

PetraDiamonds
FINSCH DIAMOND MINE

FINSCH DIAMOND MINE (PTY) LTD

SOCIAL AND LABOUR PLAN (2018 – 2022)

MINING RIGHT NUMBER: NC 30/5/1/2/2/102 MR

Social Labour Plan 3 Application (Version 3)

Submission date: 30 October 2019

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DEFINITIONS

“Apprenticeship” - (Artisan) is a structured learning programme aimed at developing trade-specific skills and consolidating the learner's ability in the trade. A trade test will be written after the completion of formal training, and it takes longer to complete than the normal learnership.

“Community” - means a coherent, social group of persons with interests or rights in a particular area of land which the members have or exercise communally in terms of an agreement, custom or law.

“Community based organisations” - organisations that are established by and draw from community representatives.

“Contractor” - means an organization or individual that contracts with Finsch Diamond Mine for a period of at least 3 years, to perform work within the boundaries of the mining area and:

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

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

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

“Foreign migrant labour” - employees from neighbouring countries who have retained their non-permanent resident status in South Africa while working at Finsch Diamond Mine's operations.

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

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

“HDSA Company” - a company that is owned or controlled by Historically Disadvantaged South Africans

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

“Individual Career Development Plan” - addresses your personal and career development needs and interests in the context of departmental needs and your job.

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

“Internal Upskilling Programme” - means the acquisition of additional skills through formal training programmes.

“Learnership” - (Non-artisan) refers to a learning programme where the learner spends some time learning theory and some time learning practical skills in a workplace and it leads to a qualification registered on the National Qualifications Framework.

“Management” - all employees within the Paterson band D, E, and F.

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

“Social Impact Assessment” - a method of identifying, analysing and evaluating the impact our actions may have on the social aspects of the environment.

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

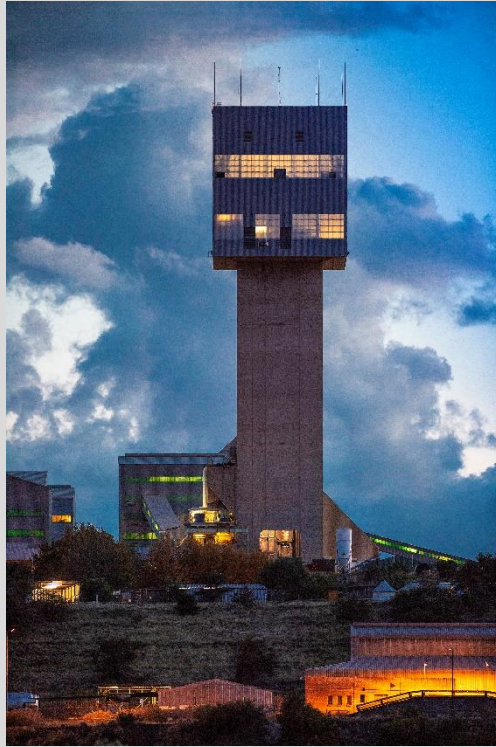
“Scarce Skills” - refer to those occupations in which there is a scarcity or shortage of qualified and experienced people. This scarcity can be current or anticipated in the future, and is usually due to the fact that either people with these skills are simply not available, or they are available but they do not meet the organisation’s employment criteria.

“Nated Subjects” - stands for National Technical Certificate or Diploma and relates to the Engineering subjects relative to becoming an Artisan (N1 – N3).

LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
ABET	Adult Basic Education and Training
AET	Adult Education Training
BEE	Black Economic Empowerment
CAP	Career Advancement Programme
CBT	Computer Based Training
CSI	Corporate Social Investment
CV	Curriculum Vitae
C & I	Control and Instrumentation
C2T	C Band Technical
DACE	Department of Agriculture, Conservation and Environment
DECTI	DECTI, a company of corporate advisors and transformation project managers, fully supports the unification of all South Africa
DM	District Municipality
DMR	Department of Mineral Resources
DoL	Department of Labour
DTI	Department of Trade and Industry
DSTV	Digital Satellite Television
DWA	Department of Water Affairs
EE	Employment Equity
EIA	Environmental Impact Assessment
FET	Further Education Training
FY	Financial Year
GET	General Education and Training
HDSA's	Historically Disadvantaged South Africans
HET	Higher Education and Training
HR	Human Resources
HRD	Human Resources Development
HRDP	Human Resources Development Programme
ICDP	Individual Career Development Plan
IDP's	Integrated Development Plans
IFC	International Finance Corporation
JV	Joint Venture
KLM	Kgatelopele Local Municipality
LDP	Leadership Development Programme
LEDP	Local Economic Development Programme
LM	Local Municipality
LOM	Life of Mine
MBA	Master in Business Administration
MCT	Million carats
Mctpa	Million carats per annum
Mtpa	Million tonnes per annum
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPRDA	Minerals and Petroleum Resources Development Act (no. 28, 2002)
MQA	Mining Qualifications Authority
MWP	Mine Works Plan
NCV	National Certificate Vocational
NQF	National Qualifications Framework
NSDP	National Spatial Development Perspective
OHS	Occupational Health Services
OHSAS	Occupational Health and Safety Assessment Series
PDP	Personal Development Plan
PGDS	Provincial Growth and Development Strategy
PDSA	Petra Diamonds South Africa

POE	Portfolio of Evidence
PPE	Personal Protective Equipment
RSA	Republic of South Africa
SBH	Small Business Hub
SETA	Sector Education and Training Authority
SLC	Sub Level Caving
SLP	Social Labour Plan
SMME's	Small, Medium and Micro Enterprises
STO	Senior Training Officer
SWPC	Southwest precursor
tbc	To be Confirmed
UIF	Unemployment Insurance Fund
VCT	Voluntary Counselling and Testing
WIFS	Wet Infield Screening
WIM	Women in Mining
WSP	Workplace Skills Plan



SECTION 1

INTRODUCTION AND PREAMBLE

1.1 PREAMBLE

1.1.1 FULL PARTICULARS OF THE HOLDER AND EMPLOYEES

Mining Right Reference Number	NC 30/5/1/2/2/102 MR 056/2011 MR (Section 11)
Name of Mine	Finsch Diamond Mine (Pty) Ltd
Name and Address of the Mining Right Holder	Central Avenue LIME ACRES 8410
Postal Address	PO Box 7 LIME ACRES 8410
Name of Contact Person	Ntokozo Ngema
Telephone Number Fax Number	(053) 385-2111 (053) 385-2304
Email Address	Ntokozo.Ngema@petradiamonds.com
Location of the Mine	Finsch Diamond Mine is located approximately 165 km North West of Kimberley, on the farm Consolidated Farm Carter Block 458, in the Northern Cape. The mine and mining town of Lime Acres is situated adjacent to the Kuruman Hills.
District & Local Municipality	ZF Mgcawu District Municipality Kgatelopele Local Municipality
Commodity:	Diamonds from Kimberlite
Life of Mine	Till 2037
Financial Year of the Company	1 July - 30 June (Since Effective Date 14 September 2011)
Reporting Period	July 2018 - 30 June 2022

1.2 INTRODUCTION

Petra Diamonds Ltd is a leading independent diamond mining group and an increasingly important supplier of rough diamonds to the international market. The Group's portfolio incorporates the full range of kimberlite 'hard rock' operations, combining major underground pipe mines with low-tonnage, high-grade fissure mines and one large high-volume open cast mine.

Finsch Diamond Mine is one of the world's important diamond mines and South Africa's second largest diamond operation by production. The mine benefits from state-of-the-art mining infrastructure, including a modern processing plant. Finsch Diamond Mine is currently implementing a development plan to lift production from 1.6 million carats per annum in FY2016 to around 2 million carats per annum by FY2018 (involving both underground and tailings production). Petra Diamonds purchased the Finsch Diamond Mine from De Beers Consolidated Mines (DBCM) in September 2011.

Petra Diamonds is committed to maintaining the highest standards of business conduct and ethics, as well as compliance with all applicable laws, rules and regulations, corporate reporting and disclosure. As such Petra Diamonds is fully committed to ensuring that their operations, including Finsch Diamond Mine, subscribe to the objectives of the Mining Charter and the Mineral and Petroleum Resources Development Act (MPRDA), Act No.28 of 2002.

The objectives of the Social and Labour Plan (section 41 of the MPRDA Regulations) are to:

- Promote employment and advance the social and economic welfare of all South Africans;
- Contribute to the transformation of the mining industry; and
- Ensure that holders of mining rights contribute towards the socio-economic development of the areas in which they operate.

Finsch Diamond Mine is committed to the socio-economic development of the Kgatelopele Local Municipality and the broader ZF Mgcawu District Municipal Area as reflected in this Social Labour Plan for the next 5-year period (2018-2022). Finsch Diamond Mine will show this commitment through an integrated and focused implementation approach towards recruitment, skills development and local economic development initiatives, concentrated on ensuring sustainable host communities beyond the life of Finsch Diamond Mine.

The underground mining operations in Block 4 are coming to an end, with limited ore from pillar extraction on 63 level scheduled to continue until the last quarter of 2017, therefore an expansion project is being implemented to extend the life of mine (LOM) to 2030. The expansion project entail several different mining blocks, sequenced in phases to extract the orebody optimally and in geotechnical sound approach. The main kimberlite pipe and southwest precursor (SWPC) will be mined in various phases using the sublevel caving mining method.

The SLC mining method of extracting ore from the ore body will involve the drilling of vertical fanned-out holes of 89mm to 102mm in diameter with approximately 15 holes per fan. This fan of holes will be pumped full of emulsion explosive and blasted to break up a slice of ore, 2 metres thick and up to 30 metres high.

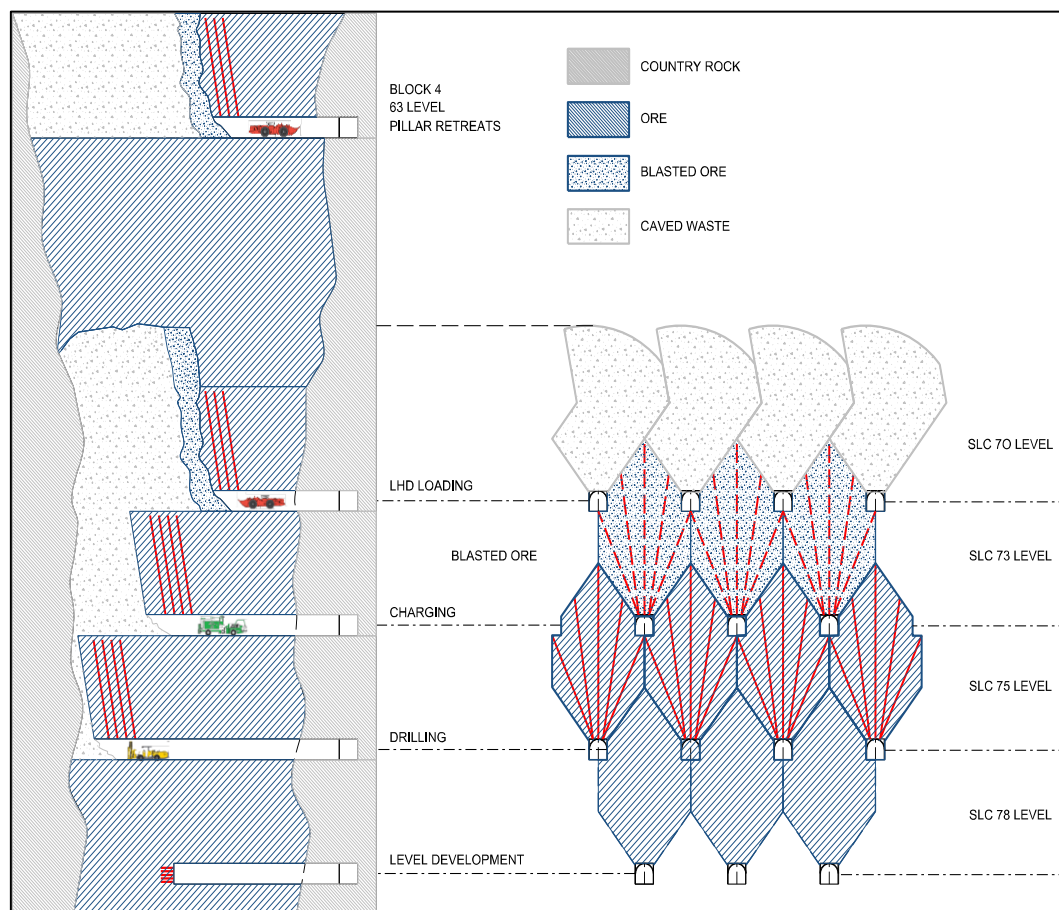


Figure 1: Illustration of SLC method

Once blasted the ore will be loaded out by underground loaders and taken to ore-passes on the same level. The ore-passes will vertically transport the ore to a crusher further down before the ore is taken by a conveying system to the shaft for hoisting and processing in the plant.

Some of the differences of SLC's compared to Block Caves include:

Timing: Block caves take a longer time, (approximately 8 years) to start producing. An SLC takes about half the time.

Capital: A Block Cave requires a lot of capital funding up front to put the entire infrastructure in place before production can start. The capital cash flow for an SLC is better distributed compared to a block cave and revenue is generated earlier to start re-paying the capital.

Cost: A Block Cave is in most cases the cheapest mining method to operate as it requires little to no blasting once the infrastructure have been put in place. Almost all ore in an SLC has to be drilled and blasted perfectly to allow the business to remain competitive.

Preparing for new activities in the production process, new long hole drill rigs, charging units, mobile rock breakers and hang-up rigs are necessary. The rigs come with a significant amount of electronic controls, instrumentation and automation to provide the accuracy in drilling required when drilling long holes. A hole that is off-course will be extremely detrimental to this mining method and could lead to poor breaking and reduced production, creating pillars that leaves ore behind which could ultimately cause tunnel collapse below because of uneven stress distribution.

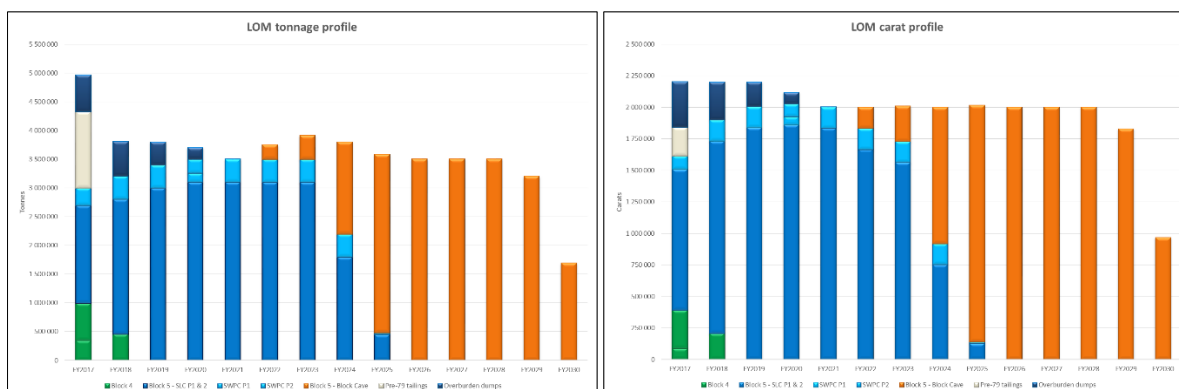
The ring designs will be transferred electronically to the rig and once the automated drill rig specialist has correctly positioned the rig, the rig will drill all the holes in one fan in automated mode. The specialist will be required to completely understand this more complex equipment to ensure it operates productively. The rig will also require a specialist team to maintain and look after it to ensure it operates productively.



Figure 2: Illustration of Sub Level Caving method with Drill Rig

1.3 PRODUCTION FORECAST

The tons forecast from 2019 is expected to be 3.5 million tons per annum from underground equating to just over 2.0 million carats per annum.



Graph 1: Life of Mine production profile

1.4 MINING METHODOLOGY

The Finsch Diamond Mine ore body is mined using the Sublevel Cave (SLC) mining method, which is also used at Petra's Cullinan and Koffiefontein underground operations. Mining at Finsch Diamond Mine continues within Block 4 of the ore body at a depth of 630 metres below surface, albeit at a much lower tonnage sourced from the extraction of pillars.

Pillar extraction is scheduled to continue into the third quarter of 2017. Production is ramping up in Block 5 making use of (SLC) mining method beneath block 4. Production commenced at a depth of 700 meters below surface and will in time proceed down to 880 metres. Petra Diamonds intends to keep total carat production steady during the transition phase, by supplementing underground ore from various sources including surface stockpiled material.

Underground production is supported by re-treating the pre-1979 tailings through the main plant which still contain diamonds as the technology at the time could not recover all diamonds mined. The pre-1979 tailings are expected to be depleted in FY 2016. The overburden dump material is also treated through a new separate bulk sampling plant and make a sizeable contribution to maintain overall output.

1.5 CURRENT AND EXPECTED WORKFORCE

The current workforce at Finsch Diamond Mine consists of a total number of One thousand and ninety five (1095) employees as at 30 September 2016 (see Table 2 below). According to the Mining Works Plan (MWP) the workforce will increase to a total projected number of One thousand two hundred and thirty nine (1239) by 2018 and will decrease to One thousand two hundred and twenty nine (1229) by 2022 (please refer to Table 2). The total expected increase in the number of employees for Finsch Diamond Mine in the next Social Labour Plan period is therefore fifty seven (57). This excludes any core or support contractor employees.

Table 1 provides a Summary of the Finsch Diamond Mine's Planned Workforce, Table 2 offers the detail regarding the expected workforce distributions as planned for the 2018-2022 period.

Table 1: Summary of Finsch Diamond Mine Planned Workforce (30 September 2016)

Operation	Service Provided to the Mine	Planned Number of Employees at the Mine
Finsch Diamond Mine	Mining and Management of the Operation	1182

Table 2: Occupational Distribution of Finsch Diamond Mine Expected Workforce for Five (5) Years (2018-2022) Excluding Project Complements

FINSCH DIAMOND MINE WORKFORCE PLAN	Current	2018	2019	2020	2021	2022
Top Management (Level F)	0	0	0	0	0	0
Senior Management (Level E)	4	5	5	5	5	5
Professionally Qualified and Experienced Specialists and Middle Management (Level D)	53	64	64	64	63	63
Skilled - Technical and Academically qualified workers, Junior Management. (Level C)	374	421	420	420	418	418
Semi-skilled and Discretionary Decision Making (Level B)	453	585	576	577	563	563
Unskilled and Defined Decision Making (Level A)	62	164	172	180	180	180
TOTAL PERMANENT	946	1239	1237	1246	1229	1229
Non-Permanent Employees	210	<i>Included above</i>	<i>Included above</i>	<i>Included above</i>	<i>Included above</i>	<i>Included above</i>
TOTAL	1156	1239	1237	1246	1229	1229

1.6 LOCAL RECRUITMENT

Vacancies at Finsch Diamond Mine are advertised internally (employees) and externally (local and national newspapers as well as other electronic media). External candidates are only considered if appropriate candidates cannot be sourced internally. The recruitment strategy for Local Economic Development Projects will also focus on employing local labour.

Furthermore, representatives of the recognised Union (NUM) are invited to participate in the pre-selection and interview of A-C Lower recruitment processes. Any barriers identified may be taken to the broader Employment Equity Forum. In addition, recruitment of mine employees for positions graded C Lower to E Lower are reverted to Petra Group Services to further ensure that Employment Equity targets are met from an operational as well as a group perspective.

Table 3 outlines the Local Recruitment Strategy at Finsch Diamond Mine.

Table 3: Finsch Diamond Mine Local Recruitment Strategies

Local Recruitment Strategic Action Plan	Responsible Department	Date to be Completed
Priority is given to candidates from Lime Acres and Daniëlskuil (Kgatelopele Local Municipality) and then the broader ZF Mgcau Area.	HR Department	Ongoing
Vacancies are advertised internally and externally. HR reviews the applications.	HR Department	Ongoing
C band and upper recruitment are co-ordinated via Petra Central Recruitment Centre.	Petra Group Services	Ongoing

Table 4(a), (b) and (c) below provide a breakdown of the Labour Sending Areas of Finsch Diamond Mine for all the employees including contractors.

Table 4 (a): Finsch Diamond Mine Labour Sending Area of Permanent Employees as of 30 January 2018

District Municipality (DM)	Local Municipality (LM)	No of Employees	% of Total LSA	% of DM
*ZF Mgcawu (NC)	Kgatelopele	442	37.81%	40.46%
	Other	31	2.65%	
John Taolo Gaetsewe (NC)	Ga-Segonyana	117	10.1%	15.14%
	Joe Morolong	53	4.53%	
	Other	7	0.60%	
Frances Baard (NC)	Dikgatlong	36	3.08%	14.37%
	Sol Plaatje	78	6.67%	
	Phokwane	51	4.36%	
	Other	3	0.26%	
Dr Ruth Segomotsi Mompati (NW)	Greater Taung	122	10.44%	12.66%
	Other	26	2.22%	
Namakwa (NC)	Nama Khoi	29	2.48%	2.48%
	Other	0	0.00%	
Pixley Ka Seme (NC)	Emthanjeni	2	0.17%	0.51%
	Other	4	0.34%	
*Other Provinces (Non-NC)		168	14.37%	14.37%
TOTAL		1169	100%	100%

***Note:** ZF Mgcawu DM (NC) formerly known as Siyanda District Municipality

Table 4(b): Core Contractors Labour Sending Areas 30 January 2018

Contractor	Employees	ZF Mgcawu DM		John Taolo Gaetsewe DM			Dr Ruth Segomotsi Mompoti DM		Frances Baard DM				Other
		Kgatelopele LM	Tsantsabane LM	Gamagara LM	Ga-Segonyana LM	Joe Morolong LM	Greater Taung LM	Kagisano LM	Dikgatlong LM	Sol Plaatjie LM	Phokwane LM	Magareng LM	
Belt Brokers	21	16	0	0	0	0	0	0	1	1	0	0	3
Dolerite Construction	60	27	4	1	4	0	8	0	1	0	2	0	13
Eventspec	48	22	2	0	4	0	7	0	0	1	5	0	7
Frontier	128	33	1	3	10	2	5	0	6	8	2	0	58
Jonrik	134	57	4	2	18	2	9	1	1	4	1	1	34
Lenfield Construction	22	16	3	0	0	0	0	0	0	1	0	0	2
Lesedi Drilling	19	10	0	1	0	0	0	0	0	1	0	0	7
Master Drilling	22	1	2	0	3	0	0	0	0	1	0	1	14
Match Cast	12	0	9	0	0	0	3	0	0	0	0	0	0
Moengs Maintenance	89	45	0	0	10	4	8	1	4	1	8	1	7
Murry & Roberts	80	22	0	8	16	10	0	2	0	0	5	1	16
Sandvik	122	60	1	2	6	2	3	0	0	8	0	0	40
Sither Mining	115	46	6	1	9	9	8	1	1	2	3	0	29
TDS Reportable	67	15	1	0	6	0	1	3	0	2	3	1	37
TNC Mining	76	33	3	0	6	0	8	0	0	2	1	0	21
Ukwazi	9	3	0	0	0	0	0	0	0	0	0	0	6
Total per LM	1024	406	36	18	92	29	60	8	14	29	33	5	294
% per LM	100.00%	39.65%	3.52%	1.76%	8.98%	2.83%	5.86%	0.78%	1.37%	2.83%	3.22%	0.49%	28.71%
Total per DM	1024	442		139			68		81				294

Table 4(c): Non-Core Contractors Labour Sending Areas 30 September 2016 (continues on next page)

Contractor	Employees	ZF Mgcawu DM		John Taolo Gaetsewe DM			Dr Ruth Segomotsi Mompoti DM		Frances Baard DM				Other
		Kgatelopele LM	Tsantsabane LM	Joe Morolong LM	Ga-Segonyana LM	Gamagara LM	Greater Taung LM	Kagisano LM	Dikgatlong LM	Sol Plaatjie LM	Phokwane LM	Magareng LM	
AEL	2	1	0	0	0	0	0	0	0	1	0	0	0
Alfagomma	11	1	1	1	2	4	0	0	0	0	0	1	1
Atmei Construction	1	0	0	0	0	0	0	0	0	0	0	0	0
Benleg Technical Services	29	9	0	0	6	0	3	0	0	4	3	0	4
Bidvest	100	47	3	0	22	3	11	1	2	2	3	0	6
BME	4	2	0	0	0	0	0	0	0	0	0	0	2
BOOYCO	1	1	0	0	0	0	0	0	0	0	0	0	0
Botes and Kennedy	29	10	1	0	1	1	1	0	0	0	1	0	14
D & L Maintenance	16	15	0	0	0	0	0	0	1	0	0	0	0
Delry Construction	21	10	7	1	0	0	0	0	1	0	0	0	2
Delry Enterprises	12	11	0	0	0	0	0	0	0	1	0	0	0
Dust-A-Side	16	5	2	1	1	2	0	0	0	0	2	0	3

Contractor	Employees	ZF Mgcawu DM		John Taolo Gaetsewe DM			Dr Ruth Segomotsi Mompoti DM		Frances Baard DM				Other
		Kgatelopele LM	Tsantsabane LM	Joe Morolong LM	Ga-Segonyana LM	Gamagara LM	Greater Taung LM	Kagisano LM	Dikgatlong LM	Sol Plaatjie LM	Phokwane LM	Magareng LM	
Etona Events	34	26	0	1	1	0	1	0	1	1	1	0	2
Fedics Site Services	9	2	0	0	5	0	0	0	0	1	0	0	1
Geodial	58	27	1	4	9	1	4	3	4	2	0	0	3
Givan and Fam	12	8	0	1	0	0	1	0	0	0	1	1	0
Industrial Mining	10	3	0	1	0	0	0	0	0	4	0	0	2
Interwaste	21	4	6	0	2	0	5	1	0	0	2	0	1
J & R Trading	57	25	22	0	1	2	1	1	0	0	0	0	5
Jim-Ka's	27	27	0	0	0	0	0	0	0	0	0	0	0
Kusundu	3	3	0	0	0	0	0	0	0	0	0	0	0
Lenaka Construction	13	7	0	0	1	0	0	0	0	5	0	0	0
Leslies Plumbing & General	25	19	1	0	3	0	0	1	0	0	0	0	1
Life Occupational Health	21	12	0	0	1	1	0	0	1	1	0	0	5
Multotec	8	3	0	0	3	0	2	0	0	0	0	0	1
Nagem Construction	2	0	2	0	0	0	0	0	0	0	0	0	0
Nandina Trading	7	0	0	0	0	0	0	0	0	3	0	0	4
PA Artisans	18	15	0	1	1	0	0	0	0	0	0	1	0
PA Buildings	55	43	3	0	2	0	0	0	0	3	0	0	4
Pietlo Building	5	4	0	0	0	0	0	0	0	1	0	0	0
SA Cranes	5	0	2	0	1	1	0	0	0	0	0	0	1
Securisolve	55	34	2	2	4	3	2	0	0	0	0	0	8
Select PPE	3	2	0	0	0	0	0	0	0	0	0	0	1
Somca 106	14	13	1	0	0	0	0	0	0	0	0	0	0
Stefanutti Stocks	23	3	1	2	3	1	2	0	2	1	2	1	5
Superior Roofing	11	7	1	0	0	0	0	0	0	3	0	0	0
Thepa Trading	1	1	0	0	0	0	0	0	0	0	0	0	0
Trentyre	27	3	6	3	9	2	3	0	1	0	0	0	0
Umvuzo Health	1	1	0	0	0	0	0	0	0	0	0	0	0
Total per LM	767	404	62	18	77	22	36	7	13	33	15	4	76
% per LM	100.00%	52.67%	8.08%	2.35%	10.04%	2.87%	4.69%	0.91%	1.69%	4.30%	1.96%	0.52%	9.91%
Total per DM	767	466		117			43		65				76



SECTION 2

HUMAN RESOURCE DEVELOPMENT

2.1 INTRODUCTION

Petra Diamonds is committed to the development and transformation of the affected and interested communities within which they are operating. In order to achieve transformation and development objectives, Finsch Diamond Mine is committed to recruitment.

The Company Training and Development Policy seeks to address the development of its employees and to adhere to legislative obligations.

The guiding principles in developing the HRD programme in terms of the Social and Labour Plan (SLP) are:

- a) The data contained in Form Q was used for planning the different programmes within the company's HRD 2018-2022 plans.
- b) The data in the Northern Cape Economically Active Population (EAP) was used in the planning of the different programmes.
- c) Building on the 2008-2017 SLP 1 and 2 achievements and lessons
- d) Mining Qualifications Authority (MQA) regional sector skills plan for the Northern Cape Province
- e) The 2014 HRD targets of 5% were used as a baseline
- f) The employees Individual Development Plan (IDP₁) and the company's EE (Employment Equity) plans
- g) The current beneficiaries of the HRD programme who will be completing in 2018 SLP period
- h) The need to contribute to the development of the youth in our host Labour Sending Area communities.

Finsch Diamond Mine's Human Resource Development (HRD) strategy is aimed at empowering and giving employees opportunities to develop within the company and also empower communities in our host and where applicable community members from Kgatelopele Local Municipality. Our HRD strategy is therefore driven by our operational needs and requirements, as well as the national imperative as contained in the MPRDA and Mining Charter.

The objectives of the company's HRD programme are outlined below:

- a) To contribute to the country's education initiatives and making a difference which supports government initiatives.
- b) Ensure development of relevant skills with regards to learnerships, bursaries (of core and critical skills), artisan, AET (Adult Education and Training) and other training initiatives reflective of demographics.
- c) To contribute towards the Historically Disadvantaged South African's human resource development as Employment Equity Plan targets.
- d) Comply with the Skills Development Legislation and other relevant legislation.

- e) Contribute to upliftment and development of skill of employees (18.1) and, local communities (18.2) and benefit to all.
- f) Demonstrate visible support for our employees and communities interest in terms of Education.

2.2 SKILLS DEVELOPMENT PLAN

2.2.1 WORKPLACE SKILL PLAN (WSP) AND ANNUAL TRAINING REPORT (ATR)

In compliance with the Skills Development Act, the company submits on an annual basis the Workplace Skills Plan (WSP) and the Annual Training Report (ATR), which is signed off annually in consultation with Organised Labour and aligned to the company's HRD plan. This is then submitted to the Mine Qualification Authority (MQA), the industry SETA, before the 30 April each year. The registration number is 16/MQA/0546/AC4/100215.

Finsch Diamond Mine HRD Strategy will ensure that a platform for skills development is created. This Strategy addresses further skills enhancement of employees and by so doing supplying skilled employees. Furthermore this strategy will contribute to alleviate the growing shortage of critical skills in the mining industry of South Africa. It is also FDM's Strategic intent to comply with Section 101 of the MPRDA and ensure that all employees on the mine have access to HRD Programmes.

As part of our contribution to the host communities, the company will create development opportunities for these communities through the Community HRD initiatives. HRD will play a significant role and contribute to the Employment Equity and Gender Equality targets of the company through personnel development including HDSA development.

FDM HRD plans are aligned to the Workplace Skills Plan (WSP) and are furthermore aligned to the company's short, medium and long term business plans with focus on skills supply.

2.2.2 CURRENT STATUS

Finsch Diamond Mine has appointed a Skills Development Facilitator to ensure the effective implementation of the skills development undertaking of the operation. Table 5 and 6 outlines the required compliance to Skill Development Legislation at Finsch Diamond Mine for the purposes of the HRD section of the Social Labour Plan.

Table 5: SETA Information

Name of SETA	Mining Qualifications Authority (MQA)
Name of SETA	Mining Qualifications Authority
Registration number of SETA	16/MQA/0285/AC4/081111
Confirmation of having appointed a Skills Development Facilitator	SDF Appointment letter
Proof of submission of workplace skills plan and date of submission	To be submitted as a Compact Disk (CD) with Social Labour Plan

Table 6: Workplace Skills Plan (WSP) Action Plan

Action	Report	Submission Date
Report on the Skills Targets as committed to in the WSP and the Social Labour Plan.	WSP submitted to the MQA	April Annually
Update Skills Plan on an annual basis in line with the Business Plan.		

2.2.3 PROGRESS UPDATE

The Human Resources Development plan seeks to maximise the productive potential of people employed at Finsch Diamond Mine through the implementation of the following action plans:

- a) ABET;
- b) Scholarships, Bursary, Vocational Students, Experiential Training, Internships, Learnerships, Skills Programmes for employees and non-employees;
- c) Study Assistance Plans;
- d) Core and Portable Skills Training (employees and non-employees);
- e) Career Progression Plans (CPP); and
- f) An Employment Equity Plan.

The Skills Development plan at Finsch Diamond Mine is aligned with skills development legislation and will include the development and submission of a WSP and Annual Training Reports (ATR).

The Human Resources Development Department is required to draw up a WSP consisting of two core elements. The first element ensures that training conducted and planned compliments the achievement of the business objectives and the second element ensures that the development needs of employees, as identified during the budget process and documented in the individual development plan, are planned for and implemented. The WSPs are then consolidated by the company's Skills Development Facilitator (SDP) to form a consolidated WSP and ATR. Compliance to the WSP and SLP targets are monitored at business unit level and reported on a quarterly basis at the Group Training Centre, Head Office level.

Table 7: Strategic Implementation Plan for Skills Development

Skills Development Strategic Action Plan	Responsible Person	Date to be Completed
Finsch Diamond Mine will implement an annual training planning process as part of the business planning process to determine training needs, identify suitable and cost-effective training solutions and allocate adequate resources to implement the training solutions	Training Department and Sections	July Annually
Annual submission of ATR and WSP	Skills Development Facilitator	April Annually
Appointment of dedicated SDF	HR Manager	Completed
Training and development will be delivered by means of training capabilities inherent to Finsch Diamond Mine and accredited external training providers	Training Department	Progress monitored against plan
Personal Development Plans (PDP's) to be developed as part of the succession planning process and to be signed off by Line Managers	Training Manager and Line Managers	January annually
Create and coordinate training schedule based on business and personal development needs in accordance to business requirements	Training Department	Progress monitored against plan

2.3 EDUCATION AND TRAINING

The Education and Training Management System within Finsch Diamond Mine (FDM) designed a framework to guide the progressive development of all employees to maximise their full potential for both current and future roles which is aligned to the organisation's Employment Equity (EE) plans, Succession Planning and Strategic Workforce Planning.

The objectives of the Education and Training System are:

- a) To ensure assessment of the training needs of employees to increase their effectiveness in their current role,
- b) To ensure assessment of the developmental needs of employees to prepare them for potential future roles,
- c) To match training programmes with the specific needs of employees, and the needs of the organisation, to increase the skilled knowledge and competence of the workforce.
- d) To ensure that internal and external training programmes comply with FDM quality management system and the ISO 9001/2008 standards,
- e) To ensure compliance with legislative requirements for employee training and development.

The objectives stated above are implemented through the company's Skills Development Committee.

Furthermore, the Education and Training system makes provision for the appropriate systems and partnerships with academic institutions and service providers.

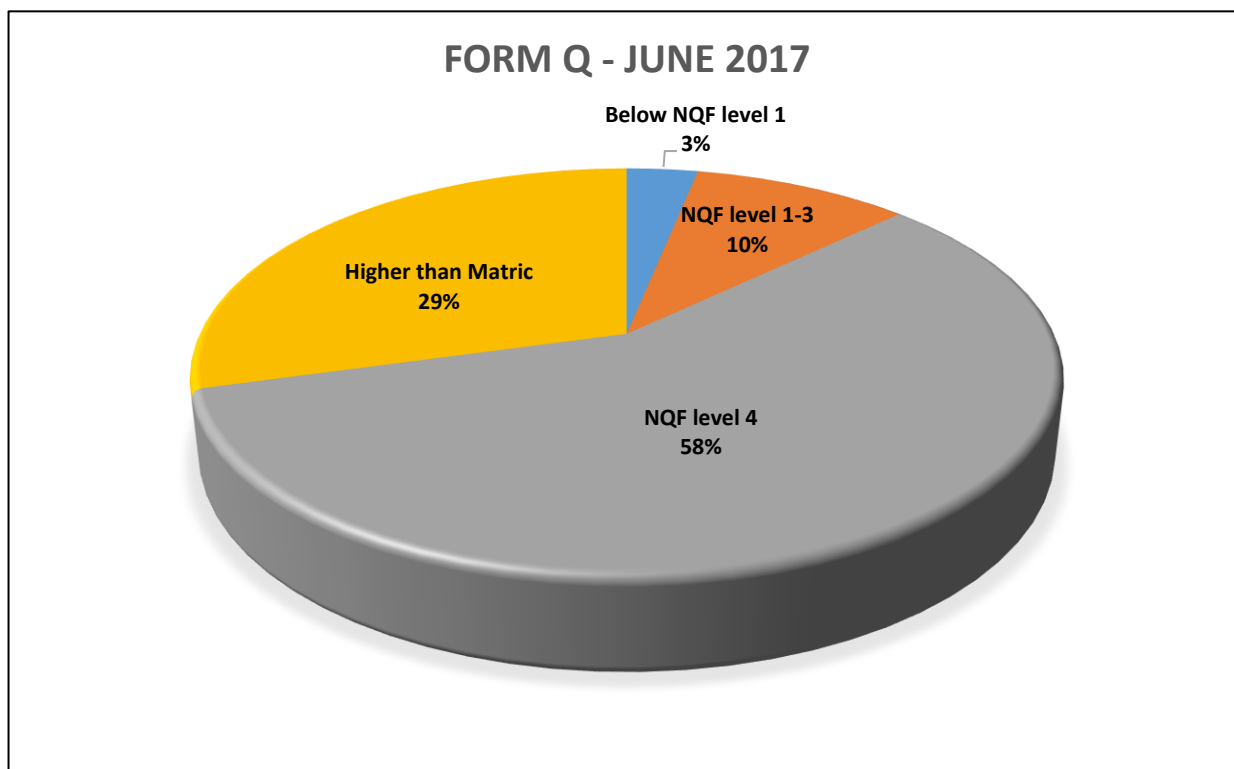
2.4 LITERACY AND NUMERACY PLAN

The objective is to address literacy and numeracy levels, respond to the labour market and provide individuals with knowledge and skills which ultimately adds value to the individual and the company. It enables individual participation and improves employability and competencies enabling the adult improved professional mobility and flexibility which will create access to career development. It supports individual development and personal satisfaction and is accessible to all categories of employees within the company.

In Table 8, Form Q (2017) is reflecting the current status of educational levels. In Graph 2 a pie chart indicates the percentage (%) of employees that still need Adult Education Training (AET).

Table 8: Form Q (2017)

Band	NQF Level	Highest Qualifications Type	African		Coloured		Indian		White		Total				Age Groups		
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	PWD	Non-SA	<35	35 - 55	>55
GET - General Education and Training	Below NQF 1	AET 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Below NQF 1	AET 2 / Std 3, Grade 5	9	0	0	0	0	0	0	0	9	0	0	0	1	8	0
	Below NQF 1	AET 3 / Std 5, Grade 7	22	1	1	0	0	0	0	0	23	1	0	0	0	17	7
	Below NQF 1	Pre-AET	2	0	0	0	0	0	0	0	2	0	0	0	0	2	0
	NQF 1	AET 4 /Std 7, Grade 9	43	1	3	0	0	0	0	0	46	1	2	0	2	39	6
FET - Further Education and Training	NQF 2	Std 8 / Grade 10, NATED 1 / NCV Level 1	10	1	3	1	0	0	2	1	15	3	1	0	1	13	4
	NQF 3	Std 9 / Grade 11, NATED 2 / NCV Level 2	30	0	5	3	0	0	4	0	39	3	0	0	8	32	2
	NQF 4	Std 10 / Grade 12, NATED 3 / NCV Level 3	326	86	103	43	0	0	57	22	486	151	8	0	361	238	38
	NQF 5	National/Higher certificate	38	10	45	3	0	0	57	6	140	19	6	0	60	80	19
	NQF 6	National Certificate / Diploma / Advanced Certificate / NATED 4 - 6	27	24	15	13	0	0	27	13	69	50	1	0	32	73	14
	NQF 7	National Certificate / Advanced Diploma / B Tech Degree / Bachelor's Degree	6	7	2	3	0	0	6	1	14	11	0	0	13	12	0
	NQF 8	Bachelors Honours Degree / Postgraduate Diploma / Bachelor's Degree (480 credits)	4	7	1	0	0	0	6	2	11	9	0	0	13	6	1
	NQF 9	National Certificate / Master's Degree / Masters Diploma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL			517	137	178	66	0	0	159	45	854	248	18	0	491	520	91



Graph 2: Total Employees vs AET need Based on Form Q

2.4.1 ADULT EDUCATION AND TRAINING (AET)

Adult Education and Training (AET) is a key instrument of transformation and development within the company and the employees' lives which is aligned to the company's Form Q. AET is the general conceptual foundation towards lifelong learning and development. AET is flexible, developmental and targeted at the specific needs of particular audiences and, ideally, provides access to nationally recognised certificates.

