



Per email: Sellwane.Mokwene@dmre.gov.za

30 October 2020

Your Ref: FS 30/5/1/2/2/221 MR

The Regional Manager
Department of Mineral Resources
Free State Region
Private Bag X33
Welkom
9450

Attention: Sellwane Mokwene

Dear Sellwane

Submission of Annual Report in respect of the Sasol Mining Mooikraal Colliery Social and Labour Plan

Sasol Mining is the holder of a mining right (DMR reference FS 30/5/1/2/2/221 MR) referred to as the Mooikraal mining right.

In terms of the provisions of the mining right, as well as Section 25(2)(h) of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA), and Regulation 45 promulgated under the MPRDA, attached hereto please find the Annual Report in respect of Sasol Mining Mooikraal Social and Labour Plan for the period 1 July 2019 to 30 June 2020.

Yours sincerely

Sarel Booyens
Sarel Booyens
2020-11-03 08:43:13 +02:00
I approve this document

Dr Sarel Booyens
Senior Manager: Mining Rights and Properties

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Sasol Mining (Pty) Ltd

Social and Labour Plan Annual Report for the period 1 July 2019 to 30 June 2020

Mooikraal Colliery

Mining Right No 176/2012 (MR)

DMRE reference: FS 30/5/1/2/2/221 MR

October 2020

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Annexures

No	Description
1	CHIETA approval letter

Acronyms

AET	Adult Education and Training
BEEP	Black Economic Empowerment Procurement
CHIETA	Chemical Industries Education Training Authority
DMRE	Department of Mineral Resources and Energy
EE	Employment Equity
FDDM	Fezile Dabi District Municipality
FET	Further Education and Training
FF	Future Forum
FLISP	Finance Linked Individual Subsidy Programme
FNB	First National Bank
FY	Financial Year
GET	General Education and Training
HDSA	Historically Disadvantaged South Africans
HET	Higher Education and Training
HRD	Human Resource Development
IDP	Integrated Development Programme
LED	Local Economic Development
MLM	Metsimaholo Local Municipality
MMDB	Minerals and Mining Development Board
MPC	Multi-purpose Centre
MPRDA	Mineral and Petroleum Resources Development Act 28 of 2002
MQA	Mining Qualifications Authority
MSP	Monthly Salaried Personnel
NLM	Ngwathe Local Municipality
NQF	National Qualifications Framework
PDP	Personal development plans
PP	Preferential Procurement
SED	Small Enterprise Development
SETA	Sector Education Training Authority
SLP	Social and Labour Plan
SP	Salaried Personnel
T2	Technical Training Department

Abbreviations

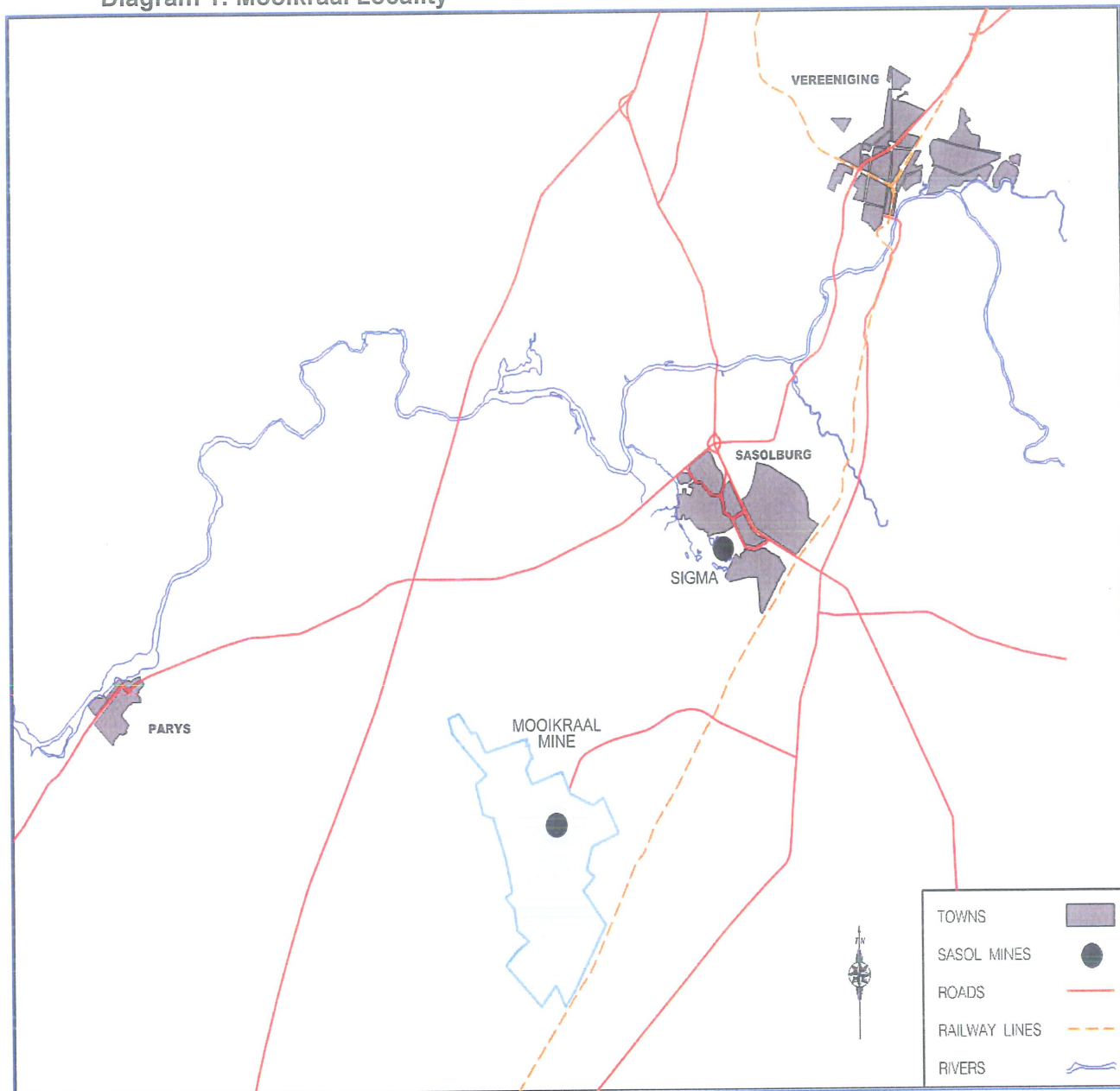
Mooikraal	Mooikraal Colliery
Sasol Mining	Sasol Mining (Pty) Ltd, a subsidiary of the Sasol Group of companies
Sasol	Sasol Group
Secunda Complex	Sasol Mining operations in and around the town of Secunda in Mpumalanga Province

