	June 2017
Project Incorporated into which IDP	Matjhabeng Local Municipality IDP	Beneficiaries (Community Specific)	Small Medium Micro Enterprises in Construction	

IDP Reference Number of Project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled	Geographical Location of Project	Idutywa, Eastern Cape Province																
		TBD	TBD	TBD	TBD																		
	Spin off employment opportunities	Male	Female	Youth	Disabled																		
		TBD	TBD	TBD	TBD																		
		Total Employment Opportunities Created:																					
		Short Term	Medium Term	Long Term																			
	TBD																						
Output	Responsible Entity	Activity																					
		Key Performance Area (KPA)	Key Performance Indicator (KPI)	Year 1		Year 2		Year 3		Year 4		Year 5											
Agreement on project principles and roll out plan	Sibanye Gold Limited	Enter into a public private partnership for the roads project	Memorandum of Agreement																				
Emerging Contractor development programme		Develop local contractors in the various activities of road construction and maintenance	No of community members trained in road construction and companies supported through the emerging Contractor																				

Page | 104



**Table 58: Mathematics Programme**

Project Name	Mathematics Programme					FY of Project Sheet	2017
Background to project	Following discussions between Beatrix and Free State Department of Education, Beatrix deemed it prudent to provide some intervention to address the challenge of poor mathematics results from the schools in the region by purchasing a mathematics programme for the learners and teachers. Following a successful initial rollout period, the project areas are to be expanded for the remaining implementation period.					Project start date	Jan 13
						Project End Date	Dec 17
Project Partners	<b>Sibanye Gold:</b> - contributes 60% of the funds <b>Free State Department of Education:</b> - Contributes 40% of the funds and provides technical support					Information Valid as at:	June 2017
Project Incorporated into which IDP	Matjhabeng and Masilonyana Local Municipalities			Beneficiaries (Community Specific)	Thabong, Meloding Kutlwanong and Masilo communities		
IDP Reference Number of Project	Total Expected Number of Jobs to be created	Male	Female	Youth	Disabled	Geographical Location of Project	Lejweleputswa District
		0	0	0	0		
	Spin off employment opportunities	Male	Female	Youth	Disabled		
		0	0	0	0		
		Total Employment Opportunities Created:					
		Short Term	Medium Term	Long Term			
		4	0	0			
Output	Responsible Entity	Activity					

		Key Performance Area (KPA)	Key Performance Indicator (KPI)	Year 1	Year 2	Year 3	Year 4	Budget
List of learners participating in the programme	<b>Sibanye/FSDoE</b>	Enrolment of learners	No of learners enrolled					
Programme rollout plan	<b>FSDoE/Sibanye</b>	Learning and assessment	Pass rate					
Awards ceremony	<b>DMR/Sibanye/FSDoE</b>	Recognition of high performers	No of distinctions					
<b>Budget</b>								<b>R3.2m</b>
<b>Exit Strategy:</b>	Educator development programme							
<b>Completion Date:</b>	2017							

## 7. Housing and Living Conditions

### 7.1 Introduction

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Beatrix has aligned itself to Sibanye Gold's policy and strategy of improving the living conditions of its employees, and has:

- Established accommodation forums both at Group Leadership level and at operational level;
- Elected Hostel Residents Committees with full-time members who represent the interests of the employees in the management of the residences;
- Planned a follow up survey in order to determine if employee accommodation preferences had changed over the past eight years. The survey will assist in enhancing the existing accommodation strategy, which includes the following options:
  - Hostel Upgrades;
  - Family Units;
  - Rental of current houses;
  - Home Ownership Scheme;
  - Aligned accommodation initiatives with the Integrated Development Plans of the relevant local authorities.

Consequent to the above, and acknowledging the inherent precepts of human dignity, respect and privacy, Sibanye Gold has embarked on a major project to upgrade and convert existing single sex hostels to achieve lower room densities, to allow for more privacy. This has improved living conditions and provided social development for the residents, and when combined with the balance of Sibanye Gold current property portfolio will provide choices across the entire accommodation spectrum. Beatrix Mine completed 100% of

all upgrades by end December C2013 while the current room plan lends itself to converting these rooms into family units, the geographical positioning of Beatrix Mine in relation to the nearest Municipal areas, the absence of logistical support, clinics, schooling, and transport and business infrastructure does not make it feasible to address the family unit option.

