

VENETIA MINE

— *Socio-Economic Assessment
Report 2013*



DE BEERS
GROUP OF COMPANIES

ABOUT THE DE BEERS GROUP OF COMPANIES:

De Beers is a member of the Anglo American plc group. Established in 1888, De Beers is the world's leading diamond company with unrivalled expertise in the exploration, mining and marketing of diamonds. Together with its joint venture partners, De Beers employs more than 23,000 people (directly and as contractors) across the diamond pipeline, and is the world's largest diamond producer by value, with mining operations in Botswana, Canada, Namibia and South Africa. As part of the company's operating philosophy, the people of De Beers are committed to Living up to Diamonds by making a lasting contribution to the communities in which they live and work, and transforming natural resources into shared national wealth.



COVER PAGE PICTURE: MERCY SITHAGU, FROM SITHAGU FARM, A SMALL BUSINESS SUPPORTED BY VENETIA MINE

OUR VALUES



BE PASSIONATE

We are exhilarated by the product we sell, the challenges we face and the opportunities we create.



PULL TOGETHER

Being united in purpose and action, we will turn the diversity of our people, skills and experience into an unparalleled source of strength.



BUILD TRUST

We will always listen first, then act with openness, honesty and integrity so that our relationships flourish.



SHOW WE CARE

The people whose lives we touch, their communities, nations and the environment we share, all matter deeply to us. We will always think through the consequences of what we do so that our contribution to the world is real, lasting and makes us proud.



SHAPE THE FUTURE

We will find new ways. We will set demanding targets and take both tough decisions and considered risks to achieve them. We will insist on excellent execution and reward those who deliver.

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1 INTRODUCTION

De Beers Venetia Mine commissioned a socio-economic assessment in September 2013 as part of Anglo American's requirement that all operations carry out assessments on a three-yearly basis. This assessment was guided by the Socio-Economic Assessment Toolbox which forms the foundation to manage socio-economic issues, community engagement and sustainable development at all Anglo operations.

1.1 BACKGROUND ON THE ASSESSMENT

Venetia Mine is a De Beers Consolidated Mines (DBCM) operation in the Limpopo Province of South Africa. DBCM is part of the De Beers Group of Companies which is majority owned by Anglo American. Venetia Mine commissioned a socio-economic assessment in September 2013 which was conducted in accordance with Anglo American's Socio-Economic Assessment Toolbox (SEAT) framework and covers the period 2008 to 2013.

Anglo American's SEAT methodology provides a structured process for operations to engage with local stakeholders to determine an operation's impact on its stakeholders and issues that influence the relationship with an operation. It also guides the planning of engagement initiatives and management measures to address mine impacts and stakeholder issues.

This report presents the findings of the assessment, conducted during the period September to December 2013. It provides a profile of the mine's stakeholder landscape and outlines the operation's impact on stakeholders, as well as stakeholder issues that influence the relationship with the operation. The outcomes of the assessment informed the development of the mine's Social Management Plan (SMP) containing management measures and engagement initiatives to address the identified impacts and issues raised by stakeholders.

1.2 STRUCTURE OF THE REPORT

The structure of the report is guided by the prescribed SEAT process to assess and respond to socio-economic issues and impacts.

Section 1	Introduction
Section 2	Objectives and approach
Section 3	Profile of Venetia Mine
Section 4	Social performance management and socio-economic benefit delivery activities
Section 5	Profile of the local area
Section 6	Impact and issue identification, and assessment
Section 7	Social Management Plan
Section 8	Next steps
Section 9	Glossary, acronyms, and contact details

1.3 ACKNOWLEDGEMENTS

Venetia Mine would like express its sincere gratitude to each and every one who participated in the assessment. Without your valuable input, this report would not have been possible.

To both the Mayors of the Musina and the Blouberg Local Municipalities, we appreciate your insights in relation to the issues impacting on basic service delivery and ways to work together to find solutions to challenges.

We are grateful for the input of the Chiefs of the Ga-Kibi, Ga-Makgato and Babirwa communities which helped shape our understanding of the concerns that especially rural communities are confronted with.

To the farming community, the Endangered Wildlife Trust and the South African National Parks personnel at the Mapungubwe National Park, a special word of appreciation for demonstrating a shared view regarding nature conservation and for your ongoing collaboration with the mine.

The National Union of Mine Workers made valuable contributions to discussions relating to employees.

Last, but not least, we would like to thank members of community-based, non-governmental and non-profit organisations as focus group participants for constructive input and feedback.

We believe that we can only find lasting solutions to challenges facing us if we join hands to sustainably develop our communities.



↑ VENETIA MINE EMPLOYEES.

2 OBJECTIVES AND APPROACH

The assessment and report highlight key social and economic impacts and issues to increase Venetia Mine's understanding of the needs of its impacted stakeholders and to inform the mine's response and future planning.

2.1 OBJECTIVES

The key objectives of the socio-economic assessment and report are to:

1. Increase the mine's understanding of the needs and realities of local communities.
2. Identify key social and economic impacts and issues that need to be managed.
3. Inform future planning and the mine leadership's response to the identified issues and impacts.
4. Assess existing community development initiatives and identify where improvements could be made.
5. Provide a platform to share the outcomes of the assessment with stakeholders to stimulate meaningful ongoing discussions and increase trust and goodwill between the mine and local stakeholders.

2.2 APPROACH

Venetia Mine contracted an external service provider specialising in stakeholder management and socio-economic assessments, to conduct the assessment on the mine's behalf.

The assessment was based on consultation with a wide range of Venetia Mine's stakeholders, analysis of key documentation, work sessions with the Venetia Mine Corporate Affairs department, and with the Venetia Mine Socio-Economic Assessment (SEA) Steering Committee. The stakeholder consultation process was designed to give representatives of all identified key interest groups an opportunity to participate in the assessment. Specific invitations were extended, but the sessions were open for any other stakeholder representatives to participate.



↑ VENETIA MINE IS SITUATED 80KM FROM MUSINA AND 36KM FROM ALLDAYS.

MUSINA AND BLOUBERG LOCAL MUNICIPALITIES

One-on-one interviews were conducted with the Mayors of the Musina and Blouberg Local Municipalities:

- The Mayor, Councillor Carol Phiri: Musina Local Municipality (Musina LM)
- The Mayor, Councillor Serite Sekgoloane: Blouberg Local Municipality (Blouberg LM)

GA-KIBI, GA-MAKGATO AND BABIRWA TRADITIONAL AUTHORITIES

Individual sessions were held with three traditional authorities from the Blouberg municipal area. The authorities are representative of the Bapedi tribe found mainly in the Limpopo Province. The three traditional authorities consulted represent the following villages:

- Ga-Kibi under the leadership of Chief Leboho
- Ga-Makgato under the leadership of Chief Makgato
- Babirwa under the leadership of Acting Chief Mamadi

The sessions held with the Ga-Kibi and Ga-Makgato traditional leadership included a meeting with community members who were given the opportunity to raise issues impacting on their relationship with the mine.



↑ GRAVEL ROADS ON ROUTE TO RURAL COMMUNITIES IN THE BLOUBERG MUNICIPAL AREA.

SPECIAL INTEREST GROUPS

A focus group session was held with stakeholders representing a number of civil society groups within the Musina and the Blouberg communities:

- Musina Youth Council
- Musina community radio station
- A non-profit organisation (NPO) representing the Elders
- International Organisation for Migration



⬆️ VENETIA MINE HAS FORMED A PARTNERSHIP WITH SOUTH AFRICAN NATIONAL PARKS AT THE MAPUNGUBWE NATIONAL PARK.

MAPUNGUBWE NATIONAL PARK

A focus group was held with a group of Mapungubwe National Park employees. The meeting was attended by employees across all levels including tour guides and the Head of Mapungubwe Corporate Affairs.

NEIGHBOURING FARMERS AND THE ENDANGERED WILDLIFE TRUST

A focus group was held with local farmers, most of whom are specialising in game farming. The discussion mainly concerned environmental issues. Also included in the focus group was a representative of the Endangered Wildlife Trust (EWT).

ORGANISED LABOUR

A focus group was held with senior representatives of the National Union of Mine Workers (NUM) at Venetia Mine.

VENETIA MINE SOCIO-ECONOMIC ASSESSMENT STEERING COMMITTEE

The Venetia Mine SEA Steering Committee was a cross functional committee accountable for final decisions

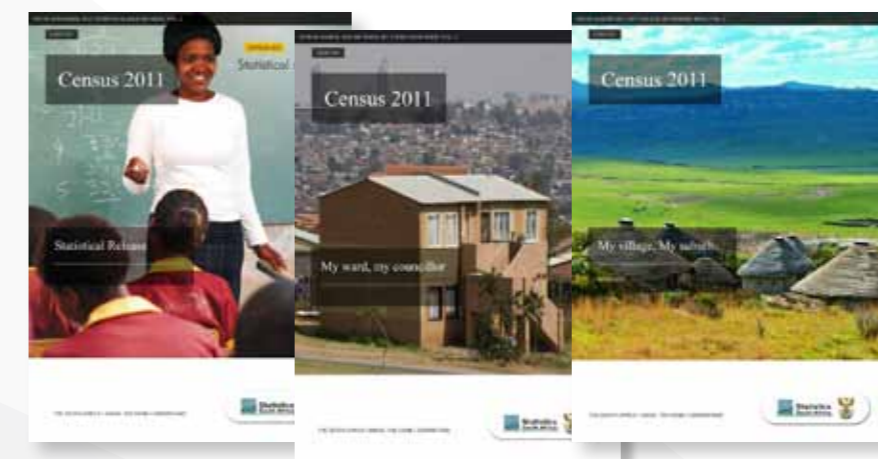
regarding the socio-economic assessment. The committee's responsibilities included logistical arrangements for site visits, ensuring that the external service provider is provided with all the relevant documentation, and input into the finalisation of issues and impacts, and the development of a SMP.

A work session was held with members of the SEA Steering Committee to discuss issues and impacts which emerged from the stakeholder consultation. The discussion outlined the assessment of risks associated with failure to address issues and impacts and the effectiveness of current mitigating measures. The discussion also formed the basis of the mine's response to the identified issues and impacts as contained in the three year SMP.

DOCUMENT ANALYSIS

The following documents and other sources rendered important information used during the assessment:

- Venetia Mine Social and Labour Plan: 2013-2017
- Venetia Mine Local Area Committee (LAC) reports: 2007-2012
- Social and Labour Plan Progress Report: 2008-2012
- Venetia Mine Socio-Economic Baseline Study and Impact Assessment (Venetia Underground Project)
- Venetia Mine 2007/2008 SEAT report (not signed off)
- Stakeholder Engagement Plan for 2013
- De Beers Consolidated Mines Community Report 2013
- Venetia Underground Project Risk Log – GSA – July 2013
- Aquaculture Feasibility Study
- Strategic Closure Plan
- Media clippings
- Blouberg Local Municipality Integrated Development Plan: 2011-2016
- Musina Local Municipality Integrated Development Plan: 2012-2017
- Stats SA Census 2011 Municipal Fact Sheet
- Stats SA Census 2011 Municipal Report: Limpopo
- Stats SA Census 2011 App for IOS, Roambi Analytics, MeLLmo INC.:
 - o Statistical release
 - o My ward, my councillor
 - o My village, my suburb



⬆️ STATS SA CENSUS 2011 REPORTS CONSULTED.

“

The assessment was guided by stakeholder consultation and analysis of key documentation.

”

3 PROFILE OF VENETIA MINE

Venetia Mine is currently the biggest source of rough diamonds in South Africa, contributing 40% of the country's annual diamond production.

3.1 ABOUT THE MINE

Venetia Mine is situated on the farm Venetia covering 2,680 ha, approximately 80km west of Musina and 36km east of Alldays in the Limpopo Province. Adjacent to the site is DBCM owned Venetia Limpopo Nature Reserve comprising 31,928 ha. The mine is located in the Musina LM which falls within the jurisdiction of the Vhembe District Municipality. The mine is also close to the border of the Blouberg LM which falls in the Capricorn District Municipality.

The mine, officially opened on 14 August 1992, is DBCM's largest mine and contributed 75% of the company's production in 2013. The ore body is currently mined using open pit mining methods, which include drilling, blasting, loading and hauling waste rock and kimberlite with conventional truck and shovel 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 diamonds. A coarse tailings residue dump is generated along with a fines tailings 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. The mine runs as a continuous operation which means that it operates on a continued basis, twenty-four hours a day, seven days a week. Employees work shifts for four days in a row, followed by four consecutive days off work.

Twenty-one years since Harry Oppenheimer launched the open pit mine in 1992, De Beers launched an underground project in 2013 which will extend the Life of Mine (LoM) and preserve jobs for the next three decades.

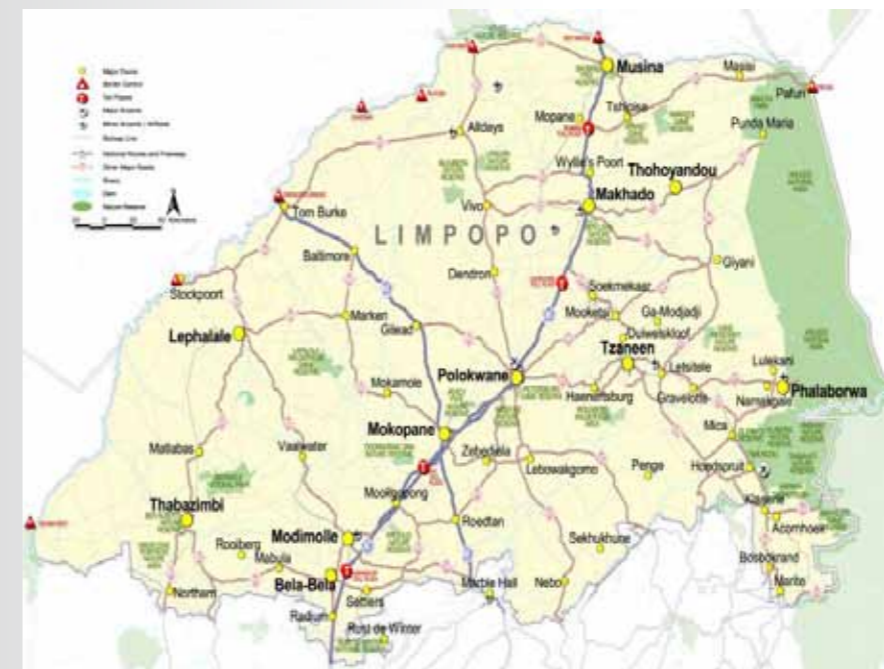
The current open pit mining method can only sustain the LoM up until the end of 2021. Construction of the new underground section of the mine began in 2013 to extend Venetia Mine's LoM beyond 2040 and to eventually replace the open pit.

Venetia Mine embraces safety as a core value and values Zero Harm to People and the Planet through a resilient Occupational Health and Safety Culture. The operation is OHSAS 18001 and ISO 14001 certified.

91% of Venetia Mine's employees originate from the Limpopo Province with 63% from the Musina and Blouberg municipal areas. Of the mine's total workforce, 19% are female of which 13% are in operational/core functions. In 2013, 84% of Venetia Mine's employees were Historically Disadvantaged South Africans (HDSAs).



↑ THE ENTRANCE TO VENETIA MINE DISPLAYS THE MINE'S VALUES.



↑ FIGURE 1: MINE LOCALITY MAP.

TABLE 1: OPERATIONAL PROFILE OF THE MINE

COMPANY DETAILS	
De Beers division:	DBCM
Name of site/operation:	Venetia Mine
Neighbouring DBCM operations:	None
SEA IMPLEMENTATION TEAM	
SEA champion:	Josephine Pieters
SEA Steering Committee members:	
Finance	Kelebogile Sibanda
Supply Chain	Kelebogile Sibanda
Safety and Health	Vukile Fada
Environment	Gavin Anderson
Human Resources	Aisha Khan
Public and Corporate Affairs	Bonani Nyabane
Security	Judy Alexander
BASIC INFORMATION ABOUT THE MINE	
Product	Diamonds
Total tons treated:	2012: 5,618 million 2013: 5,499 million
Total carats recovered:	2012: 3,066 million 2013: 3,192 million
Percentage revenue contribution to group:	2008: 64% 2011: 63% 2009: 58% 2012: 74% 2010: 59% 2013: 75%
Full time employees:	2008: 1,082 2011: 1,059 2009: 894 2012: 1,136 2010: 991 2013: 1,209
Core contractor employees:	2008: 958 2011: 1,319 2009: 784 2012: 984 2010: 1,206 2013: 1,426
Total spent on social and community development:	2008: R4,418,039.71 2011: R3,913,430.30 2009: R4,360,007.08 2012: R4,177,348.79 2010: R3,173,592.58 2013: R15,227,044.97

3.2 VENETIA MINE MANAGEMENT TEAM



General Manager
LUDWIG VON MALTITZ



Senior Operations Manager
HENDRICK MATJILA



Underground Project Manager
KEVIN BOTHA



Senior Manager Mineral Resources
ANTON WOLMARANS



Senior Manager Mining
JOHNNY GILLESPIE



Senior Manager Ore Processing
GLORIA LEKALAKALA



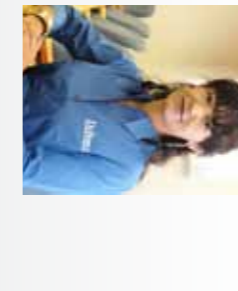
Senior Manager Engineering
PETER MASSERATTE



Asset Optimisation Manager
JOHAN SLIEP



Senior Manager Commercial Services
KELEBOGILE SIBANDA



Senior Manager Human Resources
AISHA KHAN



Manager Security
JUDY ALEXANDER



Manager Corporate Affairs
JOSEPHINE PIETERS



↑ VENETIA MINE EMPLOYEES AT WORK.

“
Venetia Mine
was responsible
for 75% of
the Group's
production
in 2013.
”

3.3 MEDIUM/LONG-TERM PLANS

The construction of the R20 billion Venetia Underground Project (VUP) to access the remaining mineral reserves and extend the life of the current mining operation, began in October 2013 and will be implemented along with the current open pit operation. The construction includes the sinking of two vertical shafts and a decline shaft to a depth of 1km.

The R20 billion investment in the construction of the VUP is the biggest single investment in the diamond industry in decades, which signals a bright future for the industry's growth in South Africa.

With underground production expected to commence in 2021, the mine will treat approximately 130 million tonnes of ore over its life, containing an estimated 96 million carats. The mine will support 1,482 jobs directly, and a further 5,143 indirect jobs per year, which translates to 3.5 jobs created for every direct job at the mine. The procurement spend through the VUP, is estimated at R16,736,157,652. This investment will not only benefit the South African economy, but will impact positively on the local economies of the Vhembe and Capricorn District Municipalities.

3.4 EXISTING CLOSURE PLANS

In compliance with the statutory requirements of the Mineral and Petroleum Resources Development Act, No 28 of 2002 (MPRDA), as regulated by the Department of Mineral Resources (DMR), Venetia Mine developed a Strategic Preliminary Closure Plan in May 2011.

Closer to mine closure, the preliminary closure plan will be amended as necessary, until eventual site relinquishment, resulting in the compilation of a Final Mine Closure Plan for the site.

Venetia Mine anticipates that mining from the open pit will cease between 2020 and 2023. In order to access the remaining mineral reserves and extend the LoM, the mining operation will change to an underground mining method as explained earlier.

The schedule for the implementation of the underground mining method is as follows:

- 2013-2021 Construction phase
- 2022-2043 Main operational phase
- 2044 and beyond Possible closure phase



↑ ANGLo AMERICAN PLC CEO MARK CUTIFANI, ANGLo AMERICAN PLC CHAIRMAN SIR JOHN PARKER AND HIS EXCELLENCY PRESIDENT JACOB ZUMA AT THE VUP SOD TURNING CEREMONY.

3.5 SURROUNDING BUSINESS ENVIRONMENT

The main contributors to the Musina LM economy are listed below.

TABLE 2: ECONOMIC SECTORS IN THE MUSINA LM

Agriculture, forestry and fishing	35%
Mining	30%
Transport and communication	15%
Manufacturing	11%
Finance and business services	9%
Wholesale and retail trade, catering and accommodation	6%
Community, social, personal services	6%
Government services	5%
Construction	5%

Source: Musina Local Municipality Integrated Development Plan (IDP) 2012/2013-2017

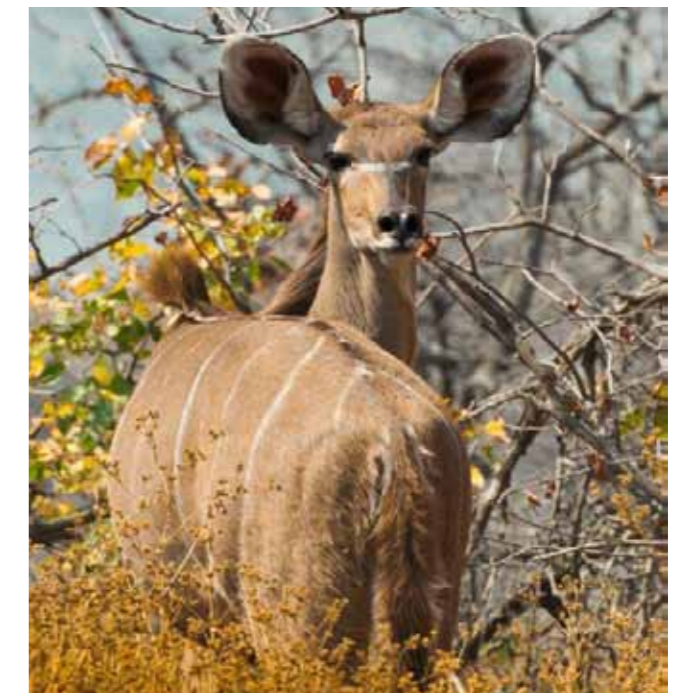
The municipal area's commercial hub is Musina which is located 10 km from the Beit Bridge border post. Musina recently received a substantial economic boost through the opening of 40 shops at the Musina China Wholesale Centre. The centre has 150 shops and the remaining ones will also be opened to the public in due course. In line with the expansion of border trade, this development would allow business owners/traders from neighbouring countries to purchase a wide variety of commodities and strengthen trade with neighbouring countries.

In partnership with the Department of Trade and Industry, the province is in the process of establishing a Special Economic Zone at Musina to ensure that the full potential of the mineral rich area close to the Zimbabwe border can be realised. The zone, which will focus on logistics and the beneficiation of coal, is expected to have a huge impact on the local economy. Coal of Africa Limited's Vele Colliery is situated next to the Mapungubwe World Heritage Site, and there are also other mining companies exploring for coal and other minerals in the area.

According to the Blouberg LM Integrated Development Plan (IDP) 2013-2016, the major economic sectors or sources in the area are agriculture, mining and tourism. There are mining prospects at Dalmyrn, Windhoek-Papegai, and Silvermyn, and platinum and gold prospects at Towerfontein. The municipality also hosts three border posts i.e. Platjan, Zanzibar and Groblersbrug that go into Botswana.

Senwabarwana with a population of 6,777 is the economic hub of the Blouberg LM. It is situated 123km from Venetia Mine. The town has a fully let shopping plaza which has increased business opportunities with an influx of Chinese, Arab and Indian traders. Other towns and villages in the mine's surrounding business area include Alldays, Tolwe, Vivo, Dendron and Eldorado.

The new solar energy project in Zuurbult near Vivo is expected to boost the local economy by creating job opportunities and to relieve the burden of power supply on Eskom – residents within a 50km radius will become beneficiaries of the project.



↑ GAME FARMING IS PROMINENT IN THE AREA.

“
The Venetia underground project represents the biggest single investment in the diamond industry in decades.
 ”

4 SOCIAL PERFORMANCE MANAGEMENT AND SOCIO-ECONOMIC BENEFIT DELIVERY

“The positive social impact of skills development, the acquisition of economically valuable experience and the potential to uplift rural and sometimes poorer communities, is what exists here at the heart of Venetia.” – Mark Cutifani, Chief Executive of Anglo American plc and Chairman of the De Beers Group.

