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### **SOCIAL AUDIT REPORT SEKHUKHUNE SEFATENG MINE 2022**

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## BACKGROUND

Sefateng Chromeis situated next to Tsibeng village in Sekhukhune, Limpopo. It is an open cast mine that has been operating since 2015. The mine affects the communities of Mampa, Phasha and Tsibeng, who are also shareholders in the mine. The Corridor Mining Resources (Pty) (which is 100% owned by the Limpopo Economic Development Agency) are the major shareholders of the mining company. Although Corridor Mining Resources, the major shareholder of the company, is a state-owned enterprise, the mining right is held by Sefateng in its capacity as a private company.

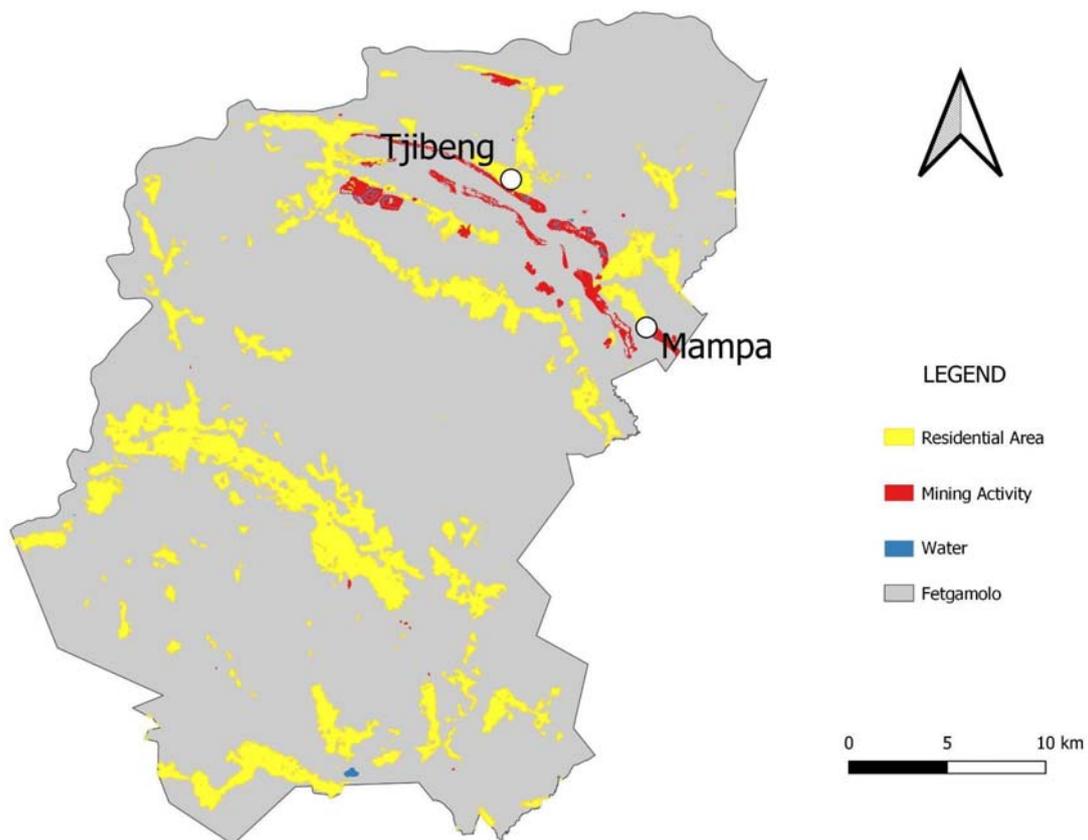


Figure 1: Map of Mampa and Tjibeng mining activity

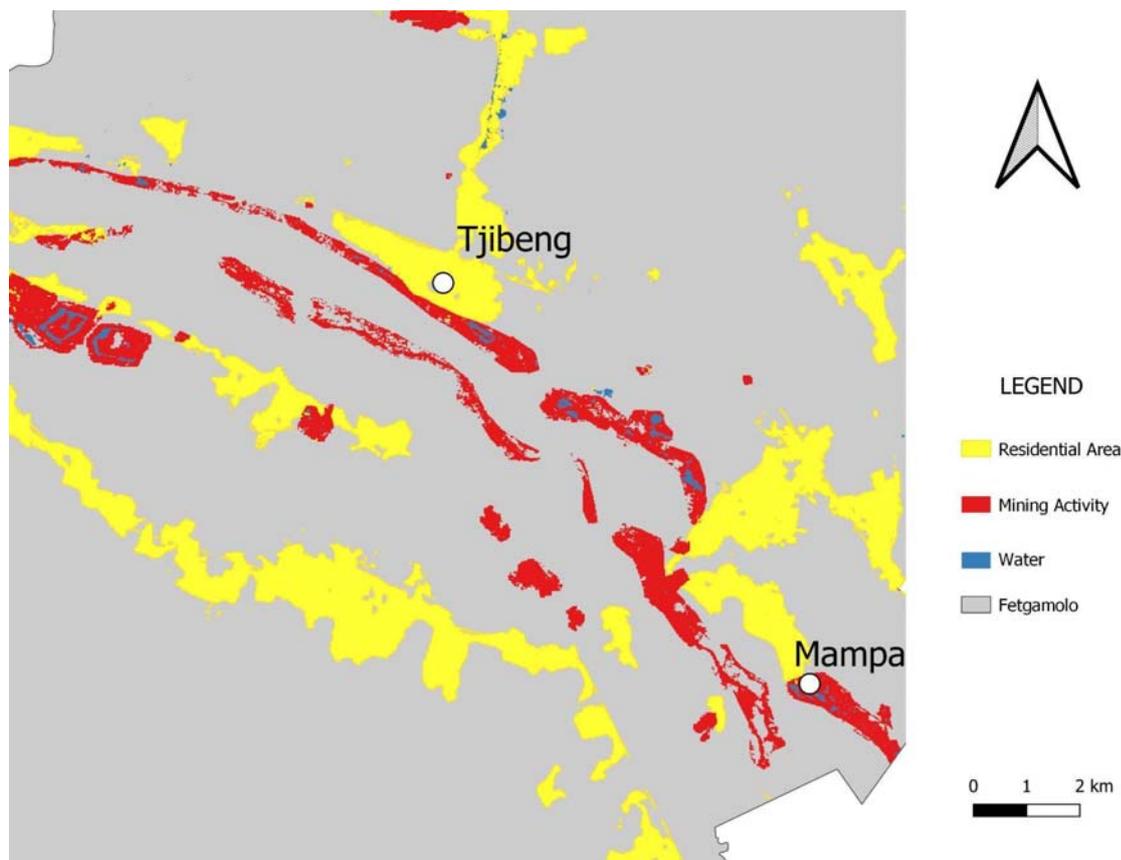


Figure 2: Map of Mampa and Tjibeng reflecting mining activity

## DEMOGRAPHICS

The Sekhukhune District Municipality is divided into 4 Local Municipalities. The FetakgomoTubatse Local Municipality, which is where the community visited is situated, was established by the amalgamation of the Fetakgomo and Greater Tubatse Local Municipalities in August 2016.<sup>1</sup> It's largely rural in its composition, with residents living under traditional leadership, and 689 310 people living in poverty. In 2018 Sekhukhune had a total number of 93 900 unemployed people and only 4% having achieved higher education.<sup>2</sup> Women account for 53% of the population with 51.2% of the total households

<sup>1</sup>Department of Cooperative Governance and Traditional Affairs, "Profile and analysis: District Development Model", 2020, accessed 25 January 2022, [https://www.cogta.gov.za/ddm/wp-content/uploads/2020/07/Take4\\_2020.06.25-SEKHUKHUNE-District- Profiles-Final-Version-.pdf](https://www.cogta.gov.za/ddm/wp-content/uploads/2020/07/Take4_2020.06.25-SEKHUKHUNE-District- Profiles-Final-Version-.pdf).

<sup>2</sup>Ibid at 6-7.

being woman headed.<sup>3</sup> In the formal economy mining and agriculture are some of the biggest employers, even though other key economic activities are agriculture; mining and quarrying; trade; tourism; manufacturing; general government; community, social and personal services; catering and accommodation.