AET addresses employees who need basic education in numeracy and literacy and as from 2020 the Adult Matric will be a new inclusion for further development.

Adult Education and Training includes:

- a) Adult Education and Training,
- b) Foundational Learning for Individuals to enter into vocational training programmes (FLC), and
- c) Continuing or further education and training.

The system is designed to be flexible and dynamic allowing continued education and training that is capable of responding quickly to the needs for knowledge and skills.

2.4.1.1 History of AET at Finsch Diamond Mine

Prior to 1993 literacy classes were provided at Finsch Diamond Mine as part of the then so called Department of Education and Training “Night School” as part of the company’s social responsibility. In 1993 Finsch Diamond Mine initiated a “Literacy by 2000” drive for Finsch Diamond Mine and achieved this target by teaching all new comers to ABET Level 1 and 2.

The Finsch Diamond Mine ABET full time programme started in 1997. Since 2000 the focus moved to ABET level 3 and 4, in order to provide a solid foundation for further learning. When the Mining Qualifications Authority introduced the NQF 1 qualification National Certificate Introduction to the Mining and Minerals Sector in 2002, Finsch Diamond Mine did ground breaking work in offering this industry specific qualification to its employees. By March 2005 the ABET Centre would have produced a total of 40 graduates completing this challenging programme.

Table 9: Summary of the 2013 to 2017 ABET participation

ABET Level	Enrolments										Total Target (2013 to 2017)	Total Actual (2013 to 2017)
	Target 2013	Actual 2013	Target 2014	Actual 2014	Target 2015	Actual 2015	Target 2016	Actual 2016	Target 2017	Actual 2017		
Pre ABET	1	0	1	0	1	0	1	0	1	0	5	0
ABET Level 1	5	3	1	1	1	5	1	7	1	14	9	30
ABET Level 2	6	2	2	9	2	9	2	6	2	7	14	33
ABET Level 3	6	1	4	5	4	5	4	2	4	6	22	19
ABET Level 4	2	2	3	0	3	1	3	0	3	2	14	5
Total	20	8	11	15	11	20	11	15	11	29	64	87

In May 2009 the ABET programme became part time. The decision was documented in the Social Labour Plan 2008-2012. The part-time decision was made in 2007 due to the demand for ABET that declined. The current view is that ABET forms part of the pipe-line of development that includes Grade 12, N1 & N2 courses and self-study to access opportunities for further development. ABET remains part of the educational agenda and is assessed on a regular basis to determine the scope of the project and to allocate appropriate resources.

2.4.1.2 Plans to Achieve Literacy and Numeracy Objectives/Targets

It is the company's policy to provide Adult Education and Training to its employees to ensure that all employees become literate and numerate.

AET is the pathway for further development for many employees in addition to improving their literacy levels. It is therefore imperative that AET provided by the company is of a high standard and can withstand external benchmarking in the form of external examinations. To ensure accessibility to employees, AET will be provided on a Part Time bases, at no cost to the learners.

During the past years participation in AET programmes decreased as a result of improvements in the literacy levels of our younger employees and our recruitment strategy (Grade 12 since 2007) as illustrated in Form Q as annexure herein. AET targets for the next five (5) years have been determined by examining the company's literacy levels, considering the ages of individuals and achieved occupational directed programmes, then followed by intensive consultation with the various business units.

The company will intensify marketing strategies for AET programmes within Finsch Diamond Mine. Posters will be placed at strategic points across the company and promote at the Skills Development Meetings to ensure prospective learners have enough time to enrol for the programmes.

Table 10: The targets for AET 2018-2022

	2018	2019	2020	2021	2022
Employees	6	4	6	7	4
Community	12	9	10	10	7
Total	18	13	16	17	11
Budget	R218 016-00	R173 199-00	R234 480-00	R274 040-00	R195 052-00

2.5 LEARNERSHIPS INTRODUCTION

Historically, mining has always been seen as a male-dominant industry, but females have started to take up opportunities. The Women in Mining (18.2) learners is a programme intended for uplifting women in the mines immediate labour sending area. Challenges and barriers are identified and where possible, successfully addressed.

Learnership and trainee programmes are aimed to create, develop and support a pool of suitable and competent first line as well as management employees to address the company's skills requirements, also as a potential pool for Employment Equity imperatives. Such programmes include, but are not limited to, Internships, Management Development and Learnerships. Where required, these programmes will be registered and accredited through the appropriate SETAs.

A learnership is a registered and accredited learning programme including both practical work experience, as well as theoretical studies, and therefore combines workplace and institutional learning. Finsch Diamond Mine undertakes to offer learnerships and skills development programmes to enhance operational training.

Finsch Diamond Mine provides the following Learnerships:

1. Artisan Learnerships (Apprenticeships)

- a) Electrical
- b) Fitting & Turning
- c) Plating
- d) Diesel Mechanic
- e) Autotronics
- f) C&I Technician
- g) Rigging

2. Non-Artisan Learnerships

- a) Learner Miner Programme (Department of Mineral Resources Blasting Certificate)
- b) Lump Ore Beneficiation (NQF Level 2)
- c) National Certificate in Management (NQF level3)

2.5.1 ENGINEERING LEARNERSHIPS

The company will equip individuals with the necessary knowledge and skills to ultimately qualify as artisans. Apprentices are engaged in learnerships, of approximately four years in duration. The company offers programmes that are accredited with the industry SETA,

the MQA for specific trades in line with QCTO (Quality Council for Trades and Occupations) requirements. These programmes can be done on a modular or unit standard basis.

Engineering skills training is provided for unemployed women in our host communities to give them the opportunity to obtain a formal qualification. In the event that the company is unable to source community members from the immediate host community for this programme, the company would then only source individuals from the greater labour sending areas.

The programmes are marketed through advertisements in newspapers, pamphlets, labour structures, business unit noticeboards and local Municipality notice boards. The learners must meet the criteria as set out by FDM and also meet the relevant SETA requirements to enter the learnerships programme.

2.5.1.1 Engineering Learnership History:

Since the apprenticeship programme is a four year programme it resulted in SLP 1 overlapping with SLP2. To ensure that we met our internal need with regards to qualified Artisans, we implemented SLP 2, advertised for Apprenticeships and the successful candidates started with their programme in January 2013.

We currently have 11 Apprentices that are preparing for trade test and who will complete the learnership in 2018.

We achieved our SLP 2 target complement of 29 apprentices in 2016.

Table 11: Summary of the Learnership/ Apprenticeship for FY 2013 to FY 2017

Learnership/ Apprenticeship Programme	2013				2014				2015				2016				2017				Target 2013-2017		Actual 2013-2017	
	Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)	Section 18(2)	Section 18(1)	Section 18(2)
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target 2013-2017	Target 2013-2017	Total Trained 2013 - 2017	Total Trained 2013 - 2017
Apprenticeship Electrician	0	1	0	0	1	1	1	2	1	0	0	1	1	1	0	0	0	0	0	0	3	1	3	3
Apprenticeship Plater/Welder	1	3	0	0	2	0	1	0	1	1	0	1	1	1	0	1	0	0	0	0	5	1	5	2
Apprenticeship Fitter	2	1	0	0	1	2	1	0	1	3	0	1	1	1	0	0	0	0	0	0	5	1	7	1
Apprenticeship Mechanician	0	0	0	0	1	1	1	1	0	0	0	0	1	0	0	0	5	0	0	0	7	1	1	1
Apprenticeship Diesel Mechanic	0	0	0	0	1	2	0	0	1	1	0	1	1	0	0	0	1	0	0	0	4	0	3	1
Apprenticeship Rigger	1	0	0	0	0	1	0	0	1	0	0	0	0	1	0	0	0	2	0	0	2	0	4	0
Apprenticeship Auto Tronic	1	0	0	0	0	1	1	0	0	1	0	0	1	0	0	0	1	1	0	0	3	1	3	0
Apprenticeship C&I	1	0	0	0	0	0	0	1	1	0	0	1	0	0	0	0	1	0	0	0	3	0	0	2
Total	6	5	0	0	6	8	5	4	6	6	0	5	6	4	0	1	8	3	0	0	32	5	26	10
Learnerships in progress	6		5		8		5		13		4		15		9		18		7		37		36	
Total Number of Learnerships	16				25				28				29				28							
Total Actual Spend	R 2 251 739				R 2 613 381				R 4 647 012				R 5 283 863				R 5 328 422							

2.5.1.2 Plans to Achieve Engineering Learnership Targets

Learnership programmes at the Finsch Diamond Mine are aligned to the business plan and aspires to address scarce skills, hard to fill vacancies and critical positions both at the mine and in the industry in general. Each learner will be allocated a mentor, who will meet with learners on pre-determined intervals to review progress and provide support with respect to performance management issues.

Learners will be recruited either internally or externally and placed on Engineering Learnerships as a mechanism to address the objectives of increasing the pool of available labour and in order to ensure internal development opportunities. This will assist in addressing skills shortages (hard to fill vacancies) and unemployment challenges.

Where possible, Engineering Learnerships will be funded by available grants provided by the relevant SETA. However, where such grants are unavailable the provision of such Learnerships and the stipend to be paid to unemployed learners will be done by Finsch Diamond Mine.

According to our EE projection we will have 67% more Females than men participating on our learnerships. Our target for 18.2 Engineering learnerships for SLP3 are 23 in total of which 9 are male and 14 Female. We are running Nated classes to assist the community.

The target for 18.1 Engineering Learners are 13 for SLP 3, we currently have no females in Engineering helper or artisan aid positions in the Engineering Department as feeding stock. We are currently running Nated classes to try and increase our number of females from all disciplines on mine, but it is still up to the applicant to apply for our Apprenticeship.

Table 12 (a) and (b) illustrates the plan for 2018-2022 engineering learnerships.

Table 12 (a) Section 18.1 Engineering Learnership Targets (2018-2022)

Learnership/ Apprenticeship Programme	Length of Programme (e.g. 3 years, etc.)	Internal/ External	2018					2019					2020					2021					2022				
			Target Enrolment		Expected pass-out		Nr Left	Target Enrolment		Expected pass-out		Nr Left	Target Enrolment		Expected pass-out		Nr Left	Target Enrolment		Expected pass-out		Nr Left	Target Enrolment		Expected pass-out		Nr Left
			M	F	M	F		M	F	M	F		M	F	M	F		M	F	M	F		M	F	M	F	
Electricians	4 Years	Internal/ External	1	0	0	1	1	0	0	0	0	1	0	0	0	0	1	1	0	1	0	1	0	0	0	0	1
Plater/ Welder	4 Years	Internal/ External	1	0	1	0	1	0	0	0	0	1	0	0	0	0	1	1	0	1	0	1	0	0	0	0	1
Fitter	4 Years	Internal/ External	1	0	2	0	1	1	0	0	0	2	0	0	0	0	2	1	0	1	0	2	0	0	1	0	1
Diesel Mechanic	4 Years	Internal/ External	1	0	1	0	1	0	0	0	0	1	0	0	0	0	1	1	0	1	0	1	0	0	0	0	2
Rigger	3 Years	Internal/ External	1	0	3	0	1	0	0	1	0	0	1	0	0	0	1	0	0	0	0	1	0	0	1	0	0
Autotronic	3 Years	Internal/ External	1	0	0	0	1	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	1	0	0	0	1
Total			6	0	7	1	6	1	0	1	0	6	1	0	1	0	6	4	0	4	0	6	1	0	2	0	6
Total Number of Learnerships			14					7					7					10					8				
Total Budget			R 4 082 400					R 2 041 200					R 2 041 200					R 2 916 000					R 2 332 800				

Table 12 (b) Section 18.2 Engineering Learnership Targets (2018-2022)

Learnership/ Apprenticeship Programme	Length of Programme (e.g. 3 years, etc.)	Internal/ External	2018				Nr Left	2019				Nr Left	2020				Nr Left	2021				Nr Left	2022				Nr Left
			Target Enrolment		Expected pass-out			Target Enrolment		Expected pass-out			Target Enrolment		Expected pass-out			Target Enrolment		Expected pass-out			Target Enrolment		Expected pass-out		
			M	F	M	F		M	F	M	F		M	F	M	F		M	F	M	F		M	F	M	F	
Electricians	4 Years	Internal/ External	0	1	1	1	1	0	1	0	0	2	1	0	0	0	3	0	1	0	1	3	1	0	0	1	3
Plater/ Welder	4 Years	Internal/ External	1	0	3	0	1	1	0	0	0	2	0	1	0	0	3	0	1	1	0	3	0	0	1	0	2
Fitter	4 Years	Internal/ External	0	0	0	1	0	0	1	0	0	1	1	0	0	0	2	1	0	0	0	3	0	1	0	1	3
Diesel Mechanic	4 Years	Internal/ External	0	1	0	0	1	1	0	0	0	2	0	1	0	0	3	0	1	0	1	3	0	1	1	0	3
Rigger	3 Years	Internal/ External	0	0	0	0	0	0	1	0	0	1	0	0	0	0	1	1	0	0	1	1	0	1	0	0	1
Autotronics	3 Years	Internal/ External	0	1	0	0	1	0	0	0	0	1	0	0	0	0	1	0	0	0	1	0	1	0	0	0	1
Total			1	3	4	2	4	2	3	0	0	9	2	2	0	0	13	2	3	1	4	13	2	3	2	2	13
Total Number of Learnerships			10				9				13				18				17								
Total Budget			R 2 916 000				R 2 624 400				R 3 790 800				R 5 248 800				R 4 957 200								

2.5.2 LEARNER MINERS

The Learnership in Mining programme will be provided to unemployed women in our host communities to provide them with the opportunity to gain a national qualification, which they will then be able to apply within the mining industry. The learners will acquire skills and knowledge to the level where they have been found competent to perform the work of an underground miner. The learners must meet the criteria as set out by FDM and also meet the MQA and DMR requirements to enter this programme. These learners will be engaged in the Learner Miner Programme, for approximately four years duration, allowing the learners to gain the skills needed to obtain their blasting tickets. FDM learnerships support the sector skills plan as it is offered in fields where there is a skills shortage within our country as a whole.

Although it has proven challenging to recruit Coloured and White female learners on this programme the company endeavours to implement measures to align with the provincial EAP as far as possible.

Finsch Diamond Mine is committed to developing skills in line with the national SA skill shortage. Key national skills development priorities include developing high-level Mining skills.

2.5.2.1 Learner Miner History

Non-Artisan Learnerships interventions are based on industry need. Before 2009 learners were assessed by the Department of Mineral Resources and issued with a Department of Mineral and Energy certificate of competency. With effect from 30 June 2009 the Department of Mineral Resources stopped with holding Blasting Certificate examinations. After this date Blasting ticket learners were registered on the MQA Rockbreaking Learnership.

The SLP2 target was successful to the extent that an extra Rockbreaking learner was enrolled onto the programme. See table 13

Table 13 : Summary of the Rockbreaking Learnerships for FY 2013 to FY 2017

Programme	2013				2014				2015				2016				2017				Target 2013-2017		Actual 2013-2017	
	Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)	Section 18(2)	Section 18(1)	Section 18(2)
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target 2013-2017	Target 2013-2017	Total Trained 2013 - 2017	Total Trained 2013 - 2017
Mining Operations for Underground Hard Rock (Level 2)	0	0	5	0	0	2	0	1	2	2	0	4	0	0	5	0	0	2	0	0	2	10	6	5
Rock breaking Underground Hard Rock (Level 3)	2	2	0	0	0	0	5	0	0	2	0	1	2	0	0	0	0	2	0	4	4	5	6	5
Total	2	2	5	0	0	2	5	1	2	4	0	5	2	0	5	0	0	4	0	4	6	15	12	10
Learnerships in progress	0		4		2		4		0		0		4		5		0		1		21		22	
Total Number of Learnerships	6				9				9				9				9							
Total Actual Spend	R 632 383.18				R 698 770.04				R 801 723.59				R 1 970 082.58				R 1 455 826.72							

2.5.2.2 Plans to Achieve Learner Miner Targets

This program is an integration between DMR directives and MQA training material for the Rockbreaking learnership, which require that trainees to complete 334 qualifying underground shifts before registration for the DMR exam.

The program is divided into three (3) stages to allow the trainee applicable exposure to achieve the DMR blasting certificate examination and to acquire the required work experience to be appointed as a miner on completion of the programme. Stages are also subdivided into modules to ensure a structured approach. The trainee should successfully complete each stage in the programme in order to progress to the next stage.

In Table 14 (a) and (b) reflects the planned training programme.

Table 14 (a) Section 18.2 DMR Blasting Ticket Programme Targets (2018 – 2022)

Learnership/ Apprenticeship Programme	Length of Programme	Internal/ External	Nr of Learner ships at start of 2017 Year	2018		2019		2020		2021		2022		Total
				Section 18(2)		Section 18(2)		Section 18(2)		Section 18(2)		Section 18(2)		
				Target Enrolment	Expected Pass- out	Target Enrolment	Expected Pass- out	Target Enrolment	Expected Pass- out	Target Enrolment	Expected Pass- out	Target Enrolment	Expected Pass- out	Total Trained 2013 - 2017
DMR Basting Ticket	4 years	Internal	4	5	0	0	0	0	0	0	5	5	0	10
Total			4	5	4	0	0	0	0	0	5	5	0	10
Total Number of Learnerships			5		5		5		5		5		R 3 069 825	
Total Budget			R 544 576		R 577 250		R 611 886		R 648 599		R 687 515			

Table 14 (b) Section 18.1 DMR Blasting Ticket Programme Targets (2018 – 2022)

Learnership/ Apprenticeship Programme	Length of Programme (e.g. 3 years, etc.)	Internal/ External	Nr of Learner ships at start of 2017 Year	2018		2019		2020		2021		2022		Total
				Section 18(1)		Section 18(1)		Section 18(1)		Section 18(1)		Section 18(1)		
				Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	Total Trained 2013 - 2017
DMR Basting Ticket Programme	4 years	Internal	2	2	0	2	2	2	2	2	2	2	2	10
Total			2	2	2	2	2	2	2	2	2	2	2	10
Total Number			4		4		4		4		4		R 6 489 552	
Total Budget			R 721 061		R 1 442 123		R 1 442 123		R 1 442 123		R 1 442 123			

2.5.3 LEARNER OFFICIAL PROGRAMME

The Company endeavours to develop skills in line with the national skills shortages. Key national skills development priorities include developing supervisory skills. The Learner Official programme is an internal company programme. The Learner Official (LO) programme of approximately three years in duration which gives non-graduates and non-diplomats the skills needed for supervisory positions such as Shift Bosses.

This programme is in the development phase for FDM.

Table 15: Learner Official Programme Targets (2018 – 2022)

Learner Official Programme	Length of Programme (e.g. 3 years, etc.)	Internal/ External	2018		2019		2020		2021		2022		Total
			Section 18(1)		Section 18(1)		Section 18(1)		Section 18(1)		Section 18(1)		
			Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	Total Trained 2013 - 2017
Shifboss Training Programme	2 years	Internal	2	0	0	0	0	2	0	0	0	0	2
Mine Overseer Training Programme	2 years	Internal	0	0	0	0	2	0	0	0	0	2	2
Total			2	0	0	0	2	2	0	0	0	2	4
Total Number of Learners			2		0		2		0		0		4
Total Budget			R 77 292		R 77 292		R 177 892		R 100 600		R 100 600		R 533 676

2.5.4 METALLURGY LEARNERSHIPS

In 2015 the Mineral Processing Lump Ore Beneficiation learnership was introduced to provide learners enrolled on the learner plant supervisor programme with an internationally recognised qualification.

The learner plant supervisor programme is a technical and supervisory on the job training programme. During this programme learners are exposed to organising, planning, delegating and time management through supervision and basic Metallurgical knowledge and skills.

The Plant should be divided into sections to allow the candidate applicable exposure to accumulate enough credits through the Skills Programmes to be able to achieve the National Certificate: Mineral Processing (Lump Ore Beneficiation) Level 2 and to be able to continue with the Plant Shift Supervisor program.

For the Plant Shift Supervisory program the candidate will be allowed a maximum of 6 months in an applicable section of the plant working shifts. This is necessary to acquire a broad knowledge of the section. The candidate will be expected to complete a Learner Controlled Objectives (LCO's) applicable to the section.

A minimum of 4 sections LCO's needs to be completed and submitted to the training department. More sections can be selected to ensure competency and is to the discretion of the training department and plant management.

2.5.4.1 Learner Plant Foreman Training Program History:

The Learner Plant Supervisor Programme was designed as an up skilling programme for plant operators enabling them to obtain the necessary supervisory certificate through building the theoretical, practical and supervisory experience required for a supervisory position in the Ore Processing Department. Since 2000 Finsch Diamond mine has trained approximately 34 Learner plant supervisors.

The SLP2 target was successful to the extent that an extra Learner Plant Foreman learner was enrolled onto the programme. See table 16

Table 16: Summary of the Learner Plant Foreman Programme for (FY 2013 – FY 2017)

Programme	2013				2014				2015				2016				2017				Target 2013-2017		Actual 2013-2017		
	Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)		Section 18(2)		Section 18(1)	Section 18(2)	Section 18(1)	Section 18(2)	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target 2013-2017	Target 2013-2017	Total Trained 2013 - 2017	Total Trained 2013 - 2017	
Mineral Processing – Base Metals (Level 2) and Plant Shift Supervisory program	0	0	0	0	0	0	5	2	0	1	0	3	0	3	0	0	0	0	5	2	0	10	4	7	
Total	0	0	0	0	0	0	5	2	0	1	0	3	0	3	0	0	0	0	5	2	0	10	4	7	
Learnerships in progress		0		5		0		5		0		2		1		5		4		7		10		11	
Total Number of Learnerships		5		7		6		9		11															
Total Actual Spend		R 296 520.00		R 302 488.02		R 255 371.88		R 302 488.02		R 296 520.00															

2.5.4.2 Plans to achieve targets

The Learnership program is aimed at providing employees and historically disadvantage women from our local labour sending area with an opportunity to acquire skills through structured learning with a service provider coupled with practical exposure in the workplace, which will lead to a qualification as a Section Foreman.

The plan is to create an environment in which these learners will be developed in order to enhance knowledge, create career opportunities and to establish a competent workforce. The plan for 2018 – 2022, table 17 (a) and (b) will reflect 18.1 and 18.2 learner targets.

Table 17(a) – Section 18.2 Learner Plant Supervisors Women in Mining Targets (2018 – 2022)

Table 11(a) – Section 10.2 Learner Plant Supervisors Women in Mining Targets (2018 – 2022)													
Programme	Programme Duration	No. of Learners at start of 2017 year	2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan		Total Trained 2018-2022
			Target	Expected Pass-out	Target	Expected Pass-out	Target	Expected Pass-out	Target	Expected Pass-out	Target	Expected Pass-out	
National Certificate: Mineral Processing: Lump Ore Beneficiation Learnership	24 months	0	2	0	3	0	0	2	0	3	2	0	7
Learner Plant Supervisor Development programme	24 months	5	0	2	0	3	2	0	3	0	0	2	5
Total		5	2	2	3	3	2	2	3	3	2	2	12
Total number of learners			4		6		4		6		4		
Total Budget			R 753 236.88		R 771 510.28		R 753 236.88		R 821 510.28		R 753 236.88		

Table 17 (b) – Section 18.1 Learner Plant Supervisors Targets (2018 – 2022)

Programme	Programme Duration	No. of Learners at start of 2017 year	2018 Plan		2019 Plan		2020 Plan		2021 Plan		2022 Plan		Total Trained 2018-2022
			Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	Target Enrolment	Expected Pass-out	
National Certificate: Mineral Processing: Lump Ore Beneficiation	12 months	1	1	0	1	1	0	1	1	0	1	1	4
Learner Plant Supervisor Development programme	24 months	2	0	2	1	1	1	0	0	1	1	1	3
Total		3	1	2	2	2	1	1	1	1	2	2	7
Total number of learners			2		2		2		2		2		
Total Budget			R 977 480.80		R 968 860.78		R 997 480.80		R 977 480.80		R 968 860.78		

2.6 CORE BUSINESS SKILLS PROGRAMME

Core Business Skills Programmes form an essential part in equipping employees with the skills and required competencies to successfully execute their employment responsibilities related to core production activities. The training addresses skills Support Functions as well as soft skills for Core Functions.

These core and soft skills programmes are designed to prepare employees and provide compliance with the following:

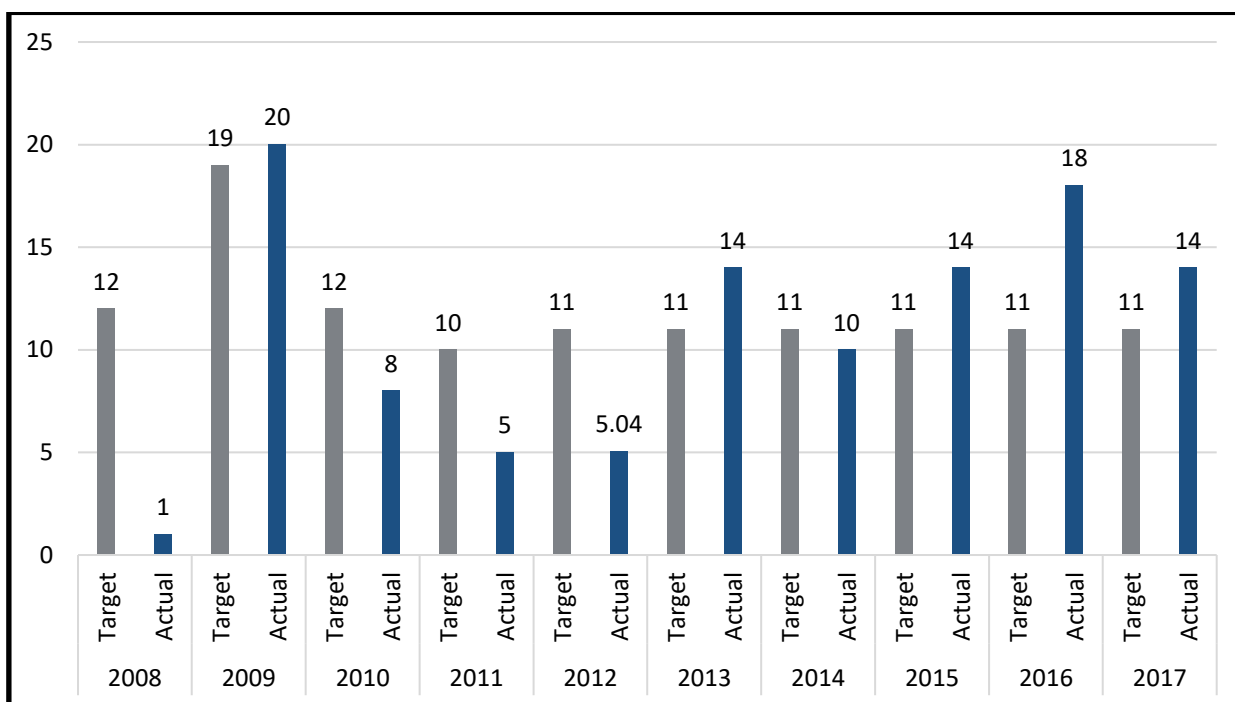
- Legal;
- Post-employment training - to fulfil the tasks of the employee's current position
- Post-employment training - related to the employee's potential for future application;

The majority of core business skills training are conducted either on site or through external providers. Finsch Diamond Mine uses its own qualified trainers, assessors and moderators to conduct training. Core and Support soft skills training will be aligned according to business needs, especially those identified from the skills needs analysis.

2.6.1 ORE PROCESSING/ METALLURGY

2.6.1.1 Ore Processing History

In 2008 skills programmes were introduced to plant operators for the purpose of up skilling them, providing employees with recognition for workplace experience by means of skills programme training. These skills programmes once completed will constitute credits toward a NQF registered qualification.



Graph 3 – Operators on Skills programmes

The above graph 3 indicates the number of learners who have participate in the MQA (Mining Qualification Authority) Skills programmes since 2008 year to date. During 2008 and 2009 Thirty one (31) learners have been enrolled onto Skills Programmes. Twenty one (21) learners have completed in the different metallurgical skills programmes, of these learners eight exited the company due to resignations and restructuring processes. The increase in target and actual for 2009 is due to learners who have not completed in 2008 due to production requirements. These learners were therefore carried over and completed their training in 2009.

Due to the poor performance during the previous years the remainder of SLP1 and SLP2 targets were overlapped and combine into one target for 2013 which was achieved.

2.6.1.2 Plan to achieve targets 2018-2022

Currently we have 34 plant operators who require skills programme training. In Table 18 is the five year plan to train these learners. They are divided over the five years taking into consideration their year service with the company. As time go on and new operators are employed to the company and these learners will be divided into the remaining years, after they have completed at least on year of plant experience as a B1 operator.

Table 18: Metallurgy Skills Programme Targets for 2018 to 2022

Skills Programme	Budget per course (FY 2017)	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	Total Expected Enrolments 2018 - 2022
		Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	
Ore Reception	R 32 147.32	2	2	1	1	1	7
Crushing	R 18 033.86	1	1	1	1	0	4
Scrubbing and Screening	R 12 545.30	1	1	1	1	0	4
Dense Medium Separation	R 37 635.89	2	2	1	1	1	7
Water Reticulation	R 32 931.40	1	1	1	1	0	4
Diamond Recovery	R 28 226.91	1	0	1	0	1	3
Subtotal		8	7	6	5	3	29
Budget Subtotal		R 126 629.08	R 98 402.16	R 161 520.68	R 133 293.76	R 98 010.12	R 617 855.80

2.6.2 MINING SKILLS PROGRAMMES

The high accident rate for mining related activities has prompted the Department of Minerals and Resources to develop legislation (Mine Health and Safety Act) to regulate the industry. The MQA was tasked with designing training material to address the mining needs. The training interventions have subsequently been registered as a skills programme.

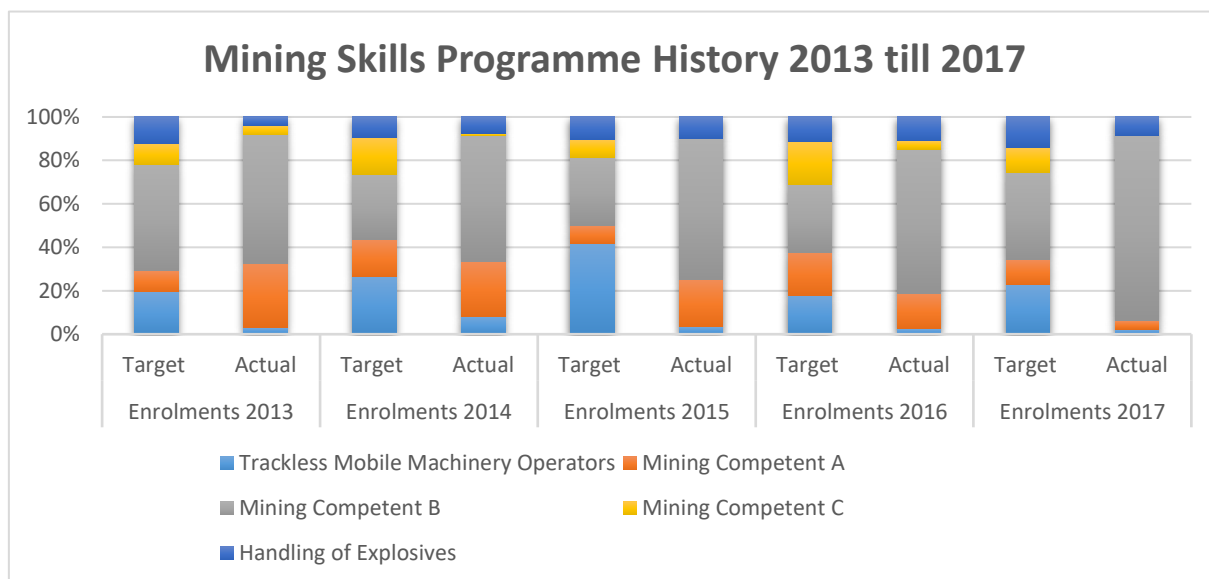
FDM agreed to implement these interventions:

- a) Competency A
- b) Competency B
- c) Competency C and
- d) Handling of Explosives

2.6.2.1 Mining Skills History:

The SLP commitment for 2008-2012 was met. Due to the postponement of the block 5 development, no training was undertaken due to the core unit standard MnH-G020 being unavailable for training.

There was a subsequent revision of the Skills Programme with unit standard MnH-G020 relegated to an elective unit standard. A letter was drafted to increase the intake for the 2011 and 2012 calendar years in an attempt to reduce the backlog. In Graph 4 the history is depicted.



Graph 4: Mining Skills Programme History 2008-2017

2.6.2.2 The Plan to Achieve The Mining Core Skills Training for 2018-2022

The plan with the mining core skills training is to ensure that we support all the core mining processes by ensuring compliance with the mine health and safety act and that the targets are in line with the priorities of the sector skills plan and the national skills development strategy

Table 19: Core Skills Training set for Mining for 2018 to 2022

Core Skills Training	Budget per course per person (FY 2017)	Portable Inside the Mining Industry	Portable Outside the Mining Industry	Target 2018	Target 2019	Target 2020	Target 2021	Target 2022	Total Expected Enrolments 2018 to 2022
				Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	
Trackless Mobile Machinery Operators (In-house programme)	5 030	X	X	8	5	7	7	9	36
Mining Competent A	10 667	X		12	12	12	12	12	60
Mining Competent B	10 667	X		18	18	18	18	15	87
Mining Competent C	10 667	X		5	5	5	5	5	25
Handling of Explosives	10 667	X		8	9	8	9	8	42
Subtotal	47 698			51	49	50	51	49	250
Beget Subtotal				498 921	494 498	493 891	504 558	471 950	2 463 818

2.6.3 ENGINEERING SKILLS PROGRAMMES

2.6.3.1 Introduction

Finsch Diamond Mine regards the development of employees as an essential component of its HR strategy as well as a legislative responsibility. The Semi-skilled Engineering Development Programme shows the Company's commitment to address the skills gaps in the workplace and give semi – skilled employees the opportunity to obtain a certificate from the MQA.

The purpose of this training programme is to describe a standardised development programme that selected employees can follow in order to gain the required technical competencies to put them in a better opportunity for career progression. On completion the learners will be awarded a MQA skills programme certificate. This will give them the opportunity for career progression.

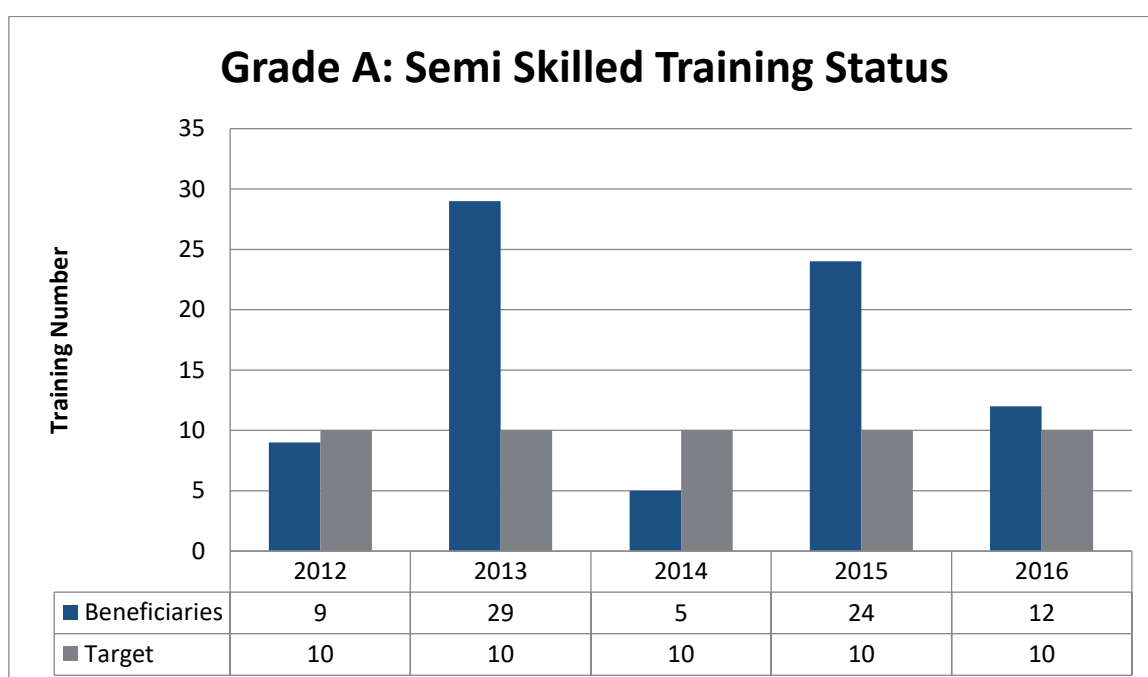
2.6.3.2 Engineering In-house Programme History

2.6.3.2.1 Semi-skilled Upskilling (Grade A)

Grade A training is an up-skilling programme that is designed to give entry level engineering employees a basic foundation of technical skills as well as to develop those with the potential to become artisan aides.

A total of 79 employees benefited from the Semi-Skilled Upskilling programme from the year 2012-2016.

In Graph 5 is the number of employees who participate in the Grade A programme from 2012 – 2016.



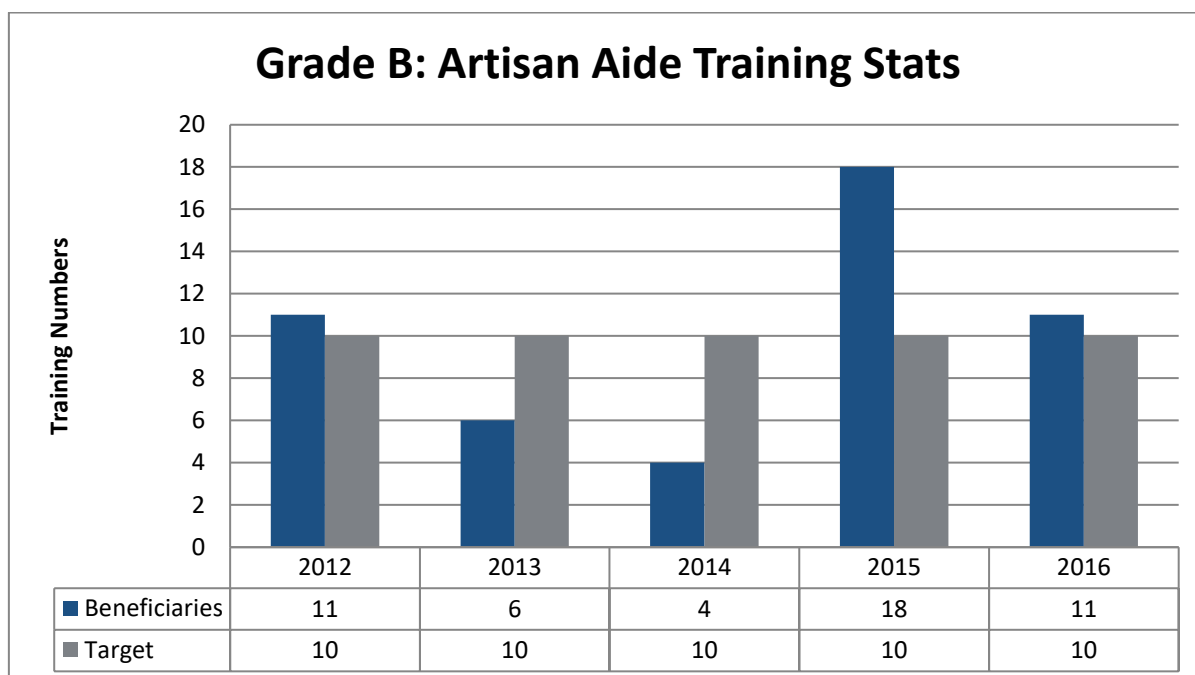
Graph 5: Grade A Semi Skilled Training

2.6.3.2.2 Artisan Aide Training (Grade B):

Grade B training is an up-skilling trade specific programme that is designed to give semi-skilled employees a solid foundation to perform a wide spectrum of basic skills within their field of expertise, as well as to develop those with the potential to become learner artisans one day.

