

DE BEERS GROUP

DE BEERS CONSOLIDATED MINES PROPRIETARY LIMITED

VENETIA MINE
SOCIAL AND LABOUR PLAN (2018 – 2022)
VERSION 03



14 DECEMBER 2018

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1. INTRODUCTION

De Beers Consolidated Mines Proprietary Limited (“DBCM”) officially opened Venetia Mine on 14 August 1992. Venetia Mine is situated on the farm Venetia 103-MS, which lies approximately 80 km west of Musina and 36 km north east of Alldays in the Limpopo Province. The mine is located in the Musina Local Municipality of the Vhembe district. Specifically, the mine is situated just off the R521 road between Alldays and Pontdrift; approximately 540 km north of Johannesburg as indicated in Figure 1 (see Figure 1).

Venetia is currently an open pit operation and makes use of drilling, blasting, loading and hauling waste rock and kimberlite using conventional truck and shovel methods as mining methods. A waste rock dump exists along the pit boundary and the kimberlite ore is stockpiled adjacent to the plant where it is crushed and processed to recover the diamonds. A coarse resource tailings dump is generated along with a fines residue disposal facility for the kimberlite fines (silt and clay). As such the production process is a physical extraction process and not a chemical one.

Based on the current strategic business plan, the Venetia Open Pit (VOP) mine will attain a depth of 450m at the end of Cut 4 (circa 2022) where after open pit mining becomes uneconomical due to high stripping ratios. The objective of the Venetia Underground Project (VUP), which is a brownfields project, is the systematic expansion of the life of the existing VOP by developing underground access to two kimberlitic pipes, K01 and K02, which will lengthen the economic life of the current VOP by an estimated 20 years i.e. from 2022 (when the VOP is scheduled to cease mining operations and underground ore extraction operations will start to ramp up) to 2045.

The planned mining infrastructure has been in construction since 2012 through the Venetia Underground Project (VUP). The ore bodies will be accessed through two vertical shafts, a service and production shaft to a depth of 1080m. Furthermore, a life of mine (LOM) access decline will be developed from surface. The decline will also serve as an additional air intake and logistics management facility and as a second means of egress from the underground workings.

The construction of the additional infrastructure to support the underground mining operations will be undertaken by a mining contractor who will commission, operate and maintain all the underground facilities (including winders and headgear on surface as well as the shafts, ground handling, water handling, maintenance and ventilation systems) up until handover to the client, (“DBCM”), for commencement of the production ramp up in 2022 – 2024. The ore processing and other physical infrastructure currently in place at the VOP will remain largely unchanged by the transition from open pit to underground mining.

The K01 ore body will be mined by means of a Sub Level Caving mining method, with K01 ore body producing 4 Mt per annum. The K02 ore body will be mined by means of a Modified Sub Level Caving mining method producing 1.9 Mt per annum. This equates to 5.9 Mt, which matches the throughput capability of the existing main Treatment Plant. The underground processes used will be long hole drilling, charging, blasting, load and haul of kimberlite and waste, primary crushing, and hoisting of kimberlite to surface for further processing, and waste for deposition on the waste rock dumps.

1.1. SLP Objectives

In accordance with the MPRDA Act, No. 28 of 2002 (“MPRDA”), and the fulfillment of conditions of the Mining Right granted to DBCM, Venetia Mine is required to contribute to the improvement of the social and economic conditions of the surrounding host communities through implementation of Social and Labour Plans.

The objectives of Venetia Mine’s Social and Labour Plan is to consider and implement socio economic development programmes in line with generally recognized standards of sustainable development by integrating the social, economic and environmental factors in the overall mining cycle, from planning of a mine, operations and final closure. In the context of Venetia Mine, this will be accomplished by:

- Promoting employment of applicants from the Local Labour Sending areas of Blouberg and Musina thereby advancing their social and economic welfare.
- Contributing to the transformation of the mining industry;
- Continue with Venetia Mine’s contribution to the socio-economic development of the Capricorn and Vhembe districts and more specifically the Blouberg and Musina Local Municipalities.

1.2. Venetia Mine’s Mining Right

DBCM converted its old order mining right in terms of Item 7 of Schedule II of the MPRDA for its Venetia Mine on 02 September 2008. As part of the conversion of the above-mentioned mining right, DBCM submitted a Social and Labour Plan for the period 2007 to 2012. A subsequent Social and Labour Plan was implemented for the period 2013 to 2017.

In order to achieve the overall objectives of the Social and Labour Plan associated to Mining Right: M29/2009; DMR Reference No. LP; 30/5/1/2/5/58MR issued to DBCM for Venetia Mine, DBCM has developed a new Social and Labour Plan for the period 2018 to 2022 in terms of Regulation 46 as read with Regulation 43 and 44 of the Act, and will be referred to as the Venetia Mine’s Social and Labour Plan Version 3. The Social and Labour Plan Version 3 document will supersede the Social and Labour Plan dated 15 January 2013 and all other version thereof.

2. PREAMBLE

2.1. Information

Name of the Company	De Beers Consolidated Mines Proprietary Limited
Name of the Mine	Venetia Mine
Mining Right Number	M29/2009
DMR Reference Number	LP: 30/5/1/2/5/58MR
Mine Physical Address	01 National Road, Musina, 0900
Mine Postal Address	PO Box 668, Musina, 0900
Mine Telephone Numbers	015 575 2487
Product Mined	Diamonds, Diamond (Alluvial), Diamond (General) and Diamond (In Kimberlite)
Life of Mine	28 Years (2045)
Financial Year	1 January to 31 December
Reporting	By 31 March each year
Responsible Person	General Manager: Gerhardus P. Nortje



Figure 1: Locality of Venetia Mine

2.2. Size and Breakdown of the Workforce

As at 31 October 2018, Venetia Mine employed a total of 1318 employees. This number excludes contractors. Women constitutes 21.5% of the workforce and of this number 14% are Women in Mining. Persons with disabilities make up 2.7% of the workforce. HDSA representation in the workforce is such that 29% are in Senior Management, 48% in the Professional category and 72% in the skilled category.

57.3% of the employees reside in the Musina and Blouberg Local Municipalities and these are regarded as the Mine's primary labour sending areas. The number of permanent employees per occupational level is reflected in Table 1.

Table 1a: Permanent and temp employee per occupational levels as at 31 October 2018

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	3	2	0	9	1	0	0	2	0	0	17
Professionally qualified and experienced specialists and mid-management	23	5	2	41	13	3	1	8	2	2	101
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	194	12	2	69	52	7	0	24	0	0	360
Semi-skilled and discretionary decision making	624	5	0	4	150	4	0	8	0	0	795
Unskilled and defined decision making	28	0	0	1	16	0	0	0	0	0	45
TOTAL PERMANENT	824	24	4	120	198	14	1	41	2	2	120
Temporary employees	48	0	0	4	34	0	0	1	1	0	88
GRAND TOTAL	872	24	4	124	232	14	1	42	3	2	1318

Note: Senior management refers to employees in Bands 4 and 5; Professionals refers to Band 6 employees; skilled is Band 7 and CL, Semi-skilled is all B band, and Unskilled refers to those employees with No Grade.

Table 1b: Contractor employee per occupational levels as at 31 October 2018

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	3	0	0	3	1	0	0	0	0	0	7
Professionally qualified and experienced specialists and mid-management	118	4	1	93	32	0	0	3	3	0	254
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	448	6	0	205	69	0	0	5	28	2	763
Semi-skilled and discretionary decision making	654	0	0	36	47	3	0	15	3	0	758
Unskilled and defined decision making	701	1	0	20	195	0	0	2	10	0	929
TOTAL PERMANENT	1924	11	1	357	344	3	0	25	44	2	2711

DBCM as the holder of Venetia Mine’s mining right as defined in the MPRDA, acknowledges that the holder of a mining right remains responsible for compliance with the requirements of the MPRDA even if the holder appoints a contractor to perform work within the boundaries of the mining area.

Considering the above, DBCM will use its best endeavours through its contractual requirements to ensure compliance by its contractors with the requirements of the Human Resources Development and Employment Equity Programmes as stipulated in Regulation 46 of the MPRDA, and will also make it known not only to its own employees but also to the employees of its contractors.

2.3. Labour Sending Areas

Venetia Mine is located in the Musina Municipal area and Table 2 below reflects the areas from which the majority of the workforce has been sourced. 57.3% of the employees reside in the labour sending areas and an additional 18% of employees coming from other areas in the Limpopo Province.

Table 2: Venetia Mine’s Labour Sending Areas

Municipal Area	Cities, Towns and Villages	Number	%
Musina	Musina Town, Nancefield, Tshipise, Sagole, Muswodi, Folovhodwe	515	35.52%
Blouberg	Alldays, Grootpan, Devrede, Taaiboschgroet, Ga-Kibi, Ga-Makgato, Babirwa, Longden, Juniorsloop, Dendron, Indermark, Harrietswich Village, Kromhoek, Senwabarwana	306	21.54%
Thohoyandou	Dzanani, Mutale, Makonde, Nzhelele, Manenzhe, Mudimeli, Shayandima, Sibasa, Masisi, Vuwani, Dzimauli, Mashau	95	7.36%
Polokwane	Polokwane, Mashashane, Ramokgopa, Seshego, Botlokwa, Seleka, Modjadji, Tzaneen, Chuenespoort, Phalaborwa, Zebediela, Kgapane	73	6.15%
Louis Trichardt	Polokwane, Makhado, Xitachi, Waterval, Sinthumule	88	5.89%
Limpopo	Namakgale, Bela Bela, Giyani, Letaba, Modjadjieskloof, Burgersfort, Steelpoort, Groblersdal, Lydenburg, Lebowakgomo, Ga-Mphahlele, Lephallale, Ellisras, Ga-Seleka, Elim, Vhulaudzi, Vongani, Jane Furse, Trichardtsdal, Modimolle, Mokopane, Bakenberg, Ga-Makibelo, Tshilamba, Venda, Valdezia, Thabazimbi, Malamulele, Lwamondo.	42	5.02%
Other	Johannesburg, Cape Town, Koffiefontein, Windhoek, Nederland, Zimbabwe, Bloemfontein	261	18.53%

3. HUMAN RESOURCES DEVELOPMENT PROGRAMME

3.1. Introduction

DBCM's Human Resources Development Programmes are designed to support the Mining Works Programmes, the National Skills Development Strategy and DBCM's transformation objectives. Learning and development (L&D) programmes conducted at Venetia Mine are derived from and aligned with DBCM's strategic objectives, business plans and Life of Mine plans. In this context, and in order to drive a holistic and integrated approach to L&D, additional sources such as Employment Equity Plans, Skills Development Plans, Human Resources planning processes, Performance and Talent Management systems and legislative requirements are considered in the development or acquisition of L&D programmes. Human Resources Development will take place in a coordinated and structured manner at Venetia Mine within the parameters of annual budgets.

DBCM recognizes that the achievement of its strategic objectives is dependent upon achieving high standards of business performance through capable and competent employees. DBCM is fully committed to continue with structured and systematic learning and development programmes for all its employees on an on-going basis to enable them to perform their duties safely, effectively and efficiently. Through the L&D programmes Venetia Mine ensures that employees acquire the necessary qualifications, skills and competencies aligned with DBCM's current and future human resource requirements.

DBCM's Human Resources Development Programmes will take cognizance of a framework that includes:

- The business's strategic objectives
- A Skills Development Plan, which includes:
 - Community Development programmes
 - Learnerships
 - Skills Development Programmes
- Career Progression Plan
- Mentoring Plan

3.2. Compliance with Skills Development Legislation

DBCM's Human Resources Development Programmes has been developed and implemented in accordance with the National Skills Development Framework as provided for in terms of the Skills Development Act 97 of 1998 and the general requirements of the Mining Qualifications Authority. The following compliance details are pertinent in this regard:

Name of SETA:	Mining Qualifications Authority (MQA)
Accreditation Number:	16/MQA/0312/AC4/170412
MQA Skills Levy No	L910750852
Skills Development Facilitator:	Neetash Daya
Workplace Skills Plan Submission Date:	30 April of each year and WSP, SDL number T999990012 attached hereto as Annexure 1

3.3. Hard-to-Fill Vacancies

The provision of quality training is not only a matter of upgrading employee skills, but also forms the cornerstone of Venetia Mine’s future success and sustainability. The alignment of training to key business outcomes is therefore integral to DBCM’s human resources development approach.

Training and development interventions will be prioritised to meet business needs and objectives and this includes identifying and managing barriers to create an adequate pool of competent employees for effective operation of the mine. This is especially so in terms of positions regarded as mission critical, high impact or hard-to-fill. Table 3 reflects the typical relationship between mission critical/high impact positions and the hard-to-fill positions of Venetia Mine.

Table 3: Hard-to-Fill Vacancies

Occupational Levels	Reason for Scarcity and Challenges	Intervention / Learning Programme
Millwright (T)	Lack of vocational qualifications and qualified artisans	Distance Learning and Learnership Programmes
Riggers	Lack of vocational qualifications and qualified artisans	Distance Learning and Learnership Programme
Engineering Operatives	Lack of suitably competent people to recruit	Operative training programme
Boilermakers	Lack of vocational qualifications and qualified artisans	Distance Learning and Learnership Programme
Fitters	Lack of vocational qualifications and qualified artisans	Distance Learning and Learnership Programme
Instrumentation Mechanician	Lack of vocational qualifications and qualified artisans	Distance Learning and Learnership Programme
Technicians	Lack of skilled people	Job Specific Development Programme
Mining Engineer (G)	Lack of qualified people	Internship
Mine Planning Manager	Lack of qualified people	Job Specific Development Programme
Geotechnician	Lack of qualified people	Job Specific Development Programme

3.4. Skills Development Plan

The objective of DBCM’s Skills Development Plan is to provide quality learning and growth opportunities for people development in pursuit of individual, operational, corporate and national learning and development goals. The Skills Development Plan interprets the company’s strategy into workable and standardized processes and procedures which will harness the full potential of the skills development processes operationally, centrally and nationally.

The main focus of the DBCM’s Skills Development Plan in respect of Venetia Mine is to provide an enabling environment that delivers:

- an appropriately qualified and competent workforce;
- an opportunity to develop the potential of its employees;
- an opportunity for employees to operate and contribute at their highest level of capability;
- the creation of a culture of continuous improvement; and
- the embedding of an organizational culture that promotes high performance and clear accountability which is conducive to skills attraction, development and retention.

“Form Q” – Depicts the numbers and education levels of Venetia Mine employees attached hereto as *Annexure 2*.

Table 4: Employee Education Profiles – 31 October 2018

Group	Male						Female						Total
	A	C	I	W	FN	Total	A	C	I	W	FN	Total	
General Education: NQF 1 and below	10	0	0	0	0	10	0	0	0	0	0	0	10
Undefined	4	0	0	2	0	6	0	0	0	2	0	2	8
Grade10/Std8/N1 - NQF Level 2	54	2	0	1	0	57	0	0	0	1	0	1	58
Grade11/Std9/N2 - NQF Level 3	52	1	0	2	0	55	6	0	0	0	0	6	61
Grade12/Std10/N3 - NQF Level 4	583	11	1	56	0	651	144	6	0	17	0	167	818
Certificates, Nated 4, 5, 6. NQF Level 5	68	1	0	11	0	80	22	0	0	3	0	25	105
Diplomas - NQF Level 6	58	2	0	20	0	80	29	5	0	6	0	40	120
Bachelor Degrees - NQF Level 7	28	1	1	16	2	48	23	3	0	7	2	35	83
Honours Degrees - NQF Level 8	13	5	2	15	0	15	6	0	0	4	0	10	45
Masters Degrees - NQF Level 9	1	1	1	1	2	1	2	0	1	2	0	5	10
Grand Total	871	124	4	124	4	1027	232	14	1	42	2	291	1318

3.4.1. Community Skills Development Programmes

a) Amended Senior Certificate

Venetia Mine offered ABET training to all employees since 1998. Relevant employees were afforded the opportunity to attend ABET classes, which was communicated mine-wide. Venetia Mine currently still has 11 employees with a qualification less than Grade9/Std7. Whilst Venetia Mine is committed to ensuring that its workforce is given adequate opportunities for self- development in line with its business objectives, these have to be timely, cost effective and employee driven. Any of the above employees, who do not have a Grade 9 / Std 7 qualification, still wishing to attend an AET programme, will be allowed to enroll in private institutions offering AET classes, and be supported financially by the mine.

Having addressed the mines internal educational challenge, at the entry level, the Foundational Learning Certificate (FLC) was introduced in response to the changes in the Skills Development landscape and the establishment of the Quality Council for Trades and Occupations (QCTO) office. The FLC programme serves to address the low levels of literacy and numeracy that is endemic in the mining industry and its host communities. With this certificate as a requirement for Level 2, 3 and 4 Occupational Learnerships, a total of 152 external learners completed the programme during SLP II (2013 – 2017). The FLC programme is a feeder programme for the mines formal learnership programmes and or existing vacancies, and has 105 community members currently registered. In the interest of continuous improvement and to further progress adult education at Venetia Mine, the focus has now shifted towards developing a talent pool in the Grade 12, Senior Certificate range.

A large majority of our local community never completed Grade 12 for a number of reasons, and are not in a position to go back to school. Mine research shows that some community members have indicated that they want to obtain a Grade 12, improve their grades in certain subjects, or write additional subjects to enhance their certificates. The Amended Senior Certificate (which Venetia Mine is now pursuing) affords them this opportunity and is done through the Department of Education, with scheduled examinations in July of every year. This is quality assured by Umalusi who issues the Grade 12 certificates. The amended senior certificate is a 40 week facilitated training programme with 10 subjects to choose from. Community members who completed their Grade 11, failed Grade 12 or wish to improve their Grade 12 marks will be eligible to apply.

Table 5: Amended Senior Certificate

Type of Development Programme	2018	2019	2020	2021	2022	Total
	New Intake	New Intake	New Intake	New Intake	New Intake	New Intake
Amended senior certificate	10	10	10	10	10	50

b) Facilitated TVET Programmes

The remote location of the mine makes it particularly difficult for community members to enrol for distance learning education, especially for subjects that are not catered for in the local Technical and Vocational Education and Training (TVET) Colleges. Studies of this nature also require mentoring and Venetia Mine is committed to assist in this area. The opportunity to recruit local community members that meet the requirement of N2 for engineering learnerships, makes it difficult for them to be recruited hence the need for this programme.

A local provider will be sourced to assist community members with registration, sourcing of study material, mentoring and writing of examinations at a suitable venue close to the mine. Studies of particular importance to the mine will be focused on to assist with local employment, for example N courses in Engineering. Community members graduating from the Amended Senior Certificate will be given preference to enrol for the Facilitated TVET Programmes.