4.1 STAKEHOLDER RELATIONS AND APPROACH TO DEVELOPMENT

Venetia Mine has a well-established relationship with the Musina and Blouberg Local Municipalities, the Capricorn and Vhembe District Municipalities as well as the Limpopo Provincial Government. The strong relationship between Venetia Mine and various levels of government, contributed to many successfully implemented community-based initiatives – especially in the areas of infrastructure development, education and enterprise development. Examples are the De Beers Zimele Business Hub in Musina, referred to as the Venetia Business Hub, and the Limpopo Rural Schools Programme.

Venetia Mine regards community development as an integral part of its business strategy and a foundation to establish a trusting relationship with local stakeholders.



↑ VENETIA MINE INVESTS IN QUALITY SCHOOL EDUCATION.

4.2 STAKEHOLDERS

Table 3 reflects a list of the mine’s key stakeholders. The list is not limited to the mine’s geographical zone of influence but includes all stakeholders material to the achievement of the mine’s objectives.

TABLE 3: VENETIA MINE'S KEY STAKEHOLDERS

STAKEHOLDER CATEGORIES	STAKEHOLDERS
Internal stakeholders	Venetia mine employees Venetia Management Team (OpCo) DBCM Headquarters, Johannesburg Anglo American
National government	Department of Water Affairs – regional office Department of Mineral Resources – regional office Department of Environmental Affairs Department of Labour – regional office
Provincial government	Limpopo Premier Limpopo Department of Education Limpopo Department of Economic Development, Environment and Tourism Limpopo Department of Health and Social Development Limpopo Department of Security and Liaison Limpopo Department of Roads and Transport Limpopo Department of Agriculture
District municipalities	Vhembe District Municipality Capricorn District Municipality
Local municipalities	Musina LM Blouberg LM

STAKEHOLDER CATEGORIES	STAKEHOLDERS
Traditional authorities	Babirwa Traditional Authority Ga-Makgato Traditional Authority Ga-Kibi Traditional Authority
Government agencies and institutions	South African National Parks (SANParks) Mapungubwe Limpopo Economic Development Agency (LEDA)
Law enforcement entities	South African Police Service (SAPS) Musina SAPS Alldays
Primary communities	Residents of: <ul style="list-style-type: none"> • Musina • Alldays • Nancefield • Taaibosch • Ga Kibi • Ga Makgato • Babirwa • Devrede • Grootpan • Longden • Aurora • Silvermyn • Pax
Other communities	Land claimants Residents of: <ul style="list-style-type: none"> • Nzhelele • Makhado • Madimbo • Malale • Domboni • Matshena • Eindermark • Eldorado • Wegdraai
Farming community	Weipe Farmers Association Linton Farmers Association Neighbouring farmers
Community development beneficiaries	Recipients of donations Participants/beneficiaries in community development projects Venetia Business Hub beneficiaries

STAKEHOLDER CATEGORIES	DESCRIPTION OF STAKEHOLDER
Non-governmental organisations (NGOs)	Greater Mapungubwe Network Musina Youth Council
Community-based organisations (CBOs)	Musina Council of Churches Gogo Getters
Faith-based organisations (FBOs)	International Organisation on Migration Catholic Institute of Education EWT World Wildlife Fund (WWF) Child Welfare SA Christian Social Council Field Band Foundation
Organised labour	NUM – Branch Executive Committee
Core contractors	Murray & Roberts Barloworld Basil Read SANDVIK TWP AEL ESS G4S



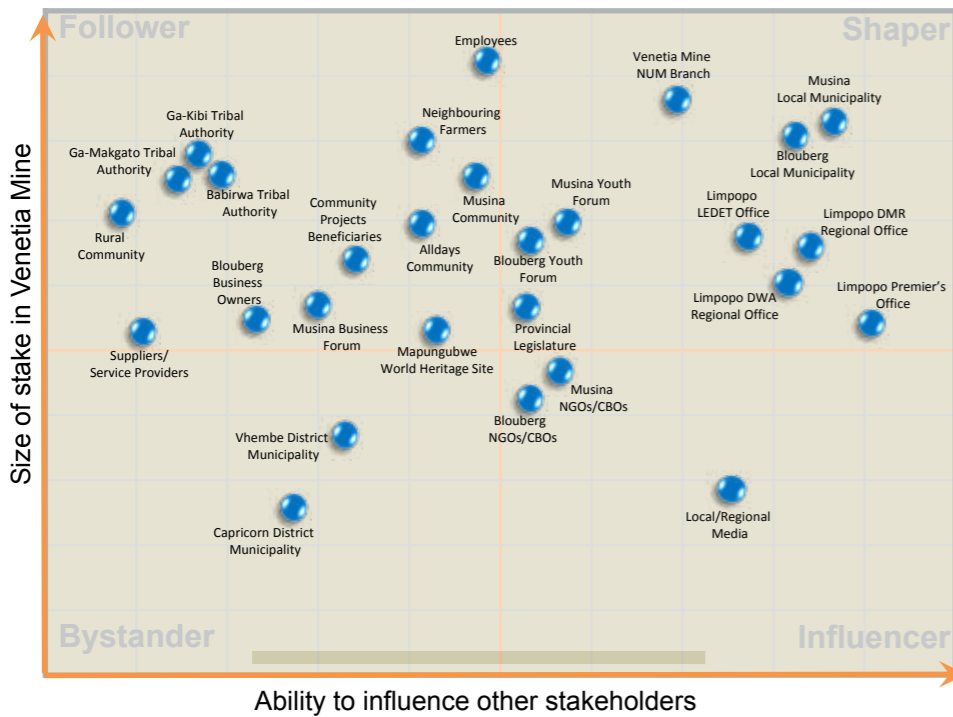
↑ ENTRANCE TO VENETIA MINE.

4.3 STAKEHOLDER MAPPING

The stakeholder list is visualised in summarised format on the stakeholder map below. The stakeholder map serves as a management tool to assist the mine to plan stakeholder engagement and manage relationships more effectively. The map is updated whenever the stakeholder landscape changes to guide engagement with prioritised stakeholders.

The position of a stakeholder on the stakeholder map depends on its stake in the mine (how important the mine is for the stakeholder) and the stakeholder's potential influence over other stakeholders on the map. The stakeholder map depicts stakeholders in four quadrants: Shapers, Influencers, Followers and Bystanders. Each quadrant warrants a different engagement approach.

FIGURE 2: STAKEHOLDER MAP



4.4 PARTICIPATION IN STAKEHOLDER ENGAGEMENT PLATFORMS

The mine regularly participates in a number of stakeholder engagement platforms, as indicated in the table below.

TABLE 4: PARTICIPATION IN STAKEHOLDER ENGAGEMENT PLATFORMS

ENGAGEMENT PLATFORM	DESCRIPTION	FREQUENCY
Venetia Mine Future Forum (VMFF)	The VMFF consists of mine management and employee representatives and consult on the following: <ul style="list-style-type: none"> • The future of the mine • Barriers, challenges and possible solutions with regard to productivity and security of employment • Production and employment turnaround strategies • Monitoring the implementation of strategies as approved by OpCo or Executive Committee (EXCO), including actions to mitigate retrenchments 	Monthly
Local Area Committee (LAC)	The LAC is responsible for fund allocation for community development projects, and works in partnership with key community stakeholders (in line with the principles of the De Beers Fund).	Monthly

ENGAGEMENT PLATFORM	DESCRIPTION	FREQUENCY
IDP Forums	The mine participates as a stakeholder in Musina and Blouberg Local Municipalities' IDP consultation processes.	Quarterly
Local Economic Development (LED) Forum	The mine participates in the LED forums of both the Blouberg and Musina Local Municipalities. The LED Forums addresses priority issues related to the development, employment and poverty alleviation of communities concerned.	Quarterly
Greater Mapungubwe Network	A network consisting of a variety of stakeholders with interest in nature conservation, including farmers, environmental NGOs, and representatives from Mapungubwe.	Quarterly
De Beers/SANParks Joint Management Forum	A committee consisting of members of the Venetia Mine management team, representatives from Venetia's Environment and Ecology Departments, as well as managers from SANParks.	Frequency is decided by members of the forum
De Beers/Mapungubwe Joint Operational Committee	A smaller team of senior managers from Venetia Mine and SANParks, focusing on shared operational matters.	Quarterly
Vhembe Water User Association	The Department of Water Affairs is in the process of re-establishing this association.	N/A
Limpopo OHS Tripartite Forum	Promote mine health and safety practices with organised labour and the DMR.	Quarterly

4.5 COMPLAINTS MANAGEMENT

The mine is in the process of finalising its complaints and grievance mechanism whereafter it will be shared with stakeholders. Until the new process has been finalised, stakeholders are encouraged to direct all complaints to the Corporate Affairs Manager, who will route complaints to the relevant department/s. In cases of corruption related allegations, a Deloitte toll free number is available to report such activities.

The four complaints received in 2013 related to recruitment, community projects (i.e. upgrading of a road in De Vrede) and procurement opportunities. Complaints are tracked through the mine's issues log to ensure that they are closed off.

4.6 EXISTING INVESTMENT IN COMMUNITY DEVELOPMENT PROJECTS

Venetia Mine invests in community development projects as part of its commitment to make a real difference in host and labour sending communities.

The key developmental focus areas of these projects are education, health and welfare, infrastructure development, community support, sports and recreation, environmental development and enterprise development. There are four sources of funding for these projects:

- Venetia Mine LAC: Receives requests for funding of projects below R50,000. The focus is on smaller community development projects that make a difference in the community (therefore excluding infrastructure projects).
- Venetia Mine Social and Labour Plan (SLP) 2013-2017: These projects are adopted from the Musina and Blouberg Local Municipalities' IDPs and included in the Venetia Mine SLP commitments, focussing on community, local economic and infrastructure development projects.



↑ WATER QUALITY TESTING AROUND THE MINE.

- De Beers Fund (DBFund): Funding through the DBFund is aimed at applications for support of R50,000 and above. These requests are adjudicated and decided upon during the quarterly DBFund Board of Trustees meeting in Johannesburg. The focus is on sizable community development projects that make a difference in the community, including infrastructure projects.
- Venetia Mine Fund (VMFund): Supports projects that, because of their nature, do not qualify for funding from either the LAC or DBFund, but are of strategic significance to Venetia Mine. The Venetia Mine OpCo team manages the VMFund. Table 5 details the mine's investment in community development projects since 2008.

TABLE 5: COMMUNITY DEVELOPMENT PROJECTS

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
ARTS AND CULTURE						
Musina and Blouberg Field Bands	Youth development through music	Youth	Musina, Blouberg	R1,793,568	2008	2011
Smaller donations	Support local community events	Attendees of events	Musina, Blouberg	R6,994	2009	2009



↑ THE MUSINA FIELD BAND IN ACTION.

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
EDUCATION AND TRAINING						
Winter School Programme	Coordination of Winter School Programme	Eric Louw High School	Musina	R61,450	2011	2011
Educational Support Pro-gramme (Musina School Subvention Programme)	Improvement of education in local schools	Learners from Musina, Eric Louw High and Messina Primary schools	Musina	R20,935,754	2008	2017
School management and educational support	Improvement of education	Catholic Institute of Education	Musina	R2,824,000	2008	2012
Maths and Science Programme	Enhancement of learners' performance in Maths and Science	Learners in various local schools	Musina, Blouberg	R300,000	2013	2017
Maths and Science Programme	Enhancement of learners' performance in Maths and Science	Learners at Shanduka Academy	Musina	R700,000	2008	2010
Skills development	Youth skills development	HURESIC	Tzaneen	R2,436,932	2008	2010

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
EDUCATION AND TRAINING (CONTINUED)						
Donations to schools	Donations of cash, stationary, or equipment	Messina Primary School	Various	R278,073	2008	2012
		Alldays Combined School				
		Doreen-Bridge Combined School				
		Gateway Primary School				
		Lwaphungo Secondary School				
		Makushu Primary School				
		Malale Primary School				
		Musina High School				
		Dzimauli Secondary School				
		Sovetso Community Crèche				
Mashie Primary School						
Funding of educational staff members	Funding of additional or current educational staff members at schools or ECD centres	Messina Primary School	Musina, Blouberg	R42,575	2010	2012
		Ratanang Community Crèche				
		St Martin's De Porres Primary School				
Bursaries and scholarships	Bursaries for physically challenged learners	REAP (Rural Education Access Programme)	Limpopo	R300,000	2008	2008
	Contribution to the Premier's Trust Fund	Limpopo Premier's Bursary Trust Fund		R10,000	2011	2011
	Bursaries for underprivileged students	Link-SA				
	Once-off grant for learners	Student Financial Study Assistance Scheme		Musina, Blouberg	R90,700	2012

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
EDUCATION AND TRAINING (CONTINUED)						
Enhancement of school facilities	Renovations, improvements and safety features at schools	Lerato Crèche	Various	R141,747	2008	2012
		Mmantshako Secondary School				
		Campbell Crèche				
		Ubuntu Self Help Early Childhood Development Centre				
Sponsorships	Bostec National Science Week	Bokamoso Science and Technology Education Centre	Musina, Blouberg, Mohodi, Tzaneen	R2,682,424	2008	2012
	Enhancement of learners' performance in Maths, Science, and Engineering					
	Educational radio programmes	Mohodi Community Radio				
		Musina Community Radio				
	Early Childhood Development (ECD) Coordinators training event	Directflo				
	Lifestyle training for Musina High School learners	Gateway International				
	Youth skills development	HURESIC				
	Skills development	Tsusanane Training Centre				
	Transport and catering expenses for Bring a Girl Child to Work Programme	Girls from neighbouring communities				
	Whole school assessment of the Harry Oppenheimer School	Adopt a School Foundation				



VENETIA MINE HAS A STRONG FOCUS ON ENHANCING SCHOOL EDUCATION.

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
ENTERPRISE DEVELOPMENT*						
Aquaculture and Vegetable Farming	Job creation and food security	Musina and Blouberg communities	Musina, Blouberg	R1,627,890	2010	2017
Taaibosch Community Bakery	Fencing, renovations and business support	Blouberg community	Taaibosch, Blouberg	R882,635	2009	2011
Small business support	Poverty alleviation	Babirwa Waste Project	Various	R116,168	2008	2010
		Kutlwano Women's Laundry Project				
		Lerato Beads				
		MakganiBakone Pig Co-operation				
		Mantshabe Poultry				
		Otsepegile Sewing Project				

*Excluding Venetia Business Hub support



LOCAL ENTREPRENEURS SUPPORTED BY THE VENETIA BUSINESS HUB, FROM LEFT TO RIGHT: THATHE DRIVING SCHOOL, MCF POULTRY, MARUBINI MULTI-PURPOSE WOMEN'S COOPERATIVE, SITHAGU FARM.

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
ENVIRONMENT						
WWF South Africa Eco-Schools	Youth environmental programme	WWF and Blouberg youth	Blouberg	R1,913,006	2008	2011
Community Clean-up Programme	Environmental care	Blouberg community	Blouberg	R5,000	2008	2008
Limpopo Greening Project	Tree donation	Limpopo Provincial Government	Limpopo	R160,000	2010	2010
Mapungubwe Research	Environmental research	Mapungubwe National Park	Mapungubwe	R223,000	2008	2008



↑ SCENES FROM THE VENETIA LIMPOPO NATURE RESERVE.

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
HEALTH AND SOCIAL SUPPORT						
Support drop-in centres in rural communities	Support of orphans and other vulnerable children of school going age. Providing meals and after school care.	Dirisanang Drop-in Centre	Blouberg	R112,903	2010	2012
		Ikageng Kromhoek Drop-in Centre				
		Kgatishi Drop-in Centre				
		Mantshabe Drop-in Centre				
		Maseka Drop-in Centre				
		Matome Phecha Drop-in Centre				
		Nakedi Drop-in Centre				
		Ngoako Drop-in Centre				
Folovhodwe Happy Home						

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
HEALTH AND SOCIAL SUPPORT (CONTINUED)						
Medical services support	Funding of medical staff	Catholic Medical Missions Board	Blouberg, Musina	R2,180,000	2008	2012
		Africa Health Replacements				
		AHP Recruitment Foundation				
Family planning and reproductive health	Funding for Engender Health programmes in and around Musina	Engender Health	Musina	R1,132,000	2008	2009
Soul City Venetia	Health education: Healthy lifestyle	Musina and Blouberg communities	Musina, Blouberg	R273,473	2008	2008
CMR Social Worker Project	Social welfare services	Musina health workers	Musina	R173,000	2008	2009
Refugee support	Food provision to refugees	Christian Social Council	Musina	R170,000	2010	2012



↑ FOOD PARCELS SPONSORED FOR RATANENG CRÈCHE.



↑ FOOD PARCELS AND BLANKETS HANDED OUT TO CHILD WELFARE SA.

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
INFRASTRUCTURE						
Electrification	Electrification at Aurora, Silvermyn, Musina, and rural communities in Blouberg	Blouberg and Musina communities	Blouberg, Musina	R9,301,534	2008	2013
Limpopo Rural Schools Development Programme	Improvement of infrastructure at rural schools	Rural schools in the Blouberg and Musina municipal areas	Musina, Blouberg	R7,450,000	2008	2017
Ratanang Special School	Improvement of infrastructure	Ratanang Special School	Blouberg	R10,860,998	2011	2011
Musina Vehicle Testing Station	Renovation of testing station	Musina Local Municipality	Musina	R1,400,000	2013	2014
Nancefield Community Hall	Fencing of community hall	Nancefield community	Nancefield	R104,314	2012	2012
Smaller infrastructure development projects at schools	Fencing, installation of borehole equipment and other renovations	Alldays Community Crèche	Blouberg	R164,653	2010	2012
		Mama Primary School				
		Sovetso Community Crèche				
Renovations of Roads in Musina	Road maintenance	Musina community	Musina	R12,263,935	2013	2014
Rugby Stadium Flood Lights	Sport infrastructure	Musina community	Musina	R172,425	2008	2008



↑ ELECTRIFICATION OF VILLAGES IN THE BLOUBERG MUNICIPAL AREA.



↑ RATANANG SPECIAL SCHOOL AND ALLDAYS COMMUNITY CRÈCHE ARE TWO OF THE SCHOOLS UPGRADED BY VENETIA MINE.

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
POVERTY ALLEVIATION						
Community food gardens	Food security in rural communities	Kgatishi, Madimbo and Nwanedi communities	Blouberg	R53,326	2008	2010
Mapungubwe Poverty Alleviation Team	Poverty alleviation	Musina community	Musina	R23,044	2011	2011

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
SPORT AND RECREATION						
Musina Golf Club	Funding of equipment for maintenance	Musina community	Musina	R137,538	2010	2010
Sponsorships	Sport development	Alldays community	Alldays, Venetia Limpopo Nature Reserve, Musina	R58,800	2008	2011
		Bike4Beasts				
		Musina Cross Country Marathon				
		Two Countries Marathon				
Grassroots Soccer	Sport development	Youth	Musina	R174,214	2008	2008

PROJECT	PROJECT FOCUS	BENEFICIARIES	AREA	AMOUNT SPENT	START	END
GENERAL COMMUNITY SUPPORT						
Sponsorships	Sponsorship of events such as award ceremonies, indabas, workshops, and special broadcasts	Eric Moloto Foundation	Musina, Blouberg	R40,659	2008	2012
		Mamadi Advice Centre				
		Musina Local Municipality				
		Musina SAPS				
		Thobela FM Radio				
		Limpopo Youth Indaba				

4.7 OTHER SOCIO-ECONOMIC BENEFIT DELIVERY ACTIVITIES

THE DIAMOND ROUTE

The Diamond Route covers approximately 250,000 ha of cross-regional private conservation land owned by De Beers, the Oppenheimer family and De Beers' black economic empowerment (BEE) partner Ponahalo Holdings. The aim of the Diamond Route initiative is to stimulate tourism and nature conservation and bring socio-economic benefits to local communities as a legacy of diamond mining in South Africa.

The Diamond Route links 10 sites across South Africa with the final destination Venetia Limpopo Nature Reserve, adjacent to the Mapungubwe National Park in the Musina municipal area. The Venetia Limpopo Nature Reserve is involved in environmental and conservation awareness education for employees and communities. The reserve has a research department studying vegetation dynamics, restoration ecology, and the management of elephant and wild dogs. The reserve, which is open to the public, contributes to local tourism.

LOCAL EMPLOYMENT

Venetia Mine's labour force comes mainly from the Musina and Blouberg municipal areas. Table 6 indicates the mine's labour sending areas per municipality.

TABLE 6: VENETIA MINE LABOUR SENDING AREAS

MUNICIPAL AREA	CITIES/TOWNS/VILLAGES	NUMBER OF EMPLOYEES	% OF VENETIA MINE'S WORK FORCE
MUSINA	Musina Town, Nancefield, Tshipise, Sagole, Muswodi, Folovhodwe	536	45.2%
BLOUBERG	Alldays, Grootpan, Devrede, Taaiboschgroet, Ga-Kibi, Ga-Makgato, Babirwa, Longden, Juniorsloop, Dendron, Eindermark, Harrietswich Village, Kromhoek, Senwabarwana	206	17.6%
OTHER	Johannesburg, Cape Town, Koffiefontein, Windhoek, The Netherlands, Zimbabwe, Bloemfontein	185	16%
THOHYANDOU	Dzanani, Mutale, Makonde, Nzhelele, Manenzhe, Mudimeli, Shayandima, Sibasa, Masisi, Vuwani, Dzimauli, Mashau.	116	9.8%
POLOKWANE	Polokwane, Mashashane, Ramokgopa, Seshego, Botlokwa, Seleka, Modjadji, Tzaneen, Chuenespoort, Phalaborwa, Zebediela, Kgapane.	85	7.1%
MAKHADO	Makhado, Xitachi, Waterval, Sinthumule.	49	4%



THE ENTRANCE TO THE VENETIA LIMPOPO NATURE RESERVE, A FEATURE OF THE DIAMOND ROUTE.

Venetia Mine's total payroll in 2013 amounted to R489,484,349 most of which was injected into the local economy as 91% of Venetia Mine employees are local (see Table 7).

TABLE 7: VENETIA MINE PAYROLL PER LABOUR SENDING AREA IN 2013

LABOUR SENDING AREA	TOTAL PAYROLL 2013
Musina	R372,017,093.98
Blouberg	R64,461,707.64
Polokwane	R17,127,705.35
Thohoyandou	R15,692,748.74
Other	R11,547,494.97
Louis Trichardt	R8,637,598.40
GRAND TOTAL	R489,484,349.08

Table 8 provides the percentage skilled and semi-skilled locally employed workforce as well as those from other areas in 2013.

TABLE 8: SPLIT BETWEEN SKILLED AND SEMI-SKILLED EMPLOYEES PER AREA IN 2013

EMPLOYEES	LOCAL	OTHER AREAS
Semi-skilled	94%	6%
Skilled	88%	12%

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 training and development goals. Table 9 provides information relating to the mine's contribution towards skills development.

TABLE 9: CONTRIBUTION TO EMPLOYEE SKILLS DEVELOPMENT

YEAR	2008	2009	2010	2011	2012	2013
AMOUNT SPEND (SKILLS DEVELOPMENT)	R14,248,264	R13,138,520	R13,966,178	R14,997,304	R17,367 113	R15,548,176
SKILLS DEVELOPMENT SPEND (% OF PAYROLL)	7.11%	4.37%	5%	4%	4%	3.6%



DIAMOND SORTING AT VENETIA MINE.