1. Introduction

Sasol Mining (Pty) Ltd (Sasol Mining) is the holder of Mining Right No 176/2012 MR, with Department of Mineral Resources and Energy (DMRE) reference number FS 30/5/1/2/2/221 MR. In terms of the provisions of Clause 18.2 of the mining right it is a requirement that an annual report be submitted to the DMRE on progress made with the implementation of the commitments made in the approved Social and Labour Plan (SLP). This annual report covers the financial year from 1 July 2019 to 30 June 2020 (FY20), for the Mooikraal Colliery (hereinafter referred to as Mooikraal).

To ensure Mooikraal remains economically viable, support services such as mine management, human resource management, mine planning, procurement, mine community development and financial services are provided centrally by Sasol Mining, from the Secunda Complex. See **Diagram 1** for the locality of Mooikraal.

Diagram 1: Mooikraal Locality



2. Human Resources Development (HRD)

2.1 Background

This report covers the progress achieved in Human Resources Development (HRD) related matters for FY20.

2.2 Skills development plan (Regulation 46(b)(i))

The Workplace Skills Plan (WSP) provides information on the various aspects of skills development and is provided in respect of the development of skilled and unskilled employees. Through the submission of the WSP and the Annual Training Report (ATR), Sasol Mining can comply with the provisions within the relevant legislation, ensuring that employees develop appropriate skills to become competent, productive and empowered in the workplace. This entitles Sasol Mining to access grants for skills development, from the Department of Labour, in terms of the Skills Development Levies Act, 1999. The CHIETA approved Sasol Mining 2019 WSP and ATR on 14 August 2019. See **Annexure 1** for a copy of the approval letter.

2.3 Compliance with skills development legislation

Table 1 provides information regarding Sasol Mining's compliance with skills development legislation.

Table 1: Skills development compliance

Chemical Industries Education Training Authority (CHIETA)	L940714134
Mining Qualifications Authority (MQA)	L940714134
Confirmation of having appointed a Skills Development Facilitator	Nike van Niekerk-Tromp Id No.800215 0009 080
Proof of submission of workplace skills plan and date of submission	Submitted on 30 April 2019

Sasol Mining's Technical Training Department (T2) is the primary training provider. T2 also makes use of external training institutions and service providers for skills training, as and when required. Due to the provisions of the combined Sasol Group payroll and South African Revenue Service legislation, the Sasol Group is affiliated with CHIETA as the primary SETA. All Sasol Mining's learnerships and skills development programmes are approved by the MQA and administered through the CHIETA.

Sasol Mining is represented in the various Community Expert Practitioners for the mining industry and contributes expert knowledge, best practices and inputs in the areas of:

- Quality Counsel for Trades and Occupations qualifications;
- Revision of unit standards;
- Learning material;
- Assessment guides; and
- Redesign of AET training material.

Sasol Mining is represented on the technical reference groups by the:

- Manager: Engineering Services for engineering;
- Manager: Training for generic standards;
- Assistant Manager: Learning for electrical engineering;
- Assistant Manager: Learning for mechanical engineering; and
- Assistant Manager: Learning for underground coal mining.