Table 6: Facilitated TVET Programmes

Type of Development Programme	2018	2019	2020	2021	2022	Total
	New Intake	New Intake	New Intake	New Intake	New Intake	New Intake
Facilitated TVET Programmes	0	5	15	15	15	50

3.4.2. Learnerships

The development of young people for opportunities in the mining industry is a key strategic imperative for DBCM and hence the Company’s pursuit of learnerships to drive its transformation objectives. The Company accordingly offers learnerships in a number of supervisory, managerial and technical disciplines. The number of learnership opportunities on offer is determined by the Company’s operational requirements such as, current and future vacancies, DBCM’s employment equity objectives, as well as mission critical/high impact positions which are hard-to-fill. The objectives of DBCM’s learnership programmes are the following:

- Provide an Integrated and structured learner and work-place experience;
- Provide employees and members of the community opportunities to obtain nationally recognized qualifications;
- Create appropriate internal and external talent pools
- Facilitate diversity and transformation in the workplace; and
- Bridge the gap between current educational and labour needs.

DBCM’s learnership programmes in SLP III focuses on the following fields of study:

- Supervisory and Management;
- Engineering
- Ore Processing

3.4.2.1. Supervisory Development Learnerships

DBCM has contracted service providers to assist with the development of accredited Supervisory Development Learnerships as outlined in Table 7. Candidates for supervisory development programmes are primarily drawn from within the workplace and developed through a combination of in-service (on-the-job) and classroom based training.

Table 7: Supervisory Development Learnerships

Name of programme	NQF level	Learnership programme purpose
Supervision for energized work teams	NQF Level 3	The programme aims at equipping every first-line manager with the essential knowledge and skills necessary to: <ul style="list-style-type: none"> • Develop, lead and inspire productive workplace teams. • Ensure that all team members are developed to their full potential.

The numbers of participants identified to participate in the Supervisory Development Learnerships for the duration of this plan are reflected in Table 8.

Table 8: Supervisory Development Learnerships

Type of Development Programme	2018	2019	2020	2021	2022	Total
	New Intake	New Intake	New Intake	New Intake	New Intake	New Intake
Supervision for energized work teams	0	15	0	15	0	30

3.4.2.2. Engineering Learnerships

A relatively large proportion of DBCM’s learnerships are focused on the development of artisans in the engineering field. The focus on engineering learnerships is due to artisans being of particular importance to Venetia Mine and the severe national shortage of these skills. Venetia Mine offers engineering learnerships in the following fields:

- Mechanician
- Electrician
- Fitting and Turning
- Millwright
- Rigger
- Plater / Welder
- Diesel mechanics
- Auto electricians.

DBCM’s Engineering Learnerships encompasses both employed Section 18(1) and unemployed Section 18(2) Learners as prescribed by the Skills Development Act. Section 18(1) learners are individuals already in the full-time employ of the company, largely semi-skilled, who are offered an opportunity to complete a formal learnership. Section 18(2) learners are generally novices, with little-to-no working experience, who are offered fixed term employment for the specific purpose of completing a registered learnership. Section 18(2) learnerships provide an important mechanism for

the training of new entrants to the mining industry, specifically in terms of local employment as they are recruited from the local labour sending areas.

Tables 9 below reflects the number of 18.1 and 18.2 learnerships planned for each year of this Social and Labour Plan with an indication of the intended trades.

Table 9: Engineering Learnerships

Type of Development Programme	2018	2019	2020	2021	2022	Total
	New Intake	New Intake	New Intake	New Intake	New Intake	New Intake
Electrician 18.1	0	0	0	1	0	1
Electrician 18.2	4	0	1	2	3	10
Fitter 18.1	0	1	0	0	0	1
Fitter 18.2	7	0	3	1	4	15
Boilermaker 18.1	0	0	1	0	1	2
Boilermaker 18.2	2	0	3	1	3	9
Mechanician 18.1	1	0	1	0	0	2
Mechanician 18.2	3	0	0	1	2	6
Rigger 18.1	0	0	0	0	0	0
Rigger 18.2	2	0	0	1	1	4
Total	19	1	9	7	14	50

3.4.2.3. Ore Processing Learnerships

Venetia Mine also offers learnerships in the Ore processing discipline, following prescribed requirements of applicable qualification standards. These learnerships are registered with the Department of Labour and comply with the requisite NQF qualifications. The learnerships will be demand-led in that they will address operational gaps identified through labour and talent reviews.

The Ore Processing learnerships offered by Venetia Mine fulfils the National Certificate: Mineral Processing NQF Level 2 qualification.

Table 11 reflects the estimated number of beneficiaries for the Ore Processing learnerships for each year of the plan.

Table 11: Ore Processing Learnerships

Type of Development Programme	2018	2019	2020	2021	2022	Total
	New Intake	New Intake	New Intake	New Intake	New Intake	New Intake
Mineral Processing L2	4	4	4	4	4	20

3.4.2.4. Other Skills and Learning and Development Programmes

Skills programmes form an important component of the training and development programmes of the machine operator, drivers and elementary workers within DBCM. Skills programmes offered by Venetia Mine comply with the unit standard requirements of the National Qualifications Framework and the Mining Qualifications Authority and offer participants credits towards a NQF-registered qualification.

The Underground Mining and skills programmes, for which Venetia Mine is currently not accredited, will be completed at Murray and Roberts Cementations Bentley Park training facility, as a feeder for underground mining occupations. The Venetia Underground Project (VUP) will supplement individual and team acquisition of workplace competence as required by the unit standards for such skills programmes. Skills programmes offered by Murray and Roberts Cementation comply with the unit standard requirements of the National Qualifications Framework and the Mining Qualification Authority and therefore offer participants portable skills credits towards a NQF registered qualification.

Due to the fact that Venetia Mines Skills Development Centre currently does not have MQA accreditation for underground skills programmes, the skills programmes completed at MRC will be limited to the **MQA scope** of the Murray and Roberts Cementation Training Centre. The accreditation process for underground programmes is in progress for Venetia Mine. The Skills Programmes offered by Venetia Mine are outlined in Table 12.

Table 12: Venetia Mine’s Skills Programmes

Skills Programme	Objective
Dense Medium separation	This skills programme is aimed at persons who work or intend to work within the Dense Medium Separation section of a processing plant and who seek recognition for essential skills in this area.
Skills programme in Crushing	This skills programme is aimed at persons who work or intend to work within the Crushing section of a processing plant and who seek recognition for essential skills in this area.
Skills programme in Diamond Recovery	This skills programme is aimed at persons who work or intend to work within the Diamond Recovery section of a processing plant and who seek recognition for essential skills in this area.
Skills programme in Scrubbing and Screening	This Skills programme is aimed at person who or intend to work within the Scrubbing and Screening section of a processing plant and who seek recognition for essential skills in this area.
Skills programme in Water Reticulation	This skills programme is aimed at persons who work or intend to work within the Water Reticulation section of a processing plant and who seek recognition for essential skills in this area
Skills programme is for Occupational Health and Safety Representatives	People credited with this skills programme are able to represent employees on all aspects of occupational health and safety.

The examination, making safe and declaring safe on surface mines, quarries, Dumps and stockpiles	Fall of ground regulations promulgated by the Minister of Minerals and Energy requires a competent person to examine and make a workplace safe and determine that such competence will vest in a candidate having achieved the requirements of the relevant skills programme registered with the Mining Qualifications Authority.
Introduction to Supervisory Effectiveness (NQF2)	The purpose of this skills programme is to provide a comprehensive introduction to management that will also serve as a foundation for further management and leadership development.

Table 13 reflects the estimated number of beneficiaries for the various skills programme for each year of the plan.

Table 13: Skills Training Programme

Type of Development Programme	2018	2019	2020	2021	2022	Total
	New Intake	New Intake	New Intake	New Intake	New Intake	New Intake
Dense Medium separation	3	3	2	4	3	15
Skills programme in Crushing	3	4	3	4	3	17
Skills programme in Diamond Recovery	0	2	2	3	2	9
Skills programme in Scrubbing and Screening	3	4	3	4	3	17
Skills programme in Water Reticulation	3	4	2	4	2	15
Skills programme is for Occupational Health and Safety Representatives	20	20	20	20	20	100
The examination, making safe and declaring safe on surface mines, quarries, Dumps and stockpiles	5	5	0	0	0	10
Introduction to Supervisory Effectiveness	15	15	15	15	15	75

3.4.2.5. Unit Standard and Modular Based Training

In-service training forms an important component of Venetia Mine’s Skills Development Programme. In-service training incorporates a wide array of skills areas, is needs driven and linked strategically to Venetia Mine’s objectives. The following unit standard and modular based accredited in-service training programmes are offered by Venetia Mine.

Table 14: Units Standard and Modular Based Training Programme

Unit Standard & Modular Based Training Programme	Objective
Operate a pendant controlled overhead crane	Demonstrating an integrated practical and theoretical grounding in Crane Operations according to safe handling and maintenance practices in compliance with crane manufacturers and legislated standards.
Operate Truck Mounted cranes	A learner accredited with this standard will be able to demonstrate an integrated theoretical and practical grounding in Truck Crane Operations according to safe handling and maintenance practices in compliance with crane manufacturers and legislated standards.
Operating lift trucks (Telescopic boom handler)	A learner accredited with this standard will be able to operate telescopic boom handler for the safe and efficient movement and stacking of freight in a variety of work environments, and take basic care of the equipment in compliance with lift truck manufacturers` and legislated standards.
Operate counter-balanced lift truck	The person credited with this Unit Standard is able to operate a counter-balanced lift truck in a safe manner
Operate a Mobile Elevating Work Platform (MEWP)	The person credited with this unit standard is able to safely operate and use a Mobile Elevating Work Platform.
Monitor, report and make recommendations pertaining to specified requirements in terms of working at heights	People credited with this unit standard will be able to describe the requirements with regard to working at heights.
Operate a Skid Steer Loader	Operating Skid Steer Loader's and demonstrating knowledge of the functions of Skid Steer Loader's and starting, shutting down and operating procedures for the machine.
Lift and move a load using manual lifting equipment and tackle (Basic, Intermediate and advanced)	This unit standard is for a learner within the mechanical handling (rigging) context.
Operating Mobile cranes	A learner accredited with this standard will be able to demonstrate an integrated practical and theoretical grounding in Crane Operations according to safe handling and maintenance practices in compliance with crane manufacturers and legislated standards.
Operating Reach trucks	A learner accredited with this standard will be able to operate reach trucks for the safe and efficient movement and stacking of freight in a variety of work environments, and take basic care of the equipment in compliance with lift truck manufacturers and legislated standards.
Operating Rough Terrain Forklift Truck	A learner accredited with this standard will be able to operate lift trucks for the safe and efficient movement and stacking of freight in a variety of work environments, and take basic care of the equipment in compliance with lift truck manufacturers and legislated standards.
Operate a tractor	Operating a Tractor and demonstrating knowledge of the functions of Tractor's and starting, shutting down and operating procedures for the machine.
Convey dangerous goods by road	The purpose of learning is to ensure safe loading, conveying and off-loading of dangerous goods according to legal and organizational requirements.
Provide risk-based primary emergency care/first aid in the workplace	Provide risk-based primary emergency care/first aid in the workplace.

Table 15 reflects the estimated number of beneficiaries for the aforementioned programmes.

Table 15: Unit Standard and Modular Training Programmes

Type of Development Programme	2018	2019	2020	2021	2022	Total
	New Intake	New Intake	New Intake	New Intake	New Intake	New Intake
Operate a pendant controlled overhead crane	30	30	30	30	30	90
Operate Truck Mounted cranes	10	10	10	10	10	50
Operating lift trucks (Telescopic boom handler)	8	8	8	8	8	40
Operate counter-balanced lift truck	4	4	4	4	4	20
Operate a Mobile Elevating Work Platform (MEWP)	4	4	4	4	4	20
Monitor, report and make recommendations pertaining to specified requirements in terms of working at heights	100	100	100	50	50	400
Operate a Skid Steer Loader	4	4	4	4	4	20
Lift and move a load using manual lifting equipment and tackle (Basic, Intermediate and advanced)	4	4	4	4	4	20
Operating Mobile cranes	2	1	2	1	2	8
Operating Reach trucks	1	0	2	1	2	6
Operating Rough Terrain Forklift Truck	1	0	2	0	1	4
Operate a tractor	1	0	1	0	1	3
Convey dangerous goods by road	10	10	10	5	5	40
Provide risk-based primary emergency care/first aid in the workplace	50	50	50	50	50	250

The training is provided throughout the year to meet operational requirements. The unit standard and modular based training programmes serve to develop employees, promote safety and enhance legal compliance. This provides value that extends beyond the mining industry and has the potential to contribute to our local communities and the growing economic zones in the surrounding area. DBCM intends to leverage these opportunities through optimizing the capacity and delivery of this training by

including community members and thereby maximizing value for both Venetia Mine and the local communities.

3.5. Career Progression Plan

3.5.1. Career Pathing

DBCM recognizes the need for employees to have clear and understood career paths to ensure consistent employee engagement and development over time. Career paths essentially map out the successive steps and possible growth opportunities available to employees during the course of their employment with the Company. By ensuring that employees are matched with career paths that are both relevant and achievable, DBCM aims to assist employees in realizing tangible career progression to avoid setting unrealistic expectations. DBCM has accordingly identified relevant and achievable career path opportunities and enables employees to independently pursue these opportunities. Career Progression within DBCM is regarded as a process in which the responsibility to make this happen must be shared by both DBCM and the employee. The onus of creating career development goals and achieving those goals falls upon the employee, while the Company’s role includes support for the employee in his/her career development objectives and provision of the tools such as:

- Creating awareness of possibilities and challenges;
- Performance management reviews;
- Assessment centers;
- Assistance in meeting minimum educational qualifications;
- Assistance in focusing on coaching in areas of technical deficiency; and
- Assistance in coaching/training in non-technical areas.

A generic Job & Career Path Framework as well as discipline specific career paths has been developed to guide and standardize leadership and technical career development in DBCM. The generic Job & Career Path Framework is reflected in Figure 2 below.

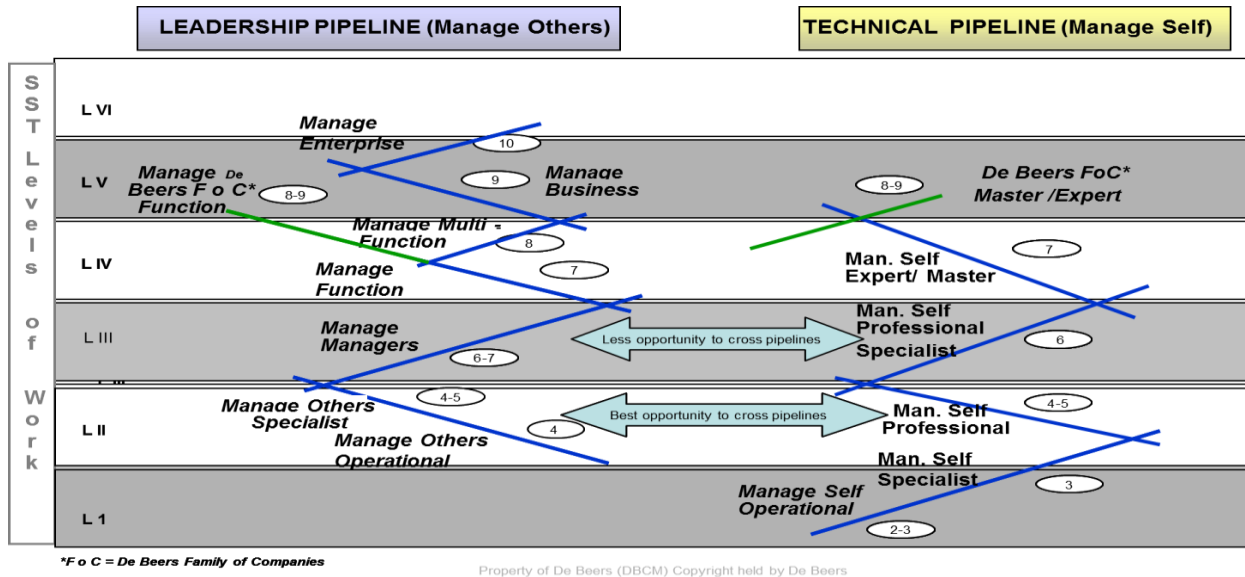


Figure 2: Career Path Pipeline

DBCM has also established discipline specific career paths for employees in the following core disciplines:

- Mining;
- Engineering;
- Human Resources Management;
- Ore Processing;
- Mineral Resources Management;
- Commercial Management;
- Public and Corporate affairs; and
- Security, Safety, Health and Environment.

Generic as well as discipline career paths will be used to guide employees regarding potential career progression, development and output necessary to function at the various job levels. Although all employees have the opportunity to be developed, DBCM will identify a talent pool to be fast tracked in line with its needs and the above Framework.

3.5.2. Talent Pool

Talent planning (succession) and talent pools are regarded as one of the most effective means to ensure an adequate future supply of scarce and critical skills and to achieve the objectives of this Plan. DBCM and Venetia Mine have created a number of talent pools aimed at accelerating the development of high potential individuals, especially from HDSA categories. This involves the development of people within the company, and is aimed at key leadership, supervisory and technical skills positions. The following talent pools exist in DBCM and Venetia Mine.

Table 16: reflects individuals to be fast tracked for each year of the plan

Type of Development Programme	2018	2019	2020	2021	2022	Total
	New Intake	New Intake	New Intake	New Intake	New Intake	New Intake
Junior and Middle Management development programmes	2	2	2	2	2	10

3.6. Mentorship Plan

DBCM believes that mentoring is an important process to use in the development of its people, specifically in regard to the transfer of knowledge and skills. Mentorships will be prioritised towards individuals on the various company skills programmes, including:

- Amended Senior Certificate
- Facilitated TVET Programme
- Learnerships
- Internships
- Supervisory Development Trainees
- Individuals with identified potential on a planned career path

Individuals on these programmes will be assigned mentors to facilitate their developmental needs, the transfer of skills, knowledge and competence.

3.7. Bursary and Internship Plan

3.7.1. Bursary Plan

Talent and knowledge management is the essential lifeblood of any organization. It is in the best interest of any organization to ensure that these two essential pillars in the human resources structure is maintained and optimized. Over the years, De Beers Consolidated Mines Proprietary Limited (“DBCM”) has implemented various initiatives to ensure a consistent flow of talent into the organization.

With the emphasis in South Africa on job creation and experiential training for young professionals, DBCM has weighted its development approach towards graduate trainees (internships) with particular emphasis on technical professions and Women in Mining.