“
Between 2008 and 2013 Venetia Mine spent close to R90 million on employee skills development.
”

LOCAL AND HDSA PROCUREMENT

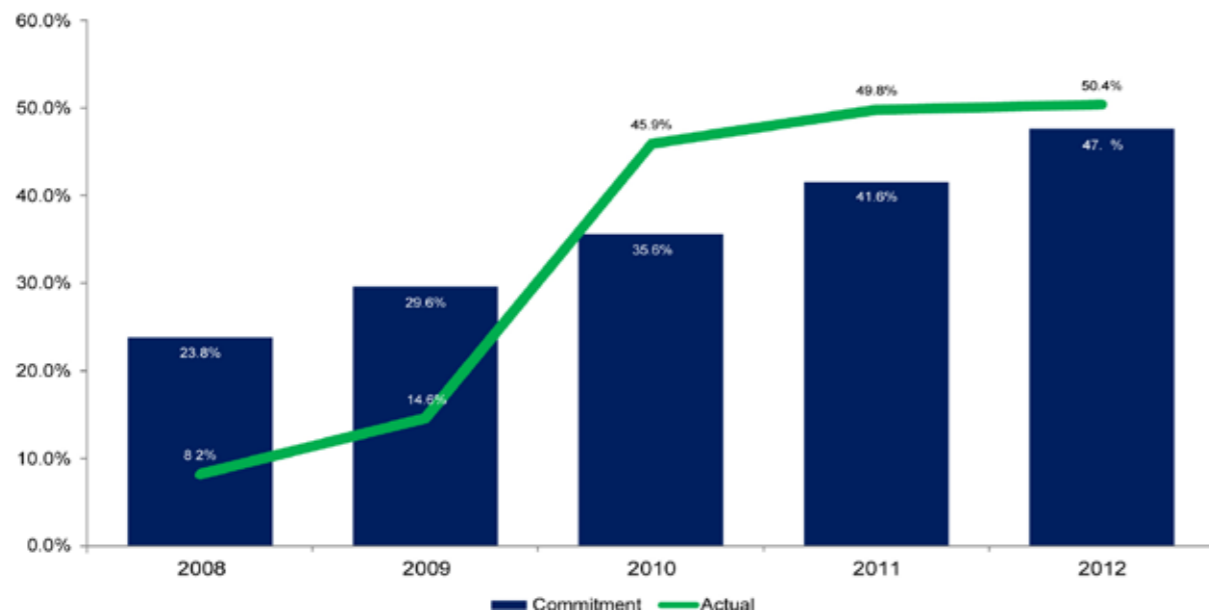
As a result of its commitment to the preferential procurement objectives outlined in the Mining Charter, Venetia Mine developed a Procurement Progression Plan to ensure:

- Identification of BEE entities within the Limpopo region.
- Creation of a database/supplier list so that future HDSA procurement expenditure is reported and reflected correctly.
- Alignment of procurement expenditure from BEE entities and local suppliers by setting realistic targets over the next five years.
- Encouragement of existing DBCM suppliers who are anticipated to have capacity in the Limpopo region to embark on a transformation process by creating HDSA shareholding in their ownership structures or enter into joint ventures.

In line with the Procurement Progression Plan, the mine undertakes supplier registration drives on an annual basis to engage with and assist local businesses with the tendering process and to inform them about procurement opportunities. Commenting on one of these sessions held with local business owners, the Mayor, Councillor Serite Sekgoloane of the Blouberg LM, applauded Venetia Mine for the brilliant initiative and encouraged other businesses to take a leaf out of Venetia Mine's book to ensure they talk to communities about business opportunities. He also encouraged local suppliers to organise themselves into formal structures so that they can speak with one voice and contribute towards a conducive business environment within their communities.

Graph 1 shows Venetia Mine's local SLP commitments against the actual HDSA spend for the period 2008-2012.

GRAPH 1: LOCAL SLP COMMITMENT VS ACTUAL HDSA SPEND 2008-2012



In 2013, Venetia Mine spent a total of R1,251,546,637 on goods and services procured from local suppliers. Procurement from HDSA suppliers amounted to R1,206,367,354 in 2013.

Over and above the mine's contribution to the economy through local procurement, Venetia Mine also pays rates and taxes to the relevant local authorities which in 2013 amounted to R1,298,300.

ENTERPRISE DEVELOPMENT

One of the milestones achieved in enterprise development was the introduction of the Venetia Business Hub in 2011. The primary objective of the Hub is to provide both financial as well as non-financial support to local entrepreneurs to venture into any form of sustainable business. Both municipalities have subsequently agreed to support all their future entrepreneurial projects through the Venetia Business Hub. Since its introduction, 29 businesses have been supported and 355 jobs have been created.

TABLE 10: ENTERPRISE DEVELOPMENT INITIATIVES THROUGH THE VENETIA BUSINESS HUB

YEAR	NR OF BUSINESSES SUPPORTED	JOBES CREATED	FUNDS DISBURSED
2011	4	28	R699,440
2012	13	179	R1,928,595
2013	14	167	R2,985,082
TOTAL	31	374	R5,613,117

VENETIA BUSINESS HUB HELPS LOCAL BUSINESS GROW FROM STRENGTH TO STRENGTH



“I AM LIVING PROOF THAT BEING ILLITERATE DOES NOT STOP YOU FROM ACHIEVING YOUR GOALS, I CANNOT READ OR WRITE AND I CANNOT SPEAK ENGLISH AND YET I HAVE BEEN EMPOWERED BY THE VENETIA BUSINESS HUB TO CHANGE MY LIFE, BUT ALSO TO MAKE A DIFFERENCE IN THE LIVES OF MY FAMILY AND MY COMMUNITY.”
- MERCY SITHAGU

Mercy Sithagu of Sithagu Farm in the small village of Nwanedi in Limpopo Province was heralded as the '2012 Female Farmer of the Year' by the Musina LM, the Vhembe District Municipality's Department of Agriculture and the Limpopo Department of Agriculture. Through the financial assistance and mentorship provided by the Venetia Business Hub, Sithagu Farm has been recognised as harvesting the best produce in the Musina LM.

With the assistance of a business loan of R110,000 from the Venetia Business Hub, Sithagu Farm preserved five jobs, and created an additional five permanent positions and approximately 10 temporary jobs during harvesting of tomatoes. This achievement is highlighted by the payment of her final loan instalment which makes her the first entrepreneur to successfully repay her loan to the Venetia Business Hub before the agreed repayment period.

At the invitation of the Department of Trade and Industry, Mercy visited the United States of America as part of the Trade Mission to Minnesota. The trip aimed to identify alternate markets for eight South African farmers from a variety of agricultural disciplines.

This trip was Mercy's first flight and her introduction to the international business community. It provided first hand experiences of first world farming systems, food processing and agricultural markets. Visiting Washington D.C. and Chicago has left this emerging entrepreneur inspired and determined to expand her business. When asked about her business plan going forward, Mercy declared that she would make a second loan application from the Venetia Business Hub in order to expand her business through a cold room and food processing machinery, making her more competitive in South African markets and empowering Sithagu Farm to sell directly to supermarkets.

5 PROFILE OF THE LOCAL AREA

Venetia Mine draws its labour mainly from villages and towns in the Musina and Blouberg Local Municipalities. The mine's zone of influence is therefore defined as these two municipal areas, which are profiled in this section.

5.1 PROFILE OF THE LOCAL AREA

Limpopo Province, South Africa's northern-most province, shares international borders with Mozambique, Zimbabwe and Botswana. The province encloses 125,754km² which constitutes 10.3% of South Africa's total land area. With a population of 5,404,868 it is the province with the fifth largest population. It has the highest unemployment rate (39%) of all nine provinces and the highest level of poverty, with 78% of the population living below the national poverty line.

The population comprises 55% female and 45% male residents and consists of several ethnic groups distinguished by culture, language and race. 97% of the population is Black, 2% is White, 0.2% is Coloured, and 0.1% is Indian. 42% of the province's population is under the age of 19. The province is predominantly rural with 74% of local dwellings located in a tribal or traditional area, compared to a national average of 27%. Primary economic activities include agriculture and mining.

Venetia Mine draws its labour mainly from the municipal areas of Musina (45.2%) and Blouberg (17.6%). These two municipalities are therefore profiled as the mine's zone of influence.

Musina LM, with its seat in the town of Musina, is located in the very north of the province, bordering Botswana and Zimbabwe and covers an area of 7,577km². The municipality has six wards. Apart from Musina, the main town, other smaller areas included in the municipality are the Mapungubwe Nature Reserve, Beit Bridge, Malale, Madimbo and Mopane.

The Blouberg LM is in the far northern part of the Capricorn District Municipality and covers an area of 9,248km². The municipality consists of 21 wards and 125 towns and villages. Most of these villages are rural. Alldays and Senwabarwana are the largest population centres in the municipal area.

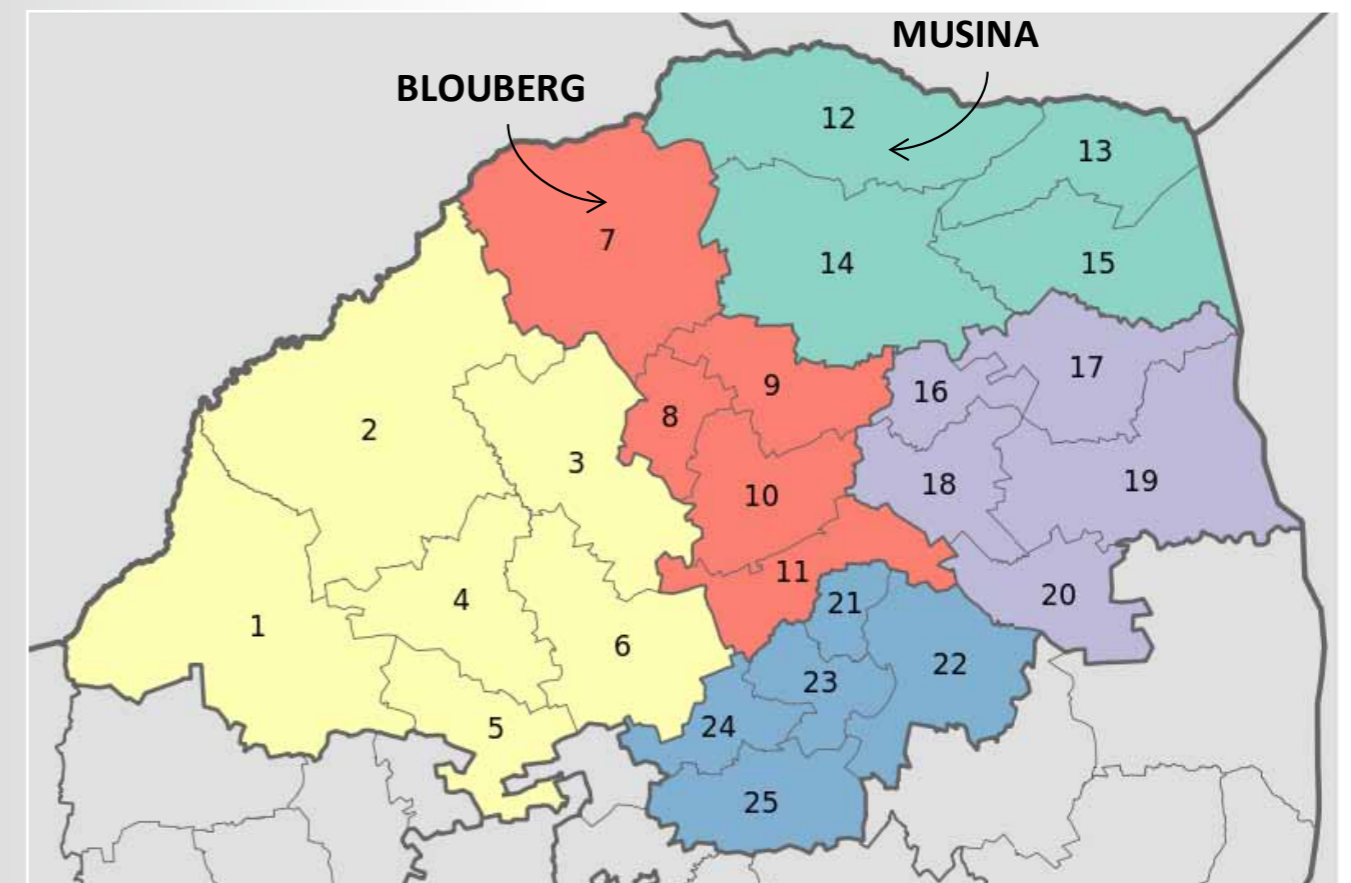


FIGURE 3: LOCAL AND DISTRICT MUNICIPALITIES IN LIMPOPO PROVINCE.

- **MOPANI:** BA-PHALABORWA, GREATER GIYANI, GREATER LETABA, GREATER TZANEEN AND MARULENG
- **VHEMBE:** MUSINA, MUTALE, THULAMELA AND MAKHADO
- **CAPRICORN:** AGANANG, BLOUBERG, LEPELLE-NKUMPI, MOLEMOLE AND POLOKWANE
- **WATERBERG:** BELA-BELA, LEHALALE, MODIMOLLE, MOGALAKWENA, MOOKGOPHONG AND THABAZIMBI
- **SEKHUKHUNE:** ELIAS MOTSOLEDI, EPHRAIM MOGALE, FETAKGOMO, MAKHUDUTHAMAGA AND GREATER TUBATSE

5.2 DEMOGRAPHICS

POPULATION FIGURES

The population of the Musina municipal area has increased with 5.53% since 2001 to a total of 68,359. Much of this growth has been concentrated in the town of Musina with a population of 42,677. The growth in Musina, the economic hub of the municipality, can be ascribed to its relative proximity to the Zimbabwean border. Due to its status as a border settlement, the area experiences a significant degree of commuting to and from the town. There has also been a substantial influx of people from rural areas and from across the border looking for formal employment or to have access to better social infrastructure.

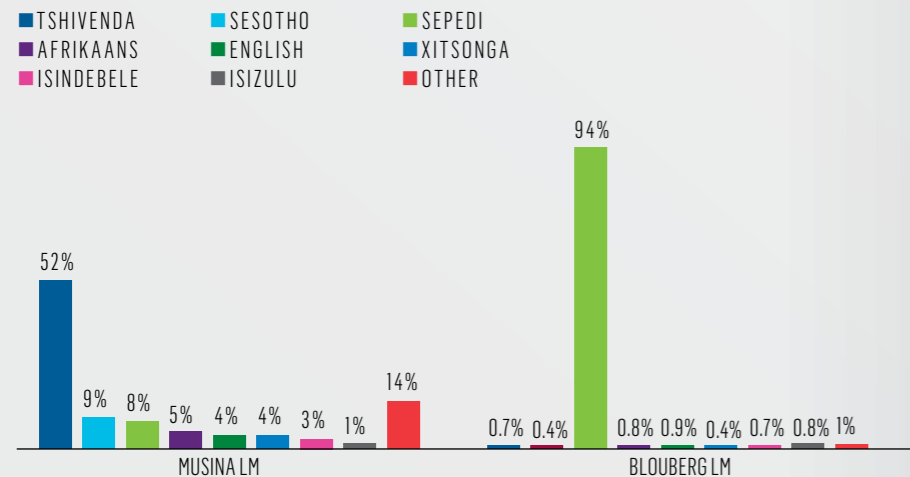
The Blouberg LM in contrast, experienced a -0.54% growth rate since 2001 to a total of 162,628 in 2011. The municipality houses almost two and a half times as many people as the Musina LM. The decline in the population can possibly be attributed to the shortage of employment opportunities, to aging and/or limited social infrastructure and poverty. Alldays and Musina are the two towns closest to the mine. Alldays has a population of 2,989.

ETHNIC COMPOSITION

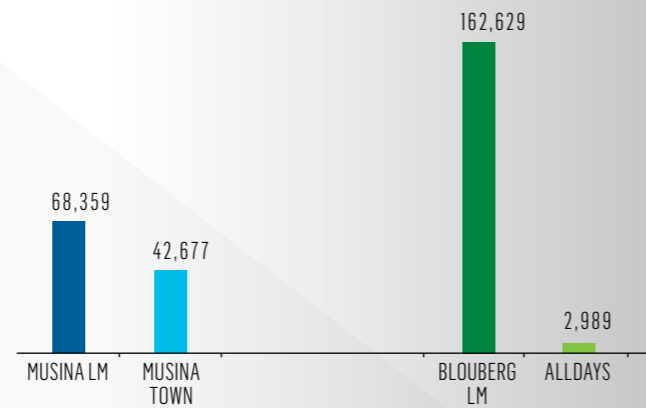
94% of the Musina LM's population is Black African, while Whites (5%) constitute the second largest population grouping, which mirrors the provincial statistics. 52% of the population in the municipality speaks Tshivenda as their first language, followed by 9% who speaks Sesotho, and 8% speaking Sepedi.

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

GRAPH 3: LANGUAGE



GRAPH 2: POPULATION SIZE



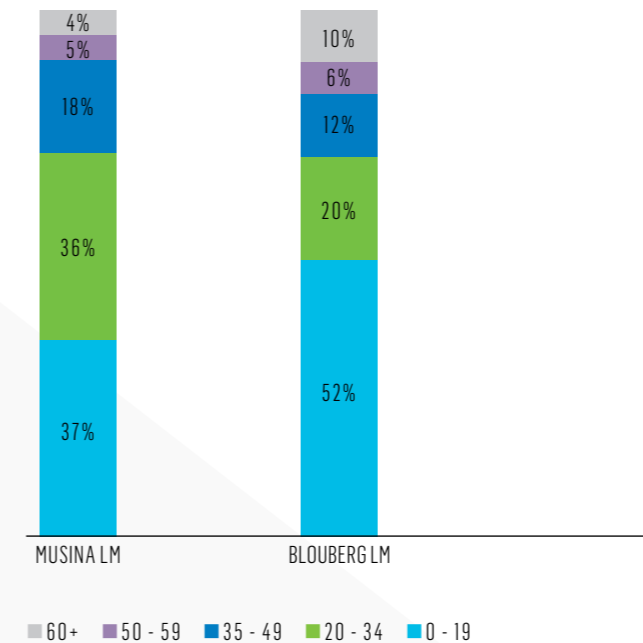
“
The Musina LM population increased with 5.5% since 2001, while population growth was negative in the Blouberg municipal area.
 ”

AGE AND GENDER

36% of the population in the Vhembe District Municipality is under the age of 19 compared to 51% in the Capricorn District Municipality. The two municipalities reflect almost the same realities in their districts with 37% of the population in the Musina LM under the age of 19 opposed to 52% in Blouberg LM. This highlights the enormous challenges in terms of education and future employment for this age group.

The economically active age group of 20 to 59 accounts for 59% of the population in Musina LM and 38% in Blouberg LM indicating lower standards of living for the population of the Blouberg LM.

GRAPH 4: AGE GROUPS



The gender split in the Musina municipal area is almost 50:50 with 50.5% male and 49.5% female. In the Blouberg municipal area however, females (54.4%) outnumber males (45.6%). This may be ascribed to a migration of men from the area to seek employment in other areas.

GRAPH 5: GENDER RATIO



↑ SITE VISIT AS PART OF THE "TAKE A GIRL-CHILD TO WORK" INITIATIVE.

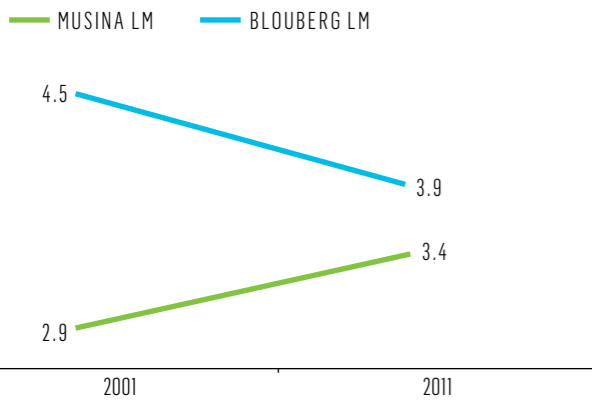


↑ COMMUNITY RADIO STATION SUPPORTED BY VENETIA MINE.

HOUSEHOLD SIZE

The size of a household is an indication of the number of people living under one roof and sharing an income. The average household size for Musina LM increased from 2.9 in 2001 to 3.4 in 2011 compared to that of Blouberg LM which decreased from 4.5 to 3.9 for the same time period. The increase as well as the decrease would appear to support the population growth trends in the two municipalities.

GRAPH 6: AVERAGE HOUSEHOLD SIZE



“ There seems to be out-migration of men from the Blouberg municipal area, in search for employment opportunities elsewhere. ”

39.6% of households in Musina LM area are headed by females compared to 56.3% in Blouberg LM. This seems to confirm the gender split skewed in favour of women in Blouberg LM and the possible out-migration of men in search for employment opportunities elsewhere.

GRAPH 7: HOUSEHOLD DYNAMICS



SOVETSO CRÈCHE AND THE CAMPBELL CHILDHOOD CENTRE SUPPORTED BY VENETIA MINE.

5.3 ECONOMY, LIVELIHOODS AND LABOUR FORCE

INCOME PROFILE

The socio-economic disparity between the two municipalities becomes evident when the average household income per municipal area is compared. The average household income for Musina LM extrapolates to R5,086 per month compared to Blouberg LM's average household income of R2,845 per month. The disparity is compounded by the fact that the average household size is higher in Blouberg LM meaning

more people have to survive on a smaller household income, compared to Musina LM. Blouberg LM also has the lowest average household income of the five municipalities within the Capricorn District Municipality and is well below the average monthly household income of R4,737 for the province.

The income profile also corresponds with government grant dependency. The overwhelming majority of social grants received are child support grants with 17% of the population of the Musina LM receiving child support grants compared to 29% of the population in Blouberg LM.

TABLE 11: AVERAGE HOUSEHOLD INCOME

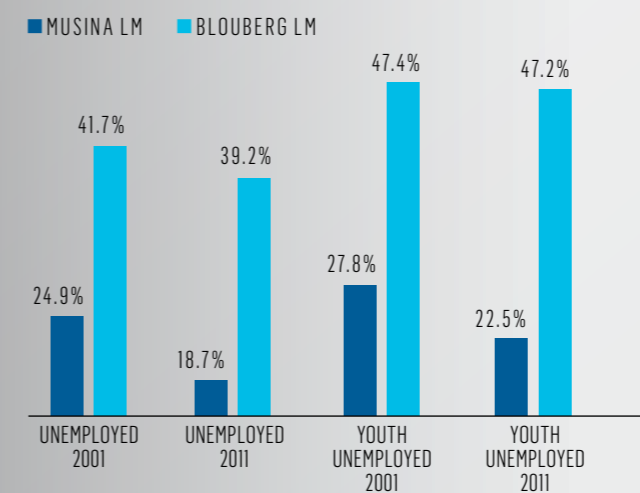
AREAS	2001		2011	
	ANNUAL	MONTHLY	ANNUAL	MONTHLY
Limpopo Province	R22,985	R1,915	R56,841	R4,737
Vhembe District Municipality	R23,000	R1,917	R49,440	R4,120
Musina LM	R24,673	R2,056	R61,026	R5,086
Capricorn District Municipality	R26,260	R2,188	R69,220	R5,768
Blouberg LM	R15,159	R1,263	R34,138	R2,845

EMPLOYMENT PROFILE

Like the rest of the province, Vhembe (38.7%) and Capricorn (37.2%) District Municipalities, suffer from high levels of unemployment. Unemployment in the two local municipalities reflects a significant difference between the two municipalities, with 18.7% unemployment in Musina LM and 39.2% in the Blouberg LM. There was a notable drop in unemployment rates for Musina LM compared to

the marginal drop for Blouberg LM between 2001 and 2011. The youth (ages 15-34) unemployment rate in both districts mirrors the alarming high levels in the province (49%). The Vhembe District Municipality's youth unemployment rate is 51% and Capricorn District Municipality 47%. Again, the disparity between the two local municipalities is evident with youth unemployment at 22.5% in the Musina LM and 47.2% in the Blouberg LM.