2.3.1 Educational levels of the workforce

The educational levels of the current workforce (permanent employees as well as hired labour), as on 30 June 2020, are depicted in **Table 2** and **Table 3** (Form Q).

Sasol Mining is committed to improve the educational levels of employees.

Table 2: Educational levels of workforce - permanent employees

Form Q – permanent employees		Form Q – permanent employees											
Band	NQF Level	Educational Classification	African		Coloured		Indian		White		Total		
			AM	AF	CM	CF	IM	IF	WM	WF			
GET	NQF 1	No Schooling	0	0	0	0	0	0	0	0	0	0	
	NQF 1	Pre AET and AET 1	8	0	0	0	0	0	0	0	0	8	
	NQF 1	AET 2	0	0	0	0	0	0	0	0	0	0	
	NQF 1	AET 3	0	0	0	0	0	0	0	0	0	0	
	NQF 1	AET 4	4	0	0	0	0	0	0	1	0	5	
FET	NQF 2	Std 8 / Gr 10 / Nated 1 / NCV 1	1	19	2	0	0	0	4	3	529	0	
	NQF 3	Std 9 / Gr 11 / Nated 2 / NCV 2	0	0	0	0	0	0	0	0	0	0	
	NQF 4	Std 10 / Gr 12 / Nated 3 / NCV 3	105	33	2	0	0	0	30	5	175	0	
	NQF 5	National/Higher Certificate	24	3	1	0	1	0	27	2	58	0	
HET	NQF 6	Higher Certificate/ Diploma/ Advanced Certificate/ NATED 4 - 6	24	5	0	0	0	0	4	0	33	0	
	NQF 7	Advanced Diploma/ B-Tech Degree/ Bachelor's Degree (360 credits)	6	0	0	0	0	0	2	1	9	0	
	NQF 8	Bachelors Honours / Post Grad Dip / Bachelor's Degree	0	0	0	0	0	0	0	0	0	0	
	NQF 9	Master's Degree / Masters Diploma	0	0	0	0	0	0	0	0	0	0	
	NQF 10	Doctoral Degree / Post-Doctoral Degree	0	0	0	0	0	0	1	0	1	0	
	UNDEFINED (no highest qualification listed)			181	6	0	0	0	0	0	0	1	188
TOTAL			353	66	5	0	1	0	69	12	506		



Table 3: Educational levels of the workforce - hired labour

Form Q – hired labour		Educational Classification												Total	
Band	NQF Level	Educational Classification												Total	
		Africans		Coloured		Indian		White							
		M	F	M	F	M	F	M	F	M	F				
GET	NQF 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	NQF 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	NQF 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	NQF 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FET	NQF 2	30	4	0	0	0	0	1	0	0	0	0	0	35	
	NQF 3	5	0	0	0	0	0	0	0	0	0	0	0	5	
	NQF 4	6	0	0	0	0	0	1	0	0	0	0	0	7	
	NQF 5	0	0	0	0	0	0	0	0	0	0	1	0	1	
HET	NQF 6	0	0	0	0	0	0	2	0	0	0	0	0	2	
	NQF 8	0	0	0	0	0	0	0	0	0	0	0	0	0	
	NQF 9	0	0	0	0	0	0	0	0	0	0	0	0	0	
	NQF 9	0	0	0	0	0	0	0	0	0	0	0	0	0	
	NQF 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
	NQF 10	0	0	0	0	0	0	0	0	0	0	0	0	0	
UNDEFINED (no highest qualification listed)		41	4	0	0	0	0	4	0	0	0	0	0	50	
TOTAL															

2.4 Current literacy levels and Adult Education and Training (AET) needs

2.4.1 Internal AET

The establishment of the skills pool is a re-occurring cycle where twice yearly, illiterate Sasol Mining employees are nominated, up skilled to AET 4 / NQF 1 and upon exit from the AET program, are eligible for further studies through the Sasol Study Aid program. Learners may eventually be placed in learnerships or other positions in line with their qualifications.

The skills pool has a dual purpose, to consistently train employees as well as to ensure sufficiently skilled employees to ensure continuity in production in case of unforeseen circumstances which may arise. As mentioned above, the skills pool is multi-skilled in various disciplines. Therefore, should an individual attend AET or any other training, an employee from the skills pool will be placed in that position for the duration of the training, to ensure safe and uninterrupted production. This alleviates the pressure on personnel as no personnel shortages will occur during the time an employee is attending AET.

The aim is to train employees to a level where they can progress in their careers, linked to their specific job profile. In some cases employees may also qualify to participate in learnership programmes. The FY20 target was 8, however a total of 23 employees received training, please refer to **Table 4** for more details.