Where a shortage of young graduates with technical skills has been identified in specific labour sending areas, DBCM augments its development programmes with the De Beers Bursary Scheme.

The bursary scheme targets three areas, all of them in mining related disciplines. These are Mechanical and Electrical Engineering, Metallurgy and Mining. These target areas are reflective of the direction pursued by The Mining Charter. Over the years the EE profile of the bursary scheme has evolved to reflect 100% EE and 100% females. This was done through targeted selection and focuses on students from the communities surrounding De Beers’ mining operations.

The number of bursars in the scheme was established through inputs from Venetia Mine’s business plan, the number of graduate interns identified from labour sending areas and the requirements of the Company’s transformation objectives.

The table below reflects the number of bursars’ Venetia Mine plans to have in the system per technical discipline for each year of the plan:

Table 17: Bursar Plan

Bursar plan	2018	2019	2020	2021	2022	Total
	New Intake	New Intake	New Intake	New Intake	New Intake	New Intake
Engineering	1	1	1	1	1	5
Metallurgy	1	2	1	1	1	6
Mining	1	1	1	1	1	5
Human Resources	0	1	0	0	0	1
Accounting	0	0	0	1	0	1
Total	3	5	3	4	3	18

3.7.2. Financial Study Assistance Scheme

In 2012 Venetia Mine introduced a Financial Study Assistance Programme to provide learners from indigent households in the Mine’s labour sending areas, and who are registered with any public tertiary institution, with financial assistance. Unlike the De Beers bursary recipients, these learners can pursue

any field of study. This contribution towards their registration fees, tuition fees and text book fees will continue for the next five years.

Table 18: Financial Study Assistance Scheme

Field of Study	2018	2019	2020	2021	2022	Total
	New Intake	New Intake	New Intake	New Intake	New Intake	New Intake
Tertiary Study for Learners from Indigent Households	10	10	10	10	10	50
Tertiary Study for Persons with Disabilities	10	10	10	10	10	50
Total	20	20	20	20	20	100

3.7.3. Internships

DBCM offers practical training to students and bursars in terms of vacation work and experiential training. Graduate trainees are also accommodated through postgraduate training with each professional-in-training being assigned a mentor. Although the graduate trainees are employed by DBCM, they are trained at different operations and an average of graduate interns is assigned to Venetia Mine annually.

DBCM offers Graduate Training Programs in Geology, Electrical and Mechanical Engineering, Mining and Metallurgy. The following table provides a qualitative reflection of Venetia Mine’s Intern allocations for 2018 – 2022.

Table 19: Internship Plan

Internship Programme	2018	2019	2020	2021	2022	Total
Engineering	1	1	1	1	1	5
Metallurgy	1	1	1	1	1	5
TOTAL	2	2	2	2	2	10

NB:* All mining trainees are placed at Anglo Development Centre in Rustenburg during their 3 years training, thereafter substantively placed at operations.

3.7.4. Self-study Scheme

A key component of Venetia Mine’s in-service training is the DBCM self-study scheme. This scheme offers financial assistance to all permanent employees for part-time courses of study leading to any approved qualification, provided the proposed studies falls within the relevant mine business disciplines. The self-study scheme offers employees opportunities to further their development in line with personal and organizational goals. Table 20 reflects the financial provisioning for the self-study scheme per year.

Table 20: Self Study Scheme

	2018	2019	2020	2021	2022	Total
Type of Development Programme	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Total Budget
Self-study financial provision	R 150 000	R 150 000	R 200 000	R 200 000	R 200 000	R900 000

4. EMPLOYMENT EQUITY PLAN

4.1. Introduction

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

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

Giving effect to these commitments require the development and implementation of a roadmap that embodies timeframes, goals and positive measures through which Venetia Mine’s Employment Equity objectives can be achieved. Venetia Mine has accordingly developed a three year EE plan not only to comply with its statutory obligation in terms of the MPRDA and the EEA, but also seeks to address the Company’s strategic objectives by accessing a broader skills base. This plan covers the period 2018 – 2020. Following the expiry of this plan, a subsequent plan will be developed and submitted to align with Venetia Mine’s Social and Labour Plan period.

4.2. Objectives to be achieved for Each Year of the Plan

Specific objectives have been set for each year of the plan to ensure reasonable progress towards a representative workforce. The narrative objectives are reflected below.

Table 21: Objectives to be achieved for Each Year of the Plan

TIMEFRAMES		OBJECTIVES
YEAR 1: 2018	1 January 2018 – 31 December 2018	<ul style="list-style-type: none"> • Endeavour to achieve all EE measures by appointing HDSAs wherever a position arises, with preference given to African Females wherever possible. • An aspirational target of 40% (50% stretch target) HDSA female replacement rate (resignations and promotions) has been set for all bands of employment at Venetia Mine. • Actively monitor EE Targets for each year of the EE Plan and ensure these are achieved as far as is possible. Where deviations arise, these will be communicated and discussed with relevant stakeholders. • Circulate and implement the DBCM Learning and Development Policy • Finalise RPL Policy for VM in alignment with DBCM guidelines. • Review the recommendations of the Association for People with Disabilities (APD) Report; set up a multidisciplinary task

		<p>team to investigate its recommendations, and draw up a plan and schedule for implementation of relevant recommendations with regards to PWD from 2018 – 2020 in accordance with budgetary, and other considerations</p> <ul style="list-style-type: none"> • Meet 80% (stretch target of 85%) of all EE Plan measures as agreed upon to assist with EE Plan Realisation
YEAR 2: 2019	1 January 2019 – 31 December 2019	<ul style="list-style-type: none"> • Endeavour to achieve all EE measures by appointing HDSAs wherever a position arises, with preference given to African Females wherever possible. • An aspirational target of 40% (50% stretch target) HDSA female replacement rate (resignations and promotions) has been set for all bands of employment at Venetia Mine. • Actively monitor EE Targets for each year of the EE Plan and ensure these are achieved as far as is possible. Where deviations arise, these will be communicated and discussed with relevant stakeholders • Implement relevant aspects of Plan and Schedule for PWD as identified for 2019 • Meet more than 80% (stretch target of 85%) of all EE Plan measures as agreed upon to assist with EE Plan Realisation
YEAR 3: 2020	1 January 2020 – 31 December 2020	<ul style="list-style-type: none"> • Endeavour to achieve all EE measures by appointing HDSAs wherever a position arises, with preference given to African Females wherever possible. • An aspirational target of 40% (50% stretch target) HDSA female replacement rate (resignations and promotions) has been set for all bands of employment at Venetia Mine. • Actively monitor EE Targets for each year of the EE Plan and ensure these are achieved as far as is possible. Where deviations arise, these will be communicated and discussed with relevant stakeholders • Implement relevant aspects of Plan and Schedule for PWD as identified for 2020 • Meet more than 80% (stretch target of 85%) of all EE Plan measures as agreed upon to assist with EE Plan Realisation

4.3. Workplace Barriers and Affirmative Action Measures

In accordance with the requirements of the EEA, an analysis of the employment equity policies, procedures and the working environment was conducted at Venetia Mine in order to identify employment barriers which adversely affect the achievement of employment equity objectives and targets. The workplace analysis for Venetia Mine is reflected in the table below:

Table 22: Venetia Mine’s Employment Equity Barriers and Affirmative Action Measures

Categories	Barriers (Narration)	Affirmative Action (Narration)
Recruitment procedures	None	N/A
Advertising positions	Remoteness of locations means portions of local labour sending areas do not have access to technology.	<ul style="list-style-type: none"> • VM uses noticeboards to advertise positions in remote areas and a Dropbox system to collect job applications. • System must be monitored for effectiveness.
Selection criteria	The inherent physical requirements for a particular role can be a limiting factor	<ul style="list-style-type: none"> • Identify physical requirements associated with particular role • Create awareness regarding remedial plans in accordance with Occupational Health Code of Good Practice that can be used by candidates to increase physical fitness, strength, etc.
Appointments	None	N/A
Job classification and grading	None	N/A
Remuneration and benefits	<ul style="list-style-type: none"> • Require more flexibility in the current benefit structure which is fixed • Medical Aid for PWD does not cover aids, medical visits and transport for these employees 	<ul style="list-style-type: none"> • Must be looked at Central level • Must be re-examined at Central level in light of what other Medical Aids cover
Terms & conditions of employment	Policies for parental duties, pregnancy and lactation.	Review and adapt where necessary – must be aligned to De Beers Strategy
Work environment and facilities	None	N/A
Training and development	No RPL policy	Compile and sign-off RPL Policy
Performance and evaluation	None	N/A
Succession & experience planning	<ul style="list-style-type: none"> • Lack of clear development and succession plans in all departments • Lack of experiential training opportunities in a role 	<ul style="list-style-type: none"> • Identify alternative methods to gain experience • More structured process for planning, implementing and monitoring of development plans. This must be looked at in all departments, but more specifically for critical and scarce skills

Disciplinary measures	None	N/A
Retention of designated groups	<ul style="list-style-type: none"> • Employee Value Proposition (EVP) has diminished due to shrinking business • TRP does not provide necessary clarity with regards to allowances, and take-home pay • Salary discrepancies for same work being done 	<ul style="list-style-type: none"> • Identify alternative methods to retain employees • Explore opportunities at AA for experiential opportunities • Compile and implement development plans for PWD to position them to compete for substantive roles • Alternative methods of remuneration to be examined • Align salaries to concept of “equal work, equal pay”
Corporate culture	Employee Engagement Survey identified that it is not safe to speak up	<ul style="list-style-type: none"> • Roll out Unconscious bias training to mine • Roll out results of Engagement Survey in each Department and put action plans in place
Reasonable accommodation	<ul style="list-style-type: none"> • PPE for ladies • Breastfeeding facilities • Infrastructure and other concerns for PWD 	<ul style="list-style-type: none"> • Task team put together to make recommendations • Looked at centrally • Multidisciplinary task team to draw up plan and schedule for implementation subject to budgetary constraints
HIV&AIDS prevention and wellness programmes	None	N/A
Assigned senior manager(s) to manage EE implementation	None	N/A
Budget allocation in support of employment equity goals	Linked to “Reasonable Accommodation” - Budget constraints will impact on achievement of all recommendations	<ul style="list-style-type: none"> • Multidisciplinary task team to draw up plan and schedule for implementation subject to budgetary constraints
Time off for employment equity consultative committee to meet	None	N/A

4.4. Employment Equity Profile and Goals

To determine the degree of under-representation of people from designated groups in various occupational categories and levels, Venetia Mine conducted a workplace profile analysis comparing its diversity profile against the economic active population of South Africa and the region in which it operates. Table 23 represents the current employment equity profile according to gender and race at Venetia Mine as at 31 October 2017. The first table identifies all employees, including people with disabilities, and the second table represents people with disabilities only.

Table 23a: De Beers Venetia Mine Workforce Profile as at 31 October 2018 (Snapshot of workforce profile for all employees, including people with disabilities):

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	3	2	0	9	1	0	0	2	0	0	17
Professionally qualified and experienced specialists and mid-management	23	5	2	41	13	3	1	8	2	2	101
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	194	12	2	69	52	7	0	24	0	0	360
Semi-skilled and discretionary decision making	624	5	0	4	150	4	0	8	0	0	795
Unskilled and defined decision making	28	0	0	1	16	0	0	0	0	0	45
TOTAL PERMANENT	824	24	4	120	198	14	1	41	2	2	120
Temporary employees	48	0	0	4	34	0	0	1	1	0	88
GRAND TOTAL	872	24	4	124	232	14	1	42	3	2	1318

Table 23b: Contractors Workforce Profile as at 31 October 2018 (Snapshot of workforce profile for all employees, including people with disabilities):

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	3	0	0	3	1	0	0	0	0	0	7
Professionally qualified and experienced specialists and mid-management	118	4	1	93	32	0	0	3	3	0	254
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	448	6	0	205	69	0	0	5	28	2	763
Semi-skilled and discretionary decision making	654	0	0	36	47	3	0	15	3	0	758
Unskilled and defined decision making	701	1	0	20	195	0	0	2	10	0	929
TOTAL PERMANENT	1924	11	1	357	344	3	0	25	44	2	2711

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

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

Tables 25 to 30 reflect the employment equity numerical targets Venetia Mine will endeavor to achieve as part of the Employment Equity Plan. The Employment Equity Plan 2018 – 2020 is attached hereto as **Annexures 3** and **“Form S”** – Depicts Venetia Mine’s Employment Equity Statistics attached hereto as **Annexures 4**.

4.5. HDSA in Management

Recognizing that transformation within the mining industry remains a national imperative Venetia Mine is fully committed to ensure diversity as well as participation of HDSA's at all decision-making positions. Venetia mine firmly believes that diversity is an organizational strength.

By the end August 2017, 62% of total management at Venetia Mine were categorized as being HDSA. This is compared with the Mining Charter target of having 40% of management being HDSA. In line with DBCM's commitment of meeting the Mining Charter targets at each level of management the following quantitative targets has been set for each year of the plan as reflected in Tables 31 and 32.

Table 31: HDSA in Management

Year	Occupational Category	Male					Female					Total	HDSA
		A	C	I	W	FN	A	C	I	W	FN		
2018	Top Management	0	0	0	0	0	0	0	0	0	0	0	0%
	Senior Management	5	1	0	10	0	1	0	0	1	0	18	44%
	Middle Management	30	6	2	39	4	17	2	1	11	0	112	62%
	Junior Management	81	5	1	38	0	25	3	0	17	0	170	78%
2019	Top Management	0	0	0	0	0	0	0	0	0	0	0	0%
	Senior Management	5	1	0	10	0	1	0	0	1	0	18	44%
	Middle Management	30	6	2	39	4	17	2	1	11	0	112	62%
	Junior Management	80	5	1	35	0	27	3	0	17	0	168	79%
2020	Top Management	0	0	0	0	0	0	0	0	0	0	0	0%
	Senior Management	5	1	0	10	0	1	0	0	1	0	18	44%
	Middle Management	30	6	2	38	4	18	2	1	11	0	112	63%
	Junior Management	80	5	1	35	0	27	3	0	17	0	168	79%
2021	Top Management	0	0	0	0	0	0	0	0	0	0	0	0%
	Senior Management	5	1	0	10	0	1	0	0	1	0	18	44%
	Middle Management	30	6	2	38	4	18	2	1	11	0	112	63%
	Junior Management	80	5	1	35	0	27	3	0	17	0	168	79%
2022	Top Management	0	0	0	0	0	0	0	0	0	0	0	0%
	Senior Management	5	1	0	10	0	1	0	0	1	0	18	44%
	Middle Management	30	6	2	38	4	18	2	1	11	0	112	63%
	Junior Management	80	5	1	35	0	27	3	0	17	0	168	79%

Table 32: Core and Critical Skills

Year	Occupational Category	Male					Female					Total	HDSA %
		A	C	I	W	FN	A	C	I	W	FN		
2018	Core Skills	694	8	1	37	0	126	2	0	4	0	872	96%
2019	Core Skills	686	8	1	36	0	128	2	0	4	0	865	96%
2020	Core Skills	682	8	1	36	0	128	2	0	4	0	861	96%
2021	Core Skills	682	8	1	36	0	128	2	0	4	0	861	96%
2022	Core Skills	682	8	1	36	0	128	2	0	4	0	861	96%

5. MINE COMMUNITY DEVELOPMENT PROGRAMME

5.1. Introduction

Venetia Mine is situated on the farms Venetia 103-MS and 104-MS, and lies approximately 80 km west of Musina and 36 km north east of Alldays in the Limpopo Province. The mine is located in the Musina (as indicated in Figure 3 below) Local Municipality of the Vhembe district. Specifically, the mine is situated just off the R521 road between Alldays and Pontdrift, approximately 540 km north of Johannesburg. Majority of the Mine employees are from the Blouberg and Musina Municipalities and therefore the Mine considers these two municipalities as its primary labour sending areas.

The Mine Community Development Programme for Venetia Mine is based on DBCM's Community Development strategy and the Venetia Mine Socio-Economic Assessment (SEAT 2016). The Socio-Economic Assessments focus on the possible impacts that Venetia Mine potentially have on the communities of Vhembe District Municipality, and more specifically the two host municipal areas of Blouberg and Musina.

This Mine Community Development Programme was put together taking cognisance of the community development projects reflected in the Integrated Development Plans (IDPs) of Blouberg and Musina Local Municipalities. There is clear commitment from Venetia to implement projects that make visible impact and contribute sustainably in the socio-economic development of the communities. The legacy that Venetia Mine leaves will extend beyond the direct social and economic benefits of host communities but together with other partners will also bring some growth and improvement to the region. This contribution will strengthen the coexistence of the mine with host communities and ensure that Venetia Mine continues to be seen as a partner in socio economic development and poverty alleviation.

5.2. Engagements with stakeholders

Venetia Mine has over the years built sound working relationships with communities of Blouberg and Musina, together with their Local and Traditional Authorities as well as the Limpopo Provincial Government. These partnerships have resulted in successful implementation of a number of community based initiatives, more specifically in the areas of education and enterprise development. These initiatives include the Venetia Mine Small Business Development Hub and the Limpopo Rural Schools programme.

In 2016 Venetia Mine commissioned a Socio-Economic Assessment Tool (SEAT) study to better understand possible impacts caused by the Mine in labour sending communities and to also establish perceptions that communities have regarding the mine. During this assessment a number of stakeholders we consulted and their views were captured in the Venetia Mine SEAT report.

Through normal engagements with Musina and Blouberg Local Municipalities a number of community development programmes were identified. These programmes are incorporated into the Integrated Development Plans (IDPs) from Musina and Blouberg municipalities.

Mine Community Development Projects included in this Social and Labour Plan were identified through either the SEAT or the municipal IDP process.

Venetia Mine will continue its involvement in the local IDP processes, as well as in relevant development structures or forums which may be established in the area. This will be achieved through active participation in local community development structures and implementation of Venetia Mine's Community Engagement Plan.

Venetia Mine is also in the process of establishing a Community Engagement Forum whose primary focus is to ensure that all relevant stakeholders meet on regular basis to discuss issues of mutual interest. The agenda for the CEF will cover pertinent issues identified to be of importance for community development and upliftment.

5.3. Socio-Economic Background

5.3.1. Overview of the Local Area

Limpopo Province, South Africa's northern-most province, shares international borders with neighbouring countries of Mozambique, Zimbabwe and Botswana. The province encloses 125,754km² which constitutes 10.3% of South Africa's total land area. According to the StatsSA from a Community Survey of 2016, the Province has a **population of 5,799,090 people**, of which 53% are comprised of female and 47% of male residents.

Venetia Mine has two labour sending areas, viz. Musina and Blouberg Municipalities.