GRAPH 8: UNEMPLOYMENT

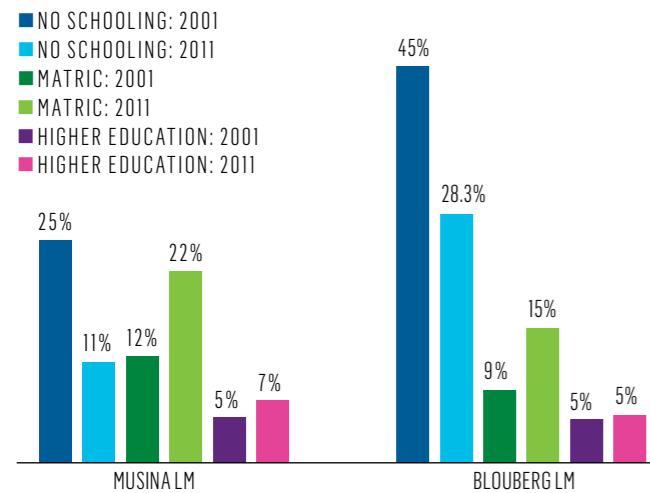


PARTICIPANTS IN THE NWANEDI FOOD GARDEN PROJECT.

5.4 EDUCATION

The education level among the Musina LM population is consistently higher than among the Blouberg LM population. However, both areas lag behind the national education levels where 28.4% of the population has matric and 12.1% a higher education qualification.

GRAPH 9: EDUCATION



Schools in Musina LM are generally well maintained and resourced. However, rural schools are often under-resourced and have to make do with infrastructure in poor condition.

While the Blouberg LM has made great strides in the upgrading and construction of schools with the aid of the Japanese Embassy, Department of Education and De Beers, further improvements are still required.

Table 12 provides information regarding the number of schools in the two municipalities.

TABLE 12: NUMBER OF SCHOOLS PER MUNICIPALITY

	MUSINA LM	BLOUBERG LM
ECD Centres	1	37
Primary Schools	32	29
Secondary/High Schools	13	19
TOTAL	46	48

Sources: Venetia Mine SLP 2013 – 2017; Interview with Blouberg LM Mayor

5.5 HEALTH

HIV/AIDS and related illnesses (such as tuberculosis) represent some of the most pressing health issues in both municipal areas. An additional health concern in the Blouberg municipal area is a high incidence of diarrhoea among children which could be as a result of poor access to clean drinking water.

Healthcare facilities in the Musina municipal area include Musina Clinic, Musina Hospital, Nancefield Clinic, MFS Clinic, Newstart Clinic and other satellite clinics. Many of the above public healthcare facilities are poorly maintained, understaffed and often suffer from a lack of resources, resulting in long waiting periods for patients and inadequate healthcare. The improvement of these facilities has been prioritised by the municipality and provincial government. If illnesses cannot be treated in locally available healthcare facilities, local communities use facilities such as the Polokwane Hospital and Tshildzini Hospital.

Locally available health facilities in the Blouberg LM include Taaibosch Clinic, Alldays Clinic, Ga-Kibi Clinic, De Vrede Clinic and Helen Franz Hospital. Health care provision in the municipality is below national norms and standards with some communities not having access to services and existing facilities being under strain. As a consequence, residents often have to travel to clinics and hospitals situated at a considerable distance – sometimes as much as 80km; these include facilities such as Ratshatshaa Hospital and Senwabarwana Hospital.

The alternative to conventional medicine practiced by many people in the area is traditional medicine.

“
Less than a quarter of the adult population in the Musina and Blouberg municipal areas have matric.
 ”

5.6 UTILITIES, INFRASTRUCTURE AND SERVICES

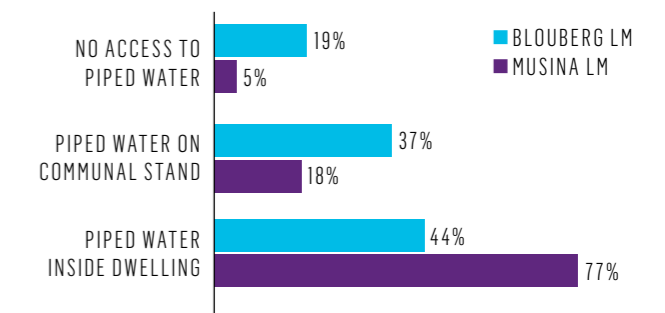
ACCESS TO WATER FOR HOUSEHOLD USE

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. 77% of households in the Musina LM have access to piped water inside their dwellings compared to 44% in the Blouberg LM. 19% of households have no access to piped water in the Blouberg LM. These figures would seem to strengthen the view that Musina LM enjoys better socio-economic conditions than Blouberg LM.

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 10: SOURCE OF WATER



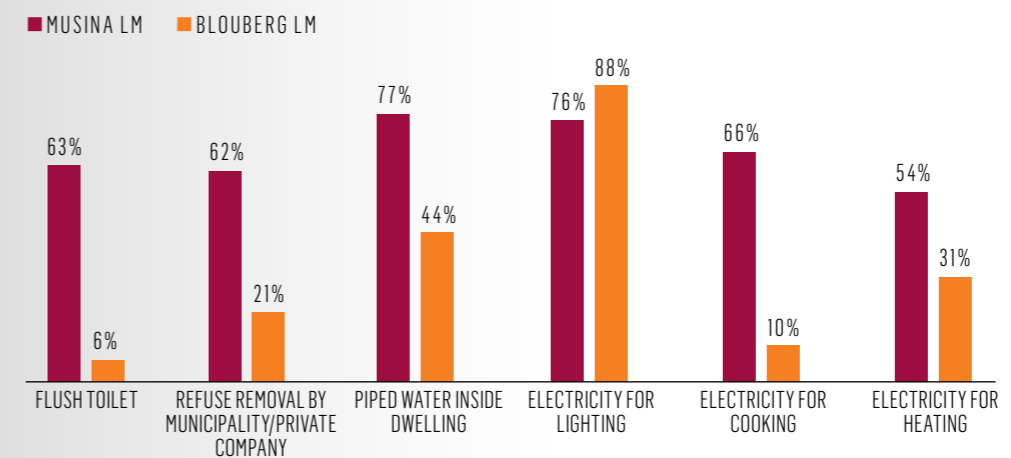
WORKERS PLANTING POLES FOR THE ELECTRIFICATION PROJECT IN MUSINA.

ACCESS TO ELECTRICITY

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. This area has 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 11: ACCESS TO SERVICES



ACCESS TO SANITATION AND REFUSE REMOVAL

Table 13 and Graph 11 show the percentages of households in Musina and Blouberg Local Municipalities that have access to sanitation and refuse removal. 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 94% 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.

TABLE 13: ACCESS TO SANITATION AND REFUSE REMOVAL

SANITATION SERVICE	MUSINA LM		BLOUBERG LM	
	2001	2011	2001	2011
Flush toilet connected to sewerage	45%	63%	4%	6%
Weekly refuse removal	42%	62%	1.5%	21%

ACCESS TO HOUSING

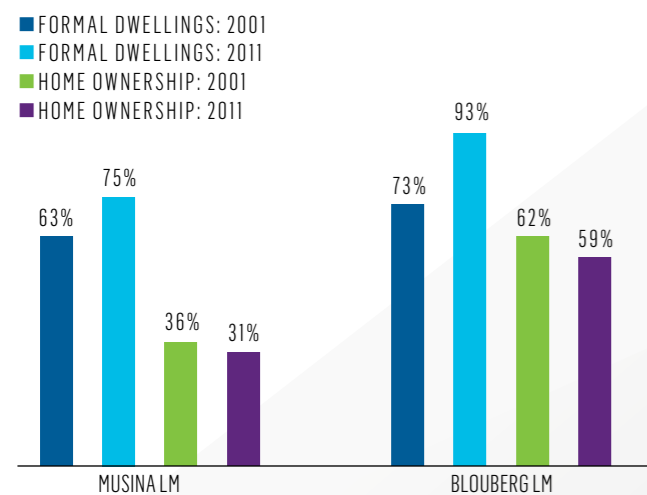
Most households in both municipalities live in formal dwellings, although informal dwellings are more common in the Musina municipal area. Venetia Mine built 465 housing units in the Musina municipal area for skilled staff on C Band and upwards. Employees on B Band receive a housing allowance.

The relative high number of informal dwellings in the area could be linked to a scarcity of affordable housing due to the significant population growth which resulted in the migration of people into the area looking for work.

Although there is a significant increase in households living in formal dwellings in both municipalities since 2001, home ownership has slightly decreased in both Musina and Blouberg.

The significantly higher percentage of home ownership in Blouberg LM could possibly be attributed to the fact that residents in rural communities generally build their own houses, and there is not an influx of new people into the area.

GRAPH 12: HOUSING



THE TSUNANE DRESS MAKING PROJECT OPERATES FROM THIS HOUSE.



THE VENETIA LIMPOPO NATURE RESERVE LANDSCAPE.

5.7 NATURAL RESOURCES

Venetia Mine is adjacent to the Venetia Limpopo Nature Reserve and approximately 24km from the Mapungubwe National Park, thus located in a sensitive natural environment.

Water is a scarce commodity in the area which is prone to frequent drought. Concerns raised particularly by the farmers, relate to the possible impact by the mine on the ground water levels. Venetia Mine requires a large volume of water and attempts have been made since the inception of the operation, to abstract water from wells without damaging the ecological system along the nearby river.

Because of the heavy rains in 2013, which have included one-in-200-year floods, there was more water than usual in the only remaining pool for the dry season. To ensure that the pool does not dry up when abstracting water from two well fields, the mine uses an early monitoring system, which measures plant moisture stress. A leaf of a large berry fever tree is compressed under nitrogen gas between 23:00 and 03:00. If a water droplet forms under a pressure of 10 bar, the

vegetation is deemed to be unstressed. If that droplet only forms under a pressure of between 10 bar and 20 bar, it indicates that water stress is setting in requiring the mine to reduce the volume of water taken from the well fields on a monthly basis. Under 10 bar, the mine is permitted to abstract 300,000m³ a month but when pressures of between 10 bar and 20 bar are required to obtain a water droplet, the abstraction has to be reduced to 200,000m³ a month. Anything over 20 bar results in abstraction being reduced to 100,000m³ a month. A dam built by the mine holds 4.5 million cubic metres of water and mine reservoirs are filled during the wet season and for use by the mining operation as dryness sets in.

5.8 SAFETY AND NUISANCE FACTORS

Safety performance for employees and the surrounding communities is seen as a crucial factor by the mine. Noise, dust and vibration levels were raised as environmental nuisance factors during the consultation process by neighbouring farmers. Mitigating measures have been put in place by the mine as outlined in the SMP.

6 IMPACT AND ISSUE IDENTIFICATION AND ASSESSMENT

Impacts and issues were identified through stakeholder consultation, document analysis and discussions with the Venetia Mine Socio-Economic Assessment Steering Committee.

Insights are gathered from desk research and through engagement with stakeholders to understand key positive and negative impacts directly linked to Venetia Mine as well as issues that may impact on the relationship with the mine.

This section describes these impacts and issues which are addressed and responded to in the SMP as outlined in Section 7 of this report.

Key to understanding issues and impacts are the following SEAT definitions:

- Impacts are directly linked to a mining operation, and proven and/or agreed as either positive or negative impacts.
- Issues influence the relationship between the mine and stakeholders, despite the fact that issues cannot be directly attributed to the operation. Issues often arise from stakeholders' needs within the context of their socio-economic profile."

Key issues and impacts originating from consultation with Venetia Mine's stakeholders were examined and discussed with the Venetia Mine's SEA Steering Committee. These discussions included:

- Verification of identified issues and impacts.
- Risk assessment using the Anglo American Integrated Risk Methodology.
- Evaluation of the appropriateness of the current management measures (including community development projects) to address these issues and impacts.
- Consideration of new or alternative management measures required to sufficiently respond to concerns and issues raised by stakeholders.



↑ RATANANG SPECIAL SCHOOL, UPGRADED BY VENETIA MINE.

6.1 KEY IMPACTS AND ISSUES

IMPACT 1

POSITIVE IMPACT ON SCHOOL EDUCATION

Venetia Mine is involved in a number of projects in schools within the Musina and Blouberg municipalities. The mine's interventions seek to positively impact the education system through a comprehensive investment programme that intervenes from early childhood. Initiatives include school infrastructure development, learner and educator support programmes, bursaries and scholarships.

Stakeholders acknowledged Venetia Mine's positive contribution to education and have expressed the hope that the mine would continue with its programmes in this regard as there are still a number of schools in need of upgrading and support.

IMPACT 2

POSITIVE IMPACT ON INFRASTRUCTURE DEVELOPMENT IN THE BLOUBERG AND MUSINA MUNICIPAL AREAS

Venetia Mine invested more than R14,378,271 towards infrastructure upgrades in the Musina and Blouberg Local Municipalities including the upgrading of intersections, electrification projects, erecting of high mast lights, renovation of a testing station and fencing of a community hall. The positive impact of these developments has been praised by stakeholders, although there is limited awareness of the mine's contribution. Stakeholders were more aware of the mine's efforts to upgrade facilities at schools.

IMPACT 3

POSITIVE IMPACT ON LOCAL EMPLOYMENT

Stakeholders acknowledged the positive impact that the mine has on local employment. There is general consensus that the mine employs locals, mostly from the Musina and Blouberg municipal areas, although there is a perception by stakeholders from the Blouberg LM that preference is given to candidates from the Musina municipal area. Stakeholders are also excited about the Venetia Mine underground mining project, since it will create more job opportunities and extend the lifespan of the mine.

IMPACT 4 POSITIVE IMPACT ON NATURE CONSERVATION

Stakeholders are conscious of the fact that Venetia Mine is involved in nature conservation although some are less aware of the details of the mine's initiatives. Appreciation for the mine's efforts comes especially from the Mapungubwe National Park and farmers who value the strong relationship they have with the mine.

From the Mapungubwe National Park's point of view, there are two areas where they would like to see a response from the mine:

- Non-adherence to traffic regulations by some mine employees when visiting the mine's dam in the park.
- A request for permission to give the park's visitors access to the dam for sightseeing purposes. This was possible in the past, but the mine has retracted the permission due to visitors damaging the eco-system around the mine by illegal fishing and hunting.

IMPACT 5 LOCAL BUSINESSES BENEFIT FROM INCREASED ECONOMIC ACTIVITY RESULTING FROM THE MINE'S PRESENCE IN THE AREA

Stakeholders recognise and value the mine's contribution to develop Musina's local economy by creating indirect business opportunities for local business owners (e.g. guest houses, lodges and retail stores). The mine's contribution towards the infrastructure upgrades in town can potentially improve the status of Musina to be the cornerstone of economic activities in the district.

IMPACT 6 INSUFFICIENT OPPORTUNITIES FOR LOCAL BUSINESSES TO SUPPLY GOODS AND SERVICES TO THE MINE

Despite efforts by the mine to accelerate local procurement, stakeholders believe that there are not enough opportunities for local businesses to supply goods and services to the mine. Stakeholders feel the mine should do more to assist and empower local businesses to become suppliers to the mine.

The mine recently conducted a supplier recruitment drive targeted at businesses in the Musina and Blouberg municipal areas to create a database of potential local suppliers for the mine. In addition, the mine also conducts Supplier Day events every year where it shares information on procurement with local suppliers.

Currently the mine's data on local procurement is lacking due to insufficient details captured until 2012. The mine reports on HDSA suppliers, or at most, suppliers from Limpopo, without being able to identify and track its transactions with local suppliers from Musina and Blouberg municipal areas. This has been corrected and it is now possible to track spend with local suppliers in more detail.

IMPACT 7 POSITIVE IMPACT OF EMPLOYEE BUS TRANSPORT

ISSUE 1 MINE BUSES ASSOCIATED WITH SAFETY AND HEALTH HAZARDS IN RURAL VILLAGES

IMPACT:

There is appreciation for the positive impact of the mine's provisioning of bus transport for employees to commute to work. Mine buses transport employees across different areas including some villages within the Blouberg LM and play an important part to prevent congestion and reduce safety hazards on the road to the mine.

ISSUE:

Despite stakeholders' appreciation for the mine's efforts to provide employees with transport to work, residents of rural villages experience the following negative associations with the mine's bus transport service:

- Deteriorating road quality
- Dust and emissions
- Speeding drivers in rural villages causing a safety risk for residents

ISSUE 2 LIMITED CAPACITY OF LOCAL GOVERNMENT RESULTS IN UNREALISTIC EXPECTATIONS FROM VENETIA MINE

There is an overreliance of the Musina LM on the mine to assist with the provision of basic services, infrastructure and other socio-economic development initiatives. The municipality's limited capacity to fulfil its role compels the community to turn to the mine for assistance with unrealistic expectations of what the mine can do for the community. Although the Blouberg LM seems less reliant on the mine and more aware of its own responsibilities, the extent of the service delivery backlog also drives communities in the rural areas to turn to the mine for help.

There is an immense difference in the socio-economic indicators between Musina and Blouberg municipal areas. The scarcity of water is also a major challenge in the Blouberg LM. Only 44% of households in this municipality have access to piped water inside their dwellings opposed to 77% of households in the Musina LM. In terms of access to sanitation facilities the majority of households in the Blouberg municipal area do not have access to weekly refuse removal. These figures may explain why stakeholders from the Blouberg municipal area feel that Musina residents have a better standard of living (although they attribute it to the impact of Venetia Mine).

Venetia Mine cannot fulfil all the expectations of local stakeholders in this regard, and their dependency on the mine does not bode well for the sustainability of communities once the mine is no longer there.

IMPACT 8 NOISE, DUST AND VIBRATIONS DUE TO BLASTING IMPACT NEGATIVELY ON NEIGHBOURING FARMERS

ISSUE 3 DECREASE IN GROUND WATER LEVELS ASSOCIATED WITH VENETIA MINE

IMPACT:

Generally the farming community regards the mine as a good neighbour given that it provides them with support in times of emergencies and is perceived to be a responsible business. However, farmers closest to the mine experience negative environmental impacts such as noise, vibrations and dust from blasting.

There are also increased traffic volumes in areas closer to the mine resulting in road kill incidents of commuters and wild animals. Farmers and environmental NGOs (such as the EWT) expressed the need for regular engagement opportunities with the mine to embark on joint problem solving initiatives to address these negative environmental impacts.

ISSUE:

Neighbouring farmers are faced with a decrease in groundwater levels, which they associate with the mine. Although the mine measures its impact on ground water (and its noise and vibration levels), results are not always shared with impacted stakeholders. The tracking of ground water levels indicates no negative impact as a result of mining activities – this information has also not necessarily been explained and shared with impacted farmers.

ISSUE 4 NEED FOR POST-SCHOOL TRAINING AND EDUCATIONAL FACILITIES

Stakeholders strongly believe that the mine can assist in the establishment of a post-school facility to train community members on specifically mining related skills. This can be done in the form of an artisan training facility or a Further Education and Training (FET) college, or a skills development centre in Musina. Stakeholders believe that these initiatives will create a recruitment pool for the mine in the community, especially in view of the fact that the new underground section of the mine will require specialised skills.

ISSUE 5 NEED FOR RECREATIONAL FACILITIES FOR THE YOUTH

Social ills in the Musina community are exacerbated by the lack of recreational facilities in and around Musina town. Stakeholders are of the opinion that this increases alcohol abuse among the youth, and also contributes to teenage pregnancies and HIV/AIDS infections.

The same holds true for communities in the Blouberg LM, although the issue was not raised specifically by Blouberg stakeholders. 52% of the population in the Blouberg LM is under the age of 34 years compared to 37% in the Musina LM. The Blouberg municipal area also has a higher proportion of unemployed youth than the Musina municipal area – 47% of youth are unemployed in the Blouberg municipal area compared to 22.5 % in the Musina municipal area.

ISSUE 6 WATER SCARCITY IN RURAL COMMUNITIES

The scarcity of water is a major challenge in the Blouberg LM. Situated in an arid region, rural communities experience serious challenges with regard to accessing water for household use. Only 44% of households have access to piped water inside their dwellings compared to 77% in the Musina LM. In some villages there are boreholes, but no pipes and pumps to access the water. Although there are reservoirs in a number of villages, they are too small to cater for the number of people in the surrounding villages. The Ga-Kibi, Ga-Makgato and Babirwa Traditional Authorities are placing their hope on Venetia Mine to assist them in solving their water crisis.

ISSUE 7 DISPARITY IN ENGAGEMENT PREFERENCES FROM TRADITIONAL AUTHORITIES AND LOCAL MUNICIPALITY

Ambiguity in the roles and political status of local government leadership vis-à-vis traditional leaders, complicates the mine's engagement with these two stakeholders. Both stakeholders are key to the mine and have to be acknowledged and involved in the mine's identification and planning of community development projects. The challenge is who to engage first, and whose project proposals or needs to adhere to in the mine's SLP and other development initiatives. Traditional authorities demand to be engaged first, and to have the deciding input, whereas the municipality sees itself as the custodian of community development, and hence believes that the mine's engagement and decisions should be geared more towards the municipality.

ISSUE 8 RURAL COMMUNITIES EXPERIENCE DIFFICULTY TO ACCESS OPPORTUNITIES AT THE MINE

Unemployed residents of villages under the Ga-Kibi, Ga-Makgato and Babirwa Traditional Authorities do not have the means to travel to Alldays or Musina to collect and submit application forms for employment at the mine, or for support from the Venetia Business Hub, or the mine's LAC. Given the distances between the villages and Alldays and Musina, there is a need to make these opportunities more accessible through the offices of the local traditional authorities.

ISSUE 9 UNREALISTIC EXPECTATIONS FOR PAY-OUTS FROM THE PONAHALO SCHEME

The envisaged pay-outs from the scheme in 2014 will be significantly lower than anticipated. For this reason, organised labour predicts a major upset among recipients of the pay-outs. Employees are acutely aware of Kumba Iron Ore's widely publicised Envision scheme and the sizable pay-outs, which contributed to similar expectations of the PonaHALO pay-outs. Apparently, there was no or limited communication from PonaHALO to employees since its inception, which means that beneficiaries' expectations have not been managed. Stakeholders seem not to understand that the scheme is structured very differently from Kumba's Envision scheme and that the pay-outs can therefore not realistically be compared to the Envision pay-outs.

Some stakeholders also need clarification from PonaHALO on a number of issues, specifically the provision made for community trusts to benefit from the scheme. It is not clear whether there are already existing community trusts that will benefit, or whether community trusts will have to be formed for this purpose.

IMPACT 9 LIMITED ACCESS TO AFFORDABLE HOUSING FOR EMPLOYEES ON LOWER JOB LEVELS

According to stakeholders, it is only Venetia Mine employees on higher job levels who qualify for the 465 mine housing units in Musina town. Employees on lower job levels cannot get access to mine housing, but receive a housing allowance, which they regard as insufficient to afford proper accommodation in town.

IMPACT 10 EMPLOYEE CONCERNS ABOUT THE TRANSITION FROM OPENCAST TO UNDERGROUND MINING

Although organised labour welcomes the underground mining project, they have concerns about the transition from opencast to underground mining for employees who would need new skills sets for underground mining. Their plea is for the mine to plan the transition carefully, to ensure that skills development in this regard happens on time so that current employees, who are interested, are ready to fill positions at the underground operation in 2021 when underground mining is expected to commence.

IMPACT 11 UNMET EXPECTATIONS OF CAREER DEVELOPMENT OPPORTUNITIES FOR EMPLOYEES ON LOWER JOB LEVELS

Employees on B Band/semi-skilled employees claim to only have access to training and skills development opportunities related to their current positions at the mine, but not necessarily to training and skills development that would advance them in their careers. Employees on this level do not have individual development plans like employees on higher job levels, although the mine provides training and skills development opportunities for B Band employees to advance to better positions at the mine. The mine's Skills Development Plan was implemented in 2012 and provides employees with access to learnerships and skills development programmes which are requirements for appointments of mine supervisors, metallurgy operators, and mine operators.

