

03

SUSTAINABLE DEVELOPMENT REVIEW

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We have committed to report according to the requirements of the Global Reporting Initiative (GRI) guidelines where possible, and to align our reporting with the principles of the International Council on Mining and Metals (ICMM) which has endorsed the United Nations' Sustainable Development Goals (SDGs)

INTRODUCTION

Our approach to sustainability continues to evolve. The challenges of poverty, inequality and weak economic growth continue to plague the communities in the vicinity of our operations and South Africa as a whole. We have integrated sustainability into our corporate strategy and prioritise our obligation to pursue it to deliver a positive social and economic contribution to our stakeholders.

We have committed to report according to the requirements of the Global Reporting Initiative (GRI) guidelines where possible and to align our reporting with the principles of the ICMM which has endorsed the United Nations' Sustainable Development Goals (SDGs). The SDGs are becoming increasingly significant for investors, as they represent targets for the world's most pressing environmental,

social, and economic issues.

We have also aligned our sustainability commitments with the World Coal Association's (WCA) Responsible Mining Principles which were published in support of the SDGs.

Of the 17 goals, MC Mining has initially focused on the following seven:

They are: SDGs 3, 5, 8, 12, 13, 15 and 17



We are developing metrics and related targets to monitor our contribution to these goals.

Our reporting roadmap



INTRODUCTION continued

Our key sustainability issues

Our material issues

Our ability to create value in the short, medium and long term may be affected by matters which substantively impact our strategic objectives. Integral to our planning processes is identifying

and evaluating the matters that are of common material interest to our stakeholders and our business, as well as understanding how they will affect our ability to create value. Our success will be measured by how well we manage these issues.

The aim of our materiality assessment is to ensure that the issues of society, environment and economy which pose risks and opportunities to MC Mining are identified and addressed. We conducted a desk top exercise with key stakeholders to determine these material matters.

Category	Issue	Description of Potential Impact	Mitigation Measures
Social	Maintaining our social licence to operate	S – The strength of our social licence to operate is an important consideration for sustainability.	E – Implement the shared value approach to maximise the benefits for community participation throughout the value chain.
	Stakeholder engagement - building sustainable relations	S – Fostering social cohesion within our communities minimises the scope for community unrest.	S – Skilled team to drive the execution of the strategy,
	Engaging transparently and collaboratively with integrity		S – Identify mutually beneficial issues aligned to our purpose, and seek common ground to achieve these.
	Fostering social cohesion amongst communities		
	Building trust with communities within our area of operation		
	Community activism and unrest		
Environment	Managing the impacts of climate change	E – The biggest threat to coal mining is global climate change, hence the opportunity for funding of thermal coal projects is particularly difficult. The metallurgical sector is being tarred with the same brush, but steel and ferro-alloys are critical in the development of renewables, and metallurgical coal is still essential.	E/ENV – Addressing the need to mitigate climate change impacts through adoption of latest technology, infrastructure design and methodologies, and embracing opportunities presented such as carbon offset projects.
		E – The financing of new coal projects is a challenge as most local and international financial institutions seem to be moving towards not funding any fossil fuel projects due to the mounting global pressure relating to climate change.	E/ENV – Project level interventions to adapt processes and technologies to address climate change mitigation and decarbonise operations.
		ENV/S – There is a growing drive by societies to achieve net zero carbon emissions.	ENV – An actionable climate strategy that demonstrates a recognition of the impacts of climate change; e.g. the impact of increasing water stress on operations, impact of increasing flooding episodes on infrastructure and assets.
			E/ENV – Implementing renewable energy opportunities.

LEGEND

S – Social **ENV** – Environment **E** – Economy

SAFETY AND HEALTH



We strive to achieve our goal of zero harm by embedding and integrating the zero harm culture into all our activities as a prioritised pillar for not only management, but for all our employees, contractors and communities.

We review our safety targets annually and apply stringent systems and processes to achieve our goal.

For six consecutive years, our operations have been fatality-free. During FY2021, we achieved our best safety performance – Lost time injury frequency rate (LTIFR) of 1.12 against a target of 1.61. This is an improvement on the FY2020 LTIFR of 1.60. This has been achieved by adapting our leadership approach, strengthening our culture, and by implementing a range of safety targeted interventions.