**Table 59: Available Housing Status for Employees as at September 2016**

Accommodation Type	Number of Employees	Percentage (%) of Total Workforce
Hostels	2 716	30 %
Own Accommodation	146	2 %
Company Accommodation	799	9 %
Other (Specify): Living out Allowance	5 401	59 %
Single Quarters	31	0 %
<b>Total</b>	<b>9 093</b>	<b>100%</b>

The above table shows accommodation preferences made by Beatrix employees: 30% of the employees reside in hostel dwellings, 9% in Company accommodation, 2% exercised the option of purchasing their own accommodation, while 59% of employees opted for a Living out Allowance. The implementation plans are set below.

**Table 60: The Total Cost of Beatrix Accommodation Programme for 2017 – 2021**

Action	2017	2018	2019	2020	2021	Total
	Rm	Rm	Rm	Rm	Rm	Rm
Costs for Maintaining Family Accommodation	15 834	15 935	15 998	16 018	15 989	79 774
Costs for Maintaining Single Accommodation	24 435	24 384	24 249	24 019	23 684	120 771
<b>Total</b>	<b>40 269</b>	<b>40 319</b>	<b>40 247</b>	<b>40 037</b>	<b>39 673</b>	<b>200 545</b>

## 7.2 Home Ownership Strategy

Beatrix is committed to the facilitation of Home ownership for its employees.

Beatrix currently has 800 houses in proclaimed areas and the process of sale to employees started in 2016. The current resident can apply to purchase the house at the market related price and is offered by the company, a discount on this price based on continuous group years of service with a base of 10% for all employees and increase with 1% for every completed year of service. The sales are forecasted to be split over the next 5 years but are not limited to specific numbers per year.

In addition, Sibanye is investigating viable Affordable Housing Financing models to assist the employees with affordable finance. We are reviewing our current Affordable Housing Programme which failed in the West Wits due to affordability and limited uptake with some employees preferring to settle out of mining areas. We will continue to engage with organised labour on a regular basis.

Our commitment is to (i) facilitate the implementation of the Affordable Housing model based on the demand when a suitable model has been

developed and accepted; and (ii) contribute land to the affordable housing programme as we did in previous model and intend to factor in future models in line with municipal IDP's within the proclaimed land.

Sibanye will facilitate building of 24 houses in Merriespruit over the SLP duration- 2017-2021.

Sibanye will apply the following implementation sequence for this project:

For 2017- Investigation and Planning will be conducted and concluded, 2018 – 2020, 8 houses per year subject to home loan approvals of the applicants (Sibanye PR 2 Employees).

### **7.2.1 Theunissen Project**

Beatrix is planning on building houses for rental stock for its payroll 2 employees in the town of Theunissen. This project is to replace the previously approved "Oryx Estate Family Units" that was to be situated at Beatrix West Hostel. A Section 102 to amend the Oryx Estate Plan to houses in Theunissen was submitted online on 15 September 2016. Beatrix is currently awaiting approval from the DMR. While financial provision of **R30million** has been approved by the Sibanye Executive, details pertaining to exact plans and disbursement of these funds will become clearer once the Masilonyana Local Municipality, the DMR and Sibanye engage on the broader socio-economic development programme envisaged by the company for the area. It is important to note that funding for the housing programme is conditional to the mine performing well. This means that should the mine not perform optimally due to events beyond our reasonable control, or should any risk factor materialise, the roll out of the Beatrix housing programme may require re-assessment. As such, Beatrix's commitment to the housing programme needs to be read and understood in this context.