### **WHAT IS A SOCIAL AUDIT?**

A social audit is a community-led process whereby the cogency of the promises made by the mining companies affecting communities is put to the test. This process empowers communities to gather and legitimize evidence of their experiences of service delivery, and through this process enables them to claim and realise their constitutional rights to a transparent and accountable mining company. During a social audit, the expenditure and service delivery outcomes promised in the Social and Labour Plan (SLP) of a mine are tested to see whether community experiences of those outcomes reflect the vision of implementation as stated in the SLP.

An SLP contains proposed programmes that should be directed at the host mining-affected communities and labour sending areas, to offset the negative impacts of mining and improve the quality of life for both the mine employees and the mining-affected communities. Members of the community collectively participate in the process of verifying the SLP of a particular mine by comparing the stated outcomes with the lived experiences and realities of people on the ground. Evidence collected during the social audit is then reported to the responsible stakeholders at a public meeting and used as a vehicle for advocacy by the host community.

Community testimony, knowledge and experiences are a legitimate and central part of this evidence. A social audit provides a way to build effective and meaningful participation in poor and working-class communities by providing a means for a community to engage with the mining process that affects their lives. They provide an opportunity for poor mining communities to be heard, and space for people who have been excluded, deceived, and cheated out of their benefits to interrogate the cogency of the mine's promises to the community.

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<sup>3</sup>Ibid at 17.

Mining companies are significant social players who account for a large portion of the South African economy. This power and financial muscle often allows mining companies the capacity to evade social responsibility using PR consultants and campaigns to produce glossy reports regarding their social commitments to the communities at which they operate. Their Corporate Social Investment (CSI) strategies are often synchronised with the Social Labour Plan (SLP) commitments, which may paint a good picture on paper, however, contradict the realities on the ground. SLPs are binding to companies and communities are empowered by the Mineral and Petroleum Resources Development Act<sup>4</sup> (MPRDA) to require these commitments from the mining companies. The best methodology to interrogate the claims of mining companies is to conduct community-led social audits and collect evidence to verify the realities on the ground to potentially challenge the glossy PR reports.