Our safety focus is through:



LEADERSHIP

Highly engaged, visible and accountable leadership, leading by example, are essential to ensuring that all our people are safe. There is ongoing engagement with mine management on the implementation of safety processes and protocols.



COMMUNICATION AND AWARENESS

Our communication and awareness programmes focus on ensuring that all our people are aware of our safety targets, strategies and gaps in developing leadership skills in safety.



TRAINING

Our goal is to ensure that every employee is able to undertake their tasks in a safe and responsible manner. Our training programmes focus on creating a mind-set shift in which every employee embraces our ultimate objective of zero harm and working together to create an incident and injury free environment.



RISK MANAGEMENT

Risk management is central to our operational and project management. Through this process we identify, assess, analyse and address risks associated with our business and operational activities. Our safety approach is reviewed regularly to ensure that we remain relevant and is aligned to global best practice.

South Africa's Mine Health and Safety Act, 1996 (Act 29 of 1996) sets out the minimum requirements to ensure the safety of mining company employees.

An independent occupational hygienist is employed to conduct regular monitoring at our operations and projects, thus ensuring compliance with airborne pollutants, thermal stress and occupational noise requirements.

	FY2021	FY2020
HIV/ AIDS		
Number of tests	137	93
New positive diagnosis	3	–
Employees on treatment	70	67
Mortalities	–	–
Tuberculosis		
Number of cases	1	–
Mortalities	–	–
Diabetes		
Number of cases	14	12
Hypertension		
Number of cases	53	53
Pneumoconiosis		
Suspected cases	–	2
Noise induced hearing loss		
Submitted/reportable cases	1	–
COVID-19		
Positive cases	39	23
Recoveries	38	22
Deaths	1	–

SAFETY AND HEALTH continued

Our response to the COVID-19 pandemic is to minimise, manage and mitigate the spread of the virus and includes:



Awareness campaigns to empower our employees with accurate information about COVID-19, causes of infection, symptoms, transmission, risks and personal hygiene measures



Workplace measures included the issue of Personal Protective Equipment (PPE) to employees and the adoption of social distancing and regular hand washing practices



Screening at mine entrances



Adjustment of shift times to ensure social distance on staff transport



Staggering of shift times to reduce the number of employees at the mine at a given time



Training to drive improved compliance and behavioural change



70% of our employees have been vaccinated. We are running a campaign to address hesitancy to reach our goal of a fully vaccinated work force.

Sadly, one of our contractors at the Uitkomst Colliery lost an employee to the pandemic in FY2021.

STAKEHOLDER ENGAGEMENT

We have adopted a shared value approach in our engagement with our stakeholders. This approach is based on the recognition of the tangible value of our relationships with our stakeholders, whose trust we seek to secure and maintain.

Inclusive and sustainable mutually beneficial relationships with our stakeholders are a prerequisite for our social licence to operate. Within our multi stakeholder environment, there is a need to continuously align the business objectives with the societal challenges

which exist in our areas of operation, with the ultimate aim of embedding social needs and challenges in all areas of the business.

Stakeholder engagement strategy

Our stakeholders are defined as those interested in and potentially affected by our operations and projects. A stakeholder engagement strategy is key to building and securing the trust of our stakeholders. Our engagement strategy is direct and managed through our Corporate Affairs Department at a corporate and mine site level.

The vision of the strategy is to build social cohesion and social capital within communities in order to develop sustainable communities through inclusive, transparent and regular engagement.

Communities residing in close proximity to our projects and operations, known as our beneficiary communities, have high

expectations of the company to single-handedly address the challenges they are facing.

There is therefore a need to understand and skilfully manage these expectations, balancing the apparently competing demands and expectations of various stakeholders, including shareholders. We have conducted house to house surveys in all our areas of operation to ensure we understand our stakeholders.

Our Stakeholder Management System (SMS), the central repository of information on our stakeholders, continues to evolve as we update information on our stakeholders, record all issues, and monitor our responses to such issues.

Securing and maintaining our social licence to operate is an ongoing process in which the Company seeks to build social capital with all our stakeholders.



WE CONTINUE TO BUILD COLLABORATIVE AND MUTUALLY BENEFICIAL RELATIONSHIPS WITH OUR KEY STAKEHOLDERS, WHICH INCLUDE:



Shareholders and investors



Regulatory authorities at a national and provincial level



Employees and their families



Local communities and traditional leadership



Landowners and neighbours



Civic society

WE:

Proactively engage with and respond to all stakeholders timeously.