**Table 61: The Rental Houses Implementation Plan (17 houses)**

#	Action	Responsibility	Time
1	Finalise section 102 application	DMR	N/A
2	Land availability	Municipality	N/A
3	Develop bill of quantity	Sibanye	10 days
4	Identify local suppliers	Sibanye	20 days
5	RFQ, adjudication and award	Sibanye	60 days
6	Communicate the delivery timeline	Sibanye	Based on tender result 10 - 12 Months
7	Execution (building of the houses)	Sibanye	
8	Handover of the houses	Sibanye	
9	Project close off of the houses	Sibanye	
10	Develop rollout plan for sign-off by organised labour and DMR	Sibanye	

## **7.3 Nutrition**

### **7.3.1 Introduction**

Sibanye Gold, including Beatrix, developed policies and standards to improve the nutrition provided to its employees who live in company high-density accommodation incorporating:

- An approved Nutritional Policy, which addressed employee energy requirements;
- Consultation with, and approval of organized labour;
- The creation of a catering manual detailing menus and recipes; and
- Optimal nutrition for employees in order to sustain energy and support health is now provided by:
  - Complying with nutritional, hygiene and safety standards;
  - Utilizing a qualified dietician/nutritionist;
  - Ensuring the correct balance between macro and micro nutrients, vitamins and minerals;
  - Improving the choice of meals;
  - Timely repair and replacement of existing equipment;
  - Upgrading equipment as necessary from time to time, to accommodate any change in cooking methodology; and
  - Training cooks on new recipes and equipment.

An internal audit/review process, incorporating quality control will be introduced utilizing established forums with employees and organized labour on a regular basis to ensure strict adherence to the above, and in so doing, promoting a healthy, productive employee. All efforts in this regard have been aligned with the National Development Plan and the UN Goals for Sustainable



Development in relation to (i) Zero hunger, (ii) Good health and wellbeing, as well as (iii) Clean water and sanitation.

**Table 62: The Total Cost of Beatrix Nutrition Programme for 2017 – 2021**

Action	2017	2018	2019	2020	2021	Total
	Rm	Rm	Rm	Rm	Rm	Rm
Nutrition	73 038	75 960	78 998	82 158	85 444	<b>395 598</b>

## 8. Procurement

### 8.1 Current Status

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The Sibanye Gold Procurement function is carried out by its wholly-owned subsidiary, Shared Services (Proprietary) Limited as an agent for and on behalf of Sibanye Gold operations in all three levels of procurement, namely capital goods, services and consumables. As such, Beatrix's SLP and MPRDA commitments and obligations will essentially be operationalised on its behalf by its agent at the Shared Services level.

Beatrix has given HDSA's a focused supplier status, where possible, in all three levels of procurement. It has, to this end:

- identified current levels of Group procurement from HDSA companies;
- committed, achieved and exceeded the targets as set out in the 2010-2014 mining charter.

The tables below show the definition of procurement terms as well as the HDSA procurement spend on direct Beatrix Mine purchases as at December 2016.

**Table 63: Definition of Procurement Terms**

Definitions	
<b>Capital:</b>	Specialised equipment procured on a project basis, this will also include equipment with a lifespan of over twelve (12) months and/or greater than R 100,000.00. (All purchases defined as Capital by the Operations)
<b>Services:</b>	All work performed on behalf of Beatrix by Contractors (on and off-site).
<b>Consumables:</b>	All inventory stock housed in the warehouse and all special purchases of commodities covered by contract and those not covered by contract.
<b>Multinationals:</b>	Goods not obtainable from the local market and imported from International Companies. (Note: International companies that have a registered agency in SA are not defined as multi-national as they comply with SA Legislation).
<b>Local Procurement:</b>	This refers to procurement from host communities within 50km reach of Sibanye Operating mines.
<b>Non-Discretionary Spend:</b>	All inter-company transfers, purchases from parastatals, training, education, all financial- and insurance institutions, inclusive of multi nationals as defined above.
<b>Discretionary Spend:</b>	All spend where Sibanye Gold can be selective in terms of its procurement.
<b>HDSA spend</b>	All discretionary spend on BEE companies - which is defined as an entity with a minimum of 25% + 1 vote of share capital directly owned by HDSA's as measured in accordance with the flow through principle.

All efforts in this regard have been aligned with the National Development Plan and the UN Global Goals for Sustainable Development in relation to (i) Sustainable Cities and Communities; and (ii) Decent work and economic growth.

## 8.2 Procurement Progression Plan

The South African government's strategy on broad based socio-economic empowerment charter for the Mining and Minerals Industry has the objective of achieving a vision of an adaptive economy characterised by growth, employment and equity. Black Economic Empowerment is a deliberate socio-

economic process or intervention strategy designed to redress the imbalances of the past and to facilitate the participation of Historically Disadvantaged South Africans (HDSA) in the mainstream economy.