The Sefateng Chrome Mine has been in operation in Tjibeng since 2016 but has not done anything from the SLP to date, what it has done however has been to divide the community and recognise a certain structure to the exclusion of all other stakeholders. The structure, along with mine management, drafted a so-called “communication protocol” which prevents the community from being able to communicate with the mine. A concerned group in the community tried several times to send emails to the mine, without response or change with regards to the manner in which the mine conducts itself in relation to the community. Within Tjibeng there’s an Unemployment Committee, but the mine doesn’t recognise them. The purpose of forming this structure is to access vacancies advertised by the mine so that the community at large can access information and access to employment opportunities.

The need to conduct a social audit in the community arose out of the above concerns, in order to assess to what extent, the mine is complying according to their SLP. The mine has Five (5) full years to implement the projects in their SLP in the community, but it was the opinion of community members that the mine didn’t implement any projects. The aim of the social audit was to discover whether there has been any development done, in

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<sup>4</sup>*Mineral and Petroleum Resources Development Act 28 of 2002.*

accordance with their SLP, by Sefateng Mine between the years of 2015 and 2019. SLP's are renewed every 5 years and by doing a Social Audit the community is better able to:

1. Assess the extent of compliance with the SLP within the community of Sekhukhune.
2. Assess whether Sefateng's SLP obligations are effective, efficient and provide sustainable goals to the community of Sekhukhune.
3. Determine if appropriate measures exist that: establish, monitor, and communicate the SLP process and procedures with the community, ensure reliable information is available for all stakeholders involved including the Sekhukhune Community, establish and communicate roles and responsibilities for all parties involved.

## **WHAT IS A SOCIAL AND LABOUR PLAN?**

A Social and Labour Plan (SLP) is a document that mining companies are required to submit to the Department of Mineral Resources and Energy (DMRE) as part of their application for mining rights. According to the MPRDA, mineral resources of the country are the common heritage of all who live in the country. Section 2 (d) of the MPRDA further states that its objectives are to 'substantially and meaningfully expand opportunities for historically disadvantaged persons, including women, to enter the mining and petroleum industries and to benefit from the exploration of the nation's mineral and petroleum resources'.<sup>5</sup> This emphasises the role of mineral resource extraction and operations as a pivotal means towards community development and women empowerment. SLPs, therefore, are how mineral and petroleum exploration can benefit communities.

According to section 23 (1) (e) of the MPRDA, (as amended by section 19b of Act 49 of 2008), the Minister must grant a mining right 'if the applicant has provided financially and otherwise for the prescribed social and labour plan. The MPRDA further place duties on mining right holders:

Section 25 (2) (f) - Duty of holder of the mining right to comply with SLP.

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<sup>5</sup>*Mineral and Petroleum Resources Development Amendment Act 49 of 2008: Section 2.*

Section 25 (2)(h), read with Section 28 (2) (c) - Duty of mining right holder to report annually on compliance with SLP.

Part II of the Mining and Petroleum Resources Development Regulations (Regulations) further provides for the regulations of SLPs. Section 41 (c) states that the objective of the SLP is to 'ensure that holders of mining rights contribute towards development of the areas in which they are in operation'.<sup>6</sup> Further, section 46 (c) regulates the contents of the SLP and requires that they must include a Local Economic Development Programme (LED) comprising; (ii) the key economic activities of the area in which the mine operates and (iii) the infrastructure and poverty eradication projects that the mine would support in line with the Integrated Development Plan (IDP) of a local municipality and major sending areas.<sup>7</sup> This report is limited to the contents of the LED section of the SLP and the social audit focused on investigating this section.

An SLP is a five-year plan, which needs to be completed and can be renewed by a mine with the DMRE over a five-year period. Once it is approved by the DMRE it becomes a legally binding document, containing commitments made by the company on what it will do for both communities and workers. It also stipulates how and when commitments will be executed, as well as what the budgets are for promised interventions or activities.<sup>8</sup> It is therefore, one of the instruments to address South Africa's long history of inequality in the mining sector. In principle, SLPs should be drafted with the consultation of the communities, however, that is not always the case. In terms of Regulation 45, a mining right holder must convene a minimum of three meetings per annum with mining affected communities, as well as interested and affected persons to update these stakeholders about the progress made with the implementation of the approved SLP and the outcome of these meetings must form part of the annual reports.<sup>9</sup>

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<sup>6</sup>*Mining and Petroleum Resources Development Act 28 of 2002: Mining and Petroleum Resources Development Regulations* at s41 (c).

<sup>7</sup>*Ibid* at s46.

<sup>8</sup>*Ibid* at s45.

<sup>9</sup>*Ibid*.