We achieved our SLP 2 target of 50 employees trained on the Artisan Aide programme.

In Graph 6 the Artisan Aid Training is summarised for 2012 to 2016.



Graph 6: Grade B Artisan Training Statistics

2.6.3.3 Plans for the Engineer Skills Programme 2018-2022

FDM plans to change from an in-house programme to a registered skills programme with the MQA. We are still in the process of scope application with the MQA for the on-the-job modules. The reason for the change from the in-house training programme to the registered skills programme is to ensure our employees achieve a part qualification on completion of the skills programme.

Intake for the programme will be based upon the available progressive position within the relevant departments. This plan will be reviewed annually.

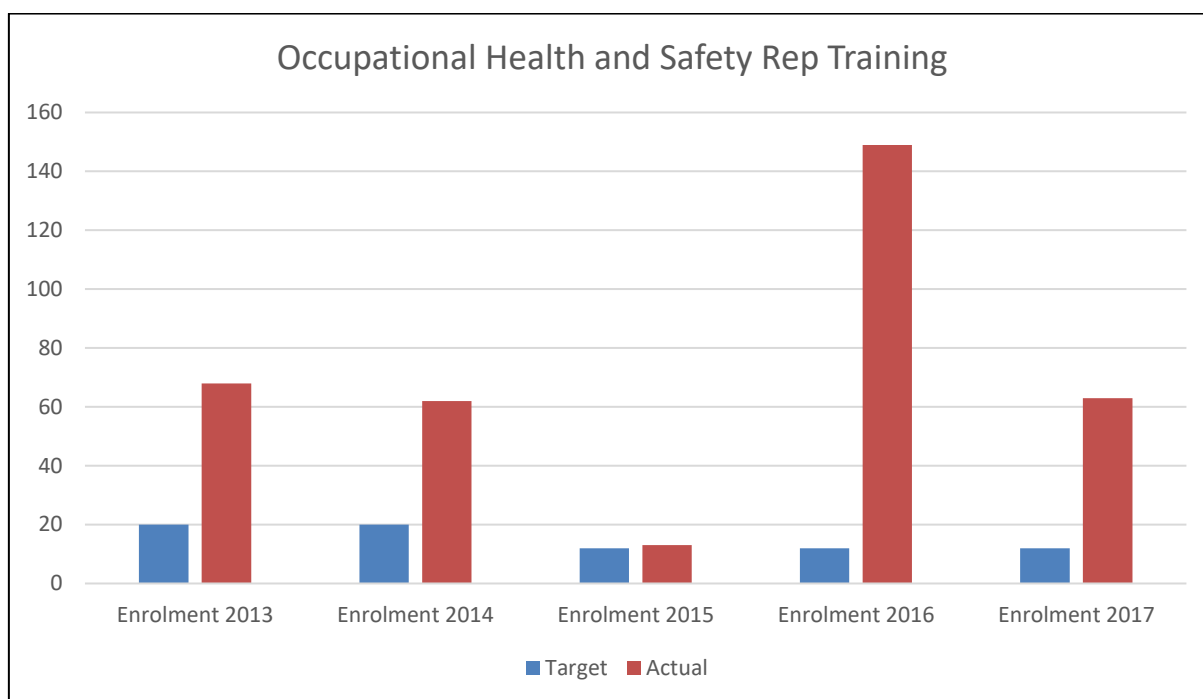
2.6.4 OCCUPATIONAL HEALTH AND SAFETY REPRESENTATIVE SKILLS PROGRAMME

Delegates completing this skills programme will be able to brief their employees on all aspects of occupational health and safety. It will include their rights and powers in terms of the Mine Health and Safety Act (Act 29 of 1996) Section 30 and the ability to identify and report on potential hazards and risks in the workplace

2.6.4.1 Occupational health and safety skills history

The Department of Minerals and Resources has set a target for 40,000 Health and Safety Representatives by 2014 as committed by industry in the Tripartite Action Plan 2008. The Occupational Health and Safety Representative Skills Programme (OHS REP) was implemented at

Finsch Diamond Mine in 2012 and we exceeded our targets year on year. Thus seeing us training a total of 355 from the year 2013 until 2017.



Graph 7: OHS Training Report

The training for OHS representative is done by an external service provider.

2.6.4.2 Plans 2018-2022

Our plans are to continue with training and to achieve our targets as shown below in Table 20 for 2018-2022.

Table 20: Occupational Health and Safety Rep Training Targets for 2018-2022

Skills Programme	Budget per course (FY 2017)	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	Total Expected Enrolments 2018 - 2022
		Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	
OHS REP	R 26 888	10	10	10	10	10	50
Budget Subtotal		R 28 231	R 29 642	R 31 125	R 32 681	R 34 315	R 121 680

2.7 PORTABLE SKILLS TRAINING

2.7.1 COMMUNITY SKILL PROGRAMME

The objective for providing Community skills training is to assist the unemployed youth from our local community, and equip community members with a skill that will assist them to become economically active within their community and become self-sustainable.

Community members will be entitled to a once-off course at no cost to the participant. The individual will complete a specific programme, either a skills programme or a learnerships, and will be issued with a certificate on completion of the course. The cost of transport and accommodation is included and part of the agreement.

The community portable skills value chain consist of ten elements, AET, grade 12, Nated subjects, scholarships, school support, bursaries, vocational work, experiential trainees, internships and mining related programmes.

2.7.2 PORTABLE SKILLS FOR EMPLOYEES

The objective of this programme is to provide portable skills training to employees who show an interest in obtaining training and with special emphasis on employees who are identified by the Future Forum as our most vulnerable group. New Employees will be entitled to a once off course at no cost to the participant. The individual will complete a skills programme and will be issued with a certificate of competency. Accredited training individuals will be issued with a certificate of attendance on completion of the said course for example agricultural course. The stated courses also include the cost of transport, accommodation, tools and PPE (Personal Protective Equipment) and meals.

Portable skills value for employees include of five elements, AET, Grade 12, Study assistance, Occupational Directed Programmes and Non-Mining related programmes.

2.7.2.1 Portable/Community Skills History:

Portable skills training assists employees to attain skills (such as among other livestock management and irrigation) that are not mining industry related. In Table 21 (a) and (b) is the actuals reached for 2013 – 2017.

Table 21 (a): Community Skills achieved for 2013-2017

	Enrolment 2013		Enrolment 2014		Enrolment 2015		Enrolment 2016		Enrolment 2017			
Portable Skills Training	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Total 2013-2017	Actual 2013-2017
Basic Computer	100	289	100	211	100	230	100	383	100	308	500	1421
N1 or N2 Subjects	10	44	10	75	10	98	10	40	10	50	50	307
Engineering Portable Skills	10	18	10	4	10	14	10	18	10	11	50	65
TOTAL PARTICIPANTS	120	351	120	290	120	342	120	441	120	369	600	1793

Table 21 (b): Portable Skills achieved for Employees 2013-2017

	Enrolment 2013		Enrolment 2014		Enrolment 2015		Enrolment 2016		Enrolment 2017			
Portable Skills Training Employees	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Total 2013-2017	Actual 2013-2017
Basic Welding	3	0	2	0	2	3	2	0	2	0	11	3
Basic Motor Mechanics	2	0	2	0	2	2	2	0	2	0	10	2
Bricklaying/Plastering/Tiling	1	0	1	0	1	0	1	0	1	0	5	0
Irrigation	2	2	2	0	2	0	2	0	2	0	10	2
Livestock	2	4	2	8	2	0	2	0	2	0	10	12
Driver's License	3	11	2	23	2	11	2	6	2	0	11	51
TOTAL PARTICIPANTS	13	17	11	31	11	16	11	6	11	0	57	70

2.7.2.2 Proposed Plan 2018 - 2022

Finsch Diamond Mine provides voluntary skills training programmes to employees with skills which can be applied in other areas that will be valuable outside of the mining industry and add value to alternative employment.

Employees should be trained in portable skills, as indicated in the Table 22 below. Entrepreneurial and Business Skills training forms part of Enterprise Development aimed at assisting individuals to become self-employed or to create opportunities for individuals to form SMMEs (Small, Medium, and Micro Enterprises) and become self-employed in the event of retrenchment and resignation.

FDM offers community members Engineering Skills that are not mining industry specific but it will assist community members to be marketable in other industries other than mining as indicated in the Table 22 below.

Candidates will be given the opportunity to select one of six courses:

- a) Electric domestic installer
- b) Welding & Cutting Techniques
- c) Maintain, repair & assemble mechanical components
- d) Plumbing installation
- e) Masonry building techniques
- f) Agriculture e.g. chicken, planting, farm machinery

The value of the bursary will include: full tuition fees, full residence and meals at Training Institute and travelling to and from Lime Acres.

Table 22: Portable for Employees and Community Skills Targets 2018-2022

	2018	2019	2020	2021	2022
Employees	10	10	10	10	10
Community	10	10	10	10	10
Budget	R 650 000	R 650 000	R 650 000	R 650 000	R 650 000

2.7.3 RESOURCE LEARNING CENTRE (RLC) BASIC COMPUTER SKILLS AND INTERNATIONAL COMPUTER DRIVERS' LICENSE (ICDL)

Both employees and community members can make use of the basic computer training provided by the Company supported Resource Learning Centre to improve their computer skills. In Table 23a the number of participants are shown. The majority of the users were employees.

2.7.3.1 Resource Learning Centre (RLC) History:

The SLP2 target was successful to the extent that an extra 526 beneficiaries were trained on the programme. See table 23 (a).

Table 23 (a): Number of Employees and Community Members accessing RLC 2013-2015

	2013		2014		2015	
	Actual	Target	Actual	Target	Actual	Target
Employees	289	100	211	100	220	100
Community	45		32		29	
Total	334	100	243	100	249	100
Budget	R 172 000.00		R 185 760.00		R 200 620.80	

2.7.3.2 Plan 2018-2022

The objective with the International Drives License Computer (ICDL) Programme is to provide the local community members and employees the opportunity to obtain an internationally recognised computer (Microsoft) certificate. The plan for 2018 – 2022 is reflected in Table 23 (b)

Table 23 (b): New Targets for ICDL 2018-2022

	2018	2019	2020	2021	2022
Target	30	30	30	30	30
Budget	R 252 724.43	R 272 942.38	R 294 777.77	R 318 360.00	R 343 828.80

2.7.4 FURTHER EDUCATION AND TRAINING (NATED N1 AND N2 PROJECT)

Finsch Diamond Mine requires technical skills to run its operations; as a result, FDM will focus on providing the learning and teaching of the Engineering Nated Subjects to Unemployed youth in our Host labour sending area. The scarcity of technical skills, legislative requirements and company values, are the driving forces behind the FDM initiative in contributing to the national skills supply base with special emphasis in our host community. FDM realises that to achieve the desired learning outcomes required by the marketplace, the learning environment should be able to support the development of competent future employees, preferably originating from our host community. With these initiatives, FDM ensures that the learners have the facilities, and the lecturers have the ability, to transfer knowledge and facilitate learning of a high standard. The main objective of this project is to ensure that the Unemployed youth in our host community have the opportunity to obtain a full N2 and in so qualify for an Apprenticeship.

Table 24 (a): Actual Participation in N1 and N2 Classes for 2014-2016

CATEGORY	2014	2015	2016
Employees			
N1	17	33	13
N2	17	14	13
Budget allocation	R95 880.00	R183 864.00	R
Community (sponsored)			
N1	10	8	3
N2	7	5	7
Budget allocation	R47 940.00	R50 856.00	R291 380.00

Note: Budget includes examination and lecture fees

2.7.4.1 Plan 2018-2022

A total of 10 students will be fully sponsored by Finsch Diamond Mine. We will focus on representatives from the immediate Labour Sending Area. These students will be sponsored on a first come first in basis, unemployed between the ages of 18 and 35 and from our immediate Labour Sending Area. (Proof of identification documents and residence will be used to determine this). The Portable Skills is mining related and the following subjects will be provided: (N1 & N2 classes) different trade theories (electrical, fitting, plating, and industrial electronics), Mathematics, Science and drawing disciplines. To create access to the programme we will also run with a bridging course to ensure students that pass the bridging course gain access and is setup for success for further Nated studies.

The first trimester of a year will focus on the first two subjects being offered on N1 and N2 level, namely Maths and Engineering Science. The classes will take place in the evenings, two sessions per week, and three hours per session for a total of ten weeks at the Outside Training Centre. Applicable Tutors will be sourced locally to assist the students during the evening classes.

The second trimester of a year will be used as time to rewrite examinations that were failed in N1 or N2 so that a fair chance can be given to obtain a full N1 or N2 with four subjects. The 3rd trimester will focus on the different trade theories namely electrical, fitting, plating and the corresponding industrial electronics and drawing disciplines etc.

This will result in total fairness to obtain a full N2 which will then also be the minimum criteria (as stipulated by the MQA) for an apprenticeship when selection is made.

Table 24 (b): Target and Budget allocation for Community Nated Studies 2018-2022

Community Nated	2018	2019	2020	2021	2022
Target	10	10	10	10	10
Budget	R 324 560.00	R 328 620.00	R 333 630.00	R 339 680.00	R 347 004.00

2.8 HARD-TO-FILL VACANCIES

Table 25 - HARD-TO-FILL VACANCIES (FORM R)

Occupational Levels	2012	2013	2014	2015	2016/17FY	Main reason for being unable to fill the vacancy	Strategy & Solutions
Professionally qualified and experienced professionals and mid-Management (DL-DU)	Geotechnical Engineers	GCC Engineers	GCC Engineers	GCC Engineers	GCC Engineers	Scarce skills. Difficult to retain as the demand for the skills is high	If we don't find suitable candidates by advertising in local & national publications, consider headhunting.
	Chief Safety Officer					High Demand in Mining environment for this legal appointment position. Minimum criteria included a blasting certificate which was hard to find.	Revise minimum criteria with regards to blasting certificate. EE candidate sourced and appointed in June 2012.
	Occupational Health Medical Practitioner					Scarce Skill. High Demand. It is a legal requirement for all mining operations to make use of the services of a Medical Practitioner who has an Occupational Health Qualification. Mines in rural areas have to employ them.	Target advertising of jobs in Medical Professionals publications. EE candidate sourced via Employment Agency and appointed in July 2012. Subsequently outsourced Occ Health.
	Ventilation Officer				Ventilation Officer	Scarce Skill, high in demand.	Accommodate internal developmental opportunity.
	Surveyors					Scarce Skill. Salaries offered are not aligned to market, especially for candidates with experience.	Adjusted position grade.
Skilled technical and academically qualified workers, junior Management, supervisors, foremen and superintendents (CL-CU)	C & I Technician	C & I Technician	Winder Technician	Mechanical Foreman	Occupational Hygiene Officer	Scarce skill, high in demand.	Advertising in national media; readvertised with lower criteria with a development plan in place for internal candidate (WIM).
	Artisans: Riggers and Fitters	Artisans: Riggers and Fitters	Artisans: Riggers and Fitters	Mechanics; Mining Training Officer; Plant Process Controller; Stores Systems Controller	SLC Technicians; Mining Shift bosses; C&I Technicians	Diamond mine specific experience makes it hard to source from nearby mines with different commodities. Grade 12 not easily obtained by incumbents. SLC Skills very scarce as the mining method is not widely used.	Reviewed Grade 12 as minimum criteria in lieu of years' experience and supervisory qualification for SLC labour.

Occupational Levels	2012	2013	2014	2015	2016/17FY	Main reason for being unable to fill the vacancy	Strategy & Solutions
Semi-Skilled	Trackless Mobile Machine Operators	Trackless Mobile Machine Operators	Trackless Mobile Machine Operators	Trackless Mobile Machine Operators	Trackless Mobile Machine Operators, Drill Rigs	Heavy duty licenses are required for these positions. Our focus is on recruiting from our Labour Sending Area and people with licences and experience in operating certain mining-specific machines are scarce.	Advertising vacancies in the larger Northern Cape region. Reach out to former employees with skills in drill rigs.
Unskilled	Relatively easy to fill	Relatively easy to fill	Relatively easy to fill	Relatively easy to fill	Relatively easy to fill	N/A	N/A

Hard-to-Fill vacancies as outlined in Form R Table 25. This will be addressed at Finsch Diamond Mine through the implementation of the skills development programmes and various learnerships and bursaries in an attempt to build capacity in areas where feasible.

2.9 CAREER PROGRESSION PLAN

2.9.1 CAREER PROGRESSION PLAN (CAREER PATHS)

In terms of Career Progression of Employees, FDM has investigated and conducted research to address the career progression for individuals within the company. This process commenced during 2015 with input and contribution from high level individuals and is aligned to the company's business plan and strategy. The company has also aligned our succession plan with its EE plans for developing HDSA's into higher positions within the company. This plan seeks to cover mentorship and coaching in line with individual's career development plans.

The succession plan is the basis of FDM organisational culture of accountability and trust, consistent with the company's values, which establishes the environment necessary for the achievement of business objectives and enables employees to deliver on their full potential.

The succession planning is linked with the Strategic Workforce Plan, to ensure the ongoing and sustained matching of individuals to positions. The Manager is accountable to manage the performance of Subordinates and to apply managerial leadership practices such as selection, induction, task assignment, coaching, planning and contribute towards subordinate's development plans. The Head of Department must assess an individual's current potential capability, determine succession plans and ultimately endeavour to match career aspirations with organisational requirements. The figure 4, below demonstrates our succession/talent pool objectives.

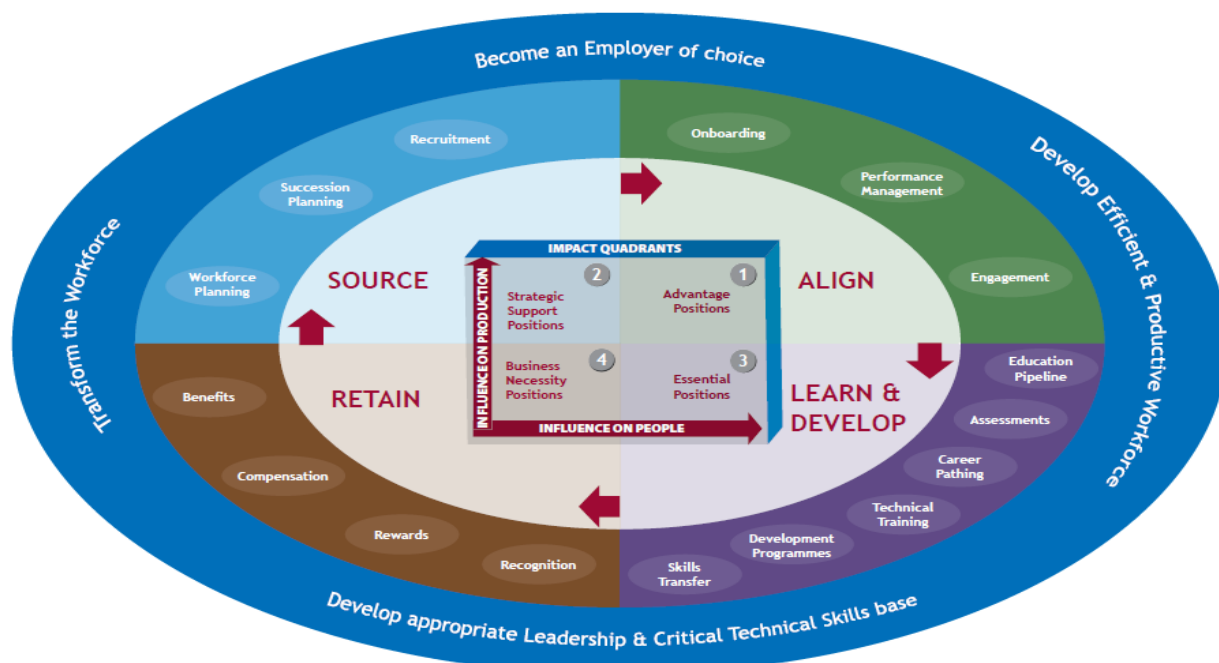


Figure 4: Petra Diamonds Talent Management Model

There are career paths in place for all the major disciplines which service as a map for employees on how to progress to the next level. As per the following diagram with similar career paths are in place for Mining, Mineral Resource Management and Metallurgy. In Figure 4 indicates the process for the main discipline above.

The demand for succession will be based on the positions (within the Paterson bands) where the mobility of the incumbent is rated as high. Mobility is the product of factors such as age, the market demand for similar talent and number of years in the position. Succession planning then focuses on selecting and developing the internal supply of talent to meet the said demand.

Current Developmental Programmes:

A number of employees have been put on developmental programmes which include Leadership Development Programme (LDP), Management Development Programme (MDP) and Executive Management Development Programme (EMDP).

2.9.2 STUDY ASSISTANCE (PART TIME BURSARIES) INTRODUCTION

The objective of this program has always been to make financial assistance available to permanent staff members who wish to advance themselves academically and improve their occupational competencies.

The company encourages employees to further their studies and at management's discretion may provide financial or other support to employees entering qualification programmes.

Ongoing company support for the duration of the studies will be reviewed annually based on the employee's work and study performance.

The support options available:

- a) Service Obligation: The Company pay the full amount due for your studies but you would be required to remain in the employ of the company for the same period your studies were paid for. If you fail or should you fail to get admission to write exams the whole amount will be deducted from your salary
- b) Financial Assistance: The full amount that the company paid for your studies is repayable to the company but you will not be required to remain in the employ of the company.
- c) Re-imbursement: The Company can pay for the course you funded once completed. Proof thereof must be submitted within six months of the completion of the subjects. You would be required to remain in the employ of the company for the same period your studies were paid for. If you fail your course the company will not be liable for the re-imbursement and will only pay when the course has been completed.
- d) Study leave only: No money involved, only exam and study leave granted.

There is no target to determine how many employees can be accepted on this scheme -awarding of study assistance is subject to budgetary constraints.

We also provide occupational development programme to employees that need to attend study schools in order to achieve a qualification for promotional positions. These individuals sign part-time training agreements with training plans, in some cases a formal coaching plan with specific outcomes to be achieved will be added.

2.9.3 CAREER ADVANCEMENT PROGRAMME FOR A AND B BANDERS

The purpose of this programme is to provide selected employees in the A- and B-Band with an opportunity to gain the required technical qualifications that may lead to career advancement. It also provides an opportunity for A- and B-band employees who already hold tertiary qualifications for further development. Both technical and non-technical careers related to the mining industry are included. The programme draws on various existing development schemes and opportunities provided by the company, but include additional aspects to ensure that the trainee is fully prepared for learning and development. After completion of this programme further development can be explored.

The CAP-AB programme is a vehicle for selected employees in the A and B band to obtain skills and competence that will enable their appointment in the C-band. Trainees will be selected for the programme based on the minimum entry requirements for the programme, which will include psychometric assessment of learning potential.

The programme consists of 4 phases, starting with the development of foundational competence to ensure trainees are able to cope with future learning. Thereafter the pre-technical training phase will allow trainees to obtain relevant qualifications to meet the entry requirements for technical training programmes. During the technical training phase, trainees will study towards an occupational technical qualification, an in-house learning programme or tertiary qualification (depending on the selected career choice).

The programme will also provide opportunity to gain workplace experience, if the qualification does not already include and require that component. On completion of this phase, trainees will be equipped with the necessary skills and competence to apply for positions in the C-band. The programme also allows for post-appointment monitoring to determine whether the trainee qualify for further leadership development, which will constitute the fourth and final phase of the programme. Not all trainees will complete the fourth phase of the programme, as participation in this phase is subject to a further selection process. Trainees selected for this programme will be considered as part of a designated development pool. This programme will be implemented during 2018.

2.9.3.1 Ore Processing/ Metallurgy

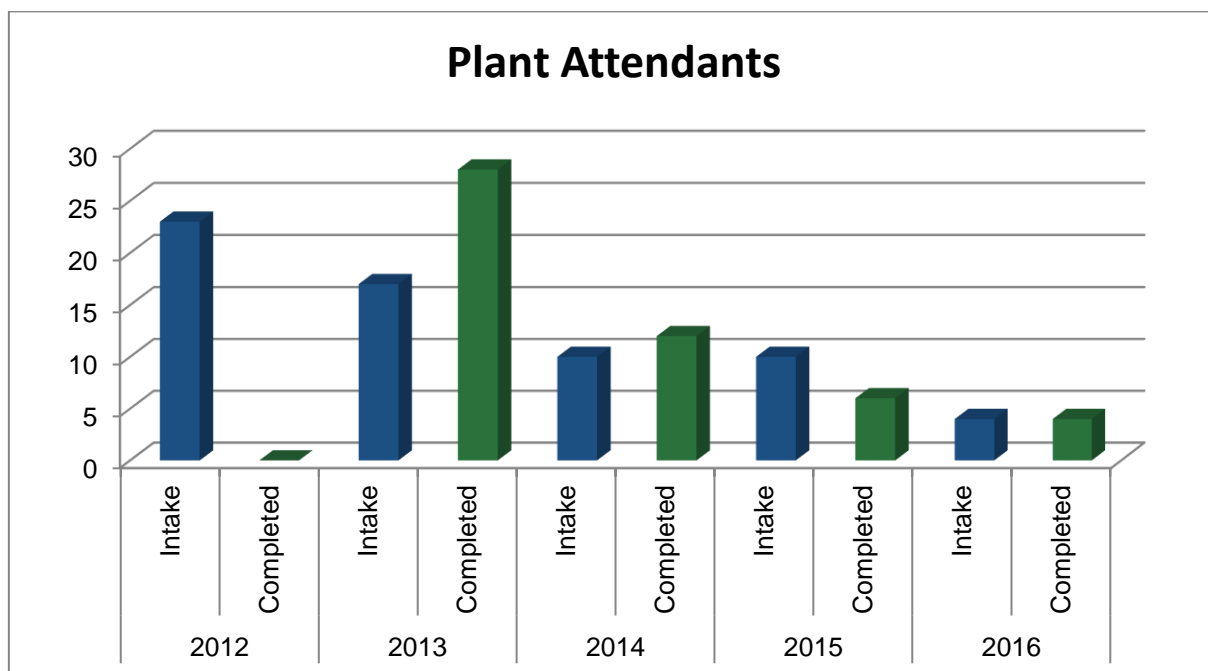
The career progression programmes at FDM Ore Processing Department are to ensure continued feeding stock as well as development of our employees.

Therefore FDM has several career progression Programmes namely:

- a) The Attendant Programme, which is an entry level programme pitch for new Ore Processing – employees that will allow progression to operator level;
- b) Laboratory operator programme pitched for new Laboratory employees to allow progression from laboratory samplers to laboratory operator
- c) The Diamond sorting and identification course for sorters to ensure marketability of sorters within the various sorting industries as well as improve their probabilities of progressing to Sort house co-ordinator.

2.9.3.1.1 Plant Attendant Programme History

The initiative for the attendant programme started in June 2012, when the gaps was identified in the knowledge and skills area between entry level and plant operator level. This is a 6 month programme that provides learners with the required Plant specific knowledge and workplace skills, based on work practices, to conduct tasks related to plant operational maintenance in a safe manner. In Graph 8 is the number of participants in 2012 – 2016.



Graph 8 – Training completed on the Plant Attendant Programme (2012 – 2016)

There is no fixed target for the number of participants, as intake is purely based on recruitment of candidates per number of vacancies available at the Ore Processing Department.

The learners that are on a fix term contract basis start of by conducting a generic plant attendant programme once they become permanently appointed they continue with the section specific attendant programme. Since 2012 to date we have trained and promoted 50 permanent Plant attendants on this programme.

The action plan for challenges experienced:

- a) Implement generic Plant attendant workbook that provides learner with generic plant operational maintenance tasks. The permanent learners are appointed to move to their permanent sections and issued with a section specific workbook.
- b) HR to supply Training HR systems administrator with a notification of inter sectional change over.
- c) To address slow progression and poor monitoring of the programme regular review sessions will be implemented, monitored and recorded to ensure completion of programme in allocated time.
- d) The need for “Coach the Learner” was identified and Supervisors and Lead operators were target to attend the course.

2.10 MANAGEMENT DEVELOPMENT FOR EMPLOYEES

Managerial/leadership training and development is generally based on the career development plans of the employees as identified through the talent pool and succession planning processes which also links into the Employment Equity imperatives and drivers of FDM. Management training is an essential part of ensuring that the company will run as productively and efficiently as possible now, and into the future with further emphasis on creating a skilled leadership base to sustain the organisation. There are several aspects of management that need to be addressed in order to tenure that Mangers will be able to do the best they can in their roles. One of the most important aspects of effective management is how to engage employees to get the best outcomes form the team. Managers need to know the best way to communicate with their subordinates, to involve them in work planning and execution, and to give appropriate feedback on performance. They must know how to properly assign tasks to employee so that team productivity can be maximised. Importantly, effective leaders need to understand how to lead change, optimising processes, creating systems, and generating enthusiastic commitment among subordinates for new ways of working.

The company enters into partnerships with academic institutions and service providers in order to tailor education and training programmes to suit Finsch Diamond Mine and individual's needs and also to promote transformation within the organisation.

The Management Development plan has been derived from the Employment Equity plans. The demographic split therefore does not align with the SA national EAP ratios as it is reflective of the FDM management population.

Management Development Programmes are annually reviewed according to the FDM management population's need; these programmes are presented by a registered business school.

2.10.1 TALENTPOOL DEVELOPMENT

The purpose of the Talent Pool Development is to provide employees with the opportunity to develop to their maximum potential to meet current and future business needs.

The objectives of the Talent Pool:

- a) To match individuals to appropriate roles based on current and future capability
- b) To identify employee development needs in line with likely career progression and company objectives
- c) To identify companywide development needs, and
- d) To support our individual employees in their aspirations to become the best they can be, within the scope of what is viable for the company.

The Talent Pool Development allows the organisation to determine whether it has the talent necessary to deliver on its current and future strategic objectives. This enables the organisation to develop a pipeline of talent through which candidates can be sourced for current and future role vacancies. This will increase the effectiveness of role appointments as such decisions are more accurate when candidates are from within the organisation.

Growth of talent is facilitated, thereby providing opportunities for all employees to contribute to their full potential. Identification of potential capability, and a projection of its maturation, will enable career development programmes to be created for all employees matched to the rate at which their capability matures.

2.10.1.1 Management Development Programme (MDP):

The comprehensive Management Development Programme (MDP) equips managers on a middle management level with the necessary competencies to implement their organisations' strategic objectives. Furthermore, the programme helps to develop a basic understanding of the different fields of management to ensure that managers do not perform their own management functions in isolation. The MDP provides a broader understanding of management and leadership and in this way brings real business benefits to participants and their organisations.

2.10.1.2 Senior Management Development Programme (SMDP) or Executive Management Development Programme (EMDP):

The Senior Management Development Programme (SMDP) presented in Finsch Diamond Mine aims to equip senior managers with the necessary knowledge, leadership and change management skills to function effectively within a corporate environment. This is an opportunity to develop the competencies required to tackle management challenges with confidence and to start building your career as a future executive.

2.10.1.3 Management Development History:

Employee Name	Race	Gender	Position	Start Date	Course
Beneficiary 1	W	M	Engineering Manager Surface	2015	MDP
Beneficiary 2	W	M	Plant Superintendent	2015	MDP
Beneficiary 3	A	M	Engineer: Execution	2015	MDP
Beneficiary 4	C	M	Occupational Hygiene Practitioner	2015	MDP
Beneficiary 5	A	M	Mining Engineer	2015	MDP
Beneficiary 6	A	M	Graduate trainee	2015	MDP
Beneficiary 7	W	M	Project Engineer	2015	MDP
Beneficiary 8	A	M	Senior Training Officer: Engineering	2015	MDP
Beneficiary 9	A	M	Mining Manager	2015	EMDP
Beneficiary 10	C	M	Superintendent: Projects and Services	2015	EMDP
Beneficiary 11	C	M	Services Manager	2016	EMDP
Beneficiary 12	A	F	Drill & Blast Engineer	2016	EMDP
Beneficiary 13	W	M	Project Engineer	2016	MDP
Beneficiary 14	W	M	IT Support Coordinator	2017	MDP
Beneficiary 15	A	F	Geologist	2017	MDP
Beneficiary 16	A	F	Project Metallurgist	2017	EMDP

2.10.1.4 Management Development New Plan:

Currently, employees that attend the Senior Management Development Programme (SMDP) receive coaching from our appointed service provider. From 2017 employees on the Management Development Programme (MDP) will be included in the coaching component.

The Management Development Programme will target middle and senior managers in the D Patterson Band. The emphases will be on implementing organisational strategic objectives and development and provide a basic understanding of the different fields of management.

The Senior Management Development Programme will target employees in the D Patterson Band earmarked for progression to the E Patterson Band. The programme will focus on equipping senior managers with the necessary knowledge, leadership and change management skills to function effectively within a corporate environment.

Intake for the SMDP and MDP will be based on operational requirements.

2.10.2 PRACTICAL SUPERVISORY PROGRAMME

Practical Supervision™ is outcomes based learning programme consisting of 18 modules aligned to unit standards pertaining to Supervisory Skills (Learnership).

The purpose of the Practical Supervision course is for Supervisors / Team Leaders to build knowledge and skills. This is applicable to both those who are already employed and those who intend to follow a career as supervisors so that they will be empowered to operate confidently and effectively.

By the end of this skills programme learners must demonstrate an understanding of the principles outlined in each module, be able to discuss them with ease and be in the process of implementing new approaches with regard to the supervisor's primary responsibilities, duties, functions, and skills (under the main functions of planning, organising, setting controls, and leading), while incorporating problem solving and decision making at all stages.

2.10.2.1 History:

We did not achieve the practical supervisory targets in SLP 2, however we over achieved with the Supervisory Learnership actual trained vs the target. The main reason for this under performance was due to the recruitment and appointment of Supervisors in the C Patterson Band who only needed advance Supervisory skills and not supervisory fundamentals.

Table 27 (a): Historical Data for the Practical Supervisory Course for 2013 to 2017

Support Skills Training	Target 2013		Target 2014		Target 2015		Target 2016		Target 2017		Total Expected Enrolments 2012 to 2016	Actual
	Expected Enrolments	Actual	Expected Enrolments	Actual	Expected Enrolments	Actual	Expected Enrolments	Actual	Expected Enrolments	Actual		
Practical Supervisory Course	20	17	20	8	20	1	20	13	20	10	100	49
Subtotal	20	17	20	8	20	1	20	13	20	10	100	49
Budget Subtotal:	25 895	103945	83 410	73481	12 395	7385	43 975	47976	67 660	81 267	233 335	314 054

2.10.2.2 New Plan:

The plan is to train a group of frontline supervisors in the BU and CL Patterson Bands annually. The focus will be on supervisory fundamentals.

Table 27 (b): New Targets for the Practical Supervisory Course for 2018 to 2022

Support Skills Training	Target 2018	Target 2019	Target 2020	Target 2021	Target 2022	Total Expected Enrolments 2012 to 2016
	Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	Expected Enrolments	
Practical Supervisory Course	10	10	10	10	10	50
Budget Subtotal:	25 000	25 000	25 000	25 000	25 000	125 000

2.10.3 SUPERVISORY DEVELOPMENT PROGRAMME

The purpose of the Level 3 National Certificate in Management for Supervisors / Team Leaders is to build the knowledge and skills – both those who are already employed and those who intend to follow a career in management – so that they will be empowered to operate confidently and effectively.

The qualifying learner will be able to:

- a) Manage systems and processes
- b) Manage resources
- c) Manage teams and individuals
- d) Manage self

The Qualification provides a balanced learning experience that allows flexible access to further education and lifelong learning. It provides an opportunity for learners to learn and apply skills related to management and thereby to enhance their employability in a wide range of occupational contexts.

2.10.3.1 History:

We overachieved on 2013 and 2014 targets by training double the amount of Supervisors than the initial 10, thus training 20 in total. We had no intake in 2015 due to a change in provider. In total we overachieved on the SLP2 Supervisory target by training double the original candidates to a total of 25.

Table 28 (a): Historical Data for the Supervisory Course for 2013 to 2017

Programme	2013		2014		2015		2016		2017		Target 2013-2017	Actual 2013-2017
	Section 18(1)		Section 18(1)		Section 18(1)		Section 18(1)		Section 18(1)		18(1)	18(1)
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target 2013- 2017	Total Trained 2013 - 2017
Supervisory Learnership	5	11	5	9	5	0	5	16	5	14	25	50
Total	5	11	5	9	5	0	5	16	5	14	25	50
Total Number of Learnerships	11		9		0		16		14		25	50
Total Actual Spend	R 137 348.00		R 186 707.00		R 0.00		R 237 940.80		R 113 703.10			

2.10.3.2 New Plan:

The plan is to develop Supervisor already in the C Patterson Band that require additional supervisory skills. The Learnership will be presented from the PDSA centralised budget and the Logistical cost from the FDM operational budget. The focus of the programme will be on advanced supervisory skills.

Table 28 (b): New Targets for the Supervisory Course for 2018 to 2022

Programme	Length of Programme (e.g. 3 years, etc.)	Internal/ External	2018	2019	2020	2021	2022	Total Trained
			Target Enrolment	Target Enrolment	Target Enrolment	Target Enrolment	Target Enrolment	
Supervisory Learnership/Skills Programme	12 months	External	5	5	5	5	5	25
Total Budget			150000	150000	150000	150000	150000	750000

2.10.4 LEADERSHIP DEVELOPMENT PROGRAMME

Leadership development is generally based on the career development plans of employees as identified through the succession planning process which also links into the Employment Equity imperatives of Finsch Diamond Mine (Pty) Ltd.

Petra Diamonds opted for the design of a custom Accelerated Leadership Development Programme (ALD) in order to avoid falling into the trap of simply acquiring a “quick fix” standardised programme or fad that so often fails. This is in accordance with current international best practice that emphasises the importance of considering the distinctive set of challenges of every organisation that influence its leadership development needs, and the resultant need for customisation of leadership development programmes.

Regarding selection criteria for identifying who should be selected to participate onto this programme, our external service provider first had to determine what kind of leader the company would need at present and in the future. These criteria are influenced by the nature of the industry the company operates in, the strategic objectives of the company, and legislation. Thus a basic “leadership profile” was determined first that would inform the selection criteria for participants.

2.10.4.1 History:

The table 29 (a) below shows planned versus actual intake against the previous Social Labour Plan with explanations on each course year following table 29 (b), (c), (d) and (e):

Table 29 (a): Historical data for the LDP for 2012 to 2016

COURSE YEAR	YEAR									
	2012		2013		2014		2015		2016	
	Plan	Act	Plan	Act	Plan	Act	Plan	Act	Plan	Act
CY1	12	11	12	9	12	11	12	9	12	8
CY2	0	0	0	11	12	5	12	11	10	9
CY3	0	0	0	0	0	10	12	10	12	0
CY4	0	0	0	0	0	0	0	0	6	0
CY5	0	0	0	0	0	0	0	0	0	0
TOTAL LEARNERS	12	11	12	20	24	26	36	30	40	17

The programme initially started off as a five (5) year programme with two developmental pools i.e. junior and senior pools. The first group (**Senior Pool**) were selected and tested during financial year 2013 (May / June 2012) for Finsch Diamond Mine. The table below depicts the learners that were selected during that time.

Table 29 (b): Beneficiaries for the LDP for 2012

Ethnic Group	Gender	Occupational Level	Position earmarked for
White	Female	Junior Management	Payroll Supervisor
Coloured	Male	Skilled Technical	Engineering Foreman
Coloured	Male	Junior Management	Procurement Officer
African	Male	Junior Management	Plant Foreman
African	Male	Skilled Technical	Engineering Foreman
African	Male	Junior Management	Plant Metallurgist
White	Female	Skilled Technical	CADD Coordinator
African	Female	Skilled Technical	Senior HR Officer
African	Female	Junior Management	Senior Security Officer
White	Male	Junior Management	Senior Security Officer
Coloured	Female	Skilled Technical	Senior HR Officer

These learners completed and did exit the programme during August 2016. Some of them has already being promoted to higher roles as a result of this intervention.