Sibanye's core purpose, "Sibanye improves lives", talks to and supports the government's objectives in this regard. Sibanye is one of the largest buyers of goods and services in the mining sector and as an industry leader has the responsibility to support the government's economic transformation objectives by leveraging its purchasing power, within the context of the Black Economic Empowerment Policy framework and the prevailing legislative mechanisms. In pursuance of implementing a robust BEE initiative, Sibanye has resolved to implement a comprehensive preferential procurement programme aimed at empowering qualifying BEE entities, as part of its normal procurement activities.

The Sibanye Gold procurement progression plan for the next five years is as follows:

**Table 64: Procurement Plan**

Procurement Plan *						
Key Objective	Current	2017	2018	2019	2020	2021
Grow accredited HDSA vendor base (Number)	50%	52%	54%	54%	58%	60%
Grow Capital procurement from HDSA providers	40%	40%	40%	40%	40%	40%
Grow Services procured from HDSA providers	70%	70%	70%	70%	70%	70%
Grow Consumables procured from HDSA providers	50%	50%	50%	50%	50%	50%
Enterprise and Supplier Development		3	4	4	4	3
SMME New Entrance Registered		8	8	8	8	8
SMME Vendor Training		5	5	5	5	5

Sibanye recognizes the importance of building and sustaining businesses in our local communities and is in process of executing an Enterprise and Supplier development strategy to address this.

The Joint ventures and Non-core to Core targets for 2012-2016 that were not met in the previous cycle will be addressed through the implementation of Sibanye's Enterprise and Supplier development strategy.

Not all sustainable businesses are developed through joint ventures, but also through alignment with other companies, partnering and training. In this cycle Sibanye will be focusing on building local businesses around our operations.

## 8.2.1 Procurement Implementation Strategy

**Table 65: Procurement Implementation Strategy**

Responsible Position		Strategic Plan	Timeframe
Supply Manager	Chain	Review Black Economic Empowerment (BEE) policies, procedures and guidelines to ensure compatibility with the requirements of the Mining Charter	Ongoing
Supply Manager	Chain	Give HDSAs preferred supplier* status wherever possible in all three (3) levels of procurement.	Ongoing
Supply Manager	Chain	Identify and record the level of procurement from HDSA companies on a quarterly basis as well as geographical sources of procurement.	Ongoing
Supply Manager	Chain	Where possible, publish a list of suppliers on the Mine's database and audit this list on a monthly basis for HDSA participation, ownership and involvement, ensuring that the tendering committee is always updated on the HDSA procurement status of Beatrix.	Ongoing
Supply Manager	Chain	Where necessary and feasible, provide mentoring and capacity building assistance to HDSA suppliers in order to facilitate improvements in their business practices with the aim of facilitating a successful SMME sector operating in conjunction with the Mine.	Ongoing

**\*Assuming that the product or service meets the technical, commercial and risk obligations of Sibanye**

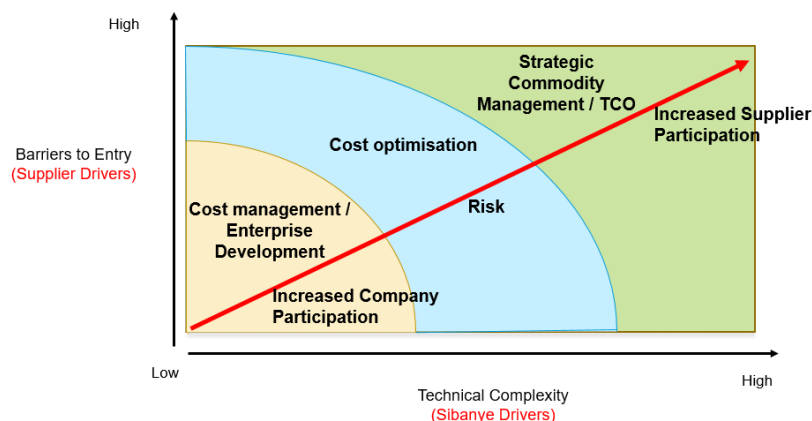
Our interventions require accurate data to develop appropriate strategies and need to be value adding and sustainable. Sibanye will continue to evaluate and optimise our engagement strategy with our stakeholders to become a leader in innovative supply chain interactions.