Table 4: Demographics of internal AET

Category	Male				Female				Total
	A	C	I	W	A	C	I	W	
AET 1									
Target	1	0	0	0	1	0	0	0	2
Actual	10	0	0	0	0	0	0	0	10
ET 2									
Target	1	0	0	0	1	0	0	0	2
Actual	11	0	0	0	0	0	0	0	11
AET 3									
Target	1	0	0	0	1	0	0	0	2
Actual	1	0	0	0	0	0	0	0	1
AET 4									
Target	1	0	0	0	1	0	0	0	2
Actual	1	0	0	0	0	0	0	0	1

2.4.2 External AET

A commitment was made to offer AET to individuals drawn from the host communities. Sasol Mining embarked on an extensive external advertising campaign in order to attract qualifying community members. In general, community AET learners are keen to participate in the AET programme. The target for FY20 was 7 and 25 individuals attended training, please refer to **Table 5** for the demographics of external AET.

Table 5: Demographics of external AET

Category	Male				Female				Total
	A	C	I	W	A	C	I	W	
AET 1									
Target	1	0	0	0	1	0	0	0	2
Actual	0	0	0	0	0	0	0	0	0
AET 2									
Target	1	0	0	0	1	0	0	0	2
Actual	1	0	0	0	5	0	0	0	6
AET 3									
Target	1	0	0	0	1	0	0	0	2
Actual	0	0	0	0	14	0	0	0	14
AET 4									
Target	0	0	0	0	1	0	0	0	1
Actual	1	0	0	0	4	0	0	0	5

2.5 Learnerships

2.5.1 Internal learnerships

To ensure that Sasol Mining has enough and qualified artisans and learner miners, an extensive learnership training programme is in place which also addresses the challenge of hard-to-fill vacancies. In FY 20 the target was 4, while 11 were trained, please refer to **Table 6** and **Table 7** for the details of the learner miner and engineering learnerships.

Table 6: Demographics of internal learnerships: Learner Miners

	Male				Female				Total
	A	C	I	W	A	C	I	W	
Target	1	1	0	0	0	0	0	0	2
Actual	4	0	0	0	0	0	0	0	4

Table 7: Demographics of internal learnerships: Engineering learners

	Male				Female				Total
	A	C	I	W	A	C	I	W	
Target	1	1	0	0	0	0	0	0	2
Actual	7	0	0	0	0	0	0	0	7

2.5.2 External learnerships

Sasol Mining advertises countrywide at the beginning of each calendar year for students who passed Grade 12, with mathematics and science as key subjects. The external learnerships are further extended to students who passed some technical courses at technical colleges or higher educational institutions and demonstrated the potential to benefit from participating in learnership programmes.

The duration of the courses such as single trades and combined trades varies between 18 months up to 30 months, respectively. Successful learners may be employed by Sasol Mining, or alternatively elsewhere in the mining industry. The FY20 of one external learnership was met, please refer to **Table 8** for demographics of external learnerships.

Table 8: Learnerships demographics (External) – Engineering learners

	Male				Female				Total
	A	C	I	W	A	C	I	W	
Target	0	1	0	0	0	0	0	0	1
Actual	1	0	0	0	0	0	0	0	1

2.6 Career progression plan (Regulation 46(b)(i))

Sasol Mining provides a career path in which jobs are aligned with employee recruitment, promotion and development into senior positions. It also aims to identify employees with high potential for promotion into management and core positions, as well as to develop employees to be employed in hard-to-fill vacancies.

2.7 Mentorship plan

Mentoring is a mutually agreed relationship between the mentor and the mentee. It must be sustainable over time and be intended to further the education and professional development of the mentee. The aim of mentorship is to improve the competencies (knowledge, skill and attitude) of employees to meet the current and future demands of the position. The FY20 target was five, and the target was met through informal mentorships. We intend to start with formalising the engineers in training mentorships moving forward.

2.8 Internships

2.8.1 Internal internships (Engineers in training)

The internship programme aims to provide practical work experience (experiential learning) at Sasol Mining for students or recent graduates. The internal internships are mainly for graduates who, after graduation, are employed by Sasol Mining as candidate engineers. The FY20 target of two was met, please refer to **Table 9** for the details.

Table 9: Demographics of internal internships

Category	Male				Female				Total
	A	C	I	W	A	C	I	W	
Target	1	0	0	0	1	0	0	0	2
Actual	1	0	0	0	1	0	0	0	2

2.9 Bursaries

2.9.1 Internal bursaries (Study Aid)

Sasol Mining provides bursaries to its employees through a programme referred to as Study Aid, enabling them to further their tertiary education.

Sasol Mining's objective is to develop and grow employee's knowledge in their current positions. It also aims to increase the scope of their knowledge and qualifications to achieve career aspirations in line with personal development plans (PDPs). By providing Study Aid, the employees' knowledge is enhanced and adds value to Sasol Mining's business and growth.

Policy guidelines

- Study Aid is available to permanent employees, irrespective of job levels;
- The employee's choice of courses is aligned but not limited to his/her current position and career aspirations, as outlined in their approved PDPs; and
- Employees who fail their studies must pay back the amount owed, plus interest from the date that the Study Aid was granted, unless they have proof of re-registration and they pass the rewritten courses or modules.