IMPACT 12 NEGATIVE IMPACT OF CONTRACTOR BEHAVIOUR ON VENETIA MINE'S REPUTATION

The construction of the Venetia Mine underground shaft has already resulted in an increased number of contractors working on the project. Stakeholders are concerned about the conduct of contractors, as a result of a number of recent incidents:

- Questionable recruitment practices and irregularities with screening and assessment of applicants (e.g. a major contractor whose staff members were accused of asking bribes from applicants before they could pass an assessment test).
- Provision of housing for contractor employees (e.g. Basil Read employees living in informal structures in Blouberg LM on land that is not zoned for residential use).
- Unsafe driving behaviour of contractor employees.
- Contractor employees disrespecting the environment (e.g. road killings of animals, hunting on private land while using roads passing through).
- Unethical conduct by some of the contractors who sometimes refuse to pay for their accommodation costs in lodges and guest houses around Musina, which may impact negatively on the mine's relationship with the local guest houses.

Concerns were also raised about additional pressure on basic service delivery and municipal infrastructure as a result of the expected increase in the number of contractors at Venetia Mine.

IMPACT 13 INSUFFICIENT COMMUNICATION/INFORMATION SHARING BY THE MINE

There is agreement among stakeholders that Venetia Mine needs to increase stakeholders' awareness of its community development projects, either through branding projects and/or through talking about it when engaging stakeholders. There are generally low levels of awareness of the mine's contribution to infrastructure development and education projects. As a result, stakeholders often blame the mine for not contributing to community development.

In addition, there is a need for more regular, ongoing engagement with certain stakeholders, such as neighbouring farmers, traditional authorities, and local municipalities. These stakeholders are mostly engaged through formal processes such as public participation processes, social impact assessments and IDP/LED forums. However, they expressed a need to be updated and to receive regular feedback on progress made, or new developments at the mine, in addition to the aforementioned formal engagements. Some stakeholders also experience a lack of responsiveness from the mine in terms of job applications, applications for community development support or applications for support from the Venetia Business Hub. In cases where applications are rejected, it was alleged that no reasons were given.

ISSUE 10 PERCEIVED PREFERENTIAL TREATMENT OF MUSINA TOWN AND COMMUNITIES

There is general consensus among stakeholders in the Blouberg municipal area that Venetia Mine gives preferential treatment to Musina town and communities in terms of:

- Employment (more Venetia mine employees are from Musina)
- Community development projects (more support for organisations such as CBOs/NGOs/FBOs in Musina)
- Support to the municipality in terms of infrastructure development (e.g. upgrading of schools, roads, and other infrastructure)

The argument is made that Alldays is situated closer to Venetia Mine than Musina town, and that it is unfair that Musina town receives all the benefits and is more developed than Alldays. This perception may be strengthened by the general lower levels of development in the Blouberg municipal area, which unlike the Musina municipal area, is mainly rural. Although the socio-economic status of the Blouberg population cannot be attributed to Venetia Mine, there are certainly more development needs in Blouberg, which may contribute to the perception that Musina benefits unfairly.

6.2 ASSESSMENT OF KEY IMPACTS AND ISSUES

Table 14 provides an overview of the prioritised issues and impacts together with the potential risk level if the mine does not respond adequately to issues. The Anglo American Integrated Risk Management methodology was applied to determine the risk level, taking into account the following:

- Mitigation measures at the time of the assessment
- Likelihood for the risk to materialise
- Potential consequence, should a risk materialise
- Prioritisation of risks

For positive impacts, no risk assessment is done. Instead, opportunities linked to positive impacts are defined.

ANGLO AMERICAN'S INTEGRATED RISK MANAGEMENT MATRIX

LIKELIHOOD		RISK RATING				
		1 INSIGNIFICANT	2 MINOR	3 MODERATE	4 HIGH	5 MAJOR
5-Almost Certain > 90%	90% and higher likelihood of occurring	11 (Medium)	16 (Significant)	20 (Significant)	23 (High)	25 (High)
4-Likely 30%-90%	Between 30% and less than 90% likelihood of occurring	7 (Medium)	12 (Medium)	17 (Significant)	21 (High)	24 (High)
3-Possible 10%-30%	Between 10% and less than 30% likelihood of occurring	4 (Low)	8 (Medium)	13 (Significant)	18 (Significant)	22 (High)
2-Unlikely 3%-10%	Between 3% and less than 10% likelihood of occurring	2 (Low)	5 (Low)	9 (Medium)	14 (Significant)	19 (Significant)
1-Rare <3%	Less than 3% likelihood of occurring	1 (Low)	3 (Low)	6 (Medium)	10 (Medium)	15 (Significant)
RISK RATING	RISK LEVEL	GUIDELINES FOR RISK MATRIX				
21 to 25	High	A high risk exists that management's objectives may not be achieved. Appropriate mitigation strategy to be devised immediately.				
13 to 20	Significant	A significant risk exists that management's objectives may not be achieved. Appropriate mitigation strategy to be devised as soon as possible.				
6 to 12	Medium	A moderate risk exists that management's objectives may not be achieved. Appropriate mitigation strategy to be devised as part of the normal management process.				
1 to 5	Low	A low risk exists that management's objectives may not be achieved. Monitor risk, no further mitigation required.				

TABLE 14: OVERVIEW OF PRIORITISED ISSUES AND IMPACTS

ISSUE (IS) OR IMPACT (IM)	WHO IS IMPACTED	RISK TO MINE IF NOT ADDRESSED/ OPPORTUNITY	RISK RATING	MANAGEMENT MEASURES IN PLACE
IMPACT 1 Positive impact on school education	<ul style="list-style-type: none"> • Learners and educators in Musina town • Learners and educators in Alldays and rural villages in the Blouberg municipal area • Limpopo Department of Education • Blouberg LM 	Opportunity: <ul style="list-style-type: none"> • Retaining skilled employees • Enlarge the limited local recruitment pool 		<ul style="list-style-type: none"> • Limpopo Rural Schools Development Programme • Commitments to build/ upgrade ECD centres in Blouberg municipal area • Musina Schools Subvention Programme • Maths and Science Programme • Upgrades/repairs to Ratanang School hostel • LAC grants

ISSUE (IS) OR IMPACT (IM)	WHO IS IMPACTED	RISK TO MINE IF NOT ADDRESSED/ OPPORTUNITY	RISK RATING	MANAGEMENT MEASURES IN PLACE
IMPACT 2 Positive impact on infrastructure development	<ul style="list-style-type: none"> • Musina LM • Residents of towns and villages in the Musina and Blouberg Local Municipalities 	Opportunity: <ul style="list-style-type: none"> • Retaining skilled employees • Strengthen the mine's social licence to operate • Enhanced reputation 		<ul style="list-style-type: none"> • Renovation of Musina Vehicle Testing Station • Continuation of electrification project • Upgrading of Alldays water pump and reservoir • Fencing of Alldays refuse disposal site
IMPACT 3 Positive impact on local employment	<ul style="list-style-type: none"> • Blouberg LM • Musina LM • Residents of labour sending areas • Local business owners 	Opportunity: <ul style="list-style-type: none"> • Prevention of social ills associated with migrant labour • Enhancement of the mine's social licence to operate 		<ul style="list-style-type: none"> • Continuation of current recruitment practices that give preference to candidates from Blouberg and Musina Local Municipalities
IMPACT 4 Positive impact on nature conservation	<ul style="list-style-type: none"> • SANParks Mapungubwe • Limpopo Department of Economic Development, Environment and Tourism • Local business owners • Environmental NGOs • Neighbouring farmers 	Opportunity: <ul style="list-style-type: none"> • Strengthen the mine's relationship with key stakeholders such as farmers and SANParks • Enhanced reputation 		<ul style="list-style-type: none"> • Maintain current integration between Venetia and SANParks at Mapungubwe • Maintain and promote the Venetia Limpopo Nature Reserve
IMPACT 5 Local businesses benefit from increased economic activity resulting from the mine's presence in the area	<ul style="list-style-type: none"> • Farmers • Musina LM • Blouberg LM • Local business owners 	Opportunity: <ul style="list-style-type: none"> • Enhancement of local economic development • Retention of skilled employees 		<ul style="list-style-type: none"> • VUP
IMPACT 6 Insufficient opportunities for local businesses to supply goods/ services to the mine	<ul style="list-style-type: none"> • Local business owners 	Risk: <ul style="list-style-type: none"> • Social unrest and pressure for government intervention • Insufficient opportunities for local suppliers will impact negatively on the local economy 	Significant	<ul style="list-style-type: none"> • Annual Supplier Days • Local supplier recruitment drives
ISSUE 1 Positive impact of employee bus transport	<ul style="list-style-type: none"> • Residents in rural villages on the bus route 	Opportunity: <ul style="list-style-type: none"> • Retention of local employees • Perceived as "caring employer" Risk: <ul style="list-style-type: none"> • Undue attention from environmental activists • Blame from local authorities for damage to roads • Community unrest in case of life lost because of an accident in a village 	Medium	<ul style="list-style-type: none"> • Speed limits on gravel roads have been reduced • Engineering measures to control bus speed have been installed in buses • Renovations of roads in Musina
IMPACT 7 Mine buses associated with safety and health hazards in rural villages	<ul style="list-style-type: none"> • Farmers • Employees 			

ISSUE (IS) OR IMPACT (IM)	WHO IS IMPACTED	RISK TO MINE IF NOT ADDRESSED/ OPPORTUNITY	RISK RATING	MANAGEMENT MEASURES IN PLACE
ISSUE 2 Limited capacity of local government results in unrealistic expectations from Venetia Mine	<ul style="list-style-type: none"> Musina LM Blouberg LM Residents of Musina, Alldays and rural villages 	Risk: <ul style="list-style-type: none"> Over dependence of local municipality on Venetia Mine Venetia Mine blamed for lack of service delivery due to influx of work seekers 	Significant	
IMPACT 8 Noise, dust and vibrations due to blasting impact negatively on neighbouring farmers	<ul style="list-style-type: none"> Neighbouring farmers Environmental NGOs 	Risk: <ul style="list-style-type: none"> Undue attention by environmental activists Safety risk for commuters and animals Cost of mitigation Government intervention 	Medium	<ul style="list-style-type: none"> Environmental Management Plan
ISSUE 3 Decrease in ground water levels associated with Venetia Mine				
ISSUE 4 Need for post-school training and educational facilities	<ul style="list-style-type: none"> Limpopo Department of Education Trade unions CBO/NGOs Youth 	Risk: <ul style="list-style-type: none"> Social ills associated with poverty and unemployment Retention of skilled employees Skills shortages 	Medium	<ul style="list-style-type: none"> Provision of ECI licences to 50 females in the Blouberg area through the Female Operator Programme to equip them with skills to match the requirement of the current job market. Recruitment of locals to participate in mine learnership programmes
ISSUE 5 Need for recreational facilities for the youth	<ul style="list-style-type: none"> NGOs/CBOs Youth 	Risk: <ul style="list-style-type: none"> Increased social ills among youth Negative impact on the mine's reputation Retention of skilled employees 	Medium	<ul style="list-style-type: none"> Upgrade of the Lesley Manyathela Sport Stadium
ISSUE 6 Water scarcity in rural communities	<ul style="list-style-type: none"> Local traditional authorities Blouberg LM Residents of rural villages 	Risk: <ul style="list-style-type: none"> Public perception that the mine impacts negatively on ground water levels Community unrest and pressure for government intervention 	Significant	<ul style="list-style-type: none"> Venetia Mine has completed a feasibility study on the quality of underground water in rural villages, as a first step in investigating possible measures to address the issue
ISSUE 7 Disparity in engagement preferences from traditional authorities and local municipality	<ul style="list-style-type: none"> Local traditional authorities Blouberg LM 	Risk: <ul style="list-style-type: none"> Negative impact on the mine's relationship with local government and traditional authorities for being seen to disregard the authority of these entities 	Significant	<ul style="list-style-type: none"> Application of current policy to engage with both entities on the impact of projects on their area of jurisdiction
ISSUE 8 Rural communities experience difficulty to access opportunities at the mine	<ul style="list-style-type: none"> Local traditional authorities Residents of rural villages Blouberg LM 	Risk: <ul style="list-style-type: none"> Social unrest and being accused of giving preferential treatment to communities in closer proximity 	Medium	<ul style="list-style-type: none"> SMMEs within Venetia Mine labour sending area are engaged via the De Beers Zimele Hub on opportunities at the mine 140 SMMEs identified through the Supplier sourcing drive in 2013 Identified SMMEs are currently being assessed, those meeting the requirements will be engaged to possibly render services to the mine

ISSUE (IS) OR IMPACT (IM)	WHO IS IMPACTED	RISK TO MINE IF NOT ADDRESSED/ OPPORTUNITY	RISK RATING	MANAGEMENT MEASURES IN PLACE
ISSUE 9 Unrealistic expectations for pay-outs from the Ponahalo scheme	<ul style="list-style-type: none"> Organised labour Employees Ponahalo Capital Holdings 	Risk: <ul style="list-style-type: none"> Instability in labour relations Labour unrest Reputation damage Impact on the relationship with the DMR 	Significant	<ul style="list-style-type: none"> Discussions with trade unions and Ponahalo Capital Holdings
IMPACT 9 Limited access to affordable housing for employees on lower job levels	<ul style="list-style-type: none"> Organised labour Employees Limpopo Department of Human Settlements 	Risk: <ul style="list-style-type: none"> Labour unrest Pressure from the DMR 	Medium	<ul style="list-style-type: none"> Employee housing plan being negotiated with organised labour
IMPACT 10 Employee concerns about the transition from opencast to underground mining	<ul style="list-style-type: none"> Organised labour Employees 	Risk: <ul style="list-style-type: none"> Poor safety performance Negative impact on employee relations Labour unrest 	Medium	<ul style="list-style-type: none"> Employee skills development plan
IMPACT 11 Unmet expectations of career development opportunities for employees on lower job levels	<ul style="list-style-type: none"> Organised labour Employees 	Risk: <ul style="list-style-type: none"> Labour unrest Negative impact on employee relations 	Medium	<ul style="list-style-type: none"> Venetia Mine skills development plan: FLC Programme Learnerships Self-study programme In service training Skills programme for machine operators, drivers and elementary workers
IMPACT 12 The negative impact of contractor behaviour on Venetia Mine's reputation	<ul style="list-style-type: none"> Blouberg LM Local business owners Local residents Neighbouring farmers Department of Labour DMR 	Risk: <ul style="list-style-type: none"> Negative attitudes towards contractors and the negative impacts associated with their behaviour may impact negatively on the reputation of the mine 	Significant	<ul style="list-style-type: none"> Contract management in place Continuous engagement with contractors
IMPACT 13 Insufficient communication/information sharing by the mine	<ul style="list-style-type: none"> All stakeholders 	Risk: <ul style="list-style-type: none"> Unmet expectations of stakeholders Negative impact on stakeholder relationships Reputation damage by being accused of not leaving a positive legacy after mine closure 	Significant	<ul style="list-style-type: none"> Mine to host various community communication forums (Town Hall sessions) Use of LED Forums
ISSUE 10 Perceived preferential treatment of Musina town and communities	<ul style="list-style-type: none"> Musina LM Blouberg LM Youth and other special interest groups Traditional authorities 	Risk: <ul style="list-style-type: none"> Social/community unrest Possible mobilisation of marginalised communities Pressure for government intervention Negative impact on mine's relationship stakeholders 	Significant	<ul style="list-style-type: none"> Interventions such as the Foundational Learning Certificate Programme and Mathematics and Science Programme are rolled out in Blouberg

6.3 APPROPRIATENESS OF EXISTING SOCIO-ECONOMIC BENEFIT DELIVERY INITIATIVES TO ADDRESS IMPACTS AND ISSUES

Socio-Economic Benefit Delivery (SEBD) initiatives refer to all mechanisms used by the mine to contribute to socio-economic development, whether through core or non-core business activities. Current initiatives are assessed to determine whether they have the desired effect of long-term sustainable benefits to stakeholders. Venetia Mine's current community projects will be discussed first and thereafter other initiatives.

As a result of the mine's geographical location, the mine's workforce is sourced from both the Musina and Blouberg municipal areas. Based on these two labour sending areas, the mine's Community Development Programmes have been developed to benefit communities from both labour sending areas. Venetia Mine works closely with the local municipalities to address the need for physical infrastructure development and the severe skills shortage which is key to advance socio-economic development. The mine's Community Development Programmes are linked to the two municipalities' IDPs and as well as the Limpopo Growth and Development Strategy.



↑ VENETIA MINE UPGRADED A NUMBER OF INTERSECTIONS IN MUSINA.

ROAD INFRASTRUCTURE DEVELOPMENT (REPAVEMENT OF ROADS AND INTERSECTIONS)

The main access route through the Musina LM is the N1 highway which also serves as an access road to Zimbabwe. Road infrastructure maintenance and development which is seen as critical to enhance sustainable economic growth, is a major challenge in the Musina and Blouberg municipal areas. After extensive consultation with the Musina LM, Venetia Mine embarked on a project to resurface key access roads/intersections and put in place the storm water drainage system. The impact of this development is seen as very positive by the Musina LM.

MUSINA AND BLOUBERG LOCAL MUNICIPALITIES' ELECTRIFICATION PROJECTS

Responding to the urgent need for electricity in the Blouberg and Musina municipal areas, Venetia Mine implemented electrification projects in both municipal areas between 2008 and 2013.

Currently 76.4% of households in Musina use electricity for lighting which is an improvement from 59.2% in 2001. In the Blouberg municipal area, the majority of houses are serviced by Eskom electricity via a prepaid system. The area has enjoyed a significant increase in electrification over the last decade – the percentage of houses with access to electricity has increased from 41.6% in 2001 to 88% in 2011. Venetia Mine played an important role in this increase.

The electrical supply infrastructure in the Musina municipal area does not have enough capacity to sustain the growth in the municipality. As a result, Venetia Mine committed to upgrade the electrical infrastructure to accommodate future growth of the municipality. Through this project, nine new transformers, with surge arrestors, were installed. These transformers also improved the earthing system in line with Eskom standards. Through this intervention more than 200 households in extensions 8 and 9 in Nancefield, Musina were electrified.

Venetia has also made the following commitments to continue with the electricity upgrade project in the Musina LM in the period 2013 to 2017.

- Replacement of 11kv Switchgear in no 2 Main Substation
- Replacement of transmission poles in Nancefield
- High mast lighting in Nancefield extensions 9 and 10

Through the electrification projects, Venetia Mine made a significant contribution to the quality of life of local community members.

PROJECTS AIMED AT ENHANCING EDUCATION

Employment creation and poverty eradication are both dependent on the skills levels of people in the community. There is a severe shortage of skills particularly amongst the unemployed youth which impacts negatively on their ability to secure employment, whether formal or informal. Obtaining matric does not guarantee employment as the quality of education at school level is often inadequate to provide an entrance into the open job market. The mine's interventions to address skills shortages range from ECD, teachers subvention programmes and school infrastructure upgrades. These interventions are seen as making a positive contribution to the enhancement of the quality of education. There is however a need for post-school training facilities to create a recruitment pool for the mine and to provide the youth with skills that will match the requirements of the current job market.

Education support

The mine introduced the Teachers Subvention Programme at the Messina Primary School, Musina High School and Eric Louw High School. The aim of this long-term programme is to address the shortage of staff by funding additional educators. These educators teach subjects such as English, Life Sciences, Physical Science, Accounting, Mathematics and Mathematics Literacy which impact positively on the improvement of the matric pass rate. The programme also provides scholarships to needy learners who cannot afford to pay their school fees. The mine has committed a further R9,000,000 for this project over the period 2013 to 2017.

Through the Venetia Mine Employee Assistance Programme 56 schools were given a once-off grant of R223,000 each to use for renovations and to meet urgent academic needs.

Provision of Mathematics and Science classes through the Shanduka Programme

Regrettably, the standard of the Shanduka Programme began to deteriorate in 2009 and a decision was made to suspend the programme pending the review of the model. Venetia re-implemented this programme in 2013. The new model will be incorporated into schools' curricula and linked to a Mathematics and Science Programme through involvement of the University of Johannesburg.

Education infrastructure development

The Limpopo Rural Schools Programme is an integrated implementation of rural education infrastructure projects. This programme represents a long standing partnership between De Beers and the Limpopo Department of Education.

The primary objective of this programme is to provide rural schools with much needed infrastructure such as classrooms, administration and laboratory blocks and flush toilets



↑ VENETIA MINE'S ECO-SCHOOLS PROJECT ENHANCES ENVIRONMENTAL AWARENESS.



↑ VENETIA MINE HAS A STRONG FOCUS ON IMPROVING EDUCATION IN SCHOOLS.

(including septic tanks and boreholes). To date, My Darling Secondary School, Modumela Secondary School, Mahlase Secondary School, Seshane Primary School, Malenkwane Primary School, St Martin de Porres Primary School in Musina and the Matsela Secondary School have benefitted from the programme.

Construction of a hostel facility at Ratanang Special School in Senwabarwana was completed in 2010 and currently accommodates more than 300 learners. In 2011 a huge storm struck the area and blew off half of the roof. The total damage is estimated to be around R12 million. The fixing of the roof is included in mine's 2013-2017 SLP.

As part of Limpopo Rural Schools Programme, Venetia Mine committed to infrastructure development in two schools in the Blouberg LM and one school in the Musina LM in 2014.

Early Childhood Development

Blouberg LM places strong emphasis on approaching education development holistically thus placing more emphasis on creating sustainable ECD centres. These centres focus on comprehensive cognitive and school readiness programmes. Responding to this approach, Venetia Mine completed the building of two ECD centres in Alldays and Mokwena and committed to building an additional ECD centre in Pax by 2014.

PROVISION OF DRIVING LICENCES TO 50 FEMALES IN THE BLOUBERG AREA THROUGH THE FEMALE OPERATOR PROGRAMME

The Musina and Blouberg Local Municipalities' IDPs highlight the lack of skills amongst members of the local communities which makes it difficult to find work in the formal and informal sectors. Within this context Venetia established a programme to develop and equip 50 females with Code 10 drivers' licences as a marketable skill. Venetia Mine contributed R340,000 towards the successful implementation of this programme.

MUSINA VEHICLE TESTING STATION

The vehicle testing station in Musina was closed down due to non-compliance with the basic traffic standards. Venetia Mine assisted with the upgrade of the facility which is currently fully operational.

POVERTY ERADICATION PROGRAMMES

Job creation is an essential element to eradicate the high prevalence of poverty and unemployment in the community. Venetia Mine embarked on funding projects designed to provide opportunities for the poor and vulnerable to earn a sustainable living. These projects are also aimed at stimulating self-reliance as an alternative to formal employment and to unlock local entrepreneurship potential. The production of locally baked bread in Taaibosch, one of the poorest villages in the province, created six jobs and it is anticipated that the facility will employ 20 people once production is in full swing. The long-term sustainability of the project is however a challenge due to community conflict within the traditional authority at Taaibosch.

LOCAL PROCUREMENT

DBCM reviewed its supply chain structure and function to introduce a SAP system that classifies all spend on purchase orders which enables the assessment of the procurement spend on local HDSA suppliers. The spend data is analysed every quarter in order to measure the effectiveness of the company's achieving its set targets. The Procurement Progression Plan is in place to ensure the identification, procurement and subsequent management of suppliers categorised as BEE Entity-HDSA suppliers, including local suppliers.

Venetia Mine conducted the supplier recruitment drive targeted at businesses in Musina and Blouberg

municipalities to create a database of potential local suppliers. In addition to this, the mine hosted three Supplier Days to expose HDSA companies to procurement opportunities at the mine and also to encourage white owned companies to set up branches in the region and to empower local HDSA companies.

AQUACULTURE AND VEGETABLE FARMING

The Aquaculture and Vegetable Farming Project is in response to the need to address unemployment in the Blouberg and Musina Local Municipalities. The project is expected to create a total of 80 job opportunities. The main objective is to create job opportunities for youth and women in local communities. Venetia Mine committed funds towards building materials and the underground ventilation pipe factory at a cost of R1.5 million each by 2015.



↑ A VEGETABLE GARDEN SUPPORTED BY VENETIA MINE.