Musina Local Municipality is located in the Vhembe District Municipality of the Limpopo Province, South Africa. The Local Municipalities in the Vhembe District were recently re-demarcated by the Municipal Demarcation Board in terms of Section 21(5) of the Local Government: Municipal Demarcation Act, 1998, and gazetted in the Provincial Gazette (Notice 53 of 2015). The 2015 newly demarcated Vhembe District consist of four local municipalities, namely Musina Local Municipality, Makhado Local Municipality, Mutale Local Municipality and a New Municipalities, which has yet to be named. The Musina municipality is bordered by Zimbabwe to the north, Mozambique to the east, Makhado and Thulamela Local Municipalities to the south, and the Blouberg Local Municipality and Botswana to the west. The Local Municipality is home to three border posts bordering three different countries, namely Pont Drift (Botswana), Beit Bridge (Zimbabwe) and Pafuri (Mozambique). The Pafuri border post, however, is only accessible through the Kruger National Park and by 4x4 vehicle.

The new demarcations translated into Musina Local Municipality incorporating five former Mutale Local Municipal wards (namely former Ward numbers 8, 9, 10, 11 and 12). The newly demarcated Musina Local Municipality has a total surface area of approximately 10 347km². The seat of the Local Municipality is Musina Town. Musina is the northernmost town in the Limpopo Province of South Africa. Musina is located near the confluence of the Limpopo River with the Sand River and the border to Zimbabwe (i.e. Beit Bridge).

The Blouberg Local Municipality is located in the Capricorn District Municipality of the Limpopo Province, South Africa. The Capricorn District Municipality consists of four local municipalities, namely Blouberg Local Municipality, Polokwane Local Municipality, Molemole Local Municipality and Lepelle Nkumpi Local Municipality. The Blouberg Municipality borders Botswana to the north. The Blouberg Local Municipality was recently re-demarcated to include a very small portion of the previous Aganang Local Municipality. The Municipality is situated approximately 95km from Polokwane and is predominantly rural in nature. Large parts of the Municipality consist of private farms used for agriculture (especially game farming) purposes.

The seat of the Local Municipality is Senwabarwana (also known as Bochum). Alldays is a Peri-Urban Area in the Blouberg Local Municipality (refer to below Figure), which was initially established as a small farming centre to serve the surrounding farms. The primary function is still to serve the surrounding farming community, but it has since grown to a first order node settlement within the Local Municipality. Alldays is the closest town to the Venetia Mining operation.

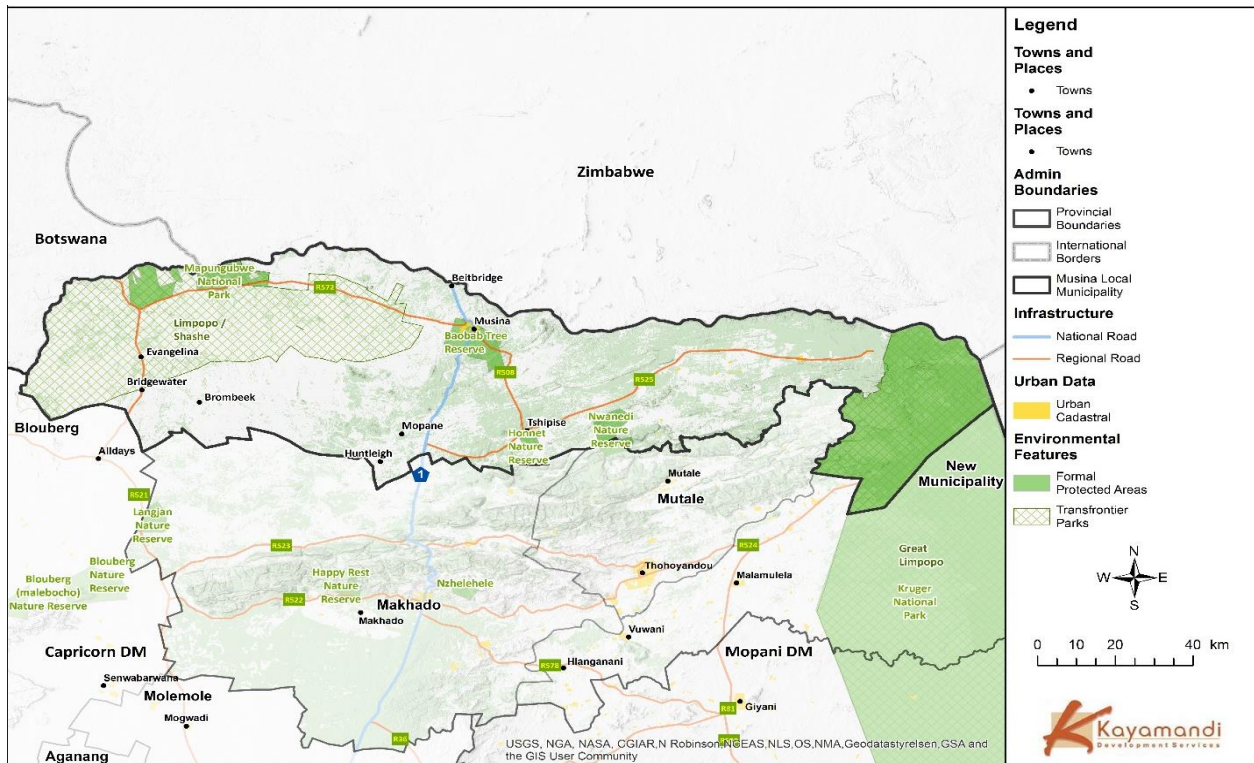


FIGURE 4: NEWLY DEMARCATED MUSINA LOCAL MUNICIPALITY (2015)

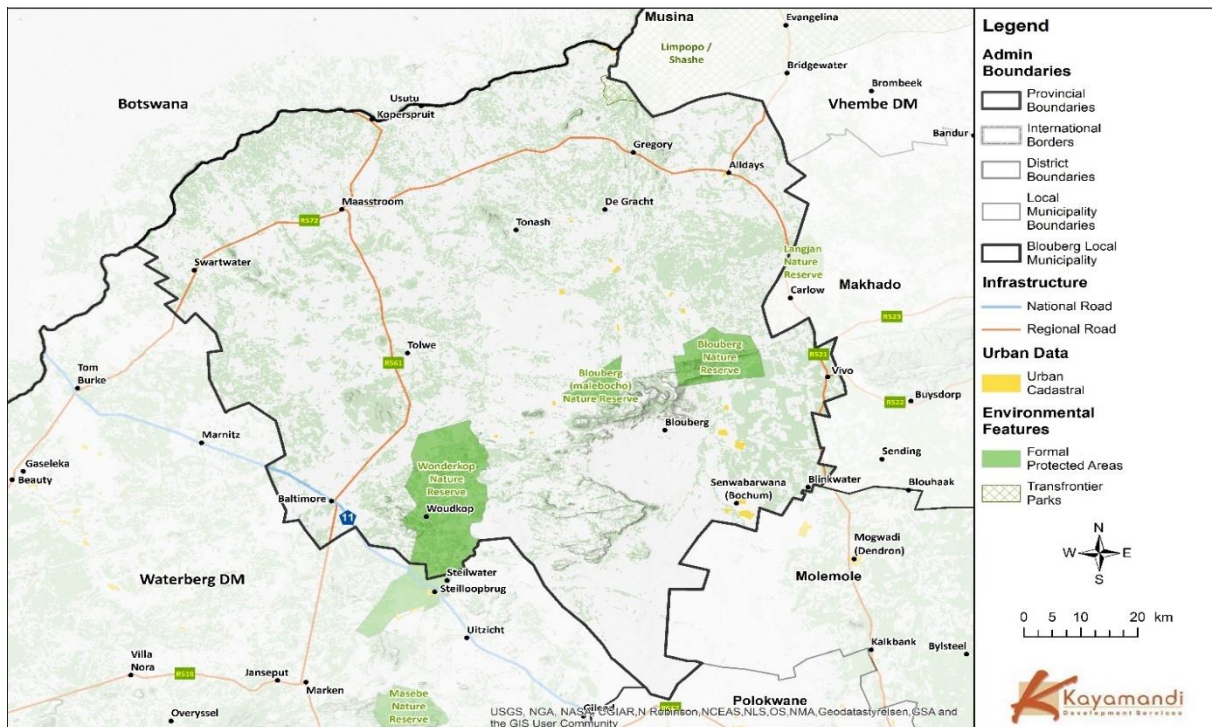


FIGURE 5: DEMARCATED BLOUBERG LOCAL MUNICIPALITY (2015)

Five growth points have been identified within the Blouberg local municipal area and they are; Senwabarwana, Alldays, Eldorado, Tolwe and the Puraspan-Avon-Indermark corridor. Of these areas, three of them fall within Venetia Mine's immediate labour sending areas, i.e. Alldays, Eldorado and Tolwe. The central locality of the municipal area in relation to the rest of the country ensures that a number of important regional routes transverse the area, of which the R521 (Polokwane-Alldays) and D1200 (Mogwadi-Senwabarwana-GaMankgodi) routes link the municipal area with the rest of the country. Other routes, which are also of a regional and sub-regional importance, are the D1589 which links Blouberg with the Waterberg district municipal area and Botswana and the D1468 (Senwabarwana-Vivo-Indermark), which should be prioritized due to its economic importance.

5.3.2. Demographics

5.3.2.1. Population Figures

Table 33 presents the population statistics on a local, district and provincial level for 2001 and 2011 based on 2001 and 2011 Census data.

TABLE 33: POPULATION AND POPULATION GROWTH

Geographic Area	2001	2011	Annual Growth Rate
Musina Urban Area (Main place)	19 121	42 678	8.4%
Musina LM (2011 demarcation)	39 310	68 359	5.7%
Mutale wards (2011 demarcation)	31 327	36 296	1.5%
Re-demarcated Musina (2015)	70 636	104 655	4.0%
Vhembe DM	1 197 952	1 294 722	0.8%
Alldays Urban Area (Main place)	70	2 987	45.6%
Blouberg LM	171 721	162 629	-0.5%
Capricorn DM	1 164 281	1 261 463	0.8%

From the table above it is clear that the Musina Local Municipality has grown quite considerably from 2001 to 2011 with an average annual growth rate of 4.0%, especially in comparison to the District and the Province with 0.8% average annual growth respectively. According to the latest Stats SA Community Survey 2016, the **Musina Local Municipality** grew by an average of 7.3% per annum from 2011 to 2016, bringing the latest available indication of the size of the population of the municipality to **148,853 people**.

Musina urban area has grown even more considerably with an average annual growth rate of 8.4% between 2001 and 2011 or an increase of approximately 2 400 people per annum in population. A possible reason for the rapid growth rate could be attributed to the fact that Musina borders onto Zimbabwe and Botswana, with the Beit bridge border post being the only entry point into South Africa from Zimbabwe. The 2011 population of the newly demarcated Musina LM contributes only about 8% to the total Vhembe District population.

The population density of the newly demarcated Musina LM is 10 people per km², in comparison to the population densities of Vhembe District (51 people per km²) and the Province (43 people per km²).

The Blouberg Local Municipality has experienced negative growth from 2001 to 2011 with a negative average annual growth rate of -0.5%. This is concerning, especially in comparison to the District and the Province with a positive average annual growth of 0.8% respectively. A possible reason for the decrease in population could be attributed to the fact that Blouberg LM does not have any major economic centres, and people tend to move to areas with economic and employment opportunities such as Polokwane and even Gauteng. According to the latest Stats SA Community Survey 2016, the **Blouberg Local Municipality** declined by an average of -0.3% per annum from 2011 to 2016, bringing the latest available indication of the size of the population of the municipality to **160,204 people**.

The Urban Area of Alldays experienced rapid growth from 2001 to 2011 with an average annual growth rate of 45.6%. This could possibly be attributed to both surrounding farm workers and mine workers

being relocated to the Urban Area due to the availability of RDP houses or since Labour and sector-specific legislation (with housing condition requirements) came into effect (such as the MPRDA, 2002).

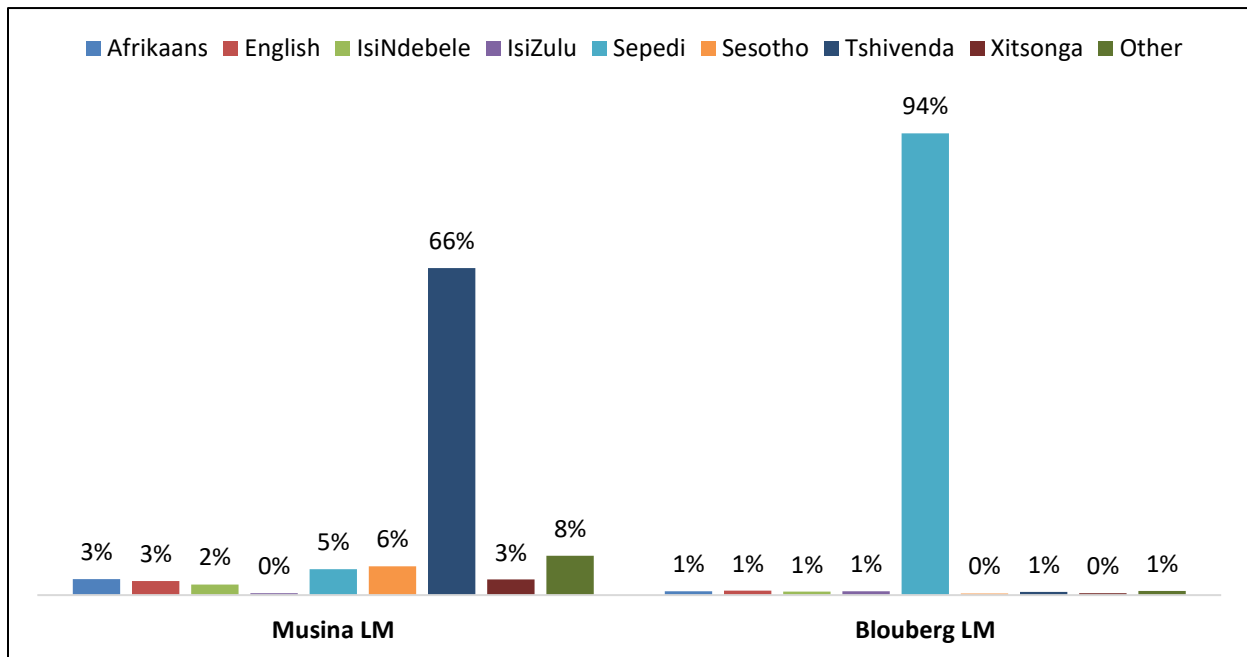
The population density of Blouberg LM is approximately 17 people per km², in comparison to the population densities of Capricorn District (58 people per km²) and the Province (43 people per km²).

5.3.2.2. Ethnic Composition

Approximately 96% of the Musina LM’s population is Black African, while Whites (3%) constitute the second largest population grouping, which mirrors the provincial statistics. Approximately 66% of the population in the municipality speaks Tshivenda as their first language, followed by 6% who speaks Sesotho, and 5% speaking Sepedi.

The overwhelming majority of the population in Blouberg LM is Black African (99%), followed by 0.6% of Whites. Sepedi is spoken by 94% of the population as their first language.

GRAPH 1: LANGUAGE

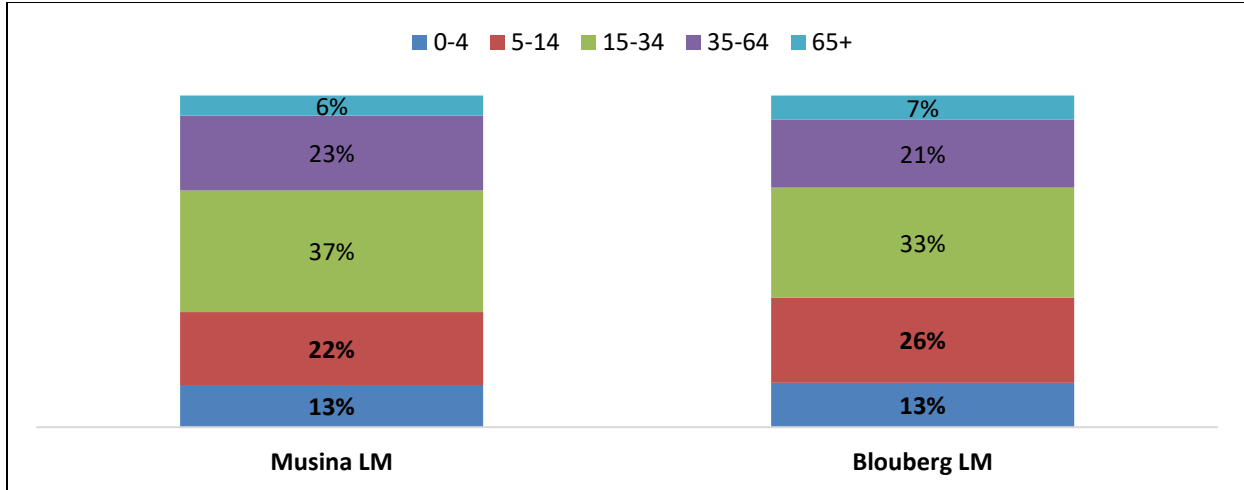


5.3.2.3. Age and Gender

Slightly more than of third of the population in the Vhembe District Municipality (35%) and the Capricorn District (34%) are under the age of 15. The two municipalities reflect almost the same realities as in their districts with 35% of the population in the Musina LM under the age of 15 and 39% in Blouberg LM. This highlights that an enormous challenges exists in terms of education and future employment for this age group.

The economically active age group of 15 to 64 accounts for 59% of the population in Musina LM and 54% in Blouberg LM.

GRAPH 2: AGE GROUPS



In both municipal areas, the females (54%) outnumber males (46%). This may be ascribed to a migration of men from the area to seek employment in other areas.

5.3.2.4. Household size

The size of a household is an indication of the number of people living under one roof and sharing an income. The below Table provides an indication of average household size of the two labour sending municipalities.

TABLE 34: AVERAGE HOUSEHOLD SIZES

Geographic Area	2001	2011
Musina Urban Area (Main place)	3.5	3.7
Musina LM (2011 demarcation)	3.4	3.4
Mutale wards (2011 demarcation)	4.6	3.8
Re-demarcated Musina (2015)	3.8	3.5
Vhembe DM	4.5	3.9
Alldays Urban Area (Main place)	1.9	4.0
Blouberg LM	4.6	3.9
Capricorn DM	4.3	3.7

From the above table it is evident that average household size in the newly demarcated Musina Local Municipality decreased slightly from 3.8 members in 2001 to 3.5 members in 2011. In contrast with this trend, Musina Urban Area has shown a very slight increase in average household size from 2001 to 2011.