Despite the comprehensive and progressive laws in place, the reality is that although the SLP system has been in force for over twelve years, most communities affected by mining still experience abject poverty and underdevelopment. This is partly because SLPs are often designed without adequate consultation with the communities that stand to benefit from the mining operations on their land. Furthermore, mining companies often neglect to deliver on all the SLP commitments, and the DMRE often does not follow up on these commitments or enforce them, to the detriment of mining-affected communities. The purpose of the SLP, therefore, is to promote employment, advance social and economic welfare, contribute towards transforming the mining industry and ensure that mining companies contribute to the development of the areas where they operate.

### **WOMEN IN MINING-AFFECTED COMMUNITIES**

Women who are not formally employed are the backbone of the functioning of mining-affected communities.<sup>10</sup> The sustained employment of men and operation of the mine is indirectly dependent on women as they are heavily involved in social reproductive activities. Social reproductive activities refer to activities which enable their male counterparts to attend work in the mines. This includes activities such as house cleaning, cooking, maternal duties, et cetera. Although social reproduction is pivotal to the functioning of mining-affected communities (and, indirectly, the operation of mines), women are often excluded from decision-making processes as they are not formally employed by mining companies and there is a dominant belief that women are subservient to men in South African culture.

Men in mining-affected communities as such become the primary beneficiaries of mining activities. This is a norm in rural South African communities, as patriarchal structures are a mainstay in South African culture. In mining-affected communities, men are heavily involved in the operation of the mine itself, which provides them with employment and income. As a result, women in mining-affected communities become dependent on their male counterparts due to the lack of employment opportunities available to them. This

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<sup>10</sup>AsandaBenya, "The invisible hands: women in Marikana", *Review of African Political Economy* 42, no. 146 (2015) at 545-560.

impedes women’s ability to accrue wealth and status in mining-affected communities. In some communities, such as in mining-affected communities in the Limpopo region, women can derive their independence from men through agricultural activities.<sup>11</sup> Produce can be farmed and sold, with the surplus earned being used as an income for women. This may be difficult in regions where mining activity has caused a loss of land. Women in these regions may find it difficult to find alternative income and therefore, remain dependant on males who are employed by the mine, and may resort to sex work - major economic activity taken up by women in mining-affected communities. Sex work exacerbates the spread of diseases such as Tuberculosis (TB) and HIV/AIDS which thrive in mining-affected communities. Women in sex work also are largely vulnerable to violence and exploitation by clients, and to social stigma due to the lack of regulation and the discreet nature of sex work.

## **METHODOLOGY**

The survey was conducted through an 18-item household questionnaire with closed and open-ended questions. Any member of the household who had stayed in the community for more than a year was eligible for an interview. The assumption was that people who had been in the community for less time would not be well acquainted with the issues regarding the mine and the community. The Social Audit Team selected two villages affected by the operations of the Sefateng Chrome Mine in order to conduct the survey, which are Tjibeng and Ga-Mampa.

Community in Sekhukhune	Number of participants
Tjibeng	176
GaMampa	136
<b>Total</b>	<b>312</b>

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<sup>11</sup>Mark Curtis, Precious Metal: The Impact of Anglo Platinum on poor communities in Limpopo, South Africa (South Africa: ActionAid, 2008).

The social audit was conducted with 102 males (32.7%) and 210 females (67.3%), and the average age amongst all the respondents was between 40 and 49. It was found that amongst all the respondents there were only 12 (3.8%) who had someone from their household working at the Sefateng Chrome Mine and that a household held an average of 5 people per household. Community members were trained on SLP interpretation, social audit methodologies, and designing surveys. The questionnaire was designed in collaboration with a social audit team and trained community members. During the training, the community organisers had an opportunity to test the questionnaire and agree on ways to probe questions. The training, which was facilitated by ActionAid South Africa (AASA) and MACUA WAMUA Advice Office (MWAO), was also used to solicit the community views on what future inquiries would focus on. The training was conducted from 14-16 September 2021 and data collection occurred specifically on 01 October 2021. Interviews were held in the households. Following the fieldwork, a de-briefing meeting was conducted where all data collectors discussed issues arising from the survey, challenges, and strategies for making future community inquiries more effective. Data entry for completed surveys was conducted MWAO for analysis of the quantitative variables. Theme analysis and quantifying common responses was conducted for the qualitative variables.

The approach for this social audit included the following steps:

1. Holding a mass meeting and establishing a mandate
2. Preparing and organising the participants
3. Training participants
4. Analysing the Social Labour Plan
5. Developing and testing the social audits questionnaire
6. Gathering evidence
7. Capturing community experiences and testimonies
8. Agreeing on the main findings and organising evidence
9. Reflecting and follow up

## **WHAT SEFATENG MINE COMMITTED TO UNDERTAKE DURING THE SLP YEARS AUDITED (2015-2019):**

- 3 Community trusts to receive approximately 5% of all dividends paid by Sefateng Chrome Mine
  - MampaSerole
  - Jibeng
  - Roka Pasha Makgalanoko
- Objects of the trusts are to undertake social and economic empowerment projects of the affected and surrounding labour sending areas.