Sasol Mining context

- All employees study part-time;
- Special preference is given to individuals who occupy, or have a potential to be appointed to hard-to-fill vacancies;
- Employees who have passed AET Level 4 (NQF 1) are eligible for Study Aid should they wish to study part time towards a skill or a National Senior Certificate;
- Study Aid is based on individual PDPs and it is reviewed annually; and
- The duration of individual employee study periods ranges between three months and five years.

The FY20 target was three, please refer to **Table 10** for details on the two bursaries awarded.

Table 10: Demographics of internal bursaries

Category	Male				Female				Total
	A	C	I	W	A	C	I	W	
Target	2	0	0	0	1	0	0	0	3
Actual	1	0	0	0	1	0	0	0	2

2.9.2 External bursaries

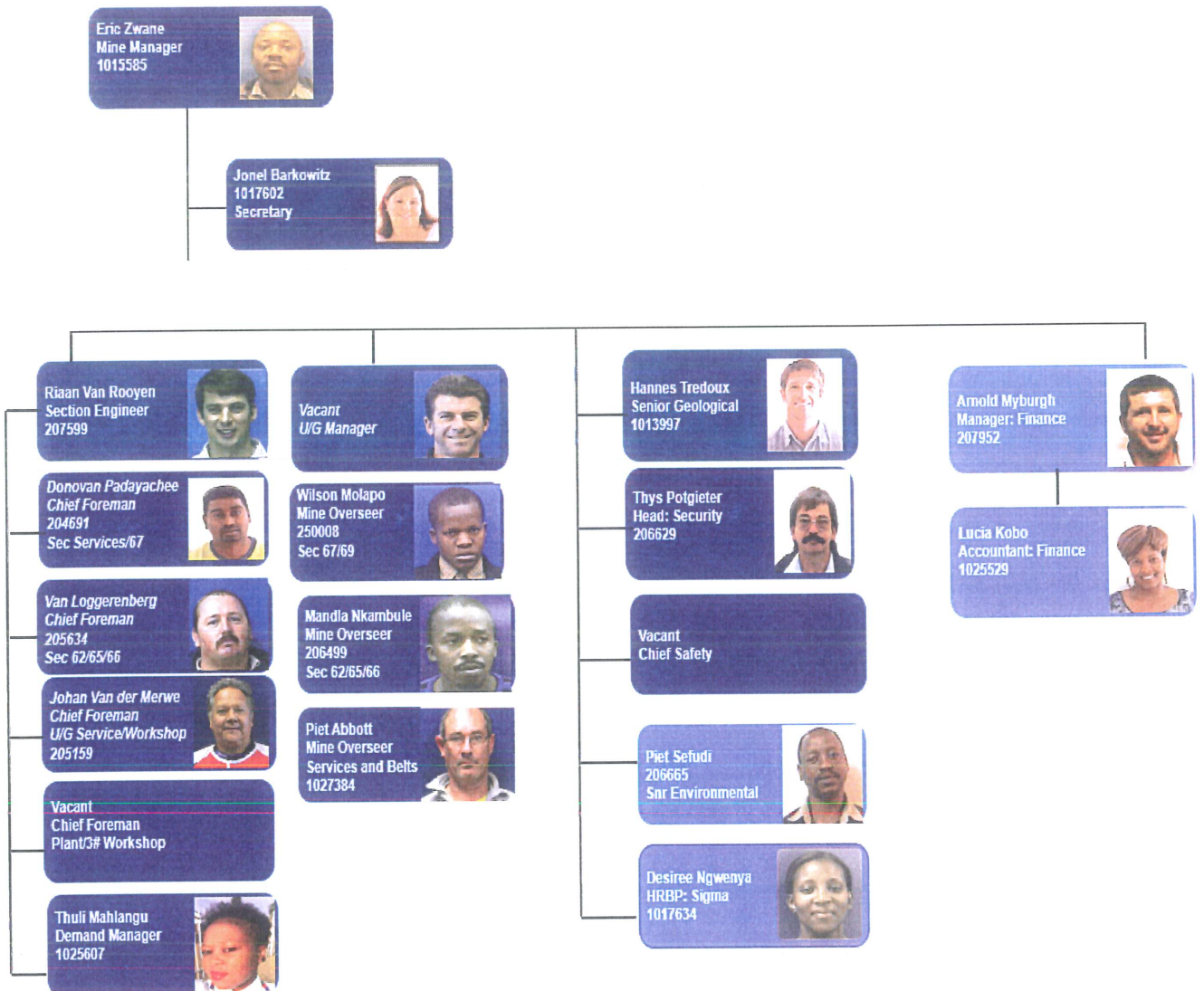
This programme is aimed at providing financial aid to students who have passed Grade 12 and/or current university students who meet minimum university entry requirements for Mathematics, Science and English and other applicable requirements. Priority is given to students studying at a university or a university of technology. Suitable candidates are identified at high schools, universities or from applications received from prospective students. Bursary holders study full time and the allocations are governed by the Sasol bursary agreement signed between the parties. The FY20 target was two, but no external bursaries were awarded during this reporting period. External bursaries are planned to be offered in the future.