The average household size in the Blouberg Local Municipality decreased from 4.6 members in 2001 to 3.9 members in 2011. In contrast to this trend, the Urban Area of Alldays experienced an increase in the average household size, this however, could be due to an influx of farm and mine workers and their families to the Urban Area as a result of legislation and the availability of government housing.

The decrease in average household size in both Municipalities is consistent with the trend experienced on a district and provincial level.

5.3.2.5. Household Income Profile

The table below provides an indication of the average annual household income within the newly demarcated Musina Local Municipality and within the Blouberg Local Municipality.

TABLE 35: NEWLY DEMARCATED MUSINA LM AND BLOUBERG LM HOUSEHOLD INCOME

Income	Income Category	Musina LM 2001	Musina LM 2011	Blouberg LM 2001	Blouberg LM 2011
No income	LOW	11%	13%	35%	16%
R1 – R4 800		35%	6%	14%	7%
R4 801 – R9 600		23%	14%	27%	14%
R9 601 – R19 200		13%	26%	13%	27%
R19 201 – R38 400		9%	20%	5%	23%
R38 401 – R76 800	MIDDLE	4%	9%	4%	7%
R76 801 – R153 600		3%	6%	1%	4%
R153 601 and more	HIGH	2%	6%	1%	4%
Total		100%	100%	100%	100%

From the table above it can be deduced that a clear shift exists in the average annual income of households for both Municipal areas between 2001 and 2011, especially in the middle and higher income classes.

In Musina Local Municipality, the increase in the percentage of households with no income between 2001 and 2011 is of great concern, with 13% of households in 2011 having no income, and therefore being dependent on government and social grants and assistance. In total however, there has been a decrease in the number of households that fall within the low income category from 91% in 2001 to 79% in 2011.

In Blouberg Local Municipality, although there has been a decrease in the number of households with no income from 2001 to 2011, the 16% of households that still have no income is of concern as they are dependent on government and social grants and assistance. In total however, there has also been a decrease in the number of households that fall within the low income category from 91% in 2001 to 86% in 2011, while the percentage of households in the middle income category increased from 5% to 11% and the percentage of households in the high income category increased from 1% to 4% from 2001 to 2011.

In comparison, the socio-economic disparity between the two municipalities seems to have worsened, as the share of lower income households was the same in 2001, with a greater improvement experienced by households in Musina Local Municipality by 2011, compared with households in Blouberg Local Municipality. The disparity is compounded by the fact that the average household size is higher in Blouberg LM than compared to Musina Local Municipality, meaning more people have to survive on a smaller household income.

The below table presents the average annual household income of households in the Urban Areas.

TABLE 36: MUSINA TOWN AND ALLDAYS URBAN AREA ANNUAL HOUSEHOLD INCOME

Income	Income Category	Musina Town 2001	Musina Town 2011	Alldays 2001	Alldays 2011
No income	LOW	25%	13%	3%	24%

R1 – R4 800		8%	6%	14%	4%
R4 801 – R9 600		18%	14%	11%	12%
R9 601 – R19 200		15%	26%	9%	18%
R19 201 – R38 400		14%	20%	26%	17%
R38 401 – R76 800	MIDDLE	9%	9%	26%	6%
R76 801 – R153 600		6%	6%	9%	11%
R153 601 and more	HIGH	4%	6%	3%	8%
Total		100%	100%	100%	100%

From the table it is clear, and in contrast with the situation on a Local Municipal-level, the percentage of households with no income for the Musina urban area has decreased quite significantly from 25% in 2001 to 13% in 2011. A slight decrease in the number of households within the low income category from 81% in 2001 to 79% in 2011 is noted, while the middle income category has not shown any significant changes. The higher income category grew from 4% in 2001 to 6% in 2011.

In regards to Alldays, a significant increase in the percentage of households with no income from 2001 (3%) to 2011 (24%) is noted. The percentage of households that falls within the lower income category in Alldays also increased from 63% in 2001 to 75% in 2011.

5.3.2.6. Employment Profile

The below table provides an indication of the unemployment rate (in percentage) in the Province, District, Local Municipality and Urban Areas as calculated from the 2001 and 2011 Census data.

TABLE 37: UNEMPLOYMENT RATE PER LOCAL MUNICIPALITY

Geographic Area	2001	2011
Musina Urban Area (Main place)	43.9%	26.2%
Musina LM (2011 demarcation)	24.9%	18.7%
Mutale wards (2011 demarcation)	56.1%	52.3%
Re-demarcated Musina (2015)	31.3%	25.1%
Vhembe DM	53.0%	38.7%
Alldays Urban Area (Main place)	4.0%	25.7%
Blouberg LM	41.7%	39.2%
Capricorn DM	45.9%	37.2%

From the table above it is evident that definite progress has been made in reducing the unemployment rate in the Province, Districts, Local Municipalities and the Musina Urban Area. However, the unemployment rate of Alldays urban area increased substantially.

Musina Urban Area and the Vhembe District in particular experienced a significant decline with 17.7% and 14.3% percentage points decline in the unemployment rate between 2001 and 2011 respectively. The newly demarcated Musina Local Municipality's unemployment rate declined by 6.2% from 2001

to 2011. It is also evident from the table that the unemployment rate of the Musina Local Municipality (25%) is significantly lower than that of the Vhembe District (39%) and the Limpopo province (39%).

The Capricorn District in particular experienced a significant decline with 8.7% percentage points decline in the unemployment rate between 2001 and 2011. The newly demarcated Blouberg Local Municipality's unemployment rate declined by 2.5% from 2001 to 2011. It is also evident that the unemployment rate of the Blouberg Local Municipality (40%) is slightly higher than that of the Capricorn District (37%) and the Limpopo province (39%).

The table below depicts the skill level for those employed in Musina and Blouberg Local Municipality for the year 2003 compared to the year 2013.

TABLE 38: FORMAL EMPLOYMENT PER SKILLS LEVEL

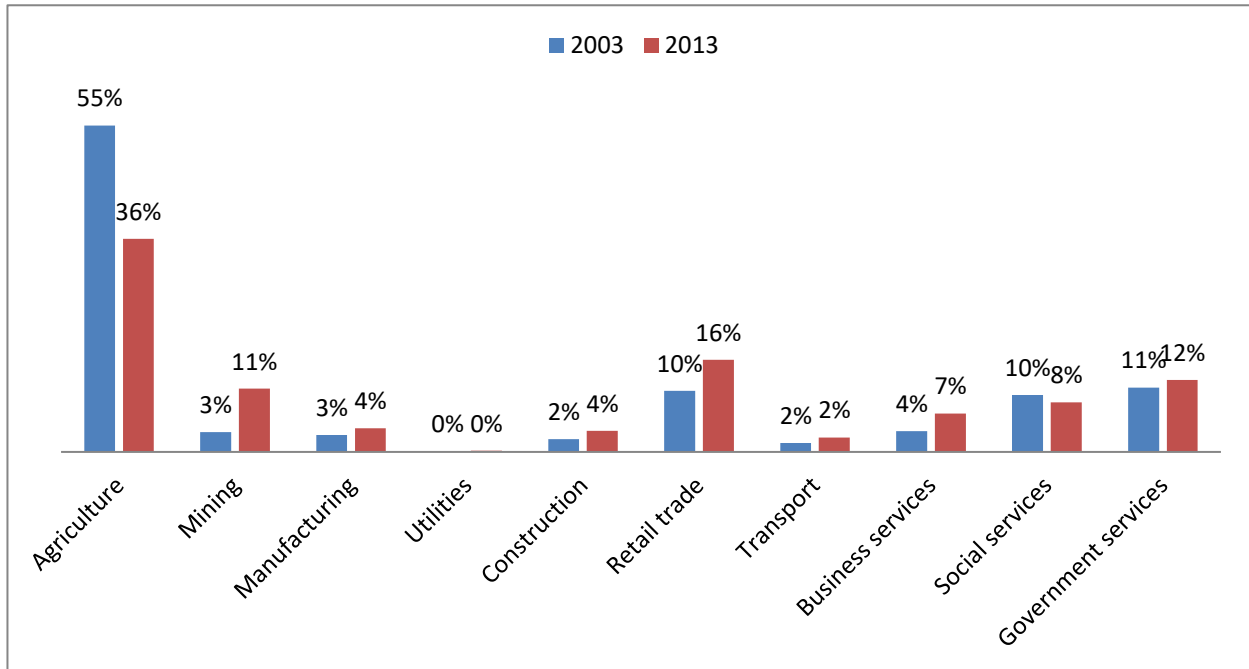
	Musina LM 2003	Musina LM 2013	Blouberg LM 2003	Blouberg LM 2013
Highly skilled	9%	12%	16%	9%
Skilled	21%	30%	34%	21%
Semi- and unskilled	70%	59%	50%	70%
Total	100%	100%	100%	100%

From the table above it is clear that the majority (59%) of those formally employed in Musina Local Municipality in 2013, were semi- or unskilled, followed by 30% that were skilled, and only 12% that were classified as highly skilled. It is also evident that the percentage of skilled and highly skilled employees has increased from 2003 to 2013 and the percentage of semi-skilled and unskilled employees has decreased. More significant however, is the increase of approximately 35% of those employed in highly skilled occupations, which shows a shift within the Local Municipality towards higher skilled occupation.

Within Blouberg Local Municipality, the majority (40%) of those formally employed in 2013, were semi- or unskilled, closely followed by 39% that were skilled, and 21% that were classified as highly skilled. It is also evident that the percentage of skilled and highly skilled employees has increased from 2003 to 2013 and the percentage of semi-skilled and unskilled employees has decreased. A 23% increase in those employed in highly skilled occupations is noted, which shows a shift within the Local Municipality towards higher skilled occupation.

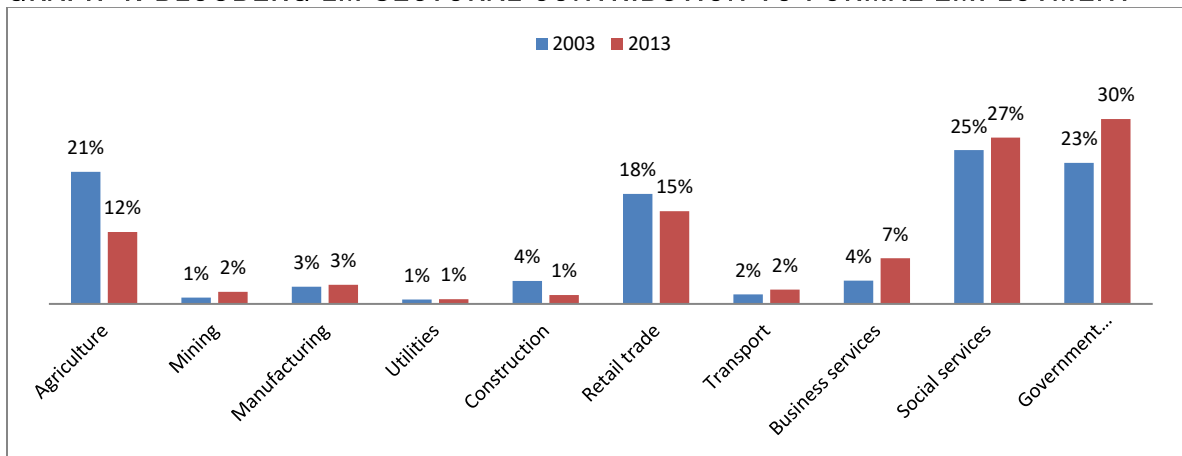
When considering the below Graph it is clear that although the agriculture sector still holds the greatest employment share in Musina Local Municipality, the employment share decreased by approximately 19% from 2003 to 2013. The Retail trade sector are currently the second highest contributor towards employment at 16%, approximately 6% higher than in 2003, with government services contributing the third most at 12%, approximately 1% higher than in 2003.

GRAPH 3: MUSINA LM SECTORAL CONTRIBUTION TO FORMAL EMPLOYMENT



When considering the below Graph, it is clear that the government services sector holds the greatest employment share in Blouberg Local Municipality, and this employment share increased by approximately 7% from 2003 to 2013. The Social services sector is currently the second highest contributor towards employment at 27%, approximately 2% higher than in 2003. It is also evident that the agricultural sector has seen a major decrease in the percentage share of formal employment, with a decline from 21% share in 2003 to a 12% share in 2013.

GRAPH 4: BLOUBERG LM SECTORAL CONTRIBUTION TO FORMAL EMPLOYMENT



The following subsections provide insight into the economic characteristics of the Municipalities in terms of GVA¹, GVA growth, and sectoral contribution to GVA. With regards to Musina Local Municipality, these statistics are for the previously demarcated Municipal area as economic statistics are not available on a ward level.

The table below indicates the GVA contribution (R' million) from 2003 till 2013 for South Africa, Limpopo, the Vhembe and Capricorn District and Musina and Blouberg Local Municipalities at constant 2005 prices.

TABLE 39: GVA CONTRIBUTION AT CONSTANT 2005 RAND MILLION PRICES

Year	South Africa	Limpopo	Vhembe DM	Musina LM	Capricorn DM	Blouberg LM
2003	1 273 129	86 578	15 734	1 638	19 434	969
2004	1 330 390	89 063	16 421	1 782	19 939	971
2005	1 401 067	92 888	17 423	1 912	20 908	994
2006	1 478 491	97 331	18 592	2 016	22 061	1 027
2007	1 561 077	101 573	19 817	2 222	23 075	1 057
2008	1 619 802	104 074	20 931	2 397	23 871	1 094
2009	1 598 059	102 925	21 186	2 457	23 651	1 083
2010	1 647 275	105 680	21 649	2 505	24 012	1 097
2011	1 703 801	108 012	22 209	2 589	24 410	1 121
2012	1 745 352	109 291	22 724	2 689	24 758	1 144
2013	1 777 954	111 249	22 925	2 610	25 036	1 157

To provide an overview of the Local Municipality's economic performance, the annual growth in GVA for the area over a ten-year period is considered. In order to establish which economic sectors within the Local Municipalities show potential, and which sectors are struggling, the GDPR² growth rate is consulted.

¹ **Gross Value Added (GVA)** is a measure of the value of goods and services produced in an area, industry or sector of an economy. In national accounts GVA is output minus intermediate consumption; it is a balancing item of the national accounts' production account. GVA is linked as a measurement to GDP, as both are measures of output. The relationship is defined as: $GVA + \text{taxes on products} - \text{subsidies on products} = GDP$. As the total aggregates of taxes on products and subsidies on products are only available at whole economy level, GVA is used for measuring the Gross Regional Domestic Product (GDPR) and other measures of the output of entities smaller than a whole economy.

² **Gross Regional Domestic Product (GDPR)** of a region is the total value of all final goods and services produced within the boundaries of a region in a particular period.

TABLE 40: GDPR GROWTH RATE FOR MUSINA LM AND BLOUBERG LM

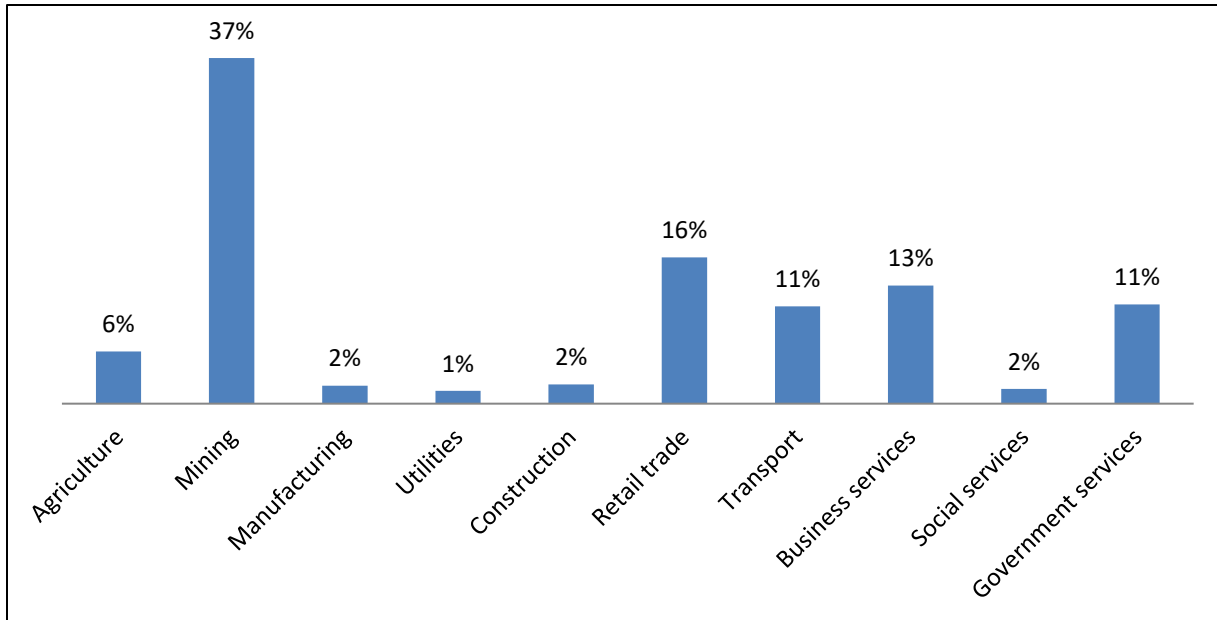
Sector	Musina LM 2003	Musina LM 2013	Musina Growth	Blouberg LM 2003	Blouberg LM 2013	Blouberg Growth
Agriculture	11%	6%	1.9%	5%	3%	-1.8%
Mining	39%	37%	0.3%	8%	3%	-11.8%
Manufacturing	2%	2%	9.9%	2%	1%	3.0%
Utilities	1%	1%	13.1%	4%	3%	-2.4%
Construction	1%	2%	12.7%	2%	1%	-6.0%
Retail trade	9%	16%	11.6%	17%	15%	0.0%
Transport	12%	11%	4.9%	13%	12%	1.1%
Business services	11%	13%	9.2%	12%	16%	6.2%
Social services	2%	2%	4.5%	10%	12%	3.4%
Government services	11%	11%	5.1%	26%	33%	3.6%
Total	100%	100%	4.8%	100%	100%	1.8%

From the table above, it is clear that the total GDPR for Musina Local Municipality shows an overall growth rate of 4.8% growth per annum, which is higher than the national (3.4%), provincial (2.5%) and district (3.8%) annual growth rates over the same time period. The utilities sector recorded the greatest growth at 13%, followed by the construction sector at a growth rate of 12.7% per annum. The mining sector shows the lowest growth rate at 0.3% per annum. None of the sectors experienced negative growth between 2003 and 2013.