### **Human Resources and Development**

- Skills Development Plan
  - Historically Disadvantaged South Africans and all other employees will be taken care of and given an opportunity to become functionally literate
  - Learnership programme will be developed and implemented with learners on special contracts
  - All training = developed in consultation with all relevant stakeholders (DoE, learners, company)
  - Training in portable skills
  - Mine will develop a strategy in which It will develop artisans for the mine, deliver ABET and other skills programmes for the community members
- Adult Basic Education and Training (ABET) Action Plan
  - Functionally illiterate employees will get the opportunity to attend ABET classes
- Training Programmes
  - Sefateng will be enrolling its employees in training programmes such as skills programs and learnerships
  - Emphasis will be placed on employees that did not complete Grade 12
  - Accredited training providers will be used who will annually report on progress
- Learnerships
  - Learnerships will be informed by the skills requirements of Sefateng

- Local matriculants who performed well in Mathematics and Science will qualify for learnerships
- 2015 focus = internal learnerships
- 2016 going forward focus will be on external learnerships
- **The skills will be preserved for future use and the learners will be employable elsewhere**
- Portable Skills
  - The mine will offer portable skills training to ALL employees from at least 5 years before closure or when the mine foresees closure or major disruptions
- Bursary and Internship Plan
  - For employees internships and bursaries will be based on the performance management system, talent identification and individual career development plans
  - Employees who wish to further their qualifications – which will benefit the mine- can apply for financial assistance

### **Local Economic Development (Budget: R 17 686 000)**

- **Infrastructure Development (R 12 630 000)**
  - Provide access to potable water through water reservoirs, (2015)
  - Road upgrade including low water bridges, (2015-2018)
  - Maintenance of water pumps, (2016-2019)
  - Rehabilitation of roads (re-gravelling),
  - Park stations for mobile clinics,
  - Fencing of community gardens,
  - Construction of training centres, (2015)
    - Equipment for the training centre (2015-2018)
  - Construction of a community centre (2015-2017)
    - Equipment for community centres (2018)
  - Rehabilitation of roads which turned into dongas using mine waste rock (2019)
    - 2015-2019

- **Small, Micro, Medium Enterprise (SMME) Development (R 3 799 000)**
  - Construction of a canteen, (2015)
    - Equipment for canteen (2016-2018)
  - Labour intensive methods for building of roads and low water ridge and sport fields (2019)
  - Building extra classrooms in the local schools, (2016-2018)
    - Maintenance of schools (2019)
  - Emerging and small farmer access to irrigation water and implements, (2016-2017)
  - Intensive methods for low water ridge and sports
  - Upgrading of sports and recreation facilities (2015-2019)
    - 2015-2019
- **Community Development (R 622 000)**
  - ABET training (Basic Literacy),
  - HIV & Aids Programs,
  - Care for orphaned and vulnerable children,
  - Mobile health clinic
    - 2015-2019
- **Poverty Eradication (R 635 000)**
  - Crop and livestock farming (2015)
  - The mine will erect a fence for the vegetable farmers and the project will supply the mine and surrounding areas with vegetables, dairy products and meat. (2016-2019)
    - 2015-2019

## **RESULTS AND DISCUSSION**

The results of the social audit (see Appendix A) were analysed in relation to the commitments made by the Sefateng Chrome Mine in their SLP. This includes an analysis of awareness and knowledge of SLPs (inclusive of a gendered perspective), community trusts, learnerships, infrastructure development and SMME development. There is no legal obligation on mines to provide communities with copies of their Annual Compliance

Reports<sup>12</sup>. Therefore, it was important to evaluate the progress of SLP commitments by analysing community perceptions of commitments made in the SLPs as well as the statements made by the Mine in relation to their contributions towards developing the affected community.

### **Consultation**

Mines are supposed to consult the affected community in the formulation of the SLP, which means that ideally the affected community should know what an SLP is and what projects will be inside it prior to it being published. When asked whether they know what an SLP is, overall, only 18 (5.8%) of the respondents knew what a social and labour plan is whereas 294 (94.2%) did not know. Out of the 18 that knew what an SLP is, 8 (44.4%) found out from their community, 3 (16.7%) from the mine, 3 (16.7%) from the chief, 2 (11.1%) from their own knowledge. This shows that the mine did not aptly consult them on the issues of the SLP. When asked if they have been consulted on the formulation of the SLP, out of 312 people, only 7 (2.2%) have been consulted by the Sefateng Chrome Mine, while 97.4% have not. Furthermore only 9.3% of the respondents in the social audit knew that they have a right to ask the mine for a copy of their SLP.

Sekhukhune is a traditional area which is largely patriarchal in its make-up, as a result issues related to the representation of women in decision making structures is very important. Although less men than women participated in this study it is still comparatively relevant that there are more men who understand what an SLP is as compared to women. Out of the total number of women (210), only 9 women were aware what an SLP is (4.3%) and only 4 women (1.9%) had previously formed part of the consultations. As compared to men, only 9 out of a total of 102 were aware what an SLP is (8.8%) and out of that number 3 had been consulted on a previous occasion (2.9%). In this regard we can see that Sefateng Chrome is trying to include women in decision making structures, however the ratio of women as compared to men that are aware of the consultations is still quite low. This is then indicative of the bias towards men being present as such consultations

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<sup>12</sup>A document which mining companies submit to the Department of Mineral Resources outlining the progress of mining companies in relation to the implementation of SLP projects.

within the community, giving them an advantage over women in the community as it relates to knowledge and capacitation around issues that directly affect them and will more than likely contribute to the development of their community.