Acknowledge, respect and incorporate stakeholders' views, values and cultural heritage in our decision-making processes.

Seek to drive meaningful socio-economic transformation in our areas of operation.

Enhance the co-ordination of environmental and social initiatives.

Engage with all stakeholders on a basis of a "shared value" approach.

STAKEHOLDER ENGAGEMENT continued

Makhado Project's established stakeholder engagement structures

Structure	Stakeholder groups	Mandate	Meeting frequency
King's Advisory Forum	Traditional leadership	Structure for sharing of information regarding development in the Venda area	As and when required
Makhado Chiefs Forum	Traditional leadership	To deal with traditional and ancestral matters	Quarterly
Makhado Colliery Community Consultative Forum	Community	Structure to share information on Makhado, and to deal with community issues	Quarterly
Communities	Community	Engagement with communities through mass meetings to share information	Annually
Integrated Government Forum (IGF)	Authorities National – DMRE, DHSWS, DFFE, Department of Rural Development & Land Reform (DRDLR) Provincial – DAFF, LEDET Local – Makhado, Musina and municipalities	Compliance and legislative framework	Annually Individual departments quarterly

Vele's established stakeholder engagement structures

Structure	Stakeholder groups	Mandate	Meeting frequency
Environmental Management Committee	MC Mining, DMRE, DFFE, DHSWS, Capricorn and Blouberg Municipalities, Weipie Farmers Ass, Coalition	Established in terms of the EA to monitor environmental compliance	Quarterly
Heritage Sub-committee	DFFE, SAHRA, SANParks, Coalition, ASAPA, MC Mining	Sub-committee of the EMC to monitor compliance within the approved Heritage Management Plan	Quarterly
Water Sub-committee	DHSWS, Farmers Association, Coalition MC Mining	Sub-committee of the EMC to monitor compliance within the approved IWUL	Quarterly
PSC	DFFE, SANParks, MC Mining	Established in terms of the BOA	Quarterly
Vele Community Forum	Land claimant communities Tshivhula, Machete and Leshivha	To provide updates to community on the project and the Sustainable Value Model (SVM)	Bi-Annual
Authorities	Authorities National – DMRE, DHSWS, DFFE, DRDLR Provincial – LEDET, DAFF, DoA Local – Musina and Vhembe municipalities	Compliance Legislative framework Socio-economic transformation	

EMPLOYMENT

Building trust co-operation and community across our differences

Our culture and our people are fundamental to our success. We are committed to building an inclusive, diverse and engaged workforce who are connected to our purpose and whose actions are guided by our values. We believe that an environment which enhances employee wellbeing will also enhance performance.

We strive to change the way our employees and stakeholders experience our business by creating an inclusive workplace in which:

- Our people live out our values in the day to day operations of the business
- They are empowered to reach their full potential
- Every person feels that their contribution to our business performance is recognised and valued
- There is a shared commitment to growth and continual improvement
- Diverse views and cultures are celebrated and valued.

Our approach

Attract, retain and develop

We believe that our workforce must reflect the community and society where we operate. We are committed to promoting a workplace culture and environment in which every individual feels that they belong, and their contribution to the success of the company is recognised.

Our values of safety, respect and integrity underpin how we interact and engage with each other, and enable us to attract and retain a talented, diverse and inclusive workforce.

We continually review and redesign our policies and procedures to harness the full potential of our employees, enabling them to thrive and to make a difference in their work environment.

We employ just under 500 people in our three operations and we make every effort to create an environment to drive higher levels of engagement, performance and profit.

Our approach is premised on the following areas:

1. Diversity and inclusion

We are committed to building an inclusive workforce and a workplace culture in which every individual feels supported and valued. We continue to train our leadership to support diversity, and we have developed structures and policies that promote and prioritise inclusion and the protection of our employees. Our goal is to promote an environment in which both management and employees consistently advocate for one another, and remain accountable in their efforts.

Women make up 19% of our workforce. Our women in mining initiatives aims to identify and attract more women into our organisation, while we retain talented women through our integrated approach to culture.

2. Capacity building

We encourage a life- long approach to learning, and we offer opportunities

for our people to grow. Our consistent approach to training focuses on developing skills and competencies in leadership, sustainability and compliance.