Whereas the total GDPR for Blouberg Local Municipality shows an overall growth rate of 1.8% growth per annum, which is lower than the national (3.4%), provincial (2.5%) and district (2.6%) annual growth rates over the same time period. The Finance & Business services sector recorded the greatest growth at 6.2%, followed by the government services sector at a growth rate of 3.6% per annum and the community and personal services sector with an annual growth rate of 3.4%. Various sectors experienced negative growth including the mining sector (-11.8%), the construction sector (-6.0%), the utilities sector (-2.4%) and the agricultural sector (-1.8%).

The below Graph illustrates the Municipal sectoral share to GVA for Musina Local Municipality.

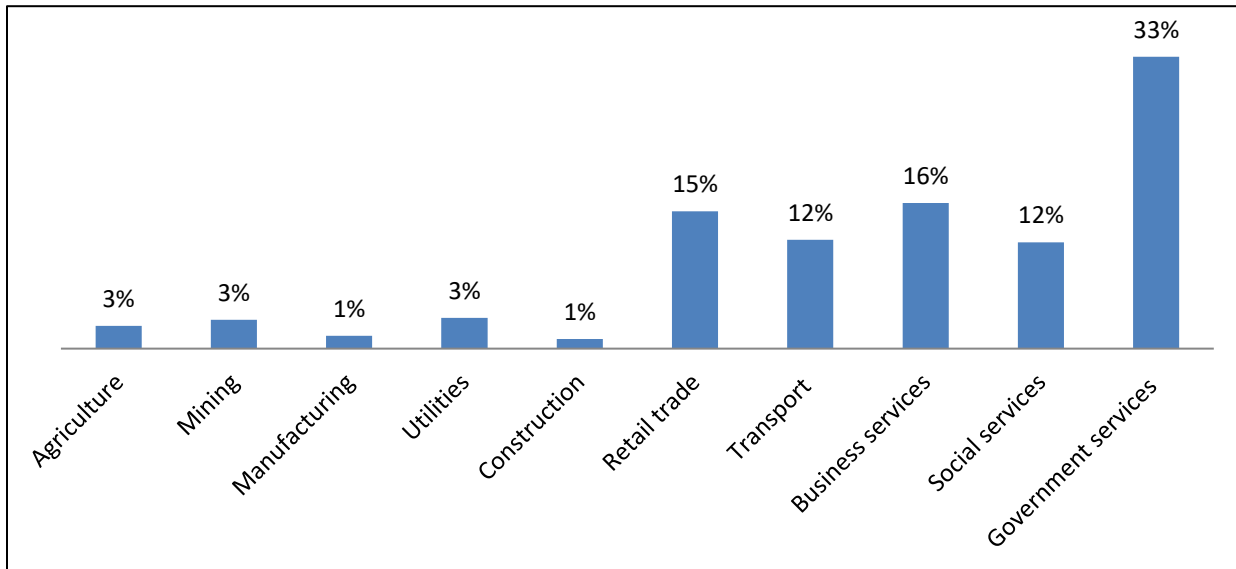
GRAPH 5: SECTORAL CONTRIBUTION TO GVA FOR MUSINA LM (2013)



From the graph, it is clear that the most significant contributing sector to the Musina Local Municipality Economy is the mining sector, holding a 37% share of the municipality's GVA, followed by the retail trade sector at 16%, the business services sector at 13% and the government services sector and transport sector at 11%, respectively. The mining industry's high contribution towards the local GVA can be ascribed to the fact that the De Beers Venetia Mine, which is currently the largest diamond producer in South Africa, is located within Musina Local Municipality. The large share enjoyed by the retail trade, business services and transport sectors is in all likelihood as a result of Musina town's location in relation to Zimbabwe and the Beitbridge border post and the associated opportunities and services.

The below Graph illustrates the Municipal sectoral share to GVA for Blouberg Local Municipality. From the graph, it is clear that the most significant contributing sector to the economy of Blouberg Local Municipality is the government services sector, holding a 33% share of the municipality's GVA, followed by the business services sector at 16%, the retail trade sector at 15% and the transport and social services sectors at 12%.

GRAPH 6: SECTORAL CONTRIBUTION TO GVA FOR BLOUBERG LM (2013)



5.3.2.7. Education

The table below gives insight into the status quo of education in the newly demarcated Musina Local Municipality and the Blouberg Local Municipality, and reflects the highest levels of education as recorded by the 2001 and 2011 Census.

TABLE 41: MUSINA LM & BLOUBERG LM LEVEL OF EDUCATION

Highest Level of Education	Musina LM 2001	Musina LM 2011	Blouberg LM 2001	Blouberg LM 2011
No schooling	30%	15%	45%	28%
Some primary education (Grade R - Grade 6)	16%	11%	15%	14%
Complete primary education (completed Grade 7)	9%	7%	5%	5%
Some secondary education (Grade 8 - Grade 11)	29%	41%	22%	32%
Complete secondary education (completed Gr 12)	11%	20%	8%	15%
Tertiary education	5%	6%	5%	5%
Total	100%	100%	100%	100%

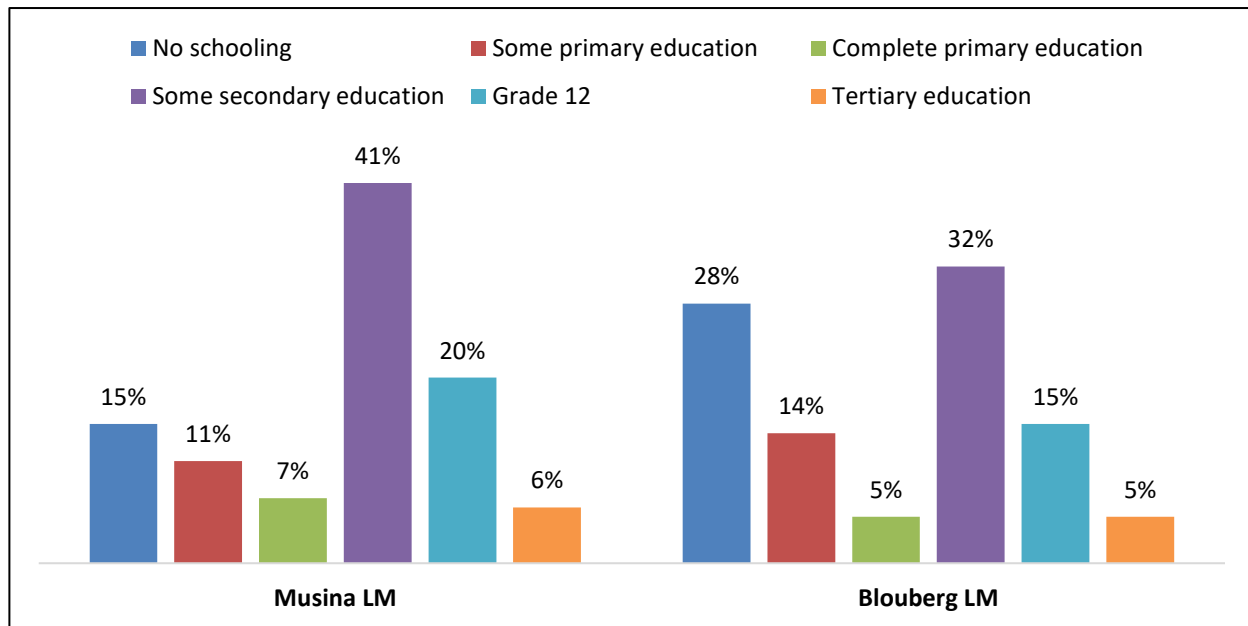
From the data, it is evident that, although the number of individuals, in Musina Local Municipality aged 20 years and older, with no schooling is still fairly high, the percentage of people with no schooling has reduced significantly between 2001 (30%) and 2011 (15%). The percentage of people with no schooling in 2011 is slightly less than the average for the District and the Limpopo Province (17%). The majority of people aged 20 years and older in Musina Local Municipality have some secondary education, but did not complete Grade 12.

Although the share of persons aged 20 years and older in Blouberg Local Municipality with no schooling is still fairly high, the percentage of people with no schooling has reduced significantly between 2001 (45%) and 2011 (28%). The percentage of people with no schooling in 2011 is however still above the average for the District and the Province (17%). The majority of people in Blouberg Local Municipality above the age of 20 have some secondary education, but did not complete Grade 12.

Overall, the level of education in both municipal areas increased between 2001 and 2011, especially with regards to the percentage of people with some or complete secondary education.

However, the education level among the Musina LM population is consistently higher than among the Blouberg LM population.

GRAPH 7: LEVEL OF EDUCATION OF POPULATION OVER 20 YEARS OF AGE

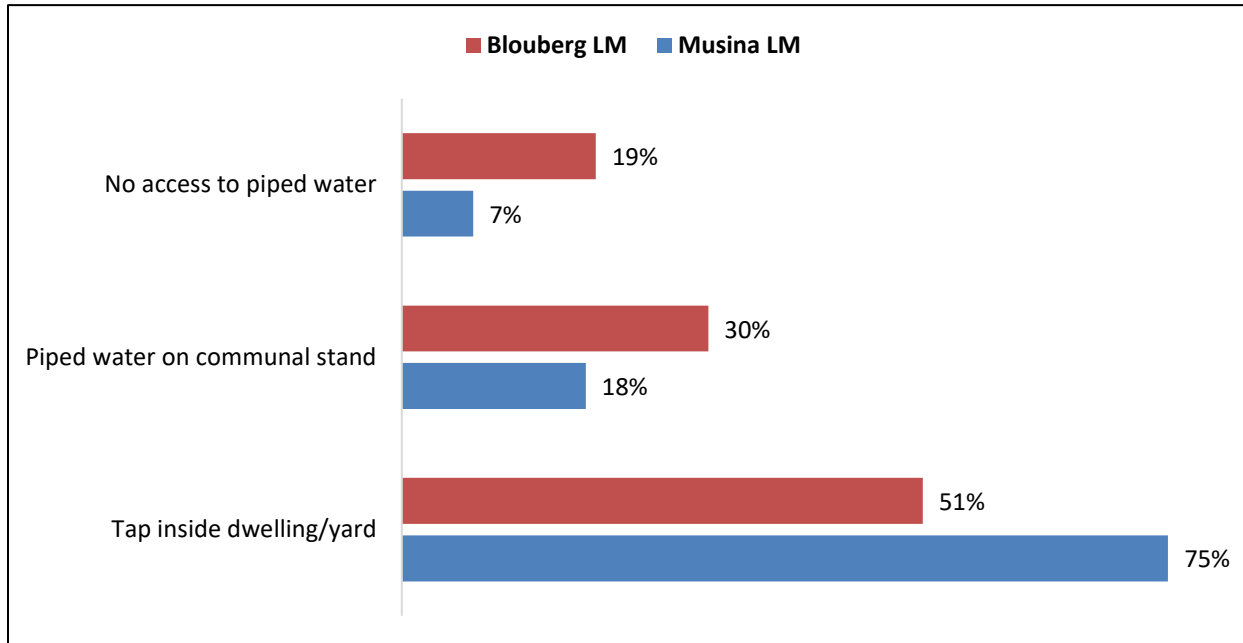


5.3.2.8. Access to water for household use

Access to piped water provides an enabling health environment for improving the quality of life of communities. Access is significantly skewed by the socio-economic realities in the municipal areas of Musina and Blouberg. Within Musina Local Municipality, the majority of households (75%) have access to piped water inside their dwelling/yard compared to 51% in the Blouberg LM. Nearly a fifth (19%) of households have no access to piped water in the Blouberg LM. These figures would seem to strengthen the view that residents in Musina LM enjoy better socio-economic conditions than Blouberg LM residents.

The only source of pipeline water in the area is Glen-Alpine Dam which is fed by the Mogalakwena River, the only perennial river in the area. Households that do not have access to piped water source their water from boreholes or water tanks, or from natural sources such as rivers and springs which have potential health implications for communities. There are however many villages who have access to boreholes but no means to pump water out of the boreholes. Water tanks are also often too small to service the number of residents per village.

GRAPH 8: SOURCE OF WATER

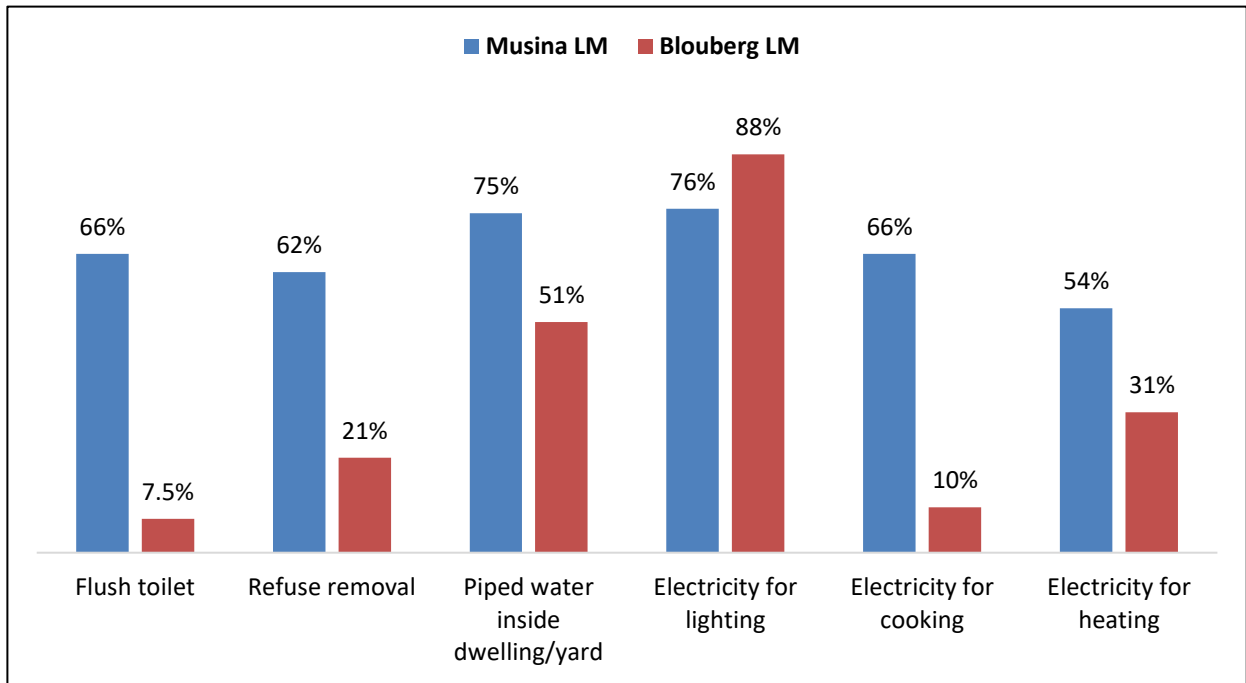


5.3.2.9. Access to electricity

Slightly more than three quarters (76%) of households in Musina LM use electricity for lighting which is an improvement from 59% of households in 2001. In the Blouberg municipal area, the majority of houses are serviced by Eskom electricity via a prepaid system. Residents in Blouberg Municipal area have enjoyed a significant increase in electrification over the last decade – the percentage of houses with access to electricity has increased from 41% in 2001 to 88% in 2011. According to the municipality, all villages have been electrified by the end of 2012.

The high percentage of households using electricity for lighting very closely reflects that of the two districts where 87% of households use electricity for lighting. The most commonly used source of energy for cooking in Blouberg LM is wood.

GRAPH 9: ACCESS TO SERVICES



5.3.2.10. Access to sanitation and refuse removal

Table 43 and Graph 12 show the percentages of households in Musina and Blouberg Local Municipalities that have access to sanitation and refuse removal.

TABLE 42: ACCESS TO SANITATION AND REFUSE REMOVAL

SANITATION SERVICE	MUSINA LM 2001	MUSINA LM 2011	BLOUBERG LM 2001	BLOUBERG LM 2011
Flush toilet connected to sewerage	48%	66%	4.5%	7.5%
Weekly refuse removal	42%	61%	1%	21%

The most significant changes in sanitation services in the Musina municipal area over the last decade have been the improvement in the provision of flush toilets with a waterborne sewerage system. There has also been a significant reduction in the number of people who do not have access to weekly refuse removal. Both these improvements in service delivery can be ascribed to the relatively urban nature of this municipality.

By contrast, there is a pressing need for improved service delivery in the Blouberg area. While there has been an improvement since 2001, it is of great concern that 92% of households do not have access to flush toilets connected to a sewerage system and 79% do not have access to weekly refuse removal. This can increase the risk of diseases such as cholera and typhoid.

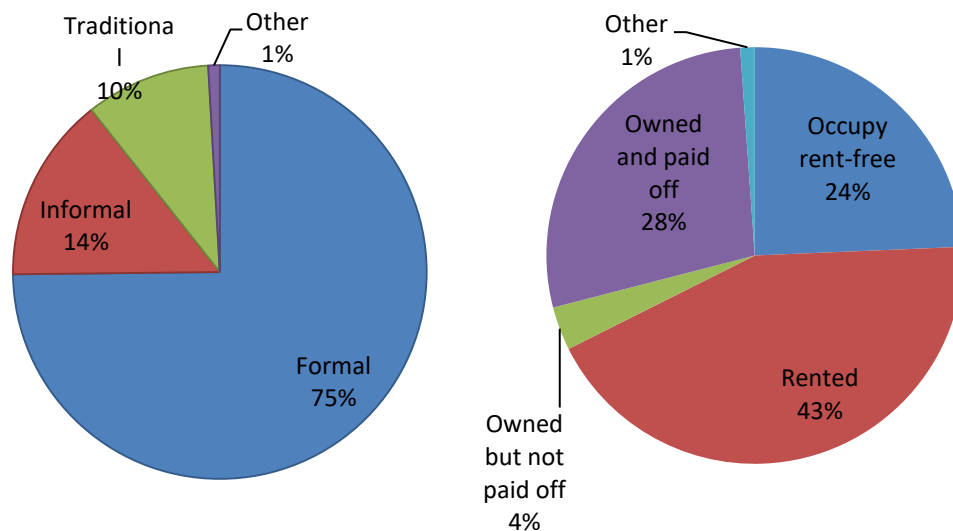
5.3.2.11. Access to housing

Dwelling types are defined as the following, according to Stats SA:

- **Formal dwelling type:**
 - House or brick/concrete block structure on a separate stand or yard or on a farm
 - Flat or apartment in a block of flats
 - Cluster house in complex
 - Townhouse (semi-detached house in a complex)
 - Semi-detached house
 - House/flat/room in backyard
 - Room/flat let on a property or larger dwelling/servants quarters/granny flat
- **Informal dwelling type:**
 - Informal dwelling (shack; in backyard)
 - Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)
- **Traditional dwelling type:**
 - Traditional dwelling/hut/structure made of traditional materials

The graphs below reveal the tenure distribution per dwelling type for households residing in Musina and Blouberg Local Municipalities.