2.10 Employment Equity (EE)

2.10.1 Progress with Historically Disadvantaged South Africans (HDSA) in management

Significant progress has been made regarding HDSA in management and Sasol Mining as a whole. At Mooikraal the permanent staff complement was 506 (permanent and contract employees) as at 30 June 2020. See **Diagram 2** for the Mooikraal management team. **Table 11** and **Table 12** depict details and demographics of EE.

Diagram 2: Mooikraal management team as at 30 June 2020





SASOL

Table 11: EE and demographics

Category	African		Coloured		Indian		White		Sub totals (A)	White		Grand totals (B)
	Male	Female	Male	Female	Male	Female	Male	Female		Male	Female	
Top management (Board)	0	0	0	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1	1	2	2
Middle Management	4	0	0	0	1	0	1	1	6	7	13	13
Junior Management	62	11	0	0	0	0	3	3	76	39	115	115
Semi-skilled and discretionary decision making	291	37	2	0	0	0	4	4	334	23	357	357
Total of the above	358	48	2	0	1	0	8	8	417	70	487	487

(1) These are skills necessary and inextricably linked to day-to-day operations OR skills that enhance the performance of an operation and are in scarce supply. This could include artisans, engineers' incl rock engineers, professionals (i.e. recognised by a professional body), specialists (e.g. surveyor, safety, geologist, metallurgist, winding engine driver, environmental, etc.), technologists, technicians, and persons with mining specific qualifications or licenses.

Table 12: Percentage HDSAs at different levels

	Sub totals as in table above (A)	Grand totals as in table above (B)	A as percentage of B
Top Management	0	0	
Senior Management	1	2	50%
Middle Management	6	13	46%
Junior Management	76	115	66%
Core and Critical Skills	334	357	94%
TOTAL	417	487	86%

2.10.2 Top management

All Sasol Mining's board members are considered to form part of the top management category. Seven out of the nine (or 78%) of the board members are from the HDSA category. The Sasol mining board members as at 30 June 2020 are:

HDSA on the Sasol Mining board:

1. NL Kgatle
2. VD Kahla (Chairman)
3. LM Mojela
4. CK Mokoena
5. GP Dingaen
6. MAS Masemola
7. M Moodley

Non-HDSA on the Sasol Mining board:

8. JR Harris
9. JA van der Westhuizen

3. Local Economic Development (LED)

3.1 Infrastructure and poverty eradication projects

Sasol Mining's LED projects are aligned with the Integrated Development Programme (IDP) of Metsimaholo Local Municipality (MLM) and Ngwathe Local Municipality (NLM) to improve the basic living conditions of the community and to create jobs.

It is important to note that Sasol Mining's major labour sending areas for Mooikraal is MLM and the host community is NLM, both situated in the Fezile Dabi District Municipality (FDDM). Therefore, the company's LED initiatives are focused on these areas.

3.2 Capacity building

Sasol Mining has embarked on an extensive consultative process with MLM and NLM, to identify and agree upon suitable LED projects. Projects were identified and discussed by a working committee specifically created for this purpose. The working

committee comprises of representatives from the municipalities. Sasol Mining meets with the municipalities on a regular basis to discuss progress and attend to matters to ensure the effective implementation of LED projects.

3.3 Community LED projects

The budget and expenditure for FY20 is listed in **Table 13** below.

Table 13: Community LED project budgets and expenditure

Project	LED budget	Municipality	Jul - Dec 2019	Jan - Jun 2020	Total LED expenditure
Vredefort multi-purpose centre	R5.5m	Ngwathe	R1,174,249.23	R3,798,577.32	R 4,972,826.55
Ngwathe clinic	R5.5m	Ngwathe	R441,975.97	R0.00	R 441,975.97
Total	R11m		R 1,616,225.20	R 3,798,577.32	R 5,414,802.52

3.3.1 Vredefort multi-purpose centre (MPC)

This project was identified during deliberations with the NLM and a suitable site was identified in Mokwallo, situated adjacent to Vredefort and formally allocated for the construction of the MPC at an initial implementation cost of R5,5million. However, project cost was estimated to R10 million and thus Sasol Mining provided an additional R4,5million budget towards the project. Construction started during FY19. Expenditure during FY20 amounted to R4,97million with a 99% completion. Due to the impact of the outbreak of Covid-19 pandemic, construction activities had to be suspended on 26 March 2020. Construction activities recommenced under Lockdown 3 regulations and final completion is expected to be in October 2020. Please refer to **Images 1 to 5** below.