During the FY2020, we invested over R6.5 million on training and development initiatives.

3. Talent management

Fundamental to the success of our business strategy is our ability to identify, attract, support and retain talented individuals. Our talent management strategy aims to develop and advance talented people within the organisation and provide opportunities which challenge their abilities

We facilitate leadership training, formal studies, mentorship and internships for our people to build leadership, management and technical competencies.

4. Employee engagement

Engaging with our people regularly in an honest and transparent manner enables us to identify what works well in the workplace and what needs to be improved. We believe that people who are engaged contribute to the success of our business.

Historically Disadvantaged South African (HDSA) statistics (%)

	FY2021	FY2020
Senior management	50	57
Management	38	38
Employees	95	95

* Includes white females

Employment by project

	Employees			Contractors		
	FY2021	FY2020	FY2019	FY2021	FY2020	FY2019
Uitkomst	437	447	463	79	75	92
Makhado/Bakstaan	19	22	24	10	14	14
Vele/Harrisia	25	28	31	16	18	18
Corporate office	13	21	25	0	0	1

ENVIRONMENTAL MANAGEMENT



Our principal environmental impacts are:



Land disturbance



Fossil-fuel-generated energy consumption and GHG emissions



Water consumption and pollution



Waste generation



Air quality pollution

Mining, by its very nature, involves the extraction of natural minerals from the earth. Land is disturbed; water is consumed; dust is generated; waste is generated and discharged or disposed; and greenhouse gases (GHGs) are emitted. MC Mining fully recognises and appreciates the impact of our activities, not only on the natural environment, but also on our surrounding communities.

Our environmental management activities are guided by the Guidelines of our Environmental Policy. Our policy is flexible, and adaptable to the various contexts of geography, operations, and regulation. We are stewards of the land and ecosystems in which we operate. Our goal is to maintain a healthy environment and minimise our footprint.

To that end, we have implemented a risk-based approach to environmental management which focuses on the key areas of water stewardship, responsible resource consumption, proactive forward-planning for sustainable mine closure, biodiversity, and heritage management.

All our efforts are directed to not only minimise our impact, but to deliver positive and long-lasting environmental outcomes and a sustainable legacy for the local community.

Our goal is to reduce the biodiversity impacts of our operations through improving land management practices and enhancing conservation efforts.

We aim to minimise harm to the environment whilst economically mining the mineral resource by designing the operations and the closure thereof responsibly. Compliance with the applicable legislation and regulations is embedded in the approach.

The philosophy applied to water and waste management is to determine mitigation measures based on the mitigation hierarchy. The mitigation hierarchy in general consists of the following in order of which impacts should be mitigated:

Avoid (prevent) impact:

Can be done through utilising alternative sites, technology and scale of projects to prevent impacts. In some cases, if impacts are expected to be too high, the “no project” option should also be considered, especially where it is expected that the lower levels of mitigation will not be adequate to limit impacts.

Minimise (reduce) impact:

Can be done through utilisation of alternatives that will ensure that impacts on the environment and eco-services provision are reduced. Impact minimisation is considered an essential part of any development project.

Manage (restore) impact:

Applicable to aspects where impact avoidance and minimisation are not feasible or unsuccessful. Restoration/rehabilitation must be implemented to re-instate impacted aspects and return them to conditions which are similar to the pre-project conditions or an agreed post-project state.

Offset (compensate) impact:

Compensating for latent or unavoidable negative impacts on the physical and socio-economic environment. Offsetting should take place to address any impacts deemed to be unacceptable which cannot be mitigated through the other mechanisms in the mitigation hierarchy.

The Environmental Management Strategy and System (EMS) adopted at the Vele and Uitkomst Collieries has been developed as the formal tool for environmental management. These systems are independently audited every quarter, and reports are submitted to the regulatory authorities.

Continuous monitoring is implemented at the mining sites to assess the effectiveness of controls with regular analysis and reporting, and action management on failures. Monitoring data is reviewed by the EMC on a quarterly basis, and the monitoring programme and/or protocols revised where necessary.