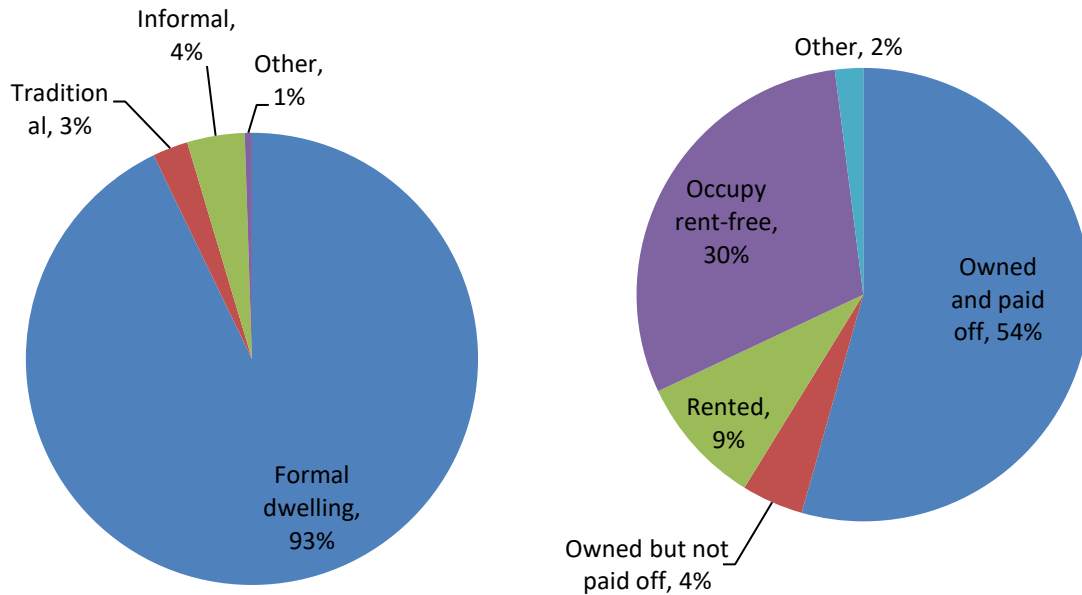
GRAPH 10: DWELLING TYPE AND TENURE STATUS FOR HOUSEHOLDS IN MUSINA LM



From the figure it is clear that 75% of households residing in Musina Local Municipality reside in formal dwellings, followed by 14% who live in informal dwellings and 10% that live in traditional dwellings. The figure furthermore indicate that 32% of households residing in Musina Local Municipality own their dwelling, while 43% rent (formal or informally rented) and 24% occupy their dwelling rent-free.

Whereas, as shown below, in Blouberg Local Municipality, 93% of households reside in formal dwellings, followed by 4% who live in informal dwellings and 3% that live in traditional dwellings. Approximately 58% of households residing in Blouberg Local Municipality own their dwellings, while 9% rent (formal or informally rented) while 30% occupy their dwelling rent-free.

GRAPH 11: DWELLING TYPE AND TENURE STATUS FOR HOUSEHOLDS IN BLOUBERG LM



The majority of formal dwellings in Musina Local Municipality are houses/brick structures on a separate stand or yard or farm, with the majority of those residing in houses, owning their houses. However, the majority of households (42%) residing in formal structures are renting. The majority of residents residing in informal structures are renting their dwelling (62%), while the majority of those staying in traditional dwellings (46%) occupy their dwellings rent-free.

In Blouberg Local Municipality the majority of formal dwellings are houses/brick structures on a separate stand or yard or farm, with the majority of those residing in houses, owning their houses (55%). The majority of residents residing in informal structures also own their dwelling (49%), as well as those staying in traditional dwellings (56%). Home ownership therefore seems to be very well advanced in the Blouberg Local Municipality.

5.4. Mine Community Development

As part of the stakeholder engagement process coordinated by an independent service provider, (Kayamandi Development Services), a study was conducted to understand what ordinary community members and various community and government stakeholder perceive their needs to be. De Beers Venetia Mine collates this information on a three yearly bases, as part of the Socio Economic Assessment (SEA) to help the operation better understand its risks and impacts to neighbouring communities. This is coupled with a study to understand what communities and stakeholder perceive to be their real needs. Needs identified through this process will then be looked at via various vehicles with the operation on how they can be addressed. Some of those needs could be addressed via the operation’s Corporate Social Investment (CSI) programmes and some, depending on the magnitude of the need, could be included in the operation’s long-term community development strategy, i.e. The Social and Labour Plan.

5.4.1. Community Needs Assessment

During the SEA process, Blouberg and Musina Communities as well as other Stakeholders shared the following information as part of their needs:

Table 43: Community Needs

STAKEHOLDERS	NEEDS
Blouberg LM	<ul style="list-style-type: none"> • Assistance with regards to an environmental education campaign in Blouberg LM, to teach local residents about the importance of nature and to appreciate their natural heritage • Blouberg LM received assistance from the Department of Arts and Culture to develop a tourism plan. Part of this plan entails interpretation centres about anthropologists and archaeological studies. It is requested that Venetia Mine assist in developing these interpretation centres • Assistance with the construction of roads. Blouberg LM would like a committed annual target for tarring of gravel roads • Assistance in upgrading the hospital in Bochum • It is believed that there is a need for a sports centre in Blouberg (potential to expand the Alldays soccer field) to accommodate different sports types and interests • Assistance in establishing sports clubs throughout Blouberg LM • The construction of a gymnasium (in an effort to curb obesity) is needed, Venetia Mine is requested to assist in making this happen • There is a need for greater support of agricultural projects. <ul style="list-style-type: none"> - Revitalisation of the Itsuseng/Tlhokang Pelaelo Bakery Cooperative - Establishing new agricultural projects in Tweefontein, Eldorado, Goudmyn, Towerfontein and Slaaphoek - Roll-out of food gardens across the municipality
Alldays Residents	<ul style="list-style-type: none"> • Instillation of at least 5 high mast lights or streetlights in the RDP neighbourhood where many of Venetia Mine employees reside • Paving of internal roads in the RDP neighbourhood where many of Venetia Mine employees reside • The Alldays community believe that Venetia Mine is using water from the Limpopo River for their operation, and would like to have access to the same source. It was requested that Venetia Mine undertake a feasibility study to establish if this is possible as Kromhoek is about 50km from Alldays, and the mine only 30km

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Musina LM	<ul style="list-style-type: none"> • While acknowledging the contribution already made by Venetia Mine in repairing roads, greater support to repair a greater section of road have been requested
Musina Residents	<ul style="list-style-type: none"> • Assist in the upgrading of Musina Hospital • Assistance with construction of additional clinics in and around Musina • SAPS requested assistance with regards to their satellite office in Nancefield to furnish and secure the office • SAPS requested streetlights/high mast lights in townships to help prevent crime
Taaibosch Residents	<ul style="list-style-type: none"> • There is a need for a clinic in Taaibosch and the community request Venetia Mine to assist in this regard • The community requested assistance in purifying their water as it tastes salty • Request Venetia Mine to assist in tarring roads used by their busses
Ga-Makgato Traditional Authority	<ul style="list-style-type: none"> • Request Venetia Mine to assist in tarring roads used by their busses
Babirwa Traditional Authority	<ul style="list-style-type: none"> • The Babirwa Old age home require office space and have requested Venetia to assist • Assistance was requested to adjust the electricity supply to the Itsuseng/Tlhokang Pelaelo Bakery Cooperative to ensure that the equipment can be used and the project can be revitalised • Request Venetia Mine to assist in tarring roads used by their busses
Ga-Kibi Traditional Authority	<ul style="list-style-type: none"> • Request assistance from Venetia to upgrade infrastructure in and around Ga-Kibi to attract tourist • Assistance in marketing Ga-Kibi as a tourist destination due to the eagles found in the area • There is a need for a clinic in Ga-Kibi and it was requested that Venetia Assist in the construction thereof • Request Venetia Mine to assist in tarring roads used by their busses
Bahananwa Traditional Authority	<ul style="list-style-type: none"> • Assistance from Venetia Mine in sinking boreholes as water is very scares in the area • Assistance in building a dam to increase water supply to the area • Requested assistance in building a bridge over the road to the school – when it rains children cannot cross to go to school • Requested Venetia Mine's assistance in constructing a clinic • Request Venetia Mine to assist in tarring roads used by their busses

5.4.2. Mine Community Development Projects/Programmes.

After the needs identification process that was conducted as part of the Venetia Mine SEA, the operation met with community representatives at local and traditional level for advice and Community projects that can potentially be included in the Venetia Mine Social and Labour Plan. The brief was for them to assist in identifying life changing programmes/projects that they believe will add value in the community and can be implemented in the long term (i.e. five year period).

During these discussions with local and traditional authorities, the following Communities projects were agreed to for inclusion in the Venetia Mine Social and Labour Plan:

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MINING RIGHT: M29/2009

TABLE 44: MINE COMMUNITY DEVELOPMENT PROJECTS (2018-2022)

PROJECT CATEGORY	MUNICIPALITY	NAME OF PROJECT	2018	2019	2020	2021	2022	TOTAL
Education Programmes	Musina and Blouberg	SA Education Programme	-	26 300 000	14 150 000	11 650 000	11 650 000	63 750 000
Infrastructure Development	Musina	Upgrade of Harper Road in Musina	-	9 000 000	-	-	-	9 000 000
	Musina	Upgrade several roads Musina Town	-	2 000 000	4 500 000	3 750 000	3 750 000	14 000 000
	Blouberg	Alldays Streetlights (Phase 2)	-	-	1 675 000	-	-	1 675 000
	Blouberg	Hawkers Stalls in Senwabarwana	-	-	-	2 088 075	-	2 088 075
	Blouberg	Alldays Road Paving	-	-	-	2 323 988	-	2 323 988
	Musina	Nancefield Sub-Station Upgrade	-	3 700 000	7 700 000	-	-	11 400 000
	Musina	Musina Client Service Centre - Vehicle Testing Station	-	-	5 495 872	-	-	5 495 872
	Musina	Vhembe TVET College	-	3 710 000	-	-	-	3 710 000
	Musina	Musina Water Supply Projects (Additional boreholes and pumps)	-	2 000 000	6 000 000	-	-	8 000 000
	Blouberg	Water supply project in Alldays	-	1 019 288	-	-	-	1 019 288
	Blouberg	Water supply project in Taaiboschgroet	-	1 019 288	-	-	-	1 019 288
	Blouberg	Construction of an old age home in Hospital View Senwabarwana	-	2 000 000	4 500 000	-	-	6 500 000
Blouberg	Upgrading of Health Care Centres in Blouberg and purchasing of equipment	-	-	-	5 500 000	-	5 500 000	

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	Blouberg	Taaiboschgroet Community Hall	-	-	-	1 125 750	-	1 125 750
	Blouberg	Alldays Hawkers Stalls	-	-	-	2 088 075	-	2 088 075
	Musina	Upgrading of Lesley Manyathela Stadium	-	1 036 235	-	-	-	1 036 235
	Blouberg	Upgrading of Alldays Sports Complex	-	1 040 844	-	-	-	1 040 844
Business Development/Job Creation	Blouberg	Eldorado Crop Farm	-	-	-	2 186 400	-	2 186 400
	Blouberg	Blouberg Chilli Farm	-	-	-	-	2 210 000	2 210 000
	Blouberg	Manufacturing Cooperatives : Peanut Butter Project	-	-	4 137 800	-	-	4 137 800
	Musina	Establishment of a new Industrial Area for Small Businesses	-	2 000 000	4 894 399	-	-	6 894 399
TOTAL			-	54 825 655	53 053 071	30 712 288	17 610 000	156 201 014

Detailed scopes for each of the projects above with letters of support from project beneficiaries are hereby attached as **annexure 5**:

6. HOUSING AND LIVING CONDITIONS PLAN

6.1. Improving Housing and Living Conditions

Driving change, defining our future

Decent living conditions are part of the foundation for long-term, stable and empowered communities that will prosper long after our mines have closed. We want all our employees to enjoy quality housing and living conditions and believe that offering attractive housing initiatives is key to attracting and retaining vital skills. All our business units in South Africa achieved the mining charter requirements by the end of 2014 and we have ambitious collaborative housing development projects in progress, to alleviate the shortage of housing. Our focus is on making it possible for eligible employees to buy their own homes in suitable areas near our mining operations.

6.2. Our Approach

We continue to work with unions and government to improve living conditions through providing additional housing and building capacity in the municipalities concerned. Our business units actively promote and facilitate home ownership options and offer competitive housing allowances, and in some cases loan subsidies, for eligible employees. A range of housing options is needed to cater for the diverse circumstances and preferences of our employees. For instance, we create opportunities for our employees to rent or buy company owned housing stock and newly built homes. An important focus is the implementation of programmes aimed at combating the ongoing challenge of high levels of employee indebtedness, to enable employees to secure home loans.

Promoting employee home ownership has a positive influence on employees and their families. It also supports the community and the relevant municipality, which benefits from improved infrastructure. Employees who acquire an asset or rent accommodation are able to lessen their dependency on the company.

6.3. Our Progress

There are ongoing challenges to facilitating home ownership. There is the impact of a fringe benefit tax and another key challenge is the high rate of home loan requests that are rejected by banks. Delays in government projects in mining towns and poor service delivery and housing backlogs also hinder progress. We are further impacted by the slowing economy and associated job losses in the mining sector. Our efforts to mitigate the impact of these challenges include educating employees on home ownership and housing schemes, providing financial literacy and debt rehabilitation initiatives, facilitating access to affordable serviced stands.

6.4. Facilitated Home Ownership Programme

De Beers Consolidated Mines Proprietary Limited (“DBCM”) has 434 skilled employees, all of whom are in company housing at the Venetia mine. The company does not provide accommodation for its semi-skilled employees as they are all recruited from local communities around the mines.

In 2015, DBCM launched its Facilitated Home Ownership Programme (FHOP) for employees earning less than R25 000 per month. The FHOP gives qualifying employees access to a grant of up to R100 000 (before tax) for the purchase, building or renovating of a home.

DO YOU QUALIFY?

If you can tick all the boxes below, you may apply for an assessment to participate in the DBCM Facilitated Home Ownership Programme...

- My total monthly remuneration is R25 000 or less.
- I would love to own a home close to work.
- I am keen to take on the responsibility of getting my own home.
- I am a permanent employee of DBCM.
- I have a minimum of 12 months' continuous service.
- I am not about to retire in the next 12 months.
- I do not already own a home close to work (or if I do, it is incomplete or not up to minimum standards)
- I am willing to put down R5 000 of my own money as a commitment to owning my own home.

If you are not sure whether you qualify, or if you cannot tick all the boxes above, but believe that you have a good reason to qualify for assistance, you can request special consideration of your application. Your request will be assessed on its merit and you will receive a letter on the outcome.



DBCM has appointed an external service provider, the South African Housing Club (Pty) Ltd (SAHC), to establish and manage the DBCM Facilitated Home Ownership Programme.

The SAHC specialises in providing advice and support to low and medium income households, to help them access existing housing opportunities in a cost-effective way.

Where possible the SAHC will also secure reduced prices on housing goods and services and pass these savings on to employees participating in the Programme.

SAHC CONTACT DETAILS

Call Centre: 079 085 7204
Fax: 011 447 8504
Email: info@sahousingclub.co.za

YOUR NEXT STEPS

If you have any questions before you apply, contact the SAHC Call Centre on 079 085 7204.

To apply, simply complete and submit the application form for the DBCM Facilitated Home Ownership Programme to your HR department, or directly to the SAHC).

DBCM FACILITATED HOME OWNERSHIP PROGRAMME

Helping qualifying employees to own a home close to where they work.



DE BEERS
GROUP OF COMPANIES

WHAT IT'S ALL ABOUT

DBCM may provide financial support of up to R100 000 each for qualifying employees to help them acquire a safe and decent home close to where they work and in an affordable way.



WHY IS DBCM DOING THIS?

DBCM recognises that employees who do not yet own homes and who have a total remuneration package of R25 000 per month or less, often fall into the gap between RDP housing and formal bank-financed homes. For this reason DBCM decided to implement this intervention programme to help qualifying employees become home owners.

HOW WILL PAYMENT WORK?

- The grant is for homes with a purchase price lower than R800 000 (2014 prices).
- It will be a once-off capital grant of up to R100 000 (before tax), but it will never be more than 50% of the purchase price of the home.
- For homes priced above R400 000, the grant will reduce on a sliding scale, as the price of the home increases.

SEE 'DO YOU QUALIFY?' CHECKLIST ON THE REVERSE.

WHAT CAN THE GRANT BE USED FOR?

- The qualifying employee can
 - buy a site and build a home,
 - buy a home, or
 - upgrade a home that does not meet minimum standards (see below)
- The home must be registered in the employee's name.
- The employee and/or his family must live in the home permanently.

WHAT MINIMUM STANDARDS WILL APPLY?

- House must be larger than 50 square meters.
- Walls must be brick built or similar.
- Walls must not be severely cracked.
- Roof must not be severely leaking.
- Floor must be concrete.
- There must be a flush or VIP toilet in the house/yard.
- There must be tap water in the house/yard.
- There must be electricity in the house/yard.
- It must comply with the relevant business codes.
- It must not pose a risk to the health, safety or physical well-being of its occupants, neighbours and visitors.

WHERE CAN THE HOUSE BE?

- Kimberley:** The area under the jurisdiction of the Sol Plaatje Local Municipality
- Venetia:** A defined area within the vicinity of the mine including the towns of Musina and Alldays
- Voorspoort:** A defined area in the vicinity of the mine, including the town of Kroonstad

WHAT IF I CANNOT AFFORD IT?

Many employees have high levels of debt, or even bad debt records. Often this means that they cannot get a housing loan to help them buy a home. Where employees are financially overextended (in other words, they spend equal to or more than their net income) or have a negative credit record, they will be supported through the Programme to improve their ability to afford home ownership.