ALLDAYS WATER PUMPS, RESERVOIRS AND WASTE DISPOSAL SITE FENCING (2014)

As a result of the recent expansion and growth of Alldays, the water supply infrastructure became inadequate to maintain a sustainable supply of water to the community. Venetia Mine intervened to address the current challenge in relation to the pumping capacity and the storage capacity of the current reservoir. The mine has also committed to upgrade the waste disposal site in Alldays which is currently not fenced and poses a safety and health risk.

OTHER INITIATIVES

Diamond Route

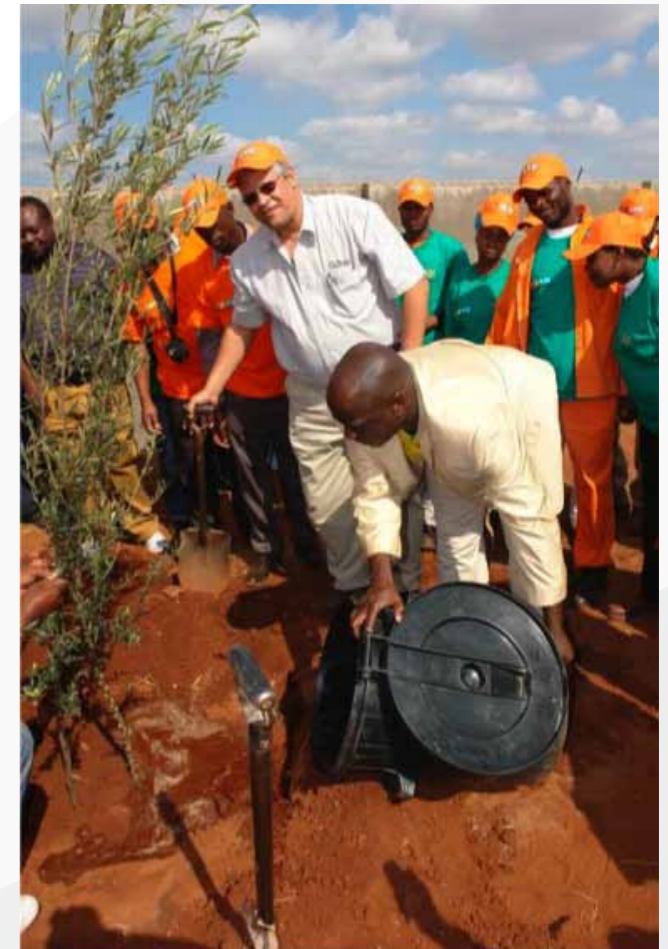
The main objective of the Diamond Route is to improve the understanding of nature and environmental awareness amongst employees and the community. The notion is that the mine must interact responsibly with nature so that it leaves a positive legacy that communities can relate to when the mining operation ceases. This is a way of recognizing that diamonds are an ultimate product of nature. It is anticipated that the Diamond Route would:

- Enhance environmental awareness among the De Beers employees and the communities including the youth
- Leverage educational opportunities and training
- Enhance linkage with the universities for shared research opportunities
- Support community development

IN CLOSING

It is clear from the consultation process that Venetia Mine has strong relationships with its stakeholders. Venetia Mine's ability and commitment to create jobs, which have a long-term impact on the socio-economic landscape of communities, have been highlighted during consultations. Although the mine has contributed significantly towards community infrastructure development, community awareness levels of these large scale interventions are low, indicating the need for a concerted effort to increase awareness.

One of the areas that should be addressed is community members' perception of the mine's impact on the environment. The perception is that the mine contributes to decreasing groundwater levels. Another risk to be addressed is the overreliance of the Musina LM on the mine due to its limited capacity and the expectation of residents in the Blouberg municipal area that the mine has to address the extensive development backlog in the area.



↑ VENETIA MINE'S LIMPOPO GREENING PROJECT.

“ Stakeholders acknowledge Venetia Mine's positive impact on the local economy, changing the socio-economic landscape of communities. ”



7 SOCIAL MANAGEMENT PLAN

Management measures are put in place to respond to stakeholders' issues and identified impacts of the mine. It is aimed at the next three years, or beyond, in order to give stakeholders a medium term picture of the mine's initiatives.

The purpose of this section is to outline the management measures that Venetia Mine has in place to address the issues and impacts identified or verified as part of the SEA process. The preceding sections provided the context in which the mine operates and explained the views of stakeholders in terms of issues in their relationship with the mine and the impacts of mining activities. Some of the issues and impacts have been known to the mine, due to its day to day engagement with stakeholders. In such cases the assessment served as verification and contributes to a better understanding of how stakeholders view issues and impacts. The issues and impacts have been prioritised, the appropriateness of current management

measures has been considered and additional management measures have been identified. Management measures are listed in the tables below providing details on aspects such as:

- Whether any stakeholders are involved in the implementation of a measure.
- The envisioned timeline for the implementation of a measure.
- How the implementation of management measures will be monitored and evaluated, including performance targets and key performance indicators –what will be measured/evaluated.
- Which functional team is responsible for implementation.

MANAGEMENT AND MONITORING MEASURES			
IMPACT 1	Positive impact on school education		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE IMPACT	<ul style="list-style-type: none"> • Stakeholders appreciate Venetia Mine's contribution to education support and infrastructure development in schools. • They expressed the hope that the mine will continue with these initiatives given the prevailing needs of schools in the area. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> • Continue with infrastructure development at schools, as well as other support for education in the Blouberg and Musina Local Municipalities. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> • Learners and educators in Musina town • Learners and educators in Alldays and rural villages in the Blouberg municipal area • Limpopo Department of Education • Blouberg LM 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
1 Construction of ECD centres in Pax Village and Mokwena Village.	Blouberg LM	2014-2015	<ul style="list-style-type: none"> • Existence and quality of new ECD centres • Operating challenges • Management and maintenance by the municipality 	<ul style="list-style-type: none"> • Completed and fully operational ECD structures • Successful handover to the Blouberg LM 	<ul style="list-style-type: none"> • Site visit to verify completion of structures • In-depth interviews with staff at the ECD centres • Monitoring of the municipality's management and maintenance of the ECD centres 	Corporate Affairs
2 Completion of sewer system at Alldays ECD Centre.	Blouberg LM	2014	Existence of sewer system	Completed and fully functional sewer system	<ul style="list-style-type: none"> • Site visit • Interview with the head of Alldays ECD Centre to determine if sewer system is fully functional 	Corporate Affairs

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
3 Upgrade of schools in the Blouberg municipal area as part of the Limpopo Rural Schools Development Programme (upgrades to classrooms, science laboratories, administration blocks, ablution facilities, water provision and furnisher).	Limpopo Department of Education	2014-2017	<ul style="list-style-type: none"> Quality of upgrades Satisfaction 	<ul style="list-style-type: none"> Completed and fully functional schools 95% satisfaction of school principals 	<ul style="list-style-type: none"> Site visit Interview with school principals 	Corporate Affairs
4 Repairs to Ratanang School hostel: Fixing of roof, repairing electrical reticulation, re-plastering and painting.	Limpopo Department of Education	2013-2014	Satisfaction with repairs	Fully repaired school hostel	<ul style="list-style-type: none"> Site visit Interview with school/hostel principal 	Corporate Affairs
5 Continuation of the Musina Schools Subvention Programme as part of the mine's Educational Support Programme.	Limpopo Department of Education	2013-2017	<ul style="list-style-type: none"> Overall pass rate Performance in Maths and Science Educator-learner ratio in Maths and Science classes Educators' qualifications 	<ul style="list-style-type: none"> 30% improvement in overall pass rate 25% improvement in pass rate for Maths and Science Suitable educator-learner ratio All Maths and Science educators fully qualified 	<ul style="list-style-type: none"> Analysis of pass rates and Maths and Science results Evaluation of educators' qualifications 	Corporate Affairs
6 Continuation of Venetia Mine's Maths and Science Programme (Saturday classes).	Khula Saturday School	2013-2017	<ul style="list-style-type: none"> Number of learners participating Performance in Maths and Science Access to tertiary institutions and bursaries 	<ul style="list-style-type: none"> 100 learners per year 10-20% improvement in Maths and Science marks 40% of participating learners qualify for access to a tertiary institution and/or a bursary for post school studies 	<ul style="list-style-type: none"> Analysis of attendance lists Analysis of Maths and Science marks Monitoring of participating learners' post-school education opportunities 	Corporate Affairs

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
7 Support schools in the Musina and Blouberg Local Municipalities with sponsorships and donations through the LAC.	<ul style="list-style-type: none"> Musina LM Blouberg LM 	Ongoing	<ul style="list-style-type: none"> Awareness Number of schools supported Satisfaction 	<ul style="list-style-type: none"> 90% of school principals aware of LAC application process and criteria 60% of annual LAC projects focused on school support 95% satisfaction among school principals who benefitted from LAC support 	<ul style="list-style-type: none"> Dipstick survey among school principals Analysis of annual LAC supported projects 	Corporate Affairs

MANAGEMENT AND MONITORING MEASURES

IMPACT 2	Positive impact on infrastructure development		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE IMPACT	<ul style="list-style-type: none"> Stakeholders acknowledge the mine's contribution towards infrastructure upgrades and would like the mine to conduct more infrastructure development projects. Many stakeholders are, however, not aware of the mine's contribution in terms of infrastructure development. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Work with local authorities to identify and execute infrastructure development projects to address the most important community needs. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Blouberg LM Musina LM Residents in Alldays and Musina 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
8 Renovations of roads in Musina town.	<ul style="list-style-type: none"> Musina LM Contractors 	2013-2014	<ul style="list-style-type: none"> Road quality Satisfaction 	<ul style="list-style-type: none"> Identified roads upgraded Musina LM 100% satisfied 	<ul style="list-style-type: none"> Site visit and project monitoring Handover discussion with Mayor, Municipal Manager, and relevant officials 	<ul style="list-style-type: none"> Corporate Affairs Engineering

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
9 Renovation of Musina Vehicle Testing Station.	• Musina LM • Contractors	2013-2014	Compliance with testing station standards	• 100% compliance • Testing station re-opened and fully functional	• Compliance assessment by the relevant authority • Site visit and meeting with testing station staff	• Corporate Affairs • Engineering
10 Continuation of Musina electrification project.	• Musina LM • Contractors	2013-2014	Quality of electricity supply	• Completed network upgrade and installation • 50% reduction in power outages	• Site visits and project monitoring • Assessment of number of, and reasons for power outages	• Corporate Affairs • Engineering
11 Upgrade of Alldays water pumps and reservoir.	• Blouberg LM • Contractors	2013	• Quality of water supply infrastructure • Levels of water supply	• Upgraded pumping water pumps and reservoir • Uninterrupted water supply to Alldays residents	• Site visits and project monitoring • Regular follow up discussions with the municipality's infrastructure department	• Corporate Affairs • Engineering
12 Fencing of Alldays refuse disposal site.	• Blouberg LM • Contractors	2014	• Quality of fencing • Environmental impact • Access control	• Fencing complete • Zero incidents of unauthorised access • 70% reduction in littering around the site	• Site visits and project monitoring • Consultation with relevant municipal officials • Physical observation	• Corporate Affairs • Engineering
13 Tight project management mechanisms with infrastructure contractors.	Project Steering Committees	Ongoing	Adherence to milestones and delivery dates	100% adherence to project plan milestones and delivery dates	• Site visits and project monitoring mechanisms	Corporate Affairs
14 Ensure that there is an effective and agreed exit/handover strategy at the commencement of every project.	• Musina LM • Blouberg LM	Ongoing	Appropriateness of the exit strategy/handover mechanism	• Sustainable maintenance and management of infrastructure by local authorities after handover	• Interviews with Municipal Managers and officials in the municipal infrastructure departments • Evaluation of infrastructure conditions twice per year	• Corporate Affairs • Engineering

MANAGEMENT AND MONITORING MEASURES			
IMPACT 3	Positive impact on local employment		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE IMPACT	<p>✓ ✓ ✓</p> <ul style="list-style-type: none"> Stakeholders acknowledge the positive impact that was brought about by job opportunities at the mine and future opportunities that will result from the VUP. They agree that the mine gives preference to local job applicants who originate from the Musina or Blouberg municipal areas. However, the poor education facilities and socio-economic indicators in the Blouberg municipal area mean that a significant number of applicants from this area fail the Functional Work Capacity (FWC) assessment, resulting in a perception that the mine favours job applicants from the Musina area. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Contribute to the employment rate in the Musina and Blouberg municipal areas, and therefore, to the general socio-economic status of neighbouring communities. Invest in the improvement of school education in rural areas, to ensure job applicants from these areas have equal opportunities for employment at the mine. Ensure that the VUP contractors employ local community members in all positions where suitable local candidates are available. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Blouberg LM Musina LM Traditional local authorities (Ga-Kibi, Ga-Makgato, Babirwa) Residents of labour sending towns and villages Local business owners 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
15 Continue to apply the mine's employment policy that gives preference to local candidates.		Ongoing	• Proportion of local employees in the Venetia work force	• 90% local labour	• Track HR database	Human Resources



↑ CAPRICORN POULTRY – SMME SUPPORTED BY VENETIA MINE.



↑ PARTICIPANTS IN THE MUSINA YOUTH PROJECT.

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
16 Evaluate current mechanisms used to advertise semi-skilled vacancies at Venetia Mine and adapt where necessary to ensure that residents in labour sending areas are informed on time about vacancies and how to go about to apply for them.	<ul style="list-style-type: none"> • Musina LM • Blouberg LM 	Jan-Jun 2014	<ul style="list-style-type: none"> • Number of job applications from rural areas • Level of awareness • Percentage of local employees 	<ul style="list-style-type: none"> • 20% increase in job applications from rural areas • 60% awareness among local job seekers of vacancies at Venetia and how to apply • Maintain current level of local employment 	<ul style="list-style-type: none"> • Analysis of job applications • Three-yearly community survey as part of the SEA process • Monitoring and tracking the number of local employees at the mine, as well as the municipal area they represent 	<ul style="list-style-type: none"> • Human Resources • Corporate Affairs
17 Encourage VUP and other contractors to employ locally in line with the mine's procedures and processes and monitor compliance.	Contractors	Ongoing	<ul style="list-style-type: none"> • Number of locals employed by contractors 	<ul style="list-style-type: none"> • 40% local employment by contractors 	<ul style="list-style-type: none"> • Evaluate contractors local employment, efforts and performance 	<ul style="list-style-type: none"> • Supply Chain • Human Resource

Refer to Management Measure 3 (Rural Schools Development Programme)



↑ TREE PLANTING AS PART OF THE DIAMOND AMBASSADORS PROJECT.

MANAGEMENT AND MONITORING MEASURES						
ISSUE/IMPACT 4	Positive impact on nature conservation					
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation, Decommissioning, Closure, Post-closure					
DURATION	Long term					
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo			
BRIEF DESCRIPTION OF THE IMPACT	<ul style="list-style-type: none"> • Stakeholders commend Venetia Mine for its nature conservation initiatives and collaboration with Mapungubwe National Park. There are, however, two issues that need to be addressed: <ul style="list-style-type: none"> - Mine employees not adhering to traffic regulations when visiting the mine's dam in the park. - A request for permission to give Mapungubwe National Park visitors access to the mine's dam for sightseeing purposes. 					
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> • Maintain and strengthen the mine's nature conservation initiatives and address stakeholder concerns or expectations in this regard. 					
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> • SANParks • Mapungubwe National Park • Neighbouring farmers • Environmental NGOs and pressure groups • Limpopo Department of Economic Development, Environment and Tourism • Local business owners 					

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
18 Participate in the Greater Mapungubwe Network to enhance collaboration between stakeholders who feel strongly about nature conservation.	Mapungubwe World Heritage Site	Feb-May 2014	<ul style="list-style-type: none"> • Enhanced collaboration 	<ul style="list-style-type: none"> • No of meetings attended 	<ul style="list-style-type: none"> • Minutes of meetings 	Corporate Affairs
19 Maintain current integration between the mine and SANParks at Mapungubwe.	<ul style="list-style-type: none"> • SANParks • Mapungubwe National Park 	Ongoing	<ul style="list-style-type: none"> • Satisfaction 	<ul style="list-style-type: none"> • 85% satisfaction with the partnership from both parties 	<ul style="list-style-type: none"> • Structured interviews with senior and operational staff 	Ecology
20 Explore the possibilities of creating lookout points at the mine's dam in the Mapungubwe National Park for tourists.	<ul style="list-style-type: none"> • SANParks • Mapungubwe National Park 	Feb-Jun 2014	<ul style="list-style-type: none"> • Level of joint problem solving 	<ul style="list-style-type: none"> • Signed agreement on how to address the request that tourists can access the dam 	<ul style="list-style-type: none"> • Track progress on reaching a mutually beneficial agreement 	Ecology/ Environment

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
21 Promote the Venetia Conservation Society among stakeholders involved and interested in nature conservation.	Greater Mapungubwe Network	Ongoing	• Member satisfaction	• 85% of members satisfied with benefits of membership	• Analysis of membership records and meeting attendance records • Evaluation slips to be completed after each meeting	Ecology
22 Collaborate with Mapungubwe National Park to identify Venetia Mine employees who do not adhere to road safety and other rules within the park.	Mapungubwe National Park	Ongoing	• Compliance with park rules	• 100% compliance with all park rules by Venetia Mine employees	• Monthly meetings with park representatives	Ecology



↑ A GIRAFFE IN THE VENETIA LIMPOPO NATURE RESERVE CLOSE TO MAPUNGUBWE NATIONAL PARK.

MANAGEMENT AND MONITORING MEASURES			
IMPACT 5	Local businesses benefit from increased economic activity resulting from the mine's presence in the area		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE IMPACT	<ul style="list-style-type: none"> Stakeholders acknowledge that the mine stimulates the local economy and creates indirect business opportunities for local business owners (e.g. guest houses, lodges and retail stores). 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Ensure that Venetia Mine continues to contribute to local economic development through indirect business benefits. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Musina LM Local business owners Neighbouring farmers 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
23 Keep local stakeholders, including business owners, informed on the VUP progress and other operational plans that could potentially result in indirect business opportunities (e.g. number of contractor employees who would need accommodation at which stage of the project)		Duration of VUP	• Level of awareness	• 80% of local business owners aware of the mine and the VUP's medium to long-term plans	• Three-yearly community survey as part of the SEA process	Corporate Affairs
24 Liaise with neighbouring lodges and farmers who have accommodation available for contractor employees and Venetia Mine employees.		Ongoing	• Understanding and awareness	• 80% awareness and 70% understanding among neighbouring farmers and lodge owners of the mine's requirements and policies regarding employee and contractor accommodation	• Quarterly meetings with neighbouring farmers and lodge owners	• Projects • Human Resources

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
25 Guide and support small businesses to take advantage of economic opportunities in the Musina and Blouberg municipal areas through the Venetia Business Hub.	SEDA	Ongoing	<ul style="list-style-type: none"> Number of businesses supported Loan amount disbursed Number of jobs created 	<ul style="list-style-type: none"> Support 20 new businesses per year Create a minimum of 200 jobs through the Hub programme per year 	<ul style="list-style-type: none"> Quarterly Venetia Business Hub reports on support provided 	Venetia Business Hub
26 Contribute to job creation and local economic development by establishing a factory for building material in Musina.	Musina LM	2015-2017	<ul style="list-style-type: none"> Number of jobs created Sustainability of the business 	<ul style="list-style-type: none"> 40 permanent jobs The factory will operate independently by 2018 	<ul style="list-style-type: none"> Site visits and interviews with factory owners and employees 	Corporate Affairs
27 Contribute to job creation and local economic development by establishing an aquaculture and vegetable farming project in Musina	Musina LM	2013-2014	<ul style="list-style-type: none"> Number of jobs created Sustainability of the business 	<ul style="list-style-type: none"> 40 permanent jobs The project will function independently by 2018 	<ul style="list-style-type: none"> Site visits and interviews with factory owners and employees 	Corporate Affairs



↑ TAAIBOSCH BAKERY.

MANAGEMENT AND MONITORING MEASURES			
IMPACT 6	Insufficient opportunities for local businesses to supply goods/services to the mine		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE IMPACT	<ul style="list-style-type: none"> There is a perception that the mine can do more to assist and support local businesses to become suppliers to the mine. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Put measures in place to maximise local economic development by increasing the number of local suppliers to the mine. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Local business owners Local suppliers to Venetia Mine 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
28 Create a forum as engagement platform for local businesses to meet quarterly to share information about available business opportunities, procurement processes and challenges – this could, in time evolve as a Chamber of Business for Musina.		<ul style="list-style-type: none"> Establish the forum by the end of 2014 after sufficient consultation with business owners Thereafter quarterly meetings 	<ul style="list-style-type: none"> Attendance of meetings Satisfaction with information shared Number of local business suppliers Percentage of local supplier spend 	<ul style="list-style-type: none"> Established business platform Minimum of 20 attendees per meeting 75% satisfaction with information shared Number of local suppliers and % of local supplier spend as indicated in the Mine's Local Sourcing Plan (in development) 	<ul style="list-style-type: none"> Analyse minutes of meetings and attendance records Feedback survey once a year Analysis of Supply Chain database 	<ul style="list-style-type: none"> Supply Chain Venetia Business Hub
29 Develop and implement a sustainable local sourcing solution/plan and share the details with local business owners.		<ul style="list-style-type: none"> Implementation by end of 2014 Plan duration until 2017 	<ul style="list-style-type: none"> Number of local suppliers Local supplier spend 	<ul style="list-style-type: none"> As specified in the Local Sourcing Plan 	<ul style="list-style-type: none"> Analysis of Supply Chain database Structured feedback from local suppliers once per year 	Supply Chain
30 Use annual Supplier Days to ensure that local suppliers are aware of the mine's business plans and its implications for local business.		Annually	<ul style="list-style-type: none"> Attendance rate Satisfaction of the attendees with the mine's engagement 	<ul style="list-style-type: none"> 85% attendance rate for local suppliers 	<ul style="list-style-type: none"> Analysis of the feedback given by attendees Analysis of the attendance register 	Supply Chain

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
31 Ensure that De Beers Zimele Venetia Business Hub beneficiaries are aware of business opportunities at the mine.		Ongoing	<ul style="list-style-type: none"> Number of Hub beneficiaries supplying goods/services to the Mine Awareness 	<ul style="list-style-type: none"> Two Hub beneficiaries in 2014 to become suppliers to the mine (further target numbers tbd) 80% awareness of business opportunities at the mine among Hub beneficiaries 	<ul style="list-style-type: none"> Analysis of Hub records and Supply Chain database 	<ul style="list-style-type: none"> Venetia Business Hub Supply Chain
32 Encourage big suppliers to embark on joint ventures with local suppliers as part of their supply contracts with the mine to impart skills.		Ongoing	<ul style="list-style-type: none"> Number of joint ventures formed Level of skills imparted 	<ul style="list-style-type: none"> One joint venture supply contract implemented per year Improved business capacity and performance by local businesses in joint ventures 	<ul style="list-style-type: none"> Analysis of Supply Chain database Assessment of local business joint venture partners' business performance and capacity at beginning, mid-point, and end of supply contract 	Supply Chain
33 Use local community radio stations and newspapers to advertise tenders and other business opportunities at the mine.		Ongoing	<ul style="list-style-type: none"> Number of queries received based on local community media advertisements targeted at local businesses 	<ul style="list-style-type: none"> At least five queries per advertisement 	<ul style="list-style-type: none"> Check with the source of information used, with enquirers 	Supply Chain
34 Establish a ventilation pipe factory ready to supply at least 7 km of ventilation pipe to the VUP during construction, and also supply to other mining projects in Limpopo.		2015-2017	<ul style="list-style-type: none"> Number of jobs created Supply contracts obtained Sustainability of the business 	<ul style="list-style-type: none"> 40 permanent jobs Supply contract signed with VUP Supply contracts signed with at least two other mining companies in Limpopo within the first two years of the factory's existence Factory to operate independent from Venetia Mine from 2018 onwards 	<ul style="list-style-type: none"> Site visits and interviews with factory owners and employees 	Corporate Affairs

MANAGEMENT AND MONITORING MEASURES						
IMPACT 7	Positive impact of employee bus transport					
ISSUE 1	Mine buses associated with safety and health hazards in rural villages					
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation					
DURATION	Long term					
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo			
BRIEF DESCRIPTION OF THE IMPACT	Stakeholders appreciate the mine's provision of transport for employees and the fact that it prevents congestion and safety risks on the road to the mine. Mine buses transport employees across different areas including some villages within the Blouberg LM and play an important part to prevent congestion and reduce safety hazards on the road to the mine.					
BRIEF DESCRIPTION OF THE ISSUE	Despite stakeholders' appreciation for the mine's efforts to provide employees with transport to work, residents of rural villages experience the following negative associations with the mine's bus transport service: <ul style="list-style-type: none"> Deteriorating road quality Dust and emissions Speeding drivers in rural villages causing a safety risk for residents 					
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Determine the extent of reported negative impacts and mitigate the impacts of employee transport by bus. 					
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Ga-Kibi, Ga Makgatho and Babirwa Traditional Authorities Residents in rural villages along the bus route Neighbouring farmers Employees 					

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
35 Road safety training for bus drivers at regular intervals.		Ongoing	<ul style="list-style-type: none"> Number of drivers trained Number of complaints about driver behaviour 	<ul style="list-style-type: none"> All bus drivers trained at least once a year 	<ul style="list-style-type: none"> Random observation of driver behaviour by driving behind selected buses at certain points of the bus route Zero complaints received 	Safety
36 Work closely with the municipality to help grade and repair the roads used by Venetia Mine buses.	Blouberg LM	Ad hoc	<ul style="list-style-type: none"> Road quality 	<ul style="list-style-type: none"> Ongoing fixing of roads before they deteriorate and damage vehicles 	<ul style="list-style-type: none"> Regular road inspections 	Safety
37 Reduced speed limits on gravel roads.		Ongoing	<ul style="list-style-type: none"> Speed limit signage 	<ul style="list-style-type: none"> Well positioned speed limit signage 	<ul style="list-style-type: none"> Site inspection 	Safety

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
38 Speed and driver behavior monitoring by means of installed engineering measures in buses.		Ongoing	<ul style="list-style-type: none"> Installation of engineering measures Driving behaviour and speed 	<ul style="list-style-type: none"> 100% of buses have engineering measures installed 100% adherence to speed limits 	<ul style="list-style-type: none"> Installation certificates Random monitoring of bus driving reports resulting from engineering measures 	Safety
39 Embark on a process to measure bus transport related emission levels in rural villages on the bus route.		<ul style="list-style-type: none"> Established by April 2014 Monthly measurement 	<ul style="list-style-type: none"> Emission levels 	<ul style="list-style-type: none"> Emission levels below SA health and safety standards 	<ul style="list-style-type: none"> Emission measurement technology 	Occupational Hygiene



↑ PIT MAINTENANCE.