Our environmental goals are based on the following considerations

Consideration	Goal	Current activities	Future outlook/plans
 Water management	<ul style="list-style-type: none"> To reduce our dependence on water To reduce freshwater usage To prevent the deterioration of water resource quality 	<p>Both Uitkomst and Vele Collieries operate a closed water system with zero discharge to the natural environment. MC Mining's operations strive, through the implementation of continued improvement projects, to reduce water consumption by increasing the use of wastewater in the processing of coal. We employ the latest water management technology at our operations.</p> <p>Vele Colliery:</p> <ul style="list-style-type: none"> No water abstraction for mining or processing activities during the period of review due to the colliery being on care and maintenance. Spring rehabilitation completed, water flowing since February 2021. In-pit water quality in line with IWUL requirements. <p>Uitkomst Colliery:</p> <ul style="list-style-type: none"> 1.5 Mm³ of surface water was used for mining and processing activities; 1.2 Mm³ was recycled in the process. Clean and dirty water facilities are monitored regularly to ensure compliance with the IWUL requirements. Action is taken in the event of any exceedances. <p>Makhado Colliery:</p> <ul style="list-style-type: none"> A water treatment plant has been designed for the Makhado processing plant which will reduce the requirement for freshwater. 	<p>Produce more accurate site-specific and regional water balances for the active sites.</p> <p>Assess opportunities to reduce freshwater consumption by replacing freshwater with non-freshwater sources.</p> <p>Assess opportunities to reduce regional water losses in conjunction with the relevant Water Boards / local municipalities.</p> <p>Ongoing water monitoring.</p>
 Biodiversity and land use	<ul style="list-style-type: none"> To minimise our land usage and promote conservation and biodiversity To invest in biodiversity stewardship 	<p>Implementation of the EMS system at Vele and Uitkomst Collieries which addresses the different needs and expectations of stakeholders. This is also effective for ecological, environmental and ecosystem management.</p> <p>Vele Colliery:</p> <ul style="list-style-type: none"> Total land under management: 8,663 ha Rehabilitation maintenance ongoing Nursery fully operational Alien Vegetation Eradication Programme in place <p>Uitkomst Colliery:</p> <ul style="list-style-type: none"> Uitkomst Colliery is an underground mine, limited areas are disturbed apart from the surface infrastructure Alien Vegetation Eradication Programme in place 	<p>Develop a Rehabilitation, Decommissioning and Closure Plan for each of the operations in line with the requirements of the <i>Regulations pertaining to the Financial Provision for Prospecting, Exploration, Mining or Production Operations (GN1147)</i>.</p> <p>An EMS system to be developed and implemented at Makhado Colliery upon commencement of construction.</p>

ENVIRONMENTAL MANAGEMENT continued

Our environmental goals are based on the following considerations continued

Consideration	Goal	Current activities	Future outlook/plans
 <p>Energy use</p>	<ul style="list-style-type: none"> To ensure resource efficiency in respect of energy consumption To invest in renewable energy sources where possible 	<p>Monitoring our energy usage from the national grid and energy produced using diesel generators allows MC Mining to identify any potential opportunity for energy savings.</p> <p>Vele Colliery:</p> <ul style="list-style-type: none"> Utilises a diesel generator to meet its current energy requirements. Eskom will provide the full electricity requirements once the care and maintenance status is amended and production is resumed. Total energy generated from diesel during period of review – 677,442 GJ. <p>Uitkomst Colliery:</p> <ul style="list-style-type: none"> Utilises Eskom, as its primary source of energy with diesel generators as a back-up supply. Energy from Eskom – 8,861 MWh Energy generated from diesel – 6,950 GJ 	<p>Ongoing monitoring of energy usage to identify potential opportunities for energy savings.</p> <p>Improved monitoring and reporting of energy consumption to determine our contribution to greenhouse gas emissions.</p> <p>Change to renewable energy sources where possible.</p>
<p>Climate change</p>	<ul style="list-style-type: none"> To manage and reduce our greenhouse gas (GHG) emissions To guard against the impact of climate change on our business and communities 	<p>MC Mining has identified the following energy saving initiatives that, once implemented, will translate into reduced GHG emissions:</p> <ul style="list-style-type: none"> New process plants will be equipped with energy efficiency motors that consume less power, while performing at the same operational efficiency. Mixed-fuel sources: <ul style="list-style-type: none"> solar panel installations at all offices and change house facilities e.g. solar geysers. selected lighting on the mine will be powered by solar panels, where applicable. Energy efficient globes to be used in offices and change houses. Energy efficient air conditioners that consume less energy. Change house shower heads will be of the efficient spray type, requiring less heated water. Contractual requirements from contractors: diesel-operated equipment from mining contractors will utilise modern fuel saving (latest tier) engines. <p>A continuous weather station is situated at Vele Colliery, with the results analysed internally.</p>	<p>A climate change impact assessment to be done for each operation and the Makhado Project.</p> <p>Develop an actionable climate strategy for the operations.</p>