Image 1: Multi-purpose centre front view



Image 2: Multi-purpose Centre side entrance



Image 3: Multi-purpose Centre main entrance and parking area



Image 4: Multi-purpose Centre hall

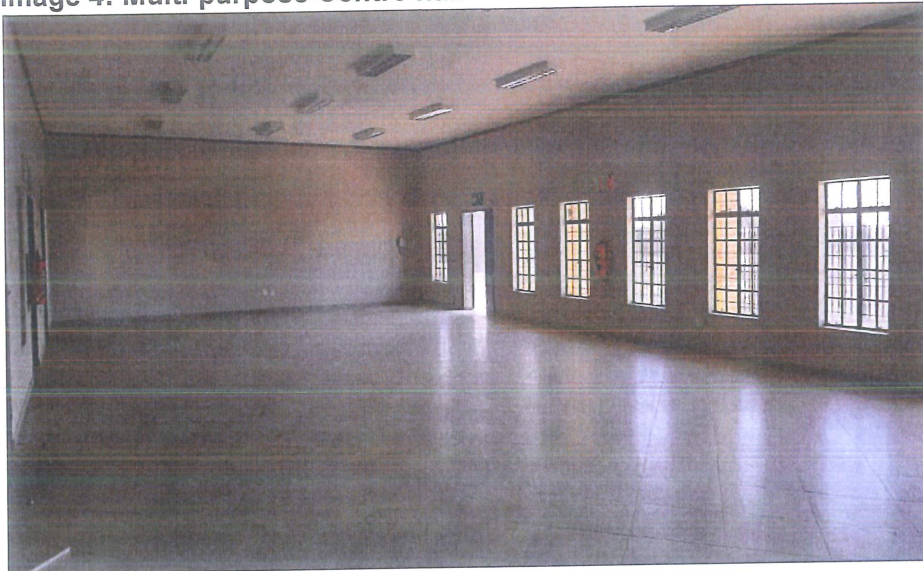


Image 5: Multi-purpose Centre toilet facilities



3.3.2 Construction of Parys Clinic

This project is in Parys and agreed implementation cost was R5,5million. However, actual project cost is estimated to be R12,9 million. An amount of R7,4million was allocated to the project which was carried over to the reviewed SLP for the FY21 to 25 SLP cycle. Sasol Mining engaged with the DMRE regarding the change in LED project and formal approval has been granted. The focus during FY20 was on architectural and all relevant work up until request for quote (RFQ) readiness with a total spend of R441 976 for the period. Unfortunately, the Covid-19 Lockdown regulations brought all activities to a halt, which delayed project implementation. Construction is scheduled to commence in January 2021 and completion of the project is expected to be in FY22.

4. Measures to address housing and living conditions

Sasol Mining has an integrated housing and living conditions policy for employees which include different schemes for different employee categories:

- Salaried Personnel (SP) who participate in the housing allowance scheme;
- Monthly Salaried Personnel (MSP) who participate in the following five different housing schemes:
 - Hostel accommodation;
 - Family units;
 - Private accommodation (employee makes own arrangements);
 - Leasing (company owned or privately-owned housing); and
 - Promotion of affordable home ownership.

Only those housing schemes in which Sasol Mining is involved will be included in this report and will be discussed in more detail below.

4.1 Salaried Personnel (SP) housing allowance

All SPs receive a housing subsidy which forms part of the total guaranteed remuneration packages of employees. The employees either lease or purchase property at their own discretion.

4.2 Monthly Salaried Personnel (MSP) housing allowance

4.2.1 Hostel and family unit accommodation

Sasol Mining previously made use of the Belina hostel and Schoonplaats staff village, originally constructed and used by the now defunct Sigma Colliery. The company entered into an agreement with a local private developer to construct 57 housing units in Zamdela. These units are to be used as new company provided accommodation and replaced the Belina hostel and Schoonplaats staff village, which has subsequently been demolished. All employees moved into the new Sasol Mining houses in November 2016.

It should be noted that the housing units constructed for Sasol Mining employees, have been made available for purchase and now also form part of Sasol Mining's promotion

of home ownership programme. To date three of these houses were sold to employees and another two applications are under consideration.

4.2.2 Promotion of home ownership

Sasol Mining has a policy to promote affordable home ownership for low income employees. These are employees at levels 9 to 7 (upper) and levels 12 to 8 (lower). During a survey conducted by Sasol Mining it was found that a severe housing shortage exists at the lower income levels, often referred to as the Gap market. Sasol Mining is working in close cooperation with the Labour Unions and the Provincial Department of Human Settlements finance Linked Individual Subsidy Programme (FLISP) to promote home ownership.

First National Bank (FNB) has partnered with Sasol Mining to provide financial services to employees. If employees qualify for FLISP, FNB will also assist employees to obtain such support. The access to the provincial FLISP subsidy is facilitated by the National Housing Finance Corporation. All employees will receive a subsidy regardless of whether they qualify for FLISP or not.