MANAGEMENT AND MONITORING MEASURES		
ISSUE 2	Limited capacity of local government results in unrealistic expectations from Venetia Mine	
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation, Decommissioning, Closure, Post-closure	
DURATION	Long term	
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	The overreliance of the Musina LM on the mine, and the major community development needs in the Blouberg municipal area, cause stakeholders to turn to the mine to assist. Venetia Mine cannot fulfill all the expectations of local stakeholders in this regard, and their dependency on the mine does not bode well for the sustainability of communities once the mine is no longer there.	
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Manage unrealistic expectations from the municipalities as well as other stakeholders, and ensure proper role clarification and hand over of projects related to infrastructure and service delivery. Address the risk of over-dependence on the mine by building the capacity of, and supporting the relevant role players within local government to fulfill their rightful roles. 	
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Musina LM Blouberg LM Residents of Musina, Alldays, and rural villages 	

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
40 Investigate the formation of a long term partnership with the South African Local Government Association (SALGA)/ Development Bank of South Africa (DBSA) for a programme to build technical, project management and other relevant skills in the Musina and Blouberg Local Municipalities	<ul style="list-style-type: none"> DBSA SALGA 	If feasible, partnership to be established by end of 2014	<ul style="list-style-type: none"> Existence of Memorandum of Understanding (MoU) and action plan Progress on implementation milestones 	<ul style="list-style-type: none"> Signed MoU and formal partnership established Further performance targets dependent on commitments and details of the partnership 	<ul style="list-style-type: none"> Training evaluation 	Corporate Affairs
41 Ensure role clarification in all service delivery support and infrastructure upgrade projects.		Ongoing	<ul style="list-style-type: none"> Understanding Stakeholder expectations 	<ul style="list-style-type: none"> Shared understanding of the mine and municipalities' roles and responsibilities when collaborating on projects 70% of community members understanding what the mine's responsibilities are with regard to projects assisting the municipalities 	<ul style="list-style-type: none"> Assess notes and minutes from meetings, and the nature of requests for support received Three-yearly community survey as part of the SEA process 	<ul style="list-style-type: none"> Corporate Affairs Engineering

Refer to Management Measure 14 (Handover/exit strategy for infrastructure development projects).

MANAGEMENT AND MONITORING MEASURES			
IMPACT 8	Negative environmental impacts on neighbouring farmers		
ISSUE 3	Decrease in ground water levels associated with Venetia Mine		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE IMPACT	Although neighbouring farmers experience Venetia Mine as a good neighbour, they are concerned about what they perceive as the negative impact of the mine on the environment such as noise, vibrations and dust from blasting. In addition, there are increased traffic volumes in areas closer to the mine resulting in road kill incidents of commuters and wild animals.		
BRIEF DESCRIPTION OF THE ISSUE	Neighbouring farmers maintain that there is a decrease in groundwater levels on their farms which they ascribe to the mine.		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Understand the extent and cause/s of environmental impacts experienced by farmers and develop mechanisms to mitigate impacts within the mine's control. Establish regular engagement mechanisms with impacted farmers. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Neighbouring farmers Environmental NGOs 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
42 Measure levels of dust, noise, and vibrations at receptors and collaborate with impacted farmers to manage negative impacts.	Neighbouring farmers	Ongoing	<ul style="list-style-type: none"> Levels of dust, noise, vibrations Frequency of meetings Satisfaction with engagement and problem solving 	<ul style="list-style-type: none"> Dust, noise, and vibrations levels compliant with requirements in the mine's Environmental Management Plan Quarterly meetings with neighbouring farmers 80% of neighbouring farmers satisfied with mitigation of negative impacts 	<ul style="list-style-type: none"> Informal feedback from farmers Three-yearly community survey as part of the SEA process 	Environment
43 Establish regular and structured engagement sessions with neighbouring farmers.		Quarterly	<ul style="list-style-type: none"> Attendance numbers Number of meetings Satisfaction with level of, and outcomes of engagement 	<ul style="list-style-type: none"> On average, 80% of targeted farmers attend meetings Minimum of four meetings per year 80% satisfaction with the level and outcomes of engagement 	<ul style="list-style-type: none"> Study attendance records and minutes of meetings Three yearly community survey as part of the SEA process Informal discussions with farmers 	Environment

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
44 Liaise with EWT on possible support for its road kill project.		Feb-Jun 2014	<ul style="list-style-type: none"> Decision on support 	<ul style="list-style-type: none"> Outcome of the mine's decision on support shared with EWT 	<ul style="list-style-type: none"> Informal feedback 	Environment
45 Provide support to farmers on the western side of the mine who are in the process of creating a buffer zone adjacent to the Mapungubwe National Park.		2013	<ul style="list-style-type: none"> Satisfaction with support 	<ul style="list-style-type: none"> 90% of farmers satisfied with the level of support received by the mine 	<ul style="list-style-type: none"> Informal feedback 	Environment
46 Manage the mine's impact on ground water levels.		Ongoing	<ul style="list-style-type: none"> Droplet formation linked to the level of pressure on berry fever tree leaves 	<ul style="list-style-type: none"> Adapt volume of water taken from well fields to indications of water stress as measured by berry fever tree leaf mechanism 	<ul style="list-style-type: none"> Berry fever tree leaf droplet formation when compressed under nitrogen gas 	Environment

Refer to Management Measure 18 (Membership of Greater Mapungubwe Network).



↑ PRODUCE OF THE MADIMBO VEGETABLE GARDEN, SUPPORTED BY VENETIA MINE.

MANAGEMENT AND MONITORING MEASURES

ISSUE 4	Need for post school training and educational facilities		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<ul style="list-style-type: none"> Stakeholders strongly believe that the mine can assist in the establishment of a post school training and education facility to train community members on specifically mining related skills. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Work with stakeholders to investigate options for the establishment of a post school training facility in Musina. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Limpopo Department of Education Youth and unemployed community members 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
47 Investigate options of establishing a FET satellite campus or artisan college in Musina.	Limpopo Department of Education	2014	<ul style="list-style-type: none"> Feasibility study Levels of awareness 	<ul style="list-style-type: none"> Finalised feasibility study with recommended decision Key stakeholders aware of the mine's decision and plans based on the feasibility study 	<ul style="list-style-type: none"> Feedback on outcomes of feasibility study Interviews with selected stakeholder representatives 	Corporate Affairs
48 Continue with existing skills development and training opportunities for community members at the mine's training centre: Foundational Learning Certificate (FLC training).	Training service provider	2013-2017	<ul style="list-style-type: none"> Number of community members trained Employability of community members after training 	<ul style="list-style-type: none"> 2013: 10 2014: 10 2015: 10 2016: 10 2017: 10 	<ul style="list-style-type: none"> Monitor training records at training centre Track whether trainees are able to secure employment after completing the training 	Human Resources
49 Recruit local youth to participate in the mine's Learnership Programme: Engineering learnerships for electricians, fitter and turners, mechanics, platers/welders and riggers.	Training service providers	2013-2017	<ul style="list-style-type: none"> Number of local trainees Employability of local trainees after completing the training 	<ul style="list-style-type: none"> 2013: 4 2014: 7 2015: 6 2016: 3 2017: 4 	<ul style="list-style-type: none"> Monitor the number of local community members completing the programme Follow up contact with trainees to determine if they were able to secure employment after completing the training 	Human Resources

MANAGEMENT AND MONITORING MEASURES

ISSUE 5	Need for recreational facilities for the youth		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation, Decommissioning, Closure, Post-closure		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<ul style="list-style-type: none"> Social ills in the Musina community are exacerbated by the lack of recreational facilities in and around the town. This increases alcohol abuse among the youth, contributing to teenage pregnancies and increased levels of HIV/AIDS infections. Stakeholders believe that Venetia Mine can assist to establish recreational facilities in town. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Investigate viable options for the establishment of recreational facilities in Musina. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Musina LM NGOs/CBOs Youth 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
50 Determine the youth's preference/s for recreational facilities through a series of focus groups with youth from Musina.		Feb-May 2014	<ul style="list-style-type: none"> Preferences for recreational facilities 	<ul style="list-style-type: none"> Clear indication of the top three recreational facilities/activities preferred by Musina youth 	<ul style="list-style-type: none"> Study focus group transcripts and analysis of findings 	Corporate Affairs
51 Submit a proposal to the DBFund for the construction of recreational facilities in Musina.	Musina LM	Jan 2015	<ul style="list-style-type: none"> Project proposal 	<ul style="list-style-type: none"> Submitted proposal to DBFund with endorsement from Musina LM 	<ul style="list-style-type: none"> Monitoring of application process through DBFund mechanisms 	Corporate Affairs
52 Integrate sport, art and culture as part of the Musina Schools Subvention Programme	<ul style="list-style-type: none"> Limpopo Department of Education Musina schools participating in the Programme 	Aug 2014 onwards, for the duration of the Schools Subvention Programme	<ul style="list-style-type: none"> Sport, art and cultural activities at schools Learner participation 	<ul style="list-style-type: none"> At least one additional sport, art, or culture programme at each participating school 40% of learners participate in at least one sport, art, or culture programme at their schools 	<ul style="list-style-type: none"> Review learner uptake of new school sport, art or culture programmes with input from staff at relevant schools 	Corporate Affairs
53 Sponsor sport, art and culture activities in Musina through the LAC.		Ongoing	<ul style="list-style-type: none"> Awareness Number of events sponsored 	<ul style="list-style-type: none"> 60% of local organisers of sport, arts or culture activities are aware of the option to apply for sponsorship through the LAC At least two sport/art/culture community events sponsored annually 	<ul style="list-style-type: none"> Informal discussions with event organisers Assessment of LAC reports 	Corporate Affairs

MANAGEMENT AND MONITORING MEASURES			
ISSUE 6	Water scarcity in rural communities		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<ul style="list-style-type: none"> Situated in an arid region, rural communities in the Blouberg municipal area experience serious challenges with regard to accessing water for household use. The Ga-Kibi, Ga-Makgato and Babirwa Traditional Authorities are placing their hope in Venetia Mine to assist them in solving their water crisis. In some villages there are boreholes or reservoirs, but no pipes and pumps to access the water. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Assist the Blouberg LM with the provisioning of water in Alldays and rural villages. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Blouberg LM Traditional authorities Residents of rural villages 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
54 Invite traditional authorities to submit applications for borehole equipment to LAC and assist them in the application process.		Ongoing	<ul style="list-style-type: none"> Number of applications approved Installation of borehole equipment 	<ul style="list-style-type: none"> Two applications approved per year Two sets of borehole equipment installed per year 	<ul style="list-style-type: none"> Assessment of LAC reports Site visits where equipment has been installed 	Corporate Affairs
55 Engage the Blouberg LM on long term solutions for access to piped water in rural villages, in view of the mine's feasibility study on groundwater quality in these areas.	Blouberg LM	<ul style="list-style-type: none"> Joint planning: Feb-Jun 2014 Implementation timelines as per project plan 	<ul style="list-style-type: none"> Action plan Level of commitment and joint problem solving 	<ul style="list-style-type: none"> Agreed project plan, including funding options for water infrastructure in rural villages 	<ul style="list-style-type: none"> Analysis of meeting minutes Track progress on action plan implementation 	Corporate Affairs
Refer to Management Measure 11 (Upgrade of Alldays water pump and reservoir).						

MANAGEMENT AND MONITORING MEASURES			
ISSUE 7	Disparity in engagement preferences from traditional authorities and local municipality		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<ul style="list-style-type: none"> Ambiguity in the roles and political status of local government leadership vis-à-vis traditional leaders, complicates the mine's engagement with these two stakeholders. Both stakeholders are key to the mine and have to be acknowledged and involved in the mine's identification and planning of community development projects. The challenge is who to engage first, and whose project proposals or needs to adhere to in the mine's SLP and other development initiatives due to conflicting views by traditional authorities and the Blouberg LM in relation to the custodianship of community development. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Implement an engagement protocol with these key stakeholders that will build solid relationships based on trust and mutual respect. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Blouberg LM Traditional authorities 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
56 Monitor implementation of the mine's policy on consultation with local and traditional authorities with regard to community development and SLP projects.		Ongoing	<ul style="list-style-type: none"> Understanding, awareness and compliance with engagement protocols by mine employees Satisfaction with engagement processes 	<ul style="list-style-type: none"> 100% awareness and understanding among mine employees No incidents of mine activity in rural areas without prior consultation with the relevant traditional authority 80% satisfaction among traditional leaders and the Blouberg LM Mayor 	<ul style="list-style-type: none"> Special meeting with mine employees who have to adhere to the mine's protocol for engagement with local and traditional authorities Three-yearly community survey as part of the SEA process Ad hoc discussions with the Mayor of Blouberg LM and traditional leaders 	Corporate Affairs

MANAGEMENT AND MONITORING MEASURES			
ISSUE 8	Rural communities experience difficulty to access opportunities at the mine		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<ul style="list-style-type: none"> Unemployed residents in villages under the Ga-Kibi, Ga-Makgato and Babirwa Traditional Authorities do not have the means to travel to Alldays or Musina to collect and submit application forms for employment at the mine, or to apply for support from the Venetia Business Hub or the Venetia LAC. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Explore options for increased accessibility of opportunities at the mine for rural communities. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Traditional authorities Blouberg LM Residents of rural villages 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
57 Develop a mechanism to distribute and collect application forms for vacancies at the mine or support from LAC or Venetia Business Hub in partnership with traditional authorities and the Blouberg LM. Consider the use of cell phone technology (SMS) to keep applicants informed of progress with their applications. Take precautionary measures to ensure the mechanism is not prone to any form of abuse (e.g. people at distribution or collection points demanding payment for forms or delivery of forms).	<ul style="list-style-type: none"> Blouberg LM Traditional authorities 	Feb-Aug 2014 for negotiations and implementation. Thereafter, ongoing	<ul style="list-style-type: none"> Appropriateness and efficiency of distribution/ collection mechanism Number of applications received via this mechanism 	<ul style="list-style-type: none"> Distribution/ collection mechanism implemented through collaboration with the municipality and traditional authorities Local municipality and traditional authorities fully support the mechanism 70% of rural community members aware of, and in support of the mechanism Steady increase in the number of applications received via this mechanism 	<ul style="list-style-type: none"> Monitoring the functioning of the mechanism through value chain and process controls and interviews with role players involved Track and analyse the number of applications received as well as the provision of timely feedback to applicants Three yearly community survey as part of the SEA process 	<ul style="list-style-type: none"> Corporate Affairs Human Resources Venetia Business Hub

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
58 Encourage VUP and other contractors to also make use of the distribution/ collection mechanism for rural communities in their local employment initiatives.	Contractors	Ongoing	<ul style="list-style-type: none"> Participation level Number of rural community members employed by contractors 	<ul style="list-style-type: none"> Contractors participate and fully support the distribution/ collection mechanism 40% of locals employed by contractors come from rural villages 	<ul style="list-style-type: none"> Monitor contractors' participation in the mechanism Dedicated feedback sessions with contractors Evaluation of contractors' local employment statistics 	<ul style="list-style-type: none"> Human Resources Supply Chain Corporate Affairs
Refer to Management Measure 16 (Methods to share information about vacancies at the mine).						
Refer to Management Measure 17 (Local employment by contractors).						

MANAGEMENT AND MONITORING MEASURES			
ISSUE 9	Unrealistic expectations of payouts from the Ponahalo scheme		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<ul style="list-style-type: none"> The envisaged payouts from the scheme in 2014 will be significantly lower than anticipated. For this reason, organised labour predicts a major upset among recipients of the payouts. Employees are acutely aware of Kumba Iron Ore's widely publicised Envision scheme and the sizable payouts, which contributed to similar expectations of the Ponahalo payouts. There are also other stakeholders with questions about Ponahalo, specifically the provision made for community trusts to benefit from the scheme. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Manage employee perceptions and expectations around Ponahalo and ensure understanding among key stakeholders of how Ponahalo is structured. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Organised labour Employees Blouberg LM Musina LM 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
59 Clarify the structure and functioning of Ponahalo in relation to community trusts to key stakeholders.	Ponahalo Investment Holdings	Feb-May 2014	<ul style="list-style-type: none"> Awareness and understanding 	<ul style="list-style-type: none"> 100% understanding among key stakeholders 	<ul style="list-style-type: none"> Structured interviews 	Corporate Affairs

MANAGEMENT AND MONITORING MEASURES			
IMPACT 9	Limited access to affordable housing for employees on lower job levels		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<ul style="list-style-type: none"> Only employees on C Band level and higher qualify for Venetia Mine housing units in Musina town. Employees on lower job levels receive a housing allowance, which they regard as insufficient to afford proper housing in town. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Facilitate affordable home ownership for employees below C Band level (semi-skilled employees). 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Employees Organised labour Limpopo Department of Human Settlements Musina LM DMR 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
60 Finalise the Venetia Mine Housing and Living Conditions Plan in collaboration with organised labour and for approval by the DMR as part of the mine's SLP.	<ul style="list-style-type: none"> Organised labour DMR 	Plan finalised: Mar 2014	<ul style="list-style-type: none"> Level of agreement and joint problem solving 	<ul style="list-style-type: none"> Signed and approved Housing and Living Conditions Plan 	<ul style="list-style-type: none"> Consult minutes of meetings, engagement history, and signed-off documentation 	Human Resources
61 Implement the agreed Housing and Living Conditions Plan.	<ul style="list-style-type: none"> Organised labour Limpopo Department of Human Settlements Musina LM 	According to timelines in the plan	<ul style="list-style-type: none"> As indicated in the plan 	<ul style="list-style-type: none"> As indicated in the plan 	<ul style="list-style-type: none"> Track implementation and satisfaction of employees with the provisions in the plan in alignment with the KPIs and performance targets in the plan 	Human Resources

MANAGEMENT AND MONITORING MEASURES			
IMPACT 10	Employee concerns about the transition from opencast to underground mining		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<ul style="list-style-type: none"> Although the underground mining project is welcomed by employees and organised labour, there are concerns about the transition from opencast to underground mining for employees who would need new skills sets for underground mining. The request by the organised labour is that the transition should be planned carefully, to ensure that skills development in this regard happens in time so that current employees, who are interested, are ready to fill positions at the underground operation once completed. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Ensure a seamless transition between open pit and underground mining through operational readiness, seamless business continuity, and sustainable operations at Venetia Mine. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Organised labour Employees 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
62 Implement Venetia Mine's skills development plan, and share with employees the mine's transition plans to ensure readiness for underground mining.	Organised labour	<ul style="list-style-type: none"> For creating initial awareness among employees: 2nd Quarter of 2014 Thereafter, include details of the skills development plan and transition plans in employee induction and routine employee training events between 2014 and 2022 Implementation: As stipulated in the skills development plan 	<ul style="list-style-type: none"> Awareness and understanding of the skills development initiatives and transition planning Level of comfort about the transition to underground mining Number of employees retrained Employee readiness for safe underground mining 	<ul style="list-style-type: none"> 95% of employees aware of the skills development plan Understanding of the skills development and transition plans, and level of comfort: Targets per year to be determined based on the details of the mine's transition planning Other performance targets: As indicated in the mine's skills development plan 	<ul style="list-style-type: none"> Annual employee dipstick survey to assess awareness, and understanding of, and level of comfort with operational planning for underground mining Analyse employee training records 	Human Resources

MANAGEMENT AND MONITORING MEASURES			
IMPACT II	Unmet expectations of career development opportunities for employees on lower job levels		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<p>Employees on B Band level and organised labour feel that there are not enough opportunities for these semi-skilled employees to advance in their careers. They are mostly exposed to training and skills development pertaining to their current jobs, but are not necessarily given the opportunity to be trained for a more advanced position at the mine.</p>		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> • Provide career advancement training to B Band level employees who qualify, within the framework of the mine's skills development plan and SLP commitments. • Inform employees on B Band level about the training and skills development opportunities available for career advancement and the procedures and criteria for gaining access to these opportunities. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> • Organised labour • Employees 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
63 Develop and launch a communication campaign with supporting brochures and flyers as handouts about training and skills development opportunities for employees on B Band level. Incorporate information about training and skills development opportunities in the mine's induction programme for new employees, as well as in routine training sessions for all employees.		Feb-Jun 2014	<ul style="list-style-type: none"> • Awareness of training opportunities • Understanding of criteria to take part in training opportunities 	<ul style="list-style-type: none"> • 60% awareness among B Band level employees about the training opportunities available • For employees interested in such training and skills development, 70% understanding of the application process and criteria 	<ul style="list-style-type: none"> • Dipstick employee survey • Uptake of training and skills development opportunities 	<ul style="list-style-type: none"> • Human Resources • Corporate Affairs

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
64 Learnership Programme: Engineering learnerships for electricians, fitter and turners, mechanics, platers/welders and riggers.	Training service providers	2013-2017	<ul style="list-style-type: none"> • Number of employees trained • Number of new entrants trained • Area of origin of new entrants 	Intake of employees: 2013: 2 2014: 0 2015: 1 2016: 3 2017: 1 External intake learners with fixed term employment 2013: 4 2014: 7 2015: 6 2016: 3 2017: 4	<ul style="list-style-type: none"> • Monitor the number of learnerships allocated as well as their career advancement after completing the programme • Monitor the number of local community members completing the programme 	Human Resources
65 Learnership Programme: Mining and processing learnerships – National Certificates in Mineral Processing and Rock Breaking: Surface Excavations (NQF levels 2 and 3)	Training service providers	2013-2017	<ul style="list-style-type: none"> • Number of employees trained • Career advancement after training 	Rock Breaking: 2013: 0 2014: 6 2015: 6 2016: 6 2017: 6 Mineral Processing: 2013: 4 2014: 6 2015: 7 2016: 9 2017: 11	<ul style="list-style-type: none"> • Monitor the number of learnerships allocated as well as their career advancement after completing the programme 	Human Resources
66 Skills programmes for machine operators, drivers and elementary workers: Ore Processing (Crushing, Diamond Recovery; DMS; Scrubbing and Screening; Water Reticulation); Mining (Competent A; Operator Mobile Machinery for Surface Excavations Operations); Technical Support (Operatives Phase 1 – Off and On the Job); Safety and Health (Occupational Health and Safety Programme: SHE Representation).	Training service providers	2013-2017	<ul style="list-style-type: none"> • Number of employees trained • Career advancement after training 	Ore Processing: 2013: 40 2014: 47 2015: 42 2016: 52 2017: 54 Mining: 2013: 108 2014: 108 2015: 108 2016: 108 2017: 108 Technical Support: 2013: 39 2014: 41 2015: 41 2016: 40 2017: 40 Safety and Health: 2013: 50 2014: 38 2015: 33 2016: 6 2017: 29	<ul style="list-style-type: none"> • Monitor training records as well as trainees' career advancement after completing the programmes 	Human Resources

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
67 In service training: Unit standard and modular based training to operate machines and equipment such as overhead cranes, lift trucks, skid steer loaders, manual lifting equipment and tackle, mobile cranes, rough terrain forklift trucks, cable reeler, tractors, etc.	Training service providers	2013-2017	<ul style="list-style-type: none"> Number of employees trained Career advancement after training 	2013: 224 2014: 233 2015: 233 2016: 233 2017:233	<ul style="list-style-type: none"> Monitor training records as well as trainees' career advancement after completing the programmes 	Human Resources
68 Working literacy programme: Foundational Learning Certificate (FLC Training).	Training service providers	2013-2017	<ul style="list-style-type: none"> Number of employees trained Career advancement after training 	2013: 20 2014: 20 2015: 20 2016: 20 2017: 20	<ul style="list-style-type: none"> Monitor training records as well as trainees' career advancement after completing the programmes 	Human Resources



↑ EMPLOYEES ARE TRAINED TO OPERATE HAUL TRUCKS AND OTHER LARGE SCALE EQUIPMENT.