Our environmental goals are based on the following considerations continued

Consideration	Goal	Current activities	Future outlook/plans
 <p>Air quality</p>	 <ul style="list-style-type: none"> To manage air quality emissions to an acceptable standard To minimise the impact of dust on our surrounding communities and the environment 	 <p>Ongoing air quality monitoring is conducted at the active mining sites.</p> <ul style="list-style-type: none"> Dust fallout monitoring is conducted monthly. Action is taken in the event of any exceedances from the National Standards. Vele Colliery has an active Particulate Matter (PM₁₀) monitoring station. 	 <p>Identification of air quality offset projects in the communities most affected by poor air quality. Potential offset projects identified include using alternative fuels for cooking, paving unpaved roads, and waste management to reduce illegal burning of waste.</p> <p>Improved dust alleviation to improve on dust fallout results.</p> <p>Ongoing air quality monitoring.</p>
<p>Waste management</p>	<ul style="list-style-type: none"> To eliminate unnecessary wastage and waste to landfill by implementing waste reduction, reuse, and recycling initiatives in support of circular economies where practical 	<p>Waste is separated at source on operating sites, with waste bins placed strategically in the plant and mining areas according to the colour codes. All hazardous waste is stored in the bunded facility to prevent and minimise possible pollution.</p> <p>Vele Colliery:</p> <ul style="list-style-type: none"> No mining or hazardous waste produced for mining or processing activities during the period of review (care and maintenance). <p>Uitkomst Colliery:</p> <ul style="list-style-type: none"> Mining waste accumulated in waste rock dumps: 179,685 tonnes Non-mineral waste to landfill: 10,678 tonnes Hazardous waste to incineration: 31,699 tonnes 	<p>Implement improved waste monitoring programmes at the operational mines.</p> <p>Identify waste reduction, reuse, and recycling opportunities in conjunction with surrounding communities.</p>
<p>Rehabilitation and closure provision</p>	<ul style="list-style-type: none"> To reduce our environmental footprint through concurrent and final rehabilitation To ensure sustainable and appropriate post-mining land use 	<p>Vele Colliery:</p> <p>Current Lombard Guarantee with DMRE: R62,000,000</p> <p>Liability assessed and submitted to DMRE: R61,745,764</p> <p>Uitkomst Colliery:</p> <p>Current Lombard Guarantee with DMRE: R26,954,901</p> <p>Liability assessed and submitted to DMRE: R28,053,312</p> <p>Makhado Colliery:</p> <p>Current Lombard Guarantee with DMRE: R77,400,000</p> <p>Liability assessed and submitted to DMRE: No liability assessed as mining has not commenced</p>	<p>Develop a Rehabilitation, Decommissioning and Closure Plan for each of the operations in line with the requirements of the <i>Regulations pertaining to the Financial Provision for Prospecting, Exploration, Mining or Production Operations (GN1147)</i>.</p>