Our approach includes the following:

- Enterprise development – assisting or accelerating the development of enterprises to participate, expand or improve businesses in the mining regions in which we operate;

- SMME development – working with SMME suppliers to improve their performance and enhance participation within the spend profile;
- BEE enhancement and development – targeting existing suppliers to develop execution roadmaps to enhance transformational impact;
- Ring-fenced procurement – local supplier's tender process with support to ensure compliance with health and safety, quality and price. Hostel upgrades and maintenance has been identified as a ring-fenced commodity.

Sibanye is targeting the development of sustainable enterprises in the mining environments in which we operate. To this end, segmentation of commodities is underway to ring-fence spend areas for local development within the framework below:



In the execution of the strategy, we need to ensure that the pricing, risk and quality of products and services meet the organisational requirements. A partnership approach to execution is required with continuous feedback and interaction.

## 9. Downscaling and Retrenchments

### 9.1 Introduction

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Beatrix Gold Mine is committed to the retention of jobs and avoidance of job losses wherever possible. However conditions may arise from time to time that require a reduction of the labour force. Beatrix is a low grade mine, which is affected by even slight changes in the gold price, production costs and other external factors which adversely impact the viability of the mine.

All efforts in this regard have been aligned with the National Development Plan and the UN Global Goals for Sustainable Development in relation to avoiding and or mitigating the impacts associated with an economic downturn.

In order to manage and to minimize the effect of downsizing, closure and retrenchments, Beatrix will implement measures set out below in an endeavour to avoid job losses and will manage the process in accordance with the following undertakings, where retrenchments cannot be avoided:

### 9.2 Establishment of a Future Forum

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A Future Forum has been established at the mine and will continue to meet on a quarterly basis. The Future Forum is governed by a Constitution which guides the Forum in terms of:

- a. Promoting on-going discussions between employee representatives and mine management about the future of the mine;
- b. Examining future scenarios to identify problems, challenges and possible solutions, with regard to productivity and employment;
- c. Identifying production and employment turn-around strategies;
- d. Implementing strategies which are discussed by both mine management and employee representatives; and



- e. Considering interventions which would benefit the community within which the mine operates.

### **9.3 Communication with Authorities during Retrenchments**

Where retrenchments cannot be avoided, Beatrix will adhere to the following steps:

- Consult recognised trade unions in the Beatrix Future Forum;
- A notice in terms of Section 189(3) of the Labour Relations Act (LRA) will be issued to relevant parties as provided for in Section 189 of the LRA. Consultations will be held in terms of the relevant provisions of the Labour Relations Act;
- Consult with any person as required in terms of Section 189 and/or Section 189A of the LRA;
- A notice in terms of Section 52 of the MPRDA will be issued to the Mineral and Petroleum Board where the prevailing economic conditions cause the profit to revenue ratio of the relevant mine to be less than six per cent (6%) on average for a continuous period of 12 months or if any mining operation be scaled down or cease with the possible effect that 10 per cent (10%) or more of the labour force or more than 500 employees, whichever is the lesser, are likely to be retrenched in any 12 month period;
- Should a Ministerial Directive in terms of Section 52 of the MPRDA be received, Beatrix will take the necessary steps to comply;
- Beatrix will communicate with the following entities in the event of possible retrenchments:
  - Registered trade unions;
  - Affected employees and/or their representatives;
  - Municipalities in surrounding areas and relevant major labour sending areas;
  - The DMR;

- Relevant service providers; and
- The Department of Labour

## **9.4 Capital Investment**

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The most effective way to extend the life of the mine is by capital investment and incremental growth. Future expansion and capital investment opportunities that may exist in respect of Beatrix Gold Mine would be considered with due regard to the prevailing gold price, production costs and the ability of the ore reserve and geological model(s) to deliver sufficient contained gold to support future profitable extraction. Beatrix Gold Mine will continuously update its geological models to enhance its geological and knowledge base.