### **Community Trusts**

Community trusts are meant to be for the benefit of the community. Therefore, mines are supposed to allocate a portion of money to the community trust or shares in the company, which will then be used for the benefit of the whole community. When asked if they benefit from the 5% that is allocated to the community trust, 5.4% of the respondents asserted that the community benefited from the 5% set aside for the community trust, while 94.6% denied knowing of any community benefit received from the community trust. Upon investigating further of those that asserted that the community trust benefited the community, when asked what the community trust did for the community, 76.5% responded 'nothing' while 23.5% of the respondents alluded to the fact that the money is used to benefit the trustees and not the community. When asked who forms part of the trust, 71 (22.8%) of the respondents knew people within their community who formed part of the community trust. However, it is uncertain how many people form the trust as the number varied amongst people who were asked. This indicates that there is no transparency when it comes to issues that concern trust monies and the mine's financial affairs when it comes to the wellbeing of the community.

### **Learnerships**

The Mine committed to providing local matriculants who performed well in Mathematics and Science with learnerships but neglected to provide ways in which the community at large would be able to access bursaries and internships – those were only set aside for employees. Only 2 (0.6%) people in the community responded as ever having received bursary, internship or learnership from the Sefateng Chrome Mine. The mine further committed that it would develop a strategy in which it will develop artisans for the mine, deliver ABET and other skills programmes for the community members. This was supposed to happen through Sector Education and Training Authority (SETA). No one in the community had ever received skills development from an accredited body through the

Sefateng Chrome Mine. According to the overwhelming majority, there was no skills development in their communities.

### **Infrastructure Development**

The mine committed to implement various infrastructure development projects (provide access to potable water through water reservoirs (2015), Road upgrade including low water bridges, (2015-2018), Maintenance of water pumps, (2016-2019), Rehabilitation of roads (re-gravelling), Park stations for mobile clinics, Fencing of community gardens, Construction of training centres, (2015), Equipment for the training centre (2015-2018), Construction of a community centres (2015-2017), Equipment for community centres (2018), Rehabilitation of roads which turned into dongas using mine waste) over the course of the 5 years at a cost of R12 630 000.00. When asked which of the projects the mine did in the community, 280 (89.7%) of the respondents noted that there had been no infrastructure development in their community, 24 people (7.7%) noted that there were road upgrades, 5 people (1.6%) noted access to potable water, 2 people (0.6%) noted the construction of community centres (however it is uncertain whether the community centre was built by Bauba Mine or Twickenham Mine) and 1 person (0.3%) the rehabilitation of roads.

### **SMME Development**

The mine committed to develop small, medium, and micro enterprises in different and varied ways between 2015 and 2019 at a cost of R 3 799 000.00. Only one respondent (0.3%) knew of a business being funded by the Sefateng Chrome Mine, while 99.7% did not know of any businesses being funded by the Sefateng Chrome Mine. The person that knew of a business being funded by Sefateng Chrome asserted that the business was operating in the agricultural industry, and according to their SLP, Sefateng had committed to assist emerging and small farmers with access to irrigation water and implements. It is unclear whether this was followed through due to Sefateng Chrome failing to provide compliance reports.

The Sefateng Chrome Mine was also supposed to formalise the formation of a business forum within the affected communities. When asked whether they know of a business forum, 303 (97.1%) of the respondents noted that there was no business forum in their

community, while 9 (2.9%) responded that there was a business forum. When giving further explanations, 2 people said that the people that form part of the business forum are the same people as the trustees, another said the business forum was formed by Bauba Mine, and the rest of the respondents did not know anyone who formed part of the business forum, but for one person.

The mine had committed to upgrading sports and recreational facilities as part of their commitment to develop SMMEs. The majority (98.4%) of the respondents did not know of any sports and recreational facilities upgraded by the Sefateng Chrome Mine, however 5 people (1.6%) noted knowing of local sports teams supported by the mine in terms of buying them kits and equipment. By providing teams with kits, Sefateng Chrome is being very generous with the definition of facilities and not necessarily sticking to the textbook definition, and thus in this way it can be said that they did not fulfil their SLP obligation to upgrade the sports and recreational facilities, this is akin to simply making a charity donation rather than an empowering tool. The Sefateng Chrome Mine did not contribute to any infrastructure development by way of upgrading sports facilities.

### **General**

198 (63.5%) of the respondents were aware that affected communities must benefit from the mines operating around them. While 107 (34.3%) of the respondents did not know that they were supposed to benefit as an affected community.