The second group started during July 2013 under the same structure and with the exception of 2 learners, all were Senior Pool as seen below:

Table 29 (c): Beneficiaries for the LDP for 2013

Ethnic Group	Gender	Occupational Level	Position earmarked for
African	Male	Junior Management	Plant Foreman
White	Female	Junior Management	Assistant Accountant
Coloured	Male	Skilled Technical	Maintenance Planner
Coloured	Female	Semi-skilled	Accounts Supervisor
African	Female	Skilled Technical	Maintenance Planner
African	Female	Junior Management	Plant Foreman
Coloured	Male	Junior Management	Senior Safety Officer
African	Male	Semi-skilled	Miner
African	Male	Skilled Technical	Engineering Foreman

From this group, the two junior pool candidates 2 exited the programme, and 1 has put her programme on hold and 1 other were dismissed in 2015. 1 female has left the employ of the mine. The rest completed the senior pool programme in August 2016.

During 2014 it was decided to condense the programme from five (5) to two (2) years to make it more streamlined. The decision was to focus on developing junior to middle managers to fill key leadership roles in the C-upper and D-lower Paterson bands. Learners can also now exit with the Higher Certificate in Management Development (NQF Level 5) if found competent at the end of the programme.

The objectives of the Leadership Development Programme (LDP) aims to:

- a) Provide a foundation for succession planning
- b) Improve retention of key employees through career-pathing
- c) Develop leadership bench strength in a context of limited technical skills

- d) Support the achievement of organisational transformation initiatives, and
- e) Empower employees to develop their leadership skills and competencies thereby increasing production

The next intake was during July 2014 under the new structure. The following learners were selected during that period.

Table 29 (d): Beneficiaries for the LDP for 2014

Ethnic Group	Gender	Occupational Level	Position earmarked for
Coloured	Male	Junior Management	WIFS Foreman
Coloured	Male	Junior Management	Shift Boss
Coloured	Male	Skilled Technical	Engineering Foreman
African	Female	Skilled Technical	Occ. Hygiene Practitioner
Coloured	Male	Junior Management	Plant Foreman
Coloured	Male	Skilled Technical	Maintenance Planner

All learners from this group completed during August 2016. The decision was taken to combine them with the previous group to make up a total intake of 12. They completed the programme in June 2017.

Table 29 (e): Beneficiaries for the LDP for 2015

Ethnic Group	Gender	Occupational Level	Position earmarked for
Coloured	Male	Junior Management	Shift Boss
Coloured	Male	Skilled Technical	Senior Procurement Officer
African	Male	Skilled Technical	Engineering Foreman
African	Male	Skilled Technical	Engineering Foreman
African	Female	Skilled Technical	Engineering Foreman
African	Male	Skilled Technical	Engineering Foreman
African	Female	Junior Management	Shift Boss
White	Female	Skilled Technical	Cost Accountant
Coloured	Female	Skilled Technical	Training Manager

2.10.4.2 New Plan:

In an effort to ensure that we continually grow and nurture our leadership bench strength, we will not only continue with this programme, but because it is aligned to our succession planning strategy, critically look at our current pool of employees eligible for this programme.

In saying that we acknowledge that with any succession effort it can be divisive in nature.

Succession planning commences with of a deliberate process, which is conducted to determine a baseline demand and internal supply of talent/potential talent and will thereafter be followed by annual revisions to update the baseline. Succession planning is therefore not an event, but a continuous process that builds on the baseline information.

The demand for succession will be based on the positions (within the range of C2T and higher) where the mobility of the incumbent is rated as high.

Mobility is the product of factors such as age, the market demand for similar talent and number of years in the position. Succession planning then focuses on selecting and developing the internal supply of talent to meet the said demand.

Employees can fall into 3 categories:

- a) Employees who are in advantage positions and strategic support positions and are already fully developed for the position and performing according to expectation. These employees are considered part of the talent pool. Action are to be implemented to retain and engage these employees.
- b) Employees who are earmarked for development into advantage positions and strategic support positions. These employees forms part of both the talent pool and succession pool and their development is a high priority and specific measures are implemented to monitor and manage their development.
- c) Employees who are earmarked for development into Essential positions and Business Necessity Positions. These employees forms part of the succession pool.

Table 30: New Targets for the Leadership Development Programme for the year 2018 to 2022

COURSE YEAR	YEAR				
	2018	2019	2020	2021	2022
CY1	0	5	0	5	0
CY2	5	0	5	0	5
TOTAL LEARNERS	5	5	5	5	5

2.11 MENTORSHIP

2.11.1 COACHING AND MENTORSHIP PLANS FOR EMPLOYEES

FDM firmly supports mentorship programmes and believes that it is a progressive yet simple means of achieving the expected outcomes of the Career Progression Plan. Alignment of personal development plans of employees and career development programmes such as learnerships, bursaries and internships. Mentorship is a key process in the maintenance of people development, employment equity, human resources development planning, and performance management.

Mentorship is a formalised relationship between a mentor and a mentee, established to enhance the mentee's career by means of transferring and building skills and knowledge.

In terms of the succession planning the direct Supervisor is accountable to mentor their successor with input from the HRD. Establishing and maintaining a trusting relationship with each of his/her Successors in order to maximise the value of the mentoring process for both the Successor and the company. It is crucial that the Mentor remains well informed of the evolving career interests and aspirations of the Successor in order to appropriately mentor the Successor, and ensure realistic career plans.

Mentors must have regular contact session with the Successor and these sessions are recorded in terms of the Mentorship Procedure.

All learners who are on a structured development or training programme are allocated a mentor or a coach to guide them in their developmental journey.

FDM has success in implementing the above processes and will continuously improve the system where required. Every Bursar and Intern is allocated a mentor as part of their structured development programme. In Table 31 is the progress of Mentorships 2013 – 2017.

Table 31: Historical Data of Employee on the Mentorship Programme for the year 2013-2017

Employee Categories	2013		2014		2015		2016		2017		Total (2013-2017)	
	Target 2013	Actual 2013	Target 2014	Actual 2014	Target 2015	Actual 2015	Target 2016	Actual 2016	Target 2017	Actual 2017	Target 2013-2017	Actual 2013-2017
Learnerships	52	39	46	53	38	43	43	63	56	60	235	258
Bursary/ Internship Internal & External	4	5	4	5	4	6	4	5	4	6	20	27
Leadership Programme	12	43	24	20	36	30	40	31	48	24	160	148
Total	68	87	74	78	78	79	87	99	115	90	415	433

2.11.1.1 Plans to achieve targets

The plan of action is to train mentors and mentees in the concepts and techniques of mentoring. This pool of potential mentors will be allocated to mentees.

2.12 SCHOLARSHIPS, SCHOOL SUPPORT AND EXPERIENTIAL TRAINING PROGRAMME

2.12.1 SCHOLARSHIPS INTRODUCTION:

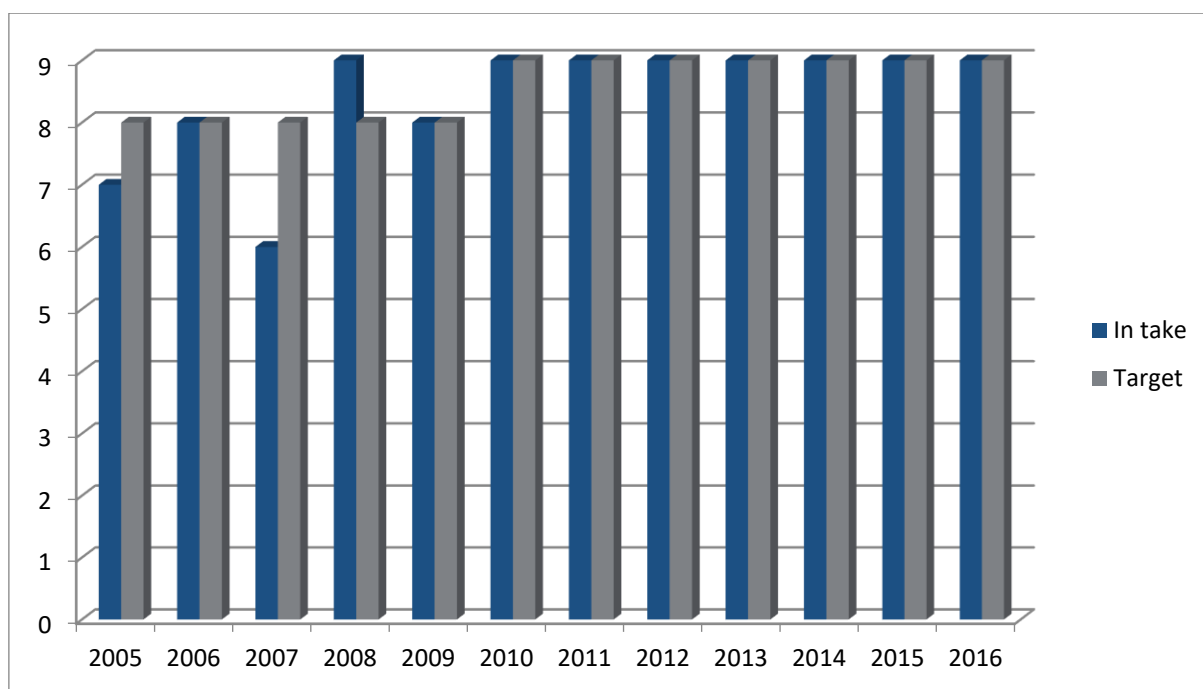
Petra Diamonds have established a Scholarship Programme in support of Mining Charter requirements, SLP commitments, Corporate Social Responsibility (CSI) in schools and local communities and creating a local pool of possible skills for the operations to enhance sustainability. This will incorporate providing financial and other support to top achievers from local high schools, career guidance which will create a system acting as a direct feeder into the group bursary programme or learnerships.

FDM support scholarships to ensure that there is opportunity to increase numbers of learnerships and bursars from within the host community. This will attempt to address the gap by offering Scholarships to Grade 8 to Grade 12 students – with a specific focus on mathematics and science as it is required by MQA for mining qualifications.

2.12.1.1 History

The Scholarship program was introduced in January 2006 for the scholars in the Kgatelopele Local Municipality. The two high schools in Daniëlskuil are Daniëlskuil High School and Kuilsvil High. It is preferred that scholars attend schools in Daniëlskuil as Finsch Diamond Mine (FDM) invests in these schools. The program started by assisting seven (7) scholars with the amount of R10 000.00 per annum per scholar. From 2010 it was decided that the number of scholars would be 9 per annum. The progress is monitored quarterly. Graph 9 summarises the intake versus the target of the scholars taken on the program since 2006.

One of the highlights of the programme is that a bursary was offered to one of the scholarship candidates and she is studying survey and will complete her studies in the near future. The scholars are selected in accordance to certain criteria, preference is given to children whose parents are of the A and B bands.



Graph 9: Scholar acceptance Intake vs Target Summary

2.12.1.2 Current status and Planned Activities

Since the introduction of Scholarship Program in 2006 the scholars have been assisted with R10 000.00. Due to the increase in the amount will be R15 000 from January 2018. The funding will be used for assisting with school fees, hostel fees; uniform and stationery. There will be the use of the sliding scale/criteria to determine learners that qualify for R10 000 or R15 000. In Table 27(a) is the planned participants of the Scholarship Scheme.

Table 32: Targets for Scholarships for the year 2018 to 2022

	2018	2019	2020	2021	2022
NUMBER OF LEARNERS	9	9	9	9	9
BUDGET	R90000	R110000	R110000	R110000	R110000

2.12.2 TECHNO GIRLS

Finsch Diamond Mine in partnership with government hosts the Techno Girls twice a year at our operation. The objective of the initiative is to reverse the growing skills shortage in science, technology, engineering and mathematics in South Africa by encouraging girls to pursue careers in these fields.

Petra Diamonds recognises the role it can play in improving the potential results of scholars in order to better prepare them, amongst others, for careers in the mining industry.

The objectives are:

- a) To expose girls, through job shadowing, to the world of work;
- b) To increase the knowledge of girls on careers they are exposed to;
- c) To increase awareness of the importance of subject choices to future career preferences;
- d) To expose girls to mentors in the workplace for particular careers;

Finsch Diamond Mine have been hosting the Techno Girls from 2013. Two Techno Girls from Kuilsville High School formed part of the workplace orientation programme. The scholars were coached by FDM Interns and employees in the field Administration functions. Scholars received valuable information and exposure to the day to day operations of the various sections within the administrative departments.

This combined with subject choices at school and guidance on Tertiary Education routes to follow, equipped these future leaders of tomorrow with the information they need to make the correct career choices.

On the final day of their programme the scholars presented mini projects that they worked on during the week to members from the Finsch Management Team, interns and parents.

The focus of the October 2016 intake was on soft skills training for the learners. The training material developed by Transnet Freight Rail (TFR) was used, and proved to be beneficial.

The program consisted of the following topics:

- a) Communication and interpersonal skills
- b) Life skills and stress management
- c) Time management
- d) Budgeting
- e) Working under pressure and problem solving

- f) Self-awareness and self-motivation

The Techno girls will be included in the scholarship workplace orientation programme to maximise resources and opportunities available.

2.12.3 SCHOOL SUPPORT

Over and above the Community Human Resource Development training and development programmes offered by the company, education enhancement projects are implemented in our local community. These projects contribute to equipping educational institutions with proper equipment, to empower learners and teachers, as well as contributes to the Mathematics, Science and Language discipline in line with the National Development Plan (NDP).

Such projects included and are not limited to the following:

- a) Math league
- b) Career Guidance
- c) Maps and Mirrors (Grade 9 Subject Choices)
- d) Scholar sponsorships
- e) Share and Shine (Teacher Support)
- f) Parent advocacy campaign

2.12.3.1 Mathematics, Science and Technology Project (MST)

2.12.3.1.1 Introduction

The need for learners and students to excel in Mathematics and Physical Science, in South Africa, is vital to meet Engineering Criteria. More learners need to be involved in Mathematics and Physical Science at a higher level to meet the economy's skills demand and to offer them a broader range of career options. Mathematics, Science and Technology are important for Engineering to develop the economy of South Africa.

Finsch Diamond Mine (FDM) recognises the need for such learners to achieve excellent results in both Mathematics and Physical Science as a means to a brighter, more sustainable future, hence FDM embarked on a project since 2013 to address this.

This project ensures that teachers with proven credentials and experience are exposed to best practice teaching methodologies, taking cognisance of the fact that the majority of the learners come from disadvantaged communities. This project aims to empower, uplift and improve such individuals. The aim of the project is to assist teachers to teach mathematics methodologies that is aligned to tertiary institutions.

The beneficiaries are Kuilsville High School and De Kuil Intermediate Scholl Grade 8 – 12. In Table 33(a) is the summary of participation.

Table 33 (a): Historical Data of Beneficiaries of the MST Project

Name of School	Gr. 9 Learners			Gr. 10 Learners			Gr. 11 Learners		
	Mathematics	Science	Tech	Mathematics	Science	Tech	Mathematics	Science	Tech
Daniëlskuil High School	119	119	119	52	40	0	38	29	0
Kuilsville High School	238	238	238	77	77	0	68	68	0
Total	357	357	357	129	117	0	106	97	0

The total budget for 2013 – 2015 was R4527421.00

2.12.3.1.2 MST current status

Table 33 (b): Number of Learners Participating in the MST

School Name	Nos.	No. of Learners										No of teachers	
		Grade 8		Grade 9		Grade 10		Grade 11		Grade 12			
		M	F	M	F	M	F	M	F	M	F	M	F
De Kuil Intermediate	133	65	68	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2	8
Kuilsville High School	576	n/a	n/a	192	130	61	84	46	57	36	33	6	4
Total	709	65	68	192	130	61	84	46	57	36	33	8	12
Budget	R 1 679 500												

2.12.3.1.3 Plans to achieve targets

Table 33 (c): Schools Participating in the MST and plans to achieve targets

Number of Schools	Subjects to be supported	Grades to support	Proposed Human resources required	Scope of activities	Additional Activities (optional)	Additional concerns that we would like to address
Kuilsville High School	MST	Grade 9 to 12 OR Grade 8 to 12	At least 2 teachers, one a specialist in Mathematics, One a specialist in Science	Teacher support Learner support Increased parent support Maps and mirrors Artisan Club	University tour Entrepreneurship programme - Grade 10 Language tuition Performer Awards	Meals for Saturday classes (SMMEs developed by the Company) Financial support for the scholarship programme - awareness creation
De Kuil Intermediate	MST	Scaled down programme - vacation camps	Teacher support Learner support Increased parent support Maps and mirrors Artisan Club		No Funding for Math buddies and Petra foundation for 2018	

2.12.3.1.4 Budget

Table 33 (d): School Support Budget Allocation 2017-2019

2017	2018	2019	Total
R 1 153 933	R 1 190 893	R1 309 982	R 3 654 808

2.12.4 CAREER WORKPLACE EXPERIENCE PROJECT

Finsch Diamond Mine is committed in provide workplace orientation training to scholars in Grade 10, 11 and 12 from Daniëlskuil- and Kuilville High School as part of career counselling. This initiative will also include Finsch Mine Bursary Scholars and girls from the Techno Girls initiative.

The scholars will be coached by employees in the field of Mining Engineering, Metallurgy, Mechanical Engineering, Surveying, Geology, Surveying and Supply Chain. Scholars receive information and exposure from the day to day operations of the various Technical Departments. This combined with subject choices at school and guidance on Tertiary Education routes to follow, equips these future leaders of tomorrow with the information they need to make the correct career choices.

2.12.4.1 Career Workplace experience project history

Finsch Diamond Mine hosted a group of 16 scholars in Grade 9 - 12 from Daniëlskuil- and Kuilville High School in a workplace orientation programme during 11 – 15 July 2016.

The scholars were coached by FDM Interns and employees in the fields of Mining, Engineering, Metallurgy, Geology and Administration.

On the final day of their programme the scholars presented the mini projects that they worked on during the week to members from the Finsch Management team, Interns and Parents. The plan is to host one group per year during holidays to continue with workplace orientation.

2.12.5 EXPERIENTIAL TRAINING

Experiential training provides students with the relevant practical training opportunities to obtain a qualification, which is in line with industry need and Company requirements. Experiential training can take the form of vacation work or in-service work for undergraduates.

Experiential training is an indispensable part of certain qualifications and can provide the Company opportunity to identify and recruit suitable candidates for later full-time employment. It should therefore be managed as an opportunity to contribute to social development and development of scarce skills.

Table 34: Historical Data of Experiential Trainees from 2013 - 2016

Position	Race	Gender	Course of Study	Bursar Y/N	Start Date on Programme
Experiential Trainee	A	M	Mining Engineering	No	01 April 2013
Experiential Trainee	A	M	Metallurgical Engineering	No	01 July 2013
Experiential Trainee	A	M	National Public relations: Communications	No	01 July 2013
Experiential Trainee	A	F	Administration Diploma	No	01 April 2014
Experiential Trainee	A	F	P1 & 2, including blasting ticket - Mining Engineering.	No	09-Mar 2015
Experiential Trainee	A	F	Surveying	Yes	01 June 2016

2.12.5.1 Vocational Work Experience

Vocational bursaries are offered to South Africans and are industry related with consideration being given to the company's Form R and the provincial EAP. The main focuses on these bursaries are on learners who are engaged in recognised full-time tertiary studies in specific fields which are critical to FDM. The intention of the company's Vocational Bursary Scheme is to create a consistent pipeline of professionals into the company in areas where there is a skills shortage. Once awarded the vocational bursary, a candidate is considered for vac work within the company which gives the candidate exposure to his/her specific field of study.

Table 35: Historical Data of Vocational Work Experience Trainees from 2015 till 2016

Position	Race	Gender	Course of Study	Bursar Y/N	Start Date on Programme
Beneficiary 1	A	F	Mining Engineering	Y	30 Nov 2015
Beneficiary 2	A	M	Mechanical Engineering	Y	30 Nov 2016
Beneficiary 3	A	F	Mining Engineering	Y	30 Nov 2016
Beneficiary 4	C	M	Mechanical Engineering	Y	30 Nov 2016

2.12.5.2 Young Graduate Work Experience

The company commits to provide supervised work experience which can lead to future employment opportunities for community members who are in the possession of recognised degrees and diplomas to extend the theoretical knowledge acquired through their studies in a practical job exposure.

Young Graduate work experience projects are awarded on an annual basis for a six (6) month, it will not be extended beyond the calendar year in which the Young Graduate is appointed. During the time of the project work, the young graduate receives a stipend as set out per budget allocation and approval by the company.

The project work are overseen and supervised by operational staff. Existing technical subject matter experts within the company provide the necessary on-the-job coaching to young graduates. The young graduates are also mentored. The initiative is marketed within communities through local newspapers and through internal communication channels, as well as with Universities and Universities of Technology.

The company will attempt to align the young graduate intake with the provincial EAP (Economically Active Population) ratios and, where this proves challenging due to unavailability of certain demographic groups, alternative HDSA groups will be prioritised.

In Table 36 below are the summary for Young Graduate Work Experience Trainees for 2015 – 2016.

Table 36: Historical data of Young Graduate Work Experience Trainees from 2015 till 2016

Position	Race	Gender	Course of Study	Bursar Y/N	Start Programme
Young Graduate 1	W	M	Project in Mining Engineering	N	2016
Young Graduate 2	A	M	Project in Mining Engineering	N	2016

2.12.6 MINERAL EDUCATION TRUST FUND (METF)

Petra Diamonds will continue to contribute to the Minerals Education Trust Fund (METF). This fund has the primary aim of ensuring the sustainability of tertiary minerals education in South African Higher Education Institutions. The institutions have experienced a decline in the quality and quantity of teaching staff at tertiary institutions. This fund addresses challenges through contributions made by companies in the industry towards the fund which subsidises the salaries of teaching staff and providing them with an incentive to remain in academia and not virtue to other opportunities.

Contributions are based on the number of employees with a tertiary qualification (graduates) in mining, metallurgy or geology.

2.12.7 STUDENT SUPPORT

Finsch Diamond Mine does understand the need for tertiary students to have the opportunity to gain practical experience before graduation. Also, it is important for FDM to support its employees to enable their children or siblings to get access to tertiary study opportunities as a good education is an important way to address unemployment and inequality.

The objectives are to:

- a) Provide a student practical support opportunities.
- b) Provide a student financial support opportunities.

This training initiative still needs to be developed.

2.13 BURSARIES SCHEME

The company commits to provide bursaries to community members preferably in the host or other labour sending areas. The applicants will be admitted for full-time recognised degree or diploma studies at approved tertiary institutions.

Individuals will be guaranteed employment within the company and the bursaries do carry an obligation towards the company. Bursaries are awarded on an annual basis and are renewed conditionally upon reviewing of the candidate's examination results, until the qualification has been obtained.

The initiative will be marketed within communities through local newspapers and through internal communication channels, as well as at the Local Municipal notice board. The company will attempt to align bursar demographics with provincial EAP ratios and its Form R where possible. Where this proves challenging due to unavailability of certain demographic groups, alternative HDSA groups will be prioritised. Finsch Diamond Mine is offering Bursaries based on identified critical and scarce skills as well as commitments made in Social and Labour Plans.

The bursary includes full tuition fees, full residence and meals (or equivalent allowance), annual cash and travel allowance, life skills training and compulsory practical vacation employment during December and January.

Entry Requirements: Applicants must achieve a university exemption and a minimum of 6 for mathematics (not mathematics literacy) and science or applicants who are currently studying at University or a University of Technology should demonstrate good results.

In Table 37(a) below are the Bursary Intakes for 2013 – 2017.

Table 37 (a): Historical data of Bursary Intakes for 2013 till 2017

Bursary Intake	2013		2014		2015		2016		2017		FY2013-2017	
	Baseline Target	Actual	Baseline Target	Actual	Baseline Target	Actual	Baseline Target	Actual	Baseline Target	Actual	Target	Actual
Bursars	4	4	4	3	4	4	4	2	4	3	20	16
Financial Provisioning Actual	R 384 746		R 195 856		R 384 746		R 253 363		R 358 270		R 1 576 981	

2.13.1.1 Plans to achieve targets

Table 37 (b): New Targets for Bursars for 2018 to 2022

Bursary Intake	Current Candidates	2018	2019	2020	2021	2022
		Baseline Target	Baseline Target	Baseline Target	Baseline Target	Baseline Target
Bursars	3	4	4	4	4	4
Financial Provisioning		400 000	400 000	400 000	400 000	400 000

2.14 INTERNSHIPS

Finsch Diamond Mine actively participated in the Internship Development Programme where Interns are placed at the operation after completion of their tertiary qualifications, to commence with a rigorous developmental programme to enhance their understanding, knowledge and experience within the diamond mining environment.

Although Interns are allocated to geographical areas such as Lime Acres Finsch Diamond Mine, they remain a Petra Diamonds South Africa (PDSA) resource.

The Internship programme is approximately three years in duration, with milestones, which gives graduates the skills needed for middle management positions within the company. Incumbents are given opportunities to qualify and obtain professional accreditation where appropriate. The Interns are appointed where opportunities are available in scarce and critical skills fields once they have completed the programme. Progress along the route of the Interns programme is generally competency based. The training programme schedules and sequences are therefore individualised, flexible and dynamic which is paced according to the learner. This allows an Intern to display initiative, innovation and to experiment with the principles learned. The Interns career progress is monitored and discussed with all relevant stakeholders.

The company's Training Manager is accountable to provide each Intern with a discipline specific training programme, as well as mentorship and/or coaching from subject matter experts, with timeframes and requirements to achieve ratification for each milestone. Communication and involvement of senior managers in Interns meetings, inclusion in panels, quarterly meeting and monthly discipline meetings are encouraged.

In Table 38(a) are the historical number of Internships and in Table 39(b) are the targets for 2018 – 2022 given per department.

Table 38(a): Historical Data for Internship and Experiential Trainees for FY2013 to 2017

Internship & Experiential	FY2013		FY2014		FY2015		FY2016		FY2017		FY2013-2017	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Engineering	0	1	1	1	1	0	0	0	0	0	2	2
Metallurgy	0	0	0	0	0	0	0	2	1	0	1	2
Mining	0	0	0	0	0	0	0	1	0	0	0	1
Geology	0	2	1	1	0	2	0	1	0	0	1	6
Rock Engineer	0	0	0	0	0	0	0	0	1	0	1	0
Geotechnical	0	0	0	0	0	0	0	1	0	0	0	1
Surveyor	0	0	0	0	1	0	0	0	0	1	1	1
TOTAL	0	3	2	2	2	2	0	5	2	1		
Learners in progress	2		3		4		2		6		6	13
Financial Provisioning	R 1 516 723		R 1 045 973		R 1 326 711		R 1 180 268		R 1 672 442		R 6 742 117	

Table 38(b): New Targets for Internships 2018-2022

Internship		2018			2019			2020				2021				2022			
		New Intake	Cont.	Graduate	New Intake	Graduate	Cont.	Current No.	New Intake	Graduate	Cont.	Current No.	New Intake	Graduate	Cont.	Current No.	New Intake	Graduate	Cont.
Engineering	4 year		1				1		1	1			1		1				2
Metallurgy	4 year		1				1			1									
Mining	4 year	1		1			1				1		1	1			2		1
Geology	4 year																		
Rock Engineer	4 year																		
Geotechnical	4 year		1			1													
Surveyor	4 year				1						1			1					
TOTAL		1	3	1	1	2	3	0	1	2	2	0	2	2	1	0	2	0	3
Financial Provisioning		R 1 172 739.01			R 1 233 242.20			R 1 231 375.96				R 1 292 944.76				R 1 357 592.00			

2.15 EMPLOYMENT EQUITY PLAN

2.15.1 PREAMBLE

The Petra Diamonds Group in South Africa aims to establish a broad framework for Employment Equity within their operations across South Africa. Each individual operation will prepare their own Employment Equity Plan to address their operational needs.

Petra Diamonds South Africa (PDSA) (and by association Finsch Diamond Mine) conforms to the following fair principles:

- a) Is committed to the principles of Employment Equity and to achieving a productive and fair environment free of any kind of discrimination.
- b) Commits to actions which will result in a work environment wherein opportunity, treatment, expectations and practices are not based on race, gender, sexual orientation, marital status, family responsibility, ethnic or social origin, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, birth and or any other arbitrary grounds.
- c) PDSA aims to eliminate all forms of unfair discrimination, either directly or indirectly, from its employment practices and conditions of employment.
- d) PDSA recognises the need to implement affirmative action measures to counteract the under-representation of certain designated groups in certain levels of the workplace through recruitment, training and promotion.
- e) Strives to foster a culture which encourages understanding and appreciation of the diverse cultural background of its employees. This will in turn develop a relationship of trust, cooperation and confidence amongst employees.

2.15.2 BACKGROUND

The negotiations between De Beers Consolidated Mines and PDSA on selling Finsch Diamond Mine as a going concern to Petra Diamonds were completed during 2011 in terms of Section 197 of the Labour Relations Act 66 of 1995.

To date since 2011, Finsch Diamond Mine prepared and implemented two Employment Equity Plans covering the following timeframes:

- a) (Plan 1) 01 October 2012 – 30 September 2015
- b) (Plan 2) 01 July 2015 – 30 June 2019

The operation was put under the Director-General review in terms of section 43 of the Employment Equity Act no 55 of 1998 on the 22nd of April 2014 to review and assess the extent to which we were complying with the Act.

Certain recommendations were made by the Inspector in his report issued 30 October 2014 which subsequently were improved upon in Plan 2. In developing this plan (2015 – 2019), we have taken into account the principles contained in the Employment Equity Act no 55 as amended as well as the Mining Charter.

2.15.3 PROGRESS

2.15.3.1 HDSA participation

In terms of the Mining Charter, all companies within the Mining and Minerals sector needed to create an environment conducive to ensure diversity as well as participation of Historically Disadvantaged South Africans (HDSA) at all decision-making positions and core positions by achieving a minimum of 40% HDSA demographic representation by 2014.

In Table 39 below is the progress is reflected.

Table 39: HDSA Progress

MEASURE	COMPLIANCE TARGET BY 2014	PROGRESS ACHIEVED					COMMENTS
		2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 March	
Senior Management (E Band)	40%	50.0%	33.0%	33.0%	40.0%	40.0%	Finsch Diamond Mine has made positive progress to improve the HDSA percentage at this level from 33% in 2013/2014 to the current 40%.
Middle Management (D Band)	40%	56.3%	56.0%	56.0%	53.6%	55.2%	We have exceeded the 40% Mining Charter target of 2014 and aims to maintain the positive achievement.
Junior Management (C Band)	40%	66.1%	63.0%	66.0%	67.9%	63.1%	This positive has been maintained for the last couple of years, but our percentage women needs to increase in this level.
Core Skills	40%	58.5%	66.0%	67.0%	68.3%	69.4%	This is only counted within the C-Band. Although core skills exist within other Occupation levels, we cannot double count employees. Women representation also needs to increase in this level.

2.15.3.2 Women in Mining (WIM)

The integration of women into the workforce and the subsequent initiatives which are aimed at creating a conducive environment for women is firmly embedded at Finsch Diamond Mine.

Notwithstanding the fact that the mining environment remains challenging for women, Finsch Diamond Mine has adopted a variety of initiatives to support the integration of women such as:

- a) Change houses for women
- b) Promoting an environment free from sexual harassment
- c) Private and secure ablution facilities underground
- d) Specific personal protective equipment for women
- e) Ensuring security of women underground
- f) Specific skills development initiatives within the core and critical skill level only for women

The table 40 below reflects the total numbers with respect to women in mining at Finsch Diamond mine as at 30 March 2016.

Table 40: Total Number of Women in Mining as at 30 March 2016

Occupational Level	Female				Total Local	Foreign National	Grand Total	% WIM Core Function only
	A	C	I	W		Female		
Top Management	0	0	0	0	0	0	0	14.1% of women against the total number of core positions.
Senior Management	0	0	0	0	0	0	0	
Middle Management	8	0	0	1	9	0	9	
Junior Management	23	3	0	1	27	0	27	
Semi-skilled	41	9	0	1	51	0	51	
Unskilled & Defined decision making	19	3	0	0	22	0	22	
Total Permanent	91	15	0	3	109	0	109	
Non-permanent Employees	0	0	0	0	0	0	0	
GRAND TOTAL	182	30	0	6	218	0	109	

2.15.3.3 Scarce & Critical Skills

The operation addresses abovementioned issue through targeted skills development interventions that include a variety of initiatives such as:

- a) Developmental programmes – (Executive, Management & Leadership development)
- b) Bursary schemes
- c) Internships
- d) Learnerships

This is all contained in the Human Resources Development (HRD) section of the Social Labour Plan (SLP). These are all attempts at improving Historically Disadvantaged South African (HDSA) representivity in all core and critical occupations.

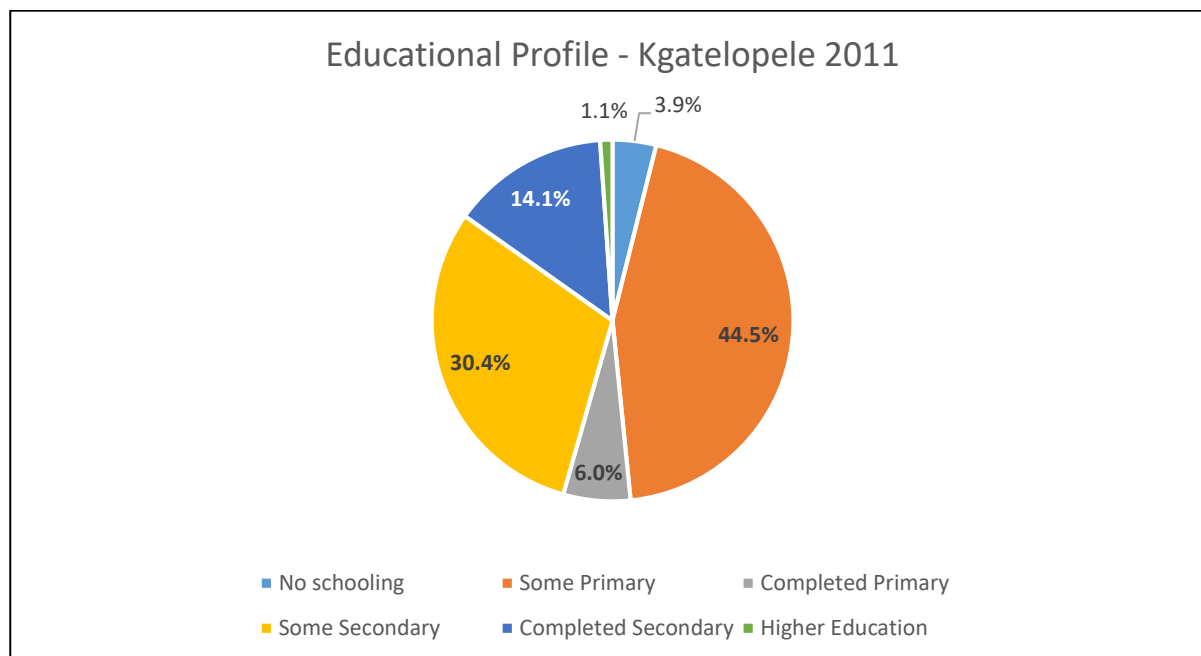
Petra Diamonds has adopted the following educational pipeline to uplift their employees:

Table 41: Petra Diamonds Educational Pipeline

Career Advancement	Developmental Programmes	Skills Development Initiatives	Learning Programmes
<ul style="list-style-type: none"> Study Assistance ABET Internships Bursaries: Part Time N1 / N2 studies Mentoring & Coaching Career Advancement 	<ul style="list-style-type: none"> Executive Development Leadership Development Management Development Supervisory Development 	<ul style="list-style-type: none"> Core Skills training Soft skills training Induction/ Refresher training Skills programmes Portable skills training 	<ul style="list-style-type: none"> Engineering Learnership Mining Learnership Metallurgy Learnership Full Time training programmes

Finding suitably qualified people within our local labour sending areas is a challenge hence the need for skills development opportunities tailored for our local community within which we operate.

Graph 10 below reflects the educational profile of our local municipal area courtesy of Statistics South Africa during their 2011 census.



Graph 10: Educational Profile 2011

From Census statistics it is evident that FDM needs to source from outside our municipal borders to fill hard-to-fill vacancies.

The following table 42 reflects a list of hard-to-fill vacancies as reported in the Workplace Skills Plan (WSP) to the Mining Qualifications Authority (MQA).

Table 42: Hard-to-fill vacancies 2015 Workplace Skills Plan

Discipline	Position	Occupational Level
Engineering	Electrical Engineer (Mines)	Middle Management
Engineering	Instrument Mechanician (Process Control)	Junior Management
Engineering	Winder Electrical Technician	Junior Management
Engineering	Diesel Mechanic	Junior Management
Engineering	Rigger Ropesman	Junior Management
Mining	Planning Manager (Mining)	Senior Management
Mineral Resource	Geotechnical Engineer	Middle Management
Health & Safety	Occupational Hygienist	Middle Management

Finsch Diamond Mine will continue to implement applicable strategies to support robust implementation of affirmative action measures as required by the Employment Equity Act as amended.

2.15.4 UNDERLYING PHILOSOPHY

Finsch Diamond Mine recognizes the impact of past discrimination on the realization of equal employment opportunities and believes that appropriate employment equity goals should be set. The employment equity plans prepared, implemented and other relevant, and appropriate measures taken. To ensure greater participation from the designated groups at all occupational levels of the organization.

Finsch Diamond Mine is committed to the process of employment equity and will endeavour to create an environment that is conducive for its employees to learn, develop and grow.

2.15.5 DURATION OF THE PLAN

The duration of our current Employment Equity Plan will be for a four (4) year period, namely 01/07/2015 to 30/06/2019 (2015 – 2019).

2.15.5.1 Assumptions

The numerical goals and timetables developed are based on certain assumptions relating to the workforce characteristics. If the assumptions change during the duration of the plan, the numerical goals that are put forward will be re-evaluated and adapted. This will however be done only after consultation with the Employment Equity Committee.

The following variables were taken into account:

- a) The degree of underrepresentation of designated group members in each occupational category;
- b) Present and planned vacancies;
- c) The anticipated growth/reduction of the workforce over the next four years;
- d) Estimated turnover through natural attrition and incapacity management
- e) The rate of past progress in the appointment of designated groups, projected forward
- f) The pool of suitably qualified employees

2.15.5.2 Limitations

The main limitation affecting the EE Plan is the availability of professional and skilled personnel within the Labour Sending Area of Finsch Diamond Mine.

The organisation cannot easily compete with industry as far as salary levels are concerned, and must accordingly focus on other tangible benefits, such as company sponsored housing.

Another key limitation is the relatively low turnover of staff through natural attrition, which restricts the number of posts available for appointment of designated individuals.

2.15.5.3 Opportunities

Finsch Diamond Mine remains one of the world's important diamond mines and South Africa's second largest diamond operation by production and one of Petra Diamonds flagship mines.

The new underground development plan will also increase our Life of Mine considerably which will greatly increase our chances to become the employer of choice within the area.

The training centre is accredited through the Mining Qualifications Authority and offers a variety of training interventions in line with the business plan. This covers an integrated skills development plan that seeks to maximise the potential of all employees.