## **9.5 Alternative Solutions**

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In the event where it becomes impossible to avoid job losses, the Future Forum will consider alternatives to retrenchment, including alternatives proposed by stakeholders in the Forum. The list below constitutes an example of alternatives which may be explored. This list is not definitive and is subject to changes and additions as a result of discussions with stakeholders.

When giving consideration to proposals the company will, of necessity, consider the need for special skills and the need to retain experienced employees, and will furthermore comply with its policies and procedures regarding retrenchment, existing labour agreements and current legislation:

- The cessation of recruitment of new employees, save for critical skills required for the safe running of the operations;
- The termination of the services of temporary employees and re-employed pensioners;
- Minimization of the use of contract labour;
- Avoid renewal of contract agreements where possible;

- Use of internal skills;
- Small contracts not affected;
- Normal Retirement;
- Compulsory Early Retirement;
- Voluntary Early Retirement;
- Voluntary Separation;
- Alternative employment on another operation within the Group;
- Alternative employment in other mining companies;
- Redeployment of misplaced and/or over-complement labour to vacancies within Beatrix and other Sibanye Gold Operations;
- Implementing Alternative Work Arrangements; and
- Working on off-days.

### **9.6 Mechanisms to Ameliorate the Social and Economic Impact on Individuals, Regions and Economies Where Retrenchments or Closure of an Operation is certain**

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Should retrenchments be unavoidable, Beatrix will take steps to minimize the social and economic impact on the affected employees and regions, as per section 9.3.

### **9.7 Mitigating the Impact on Labour Sending Areas**

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Beatrix will take the following steps to minimize the impact on the labour sending areas:

- Obtain and scrutinize the IDPs of the sending areas in order to adequately respond to the needs identified;
- Ensure that the portable skills training courses offered to employees are relevant to employment and self-employment opportunities in the sending areas;

- Ensure that training interventions are relevant to employment opportunities and self-employment in the host and urban areas as well as in the sending areas; and
- Where a particular labour sending area will be seriously impacted as a result of possible retrenchments, LED initiatives in the sending area will be directed at creating employment opportunities.

## **9.8 Post Closure Planning**

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Beatrix intends to develop and expand skills training programmes to provide employees with skills which are valuable outside of the mining industry and will enable integration into the broader economy. These will be strategies that avoid dependency on the mine but promote independence amongst individuals should they leave the mining. Strategies will be developed with relevant stakeholders within the closure planning process.

On-going engagement and consultation and advisory roles facilitated through the Future Forum structure, will be utilised to ensure that the programmes and plans continue to deliver sustainable and effective benefits.

Planning for specific LED projects at closure is very difficult given that the current provisional projected life of mine is 23 years based on current business plan. However, cognizance of the need for comprehensive LED projects which are developed with the aim of sustainable social and economic development in the region surrounding the mine, particularly for workforce and/or communities previously dependent on the mine for their livelihoods, will be key.

## 10. Financial Provision

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Beatrix is committed to implementing this Social and Labour Plan and sets out in the table below the amounts it intends to spend in the area of Human Resource Development and Local Economic Development projects. Details of expenditure to date are set out, where appropriate, in the relevant sections of this SLP.

The ability of Beatrix to fund, on an ongoing basis, the programmes described in this Social and Labour Plan is, however, dependent on the ability of the operation to generate positive cash flows after capital expenditure. Given that our strategic objective is to optimise the mining of our ore bodies, for the benefit of all stakeholders, particularly our employees whose job security is enhanced by our ability to extend the lives of our shafts through pay limit reduction, decisions will accordingly always be made taking into account the long-term implications, and a balance will need to be found between competing interests.

In a similar vein, profitability and the generation of cash flows are dependent on the Rand/gold price received, as is the availability of ore reserves to be mined profitably. Gold price sensitivity of the reserves in ounces is shown at 5 percent (5%) intervals above and below the base gold price. With an increasing gold price, generally, the average grade mined is reduced but with additional tons, gold output is increased. With a decreasing gold price, higher grades are mined at reduced tons equating to decreased gold output.