ENVIRONMENTAL MANAGEMENT continued

Environmental auditing, reporting and monitoring

	Vele Colliery	Makhado Colliery	Uitkomst Colliery
Legal permits	EA – DFFE and DMRE	EA - DFFE and DMRE	Approved EMP
	Approved Environmental Management Plan (EMP) - DFFE and DMRE		
	IWUL - from DHSWS	IWUL - from DHSWS	IWUL - renewal
	Removal of protected species permit - DAFF	Removal of protected species permit - DAFF	
	Heritage permits in place	Heritage permits in place	N/A
Auditing			
Environmental management system (EMS)	<ul style="list-style-type: none"> ✓ EMS fully developed as per EA requirements ✓ EMS is audited quarterly by external independent auditor ✓ EMS reports are submitted to DFFE ✓ Last submitted to DFFE in October 2019 	During construction	Internal EMS in place and ongoing
Key elements of EMS	<ul style="list-style-type: none"> ✓ Environmental policy ✓ Planning ✓ Implementation and operation ✓ Checking and corrective action ✓ Management review 	MC Mining Environmental policy to be integrated	Environmental policy in place
EA audit	<ul style="list-style-type: none"> ✓ Biennially by external auditors ✓ Submitted to DMRE 	During construction	N/A
WUL audit	<ul style="list-style-type: none"> ✓ Annually by external auditors ✓ Internal WUL audits by scientist annually ✓ Submitted to DHSWS in April 2021 ✓ Water balance annually in place ✓ IWWMP and WCD annually internal ✓ SWMP annually internal ✓ RSIP annually internal ✓ Internal IWUL audit 	<ul style="list-style-type: none"> ✓ Annually by external auditors ✓ Submitted to DHSWS in 2019 ✓ Internal WUL audits by scientist annually 	<ul style="list-style-type: none"> ✓ Annually by external auditors ✓ Submitted to DHSWS in April 2021 ✓ Water balance annually in place ✓ IWWMP and WCD annually internal ✓ SWMP annually internal ✓ RSIP annually internal ✓ Internal IWUL audit
Environmental performance report (EPR)	<ul style="list-style-type: none"> ✓ Compiled by external auditors annually ✓ Details environmental performance of the project for the year ✓ Submitted to DMRE annually in April 2021 	During construction	<ul style="list-style-type: none"> ✓ Compiled by external auditors annually ✓ Details environmental performance of the project for the year ✓ Submitted to DMRE annually in April 2021
Financial liability assessment	<ul style="list-style-type: none"> ✓ Compiled by external auditors annually ✓ Submitted to DMRE annually in April 2021 	In place	<ul style="list-style-type: none"> ✓ Compiled by external auditors annually ✓ Submitted to DMRE annually in April 2021
Environmental Performance Assessment Report (ECO)	<ul style="list-style-type: none"> ✓ Compiled quarterly by independent Environmental Control Officer ✓ Submitted to DFFE last in November 2019 	During construction	Not a requirement

Environmental auditing, reporting and monitoring continued

	Vele Colliery	Makhado Colliery	Uitkomst Colliery
EMC water committees heritage and biodiversity subcommittee	<ul style="list-style-type: none"> ✓ Fully implemented as per EA and WUL requirements ✓ Meeting held on a quarterly basis with relevant stakeholders such as NGOs, DFFE, DWS, DMRE, LEDET, local Municipalities 	During construction	Not a requirement
External audit by authorities	<ul style="list-style-type: none"> ✓ DWS conduct annual audits and quarterly inspection on IWUL, last audit conducted in May 2021 ✓ DMRE conduct annual audits on EMP, EA last audit conducted in Dec 2020 ✓ SAHRA conduct annual heritage monitoring, last audit conducted in Sep 2020 	<ul style="list-style-type: none"> ✓ DWS conduct annual audits ✓ DMRE conduct annual audits on EMP, EA last audit conducted in Dec 2020 	<ul style="list-style-type: none"> ✓ DWS conduct annual audits
Monitoring			
Ground water	<ul style="list-style-type: none"> ✓ Monitoring done quarterly 	Monitoring done six monthly, to be done quarterly during construction	Monitoring done quarterly
Surface water	<ul style="list-style-type: none"> ✓ Monitoring done monthly ✓ Biomonitoring done biannually (wet and dry season) ✓ PMS Monthly Monitoring ✓ Geochemical studies conducted every five years ✓ Long term water management strategies in place 	Water monitoring ad hock	<ul style="list-style-type: none"> ✓ Monitoring done monthly ✓ Biomonitoring done biannually (wet and dry season) ✓ Geochemical studies conducted every five years
Heritage	<ul style="list-style-type: none"> ✓ HIA done ✓ Palaeontological study in place ✓ Heritage awareness part of induction ✓ Heritage monitoring done on monthly basis 	In place	
Air quality	<ul style="list-style-type: none"> ✓ PM10 monitoring station is live ✓ NAEIS submitted to DFFE annually ✓ Dust monitoring conducted monthly ✓ Vital weather station live 	Dust monitoring	<ul style="list-style-type: none"> ✓ Dust monitoring conducted monthly
Biodiversity	<ul style="list-style-type: none"> ✓ TOPS survey conducted as part of EIA ✓ Vegetation audits annually ✓ Alien plants control monthly ✓ Plants and animals rescue as part of EIA ✓ Riverine assessments annually ✓ Avifauna Management Plan ✓ Species diversity ✓ Indigenous plants nursery operational 	<ul style="list-style-type: none"> ✓ Threatened of Protected Species conducted as part of EIA ✓ Indigenous plants nursery during construction 	<ul style="list-style-type: none"> ✓ Alien plants control monthly
Waste management	<ul style="list-style-type: none"> ✓ External company Gundo handling hazardous waste ✓ Oilkol used oil 	During construction	<ul style="list-style-type: none"> ✓ External company Environserve handling hazardous waste and general waste