The table 43 below displays our numerical goal for 2019 for all employees:

Table 43: Numerical Goals for 2015 to 2019

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	2	0	0	2	0	0	0	0	0	0	4
Professionally qualified and mid-management	13	9	0	22	8	5	0	6	0	0	63
Skilled technical and academically qualified workers	106	80	0	100	57	35	0	20	0	0	398
Semi-skilled and discretionary decision making	300	55	0	12	75	42	0	11	0	0	495
Unskilled and defined decision making	42	17	0	4	20	6	0	3	0	0	92
TOTAL PERMANENT	463	161	0	140	160	88	0	40	0	0	1052
Temp employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	463	161	0	140	160	88	0	40	0	0	1052

2.15.6 ANNUAL OBJECTIVES

The following goals and objectives (list not exhaustive) for each year of the plan will be aimed for:

2.15.6.1 Year One (July 2015 – June 2016)

- Appoint Services Manager before year end 2015 in the Senior Management occupational level
- Implement appropriate succession planning strategies to increase available pools of designated persons for entry into higher occupational levels
- Continue with diversity programmes to sensitize employees
- Align Employment Equity Policy and Procedure to amended Employment Equity Act
- Apply affirmative action measures to progressively disassemble any barriers to employment equity
- Confirm responsibilities for monitoring and implementing the plan

2.15.6.2 Year Two (July 2016 – June 2017)

- Target and appoint designated employees within the Professional occupational level by targeting women
- Continue with skills development initiatives in support of Employment Equity Plan
- Continue implementing appropriate succession planning strategies to increase available pools of designated persons for entry into higher occupational levels

- d) Continue with diversity programmes to sensitize employees
- e) Implement appropriate measures to ensure reasonable accommodation of employees from the designated groups
- f) Confirm responsibilities for monitoring and implementing the plan

2.15.6.3 Year Three (July 2017 – June 2018)

- a) Implement measures to ensure reasonable accommodation of employees from the designated groups – people with disabilities
- b) Continue with Skills Development initiatives in support of EE plan
- c) Continue implementing appropriate talent management strategies to increase available pools of designated persons for entry into higher levels
- d) Implement appropriate measures to ensure reasonable accommodation of employees from the designated groups
- e) Confirm responsibilities for monitoring and implementing the plan

2.15.6.4 Year Four – July 2018 – June 2019

- a) Continue implementing measures to ensure reasonable accommodation of employees from the designated groups – people with disabilities.
- b) Continue with Skills Development initiatives in support of EE plan.
- c) Continue implementing appropriate talent management strategies to increase available pools of designated persons for entry into higher levels.
- d) Implement appropriate measures to ensure reasonable accommodation of employees from the designated groups
- e) Confirm responsibilities for monitoring and implementing the plan

2.15.7 COMMUNICATION

To fulfil the requirements in terms of Section 25 of the EE Act, Finsch Diamond Mine will ensure that all employees are kept informed on the aims and outcomes of the EE Plan and that the necessary information is posted up, circulated and supplied.

These include summaries of the amended EE Act, progress reports (includes report in terms of Section 21 of the Act) and any compliance order. In addition, members of the EE Forum will be given opportunities to consult regularly with members of their nominated constituencies.

2.15.8 AFFIRMATIVE ACTION MEASURES

The following additional strategies and plans will be put in place.

Table 44: Affirmative Action Plan (continues on next page)

No	Strategic goal	Objective	Plan	Responsible	Timeframe	Budget
1	Equitable representation of designated employees throughout the organisation.	Recruitment and retention of designated employees.	Headhunting, as provided for in the Recruitment Policy, designated employees to achieve numerical targets set. Proof packs should be compiled for every appointment in the C-Upper and above bands where an EE candidate is not appointed.	HOD / Employer Representative	Based on annual reviews of numerical targets.	
			Create a conducive environment to reasonably accommodate employees with disabilities. Conducting audits of our facilities and employee declarations and plan an appropriate budget.	HOD / Employer Representative EE champion	Year 2 July 2016 – June 2017	Plan for FY2017 Based on quotations
			Monitor trends picked up from exit interviews to address staff turnover	HRM	Quarterly	
2	Develop employees to their maximum potential	Opportunities for growth exist equitably for all employees	Effective development and implementation of the Workplace Skills Plan with particular focus on pivotal programmes.	HRD	Annually	R 5 561 645 for FY2016. Sustain over duration of plan
			Ensure continuous accreditation of Training Centre through relevant SETA through auditing compliance.	HRD section	Every three years	R 5 000 for FY2019
			Promote and expand mentoring opportunities with particular focus on the advancement of designated groups. Reference - PDSA-HR-45	HRM & HRD sections	Annually	R 6 125 for FY2016
			Implementation and management of the Succession Planning process. Reference – PDSA-HR-46(A)	HRM & HRD sections	Annually	

No	Strategic goal	Objective	Plan	Responsible	Timeframe	Budget
3	Promotion of diversity	To foster an organisational climate where there is high awareness of, and respect for diversity	Organise and conduct Diversity and Inclusion training sessions through reputable service providers to sensitise employees on the concepts	EE Champion	Annually	R90 000 for FY2016.
			Train new elected employee representatives on responsibilities of EE committees as part of capacity building.	EE Champion	November 2015	Sustain that over duration of plan

2.15.9 QUANTITATIVE PLANS

Table 45: The 2017 Mining Charter report reflected the following status:

3.2 Percentage HDSAs at different levels			
	Subtotals as in table above (A)	Grand totals as in table above (B)	A as percentage of B
Senior management	1	3	33%
Middle Management	31	55	56%
Junior Management	66	97	68%
Core and Critical Skills	155	228	68%
TOTAL	253	383	

Finsch Diamond Mine has not achieve equitable representation in the Senior Management level and as a result a change is planned going forward. The current senior management structure (E-Band Paterson level) is depicted below.

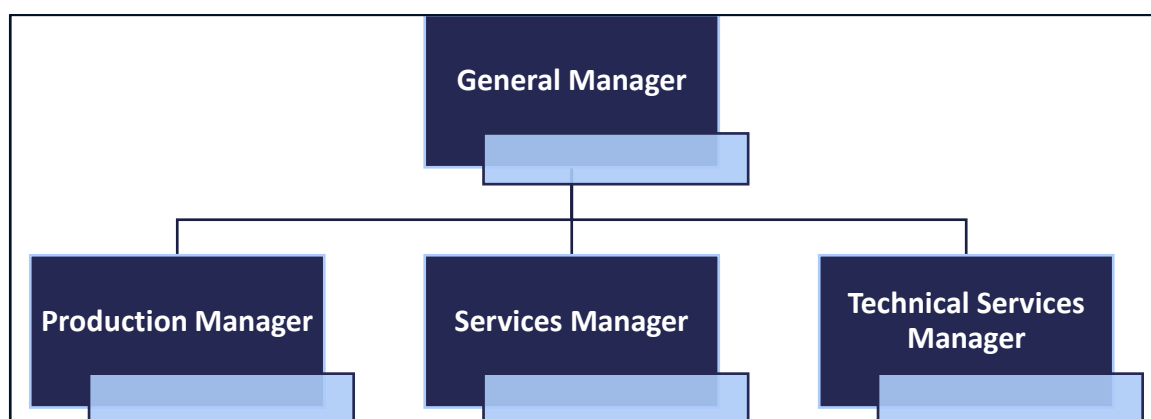


Figure 5: Senior Management Structure

The following plans in the table 46 below is envisaged in terms of succession for the senior management team going forward.

Table 46: Succession plans for the Senior Management Team

Equity	Gender	Position	Grade	Talent Management Decision
African	Male	General Manager	EU-Band	Retain
White	Male	Assistant General Manager	EL-Band	Retain
Coloured	Male	Support Services Manager	EL-Band	Retain
		Technical Services & Assurance Manager	EL-Band	Equity consideration
White	Male	Plant Manager	EL-Band	Retain
White	Male	Mining Manager	EL-Band	Retain
White	Male	Engineering Manager	EL-Band	Retain

2.15.9.1 Monitoring progress

The monitoring and evaluation of the EE Plan and the progress made in achieving the numerical goals is an on-going process, and should continue to include consultation, communication, awareness and training.

To ensure the stated employment equity measures are regarded as firm commitments, the company will see to it that responsibility and accountability for the implementation of employment equity measures are assigned as below and assessed.

Table 47: Roles and Responsibilities of the EE Committee

STAKEHOLDER	ROLE/ RESPONSIBILITY	FREQUENCY
Employment Equity Committee	Monitor and review	Quarterly
Heads of Departments	Implementation and the promotion of employment equity within their specific environments.	Throughout duration of plan
HR Staff	Planning, scheduling and reporting as per EE Act.	Throughout duration of plan
Employment Equity Representatives	Attend and monitor the recruitment process. Report all Employment equity related activities to the EE Committee.	If and when required



SECTION 3

LOCAL ECONOMIC DEVELOPMENT

3.1 INTRODUCTION

According to the Provincial Review 2016: Northern Cape website “The Northern Cape has by far the smallest population and economy of all the provinces. Its real economy has been dominated by iron ore and Ferro alloys, with the mines linked to the coast by significant investments in rail transport. As a result, its economy has been closely linked to the price of iron ore, with rapid growth during the commodity boom and a significant slowdown since then. The province has seen significant out – migration over the past 20 years.

Local Economic Development (LED) aims at building and developing the economic capacity of a local area to improve its economic growth and improving the quality of life for residents. South Africa has a marked disjuncture between where people reside and the location of economic opportunities. Spatial marginalisation from economic opportunities is still a significant attribute of our economy which needs to be addressed in order to reduce poverty as well as inequality and ensure shared growth.

The Local Economic Development pillar of the Social and Labour Plan should seek to enable the community, in which the mine is operating to become an economically stronger entity by, and not limited to, increasing levels of entrepreneurship, reducing infrastructure backlogs and creating opportunity for community skills upliftment.

Finsch Diamond Mine is located within the Northern Cape Province in the Kgatelopele Local Municipality. This local municipality is identified as the host community. Finsch Diamond Mine is located in Lime Acres. Lime Acres and Danielskuil is in Kgatelopele Local Municipality. PPC Lime and Industrial Holdings (Idwala) are the neighbouring mining operations. In July 2007 the Department of Mineral Resources requested that all three mines jointly form a SLP LED Steering Committee with the Local Municipality with the Mayor as chairperson. This committee is still the vehicle of stakeholder engagement. In Figure 6 is a Map of the Northern Cape indicating the Local Municipality.



Figure 6: Map of Northern Cape indicating Local Municipality

The Local Economic Development (LED) activities are aligned with the Kgatelopele Local Municipality's Integrated Development Plan as well as the Kgatelopele Local Economic Development Plan. The distance between Lime Acres and Danielskuil is 23 kilometres and Lime Acres is 300 kilometres from Upington where ZF Mgcawu district municipality is situated. Kuruman and Kimberley are 103 and 165 kilometres respectively from Lime Acres. In Figure 7 the proximity of Lime Acres and Danielskuil are given in respect of the nearest towns.



Figure 7: Map showing proximity of Lime Acres and Danielskuil and nearest towns

3.2 SOCIO-ECONOMIC BACKGROUND INFORMATION

In this section the socio-economic background will be discussed as well as aligning with the history of Finsch Diamond Mine in the first Mining Right application (2006-2008), and the second SLP (2013-2017). Finsch Diamond Mine also conducted a Social Impact Assessment (SIA) in 2015 to get feedback from a range of internal and external stakeholders in Kgatelopele Local Municipality and from departments such as the Department of Basic Education and Department of Health.

The recommendations and observation of Stakeholders Participation and Social Impact Assessment (2015):

- a) Health is a concern because of remote location, there is a lack of access to good medical care. Medication very expensive. Some contract workers who are HIV/AIDs patients cannot be followed up. Government and CBO experiencing staff shortages. The Health partnership project to provide a mobile for primary services in Lime Acres and Daniëlsskui is viewed by the wider community as improvement especially for the community members with medical aids.
- b) There's a reduction of high levels of discontent among staff through open discussions about remoteness and access to good and affordable health care. Employees have more access to medical aid schemes.
- c) FDM can work with Government and CBO to identify capacity needs and responsibilities for addressing them.
- d) Recognition of mine's significant support for Early Childhood Development (ECD), primary and secondary education. Many initiatives to improve mathematics and science at secondary level.
- e) Maintain effectiveness by extending strategic partnership to district office and beyond.
- f) Consider supporting subjects in the humanities.
- g) Increase sustainability through promoting collaboration and independence of education system from mine.

The SIA issues are incorporated into the different forums and committees to address mutual issues of employees and community. The SIA was done by an external service provider

The questions to participants included statements reflected in Table 48

Table 48: SIA questions used in session with stakeholders

Positive Impacts	Improving Livelihoods
	Providing Employment Opportunities
	Improving Education Outcomes
	Supporting Local Economic Development
Improving the Living Conditions	Provision of public infrastructure and services
	Provision of Housing
	Fostering Good stakeholder relations
Negative Impacts	Social disintegration
	Compromised health

The process of identify projects are driven by the socio-economic environment of the Local Municipality and the impact that it has on the wider community. One of the aims is for SLP 3 to focus on projects that has a longer-term sustainability reach. The following information was obtained from various data collections to assist in prioritise projects.

Tables 49 - 56 below indicate the statistical information obtained from Stats SA (2011) results. The analyses are aimed at highlighting the current Socio-Economic Profile within surrounding Region.

Table 49: Socio-Economic Profile of Surrounding Region – Population

Socio-Economic Indicators	Northern Cape	ZF Mgcawu District Municipality	Kgatelopele Local Municipality
Total Number of People	1 145 861	236 783	18 687
Total Number of Households	301 405	61 097	5 381
Average Size of Households	4	4	4

Source: Census (2011) *Note: The number of residents can increase or decrease depending on the expanding projects or right sizing interventions at the mine.

Brief Analysis:

There is overall increase of 1.44% in population per annum in NC between 2001 and 2011. In Kgatelopele LM there was a 2.37% increase per annum. The number of households also increased by 23% at the Province while there was a 50% increase at Kgatelopele Local Municipality with an average size of 4 household members. The increase in the number of population and household's impact on the basic services needed from the LM as most of the infrastructure has not been upgraded since 2001.

Table 50: Socio-Economic Profile of Surrounding Region – Housing

Socio Economic Indicators	Northern Cape	ZF Mgcawu District Municipality	Kgatelopele Local Municipality
Household Dynamics and Services (%)			
Female Headed Households	38.8	35.7	29.7
Formal dwellings	82.4	79.4	89.7
Housing Owned	46.9	40.4	29.6
Paying off	8.2	8.6	6.5
Flushing toilet connected to sewage	60.1	63.9	89.2
Weekly refuse removal	64.0	70.3	91.7
Piped water inside the dwelling	45.8	48.5	74.4
Electricity for lighting	85.4	86.6	91.7

Source: Census (2011)

Brief Analysis:

Housing ownership decreased from 60.8 % in 2001 to 55.1% in 2011. In Kgatelopele there was no significant change in female headed households while formal dwellings increased and there was also a significant decrease for housing ownership from 48.6% in 2001 to 36.1% in 2011. Access to household's services such as water borne connected to sewage; weekly refuse removal, piped water inside dwellings and electricity for lighting increased significantly in the province between 2001 and 2011. A similar trend was also experience in Kgatelopele LM during the same period.

The big challenge comes from addressing infrastructure network such as sanitation, water and electricity as maintenance has been neglected for years and the networks cannot meet the capacity demands. The cost of these projects are very high and partnerships with government will be needed to address the backlogs. The partnerships are challenging to obtain and manage as financial years are different and funding is dragged over years. This challenge can partly be addressed by Division of Revenue Act (DORA) as funding can be re-allocated in the same financial year.

In 2017 the Local Municipality experienced financial difficulties in managing the waste contract and a new service provider will be appointed in August 2017. FDM has a contract with the LM for the removal of waste from Lime Acres.

Note: All Households linked to the Finsch Diamond Mine in Lime Acres have access to Electricity, Running Water and Sanitation.

Table 51: Socio-Economic Profile of Surrounding Region – Education (%)

Educational Profile of Adults	Northern Cape	ZF Mgcau District Municipality	Kgatelopele Local Municipality
No Schooling	11.3	9.5	12.2
Matric	7.2	6.0	8.4
Higher Education	22.9	21.9	26.3

Source: Census (2011)

Brief Analysis:

The Education profile of the province as well as Kgatelopele Local Municipality has only improved for the percentage of learners with Grade 12/Matric, but the other indicators such as no schooling has increased. The number of dropout according to the local principals have increased and this is also observed by the information provided by applicants for opportunities at the mine.

The relatively high number of illiteracy is concerning as all the mines has offered Adult Education and Training (AET) since the late nineties. One of the major challenges is that learners do not complete their Grade 12 and cannot therefore be considered for employment as they do not meet the minimum requirements.

There is a need for an intervention in conjunction with the Department of Basic Education to address this challenge to improve the standard of education and completion rate of the learners with mathematics and science.

The Mining Qualifications Authority (MAQ) requires all applicants to have N2 with mathematics and science who applies for learnerships. Social factors such as poverty, community violence and unemployment undermine the education system and poor performance also excludes learners from opportunities and pupils make career choices without proper guidance.

Table 52: Number of learners, educators and schools in the ordinary independent school sector, by province, in 2014

Province	Learners	Educators	Schools
Eastern Cape	1 889 307	61 260	5 554
Free State	656 408	23 631	1 306
Gauteng	1 944 486	60 782	2 070
KwaZulu-Natal	2 831 311	90 497	5 915
Limpopo	1 665 516	54 704	3 929
Mpumalanga	1 034 151	33 613	1 762
Northern Cape	284 908	8 880	551
North West	784 184	25 004	1 515
Western Cape	1 026 744	32 237	1 458
South Africa	12 117 015	390 608	24 060

Brief analysis:

As reflected in the Table above, Northern Cape has the least amount of Learners, Educators and Schools in South Africa. One of the biggest concerns is that less than 50% that start schooling complete Grade 12.

The Alternative is to attend Technical and Vocational Education and Training, but from history in Kgatelopele L.M the youth do not meet the requirements to obtain N2 qualifications. One of the options is to open a Technical Division at a local High School.

Table 53(a): Status of Employment

*Status of Employment	Northern Cape Value	Northern Cape Percentage	Kgatelopele Value	Kgatelopele Percentage
Employed	282 791	24.7%	5 365	28.7%
Unemployed	106 723	9.3%	1 544	8.3%
Discouraged work-seeker	39 913	3.5%	474	2.5%
Other not economically active	306 291	26.7%	5 029	26.9%
Not applicable: (Children, Pensioners and disabled)	410 143	35.8%	6 275	33.6%
Total	1 145 861		18 687	

(Census 2011)

**Please note the definitions below to review table 53a*

Employed: A person (between 15 and 64) is considered to be employed if during the week before being surveyed they worked for a wage, salary or commission or ran any kind of business by themselves or with other people. They will be categorised as “employed” even if they only worked for an hour in that week.

Unemployed: Someone is considered to be unemployed if they are capable of working or starting a business but had not done so. In addition they need to have actively looked for work or tried to start a business at some point in the four weeks preceding the survey.

Discouraged job-seeker: A person is considered to be a discouraged job-seeker if they wanted to work but there are no jobs in the area; they were unable to find work that required their skills; or they have lost hope of finding any kind of work.

Not economically active: A person is considered to be economically inactive if they were able and available to work in the week prior to the survey but did not work; did not look for work; and did not try to start their own business. This includes people such as university students and adults caring for children at home.

Table 53(b): Socio-Economic Profile of Surrounding Region – Employment

Socio-Economic Indicators	Northern Cape	ZF Mgqawu District Municipality	Kgatelopele Local Municipality
Employment of Working Age Population			
Employment Rate	27.4%	19.2%	22.3%
Youth (15-34) Unemployment Rate	34.5%	22.7%	29.1%

Source: Census (2011)

Note: The Mining Sector employ mostly Semi-skilled and Skilled workers as per operational requirements.

In Tables 54a-54c the unemployment rates are reflected. In Table 54c the most recent statistics are given for the Northern Cape.

Table 54(a): Unemployment

Unemployment rate by province - Official unemployment rate						Expanded Unemployment rate				
	Jan-Mar 2015	Oct-Dec 2015	Jan-Mar 2016	Qtr-to-Qtr change	Year-on-year change	Jan-Mar 2015	Oct-Dec 2015	Jan-Mar 2016	Qtr-to-Qtr change	Year-on-year change
Per cent			Percentage points			Per cent			Percentage points	
South Africa	26,4	24,5	26,7	2,2	0,3	36,1	33,8	36,3	2,5	0,2
Western Cape	21,0	19,4	20,9	1,5	-0,1	23,3	22,0	23,0	1,0	-0,3
Eastern Cape	29,6	27,4	28,6	1,2	-1,0	43,2	40,3	44,5	4,2	1,3
Northern Cape	34,1	25,8	27,8	2,0	-6,3	42,6	38,9	38,7	-0,2	-3,9
Free State	30,4	29,8	33,9	4,1	3,5	38,4	36,3	39,4	3,1	1,0
KwaZulu-Natal	23,6	20,5	23,2	2,7	-0,4	38,2	36,8	39,3	2,5	1,1
North West	28,4	23,9	28,1	4,2	-0,3	43,2	38,9	43,0	4,1	-0,2
Gauteng	28,4	27,6	30,1	2,5	1,7	32,8	30,2	33,3	3,1	0,5
Mpumalanga	28,4	25,7	29,8	4,1	1,4	40,7	39,4	41,2	1,8	0,5
Limpopo	20,1	19,8	18,2	-1,6	-1,9	40,8	38,6	38,4	-0,2	-2,4

Table 54(b): Socio-Economic Profile of Surrounding Region – Household Income

Income Category	Northern Cape	ZF Mgcawu District Municipality	Kgatelopele Local Municipality
Annual Household Income (Including income derived from government grants, pensions and informal employment)			
No Income	44%	43%	48%
R1 to R1 600 per month	35%	35%	26%
R1 601 to R6 400 per month	8%	8%	14%
R6 401 to R51 200 per month	5%	3%	8%
R51 201 and Above	<1%	<1%	<1%

Source (Community Survey, 2007)

Table 54(c): Household income in ZF Mgcawu and Kgatelopele municipalities (source: Census 2011; SIA)

Income Categories	Northern Cape	ZF Mgcawu	Kgatelopele
None Income	12.0%	9.4%	9.8%
R1 – R4,800	3.7%	2.6%	2.7%
R4,801 – R9,600	6.3%	4.6%	4.4%
R9,601 – R19,600	19.2%	19.1%	16.3%
R19,601 – R38,200	21.2%	22.7%	19.7%
R38,201 – R76,400	14.7%	16.8%	16.2%
R76,401 – R153,800	10.4%	11.2%	14.4%
R153,801 – R307,600	7.3%	7.9%	9.8%
R307,601 – R614,400	3.7%	3.9%	4.7%
R614,401 – R1,228,800	1.0%	1.0%	1.3%
R1,228,801 – R2,457,600	0.3%	0.4%	0.5%
R2,457,601+	0.2%	0.3%	0.2%

Brief Analysis:

The annual household income did not reflect favourably in respect of the economic status of the region. On average 39% households surveyed during 2007 received no or minimal combined household monthly incomes (between 0 and R1 600 monthly). Improved literacy levels and job creation projects with focus on job opportunities through increased sustainable SMME's in Kgatelopele Local Municipality will assist in alleviating these poverty stricken areas. Income in Kgatelopele Local Municipality from those who are employed and those who receive government grants is R1300 per month on average. The income increases if household members participate in work programmes at the local municipality.

3.3 KEY ECONOMIC ACTIVITIES

As indicated in Table 55, in 2001, the mining sector was a dominant industry in the Kgatelopele Local Municipality region compared to other sectorial employers, particularly Transport and Communication as well as Private Households and Wholesale and Retail. Kgatelopele Local Municipality businesses in the Daniëlskuil area have challenges to survive to market and competitive prices. There is a direct need for SMME mentoring and skills upliftment in the local community.

Table 55: Sectorial Employment within the Surrounding Region in 2001

Sectorial Employers	Northern Cape	ZF Mgcawu District Municipality	Kgatelopele Local Municipality
Agriculture	6%	12%	1%
Community services	7%	6%	6%
Construction	2%	3%	6%
Financial & Business Services	3%	2%	2%
Manufacturing	3%	4%	8%
Mining	3%	2%	13%
Private Households	1%	2%	0%
Transport & Communication	1%	2%	2%
Unknown	2%	5%	4%
Utility Supplies	0%	0%	0%
Wholesale & Retail Trade	4%	5%	5%

Brief Analysis:

When considering the province (Northern Cape) and the broader district municipal areas of ZF Mgcawu and John Taolo Gaetsewe (which contributes significantly towards our Labour Sending Area. The mining sector was not a dominant industry in 2007 as the employment rate by the mining sector was low in comparison with the other sectorial employers, particularly agriculture and community services across the various geographical areas. However, when focusing on Kgatelopele Local Municipality, the highest industry employer within the local Municipality was mining with 13% of the employed residents in the area being within this sector.

The Mining Sector therefore has a significant impact on the socio-economic activities of the residents and surrounding areas of Kgatelopele Local Municipality. The downsizing of mining activities will reduce employment and the need is identified for alternative jobs. The agriculture sector is under pressure due to climactic changes, such as prolonged draughts and availability of groundwater. The diversification of the local economy is needed and FDM has commissioned an Economic Baseline Study in March 2017.

3.4 LOCAL ECONOMIC DEVELOPMENT PLANNING

3.4.1 INTEGRATED DEVELOPMENT PLANNING: ZF MGCAWU DISTRICT MUNICIPALITY

The South African public sector has been undergoing transformation to its various internal functions to enable it to focus on service delivery and performance. The pressure for such change is due to the political, economic and social situation in South Africa. The Integrated Development Plan (IDP) is the result of a process through which the municipalities prepare a strategic development plan for a five-year period. The IDP is required to perform the task of being the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision making in the municipality.

Through the IDP and its Associated Planning Process the Municipalities are envisaged to:

- a) Make more effective usage of limited resources
- b) Speed-up service delivery
- c) Attract additional funding (co-funding model)
- d) Strengthen the democracy
- e) Overcome the legacy of apartheid at the local level
- f) Promote intergovernmental co-ordination

The information regarding the IDP for ZF Mgcawu District Municipality was sourced from their revised IDP. The vision of the ZF Mgcawu District Municipality is: *“To be a model, economically developed district with high quality of life for all inhabitants”*.

The municipal mission is to focus on the following aspects in order to achieve the vision:

- a) Economic improvement and development
- b) Establishment and maintenance of effective administration
- c) Safe environment
- d) Attraction of tourist and investors to the region

The district strategic objectives of the ZF Mgcawu District Municipality, as aligned to the five (5) Local Government key performance areas, are as follows:

- a) Basic service delivery
- b) Local economic development
- c) Municipal transformation and organisational development
- d) Municipal financial viability and financial Management

- e) Good governance and community participation
- f) To complete effectively at a regional, national and international level for new Investments and retention of the existing investment base in the district

Furthermore ZF Mgcawu District Municipality subscribes to the National Spatial Development Perspective as outlined in their approach to their integrated development programme.

3.4.2 INTEGRATED DEVELOPMENT PLANNING: KGATELOPELE LOCAL MUNICIPALITY

Kgatelopele Local Municipality is situated within the ZF Mgcawu District Municipality. The vision of Kgatelopele Local Municipality is: *“The implementation/establishment of a process by the Kgatelopele Municipality to improve the quality of life of all its residents by maximum utilisation of resources and the continuous involvement of all community members by enhancing economic, social, health and environmental issues as well as effective services delivery”*

Through its committed people, Kgatelopele Local Municipality will be the best municipal service deliverer and will continually better itself in order to transform and develop the delivery system to meet the challenges of sustainable development and improved well-being.

This Vision is underpinned with the Mission and Commitment to:

- a) Promote developmental local government,
- b) Promote socio-economic development,
- c) Provide efficient, affordable, sustainable and quality service,
- d) Combat discrimination based on racism, gender and religion,
- e) Improve the general conditions of women, the youth and the disabled by local economic development,
- f) Protect and conserve the Environment by an effective environmental management system.

Kgatelopele Local Municipality defines Local Economic Development as “an outcome based on local initiatives and driven by local stakeholders. It involves identifying and using local resources, ideas and skills to stimulate economic growth and development. The aim of Local Economic Development is to create employment opportunities to the best of all the local residents”. In Table 56 the Summary of the IDP the priorities and objectives of Kgatelopele Local Municipality is listed.

Table 56: Integrated Development Plan - Priority Issues and objectives for Kgatelopele Local Municipality

National Key Performance Areas	Local Municipality Planned Interventions
1. Municipal Transformation and Organisational Development	<ul style="list-style-type: none"> - Council adopt credible IDP's review for 2013/17 - Support Council to establish the core basic municipal system to function as effective institutions as required by law - Supporting Municipality to fill vacant Municipal and Senior Managers posts - Supporting structures to improve governance and improve audit ratings
2. Basic Service Delivery	<ul style="list-style-type: none"> - Ensuring that the following service delivery targets are achieved: - Development of strategies to better utilize the services of large contractors, construction teams as well as the support from State Owned Enterprises - Alignment of all sector plans with the PGDS and IDPs and the NSDP so as to meet service delivery targets - Prioritizing technical hands-on support to less capacitated municipalities
3. Local Economic Development	<ul style="list-style-type: none"> - The provincial government to support Municipalities with the preparation of implement LED Strategies that are aligned with the revised IDP's - Provincial Government and District Municipality support all Municipalities by prioritizing LED interventions in the Provincial Growth and Development Strategy - Urban based municipalities need special attention and must be supported to understand their unique LED role in contributing to the provincial and national economy
4. Municipal Financial Viability & Management	<ul style="list-style-type: none"> - Provincial government must provide financial management hands-on support to in particular, low capacity municipalities and improve the capacity to account for public resources. - Improve the capacity to account for public resources. Support all programs that are designed to improve governance and fight corruption. - Guiding the implementation of the Municipal Property Rates Act (MPRA) - Support all programs that are designed to improve governance and fight corruption.
5. Good Governance and Public Participation	<ul style="list-style-type: none"> - Undertaking an intensive local campaign to improve mechanisms for community participation and empowerment with the specific focus on : - Municipalities that experienced municipal protests in 2005 ; 2009, 2013, 2015, 2016 - The urban and rural development nodes ; and - Mayors, Councillors and Managers must lead public participation in the municipal area - Specific focus and support should give to the Municipal Speakers/mayors - Strengthen Transparency and accountability of financial affairs of Local Government. - Improving communication, refining the Izimbizo Program and deepening social mobilization - Strengthening political championship, support and oversight - Strengthen Good Governance at local level

Table 57: Potential Socio Economic Impact of Finsch Diamond Mine 2018-2022

IDENTIFIED SOCIO-ECONOMIC IMPACT	Current	2018	2019	2020	2021	2022
Estimated Number of People to be Employed at the Mine	881	989	989	989	989	989
Estimated Procurement spend with Regional Companies(Northern Cape Province)	37%	37%	38%	39%	40%	41%
Estimated Procurement spend with National Companies (within RSA)	63%	63%	62%	61%	60%	59%
Total Procurement Spend	100%	100%	100%	100%	100%	100%

**Please note that all spend referred to with regards to the 2014-2018 period is an estimated projection; several variables/ socio-economic factors will determine the year-on-year procurement spend for Finsch Diamond Mine.*

***The amounts will be reported in the first Annual Report.*

3.5 STAKEHOLDER ENGAGEMENT

Table 58(a): Internal Stakeholders

NAME OF STAKEHOLDER	DESIGNATION
National Union of Mine Workers	Chairperson
	Vice - Chairperson
	Treasurer
	Secretary
Solidarity	Chairperson
	Vice- Chairperson
HRD	Training manager
	Skills Development facilitator
	EE Chairperson
Procurement	Financial manager
	Procurement Coordinator
	Contracts Manager
Health & Wellness	Wellness Coordinator
Housing	Senior Housing Officer
HR	ER Superintendent
HR	ED Superintendent
LED	Social Compliance Practitioner

Table 58 (b): Record of Communication between Finsch Diamond Mine and the Various Stakeholders regarding SLP 3

Name of Forum/ Meeting	District/Local Municipality	Date of Attendance	Objectives of Stakeholder Engagement
SLP/LED meeting	Kgatelopele Local Municipality & Idwala and PPC Lime	8 February 2017 6 June 2017 25 July 2017	Identification & Confirmation of Local Economic Development Projects for the new Social Labour Plan
Meeting with NUM, Solidarity		19 January 2017 13 March 2017	Identification & Confirmation of Local Economic Development Projects for the new Social Labour Plan (Main focus HRD)
Department of Water and Sanitation	Province	11 January 2017 17 January 2017 23 January 2017 10 February 2017 7 July 2017 18 July 2017	Consulting with DWS regarding funding for sanitation project and future water projects. Workshops for additional funding (Pre- paid metres)
Danielskuil High School	ZF Mgcawu Basic Education (Dept.)	9 June 2017 28 June 2017	Discuss the Implementation Plan of the project Review the implementation process and identify the gaps
Meeting with Kgatelopele Local Municipality	Kgatelopele Local Municipality councillors and officials	17 November 2016 (MM) 17 March 2017 28 June 2017	To discuss draft SLP 3 and to explain budget allocations for duration of SLP 3 Linking projects IDP process and priority needs.
Treasury	Pretoria	21 February 2017	To get approval for additional funding (DORA)

The discussions with key stakeholders will continue in the planning, implementation and monitoring phase.

3.6 INFRASTRUCTURE DEVELOPMENT, POVERTY ALLEVIATION PROGRAMMES AND COMMUNITY UPLIFTMENT

The adequate supply of infrastructure services has long been viewed as essential for economic development and poverty alleviation in the area. There is a growing consensus that mining sector is expected to help in meeting the significant needs associated with infrastructure construction, and to some extent, finance projects aimed at infrastructure development.

Finsch Diamond Mine takes cognisance of the socio-economic challenges illustrated in Tables 49-57 and is committed to contributing to the improvement, through a consultative process with the local municipality, of the infrastructure and service delivery in the affected communities. Throughout the Life of the Mine, Finsch Diamond Mine intends playing an on-going role in the formulation and implementation of the IDP for the areas surrounding the Mine. Finsch Diamond Mine will participate in local economic development through the established IDP frameworks.

Due to the developmental needs of Local Government and the Education of the youth, Community Upliftment Projects are included to build capacity and fund training and mentoring programmes.

Following approval for funds the projects will be monitored and progress recorded on a regular basis indicating information such as, the number of jobs created, the number of beneficiaries and the financial expenditure on the projects. Both quantitative and qualitative information will be reported in Finsch Diamond Mine's Annual SLP Report to be submitted to the regional DMR. In Table 59 a summary of the five year project plan for all Local Economic Development projects are given.

Detailed local economic development projects envisaged to be supported by the Finsch Diamond Mine, taking cognizance of the socio-economic needs as highlighted in the early section of this chapter and in line with the objectives of the Kgatelopele Local Municipality, Growth Strategy of the Northern Cape and Integrated Development Programmes will be discussed in the following sections.

Table 59: Five Year Project Plan for Local Economic Development Projects

Type & Name of Project	Start Date	End Date	Names of Beneficiaries
SLP 3 (2018 - 2022) **			
Infrastructure Project:			
Sanitation	2018	2022	Kgatelopele Local Municipality
Infrastructure Project: Water Reticulation Phase 6 & 7	2019	2020	Kgatelopele Local Municipality
Water Phase 8 & 9	2021	2022	Kgatelopele Local Municipality
Infrastructure Project: Electrical Network Phase 4	2018	2021	Kgatelopele Local Municipality

Type & Name of Project	Start Date	End Date	Names of Beneficiaries
Infrastructure Project			
Technical Division at Daniëlskuil High School – Building classrooms for technical division	2018	2019	Kgatelopele Local Municipality
Community Development: Portable Skills			
Licences Project	2018	2022	Kgatelopele Local Municipality
Community Development: Internships at Local Municipality	2018	2022	Kgatelopele Local Municipality
Community Development: Health Project	2019	2022	Kgatelopele Local Municipality

***The time framework refers to the 2018 – 2022 financial years and projects may commence post July 2017.*

Finsch Diamond Mine is participation with Kgatelopele Local Municipality in the formulation of IDP and implementation of LED projects in SLP3 for communities surrounding Finsch Diamond Mine. All projects are linked to the IDP and needs identified. This practice is aligned with the provisions of the Mineral and Petroleum Resource Development Act and will continue to guide the efforts of Finsch Diamond Mine, in fulfilling its Socio-Economic Development objectives as described in this chapter of the SLP. The bi-monthly LED SLP Meeting between Idwala Industrial Holdings, PPC Lime, FDM and the Local Municipality is the vehicle used for discussions and a report is generated. The two (2) neighbouring Solar Plants are also consulted.

3.6.1 IMPLEMENTATION OF POVERTY ALLEVIATION, COMMUNITY UPLIFTMENT AND INFRASTRUCTURE DEVELOPMENT PROJECTS

Clearly evident in the IDP of the Local and District Municipality and supported in the Spatial Development Plans for the area is the need for significant infrastructure development projects such as Electricity Phase 4, Water Reticulation Phase 6 - 9. Through an integrated business plan between all the stakeholders, and considering the proximity of Finsch Diamond Mine to Idwala Industrial Holdings and PPC Lime, the synergies between the operations could be developed in order to facilitate a legacy of skilled, employed people living in communities developed in a sustainable manner. The Electrical Project 3 (SLP 2) was a partnership between Idwala, PPC and FDM (R4207140).

At the time of writing the SLP, Finsch Diamond Mine is an operation with sufficient funds available for investment into local initiatives. However, the mine undertakes to spend R48 250 650 over the five years (2018-2022) period on the development and support of the LED. In Table 60 is the summary of all LED Projects. The proposed projects may only start in July 2017 to January 2018 due to completion of the current Social Labour Plan 2 (2013-2018) projects.

The local municipality have been informed that the projects will commence once the Social labour Plan 3 (2018 – 2022) has been approved by the DMR as per project requirements. The Project dates could be reviewed when the Plan is approved.

There is a serious shortage of to access opportunities in Daniëlskuil and results show very limited job opportunities for the local community. SLP 2 (Enterprise Development) focused 2014 – 2017 on enterprise development through local supplier development programme for SMMEs and survival and family opportunities in the area. The Kgatelopele Business Hub presents training and mentoring for local businesses.

3.6.2 PROJECTS: 2018-2022 INFRASTRUCTURE

3.6.2.1 Sanitation: Upgrading of existing Oxidation Ponds

The first infrastructure project is the Sanitation Project which consists of the upgrading of Existing Sewerage Purification works. This is linked by the recommendation of the Department of Water and Sanitation (DWS).

The original sewer purification works was constructed in 1986 with an initial design capacity of 723m³ per day. In 2004 the Kgatelopele Local Municipality upgraded the plant by constructing an additional anaerobic pond in order to accommodate the inflow into the Purification Works as the existing anaerobic pond had silted up and had lost its initial design capacity.

An irrigation pond was also constructed in order to utilise the purified effluent which drained into the veld. Based on calculations and the anticipated growth rate depicted in the Draft Spatial Development Framework (SDF) there are several shortcomings regarding the existing sewer purification works, namely:

- a) Insufficient storage capacity;
- b) Pump stations;
- c) 2x anaerobic pond;
- d) 2x Facultative pond;
- e) 6x Maturation ponds;
- f) 1x irrigation

The vision for this project is to provide a reliable source of sewerage disposal to the residents of Kuilsville, Tlhakatlou and Daniëlskuil. Daniëlskuil normally receives approximately 269 mm of rain per year with most rainfall occurring during the summer months. The lowest rainfall occurred in June 0 mm and the highest in March 66 mm and this region are the coldest during July and the warmest in January.

The outcome of this project (besides being a reliable source of sewerage disposal to residents) is to relieve the pressure from the existing infrastructure; improve the living standards of the residents of Kuilsville, Tlhakatlou and Daniëlskuil through the upgrading sewerage purification works infrastructure and provide temporary and permanent work.

The updated project is available from MVD Kalahari upon request. The funding model is a co-funding as well as funding from the Division of Revenue Act (DORA). In 2017 and 2018 FDM has confirmed its commitment to this project in February 2017. This letter was also used for the meeting with Treasury on the 21 February 2017.