Provided that we cannot control the international gold price or the Rand/Dollar exchange rate, the only way in which we can sustain our ore reserves and therefore our futures, is through increased productivity in all spheres of the business, including stringent cost control. This SLP assumes a gold price of R 490 000 per kilogram and the non-occurrence of events that are beyond our reasonable control. However, should this price not be achieved

on a sustainable basis, and should our SLP roll-out be impaired by the occurrence of events beyond our reasonable control, or should any risk factor (including, without limitation, the Risk Factors referred to above) materialise or alter materially, the roll-out of the programmes outlined in this SLP may require re-assessment. As such, Beatrix's undertakings in this SLP need to be read and understood in this context and against this background. Conversely, should we be able in the future to achieve revenues significantly in excess of R 490 000 a kilogram, we will be in a position to accelerate the programmes.

To Note:

***The financial provision in this SLP specifies the HRD and Mine Community Development Project components only. SLP elements such as Employment Equity, Procurement, Downscaling and Retrenchments etc., are provided for through operational budgets allocated on a year to year basis. Specific budgeted amounts and financial provision for these elements of the SLP will be specified annually in the required SLP Implementation Plans.***

## 10.1 Financial Provision (Regulation 46 (E))

Beatrix is committed to the SLP and, to this end, has redone the Mining Work Programme to include the increased expenditure required for HRD, LED project, Housing and Living Conditions, Procurement and Enterprise Development and downscaling and retrenchment activities.

## 10.2 Financial Provision for Human Resource Development Programmes

**Table 66: HRD Programmes: Financial Provision**

Financial Provision for Human Resources Development Programmes	2017	2018	2019	2020	2021	Total Financial Provision (2017 to 2021)
	R102 438 722	R 113 497 478	R 122 903 191	R 124 042 119	R 131 979 913	R 594 861 423

## 10.3 Financial Provision for Local Economic Development Programmes

**Table 67: LED Projects Financial Provision**

Financial Provision for Local Economic Development Projects	2017	2018	2019	2020	2021	Total Financial Provision (2017 to 2021)
	R 12 000 000	R 12 000 000	R 12 000 000	R 12 000 000	R 12 000 000	R60 000 000

## 10.4 Financial Provision for Accommodation and Nutritional Programmes

**Table 68: Accommodation and Nutritional Programmes: Financial Provision**

Action	2017	2018	2019	2020	2021	Total
	Rm	Rm	Rm	Rm	Rm	Rm
Costs for Maintaining Family Accommodation	15 834	15 935	15 998	16 018	15 989	<b>79 774</b>
Costs for Maintaining Single Accommodation	24 435	24 384	24 249	24 019	23 684	<b>120 771</b>
Cost of Nutrition Programme	73 038	75 960	78 998	82 158	85 444	<b>395 598</b>
<b>Total</b>	<b>113 307</b>	<b>116 279</b>	<b>119 245</b>	<b>122 195</b>	<b>125 117</b>	<b>596 143</b>

## 10.5 Provision for the Management of Downscaling and Retrenchments

The decision to retrench employees is subject to the prevailing economic circumstances of the mine at a particular point in time. Therefore Sibanye Gold **does not plan for retrenchments ahead of time**. However, in the event of such a decision having to be taken for operational or other economic-related reasons, provision for the management of retrenchments will be provided for as part of the operational budget. This would also cover costs for consultation processes and forums that must, of necessity, take place in the event of any retrenchment process.

All provisions in this regard will therefore be captured in the preceding implementation plans. With respect to downscaling in general and in accordance to the Life of Mine plan (Mine Works Programme), provision has been made for natural attrition, as per the table below, in accordance with (i) changes in production, and (ii) related workforce requirements.

**Table 69: Management of Downscaling and Retrenchments: Financial Provision**

Financial Provision for Management of Downscaling and natural attrition (Cost in Million)	2017	2018	2019	2020	2021	Total Financial Provision (2017 to 2021)
	R 181 532	R 208 303	R 64 505	R 55 071	R 68 839	<b>R 578 250</b>



## 11. Undertaking by Vice President

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I, **Band F. Malunga**, the undersigned and duly authorized thereto by **Sibanye Gold (Company)** undertake to adhere to the information, requirements, commitments and conditions as set out in the social and labour plan.

Signed at Sibanye Gold Academy on this **Twenty seventh (27<sup>th</sup>) day of July 2017**

Signature: \_\_\_\_\_

Designation: Vice President and Head of Beatrix Operations