SOCIAL COMMITMENTS



We operate in multi-stakeholder environments with, at times, competing stakeholder needs and expectations.

We recognise our potential to contribute in a meaningful way to social and economic development, within sound corporate policies and good governance framework.

We aim to enhance corporate performance while advancing meaningful socio-economic transformation

The needs of our community are extensive – jobs, access to basic services, quality education, decent housing amongst others. We recognise the potential of our shared value approach to address the societal and economic challenges in our areas of operation.

Whilst the State is the primary enabler of inclusive, sustainable development, and the provision of basic services, we acknowledge that partnerships between

communities, government and private sector are key to achieving the goals of the National Development (NDP) of reducing poverty and inequality, raising economic growth, increasing employment, building skills, developing capabilities, amongst others.

Through our Social and Labour Plan we build partnerships with communities and various government departments to improve the well-being of our communities. We carefully select the projects in which we invest through a prioritisation of the challenges as we evolve from compliance to sharing value.



Consideration	Goal	Current activities	Policies/ Relevant Documents
Health & safety	Zero harm Safeguarding the lives and livelihoods of our colleagues and local communities Identify opportunities to improve health and safety performance	The safety and health of our people is our priority, and we implement an inclusive and proactive approach towards ensuring that each day we achieve our goal of zero harm.	Incident management reports Actions and remediation Change management strategy
Human capital	Create an inclusive work environment where all our employees are respected Advance sustainable and inclusive transformation	<ul style="list-style-type: none"> Ensure compliance with relevant legislation Create awareness of the Employment Equity (EE) plan, and the Women in Mining strategy Training of management on EE guidelines and targets 	Employment Equity Plan Women in Mining strategy Values campaign being rolled-out
	Building capacity, facilitating education and skills development of employees Retention of employees	<ul style="list-style-type: none"> Implement career path for employees within the various disciplines of mining – engineering, mining, processing Ongoing engagement with employees on company’s long-term plan Clear communication on training and development programmes Identification of top performers for mentorship and development 	
	Become an employer of choice	<ul style="list-style-type: none"> Attract, recruit and retain staff 	
	Labour management	<ul style="list-style-type: none"> Ongoing engagement with organised labour through recognised structures: <ul style="list-style-type: none"> Future Forum. Monthly labour and management meetings. 	Future Forum constitution established and is active



Consideration	Goal	Current activities	Policies/ Relevant Documents
Stakeholder engagement	Connecting the community to the Company through interactive, transparent and mutually beneficial engagement	<ul style="list-style-type: none"> • Completion of a house-to-house survey for communities at Uitkomst, Vele and Makhado • Maintenance of a SMS to understand the needs, expectations of and engagement activities with each stakeholder • Proactively engage with stakeholders in a transparent and inclusive manner • Build lasting relationships with stakeholders 	<ul style="list-style-type: none"> • Stakeholder engagement framework • Stakeholder engagement policy
Enterprise and supplier development	Create a pipeline of new suppliers Job creation	<ul style="list-style-type: none"> • Enterprise and Supplier Development Programme implemented at Makhado and Uitkomst to incubate, develop and link entrepreneurs with procurement opportunities 	<ul style="list-style-type: none"> • Enterprise and Supplier Development Strategy • Procurement Strategy
Training and development	Address skills shortage in the mining industry Build capacity within communities	<ul style="list-style-type: none"> • MC Bursary Fund • MC Artisan Programme • Learnership and Internship Programme 	<ul style="list-style-type: none"> • Social and Labour Plan
Procurement	Compliance with legislation		<ul style="list-style-type: none"> • Mining Charter