The external risk will include:

- a) Obtaining of an integrated water usage licence (They have received the 30 day letter)
- b) Timeline of partners (Contractor has comments to comply with been appointed)
- c) Service provider deadlines (Awaiting the work plan)
- d) O&M management plans and EIA approval (Been included in Budget 2017 – 2018)
- e) Insufficient funding for this project (Application for additional funds have been made and DWS is supporting the application)

The internal risks will include:

- a) How will organisational governance be managed with various funders? (There is a MOU between Local Municipality & FDM) – Regular process meetings
- b) Will the appointing of consultants and service providers meet the governance need of FDM?– The contract need a CIDB rating of a level eight (8).

a) Water Reticulation Project 6 - 9

This project is the Replacement of Asbestos pipes and other essential infrastructure to supply water to residents. All around South Africa, Asbestos pipes are being replaced as they have been proven to be more harmful. As part of the SLP3 commitment, KLM has identified this as an IDP project. This project will be informed by needs identified by the Local Municipality and the Department of Water and Sanitation. Upon completion of maintenances there shall be a sufficient water supply and upgrades on existing infrastructure. This is a medium to long-term intervention.

b) Electrical Network phase 4 - 7

The local municipality identified the electrical capacity challenge in 2017. The municipality requested FDM to assist in maintenance of the electrical network and the increase capacity. The first phase was completed through replacement of the affected cables. The phase 4 – 7 will involve replacement of bare aluminium low voltage feeders, transformers and upgrading of main intake municipal switching stations. The electricity master plan will be used as a guideline. FDM and the Local Municipality have engaged with Eskom to increase capacity. Idwala Industrial Holdings and PPC Lime has also shown interest as the capacity will lack impact on residents and businesses.

c) Technical Division at Daniëlskuil High School

This project has two phases, the building of the infrastructure and furnishing the classrooms. With reference to a meeting held between MVD Kalahari and Daniëlskuil High School on 09 May 2016 at the Daniëlskuil High School regarding the provision of a quotation for two additional technical classrooms and ablution facilities at the high school in Daniëlskuil. The vision and purpose of the project is to create a technical division at the local school for learners to obtain N1-N3 qualifications.

The subjects will include technical subjects: Automotive, Plating and Metal Work.

The academic subjects will include: Engineering Mathematics, Engineering Physical Science and Technical Drawing. These curriculum changes will provide the N1 – N3 option as an alternative to academic.

The next phase will be to include electrical engineering studies, FDM will not be a funder for this phase. The Jasper Solar Plant has expressed interest to fund this phase.

The success of this project will open up the possibility of registering the school as a Further Education Training (FET) satellite campus that youth who have left school prior to this intervention will be able to have afternoon classes.

The implementation process will include the following:

- a) Meeting with the school principal, Circuit Manager and SGB Chairperson's;
- b) Establishing a MOU between FDM and Daniëlskuil High School;
- c) Review the designs;
- d) Appointing consultants for the projects;
- e) Appoint responsible person to manage the technical equipment;
- f) Review and implement enrolment procedure.

d) Engaging with interested and affected parties e.g. Local Municipality, other schools

The equipping of these classrooms will then be done after construction is completed. It has been identified what will be needed would be workshop tables and chairs, learning tools as necessary per learning area provided, boards and other such media for the learning and teaching environment.

The delay in this project is due to the Department of Basic Education (DoBE) not giving the support that they needed. The application presentation was made at district level in Upington by Mr Slabbert. The Project has the support of the Local Municipality, School Governing Body and the wider community as it will be able to send skilled (N3) learners into the labour market and N2 ready to apply for learnerships. Various attempts have been made to engage the DoBE. The chairperson of the Kgatelopele Local Municipality Council is now in contact with the MEC Office.

3.6.3 COMMUNITY DEVELOPMENT INTRODUCTION

a) Portable Skills and Drivers' Licences Projects

In discussions with Kgatelopele Local Municipality it was decided to focus on Community Skills Development Programme to address some of the skills shortages experienced by the unemployed to access opportunities and recruit unemployed youth. The skills training focus on the youth to get access to opportunities. The lessons are also part of a process to get the youth to take responsibility for their own futures.

b) Internships at Local Municipality Introduction

In consultation with the LM it was decided that one internship per year will be offered. The duration will be 24 months, except where the LM and FDM agree on a different duration period. The interns will be offered permanent employment after the end of the internship.

The current (2) two interns are employed at the Local Municipality and the view is that they will be offered employment after the ending of the internship contracts. This include the Town Planner and Projects Technician.

The internship for 2018 will be recruited as soon as the LM has identified the position to be filled.

c) Health Project

This project will be part of SLP3. In SLP2 the mobile clinic, renovation of two living units and upgrading of current pharmacy facilities was done in partnership with the PPC and Idwala Industrial Lime. The request for a new project to improve local access has been requested from the Department of Health. In consultation with all the partners new projects will be identified. This project benefits the vulnerable community members. The feedback from the community members in Kgatelopele. The Regional Manager is very supportive and tries to influence the district office in Upington for more services to the community.

Table 60(a): Five Year Project Plan for Infrastructure Development: Upgrading of Existing Sewerage Purification Work FY 2018-2022

A - INFRASTRUCTURE										
A1 – Sanitation RBIG: Upgrading of Existing Sewerage Purification Works										
Background to project	This is a co-funding project with Local Municipality and various government departments to upgrade water and sanitation (oxidation ponds). This project is linked to the Lucerne Cultivation Project and the internship for a Water Process Controller.							Project Start Date	July 2017	
								Project End Date	Nov 2019	
Project Partners	Finsch Diamond Mine, Department of Water and Sanitation (DWS), Kgatelopele Local Municipality going to be part of the Rural Bulk Infrastructure Grant (RBIG)							Information Valid as at:	October 2019	
Project Incorporated into which IDP	5 YEAR PLAN Integrated Development Plan (IDP) (2014 – 2018)							Beneficiaries (Community Specific)	Kgatelopele Community	
Kgatelopele Local Municipality	Number of temporary jobs to be determined at project implementation.							Geographical Location of Project	Kgatelopele Local Municipality is part of ZF Mgcawu	
Output	Responsible Entity	Activity			Timeframe					
		Key Focus Area	KPA (Key Performance Area)	KPI (Key Performance Indicator)	2018	2019	2020	2021	2022	Budget Allocation
Make provision for reliable source sewerage disposal for residence. (Refer to 3.5.1 a)	Kgatelopele LM, Finsch Diamond Mine	Insufficient supply and maintenance of bulk water and sanitation	1. Memorandum of understanding (MOU) with LM. 2. Confirmation with	1. Readiness to Implementation Report 2. Obtaining funding from DORA (funding was approved 2017)	4 306 046	0	0	0	0	4 306 046

			consultants and contractor 3. Approval of implementation readiness plan							
	Responsible Entity	Activity			Timeframe					
		Key Focus Area	KPA (Key Performance Area)	KPI (Key Performance Indicator)	2018	2019	2020	2021	2022	Budget Allocation
			FDM approval from Tender Board		4 306 046	0	0	0	0	4 306 046
Construction	Contractor	Commencement of the Construction		Construction Completed						
		Total budget :								4 306 046
Exit Strategy:		<p>Preventative Maintenance: Installing of high quality materials with capable contractors or suppliers during the construction phase and budgeted adequate funds for maintenance each year, thereby extending the life of the facility.</p> <p>Operations and Maintenance: The contractor will be responsible for the training of local municipal technical staff in the use of the newly constructed infrastructure. A general list of preventative maintenance requirements on the overall system is as follows: Weekly visual inspection for leaks/ deformations; Inspection of rising mains for leaks/ vandalism; Inspection and repairs of perimeter fencing and Inspection and removal of debris in ponds or dams.</p>								
Completion Date:		November 2019								

Table 60(b): Five Year Project Plan for Infrastructure Development: Water Reticulation 6-9: Replacement of Asbestos pipes by Finsch Diamond Mine: FY 2018-2022

Project Name	A - INFRASTRUCTURE								
A2 – Water Reticulation Project 6-8: Refurbishment of Pump Stations									
Background to project	This projects that has been identified through the Water Service Developments Plan.			Project Start Date	June 2019				
				Project End Date	January 2020				
Project Partners	Finsch Diamond Mine, KLM, Engineering Consultant & Service Providers			Information Valid as at:	October 2019				
Project Incorporated into which IDP	5 YEAR PLAN Integrated Development Plan (IDP) (2014 – 2018)			Beneficiaries (Community Specific)	The community as well as the local business are the beneficiaries.				
IDP Reference Number of Project	Total Expected Number of Jobs to be created	10 Jobs Created.		Geographical Location of Project	Kgatelopele Local Municipality (Daniëlskuil)				
To be finalized.	Spin off employment opportunities								
Output	Responsible Entity								
				FINANCIAL YEAR					
		KPA (Key Performance Area	KPI (Key Performance Indicator	2018	2019	2020	2021	2022	Budget Allocation
As per the Current	Finsch Diamond Mine, KLM	Replaced infrastructure will minimize	Completion of Maintenances 1.Appoint consultant	0	4 670 000	2 850 000	2 500 000	2 000 000	12 020 000

Requirement (Maintenance)		maintenance and replacement costs.	2.Tender board Approval						
And capacity growth of the community									
	Responsible Entity	Activity		Timeframe					
		KPA (Key Performance Area)	KPI (Key Performance Indicator)	2018	2019	2020	2021	2022	Budget Allocation
			3.Final scopes. 4.Advert for tender 5.Appointment 6.Implementation 7.Close out report 8.Handover						
	Total budget:								12 020 000
Exit Strategy:	After the completion of the projects 6-8 the projects are handed over to the municipality. The assets are registered on the asset registering programme linked to the treasury. The scope of the future maintenance are included by the Local Municipality in the annual budget.								
Completion Date:	Each year from 2018 a project will be completed								

Table 60(c): Five Year Project Plan for Infrastructure Development: Electrical Network phase 4 - 7 by Finsch Diamond Mine: FY 2018-2022

Project Name	A - INFRASTRUCTURE									
	A4 – Electrical Network Phase 4 - 7									
Background to project	The electrical infrastructure and network projects will focus on areas identified by the electrical master plan and Eskom capacity assessments.						Project Start Date	November 2019		
							Project End Date	Depend on the Scope of Project		
Project Partners	Finsch Diamond Mine, Engineering Consultant & Service Providers, Local Municipality and Department of Energy						Information Valid as at:	October 2019		
Project Incorporated into which IDP	5 YEAR PLAN Integrated Development Plan (IDP) (2014 – 2018)						Beneficiaries (Community Specific)	Community (Ward 1,2,3)		
IDP Reference Number of Project	Total Expected Number of Jobs to be created	Number of temporary jobs to be determined at project implementation.				Geographical Location of Project	In Kgatelopele Local Municipality (Danielskuil)			
Kgatelopele Local Municipality	Spin off employment opportunities									
Output	Responsible Entity									Activity
		Key Focus Area	KPA (Key Performance Area	KPI (Key Performance Indicator	2018	2019	2020	2021	2022	Budget Allocation

Provide infrastructure and assist in Eskom capacity with Partners.	Finsch Diamond Mine	Insufficient Maintenance of Electrical Network	Installation commence – linked to Eskom and Master Plan	1.Appoint consultant 2.Tender board Approval	0	5 749 263	5 833 920	5 128 887	6 462 534	23 174 604
	Responsible Entity	Activity			Timeframe					
		Key Focus Area	KPA (Key Performance Area)	KPI (Key Performance Indicator)	2018	2019	2020	2021	2022	Budget Allocation
				3.Final scope 4.Advert for tender 5.Tender Approval 6.Appointment 6.Implementation 7.Close out report 8.Handover						
	Total budget:									23 174 604
Exit Strategy:	Handing over the project to the Local Municipality – inclusion of Bill of Quantities to the Asset Register on the LM. They have to maintain the assets by including it in the Budget.									
Completion Date:	December 2022									

Table 60(d): Five Year Project Plan for Community Development

Project Name		A - INFRASTRUCTURE						
		A5 – Technical division at Daniëlskuil High School (Grade 10 – 12) Phase 1 – Construction of classrooms						
Background to Project	Please refer to section 3.6.2 – Building to workshops to accommodate N1 – N3 classes	Project Start Date		July 2019				
		Project End Date		November 2019				
Project Partners	Local Municipality, Finsch Diamond Mine and relevant Service Providers, Daniëlskuil High School and Department of Basic Education	Information Valid as at:		October 2019				
Project Incorporated into which IDP	5 YEAR PLAN Integrated Development Plan (IDP) (2014 – 2018)	Beneficiaries (Community Specific)		Kgatelopele Candidates who meet minimum requirements				
Key Focus Area	Insufficient and poor condition of education/training and library services	Timeframe FY 2018 - 2022						
		Budget	2018	2019	2020	2021	2022	Total Budget Allocation
Activity	Key Performance Indicator (KPI)			2 500 000	0	0	0	2 500 000
	Key Performance Area (KPA)		Complete the construction phase and source all equipment and install per requirements of Department of Basic Education and Vocational Institution					
	Responsible entity		Finsch Diamond Mine and Service Provider Kgatelopele Local Municipality					

		2018	2019	2020	2021	2022	Total number of people
Target	To have it ready for N1 intake in January 2021.	0	15	15	15	0	45
Beneficiaries	Direct	45 people – over first three (3) years and having candidates ready with N2 & N3 qualifications					
	Indirect	Community Upliftment					
Exit Strategy:		The division will be part of Daniëlskuil High School and they will budget for all resources and involve Jasper Solar Plant for Phase 3 development					
Completion Date:		End of November 2019					
Output:		Completed workshops and equipped for N1 – N3					

Table 60(e): Project Summary of Technical Division at Daniëlskuil High School

	Project Name	A.-INFRASTRUCTURE		
		A5 – Technical Division at Daniëlskuil High School (Grade 10 – 12) Phase 2 – Equipping the classrooms		
	Background to Project	This is the second phase of the Technical Division and the equipment will be sourced	Project Start Date	Jan 2020
			Project End Date	Will depend on the Scope of the Project
	Project Partners	Local Municipality, Finsch Diamond Mine and relevant Service Providers , Department of Basic Education & Higher Education	Information Valid as at:	October 2019
	Project Incorporated into which IDP	5 YEAR PLAN Integrated Development Plan (IDP) (2014 – 2018)	Beneficiaries (Community Specific)	Kgatelopele Qualified Candidates
	Key Focus Area	Insufficient and poor condition of education/training and library services	Timeframe FY 2018 - 2022	

				Budget	2018	2019	2020	2021	2022	Total Budget Allocation
Activity		Key Performance Indicator (KPI)	To have all equipment installed and theory rooms and workshops ready for 15 N1 students		0	3 600 00	0	0	0	3 600 000
		Key Performance Area (KPA)	To adhere to budget and comply with N1 – N3 local learners							
		Responsible entity	Finsch Diamond Mine and Service Provider Kgatelopele Local Municipality							
					2018	2019	2020	2021	2022	Total number of people
		Target	Temporary job creation for construction and 2 new positions for facilitators		30	30	30	30	30	150
TOTAL COST										3 600 000
Beneficiaries	Direct	N1 (15 students) , N2 (15 students) , N3 (15 students) = 45 students in a 3 year cycle								
	Indirect	The learner's parents do not have to fund accommodation and travel costs for either Kimberley or Kathu. The other costs include clothing and toiletries Mines in the environment who can access N2 candidates for learnerships								
Exit Strategy:		The division will be part of Daniëlskuil High School and they will budget for all resources and involve Jasper Solar Plant for Phase 3 development and partnerships with other funders such as Jasper Solar Plant, Idwala Industrial Holdings and PPC Lime								
Completion Date:		End 2020								
Output:		Equipped Theory Room and Workshop								
Sustainability of project		This project has a high sustainability over time as the facility will provide learners ready for job market and will address directly youth unemployment after leaving school. It will also address skills at local municipality level.								

Table 60(f): Five Year Project Plan for Community Upliftment: Training of Community Bursars in the Portable skills of Kgatelopele by Finsch Diamond Mine (2018-2022)

Project Name		B - COMMUNITY DEVELOPMENT PROJECT									
Background to Project		This project is part of SLP2. It was requested by the LM and Youth Groups that FDM continue with their programme to assist unemployed youth that have no other opportunities		Project Start Date		January 2018					
											Project End Date
				Project Partners		Local Municipality, Finsch Diamond Mine and relevant Service Providers		Information Valid as at:		October 2019	
Project Incorporated into which IDP		5 YEAR PLAN Integrated Development Plan (IDP) (2014 – 2018)		Beneficiaries (Community Specific)		Kgatelopele Qualified Candidates					
Key Focus Area		Insufficient and poor condition of education/training and library services.		Timeframe FY 2018 - 2022							
				Budget	2018	2019	2020	2021	2022	Total Budget Allocation	
Activity	Key Performance Indicator (KPI)	Course identified and confirmed with service provider	Recruit and select candidates		Having selected community members trained and sign contracts	0	400 000	400 000	0	0	800 000
	Key Performance Area (KPA)	Cover/Pay for the Service Provider and accommodate the Training Identification of Suitable Learner Candidates									

Responsible entity	Finsch Diamond Mine and Service Provider						
	Kgatelopele Local Municipality						
		2018	2019	2020	2021	2022	Total number of people
Target	Number of recruited candidates per annum	12	12	12	12	12	60

Beneficiaries	Direct	The youth that attend the programme and complete it	
	Indirect	Additional skills in community, for example the Plumbing candidates were used in the Water Phase 4 “War on Leaks” Project to do assessment survey. One of the students is now doing a full qualification as a plumber	
Exit Strategy:		The identified training will be done for the development of the community bursars (learnerships) as agreed with LM. Thereafter training will be part of LM WPSP.	
Completion Date:		End 2022	
Output:		Trained Youth members that can take up opportunities.	

Table 60(g): Five Year Project Plan for Community Upliftment: Training of Community Bursars in the Local Municipality of Kgatelopele by Finsch Diamond Mine (2018-2022)

Project Name		B - COMMUNITY DEVELOPMENT PROJECT							
		(b1) ii – Community Skills (Driver’s Licence Project)							
Background to Project	This project will continue in SLP3 as the number of candidates has increased. The plan is to assess the programme annually. The focus will move from code 10 to code 14.	Project Start Date		January 2018					
		Project End Date		Will depend on the Scope of the Project and the need in the community.					
Project Partners	Local Municipality, Finsch Diamond Mine and relevant Service Providers	Information Valid as at:		October 2019					
Project Incorporated into which IDP	5 YEAR PLAN Integrated Development Plan (IDP) (2014 – 2018)	Beneficiaries (Community Specific)		Kgatelopele Qualified Candidates					
Key Focus Area	Insufficient and poor condition of education/training and library services	Timeframe FY 2018 - 2022							
		Budget	2018	2019	2020	2021	2022	Total Budget Allocation	
Activity	Key Performance Indicator (KPI)		120 000	120 000	120 000	140 000	200 000	700 000	
	Key Performance Area (KPA)								
	Responsible entity								
			2018	2019	2020	2021	2022	Total number of people	
	Target	Every candidate to complete the programme successfully and obtain a valid driver’s licence		20	20	20	20	20	100

OTAL TRAINING COST			700 000
Beneficiaries	Direct	Candidates who obtain code 10 licence in allocated time frame	
	Indirect	The candidates have access to opportunities where having code 8/10 licence is a minimum requirement. Driving safely is a skill that is necessary due to high accident rates on local roads	
Exit Strategy:		Then the need for the Code 10 licence decrease, the best candidates will complete for code 14	
Completion Date:		Each year the 20 candidates will complete training before new group is enrolled	
Output:		Valid driver's licence (Code 10 or 14)	

Table 60(h): Five Year Project Plan for Community Development: Upskilling of Municipal Workers

Project Name		B - COMMUNITY DEVELOPMENT PROJECT							
Background to Project	The internships of SLP2 will only be completed in 2018. The Water Controller Intern is linked to the Sanitation Project. The four remaining internships will be informed by the needs/ compliance of the LM.	B2 – Internships at LM							
		Project Start Date		September 2017 (24 months)					
Project Partners	Local Municipality, Finsch Diamond Mine and relevant Service Providers	Project End Date		June 2020					
Project Incorporated into which IDP	5 YEAR PLAN	Information Valid as at:		October 2019					
Key Focus Area	Integrated Development Plan (IDP)	Beneficiaries (Community Specific)		Kgatelopele Qualified Candidates					
	Ineffective functioning of municipal systems and management	Timeframe FY 2018 - 2022							
Activity	Key Performance Indicator (KPI)	Budget	2018	2019	2020	2021	2022	Total Budget Allocation	
			130 000	130 000	130 000	130 000	130 000	650 000	
	Key Performance Area (KPA)		Bring in skills that the LM will improve governance and service delivery	2018	2019	2020	2021	2022	Number of people
	1			1	1	1	1	5	
	Responsible entity	Finsch Diamond Mine and Kgatelopele Local Municipality							

TOTAL TRAINING COST		R650 0000
Exit Strategy:	The intern will be included in the budget to be offered a position post the internship. This will depend on the performance, attitude and innovation	
Completion Date:	End 2022	

Assumptions made for estimating cost of interns and development:

1. Cost
 - a) Stipend per month R6000,
 - b) Housing allowance paid directly to service provider (R2000),
 - c) Training cost 50 000 per annum includes travel and accommodation,
 - d) Other (IT requirements)
2. The Local Municipality must have an agreement in place with intern that he or she can only leave by mutual agreement and new employer must pay for cost incurred. The best scenario would be to offer new intern a permanent position especially of scarce skills and/or improved service delivery.
3. The interns are employed by the LM and quarterly reviews are done to determine progress and to identify opportunities and gaps.

Table 60(i): Five Year Project Plan for Community Development: Mobile Clinic to Improve Basic Healthcare Services: FY 2018-2022

Project Name	B - COMMUNITY DEVELOPMENT									
B3 – Health Project										
Background to Project	This project is part of SLP2 and a partnership between Idwala Industrial Holdings and PPC Lime. The previous collaborations include the mobile clinic , two (2) renovating units for health care professionals						Project Start Date	January 2018		
							Project End Date	The scope of the new projects will be negotiated by the Mines and Department of Health		
Project Partners	The partnership will between the following NC Department of Health, Kgatelopele Local Municipality, PPC Lime, Idwala Lime and Finsch Diamond Mine and they will all be signatories of the MOU						Information Valid as at:	October 2016		
Project Incorporated into which IDP	5 YEAR PLAN Integrated Development Plan (IDP) (2014 – 2018)						Beneficiaries (Community Specific)	Kgatelopele Local Municipality, Residents (especially the ill)		
Output	Responsible Entity	Activity			Timeframe FY Budget					
		Key Focus Area	(KPA)Key Performance Area	(KPI)Key Performance Indicator	2018	2019	2020	2021	2022	Budget Allocation
Provide the community of Kgatelopele Local Municipality with basic healthcare services.	Finsch Diamond Mine	Insufficient hospital, ambulance and other health facilities and services.	Provide a fully fleshed mobile clinic	Provide a mobile clinic	100 000	100 000	100 000	100 000	100 000	500 000
Total Budget:										500 000

Exit Strategy:	The maintenance and staffing of the vehicle will be the responsibility of the DoE as agreed in the MOA, but the three mines will monitor the MOU conditions.
Completion Date:	It will depend on each project identified by the Department of Health and the budget allocations of the partners

Table 61(a): Implementation dates of projected projects 2018-2022

Type & Name of Project	Start Date	End Date	Names of Beneficiaries	Financials (YTD Spend)
Infrastructure Project: Sanitation	2018	2022	Kgatelopele Local Municipality	5 906 046
Infrastructure Project: Water Reticulation Phase 6	2019	2020	Kgatelopele Local Municipality	10 020 000
Water Phase 7	2022	2022		2 000 000
Infrastructure Project: Electrical Network Phase 4	2018	2021	Kgatelopele Local Municipality	23 174 604
Infrastructure Project Technical Division at Daniëlskuil High School	2018	2019	Kgatelopele Local Municipality	6 100 000
Community Development: Portable Skills Licences Project	2018	2022	Kgatelopele Local Municipality	1 500 000
Community Development: Internships at Local Municipality	2018	2022	Kgatelopele Local Municipality	650 000
Community Development: Health Project	2019	2022	Kgatelopele Local Municipality	500 000
Enterprise Development	2018	2022	Local SMME's	11 659 214

Table 61(b): Breakdown of the five year Project Plan for Local Economic Development Projects FY 2018 – 2022 (continue on next page)

	Name of Identified Project	IDP Focus Area	2018	2019	2020	2021	2022	TOTAL
1	i. Sanitation RBIG: Upgrading of Existing Sewerage Purification Works	Insufficient supply and maintenance of bulk water and sanitation	4 306 046	0	0	0	0	4 306 046
2	Water Reticulation 6: 7 km Tlhakalatlou	Water Service Capacity Development Plan	0	4 670 000	0	0	0	12 020 000
	Water Reticulation 7: 3 km Kuilsville	Water Service Capacity Development Plan	0	0	2 850 000	0	0	
	Water Reticulation 8: 3 km Danielskuil	Water Service Capacity Development Plan	0	0	0	2 500 000	2 000 000	
3	Electrical Network 4.1	Insufficient maintenance for electricity	0	5 749 263	0	0	0	23 174 604
	Electrical Network 4.2	Insufficient maintenance for electricity	0	0	5 833 920	0	0	
	Electrical Network 4.3	Insufficient maintenance for electricity	0	0	0	5 128 887	0	
	Electrical Network 4.4	Insufficient maintenance for electricity	0	0	0	0	6 462 534	
4	Technical Division at Danielskuil High School: Construction and Equipment	Lack of educational opportunities to address skills shortage	0	2 500 000	0	0	0	6 100 000
			0	3 600 000	0	0	0	
TOTAL INFRASTRUCTURE			4 306 046	16 769 261	9 033 920	8 128 887	8 962 534	45 600 650
1	Community Skills:		0	400 000	400 000	0	0	1 500 000

	Name of Identified Project	IDP Focus Area	2018	2019	2020	2021	2022	TOTAL
	a) Portable Skills b) Licenses Project	8 – Ineffective functioning of municipal systems and management	120 000	120 000	120 000	140 000	200 000	
2	Internship at LM	8 – Ineffective functioning of municipal systems and management	130 000	130 000	130 000	130 000	130 000	650 000
3	Health Project	9 - Insufficient hospital, ambulance and other health services	100 000	100 000	100 000	100 000	100 000	500 000
4	Enterprise Development	Unemployment and Poverty	1 885 180.00	2 773 698	4 051 068	2 576 209	2 833 830	14 119 985
	Total Community Upliftment		350 000	750 000	750 000	370 000	430 000	2 650 000
	Total LED		4 656 046	17 519 263	9 783 920	8 498 887	9 392 534	48 250 650
	Enterprise Development		1 885 180	2 773 698	4 051 068	2 576 209	2 833 830	14 119 985
	Total LED + ED		6 541 226	20 292 961	13 834 988	11 075 096	12 226 364	62 370 635

Budget Breakdown of Kgatelopele Small Business Hub

3.6.3.1 SLP ROLL-OVER PROJECT EXPENDITURE & PLANS

Lucerne Cultivation

This project was suggested by the Kgatelopele Local Municipality to create jobs for the local community as part of SLP 1 projects. In 2009 FDM requested an extension to implement this project due to the financial crisis in 2008.

To date the following plans were executed in terms of the project. The EIA submission was completed in 2010 and the EIA was granted in November 2011 by the Department of Environmental Affairs and Forestry. The Department of Agriculture granted the plough certificate in January 2013. A Water Usage Licence Application (WULA) was submitted to the DWS by the KLM to make use of the sewerage water. The Department of Water and Sanitation insisted the project must be included as the waste water has to be treated and utilized. This is one of the conditions of the approval of WUL.

3.7 ENTERPRISE AND SUPPLIER DEVELOPMENT

3.7.1 INTRODUCTION

In 2013 the Kgatelopele Small Business Hub was established in Danielskuil. South Africa has high levels of unemployment, poverty and inequality. This contributes directly to the unavailability of skills and investment needed for economic growth. Worldwide Enterprise Development especially SMME's have been established and grown businesses that creates jobs for the unemployed.

3.7.2 ENTERPRISE DEVELOPMENT (ED)

3.7.2.1 Definition

The South African government considers Enterprise Development as one intervention of job creation and economic growth. Job creation will be attained through the creation and growth of the small business sector. This will be made possible when an enabling environment is created for entrepreneurs to be developed in order to establish businesses that could grow and graduate from survivalist and micro entities to become sustainable, job-creating enterprises.

3.7.2.2 Objectives of ED

- a) Contribute to the development of the economy.
- b) Contribute to the sustainability of enterprises by developing entrepreneurs to take up opportunities.
- c) Enterprise Development programmes should be aimed at transferring skills and mentoring to unlock economic potential.

In South Africa, small businesses are recognised as a driving force for economic growth and creation of jobs. The National Development Plan (NDP) has an estimate target of 90% out of the expected 11 million jobs that needs to be created by small and medium enterprises.

Table 62(a) - Global Entrepreneurial Monitor Report 2014

Province	Formal sector	Informal sector
Eastern Cape	5.3%	13.4%
Free State	3.2%	6.6%
Gauteng	48.3%	24.6%
KwaZulu-Natal	13.0%	18.8%
Limpopo	2.9%	14.3%
Mpumalanga	4.1%	7.7%
North West Province	3.2%	8.0%
Northern Cape	1.2%	0.7%
Western Cape	19.0%	5.9%
Total	100%	100%

Reference GEM Report 2014

According to the Global Entrepreneurship Monitor report (Table 62a) published in 2014, the Northern Cape only has 1.2% operating within the formal sector and 0.7% operating in the informal sector. This means only 1.2% are legally registered entities and 0.7% is not legally registered entities. The informal sector could be compared to for example hawkers. The formal sector is a registered businesses.

3.7.2.3 Enterprise Development Challenges in South Africa

- a) Lack of transformation within the South African economy.
- b) Low levels of youth economic participation.
- c) High levels of youth unemployment.
- d) Lack of critical management skills and appetite for taking initiative and risk.
- e) Lack of access to finance, markets and opportunities.
- f) The youth has unrealistic expectations about establishing businesses and the skills needed for sustainability.

3.7.2.4 Financial status of businesses in South Africa

The financial status of businesses in South Africa is relatively low especially if the company is classified as a small enterprise. This is evident when payments are late and then salaries are paid.

Small enterprises in South Africa close down due to reasons such as:

- a) No access to markets
- b) No financial cash flow
- c) Supplier debt
- d) No distinctive quality of their products or services are being offered
- e) Businesses offering credit increase credit, without proper credit checks – this results in no payment from clients and escalated debt.

3.7.2.5 Kgatelopele Local Municipal area (Danielskuil and Lime Acres)

The Integrated Development Plan (IDP) and Local Economic Development (LED) officer has been appointed at the Kgatelopele Local Municipality and will be working jointly with the Enterprise Development Superintendent at the Kgatelopele Small Business Hub.

This partnership consists of joint assistance to entrepreneurs. Projects identified from the IDP will be integrated into the development model from the Kgatelopele Small Business Hub. The projects identified would assist in terms of possible SMME development which would ensure local procurement from either the local municipality, Finsch Diamond Mine Supply Chain and/or surrounding businesses.

3.7.2.6 Challenges identified by the Kgatelopele Small Business Hub to establishing businesses Clients:

- a) Registering a company – understanding of why businesses need to be registered.
- b) Registering for Pay as You Earn (PAYE) and Unemployment Insurance Fund (UIF) – understanding of why this is a requirement by law.
- c) Compliance legislation
- d) Opening a business account – fees payable associated with opening a business account. Majority of the potential entrepreneurs cannot afford the costs.
- e) Registration for Income Tax
- f) Securing customers
- g) Sourcing suppliers – majority of potential entrepreneurs have no negotiation skills when sourcing potential suppliers.
- h) Marketing their businesses – no understanding of why marketing company services/goods are important and growing business
- i) Registering for VAT – understanding why VAT is registered and needs to be paid.

- j) Obtaining finance – start-up businesses are more difficult to fund than existing businesses due to the fact that start-up businesses are based on customer and sales assumptions.
- k) Grant funding (solar plants) clients are less committed attending to developing plans as the grant is seen as “free”.
- l) Reluctance of Solar Plants to work in partnerships with FDM

3.7.2.6.1 Locality and business capacity:

- a) Infrastructure is one of the key enablers for SMME development.
- b) Access to infrastructure, utilities and transport, land and space at affordable prices can be instrumental to supporting new businesses.
- c) Accounting, legal services institutions are also a requirement.
- d) These are key to promoting the sustenance of existing SMME's and the emergence of new ones.
- e) Joint Ventures with larger firms are challenging at the moment due to SMME's is being denied access to develop opportunities for mutual benefits and foster innovation.
- f) Inability to access markets is one of the fundamental requirements to accessing funding and mentorship for start-up businesses.
- g) SMME's located within this area are at a disadvantage compared to urban areas.
- h) The survival rate for start-ups is low. In establishing a new business one has to take the financial affordability of customers into consideration, and this relates to the prices charged by businesses is key to the asking price of products and services.

3.7.2.6.2 The Business Hub provides the following services:

- a) Access to Internal
- b) Assistance with business registration and SARS inquiries
- c) Walk in consultations
- d) Mentoring
- e) Training
- f) Analysis
- g) Enterprise Development and Social Development Plan

Table 62 (b) - Current status of the Kgatelopele Local Municipal area

DESCRIPTION	NUMBER	PERCENTAGE
Population	18 687	50.7% - male 49.3% - female
Households	5 381	29.7% - female-headed
Unemployed rate	4 167	22.30%
Youth unemployed rate (15-34)	5 438	29.10%
No schooling	2 280	12.20%
Higher education	1 701	9.10%
Matric	4 765	25.50%
Education levels		<ul style="list-style-type: none"> • Majority – some secondary education (completed) • No schooling • Primary school – few completion (did not receive their senior certificate) • Higher education - high

3.7.2.6.3 Reference Statistics South Africa

Table 62 (b) indicates the population elements of the Kgatelopele Local Municipal areas of Danielskuil and Lime Acres.

The highlighted rows indicate the unemployment rate and the unemployment rate amongst the youth. The youth unemployment rate is higher than the number of households in the area which is quite a concern.

Enterprise Development in Kgatelopele Local Municipality is challenged by the lack of entrepreneurial skills of the residents, as well as the appetite for risk and tenacity to weather challenges regarding long-term commitment to develop and build sustainable businesses.

Without any business acumen, it makes it quite difficult to determine whether potential entrepreneurs would be regarded as business owners in the next 2-3 years. Individual and business development varies from one individual to another depending on the level of business acumen. In certain instances one may be developed over a period of 12 months, some over a period of 24 months or even longer.

3.7.2.7 Procurement in South Africa

One of the major challenges in the mining industry is procuring from local manufacturing companies in Northern Cape. Manufacturing needs to be encouraged to source locally. This needs to be addressed by government policies, procedures and incentives.

This can and will only be achieved through educating enterprises such as black women owned, youth owned businesses and black owned businesses on the benefits of establishing local manufacturing companies in order for Procurement departments in the mining industry to procure local products. Through this initiative, it would ensure local economic development, job creation, income generation as well as being able to sustain the livelihoods of communities.

3.7.2.7.1 Finsch Diamond Mine - Procurement

The Procurement department at Finsch Diamond Mine has to align to the DTI codes as compliance is one of the key drivers at Finsch Diamond Mine and this requires complying with the standards set by legislations. Procuring from local black suppliers as well as women-owned enterprises is one of the drives and this will require the buy-in from several other departments within the mine.

One of major challenges facing Procurement is the lack of skills of potential suppliers for core mining projects.

Suppliers within the two areas are more focused on construction, supplies and catering of which such opportunities identified from Procurement seldom occur.

3.7.2.8 Finsch Diamond Mine - Supplier Development Programme

Even though there are various definitions for supplier development, in this instance it is regarded as a process of working with certain suppliers on either a one-on-one basis or in groups in order to improve their performance for the benefit of the Procurement Department.

FDM will embark on a supplier development programme each year that will comprise of a certain number of suppliers enrolled for the programme. The suppliers would be selected based on a criterion after which suppliers would then be selected. An appropriate approach will be selected for the different supply markets in the mining industry, in order to develop the suppliers according to the selected developmental approach.

Objective	Outcome 1	Outcome 2
<ul style="list-style-type: none"> • Increase the supplier's competitiveness and capabilities to supply local products and services. 	<ul style="list-style-type: none"> • Employment creation which will alleviate poverty. 	<ul style="list-style-type: none"> • Growth in the local economic area of Kgatelopele Local Municipality.

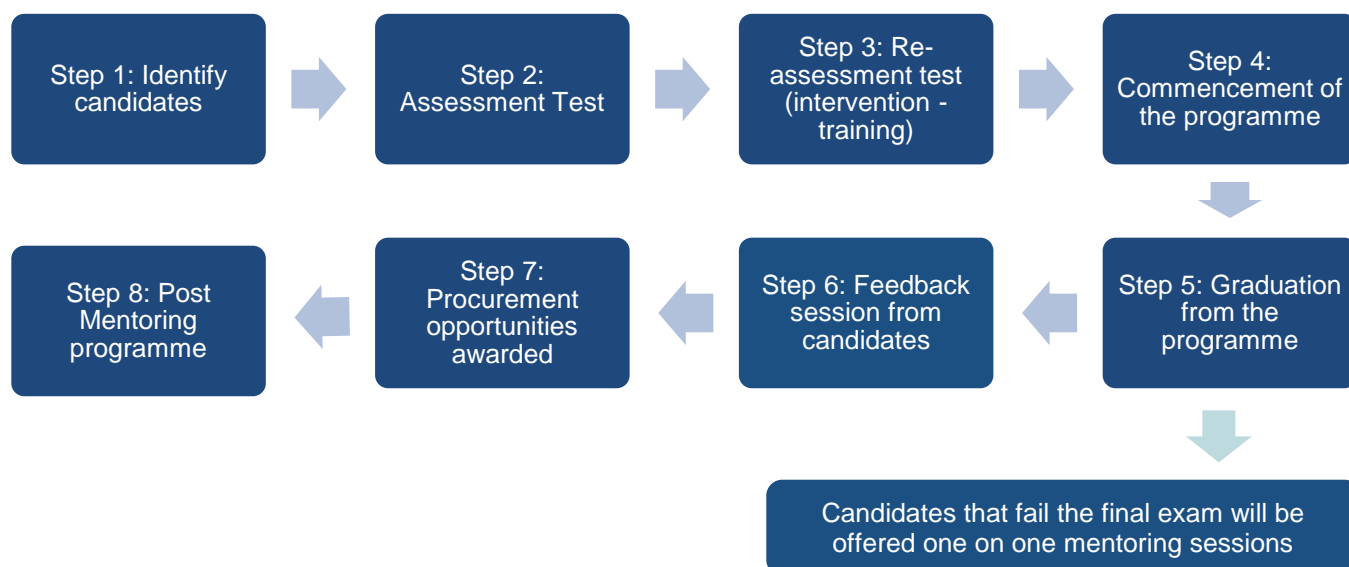
Figure 8: Depicts the objective and outcome of the Supplier Development Programme

The Supplier Development Programme will comprise of specific industries that is dependent on the availability of opportunities presented from the surrounding mines.

The content of the programme will solely be to enhance the capabilities of the candidates. The enhancement aims to afford the candidates an opportunity to be marketable in order to penetrate the various markets within which they operate.

The identified industry for the programme is Civil Construction as majority of the current and emerging entrepreneurs are interested in the construction industry. The programme will assist in narrowing the pool to only focus on those entrepreneurs capable of delivering quality work.

Figure 9: Explains the process flow for participation in the Supplier Development



Step 1: When candidates are identified to enrol for the programme, they will be requested to write an enrolment test and is required to achieve a specified score in order to be accepted into the programme.

Step2: The assessment test will assess the business acumen and skill level of the candidates. This programme will be stringent as a result of past experiences, as measures of success were not developed and implemented.

Step 3: Should the candidate not be able to achieve the specified score; training interventions will be provided and they will be required to write a re-assessment test in order to participate in the programme.

The training offered will assist candidates develop their basic business knowledge. It will also comprise of theoretical and practical activities. Once the candidate has successfully completed the training programme, they are then required to re-write the enrolment test.

Step 4: The programme will commence once suitable candidates participate.

Step 5: The candidates will be required to write an assessment test (exam) in order to graduate from the programme.

Those candidates that do not pass the test will be assisted in terms of one on one mentoring sessions to build on their gaps identified post the assessment test.

Step 6: Candidates will provide feedback on the shortfalls and successes of the programme. This will enable us to determine what improvements need to be made in order to enhance the programme.

Step 7: The success of the programme will be dependent on whether the candidates are capacitated to obtain Procurement opportunities first with Finsch Diamond Mine and then other mines in the surrounding areas.

Step 8: Mentoring sessions will be provided to those candidates that have obtained Procurement opportunities in order to assist with managing the business.

The programme will assist in mitigating the gaps as Procurement would be in a position to procure from local suppliers within the areas of Daniëlskuil and Lime Acres.



Figure 10: Shows the targets set for the Supplier Development programme.