HOW THE PROCESS WILL WORK

- BRIEFING**
All eligible employees will be briefed on the Programme at face-to-face briefings.
- ENROLMENT**
Eligible employees who want to take part fill in an application form and submit it to their HR Department or directly to the SAHC.
- PERSONAL HOUSING ASSESSMENT**
Each employee who applied undergoes personal housing assessments with a trained housing advisor. The advisor reviews their current housing circumstances, financial status and affordability and their long-term housing plans. Depending on the assessment, the employee will have different options around acquiring a home. The employee will receive a Participation Agreement, as well as other relevant information and advice.
- REFLECTION**
The employee has time to reflect and discuss their participation in the programme with their families. If the employee wants to participate, he/she signs the Participation Agreement and gives it to the HR Department or faxes it directly to the SAHC on 011 447 8504. DBCM will then review the Agreement and if acceptable endorse it.
- RECEIVE SUPPORT**
The employee is supported by technical experts and trained facilitators to realise their selected housing option, using the once-off grant.
- DEBRIEFING**
Each participating employee will be debriefed once their housing transaction is complete, to confirm that they are happy with the service they received and understand their new home ownership obligations.

Whilst the FHOP is fully launched and funded (R110m) there are, however, challenges around creditworthiness and indebtedness, which will be addressed where possible via interventions from a dedicated service provider and DBCM. Further challenges have been the availability of affordable serviced land around Musina and a hesitance among employees to transact in the housing market in the prevailing economic environment. DBCM is engaging with local government and financial institutions to address the land and access to finance issues.

The Company aims to change its focus from paying housing allowances and other allowances which do not translate to ownership (some R20 million in 2016) to the grants referred to above and to housing subsidies to employees in the bargaining unit.

7. PREFERENTIAL PROCUREMENT PLAN

7.1. Introduction

Economic growth of our host communities is a key part of our value chain at Venetia Mine. It has become the forefront of our engagement with host communities and is supported by key initiatives within our Enterprise and Supplier Development function. It is therefore important to note that Venetia Mine is committed to the preferential purchasing and procurement objectives of the Mining Charter and in support thereof has implemented the Venetia Mine Procurement Progression Plan.

7.2. Procurement Progression Plan

The purpose of the Venetia Mine Procurement Progression Plan is to improve the identification and development of potential suppliers and is supported by opportunities to supply goods and services to Venetia Mine with specific focus on Black Owned Suppliers within our Labour Sending Areas.

The broad objectives of the Procurement Progression Plan are to:

- Actively identify new suppliers within the Limpopo Province focusing on Black Owned Companies. Establish a comprehensive and accurate supplier and or vendor database in order to ensure that future HDSA expenditure is reflected and reported correctly.
- Progressively align the levels of spend on suppliers by setting realistic targets over the next five years.
- Encourage existing DBCM suppliers, who are anticipated to have capacity in the Limpopo region, to embark on a transformation process whereby they create Black Owned shareholding in their ownership structures or enter into joint ventures in order to transfer skills, particularly in the case of Foreign Companies.
- Encourage suppliers who are not economically active in the Limpopo region to form partnerships or to expand into sustainable entities within the Limpopo region.
- Engage with entrepreneurs that can be formed into suppliers through the Venetia Mine Enterprise- and Supplier Development Programs.
- Ring – fence supply and delivery of Goods and Services opportunities for Host Communities specifically.
- Constantly share these opportunities with our stakeholders.
- Provide feedback to our communities on the progress of these opportunities.
- Ensure that key Management Staff have local procurement measures in their Key Performance Indicators.
- Unbundling of large contracts handled by group supply chain; to create opportunities for small and medium sized local businesses
- Collaborate with key stakeholders such as communities, municipalities and main contractors to identify and implement high impact enterprise and supplier development as a feeder into local procurement.

7.3. Enterprise Development and Supplier Development

Venetia Mine is highly committed to the establishment and sustainable growth of local Small Medium and Micro Enterprises within our labour sending areas and host communities.

Hence, in 2009, DBCM adopted the Anglo American Model for funding entrepreneurs in the areas in which we operate. The De Beers Zimele Venetia Business Hub is an Enterprise Development initiative adopted from the Anglo Zimele Businesses development model and focused on poverty eradication and creating sustainable employment in the communities where we operate.

Our contribution to the social economic systems in which we operate is conducted through De Beers Zimele. De Beers Zimele assists emerging entrepreneurs through commercial contract placements, equity investments and the provision of financial and managerial assistance as well as mentoring.

With business hubs in all areas of South Africa where we operate, we regard Zimele as a crucial element of our approach to addressing poverty, unemployment and inequality by generating sustainable jobs in local communities. The businesses Zimele assists are a mix chosen because of their potential for success, long-term growth and sustainability. They range from a laundry cleaning service, protective clothing producer and driving instructor to a fashion company, food manufacturer and builders. In South Africa, Zimele has so far provided funding to 233 Small and Medium Enterprises (SMEs), created 2,335 jobs and approved loans of R60.7 million (US\$4.4 million). Almost half of people supported by Zimele are women. In 2016, De Beers took a bold strategic decision to integrate Enterprise and Supplier Development with Local Procurement to optimize the impact of socio-economic development programs implemented across the South African mining operations. This has also brought about a need to refocus the Zimele Hub to intensify on provision of capacity building offerings as opposed to capital funding. An organizational wide strategic framework was also developed, complemented by support structures, systems and processes for effective implementation and monitoring of the strategy.

An intensive demand and supply analysis was conducted within the De Beers' operating space at site and Group levels as well as in the contractor environment which formed the basis for Local Procurement planning process. A risk and impact analysis was also conducted to inform prioritization and execution plan for various categories of products and services, namely "A", "B" and "C". The categorization process was solely to inform local suppliers' identification and evaluation process. Further to that; a community needs and business opportunity assessment and market study were conducted with a long term view of sustaining local economies beyond Venetia Mine's Life of Mine. The Zimele hub will spearhead the process of linking the opportunities with development entrepreneurs for implementation.

De Beers has started implementing Supplier Development post 2015 whereby a number of suppliers were established and supported by the Mines. In 2016, De Beers formalized a Business Development Support program (BDS) which comprises of mentorship and coaching as well as focused training interventions. An expert service provider was contracted to facilitate the implementation of the Enterprise and Supplier Development program in support of the broader transformation strategy. In 2016, a total of 5 SMMEs were on-boarded onto the Supplier Development by Venetia Mine.

In 2017, Venetia Mine has intensified this effort by identifying even more procurement opportunities but most importantly focused on collaborative effort with contractors, Original Equipment Manufacturers, established businesses and other interested parties. Collaboration is seen as a key driver to minimize business risk and failure rate while at the same time optimizing the impact of ESD and Private-Public Partnership initiatives.

As part of shifting the way of work paradigm for Zimele; Enterprise Development Incubation program has been implemented by Venetia Mine which is expected to produce high potential business concepts worth considering for the feasibility and mentorship stage. Through collaborative effort in implementing Enterprise and Supplier Development and Local Procurement; it is expected that more than R100 Million will be spend with small businesses in the next 24 to 36 months.

7.4. Influence on Preferential Procurement

7.4.1. Foreign Suppliers – Contribution to Socio-Economic Development

DBCM will use its best endeavours, through its contractual requirements, to ensure compliance by its Foreign Suppliers, to contribute a minimum of 0.5% of annual turnover generated from DBCM towards socio-economic development of local communities.

7.4.2. Contracting Companies - Workforce

DBCM will use its best endeavours through its contractual requirements to ensure compliance by its contractors with the requirements of the Human Resources Development and Employment Equity Programmes as stipulated in Regulation 46 of the Act, and will also make it known not only to its own employees but also to the employees of its contractors.

7.4.3. Procurement Support to Local Economic Development and Socio Economic initiatives

DBCM will utilise the Governance, Best Business Principles, Ethical Contracting and Supply Chain Procurement Policies and Procedures to support and guide the activities of Local Economic Development and Socio Economic Development projects and initiatives, thereby creating an environment which is fair and equitable in execution to achieve the objectives of this document.

7.4.4. Procurement Systems

DBCM has developed a system of capturing and classifying spend when payments are made against purchase orders raised in SAP. Procurement spend is grouped into the purchasing of mining goods and the supply of services. Spend data is analyzed every quarter in order to measure the effectiveness of the company’s programs in achieving the set targets. “**Form T**” and the Contracts Register – Depicts Venetia Mine’s Preferential Procurement and is attached hereto as **Annexure 6**.

Table 45: Preferential Procurement Targets –National

	2018	2019	2020	2021	2022
Capital	52%	54%	56%	58%	60%
Services	70%	72%	74%	76%	78%
Consumables	68%	72%	74%	76%	78%
Multinational Companies – Socio Economic	0.50%	0.50%	0.50%	0.50%	0.50%

Table 46 Preferential Procurement Targets -Provincial

	2018	2019	2020	2021	2022
Capital	1%	1%	1%	1%	1%
Services	16%	18%	19%	20%	22%
Consumables	15%	17%	18%	19%	20%

Table 47: Local Procurement Plan including Supplier Development

Area	Task	Sub-tasks	Responsible	Frequency	Due Date
Demand Opportunities	Develop a prioritized Local Procurement opportunities list (Ring-fenced opportunities)	Determine procurement opportunities (using current contracts, budgeted scopes, inventory, etc.) for services and consumables in the short, medium and long term	Supply Chain Manager	Bi-annually	October and April every year
		Identify services and consumables with the potential to be sourced locally (ring-fenced) based on predetermined criteria	Supply Chain Manager	Bi-annually	October and April every year
		Identify opportunities for integrating local suppliers into large contracts (JVs)	Supplier Development Manager	Bi-annually	October and April every year
		Identify opportunities for unbundling of current contracts for procurement from local suppliers (Sub-contracting)	Supply Chain Manager	Bi-annually	October and April every year
		Ensure that all large suppliers ring-fence procurement opportunities for local suppliers	Supplier Development Manager	Bi-annually	October and April every year
Local Supplier Capacity	Develop and maintain a Local Supplier database	Conduct regular supplier identification drives (supplier days, registration centres, etc.) in the local labour sending areas.	Supply Chain Manager	Bi-annually	October and April every year
		Analyze existing capacity within the local community to locate potential suppliers relevant to the demand opportunities	Supply Chain Manager	Bi-annually	October and April every year
		Evaluate local suppliers with the potential to supply a priority category on a range of criteria including: capacity (staff, equipment, etc.); administrative (formal / informal, etc.); and experience and track record.	HUB Manager	Quarterly	January, April, July and October
		Conduct regular analysis and map local procurement opportunities of other entities in the labour sending areas	HUB Manager	Bi-annually	October and April every year

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Preferential Procurement Approach	Review and redefine procurement processes	Conduct an analysis of gaps between the supply and demand opportunities and develop plans to close off	Supply Chain Manager	Annually	November every year
		Define appropriate approaches to make opportunities more accessible and visible to local suppliers	Senior Commercial Manager	Annually	February every year
		Review the Purchasing and Tender process and procedures to make opportunities more accessible and visible to local suppliers	Senior Commercial Manager	Annually	February every year
		Developing shorter payment terms to accommodate the needs of Local EME and QSE suppliers	Senior Commercial Manager	Annually	February every year
Supplier Capacity	Develop and implement a Supplier Development programme	Assess local supplier capabilities relevant to the demand opportunities	HUB Manager	Bi-annually	October and April every year
		Develop a list of potential candidates/participants for inclusion in the supplier development programme (18 month programme)	Supplier Development Manager	Bi-annually	October and April every year
		Select developmental partners to implement Training and Mentoring programmes linked to the relevant demand opportunities	Supplier Development Manager	Bi-annually	October and April every year
		Implement Training and Mentoring programmes linked to the relevant demand opportunities	Supplier Development Manager	Ongoing	Ongoing
Resourcing and Internal Capacity	Build internal capacity	Allocate appropriate resources (staff, budgets, etc.) to enable and deliver local procurement	Senior Commercial Manager	Annually	November every year
		Review all procurement procedures, processes, budget and systems currently in place and modify to facilitate Local Procurement	Senior Commercial Manager	Annually	February every year

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Monitoring and Evaluating	Develop and implement a Monitoring and Evaluation Plan	Develop and review appropriate targets for local procurement	Senior Commercial Manager	Annually	November every year
		As a sub-committee of the Social Way Committee, establish a Local Procurement steering committee	Senior Commercial Manager	Once Off	Done
		Identify accountabilities and allocate Local Procurement KPIs for all Managers and budget holders relevant to the demand opportunities	General Manager	Annually	January every year

8. PROCESS TO MANAGE DOWNSCALING AND RETRENCHMENTS

8.1. Introduction

Venetia Mine will continue to manage all future downscaling and retrenchments in consultation with the relevant employee representative bodies. The parties agree to the following overarching principles in order to:

- Prevent job losses and a decline in employment through turnaround or redeployment strategies, and to seek alternative solutions to the threats to job security and potential measures to prevent a decline in employment.
- Promote a new culture of self-employment and self-maintenance, aimed at improving access to employment opportunities for those that are unemployed.
- Seek to improve the quality of life of retrenched employees and the affected communities.
- Promote on-going discussions between the Venetia Mine, the union(s) and other relevant parties in respect of any problems and challenges experienced by either of the parties, and in relation to possible alternative job creation projects.
- Jointly and openly discuss issues that concern the employees' future, and jointly structure and implement potential solutions to job losses.
- Jointly engage in strategic planning, deployment or other appropriate strategies that affect jobs, and evaluate progress at regular intervals.

8.2. Future Forum

The core functions of the Venetia Mine Future Forum are summarized as follow:

- Promote on-going discussions between the union(s) and Venetia Mine regarding the future of the mine;
- Proactively identify problems, challenges and possible solutions with regards to productivity and employment;
- Identify production and employment turn-around strategies
- Implement strategies agreed between the parties.

Attached hereto as **Annexure 7** is the Future Forum (FF) Terms of Reference (TOR) document. The FF TOR are signed by all parties, and the FF is established and derives its mandate from the TOR.

8.3. Processes to be followed to Avoid Job Losses and a Decline in Employment

The resource information upon which the Mine Work Programme was based indicates that Venetia Mine has a remaining 28 year operational life span. However, this may be impacted upon by various economic factors, both internal and external. This could negatively affect the future economic viability of the mine. The unfortunate real scenario that such a condition will have on Venetia Mine is job losses or premature closure.

During Venetia Mine's planned life of mine all efforts will be made to prevent job losses and premature closure. Initiatives will include, but will not be limited to, the following:

- Proactive and timeous consultations with employee representatives and other key stakeholders on ideas and suggestions to reduce operating costs and or productivity improvement in order to prevent job losses.
- Revision of shift configurations and overtime provision
- Reduction in the number of contractors on site
- Offer voluntary separation and / or early retirement incentives

In the event that the above initiatives are unsuccessful, the following legislated process will be followed:

- When initiating a retrenchment process, the parties will jointly notify the Minerals and Mining Development Board or the Director General of the situation at the mine, and Venetia Mine will provide the required information to the Board to the Director General.
- Venetia Mine and / or all the affected parties will comply with the Ministerial directive that may be issued in respect of this process.
- Section 189 of the Labour Relations Act, 1995 shall regulate the retrenchment processes to be followed.

8.4. Mechanisms to Provide Alternative Solutions and Procedures for Creating Job Security Where Job Losses Cannot be avoided

Venetia Mine aims to ensure that through the effective implementation of its HRD Plan systems for creating employee mobility will be in place. In addition to these plans, where it is clear that job losses cannot be avoided, the skills base of retrenched employees will be further diversified. This will be achieved through specific learnership programmes aimed at providing employees with alternative skills and experience which will enhance their employability outside of the mining sector.

The following process will be adopted by Venetia Mine in consultation with all affected parties:

- Conduct a comprehensive skills audit of the affected employees
- Identify learnership programmes that are aligned to the interests of the affected employees as well as the current and forecast skills requirements for the Limpopo region
- Implement the accredited learnership programmes

This process will ensure that retrenched employees are more marketable and can capitalize on current and emerging employment opportunities that exist within the local labour market. Mechanisms to ameliorate the Social and Economic Impact on individuals, regions and economies resulting from Mine Closure identified and implemented.

As previously stated, the resource information upon which the Mine Work Programme was based indicates that Venetia Mine has a 28 year operational life span. Based on the current mine plan a gradual downscaling process will commence in the next 3 years in line with the winding down of the operational activities in the Open Pit. A comprehensive operational readiness and transition plan is in the process of being finalized to facilitate the transfer of skills from Open Pit to Underground.

Venetia Mine will implement the necessary mechanisms to ameliorate the social and economic impacts on individuals, the Limpopo region and the Capricorn and Vhembe Districts, Blouberg and Musina local communities.

9. FINANCIAL PROVISION

In line with the commitments included in the Social and Labour Plan, Venetia Mine will provide financial support for the following programmes:

- Human Resources Development Programme
- Community Development Programme
- Housing and Living Condition Plan
- Process to manage Downscaling and retrenchments

Table 48: Financial Provision

Financial Provisioning (ZAR)	2018	2019	2020	2021	2022	TOTAL
Human Resource Development	5 211 620	4 553 870	5 059 840	6 095 682	5 752 630	26 673 642
Preferential Procurement	3 545 213 887	4 509 243 371	4 395 938 281	4 154 895 928	4 243 176 784	20 848 468 251
Mine Community development	-	58 640 634	48 197 248	31 753 132	17 610 000	156 201 014
Housing and Living Conditions	-	-	-	-	-	-
Downscaling and Retrenchment	24 000 000	24 000 000	24 000 000	24 000 000	24 000 000	120 000 000

NB: The financial provision made for the downscaling and retrenchment process does not necessarily mean that there will be downscaling and retrenchments during the specified years of the current Venetia Mine SLP.

10.
DEBTAKING

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The undertaking in terms of the Social and Labour Plan for Venetia Mine is made on behalf of De Beers Consolidated Mines Proprietary Limited (“DBCM”) by **Mr. Petrus Gerhardus Nortje**, General Manager – DBCM Venetia Mine.

I, _____ the undersigned and duly authorized thereto by De Beers Consolidated Mines Proprietary Limited (“DBCM”), undertake to adhere to the information, requirements, commitments and conditions as set out above, and to make the Social and Labour Plan known to all employees at Venetia Mine.

Signed at _____ on this _____ day of _____ 2018.

Signature _____

Designation _____

ANNEXURE 1 WORKPLACE SKILLS PLAN

ANNEXURE 2 “FORM Q” – EDUCATIONAL LEVELS

ANNEXURE 3 VENETIA MINE EMPLOYMENT EQUITY PLAN

ANNEXURE 4

“FORM S” – EMPLOYMENT EQUITY STATISTICS

**ANNEXURE 5
LETTERS OF SUPPORT FROM LOCAL AUTHORITIES
AND
PROJECT SCOPES**

ANNEXURE 6
“FORM T” AND CONTRACTS REGISTERS PREFERENTIAL
PROCUREMENT

ANNEXURE 7
VENETIA MINE FUTURE FORUM TERMS OF REFERENCE