As the uptake of this opportunity to own a home is very low, Sasol Mining embarked on an extensive communication process to ensure that the target group is aware of the Housing Project. It should be noted that the housing units, discussed in paragraph 4.2.1, constructed for Sasol Mining employees, have been made available for purchase and now also form part of Sasol Mining's promotion of home ownership programme.

5. Black Economic Empowerment Procurement (BEEP)

Sasol Mining's BEEP is divided into two categories, namely Preferential Procurement (PP) and Small Enterprise Development (SED).

5.1 Preferential Procurement (PP)

Sasol Mining designed a BEEP programme by providing a strategy comprising of six integrated, but separate elements to ensure delivery on long term results. The focus of the programme is to enable Sasol Mining to achieve effective PP as well as SED through the supply chain. See **Table 14** for BEEP spend. Total measured procurement

spend at Mooikraal during FY20 on BEEP suppliers (50%+1 and 26%+1) amounts to 56.96%.

Table 14: BEEP expenditure

Total procurement spend	R681 486 327
Procurement spent on >51% suppliers	R180 038 815
Procurement spent on >26%	R208 109 877
% spent on Black Owned suppliers	26.42%

5.2 Small Enterprise Development (SED)

In the execution of the Sasol Mining BEEP programme and strategy, the specific action taken to increase procurement expenditure with black owned businesses the aim was to develop and introduce new HDSA suppliers. All LED and housing projects have been set-aside to be awarded to local HDSA companies. Fifteen companies are in the development programme and form part of the pool that are invited to participate in the tender processes for the set-aside elements. **Table 15** reflects the BEEP spend on set-aside companies

Table 15: BEEP spend Set-aside companies

Budget (R)	FY20 target	FY20 actual
	R4 000 000	R135 628 100

See **Table 16** for detail on the demographics of the companies developed, in FY20. No third part payments were made during the reporting period as Sasol Resources was utilized.

Table 16: Demographics of SEDs

Category	Target (companies)	Budget	Actual (companies)	Actual expenditure
50%+1	4	R200 000	3	R0
HDSA	4		3	
Women owned	4		0	
Black Women owned	4		0	

6. Downscaling and retrenchment

Sasol Mining recognises the fact that at some stage it would be necessary to retrench some or all its employees. Unforeseen circumstances such as external forces which result in reduced profitability, technical innovation, corporate restructuring, the need to remain globally competitive or changes in the mine strategic plan may necessitate downscaling of the operation or total closure of the mine. Sasol Mining has creative closure management programmes including mechanisms to avoid job losses.

6.1 Future Forum (FF)

Sasol Mining established an FF of which members comprise of Sasol Mining management, management of core contracting partners, worker representatives and trade unions. The FF ensures proper planning with regards to downscaling and retrenchment and to reduce social and economic impacts associated therewith. No meetings took place during the reporting period.

6.2 Mechanisms to save jobs, avoid job losses and a decline in employment in terms of Section 52(1) of the MPRDA

Should the profit to revenue ratio be less than 6% on average for a period of 12 months or should 10% or more of the workforce be retrenched, the company undertakes to notify the Minerals and Mining Development Board (MMDB) of such an event. This event did not occur during the past 12 months.

6.3 Mechanisms to provide alternative solutions and procedures for creating job security

Sasol Mining must inform the MMDB of any likelihood of retrenchment within three to five years prior to the end of the life of the mine. As the company did not experience or envisage any mine closure, no reporting was necessary.

6.4 Mechanisms to alleviate the social and economic impact of mine closure

The mine must provide programmes to reduce the impact of mine closure on host communities and labour sending areas to the DMRE. Due to the age of the workforce,

Sasol Mining is currently providing portable skills training to employees nearing retirement, to alleviate the social and economic impact of retirement.

6.5 Portable skills

Sasol Mining is committed to the upskilling of employees, not only for business purposes, but to also focus on employees who exit Sasol Mining due to retirement or physical unfitness to perform underground work.

The selection criteria for the employees who participate in portable skills training are:

- Unskilled employees who are within five years of retirement; and
- Employees who are no longer fit to work at the mine/underground and who cannot be re-absorbed in the business.

The selection of the employee to participate in the programme is done by the Human Resources Department, in consultation with representatives from the Labour Unions and the Sasol Medical Station. Sasol Mining may outsource training to a service provider specialising in respect of portable skills training not offered internally. Portable skills training for 18 persons was planned for FY20 in the disciplines listed in the SLP and expanded to include additional disciplines, as per the needs of the relevant employees. It is important to note that an intake was scheduled for June 2020, but due to the National Lockdown, the TVET Colleges had closed and an intake could not take place.

7. Conclusion

Sasol Mining is committed to the implementation of its commitments in terms of the SLP and Sasol Mining will continuously look at ways to improve initiatives, review processes, plans and idea generation in order to be successful in achieving Sasol Mining's objectives and obtain alignment with the Mining Charter as well as with the SLP.



PJM Cronje

Head: Mining Rights and Properties