Furthermore, the majority of the respondents noted not having a channel through which to communicate with the mine. 160 (51.3%) noted having no communication with the mine due to the communication protocol. 32 (10.3%) of the respondents simply said there are no channels. 32 (10.3%) respondents said they must strike in order to communicate with the mine. 18 (5.8%) noted that they must communicate with the mine through the community forum. 9 (2.9%) noted that they must go through the community trust in order to communicate with the mine. 5 people (1.6%) noted that they go through the traditional leader when they want to communicate with the mine. And only 3 people (1%) noted that they could ask for a meeting directly with the mine. Others did not know or declined to answer. If the community is unable to air their grievances with the mine to the mine and can only communicate through a middleman, then it becomes a problem in the long run

because it cannot be said that there exists a real relationship between the mine and the community. Furthermore, the affected community members cannot access the mine to discuss the benefits due to them with the mine either.

## **SEFATENG CHROME MINE'S REPORTING**

Although no formal reports (e.g. Annual Integrated Reports or Annual Compliance Reports) of the Sefateng Chrome Mine's development of surrounding communities were available to be accessed, the mine outlines completed community projects on its website (see COMMUNITY - Sefateng Chrome Mine Website). The mine states that it strives to situate community development at the forefront of its operations through employment, procurement, and social financial support. It is unclear if these objectives have been factually followed through as the mine does not provide formal reporting of employment and equity statistics. However, the Sefateng Chrome Mine does report on some community projects that it claims to have completed on its website.<sup>13</sup> These include the Water Supply Project, construction of the Serolethside Secondary School, a Community Hall, and the re-gravelling of the road between Phasha and Mampa. These projects have been singled out because they fit within the infrastructure commitments made in their SLP and could possibly be an indication of such.

### **Water Supply**

Sefateng Chrome Mine, in partnership with Hall Core Water and the Local Traditional Leadership started to develop a solution to water scarcity in surrounding communities in January 2018. The mine states that their development now supplies water to 6000 local community members. However, in a separate section, the mine states that a separate water supply project aimed at supplying water to the mine itself, Tjibeng, Phasha, and Mampa, was started in 2016. This project included the establishment of a master feeder reservoir in Phasha, a borehole and reservoir in Mampa, and two reservoirs in Phasha. The community further noted during the survey, that the mine made a presentation during

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<sup>13</sup>Sefateng Chrome Mine, "Community Investment", accessed 15 January 2022, [https://sefateng.co.za/#:~:text=Sefateng%20Chrome%20Mine%20\(Pty\)%20Ltd,our%20Social%20and%20Labour%20Policies.](https://sefateng.co.za/#:~:text=Sefateng%20Chrome%20Mine%20(Pty)%20Ltd,our%20Social%20and%20Labour%20Policies.)

a consultation regarding the next SLP cycle where they claimed that those projects that were not implemented or completed during the current cycle would be carried over to the next.

### **Seroletshidi Secondary School**

The Seroletshidi Secondary School was constructed in Mampa according to the Sefateng Chrome Mine. The school consists of nine classrooms, one office, and an ablution block. The Sefateng Chrome Mine states on their website that the school is easily accessible by the Mampa community. The Department of Basic Education (DBE) was handed the school in 2017.

### **Tjibeng Community Hall**

The Sefateng Chrome Mine claims to have facilitated the construction of a 50m<sup>2</sup> Community Hall in the Tjibeng community. According to the mine, the hall is to be used for community meetings and functions. It includes bathrooms and office spaces for administration purposes. The mine states that the community provided a plan for the hall that they desired. At the drafting of this report, the mine has not produced any corroboration for this statement.

### **Road Development**

The 4.5km road between Phasha and Mampa was in extremely poor condition. The road connects local villagers to schools and the mine. It is used by commuters, transportation, and animals. It was composed of 7 to 10m wide clayey loamy gravel and it cuts through mountainous terrain and has steep inclines. The weak material used for the road was exposed on some parts of the road and made it inaccessible, particularly during rainy periods. The rain is a major hindrance to the access of the road as it also causes a stream at the start of the access to rise, making it difficult to cross. While it is unclear what materials were used to re-gravel the road, the Sefateng Chrome Mine states that the road was developed to include storm-water management structures and ancillary works. The development was meant to improve access of the population, employment opportunities, and economic and social goods and services.

## **Analysis and discussion**

While the development of the water supply was a widely welcomed project, it should be noted that project implementation commenced one year later than stipulated in the mine's SLP. It was meant to be developed in 2015, but it only commenced in 2016. Although the Sefateng Chrome Mine states that their projects supplied water to its surrounding communities (as they state for their 2016 project) and their partnership water supply project providing water to 6000 local community members, results of the social audit suggest that only 1.6% (5 out of 312 participants) of the community confirmed to have access to potable water. Although the project may fulfil a mandate in the company's SLP, the effectiveness of the company's effort is negligible due to the low scores of people in the community who noted the access to potable water.