The programme will assist 10 candidates obtain the relevant knowledge within the industries they are operating.

- a) There will be 10 candidates enrolling for the programme.
- b) If there are 7 candidates that successfully complete and graduate from the programme it would result in a 70% achievement rate.
- c) If all 7 of those candidates are awarded Procurement opportunities from any mining company it would result in a 70% success rate.
- d) There is a possibility that there would be drop-outs and the cause would be as a result of non-commitment or incomplete assessments.

The programme will commence over a period of 24-36 months and will be reviewed every 6 months.

3.7.2.8.1 Supplier Development Alignment Process Flow

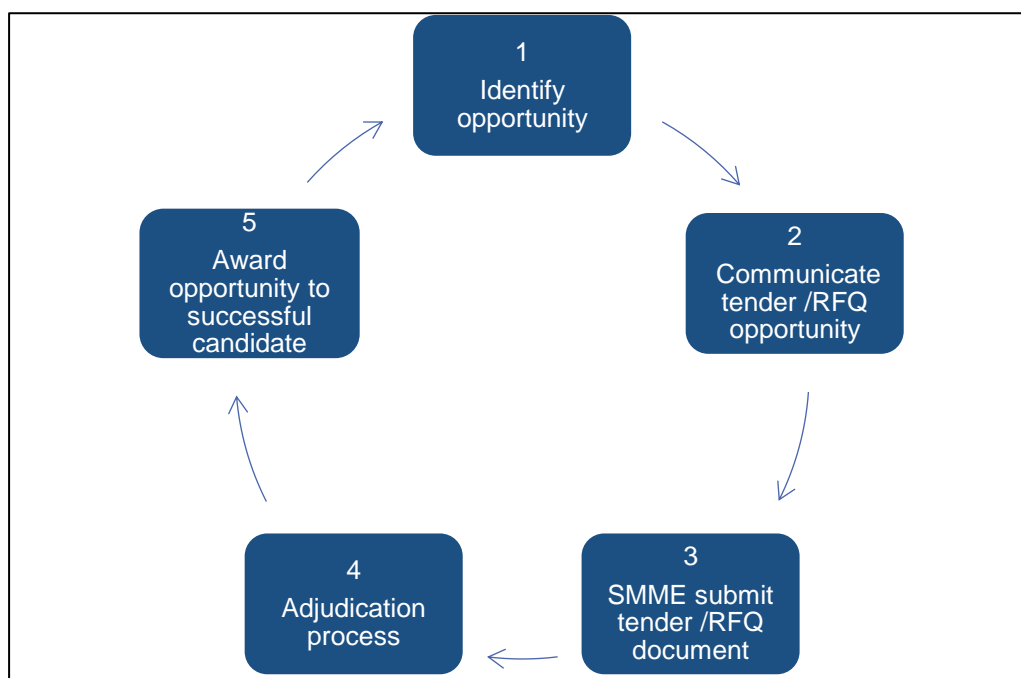


Figure 11: Explains the alignment process for the Supplier Development Programme

The Supplier Development Programme will only be successful if the alignment process between Enterprise Development and Procurement is abided by.

There is a possibility of a downward stream in contractors due to the expansion project but the following are alternative options that could address the limited opportunities:

- a) Joint Ventures
- b) Sub-contracting
- c) Social Labour Plan projects
- d) Municipal projects

The aim is to open up market opportunities to black-owned businesses and enable them to compete on a more even footing with larger vendors for the supply of goods and services.

3.7.2.8.2 Business Development Model

The Kgatelopele Small Business Hub assists new and existing entrepreneurs in the Kgatelopele Municipal area to start or enhance their businesses.

It also empowers them with the essential business skills to ensure their businesses will operate successfully.

Established, existing or start-up businesses are mentored and if there is a need to expand their business, they are assisted with applying for a loan to purchase assets e.g. machinery, vehicles and equipment as well as secure funds for working capital e.g. rent and salaries.

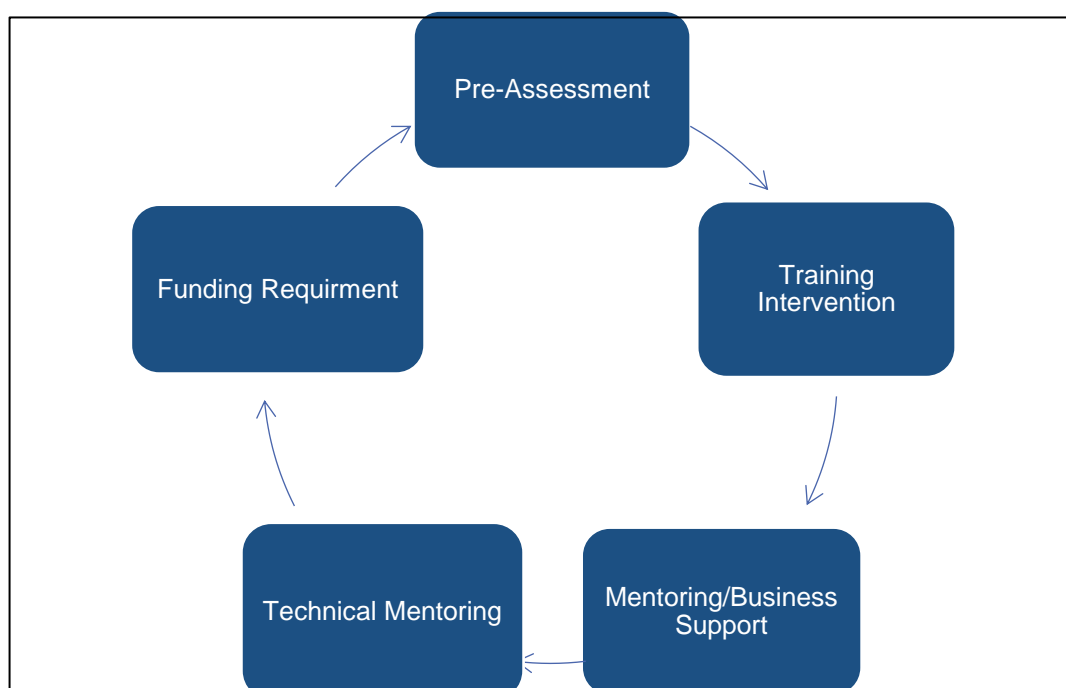


Figure 12: Depicts the Developmental Model

3.7.2.8.3 Objective of the model:

1. Offer development to entrepreneurs on different entrepreneurial levels.
2. Assist with the developmental growth of the entrepreneur – business included.
3. Ensure that entrepreneurs are independent.
4. Assist entrepreneurs in reaching their goals and objectives.

Entrepreneurs are assessed and classified according to the type of programme that would best address their developmental gaps

3.7.2.9 Mentoring of enterprises (SMME's)

Small Medium and Micro Enterprises mentoring is aimed at encouraging survival and small business owners to improve and develop their management skills and competencies to become more productive and have long term growth of their businesses. The development of SMME's will be monitored by the Kgatelopele Small Business Hub as part of the broader Enterprise Development programme.

The strategy the mine will pursue will be to facilitate the mentoring and/or skills development of Small Medium and Micro Enterprises (SMME's) as required through applicable/ appointed service providers in the area of Finsch Diamond Mine.

The Kgatelopele Small Business Hub will form strategic partnerships with organisations that will promote business development in Kgatelopele Local Municipality.

FDM is committed to support mentoring of SMME's in Procurement as well as alternative businesses in the community.

Table 62 (c): Estimates for SMME Mentoring at Finsch Diamond Mine conducted through the Kgatelopele Small Business Hub FY2018 – FY2022 (ED)

SMME	FY2018	FY2020	FY2022	TOTAL
Mentored SMME's	5	10	7	22

The mentorship programme comprises of an enrolment process that is be based on a needs assessment every two years. The purpose for the two year period is due to the low literacy level, the process to start a business as well as the process to secure funding. The duration of the programme is 18-24 months.

The target set is for new mentored businesses. Each business owner will be requested to sign a mentorship agreement that will stipulate the roles and responsibilities of the mentee and mentor.

3.7.2.9.1 The targets will be reached through the following interventions:

- Long term funding provided to businesses for a period of 2/3 years.
- Existing businesses requiring mentoring
- Start-up businesses requiring mentoring
- Funding provided to businesses through other financial institutions that require mentoring

- e) Technical Mentoring to improve CIDB rating
- f) Targeted training identified through mentoring and best practice.

3.7.2.10 Mentoring of suppliers (current contractors on mine)

Table 62 (d): Estimates for Supplier Mentoring at Finsch Diamond Mine conducted through the Kgatelopele Small Business Hub FY2018 – FY2022 (SD)

SMME	NEW ADDITIONS FY2018	FY2018	NEW ADDITIONS FY2020	FY2020	NEW ADDITIONS FY2022	FY2022	TOTAL ADDITIONS
Mentored Current Suppliers	3	12	4	16	4	20	11

The target set is to achieve that certain number for that specific financial period. There are currently 9 suppliers on the programme and the hope is to increase the number of suppliers in order to enhance their business acumen.

- a) FY2018 target - increase the current number of suppliers by 3.
- b) FY2020 target - increase by 4
- c) FY2020 target – increase by 4.

The additional suppliers on the programme will stem from the Supplier Development Programme or any other supplier awarded a contract with any of the surrounding mines that are local residents of Daniëlskuil and Lime Acres. Entrepreneurs and potential entrepreneurs need to understand that securing a contract from mining companies is not always guaranteed on the first attempt.

3.7.2.10.1 Technical Mentoring

The second element of the programme will comprise of a technical mentor, to determine the gaps and interventions required for current and emerging entrepreneurs. This initiative is based on the need identified during the technical assessments conducted on current contractors.

The objective is for contractors to be able to deliver quality instead of sub-standard work. The focus is not only on business development but on technical aspects as well as the technical mentor will assist current and emerging entrepreneurs obtain the necessary knowledge in the specified industry.

The technical mentor would conduct an initial assessment to determine the level of competency of the individual as well as initiatives to assist in closing any gaps identified. Monthly on-site visits will be conducted, to determine whether the owner and employees are capable of performing their duties.

The technical mentor will not only conduct on-site visits but also include a training aspect specifically for the civil engineering and building maintenance. The benefits of this initiative includes:

- a) Improvement in Construction Industry Development Board (CIDB) rating
- b) Central Supplier Database registration (government has access to identify SMMEs for possible projects). This creates visibility and marketability for the SMMEs.
- c) SMMEs will gain extensive knowledge and this will assist in their marketability beyond Finsch Diamond Mine.

3.7.2.11 Finsch Diamond Mine – Sustainable Business Baseline Assessment

FDM embarked on a study to assess the economic potential of the Kgatelopele Local Municipal areas to determine whether businesses could be established as well as assess the sustainability of those businesses over a period of years.

Purpose of the study was to understand what economic activities would be viable post-mining. The following was conducted:

- a) Research to produce a report that will indicate the viability of a variety of possible business options within the area.
- b) Recognise the economic potential required to determine the suitability of a variety of business options for the area.
- c) Identify the most profitable and sustainable business options and describe the target market.

The analysis enabled us to determine the capacity of the economy to sustain the most suitable and profitable business options.

The service provider employed local unemployed youth to capture data, using surveys for a period of 2 -3 weeks and were remunerated for their services.

The project was intended for a duration of 3 months (May 2017– July 2017), but only concluded in August 2017.

The study determined (to name a few) the following business areas (agriculture sector) that could be established:

1. Ornamental aloe/succulent cultivation for landscaping and gardening
2. Spineless cactus pear production for nutrition
3. Citrus farming project
4. Goat cheese and milk production

A feasibility study will need to be conducted and budgeted for on either one or more of these options to determine the viability post mine closure.

3.7.2.11.1 Youth Development Programme

The Kgatelopele Small Business Hub will liaise with various government stakeholders to drive youth development within the Northern Cape and one of the government stakeholders include the National Youth Development Agency.

One of the drivers will be to inform youth about job opportunities available in the creative and cultural industries (CCI), which includes arts, culture and heritage sectors.

It will be about creating awareness and involvement in creative pursuits related to film, theatre and architecture as well as include an entrepreneurial aspect.

3.7.2.12 The Finsch Diamond Mine Implementation Plan

The Implementation Plan and Budget allocation for 2017-2018 is reflected in table

63 a-b

Table 63(a): Implementation Plan 2018-2022 (continues to page 187)

Project Name	Petra Diamonds Kgatelopele Small Business Hub				
Background to Project	The hub was establish to steer Enterprise Development and Supplier Development. Please refer to section 3.6 in the document.			Project Start Date	2013
				Project End Date	Cannot be specified as the business hub is a long term initiative.
Project Partners	Kgatelopele Local Municipality (KLM), & Phakamani Impact Capital.			Information Valid as at:	October 2016
	Responsible Entity	Activity		FY2018	Outcome
		KPA Key Performance Area	KPI (Key Performance Indicator)	Budget Allocation	
Technical Mentoring Programme	FDM, Kgatelopele Small Business Hub, KLM and Service Provider	To develop local suppliers and afford them the opportunity to effectively improve their knowledge within the specified industry.	<ul style="list-style-type: none"> Number of candidates enrolled for the programme. Number of candidates graduated. Number of candidates that improved their CIDB rating 	R 586 000.00 Rates based contract	The programme will assist companies improve their CIDB grading level as they would be capacitated to advance their skill level.
Mentorship Programme	FDM, Service Provider	To render business management evaluation and support on a monthly basis.	<ul style="list-style-type: none"> Two site visits conducted per month. Market expansion of business operations. Implementation of policies and procedures. 	R 799 680.00	Entrepreneurs being able to successfully manage their businesses as well as an increase in their business acumen.

	Responsible Entity	Activity		FY2018	Output
		KPA Key Performance Area	KPI (Key Performance Indicator)	Budget Allocation	
Training	FDM, Kgatelopele Small Business Hub & KLM and Service Provider	Provide industry specific training and provide networking opportunities for SMME's	<ul style="list-style-type: none"> Ensure content of the training is industry specific. Link SMME's with various entities.	R 379 500.00	Entrepreneurs need to be able to apply the various business functions within their business operations in order to manage a market driven and successful company
Phakamani Impact Capital Community Fund Applications	FDM, Kgatelopele Small Business Hub & KLM	Assist entrepreneurs apply for loan funding through the appointed service provider.	<ul style="list-style-type: none"> Number of loans submitted. Number of loans approved. Recovery rate of loan repayments. 	R 120 000.00 Rates based contract	Assist businesses obtain capital and assets that would add value to their business in order to operate successfully.
TOTAL				R 1 885 180.00	

	Responsible Entity	Activity		FY2019	Output
		KPA Key Performance Area	KPI (Key Performance Indicator)	Budget Allocation	
Training	FDM, Kgatelopele Small Business Hub and Service Provider	Provide industry specific training and provide networking opportunities for SMME's	<ul style="list-style-type: none"> Ensure content of the training is industry specific. Link SMME's with various entities. 	R 417 450.00	Entrepreneurs need to be able to apply the various business functions within their business operations in order to manage a market driven and successful company.
Phakamani Impact Capital Community Fund Applications	FDM, Kgatelopele Small Business Hub & KLM	Assist entrepreneurs apply for loan funding through the appointed service provider.	<ul style="list-style-type: none"> Number of loans submitted. Number of loans approved. Recovery rate of loan repayments. 	R 132 000.00	Assist businesses obtain capital and assets that would add value to their business in order to operate successfully.
Supplier Development Programme (1)	FDM, Kgatelopele Small Business Hub, KLM	To develop local suppliers and afford them the opportunity to effectively participate in the mine's Procurement/Tender process.	<ul style="list-style-type: none"> Number of candidates enrolled for the programme. Number of candidates graduated. Number of candidates awarded opportunities at various mining companies. 	R 700 000.00 (estimated budget)	The candidates would effectively be able to participate in the mine's Procurement process and be marketable for other opportunities outside FDM.

	Responsible Entity	Activity		FY2020	Output
		KPA Key Performance Area	KPI (Key Performance Indicator)	Budget Allocation	
Mentorship Programme	FDM, Service Provider	To render business management evaluation and support on a monthly basis.	<ul style="list-style-type: none"> Two site visits conducted per month. Market expansion of business operations. Implementation of policies and procedures. 	R 879 648.00	Entrepreneurs being able to successfully manage their businesses as well as an increase in their business acumen.
Technical Mentoring Programme	FDM, Kgatelopele Small Business Hub, KLM and Service Provider	To develop local suppliers and afford them the opportunity to effectively improve their knowledge within the specified industry.	<ul style="list-style-type: none"> Number of candidates enrolled for the programme. Number of candidates graduated. Number of candidates that improved their CIDB rating. 	R 644 600.00	The programme will assist companies improve their CIDB grading level as they would be capacitated to advance their skill level.
TOTAL				R 2 773 698.00	

	Responsible Entity	Activity		FY2020	Output
		KPA Key Performance Area	KPI (Key Performance Indicator)	Budget Allocation	
Training	FDM, Kgatelopele Small Business Hub and Service Provider	Provide industry specific training and provide networking opportunities for SMME's	<ul style="list-style-type: none"> Ensure content of the training is industry specific. Link SMME's with various entities. 	R 459 195.00	Entrepreneurs need to be able to apply the various business functions within their business operations in order to manage a market driven and successful company.
Supplier Development Programme (2)	FDM, Kgatelopele Small Business Hub, KLM	To develop local suppliers and afford them the opportunity to effectively participate in the mine's Procurement/Tender process.	<ul style="list-style-type: none"> Number of candidates enrolled for the programme. Number of candidates graduated. Number of candidates awarded opportunities at various mining companies. 	R 770 000.00	The candidates would effectively be able to participate in the mine's Procurement process and be marketable for other opportunities outside FDM.
Mentorship Programme	FDM, Service Provider	To render business management evaluation and support on a monthly basis.	<ul style="list-style-type: none"> Two site visits conducted per month. Market expansion of business operations. Implementation of policies and procedures. 	R 967 613.00	Entrepreneurs being able to successfully manage their businesses as well as an increase in their business acumen.

	Responsible Entity	Activity		FY2020	Output
		KPA Key Performance Area	KPI (Key Performance Indicator)	Budget Allocation	
Phakamani Impact Capital Community Fund Applications	FDM, Kgatelopele Small Business Hub & KLM	Assist entrepreneurs apply for loan funding through the appointed service provider.	<ul style="list-style-type: none"> Number of loans submitted. Number of loans approved. Recovery rate of loan repayments. 	R 145 200.00	Assist businesses obtain capital and assets that would add value to their business in order to operate successfully.
Sustainable business economic development feasibility study	FDM, Service Provider and KLM	Assess the feasibility of the potential agricultural sector projects.	The feasibility study will cover the area of Danielskuil.	R 1 000 000.00 (estimated budget)	To determine the feasibility of agricultural projects that would be sustainable post mine closure. The analysis would also determine the market base and the factors that would sustain those projects.
Technical Mentoring Programme	FDM, Kgatelopele Small Business Hub, KLM and Service Provider	To develop local suppliers and afford them the opportunity to effectively improve their knowledge within the specified industry.	<ul style="list-style-type: none"> Number of candidates enrolled for the programme. Number of candidates graduated. Number of candidates that improved their CIDB rating. 	R 709 060.00	The programme will assist companies improve their CIDB grading level as they would be capacitated to advance their skill level.
TOTAL				R 4 051 068.00	

	Responsible Entity	Activity		FY2021	Output
		KPA Key Performance Area	KPI (Key Performance Indicator)	Budget Allocation	
Supplier Development Programme (3)	FDM, Kgatelopele Small Business Hub, KLM	To develop local suppliers and afford them the opportunity to effectively participate in the mine's Procurement/Tender process.	<ul style="list-style-type: none"> Number of candidates enrolled for the programme. Number of candidates graduated. Number of candidates awarded opportunities at various mining companies. 	R 847 000.00	The candidates would effectively be able to participate in the mine's Procurement process and be marketable for other opportunities outside FDM.
Mentorship Programme	FDM, Service Provider	To render business management evaluation and support on a monthly basis.	<ul style="list-style-type: none"> Two site visits conducted per month. Market expansion of business operations. Implementation of policies and procedures. 	R 1 064 374.00	Entrepreneurs being able to successfully manage their businesses as well as an increase in their business acumen.
Phakamani Impact Capital Community Fund Applications	FDM, Kgatelopele Small Business Hub & KLM	Assist entrepreneurs apply for loan funding through the appointed service provider.	<ul style="list-style-type: none"> Number of loans submitted. Number of loans approved. Recovery rate of loan repayments. 	R 159 720.00	Assist businesses obtain capital and assets that would add value to their business in order to operate successfully.

	Responsible Entity	Activity		FY2021	Output
		KPA Key Performance Area	KPI (Key Performance Indicator)	Budget Allocation	
Training	FDM, Kgatelopele Small Business Hub and Service Provider	Provide industry specific training and provide networking opportunities for SMME's	<ul style="list-style-type: none"> Ensure content of the training is industry specific. Link SMME's with various entities. 	R 505 115.00	Entrepreneurs need to be able to apply the various business functions within their business operations in order to manage a market driven and successful company.
TOTAL				R 2 576 209.00	
	Responsible Entity	Activity		FY2022	Output
		KPA (Key Performance Area)	KPI (Key Performance Indicator)	Budget Allocation	
Supplier Development Programme (4)	FDM, Kgatelopele Small Business Hub, KLM	To develop local suppliers and afford them the opportunity to effectively participate in the mine's Procurement/Tender process.	<ul style="list-style-type: none"> Number of candidates enrolled for the programme. Number of candidates graduated. Number of candidates awarded opportunities at various mining companies. 	R 931 700.00	The candidates would effectively be able to participate in the mine's Procurement process and be marketable for other opportunities outside FDM.

	Responsible Entity	Activity		FY2022	Output
		KPA Key Performance Area	KPI (Key Performance Indicator)	Budget Allocation	
Mentorship Programme	FDM, Service Provider	To render business management evaluation and support on a monthly basis.	<ul style="list-style-type: none"> Two site visits conducted per month. Market expansion of business operations. Implementation of policies and procedures. 	R 1 170 812.00	Entrepreneurs being able to successfully manage their businesses as well as an increase in their business acumen.
Training	FDM, Kgatelopele Small Business Hub and Service Provider	Provide industry specific training and provide networking opportunities for SMME's	<ul style="list-style-type: none"> Ensure content of the training is industry specific. Link SMME's with various entities. 	R 555 626.00	Entrepreneurs need to be able to apply the various business functions within their business operations in order to manage a market driven and successful company.
Phakamani Impact Capital Community Fund Applications	FDM, Kgatelopele Small Business Hub & KLM	Assist entrepreneurs apply for loan funding through the appointed service provider.	<ul style="list-style-type: none"> Number of loans submitted. Number of loans approved. Recovery rate of loan repayments. 	R 175 692.00	Assist businesses obtain capital and assets that would add value to their business in order to operate successfully.
TOTAL				R 2 833 830.00	
TOTAL BUDGET					
Estimated Budget	R 14 119 985.00				

Note: For 2018-2022 the activities will be monitored, evaluated and analysed to improve the results. The targets will only be finalised when budgets have been approved and the Mining Charter been implemented.

Table 63(b): BUDGET FOR 2018 - 2022

2018	2019	2020	2021	2022
R 1 885 180.00	R 2 773 698.00	R 4 051 068.00	R 2 576 209.00	R 2 833 830.00

**Budgets will be reviewed annually.*

3.8 HOUSING AND LIVING CONDITIONS

Finsch Diamond Mine provides accommodation to its employees and contractors in a number of housing categories. Whilst remaining cognisant of the requirements enshrined in the amended Broad Based Socio Economic Charter for the SA Mining Industry (as amended in September 2010) Finsch Diamond Mine is confident that the vast majority of accommodation already meets or exceeds the 2014 targets of attaining an occupancy rate of one person per room as well as, where applicable, having converted and established family units. Finsch Diamond Mine also respects the human dignity and privacy. The Company regards accommodation needs as an evolving target and therefore constantly reassesses its housing needs to remain aligned to business and human resource planning and projections

FDM has experienced difficulties with regards to accommodation since 2014. Our compliment has increased by 1624, this means our workforce has doubled since 2014. We have however managed to accommodate the majority of the new employees through 2 new developments, Tsetsebe Phase 2 and the Norfin Speedspace Park. The Tsetsebe Phase 2 development consists of 49 Duplex units which mainly cater for contractors. The Norfin Speedspace Park consists of 30 Speedspace units which accommodate 2 people per unit which has a kitchen and bathroom. A total of 58 contractors are currently housed there. The expansion of the Speedspace Park to double its size has been obtained and preliminary approval has been given.

In the old mining town of Owendale an additional 14 houses are rented to accommodate contractors, the main reason being to move contractors from Lime Acres to accommodate FDM employees in Lime Acres. The Ruimte Residence (Old Daniëlskuil High School Hostel) is now nearly full with an occupancy level of 55 out of a possible 60 units. Contractor employees are being housed in single rooms with a canteen that provides 3 meals a day.

In the last financial year a significant amount was spent on refurbishing houses in Lime Acres Village, Norfin, Five Mission and Finville Village. A total of a 126 houses were either refurbished or repaired and 2 units in Finville were upgraded with additional ablutions. Money was spent on the upkeep and maintenance of schools, churches, hospitals and sport fields in Lime Acres.

Table 64: Employees at Finsch Diamond Mine

EMPLOYEE TYPE	JUNE 2013	OCTOBER 2016
Permanent Employees (incl. temps)	837	1091
Capital Permanent Employees (incl. temps)	61	3
Contractors	766	2153
TOTAL	1664	3247

As can be seen from the Table 64 we have had a substantial increase in employees as well as contractors. We have had to prioritise our maintenance schedule to ensure a constant maintenance service is provided at all the housing units Finsch Diamond Mine owns. The upgrading of Finville units is progressing well with 3 being completed recently. The upgrading also entailed the increasing of the number of toilets and showers in each upgraded unit.

3.8.1 MEASURES TO ADDRESS HOUSING AND LIVING CONDITIONS

Finsch Diamond Mine owns 1361 mixed units of accommodation spanning a range of different housing categories such as houses, flats, apartments and single room accommodation. These units of accommodation are mostly allocated to mine employees and contractors. The Housing Policy outlines responsibilities and a Committee meets regularly to assess housing issues and needs. Currently 248 single room units remain which provide one person per room occupancy to a number of employees is the policies that governs all housing matters on the mine.

3.8.2 HOME OWNERSHIP

Finsch Diamond Mine is not, at this point in time, considering disposing (selling) its housing assets. These assets serve to attract and retain skills in a remote region of the province and disposal of such to current employees will, on the medium term, lead to reducing company home ownership and erosion of the attraction and retention capacity. Petra Diamonds currently has a Private Home Ownership Scheme in place to assist interested employees. To date no employee at FDM has joined the scheme. A request was send to Petra Diamonds Head Quarters to review the current scheme.

3.8.3 HOUSING SUMMARY

As abovementioned the total number of housing/ living units available for Finsch Diamond Mine employees (primarily) is 1 361.

Please refer to Table 65 below detailing current allocation of family accommodation units. Current recruitment drives and mine expansion plans are adding to demand for housing. Finsch Diamond Mine has given notice to end rental contracts where possible to allocate units to employees.

Table 65: Current Family Accommodation

TYPE / TOTAL UNITS	ALLOCATION	NO
Family Accommodation	Finsch Diamond Mine Employees	632
	Service Level Agreement Employees (Contractors)	126
	Families working in Region (SAPS, Teachers)	18
	Privately Rented	78
	Vacant/ Renovations	30

3.8.4 SINGLE ACCOMMODATION

The total number of single accommodation units available for FDM employees are outlined in Table 66 below. FDM has undertaken to continuously improve and upgrade the available facilities.

One block has been fully renovated and one is currently under renovation. Renovations include the building of extra ablution areas.

Digital connections were installed at six (6) of the Finville Village single blocks for all rooms to have its own Digital Satellite Television connection.

Table 66: Current Single Accommodation

TYPE / TOTAL UNITS (374)	ALLOCATION	NO
	Single rooms with shared ablution	224
	<i>Ratio of 6:1</i>	50
	<i>Ratio of 5:1</i>	118
	<i>Ratio of 4:1</i>	18
	<i>Ratio of 3:1</i>	34
	<i>Ratio of 2:1</i>	4
	Single rooms complete with kitchenette and / or bathroom	86
	1 bedroom + kitchen/lounge and bathroom	18
	2 bedroom + kitchen/lounge and bathroom	22
	3 Bedrooms + kitchen/lounge and bathroom	18

As was mentioned earlier the renovation of the TV rooms are in progress, a total of 9 will be converted into 18 additional single flats.

3.8.5 WOMEN IN MINING

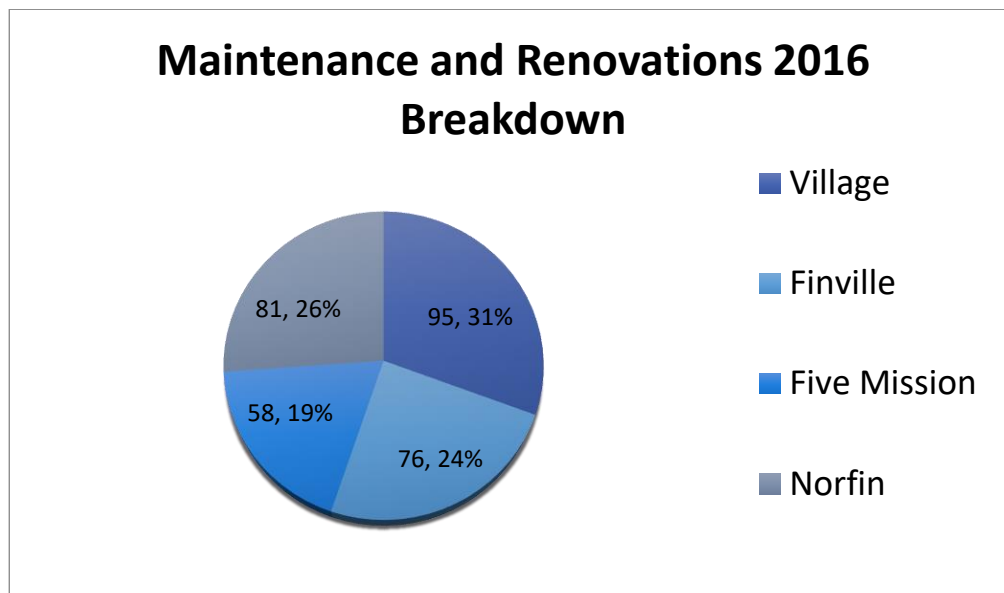
Current accommodation allocation to single woman in mining is two dedicated accommodation facilities comprising 24 single rooms. Each facility includes a separate fully fitted kitchen. The ablutions facilities are shared (females only).

3.8.6 MAINTENANCE AND REFURBISHMENT

A project is currently underway to refurbish occupied houses and flats. It is envisaged this will remain an on-going project. This project also includes refurbishment to churches, hospital and guest houses of Lime Acres.

Table 67: Renovations and Upgrades 2016

RENOVATIONS/ UPGRADES 2016	UNITS
Barnato Flats renovations ongoing	1
Finsch Primary School upgraded	1
Finville Family units renovated	21
Finville Singles Block 5 renovated	18
Finville Singles Block 6 renovated	18
Finville Canteen improved and walk in fridges upgraded	1
Finville Church upgraded	1
Five Mission canopies installed at houses	29
Five Mission Family units renovated	16
Golf Club ablutions renovated	2
JOJO water tanks installed at SPCA, OCC Health and Clinic	3
Norfin Swimming pool walkways upgraded and grass planted	1
Numsun ablutions upgraded, new bar area installed	3
Occupational Health Centre renovated	1
Police station installed devils fork fencing around property	1
Recreational Parks renovated	4
Road signage newly painted and speedbumps installed	1
Sewerage Farm upgraded	1
Soccer Fields upgraded	1
SPCA building renovated	1
Taxi rank painted	1
Village Hospital upgraded	1
Village and Norfin Family units renovated	88
Total:	215
Kitchen Cupboards Replacements 2016	Units
Finville units	12
Five Mission Family units	13
Village and Norfin units	73
Total:	98



Graph 11: Maintenance and Renovations Breakdown 2016

3.8.7 HOUSING STATEMENT

See Table 68 for Accommodation Status. The Accommodation status is update regularly.

Table 68: Accommodation Status at Finsch Diamond Mine June 2016

ACCOMMODATION	TOTAL NUMBER	E BAND	UPPER D	LOWER D	UPPER C	LOWER C	UPPER B	LOWER B	A BAND	SERVICE LEVEL AGREEMENT CONTRACTORS	PROJECT CONTRACTORS	PRIVATE COMMUNITY	SUBSIDIZED HOUSING	PRIVATE RENTALS	TRANSIT / GUEST HOUSE UNITS	VACANT / RENOVATIONS
2016																
Management E Band	11	6	4	0	0	0	0	0	0	0	0	0	0	0	1	0
Upper D	38	1	13	5	0	0	0	0	0	12	1	0	1	0	2	3
Lower D	50	0	1	21	17	0	0	0	0	5	0	2	0	1	0	3
Upper C	118	0	0	5	69	24	0	0	0	4	9	5	1	0	1	0
Lower C	244	0	0	0	17	147	0	0	0	3	49	6	6	5	4	7
Church park Town House	22	0	0	0	9	13	0	0	0	0	0	0	0	0	0	0
Parkview Town House	10	0	0	0	8	2	0	0	0	0	0	0	0	0	0	0
Tsetsebe Duplex 2 BR Flats CL	49	0	1	0	4	17	0	0	0	27	0	0	0	0	0	0
Tsetsebe Simplex 2 BR Flats CL	16	0	0	0	3	6	0	0	0	7	0	0	0	0	0	0
Norfin Speedspace Units	30	0	0	0	0	0	0	0	0	58	0	0	0	0	0	2
Upper B Norfin	30	0	0	0	0	0	23	0	0	2	0	4	0	0	0	1
Lower B Norfin	65	0	0	60	0	0	0	0	0	5	0	0	0	0	0	0
Lower B Five Mission	51	0	0	0	0	0	0	44	0	7	0	0	0	0	0	0
A Five Mission	14	0	0	0	0	0	0	13	0	1	0	0	0	0	0	0
Barnato	83	0	0	2	6	47	4	0	0	2	3	0	4	5	4	6
Rhodes Single	16	0	0	0	0	1	0	0	0	2	11	0	2	0	0	0
Oppenheimer Single	10	0	0	0	0	0	10	0	0	0	0	0	0	0	0	0
Caves	11	0	0	0	5	0	0	0	0	0	0	0	0	0	0	6
Transit Flats	4	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0
7 Days - Transit	5	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0
Norfin Single	24	0	0	0	0	0	0	18	0	6	0	0	0	0	0	0
Finville Single	224	0	0	0	0	0	0	211	0	9	0	0	0	0	0	3
Finville Family	180	0	0	0	0	0	0	160	0	20	0	0	0	0	0	0
DK Hostel Single	60	0	0	0	0	0	0	0	0	58	0	0	0	0	0	2
TOTAL UNITS	1361	7	19	93	142	257	37	451	0	228	73	17	1	1	11	30

3.9 HEALTH AND WELLNESS

3.9.1 INTRODUCTION

Finsch Diamond Mine through the Occupational Health and Medical Service monitors health and wellness indicators of employees and contractors. FDM employees and community members in Lime Acres have seen an increase in Chronic Diseases due to lifestyle choices, especially eating habits. The most common conditions are hypertension, diabetes, gout, cholesterol and obesity. The Mine is actively promoting prevention to allow employees to enjoy good health and wellness. Monitoring of the prevalent cases and proper referral when needed are done in order to uphold compliance to chronic care plan.

This vision will be implemented through a Comprehensive Employee Health and Wellness Programme that will meet the health and wellness needs of employees as well as the surrounding communities. The communities are offered a free HIV and Aids Counselling and testing at the Medical Services. Referral for Anti-Retroviral treatment is done to the nearest Government clinic, which in most cases are Danielskuil Clinic. Employees on a medical aid are referred to their own General Practitioner. During open Wellness Day, free Health screening for Blood Pressure, Blood Glucose, as well as BMI calculations are done for the community members and abnormalities are referred to the Local GP Practice and government clinic for further care.

3.9.2 MANAGING AND MONITORING HEALTH AND WELLNESS PROGRAMS

FDM, Department of Health and Life Occupational Health provides programs for the following conditions and/or interventions:

Table 69: Progress on Stakeholder Engagement Process 2017

PROGRESS ON MOU BETWEEN FDM AND DOH						
Time line	May/ June 2017	July 2017	August/ September 2017	October 2017	Nov- Dec 2017	Jan/Feb 2018
Documentation	Newly appointed Wellness Coordinator for Life No signed MOU with DOH	MOU submitted to DOH	Awaiting Feedback DOH Receives medication from Danielskuil CHC in order to initiate employee on Hypertension and Diabetes treatment at FMOHC	New HOD at DOH. Resubmission of MOU	Awaiting feedback. Employees now also start to come for follow up treatment at FMOHC	DOH audit to assess readiness for MOU took place

Table 70: Progress on Stakeholder Engagement Process 2018

TIME LINE	STAKEHOLDERS	FOCUS POINTS	MOU
March/ April 2018	DOH/ Danielskuil CHC/ KSDF/ FDM DMR Life Occupational Health	Continue good relationship with Stakeholders	Follow up on MOU progress
May/ June 2018	DOH/ Danielskuil CHC/ KSDF FDM DMR Life Occupational Health	Continue good relationship with Stakeholders	Follow up on MOU progress
July/ August 2018	DOH/ Danielskuil CHC/ KSDF FDM DMR Life Occupational Health	Continue good relationship with Stakeholders	Follow up on MOU progress

3.9.2.1 Chronic diseases (Lifestyle conditions)

Employees on treatment are monitored by FMOHC and ER 24. Compliance are of great importance. Medication can be received through an employee's medical aid. If not on a medical aid, the employee can access the DOH Mobile Clinic that visits Lime Acres Weekly. Regular campaigns also raises awareness.

Table 71: Chronic Diseases for 2017

Chronic Diseases for the 2017 Calendar Year						
Chronic disease	Incidence Newly diagnosed			Prevalence Total inclusive of newly diagnosed		
Hypertension	18	45	63	178	179	357
Diabetes	0	3	3	47	26	73

A big increase was noted in newly diagnosed cases for hypertension. This was mainly due to the fact that employees previously went on without diagnosing. They had to travel to Danielskuil clinic for treatment. These employees were just never diagnosed and since treatment are available, they could be diagnosed and started on treatment.

Table 72: TB and HIV actions achieved

Aim for TB	Aim for HIV	Actions achieved	Stake holders
90% of vulnerable people screened for TB	90% of people living with HIV will know their HIV status	<p>Quarterly TB screening and voluntary HIV counselling and testing(VCT)</p> <p>TB screening during annual medical surveillance at FMOHC.</p> <p>VCT available daily at FMOHC</p>	<p>Finsch mine</p> <p>Wellness Coordinator</p> <p>FMOHC</p> <p>DOH district and regional level</p> <p>Danielskuil CHC</p> <p>Kgatelopele Social Development Forum</p>
90% of people with TB diagnosed and treated	90% of all people with diagnosed HIV infection will receive sustained antiretroviral therapy (ARV)	<p>Active contact tracing for TB contacts.</p> <p>All Employees that test positive for HIV to be started on ARV's</p>	<p>Wellness Coordinator</p> <p>FMOHC</p> <p>DOH</p>
90% treatment success	90% of all people receiving antiretroviral therapy will have viral suppression	<p>Direct Observed Treatment Surveillance (DOTS) for employees with TB.</p> <p>Viral load blood test to be conducted at FMOHC and dispensing of Antiretroviral medication.</p> <p>HOW: get signed MOU with DOH in place. Continue with partnership with DOH</p>	<p>Wellness Coordinator</p> <p>Finsch Mine Occupational Health Centre</p> <p>Department of Health</p>

3.9.2.2 HIV and AIDS (Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome)

- a) Free HIV testing are available for employees and the surrounding community. If HIV positive, referrals are done. Medication can be received through an employee's medical aid. If not on a medical aid, the employee can access the DOH Clinic in Danielskuil or Mobile Clinic that visits Lime Acres Weekly. Furthermore, employees are able access treatment from the Finsch Mine Occupational Health Clinic as per the agreement with the DOH Clinic in Danielskuil. Preventative measures are distribution of condoms in all strategic places in the mine; health education and promotion, monthly topics, posters, pamphlets distribution; daily early morning wellness talk at the Finsch Mine Occupational Health Centre (FMOHC); on-going HIV counselling and testing at all areas of the Medical services; Induction sessions are done every Monday at the outside training center.