MANAGEMENT AND MONITORING MEASURES			
IMPACT 12	Negative impact of contractor behaviour on Venetia Mine's reputation		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<p>Construction of the VUP has resulted in a significant increase in contractors and their employees in the Musina and Alldays areas. Stakeholders complained about the following behaviour experienced by contractors and their employees:</p> <ul style="list-style-type: none"> Questionable recruitment practices Informal dwellings Unsafe driving behaviour Disrespecting the environment (road killing of animals, illegal hunting) 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Ensure that contractors adhere to Venetia Mine's standards for road safety, housing, health, safety, and labour practices. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Blouberg LM Musina LM Traditional authorities Residents of Musina Residents of Alldays Farmers Contractors 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
69 Establish and implement a formal policy on contractor behaviour, linked to the performance management of contractors (ethical contracting process).	Contractors	<ul style="list-style-type: none"> Policy finalised: Apr 2014 Negotiations with existing contractors: May-Jul 2014 Implementation for new contractors: May 2014 onwards 	<ul style="list-style-type: none"> Finalised policy Contractor commitment and compliance Number of complaints received 	<ul style="list-style-type: none"> Policy approved by Venetia Opco Amended contracts for existing contractors that include the Contractor Policy and performance management implications Less than five complaints about contractor behaviour per month 80% of community members perceive contractors to be compliant with Venetia Mine's Contractor Policy 	<ul style="list-style-type: none"> Monitor compliance with policy requirements Analysis of complaints received via the mine's complaints and grievance procedure Three-yearly community survey as part of the SEA process 	<ul style="list-style-type: none"> Supply Chain Public Affairs

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
70 Establish a Contractors Forum where the mine can engage with contractors as a group on matters of mutual importance.	Contractors	<ul style="list-style-type: none"> Established: Jun 2014 Quarterly meetings 	<ul style="list-style-type: none"> Established forum Attendance of meetings Quality of engagement 	<ul style="list-style-type: none"> Contractors Forum established and endorsed by the General Manager (GM) 80% of on-site contractors attend quarterly meetings 80% satisfaction with level of engagement at the forum from both mine and contractor attendees 	<ul style="list-style-type: none"> Analyse attendance records and minutes of meetings Feedback slips completed by attendees at each meeting Ad hoc discussions with mine and contractor representatives 	Supply Chain
71 Promote the mine's complaints and grievance procedure to ensure that any complaints about contractor behaviour and non-compliance are officially captured, tracked and resolved.		Awareness campaign run once a year for 3-4 weeks	<ul style="list-style-type: none"> Awareness of complaints and grievance procedure Type of complaints received Resolution of complaints 	<ul style="list-style-type: none"> 70% awareness among stakeholders of the mine's complaints and grievance procedure 95% of complaints related to contractors are logged via the mine's complaints and grievance procedure 80% of complaints resolved within the allowed timeframe, and to the satisfaction of complainants 	<ul style="list-style-type: none"> Three-yearly community survey as part of the SEA process Analyse data from the complaints and grievance procedure Random follow up calls to complainants to assess satisfaction with complaint resolution 	Corporate Affairs



↑ SUNRISE OVER VENETIA MINE.

MANAGEMENT AND MONITORING MEASURES						
IMPACT 13	Insufficient communication/information sharing by the mine					
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation					
DURATION	Long term					
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo			
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<ul style="list-style-type: none"> There are generally low levels of awareness of the mine's contribution to community development projects. There is a need for more regular, ongoing engagement with certain stakeholders, such as neighbouring farmers, traditional authorities, and local municipalities. 					
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Improve the mine's communication to, and engagement with stakeholders. 					
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> All stakeholders 					

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
72 Secure a monthly slot on the Musina community radio station to communicate the involvement of the mine in community related projects or news about the VUP.	Musina FM	Monthly	<ul style="list-style-type: none"> Exposure Level of awareness 	<ul style="list-style-type: none"> 60% of Musina town residents exposed to the radio broadcasts 70% awareness of community development projects and VUP progress 	<ul style="list-style-type: none"> AMPS statistics Three-yearly community survey as part of the SEA process 	Corporate Affairs
73 Revive the Venetia Voice as a community newsletter distributed from door to door in Musina and Alldays, as well as to traditional authority offices (consider translation into three languages).		Quarterly	<ul style="list-style-type: none"> Exposure Level of awareness and understanding 	<ul style="list-style-type: none"> 80% of residents receive and regularly read the newsletter 80% awareness of community development projects, business, employment or other opportunities at the mine 70% understanding the processes and criteria for application (Hub, LAC, or employment) 	<ul style="list-style-type: none"> Three-yearly community survey as part of the SEA process Ad hoc focus groups with community members to determine if and how the newsletter can be improved 	Corporate Affairs

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
74 Participate in the IDP and LED forums of the Musina and Blouberg Local Municipalities.	<ul style="list-style-type: none"> Musina LM Blouberg LM 	Annually, or as arranged	<ul style="list-style-type: none"> Attendance of forum meetings Quality of input during meetings 	<ul style="list-style-type: none"> 100% of forum meetings are attended by at least one Venetia Mine representative 90% satisfaction of municipal role players with the mine's level of input during forum meetings 	<ul style="list-style-type: none"> Written feedback from mine attendees of each meeting Structured feedback from municipal role players 	Corporate Affairs
75 Regular engagement with organised labour through the Venetia Mine Future Forum.	Organised labour	As agreed in the MoU with organised labour	<ul style="list-style-type: none"> Attendance Regularity of meetings Satisfaction with level of engagement 	<ul style="list-style-type: none"> On average, 80% of forum members attend meetings 90% of scheduled meetings go ahead as planned 80% satisfaction with level and outcomes of engagement through the forum 	<ul style="list-style-type: none"> Assess minutes of meetings and attendance records Structured feedback held separately, once a year, with mine attendees and organised labour attendees 	Human Resources
76 Formal meetings where the GM and the PCA manager update the Mayors of Musina and Blouberg Local Municipalities (in separate sessions) on the mine's community development projects and operational plans.		Twice per year	<ul style="list-style-type: none"> Regularity of meetings Satisfaction with level and outcomes of engagement 	<ul style="list-style-type: none"> Minimum of one meeting per year 80% satisfaction with the level and outcomes of the engagement 	<ul style="list-style-type: none"> Assess minutes of meetings Structured feedback from the mayors during the three-yearly SEA process 	Corporate Affairs
Refer to Management Measure 16 (Sharing of information on vacancies).						
Refer to Management Measure 18 (Participation in the Greater Mapungubwe Network).						
Refer to Management Measure 23 (Keeping stakeholders up to date on the VUP).						
Refer to Management Measure 28 (Establishing a forum for engagement of local business).						
Refer to Management Measure 32 (Engaging suppliers via the annual supplier day).						
Refer to Management Measure 33 (Using community radio to share information about tenders and other business opportunities).						
Refer to Management Measure 43 (Engagement with neighbouring farmers).						
Refer to Management Measure 56 (Policy for engagement of local municipalities vis-à-vis traditional authorities).						
Refer to Management Measure 71 (Establishing a Contractors Forum).						
Refer to Management Measure 72 (Venetia Mine complaints and grievance procedure).						

MANAGEMENT AND MONITORING MEASURES			
ISSUE 10	Perceived preferential treatment of Musina town and communities		
MINING PHASE IMPACTED IF NOT ADDRESSED	Operation		
DURATION	Long term		
AREA/S IMPACTED	Ga-Kibi, Ga-Makgatho and Babirwa Traditional Authorities	Musina and Blouberg Local Municipalities	Limpopo
BRIEF DESCRIPTION OF THE ISSUE/IMPACT	<ul style="list-style-type: none"> A number of stakeholders from the Blouberg municipal area are convinced that Venetia Mine gives preferential treatment to Musina town and communities in terms of employment, community development projects and support to the municipality on infrastructure. Their argument is that Alldays (Blouberg municipal area) is situated closer to Venetia Mine than Musina town, hence the (perceived) preferential treatment is unfair. 		
OBJECTIVES OF MANAGEMENT AND MONITORING MEASURES	<ul style="list-style-type: none"> Transparent and regular information sharing regarding the mine's community and infrastructure development projects in the two areas, as the current perceptions are mainly due to incorrect/incomplete information. 		
KEY AFFECTED STAKEHOLDERS	<ul style="list-style-type: none"> Blouberg LM Musina LM Traditional local authorities Residents of Musina, Alldays and rural villages 		

MANAGEMENT RESPONSE	EXTERNAL STAKEHOLDERS INVOLVED IN IMPLEMENTATION	TIMELINES	KPIs USED FOR MONITORING AND EVALUATION	PERFORMANCE TARGET	MONITORING AND EVALUATION	RESPONSIBLE TEAM
Refer to Management Measures 73, 74, 77, and 78 (Communication to, and engagement with various stakeholders).						



↑ EMPLOYEES IN THE PIT TAKING A BREAK.

8 NEXT STEPS

It is a priority for us to ensure that the mine's development projects provide long-term, sustainable benefits to our community.

Publishing the Venetia Mine Socio-Economic Assessment Report is our first initiative to share the management measures we intend to put in place to respond to stakeholders' issues and identified impacts of the mine. We have listened to our stakeholders' issues and concerns and carefully considered which initiatives to undertake to address the many challenges facing our community. The measures in our SMP are aimed at the next three years, or beyond, to give stakeholders a medium-term picture of the mine's initiatives. We believe that honouring our commitments is the only way to demonstrate that the mine is acting in good faith. We will therefore provide ongoing feedback on the activities undertaken to increase trust and goodwill between the mine and our local stakeholders. The leadership team at Venetia Mine is accountable for the implementation of the SMP and will see to it that implementation is effective, and progress made is according to plan.

We want our local community to benefit from the opportunities at the mine and the opportunities that the new VUP will provide. Our initiatives will focus on local employment, maximising local economic development by increasing the number of local suppliers, supporting local businesses and improving rural communities' access to opportunities. We will also engage with our contractors to follow the same approach.

It is a priority for us to ensure that the mine's development projects provide long-term, sustainable benefits to our community. We will therefore direct our efforts in terms of development to create sustainable jobs and to stimulate the local economy.

We believe education is the key to self-empowerment and to break the spiral of poverty and economic inequality. We will continue with our initiatives to support education at schools and to develop infrastructure at schools to ensure our learners are provided with quality education in a safe environment conducive to learning. We will also continue with existing skills development and training opportunities for community members at the mine's training centre. We will work with our district municipalities and our two local municipalities to identify and implement infrastructure development projects and to explore ways to assist with the provisioning of water to rural villages struggling to access water for household use. At the same time, it is important to be mindful of the inherent risk of overreliance on the mine with regard to infrastructure and to manage expectations of our stakeholders, whether these expectations are realistic and fair or not. For this reason we intend to be open and clear when we cannot meet expectations.

We are committed to continue mitigating negative environmental impacts due to our mining activities and will embark on joint problem solving initiatives with our stakeholders. We will also broaden our communication to ensure that our local farming community is aware of the mine's activities to reduce negative impacts.

Our aim is to maintain and strengthen the mine's conservation initiatives with our partners to ensure that we leave behind a lasting environmental conservation legacy for future generations.

Last, but not least, we will strengthen our communication and engagement with stakeholders to ensure that there are high levels of awareness of our activities and that we have line of sight of the needs and concerns of our local community.

We care for the wellbeing of our community and wish to make a lasting, positive impact. We believe that we can make a difference if we all work together to achieve our shared objectives.

“ We have listened to our stakeholders and carefully considered which initiatives to undertake to address the many challenges facing our community. ”

9 GLOSSARY AND ACRONYMS

GLOSSARY	
TERM	MEANING
COMMUNITY-BASED ORGANISATION (CBO)	Organisation based and working in one or more local communities. A CBO is generally a private, charitable (non-profit) organisation which is run by and for the local community. It is usually created in response to a particular local need or situation, and usually supports a variety of specific local improvement actions which are generally undertaken by or with local people.
DEPARTMENT OF MINERAL RESOURCES (DMR)	The principal regulatory body in the mining industry.
DESK RESEARCH	Gathering and analysing information, already available in print or published on the internet.
EARLY CHILDHOOD DEVELOPMENT (ECD)	A comprehensive approach to policies and programmes for children aged 0-9 years, with a specific focus on children from 0-4 years, and Grade R.
ENTERPRISE DEVELOPMENT	The deliberate actions taken to assist a commercial enterprise or business to develop and grow. Often enterprise development goes hand in hand with a focus on entrepreneurship and the development of small businesses, but it is not limited to small business development and includes medium enterprises or industries as a whole. De Beers contributes to enterprise development through its De Beers Zimele initiative.
FOCUS GROUP	<p>A focus group is a form of qualitative research in which a group of people are asked about their perceptions, opinions, beliefs, and attitudes towards an entity or subject. Focus group discussions are seen as an important social research tool for acquiring feedback on the impact that a mining operation has on local stakeholders.</p> <p>A focus group is usually semi-structured, conducted by a trained moderator, among a small group of respondents (i.e. 8 – 12 is the optimal size). The discussion is conducted in an informal and natural way where respondents are free to give views and talk with one another.</p> <p>Participants are recruited to represent a diversity of stakeholder views.</p>
IN-DEPTH INTERVIEW	A method of qualitative research in which the researcher conducts an unstructured interview allowing the respondent to steer the discussion in any direction. Usually this research tool enables a much deeper understanding of a situation.
INTEGRATED DEVELOPMENT PLAN (IDP)	Section 25 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) stipulates that each municipal council must, after the start of its elected term, adopt a single, inclusive and strategic plan (IDP) for the development of the municipal area. An IDP is a “super plan” for an area that gives an overall framework for development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in an area. It takes into account the existing conditions and problems and resources available for development. It looks at economic and social development for the area as a whole. It is used by municipalities as a tool to plan short and long term future development.
ISSUES	<p>Issues are defined as</p> <ul style="list-style-type: none"> • Stakeholder perceptions of the impact of an operation; and • The gap between stakeholder expectations and company performance; <p>which can have an impact on the relationship between a mining operation and its stakeholders.</p>
IMPACTS	Verified direct or indirect, positive or negative impact of mining activities on people or the environment.
LIFE OF MINE (LOM)	The number of years that an operation is planning to extract and treat mineral resources, taken from the current mine plan.
LOCAL AREA COMMITTEE (LAC)	Responsible for fund allocation for community development projects, and work in partnership with the key community stakeholders (in line with the principles of the De Beers Fund).

TERM	MEANING
LOCAL AUTHORITIES/ LOCAL MUNICIPALITIES/ DISTRICT MUNICIPALITIES	Local democratically elected governing units – district or local municipalities - within the unitary democratic system of South Africa. Both local and district municipalities are members of the government vested with prescribed, controlled governmental powers and resources of income to render specific local services and to develop, control and regulate the geographic, social and economic environment of a demarcated local area.
LOCAL ECONOMIC DEVELOPMENT (LED)	LED is one of the most important ways of decreasing poverty and creating jobs by making the local economy grow. This means growing a number of businesses and industries in a municipal area. National government makes policy and provides funds, research and other support for local economic development. Municipalities decide on LED strategies and the process of arriving at a LED strategy must be part of the Integrated Development Planning (IDP) process.
MANAGEMENT MEASURES	An activity by management implemented to address one or more specific planning objectives.
MINE CLOSURE PLAN	A Mine Closure Plan details how a mine will close the mine site and return the surrounding land, as closely as possible, to its pre-mining state.
MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT 28 OF 2002 (MPRDA)	Mineral resource exploitation in South Africa is regulated by both statute and common law. The MPRDA is the primary regulatory framework legislation. It specifically directs that where there is a conflict between the MPRDA and common law, the MPRDA will prevail. The MPRDA established the State as the custodian of all mineral resources in South Africa, through the minister of mineral resources. The mining industry is regulated by the MPRDA through the national and regional offices of the DMR.
NON-GOVERNMENTAL ORGANISATIONS (NGO)	The term originated from the United Nations (UN), and is normally used to refer to organisations that do not form part of the government and are not conventional for-profit business. In cases where an NGO is funded fully or partially by a government, the NGO maintains its non-governmental status by excluding government representatives from membership in the organisation. The term is usually applied only to organisations that pursue some wider social aim, but excludes overtly political organisations such as political parties. The term “non-governmental organisation” has no generally agreed legal definition. In many instances, these types of organisations are also called “civil society organisations”.
NON-PROFIT ORGANISATION (NPO)	A trust, company or other association of persons established for a public purpose and of which its income and property are not distributable to its members or office bearers except as reasonable compensation for services rendered. NGOs and CBOs are two types of NPOs, the former usually more formalised and better resourced than the latter.
PARTNERSHIP	An agreement or alliance with an external organisation to further common goals, such as supporting socio-economic development or environmental protection.
PONAHALO INVESTMENTS	Ponahalo Investments is DBCM's BEE partner holding a 26% stake in DBCM
PRIMARY COMMUNITIES	These are the communities within an operation's zone of influence directly impacted by an operation. Also referred to as footprint communities.
SOCIAL AND LABOUR PLAN (SLP)	A plan that each mine in South Africa must prepare as part of the obligations established by the Minerals and Petroleum Resources Development Act (MPRDA) - the principle law that regulates the mining industry. The MPRDA's objectives include promoting employment and advancing the socio-economic welfare of all South Africans; and ensuring mining rights holders contribute towards the socio-economic development of the areas in which they are operating. As part of an application for a mining right an applicant must submit a Social and Labour Plan (SLP) for approval by the DMR. In the SLP the mining right holder commits to a human resources development programme, a local economic development programme, a procurement progression plan and processes for managing downscaling and retrenchment.

TERM	MEANING
SOCIAL MANAGEMENT PLAN (SMP)	A framework that details an operation's planned approach to managing social performance.
SOCIO-ECONOMIC ASSESSMENT (SEA)	The process of identifying the impacts of a project or operation on the social and economic environment in which it operates. A range of indicators can be assessed, including cultural impacts, health, education, demographic effects, resettlement, indigenous peoples' rights and local economic developers. International standards guide the process and global mining companies self-regulate through their own group wide standards for socio economic assessments.
SOCIO ECONOMIC ASSESSMENT TOOLBOX (SEAT)	Anglo American's management framework for social issues and stakeholder engagement and development. It supports sustainable development objectives as they relate to human and social capital at a local level. The definition of socio-economic impact used in SEAT is broad, and includes, for example, economic, cultural, health and human rights issues, as well as environmental impacts. SEAT seeks to identify both impacts directly caused by the operation and indirect impacts that may not have been directly motivated or deliberately caused by the operation, but which may still have a significant influence on relations between an operation and its stakeholders.
STAKEHOLDER	An individual or group that may be affected by, have an interest in or can influence the operations of the company.
STAKEHOLDER ENGAGEMENT	Process by which a company and its stakeholders converse and exchange information and ideas in an effort to align mutual interests, reduce risk, improve decision-making and advance the company's performance in terms of people, planet and profit.
STAKEHOLDER MAP	A visual or graphic representation of priority stakeholders for an operation. The dimensions used to plot stakeholders are: stake in the operation and influence over other stakeholders. The resulting four (4) quadrants are (1) shapers (high stake; high influence); (2) influencers (low stake, high influence); (3) followers (high stake, low influence) and (4) bystanders (low stake; low influence). The position of a stakeholder on the map provides valuable clues as to the most impactful manner in which to engage the stakeholder.
SUSTAINABLE DEVELOPMENT	Originally defined by the Bruntland Report as “development, which meets the needs of the present without compromising the abilities of future generations to meet their own needs”. Later defined by the World Business Council for sustainable Development (WBCSD) as: “a commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress”.
ZIMELE BUSINESS HUB	DBCM has established small business hubs (referred to as Zimele Business Hubs) at all its South African operations, to enhance enterprise development in communities neighbouring its operations. De Beers Zimele facilitates the creation, promotion and expansion of sustainable empowered businesses through funding, extensive support, mentorship, and guidance.
ZONE OF INFLUENCE	The area within which direct and indirect impacts can be associated with an operation.

ACRONYMS

BEE	Black Economic Empowerment
Blouberg LM	Blouberg Local Municipality
CBO	Community-based Organisation
DBCM	De Beers Consolidated Mines
DBFund	De Beers Fund
DBSA	Development Bank of South Africa
DMR	Department of Mineral Resources
ECD	Early Childhood Development
EWT	Endangerend Wildlife Trust
EXCO	Executive Committee
FBO	Faith-based Organisation
FLC	Foundational Learning Certificate
FWC	Functional Work Capacity
GM	General Manager
HDSA	Historically Disadvantaged South African
IDP	Integrated Development Plan
LAC	Local Area Committee
LED	Local Economic Development
LEDA	Limpopo Economic Development Agency
MoU	Memorandum of Understanding
MPRDA	Mineral and Petroleum Resources Development Act, No 28 of 2002
Musina LM	Musina Local Municipality
NGO	Non-governmental Organisation
NPO	Non-profit Organisation
OpCo	Venetia Management Team
SALGA	South African Local Government Association
SANParks	South African National Parks
SAPS	South African Police Service
SEA	Socio-Economic Assessment
SEAT	Socio-Economic Assessment Toolbox
SEBD	Socio-Economic Benefit Delivery
SHE	Safety, Health and Environment
SLP	Social and Labour Plan
SMP	Social Management Plan
SMS	Short Message Service
VMFF	Venetia Mine Future Forum
VMFund	Venetia Mine Fund
VUP	Venetia Underground Project
WWF	World Wildlife Fund

WE VALUE YOUR FEEDBACK

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