Table 73: HIV and Aids service delivery

Previously	Currently
Test at FMOHC	Test at FMOHC
If HIV +:GP or Danielskuil CHC	If HIV +: GP or draw blood at FMOHC
	Blood through NHLS
If employee did not had transport to Danielskuil it lead to a delay in treatment initiation.	Blood done at FMOHC. Much quicker treatment initiation.
Employee was away from work for usually 2 to 3 days at least to do all the counseling and blood workups.	Employee are away from work place for a few hours at most.
If employee could not travel to Danielskuil CHC and did not had any treatment left, they stopped treatment or missed doses.	No traveling required. FMOHC is at the workplace. Easy accessible. No reason to miss doses or to default.
FMOHC did not had any feedback on viral load suppression.	If an employee did the Viral Load at FMOHC, then results are available.

- b) There are peer educators available, monthly meetings, training and monitoring are done. Peer educator morning sessions at their respective work areas take place. During community events peer educator health education sessions take place.
- c) There is treatment care and support available such as Medical Aids Chronic Benefits and referrals to government clinics.
- d) Ongoing submitting of statistics to South African Business Coalition on HIV and AIDs (SABCOHA) and Department of Health (DOH)
- e) Testing services are available to the wider community – Kgatelopele Social Development Forum and Department of Health partnered with FDM for campaigns. Campaigns are done quarterly. HIV counseling and testing, as well as TB screenings are then conducted.

3.9.2.3 Tuberculosis (TB)

- a) TB campaign's every quarter at the mine security entrance and at The Medical Centre in town to access all employees and community members.
- b) Screen for TB to everyone that access the mine and for the community.
- c) Educational material on TB signs and symptoms are distributed.
- d) Infection control guidelines and infection control plan are in place.
- e) Screening of all contacts (work and household) to a confirmed TB case.
- f) As part of the Medical Surveillance Program, the following screenings are done:
 - TB and Asbestos screening
 - Urine Testing
 - Viral observation (blood pressure, pulse, weight, height and HGT)

Table 74: Tuberculosis stats

Treatment outcome indicator for 2016	Number of employees	Treatment outcome indicator for 2017	Number of employees
Total diagnosed for 2016	13	Total diagnosed for 2017	5
Treatment completed/ Cured	10	Treatment completed/ Cured	3
Died during course of treatment	2	Died during course of treatment	0
Transfer out / Exit	1	Transfer out / Exit	0
Defaulted	0	Defaulted	0
Still on treatment	0	Still on treatment	2

3.9.3 NUTRITION

The canteen is a service that is provided for especially single employees and employees living in Finville Village.

This service is outsourced to a service provider who is internally monitored through risk assessments and health, hygiene inspection by the Finsch Diamond Mine Safety, Health officials who will make sure the World Health Organisation Nutrition Guidelines and Hygiene are strictly adhered to.

3.9.3.1 Finville Canteen serves three meals per day.

- a) The new service provider at the Canteen started on the 1st July 2016.
- b) Average 95 meals are served per week, depending on the utilization of employees.
- c) Breakfast, lunch packs, lunch and supper is available daily.

3.9.3.2 Number of meals served per month

- a) Breakfast plus minus 460
- b) Lunch plus minus 1500
- c) Supper plus minus 950

The annual dietician inspection at the canteen was done in July 2017. The report is available on request.

The canteen is only one of the initiatives being monitored and evaluated by the Health Section that forms part of the Health Services in Lime Acres. The NUM is one of the stakeholders and are involved in monitoring and evaluation.

A canteen satisfaction survey started on 01 March 2018 with the purpose to determine the need for menu plan change. The table below outlines an example of the survey questionnaire.

Table 75 reflects the Wellness Plan for 2017-2018

Table 75: Nutrition Plan 2017-2018 (continues on next page)

Objectives	Activity	Responsible Person	End Date	Evaluation
Prevention and Management of Chronic Diseases	Health Education plan for Canteen users	Wellness Coordinator	On -going	Review Monthly
	Develop Nutrition Posters and Pamphlets for Employees	Wellness Coordinator	On-going	Review Annually
	Screening Campaign of BP, Glucose ,BMI and Cholesterol	Wellness Coordinator	On-going	Review Quarterly
Monitoring and Evaluation of the Canteen Services	Follow-up on Dietician recommendation	Wellness Coordinator	On-going	Annually
	Food Sampling at Canteen	Wellness Coordinator	On-going	On-going
	Nutrition Task Team Meetings	Wellness Coordinator	On-going	Monthly
	Medical Surveillance of Chefs and Food Handlers	Life occupational Health	On-going	Annually
	Regular Inspection of the Canteen Area	Wellness Coordinator	On-going	Quarterly

To Decrease incidences of Chronic Disease	Distribute Educative	Wellness Coordinator	On-going	Monthly
	Health Posters and Pamphlets around mine			
	Do Formal Presentation at Induction Sessions	Wellness Coordinator	On-going	Weekly
	Health Blitz screening for all Employees	Wellness Coordinator	On-going	Quarterly
	Wellness screening for all Employees and Community members	Wellness Coordinator	On going	Annually
	Medical Surveillance package for all new current and exiting employees	Wellness Coordinator	On-going	Monthly
	Hold regular Health Fun Walk for employees and community members	Wellness Coordinator	On-going	Monthly
Monitoring and Evaluation of Chronic Patients	Regular checking of BP,	FMOHC & ER 24	On going	Monthly
	Blood Glucose and Cholesterol			
	Of Chronic Patients			
Engage Stakeholders In Chronic Disease Management	Monitoring and management of Chronic Patients	Mine Medical Officers & Wellness Coordinator	On-going	Bi Annually
	Cholesterol of Chronic Patients	Health Clinic and Lime Acres Hospital	On-going	Monthly
	Chronic Disease Task Team Forum	OMP	On-going	Monthly
	Health Task Team Meeting with Local Government officers, NCMMA Wellness and Behaviour Tripartite Meeting	Wellness Coordinator	On-going	

Table 76: Implementation of a Strategic Health Care and Nutrition Action Plan

Health Care and Nutrition Strategic Action Plan	Responsible Position/ Department/ Forum	Date to be Completed
Review HIV and Aids, Tuberculosis and Employee Assistance Plan policies annually and implement on on-going basis	Wellness Coordinator	Review as per requirements of document control
Implement a Chronic Disease Management plan and review periodically in collaboration with Occupational Health Unit	Wellness	Quarterly review measure
Engage all stakeholders	Wellness	On a quarterly basis

Table 77: Cost incurred during the Canteen Audit for the period of 2015 to 2016

Health Care and Nutrition Strategic Action Plan	Cost Incurred	Date to be Completed
Health & Wellness Plan	R8060.00	July 2017

3.9.4 CONCLUSION

- a) The Health & Wellness Plan is coordinated by the Medical and Nutritional Task Team (Life has appointed a Wellness Coordinator)
- b) Nutrition is an important aspect of health and wellness and will stay a priority area
- c) Regular stakeholder engagement with affected parties (employees eating at the canteen) why changes in diet is necessary to maintain optimal health will continue
- d) Regular monitoring of the nutrition and hygiene will continue
- e) A New Menu was recommended after consultation with a Registered Dietician in collaboration with the Union, Management and the Canteen Service Provider. The implementation will take a phased in approach.

The Health and Wellness of employees and community members are important for FDM and its strategic shareholders. The aim is for FDM and Life Employee Health Solutions are committed to align programmes to the National Health Programme and working with the departments to achieve this. The Annual SLP report the activities that will be discussed in detail.

3.10 PROCUREMENT PROGRESSION PLAN

3.10.1 INTRODUCTION

Finsch Diamond Mine implemented a procurement progression plan to support and align our procurement spend with the requirements set out in the Mineral and Petroleum Resources Development Act and Regulation, (Act 28 of 2002) as well as the Mining Charter.

3.10.2 OBJECTIVE

The objectives are to :

- a) accurately indicate and report on HDSA expenditure;
- b) actively identify new HDSA suppliers and to progressively increase our levels of expenditure with them and to encourage non HDSA suppliers to embark on a transformation process;
- c) maintain and exceed the achievements as per the various elements of the Mining Charter;
- d) focus on suppliers who only meet the minimum requirements in terms of BEE Ownership to transform;
- e) motivate SMME sustainability by acquiring assets beyond completion of projects at Finsch Diamond Mine;
- f) randomly verify locality and BEE status to try and minimize fronting; and
- g) identify opportunities for sustainability after mine closure.

3.10.3 LESSONS LEARNT FROM PREVIOUS SOCIAL LABOUR PLANS:

- a) Stricter control of current contractors by issuing non-compliances when needed
- b) Improve communication with end-users / better relationship to encourage above
- c) Discourage the formation of BEE Employee Trust
- d) More focus is given to non-core instead of core opportunities
- e) Quality Controller assessing technical capabilities of new / existing companies – not done in the past
- f) Have not focused on the strength of the owner – whether or not there is successor and management structure
- g) Should try to create a pool of skilled / semi-skilled workers (provide training)
- h) Limit the contractors dependence on the mine – explore other contracts
- i) Use bimonthly payments to assist with cash flow
- j) We do not continuously monitor the commitments made by contractors
- k) We need to identify 3 or 4 suppliers and encourage them to focus / specialize in a certain field / area.

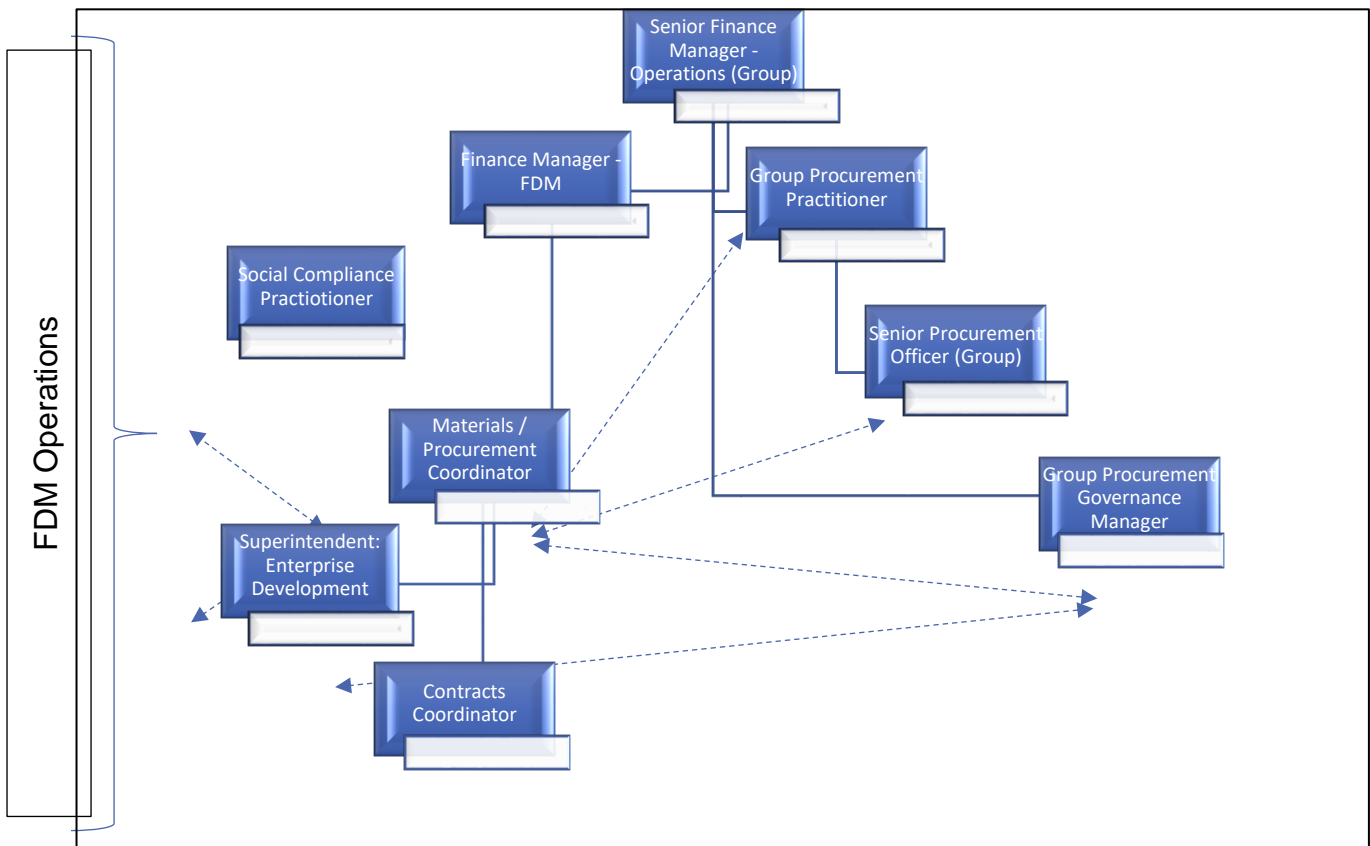


Figure 13: Procurement Decision Making and Support Organogram

The FDM Procurement function is managed by Group Finance who is responsible for strategic decision making and signing Group Contracts. Group contracts are initiated and dealt with by Group Procurement on behalf of all Petra Operations. Group Procurement also reports to Group Finance - the Senior Procurement Officer (Group) works closely with FDM Supply Chain and liaises with FDM Supply Chain on behalf of the Petra Group. All policies and procedures are governed at Petra by the Group Procurement Governance Manager.

Supply Chain works closely with the SLP Coordinator and Superintendent: Enterprise Development to ensure adherence to Social Compliance. Operational needs are identified in order to establish, where possible, linkages with SMMEs registered at the Business Hub in Danielskuil.

3.10.4 CURRENT STATUS OF PROCUREMENT

The winding down of the Expansion Project will have a significant impact on Procurement spend, specifically within the Capital element. All services provided to the Expansion Project is seen as and captured as Capital spend. This will also result in wide spread unemployment as contracting companies drastically reduce their labour compliment.

The BEE verification process that started in May 2015 with identified suppliers from the top 20 spend list, is still continuing and has included suppliers outside of the top 20 spend list.

Finsch Diamond Mine (FDM) has embarked on a process to sensitize internal stakeholders (budget holders, HODs) as well as suppliers regarding the amended DTI Codes. It is apparent in the table below that there has been a definite increase in spend on BEE suppliers and a reduction of spend with white owned suppliers and this is also as a result of the transformation of companies that we are currently engaging with.

The commencement of the underground expansion project has contributed to the decrease in local spend due to the type of specialised services / skills required that is difficult to source locally. The internal (in-house) local and HDSA targets (as per tables 79 and 80) have since been reviewed based on the trend over the last few years. The informal HDSA target has progressively increased by 2.5% and will be 65% for 2017. We anticipate and improvement in the local spend as from the beginning of 2017 due to the ceding of a few expansion project contracts to their local branches. Two of them have successfully been concluded and a third company is expected to do so within this financial year. Once all these contracts have ceded, this informal target will be reviewed again.

Table 78: HDSA Procurement per Area (%) 2016 (January 2017 – December 2017)

	HDSA Owned	HDSA Empowered	White Owned	Grand Total	HDSA %
Capital	11.68	30.86	2.11	44.65	42.53
Consumables	11.26	11.37	4.75	27.39	22.63
Services	6.07	17.55	2.01	25.63	23.62
Totals	29.01	59.78	8.88	97.67	88.78

Table 79: HDSA Progression of Procurement (%)

		2015	2016	2017
Total % Spend	Target	60.0	60.0	62.5
	Actual	80.71	81.27	88.78

Table 80(a): Procurement for Northern Cape Province (%)

		2015	2016	2017
Total % Spend	Target	66.2	30.0	30.0
	Actual	30.17	32.86	38.77

Table 80(b): Procurement for Northern Cape Province – including HDSA, Local and District (%)

Area	% out of Total Procurement (TP) – incl. Parastatals, etc.	% out of Total Procurement (TP) – excl. Parastatals, etc.	% of BEE Spend Only (TP)	Projected Targets for 2018 for NC Spend	% of BEE Spend per area for NC Only
Local Municipality (DK/LA area)	9.35%	8.97%	8.49%	5%	35.21% (as a % of 26.60% - excl. parastatals)
District Municipality (JTG)	2.40%	2.40%	2.25%	2%	9.34% (as a % of 26.60% - excl. parastatals)
Provincial (Kby, etc.)	27.02	15.23%	13.37%	3%	55.45% (as a % of 26.60% - excl. parastatals)
Total NC Spend	38.77%	26.60%	24.11% (of the 38.77%)	10%	

The underground expansion project is challenging due to the technical expertise and the cost associated with delays and this influences meeting the targets. In order to improve our BEE spend, FDM has already started to engage with traditional white owned suppliers on a transformation process and is therefore committed to improving the spent on services as per the 'Decision Note' signed and submitted to the DMR. Part of this verification process included engaging with suppliers who have black ownership, by interviewing the black partners to test their knowledge of their involvement in the company.

FDM has once again met all the Mining Charter targets as per the various elements for 2014-2015, i.e. capital, services & consumables. This is as a result of continuous engagement with suppliers – the white owned suppliers to encourage transformation and to encourage those who only meet the minimum requirements of 26% ownership to increase their HDSA shareholding.

The targets set for the Northern Cape (as per Table 80(b)) is based on the assumption that the Expansion Project continues as planned and to make provision for the adoption of the amended DTI codes.

Meetings were held with internal and external customers to familiarise themselves with the amended DTI codes and to make the external customers aware of the requirements in terms of the new score card. The focus areas were highlighted so that could identify which, if any of those areas, presented a challenge to them and might negatively impact their new score card.

The underground project is nearing completion and as a result thereof, reducing our capital spent within the project environment. Further challenges facing the underground expansion project includes unforeseen economic implications and changes within the macro environment due to the strengthening of the exchange rate. Whilst finalising the mining and underground development strategy, Finsch Diamond Mine remains committed to achieving its targets.

Table 81: Report on Procurement and Multinationals for the period January 2016 until December 2016

	Targets					Calendar year					Points (office use only)	
	2012	2013	2014	2015	2016	Total Procurement spend (Rm)	Non-Discretionary spend (Rm)	Discretionary Spend (Rm)	Spend with BEE Entities (Rm)	% Spend with BEE Entities	Maximum	Awarded
2.1.1 Procurement of capital goods	20%	30%	40%	40%	40%	627 468 740	1 262 486	626 206 223	579 752 503	92.58	5	5.00
2.1.2 Procurement of services	50%	60%	70%	70%	70%	997 191 441	643 152 313	354 039 128	321 909 498	85.42	5	5.00
2.1.3 Procurement of consumables	25%	40%	50%	50%	50%	384 471 707	1 676 662	382 795 046	308 511 676	80.59	2	2.00

Note: 1 point to be deducted for each 2% Below target

12.00**2.2 CONTRIBUTIONS BY MULTINATIONAL SUPPLIERS OF CAPITAL GOODS**

2.2.1 Have all multinational suppliers of capital goods with operations in SA, provided evidence of contributing at least 0.5% of their income generated from your company, to social development?	YES/NO (if NO, provide details in section 2.3.1 below)
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Note: If your company does not procure any capital goods from multinational companies, the points in Section 2.1 are to be increased to 6 points each under Subsection 2.1.1. and 2.1.2 and 3 points under Subsection 2.1.3

	Target	Calendar year	Points (office use only)	
			Maximum	Awarded
2.2.2 Detail of procurement and contributions:				
a) Total spending on procurement of capital goods from multinational suppliers operating in SA (Rm)(A)		143 722 066		
b) Total contribution by such suppliers to social development in respect of your company's procurement (Rm)(B)		0		
c) Percentage of procurement spend (A as percentage of B)	0.5%	0.0%	3	0
2.2.3 Supply full details of multinational companies that have not supplied your company with adequate proof of their contribution to social development:			Total	12.00

Table 82: Action Plan for the Implementation of the local HDSA Preferential Procurement

HDSA Preferential Procurement Action Plan	Responsible Section	Status / Completion Date
Give HDSA supplier preferred status wherever possible in all three (3) levels of procurement – capital goods, services and consumables (increase weighting in tender documents).	Procurement	Ongoing
Identify and record the level of procurement from HDSA companies on a quarterly basis as well as geographical sources of procurement.	Supply Chain / Consulting Company	Quarterly Meetings
Opportunities awarded to local SMMEs will be for a duration of at least three (3) years	Procurement	Ongoing
Additional strategies could involve setting favourable terms of payment for HDSA joint ventures and/or SMME's (options available to buy material prior to work commencing in order to alleviate financial strain)	Creditors / Procurement	Ongoing
Identify certain services and or products of which there are sufficient HDSA suppliers and only invite these suppliers to participate in ring-fenced opportunities to provide quotes – including low risk expansion project opportunities where possible	End-users / Procurement	Ongoing
Monitoring of total spend as per the elements of the Mining Charter and monitoring of local / HDSA spend, specifically in the two primary focus areas on a quarterly basis	Procurement	Quarterly
Identify opportunities for HDSA SMMEs outside of the mining environment to ensure sustainability for life after mine closure – awarding of opportunities to local HDSA suppliers for SLP Projects	Procurement / Enterprise Development	Ongoing
Focusing on suppliers who only meet the minimum BEE requirements (25% + 1 vote) – try to encourage them to increase their BEE shareholding	Procurement	Ongoing
Getting involved with Group tenders from the initial stage to try and influence local and BEE spend – ensuring that weighting criteria in tenders facilitate this process	Procurement	Ongoing
Encouraging the formation of Joint Ventures in all contracts, where possible, to facilitate the transfer of skills and sustainability of local companies, for example, the recent outsourcing of the PPE at Finsch Diamond Mine	Procurement/ Enterprise Development	Ongoing

Table 83: Five Year Spend Forecast in %

	Current as at 2016CY	2018	2019	2020	2021	2022
% HDSA Spend on Services at the Mine	90.92	80	80	80	80	80
% HDSA Spend on Consumables at the Mine	80.59	70	70	70	70	70
% HDSA Spend on Capital Goods at the Mine	92.58	60	60	60	60	60

Note: This Forecast will be Adjusted on a year to year bases pending the Mining Charter targets

3.10.4.1 Challenges

- a) Local spend – limited resources and specialised skills
- b) Companies having a BEE Trust as a form of transformation and no empowerment of their employees
- c) Limited infrastructure for new businesses in the surrounding areas
- d) Reduction of opportunities due to current economic climate and project downscaling
- e) Limited on Mine resources and access to specialised skills to verify BEE credibility
- f) Complacency of current SMMEs – “no hunger for growth” – don’t explore opportunities outside of FDM
- g) Current SMMEs do not have any assets and rely on mine to supply it
- h) Managing the expectations created by ED / SD training

3.10.4.2 Risks (Internal)

- a) Buying-in of end-users to transform
- b) Decisions take too long / cash constraints
- c) Group initiatives / contracts – focus on benefits to group and not the operation
- d) Relationships – if contractor fails in providing service – procurement is blamed
- e) FDM not meeting Mining Charter targets
- f) Lack of Joint Venture experience / training

3.10.4.3 Risks (External)

- a) No clear guide / policy with regard to BEE Fronting
- b) Not enough specialized people locally for core services to mining
- c) Supporting bigger companies from outside the province to provide services
- d) Sustainability of locals when project ends and they do not have another contract
- e) High expectation of the community to benefit from local procurement
- f) High unemployment in local community due to the Expansion Project nearing completion



SECTION 4

DOWNSCALING AND RETRENCHMENTS

4.1 INTRODUCTION

This section deals with the management of downsizing and retrenchments. It is Finsch Diamond Mine's intention to abide by the guidelines as set out in the Labour Relations Act 66 of 1995 and Collective Agreements with Organised Labour.

In addition to the objectives of the Mine to facilitate a sound business plan further strategies for avoiding job losses and a decline in employment are as follows:

- a) Ensuring that the business remains viable by keeping the cost structure as low and competitive as possible;
- b) Ensuring a productive and skilled workforce through training and motivation;
- c) Making continuing adjustments to production methods to remain competitive;
- d) Continuously seeking ways of growing and extending the business to ensure enhanced future sustainability;
- e) Sound labour and succession planning in line with the Mine Works Plan;
- f) Recruitment Policy and practices that will support the labour plans;
- g) The continuous monitoring and evaluation of natural attrition (retirements, resignations, dismissals, etc.);
- h) Continuous consultation with the employee representatives bodies (through the Finsch Diamond Mine Future Forum) to identify and implement strategies and initiatives to avoid job losses and a decline in employment and
- i) Contractors will be encouraged to place workers on other sites within their company in the event of downscaling or closure.

4.1.1 THE FOCUS OF TRAINING AND DEVELOPMENT PROGRAMMES WILL BE TO PROVIDE:

- a) Training that is in line with the National Qualifications Framework;
- b) Portable skills defined as core skills which are recognised by the mining and other relevant industries and are therefore outcomes-based; and
- c) Skills training for industry and market requirements.

Finsch Diamond Mine recognizes to successfully downscale or close a mine, a trilateral consultation and problem solving process is required between the mine, relevant government departments and the local communities surrounding the area of the Mine (role of employee representative bodies in this process to be clarified). For communities, closure can cause severe distress due to the threat of economic and social collapse. Finsch Diamond Mine will take note of the following regeneration focus areas where planning for mine closure is concerned:

- a) The restoration of land surface of sufficient quality to support pre-mining land use potential; (This is part of the Closure Plan).
- b) Restoration of ecological functioned mined land;(as above)
- c) Efficient alternative use of mine infrastructure should be encouraged where economically justified;
- d) Job creation through education and stimulation of the economic activity;
- e) Skills development of employees and community members.

4.1.2 ESTABLISHMENT OF A FUTURE FORUM

Finsch Diamond Mine has already established a permanent consultative forum (Finsch Diamond Mine Future Forum) in consultation with Organised Labour and signed terms of reference with the stakeholders. The Forum consists of management and Organised Labour representatives. The Forum meets at least once a quarter. The aim of the Future Forum will be to discuss issues relative to the sustainability of the Mine. Minutes of every meeting are taken and distributed to all representative parties.

4.1.2.1 The Finsch Diamond Mine Future Forum plays the following roles:

- a) Promote on-going discussions between employee representatives and employers representatives about the future of the Mine;
- b) Look ahead to identify problems, challenges and possible solutions with regard to productivity and employment;
- c) Identify production and employment turn-around strategies;
- d) Discuss operational requirement matters, including safety and production.
- e) Act as the communication channel in respect of the broader Social Labour Plan undertakings, targets and achievements.

4.1.2.2 The Future Forum includes the following:

- a) Management Representatives; and
- b) Employee Representatives – Solidarity and National Union of Mineworkers (NUM)

In the case of closure the relevant Local and Government Authorities will be included in the Steering Committee that will assist with the process.

4.1.3 COMMUNICATION WITH AUTHORITIES

In compliance with Section 52 (1) of the MPRDA, on identifying the need to reduce mining operations, should the profit revenue ratio of the relevant operation be less than 6% on average for a continuous period of twelve (12) months or should 10% or more of the workforce (or more than fifty 50) employees have to be retrenched, a comprehensive consultation process with the relevant trade union structures or affected employees will commence in compliance with Sections 189 and 189(A) of the Labour Relations Act, 66 of 1995 (as amended) through the established Future Forum structure.

As planning for the Social Plan and its associated job loss and retrenchment management programmes commences, the Department of Labour and the Department of Mineral Resources (specifically the Minerals and Mining Development Board) in accordance with Section 52(1) (a) of the Act) will be notified. The government authorities will be given notice of the timeframe for the closure process as well as the on-going consultation and Social Plan through the Future Forum structure. Regular progress reports will subsequently be distributed to the necessary departments, including the Social Plan and Productivity Advisory Council and the Department of Provincial and Local Government. Compliance to the Board's directive will be adhered to in order to meet the corrective measures as stipulated by the Board.

Table 84: Strategic Action Plan for Communicating with Authorities

Communication with Authorities Strategic Action Plan	Responsible Party	Date to be completed
In the event of identifying the need to reduce mining operations and the need to retrenchment 10% (or more than fifty (50) people) of workforce, the Future Forum is required to enter into consultation with the affected employees and/or relevant Trade Unions	Mine Management/ Future Forum	In the event of downscaling/ retrenchment/ closure
As planning for job loss and retrenchments commences, the Future Forum needs to notify: - Department of Labour; and DMRE, specifically Minerals and Mining Development Board	Mine Management/ Future Forum	In the event of downscaling/ retrenchment/ closure
Government Authorities to be given notice of timeframes	Mine Management/ HR	In the event of downscaling/ retrenchment/ closure
Progress reports need to be submitted to the Social Plan and Productivity Advisory Council and the Department of Provincial and Local Government	Mine Management/ HR / Future Forum	In the event of downscaling/ retrenchment/ closure

4.1.4 MECHANISMS TO AVOID JOB LOSSES

In the event of downscaling or retrenchment Finsch Diamond Mine will employ the strategies as outlined in Table 85 in order to avoid job losses.

Table 85: Strategic Action Plan to Avoid Job Losses

Strategic Action Plan to Save Jobs and Avoid Job Losses	Responsible Party	Date to be Completed
A reduction in working hours as well as a change in shifts. This will result in a reduction in remuneration for the employees but it will save jobs for a period of time	Mine Management/ Future Forum	In the event of Downscaling/ Retrenchment/ Closure
Unpaid leave for a specified period	Mine Management/ Future Forum	In the event of Downscaling/ Retrenchment/ Closure
Encourage natural attrition in order to facilitate the redeployment of employees throughout the operation	Mine Management/ Future Forum	In the event of Downscaling/ Retrenchment/ Closure
Continuous consultation with Trade Unions (through the Future Forum) to identify and implement initiatives to avoid job losses and a decline in employment such as: - job sharing;	Mine Management/ Future Forum	In the event of Downscaling/ Retrenchment/ Closure

Strategic Action Plan to Save Jobs and Avoid Job Losses	Responsible Party	Date to be Completed
<ul style="list-style-type: none"> - eliminate or reduce overtime; - moratorium on recruitment; and - termination of non-core contracts 		
<p>Ramp up on various training and development initiatives to provide:</p> <ul style="list-style-type: none"> - numeracy and literacy training; - training which is in line with the National Qualifications Framework; - portable skills training to the economic requirements identified in the local labour sending area; and - skills training for industry and market requirements 	Mine Management/ HRD/ Future Forum	In the event of Downscaling/ Retrenchment/ Closure

4.1.5 PROVISION OF ALTERNATIVE SOLUTIONS AND PROCEDURES FOR CREATING JOB SECURITY WHERE JOB LOSSES CANNOT BE AVOIDED

One of Finsch Diamond Mine's goals is to ensure that the effective implementation of the HRD plan including that appropriate systems for creating employee mobility will be in place. Where possible an appropriate programme will be implemented to further diversity, the skills base of retrenched employees through learnerships, skills programme and portable skills training.

Finsch Diamond Mine will assist affected employees in finding possible alternative forms of employment or sustainable livelihoods. This phase will be managed jointly by the Company in partnership with the relevant stakeholders.

Currently Finsch Diamond Mine is offering portable skills training to permanent employees (A to C Lower categories) who are approaching the retirement age and the youth of Kgatelopele Local Municipality.

The following action plan, (Table 86), will be implemented during the downscaling phase.

Table 86: Strategic Action Plan for Provision of Alternate Solutions

Provision of Alternate Solutions Strategic Action Plan	Responsible Party	Date to be completed
Establish a retrenchees database including information regarding existing skills, experience, and expertise. This database will be used to identify potential employment opportunities within or outside of the company	Mine Management/ Future Forum	In the event of Downscaling/ Retrenchment/ Closure
Identify appropriate people from the retrenchees pool to be considered for potential SMME opportunities.	Mine Management/ Future Forum	In the event of Downscaling/ Retrenchment/ Closure
Multi-skill employees to maximise re-employment opportunities after closure	HR and HRD Departments	Ongoing
Implement a Job Advice Centre to counsel retrenchees and assist them in locating alternative employment or income generating opportunities through: - compiling CVs; - interaction with potential employers and other opportunities; - training in interview techniques, etc.	Mine Management/ Future Forum	In the event of Downscaling/ Retrenchment/ Closure
Capacity building with employee households in major labour sending areas to establish a sustainable livelihood network which can absorb retrenchees after mine closure or downscaling.	Mine Management/ Future Forum	In the event of Downscaling/ Retrenchment/ Closure

Finsch Diamond Mine will be planning for closure throughout its operations by acknowledging the future wellbeing of its employees in the eventuality of closure. It is further acknowledged that the recognised employee representatives (Trade Unions) will be key stakeholders in this aspect of the Social and Labour Plan. They will be consulted during the various processes of the Social Labour Plan's implementation programme.

4.1.6 MECHANISMS TO AMELIORATE THE SOCIAL AND ECONOMIC IMPACT ON INDIVIDUALS, REGIONS AND ECONOMIES WHERE RETRENCHMENT OR CLOSURE OF THE FINSCH DIAMOND MINE IS CERTAIN

To limit the social and economic impact on individuals, regions and economies where retrenchment or closure of Finsch Diamond Mine is certain, Mine Management, together with the Future Forum, will assess in advance the impact that will be caused by the retrenchment and/or closure of the operation. This will be communicated to the affected individuals and communities involved so as to make all affected parties aware of what the outcome of the retrenchment and/or closure will be. Proposals to lessen the impact on the socio-economic situation of the area concerned will be considered. In order to assess

this impact a socio-economic impact analysis (SEIA) will be carried out by specialist consultants prior to the development of detailed closure management plans. Such an impact assessment will incorporate interactions with both the Future Forum and relevant community structures. Please refer to Table 87 for associated strategies.

Table 87: Mechanisms to Ameliorate Socio – Economic Impact in Instances where Job Losses cannot be avoided

Mechanisms to Ameliorate Socio-Economic Impact Strategic Action Plan	Responsible Position/ Department/ Forum	Date to be completed
<ul style="list-style-type: none"> Stimulate job creation for local and provincial areas throughout the life of mine (i.e. procurement and enterprise development) Provision of psychological counselling and financial advisory services Portable skills training interventions Comprehensive self-employment programmes In conjunction with the Department of Labour facilitate the completion of UIF claim forms at the Mine premises Assistance with registering employees at DoL and employment agencies in the area Assist retrenchees to find alternative employment with other companies through the compilation of a database stating the 	Mine Management/ Future Forum	In the event of Downscaling/ Retrenchment/ Closure
<ul style="list-style-type: none"> Ensure that sufficient financial provisioning is in place for the implementation of all plans relating to the process of downscaling and retrenchments 	Mine Management/ Future Forum	On-going

4.1.7 POST CLOSURE PLANNING

Management strategies for the post-closure period will be developed with local stakeholders within the closure planning process. During this period strategies will be developed which promote independence amongst individuals and businesses in the community to ensure post-closure sustainability. The Future Forum structure will be utilised to ensure that the programmes and plans continue to deliver sustainable and effective benefits. The on-going contribution and management role of local government in this respect will be essential to this post-closure management process.

Planning for specific Local Economic Development projects at closure is difficult given that the life of the proposed mine is twenty-five (25) years. Knowledge of the specific Local Economic Development the needs within the area surrounding the mine at the time of or several years in advance of closure are very difficult. However, cognizance of the need for comprehensive Local Economic Development projects which are developed with the aim of sustainable social and economic development in the region surrounding the

mine, particularly for workforce and/or communities previously dependent on the mine for their livelihoods, will be key. Such planning will commence some five (5) years to seven (7) years prior to closure.

4.1.8 SOCIAL AND LABOUR PLAN COMMUNICATION

In order to comply with the requirements of the MPRDA (specifically regulation 46(f)) Finsch Diamond Mine will ensure that each employee is informed about the provisions laid out in the mine's Social Labour Plan as well as progress in achieving the objectives on an annual basis. The strategy to communicate the Social Labour Plan is summarized in Table 88.

Table 88: Strategic Action Plan to Communicate the Social and Labour Plan

SOCIAL LABOUR PLAN Communication Strategic Action Plan	Responsible Person	*Frequency			
		M	Q	BA	AH
Finsch Diamond Mine will communicate with its employees	Mine Management, HR Department, Future Forum			x	
Copies of the approved Social Labour Plan will be distributed to all stakeholders.	Mine Management, HR Department, Future Forum				x
Finsch Diamond Mine will hold dedicated meetings on an annual basis to provide feedback to its employees on the progress made within the SLP.	Mine Management, HR Department			x	
Finsch Diamond Mine will be part of IDP Forum and Ward Meetings to give and get feedback from the community in Kgatelopele Local Municipality	Mine Management, HR Department		x	x	
Finsch Diamond Mine will consult with NUM	Mine Management, HR		x		x
Consultations with District Municipality and Local Municipality	Mine Management, HR	x	x		x

***NOTE: M – MONTHLY; Q – QUARTERLY; BA – BI-ANNUALLY; AH – AD HOC**



SECTION 5

FINANCIAL PROVISION

5.1 FINANCIAL PROVISION (REGULATION 46 (E))

In terms of Section 23(1) (e) of the MPRDA “The Minister grants a mining right if the applicant has provided financially and otherwise for the prescribed Social and Labour Plan”. This section intends to outline the manner in which Finsch Diamond Mine aims to provide financially for each component of the Social and Labour Plan. Table 89 provides a summary of the financial commitment by the mine for the next five (5) years.

Table 89: Summary of Financial Provision for Key Elements of Social Labour Plan FY (2018-2022) over the Five (5) Year Period

Element	2018	2019	2020	2021	2022
HRD	15 199 760	13 778 164	13 930 418	16 385 670	15 425 087
LED	4 656 046	17 519 261	9 783 920	8 498 887	9 392 534
ED	1 885 180	2 773 698	4 051 068	2 576 209	2 833 830
Downscaling	66 500 000	66 500 000	66 500 000	66 500 000	66 500 000
Total	88 240 986	100 571 123	94 265 406	93 960 766	94 151 451

5.1.1 FINANCIAL PROVISION FOR HUMAN RESOURCE DEVELOPMENT PROGRAMMES (REGULATION 46 (E) (1))

The detailed plan for Human Resource Development is in Section 2. The Annual Training Report will guide the activities in the Strategic Workforce Plan 2019


Table 90: Human Resources Development Five (5) Year Budget

SLP 3 Breakdown	2018	2019	2020	2021	2022	Total
Bursars	400 000	400 000	400 000	400 000	400 000	2 000 000
Internships	1 172 739	1 233 242	1 231 376	1 292 945	1 357 592	6 287 894
Scholarships	90 000	110 000	110 000	110 000	110 000	530 000
School Support	1 190 893	1 309 982	0	0	0	2 500 875
Portable Skills – Employees	325 000	325 000	325 000	325 000	325 000	1 625 000
Portable Skills – Community	649 560	653 620	658 630	664 680	672 004	3 298 494
Resource Learning Centre	252 724	272 942	294 778	318 360	343 829	1 482 633
Core and Support Skills	906 073	874 834	1 039 429	946 133	879 875	4 646 344
Learnerships 18.1	5 780 942	4 452 184	4 480 804	5 335 604	4 743 784	24 793 316
Learnerships 18.2	4 213 813	3 973 161	5 155 922	6 718 909	6 397 951	26 459 756
AET	218 016	173 199	234 480	274 040	195 052	1 094 787
Total	15 199 760	13 778 164	13 930 418	16 385 670	15 425 087	74 719 100

UNDERTAKING

The undertaking in terms of the Annual Social and Labour Plan Report for Finsch Diamond Mine is made on behalf of Petra Diamonds Pty (Ltd) by **Ntokozo Ngema**, General Manager – FINSCH DIAMOND MINE.

I, **NTOKOZO N. NGEMA** the undersigned and duly authorised thereto by Petra Diamonds Pty (Ltd), undertake to adhere to the information, requirements, commitments and conditions as set out above, and to make the Annual Social and Labour Plan Report known to all employees at Finsch Diamond Mine.



Ntokozo Ngema
General Manager
FINSCH DIAMOND MINE (PTY) LTD

DATE:

25/10/2019