Furthermore, according to various community members, the Seroletshidi Secondary School was simply relocated by the Sefateng Chrome Mine and rebuilt exactly in a different location, as the school's previous location fell within the mine's grounds. This brings into question the level of honesty and transparency in the Sefateng Chrome Mine's reporting. From what is glimpsed on their website it appears that the development of the road between Phasha and Mampa was also partially completed. Although the Sefateng Chrome Mine states that they're-gravelled the road, they do not explicitly state whether bridges were built to assist with impediments caused by the rain. While the upgrading of the road fulfills one segment of the SLP, failure to erect a low water bridge falls short of the commitment in its entirety. Additionally, the quality of the road upgrades itself may be questionable, as only 7.7% (24 out of 312) participants in this study indicate a notable upgrade to any roads. The company also does not mention the materials used to develop the road, lending to the possibility of the road being of poor quality. Moreover, upon physical inspection of the access road between Mampa and Tjibeng, the road continues to be in poor condition and without any storm management structures, it does not appear to be re-gravelled in line with the pictures shared on the website of the Sefateng Chrome Mine. Furthermore, there is no mention of the rehabilitation of roads which turned into dongas

using mine waste rock in the company's reporting on community development, which is stipulated in their SLP.

Lastly, the mine claims to have completed the construction of the community hall, however the claim that the hall was constructed in conversation with the community is unfounded, based on our survey results. This audit only noted 2 participants who indicated awareness of the construction of a community centre by the Sefateng Chrome mine. However, these 2 participants were unsure which mine built the community centre. This questions who the mine was in consultation with during the development of the hall. The community members further assert that they do not have access to the community hall and cannot use it. According to community members the hall is exclusively used by those related to tribal authorities. This is indicative of the fact that the participants sampled in this study may not be part of the select group of community members who were consulted during the construction of the hall. This may mean that the community was not adequately consulted on this development, and therefore only meets the needs and wants of a select group within the community.

There is no reporting on other segments of Sefateng Chrome Mine's SLP. This may be due to the lack of formal documentation being published by the mining company, such as an annual integrated report, which provides details on social and economic development of the communities. The information published on Sefateng Chrome Mine's official website and the evidence of this social audit indicate massive gaps in the fulfilment in most of the mandates stipulated in the mining company's SLP.

## **CONCLUSION**

This social audit illustrates that the Sefateng Chrome Mine falls short in upholding its obligations as stipulated in the SLP. Most people living in surrounding communities are not aware of the projects that the mine claims to have implemented between 2015 and 2019. The root cause of this may be due to the lack of consultation with community members by the Sefateng Chrome Mine, as can be seen by evidence gathered in this social audit. Failure to engage with the community results in the community not being

aware of their rights and the impact that the mine may have on their community and what obligations the mine must fulfil, as stated in their SLP.

However, the lack of consultation with the community means that very few community members have adequate knowledge about SLPs and are thus oblivious to what the mine is obligated to offer them, as can be seen by evidence in this audit which suggests that very few community members were aware of the promises made by Sefateng Chrome that are stipulated in their SLP. The lack of engagement from the mine is taken a step further, as it not only fails to effectively communicate with surrounding communities, but also fails to respond to requests by MACUA WAMUA to engage with them, posing a problem to community participation and the implementation of sustainable projects that benefit the community. Although the surrounding communities hold shares in the mine (of which they are not receiving dividends, with the mine stating that they are running at a loss), monetary compensation should not replace the commitments made by the mine at its inception.

**APPENDICES:**

**Appendix A: Overall Results and Observations**

ITEM	QUESTION	ANSWER	COMMENT
DEMOGRAPHICS	Gender	M = 102 F = 210	
	Age	10-19 = 6 20-29 = 56 30-39 = 122 40-49 = 51 50-59 = 49 60-69 = 16 70-79 = 10 80-89 = 2	
	Is anyone in your household working at Sefateng Mine?	Yes = 12 No = 300	
	How many people live in your household?	1 = 4 2 = 18 3 = 41 4 = 55 5 = 59 6 = 46 7 = 32 8 = 22 9 = 17 10 = 8 11 = 3 12 = 1 13 = 1 15 = 1	

		17 = 3	
CONSULTATION	Do you know what a Social and Labour Plan is?	Yes = 18 No = 294	5.8% of the respondents knew what a social and labour plan is whereas 94.2% did not know.
	How do you know it?	Community = 8 Mine = 3 Seen it = 1 Own knowledge = 2 Chief = 3 DMRE = 1	Out of the 18 that knew what an SLP is, 8 (44.4%) found out from their community, 3 (16.7%) from the mine, 3 (16.7%) from the chief, 2 (11.1%) from their own knowledge and 1 directly from the DMRE.
	Have you ever been consulted by Sefateng Chrome Mine?	Yes = 7 No = 304 No answer = 1	Out of 312 people, only 7 (2.2%) have been consulted by Sefateng Chrome Mine, while 97.4% have not.
	If yes, when?	2016 = 2 2020 = 1 Don't know = 3 N/A = 1	Those who remembered when they were consulted noted 2016 and 2020 as the dates of

			consultation, therefore meaning they were not consulted on the formulation of the SLP.
	Do you know you have a right to ask the mine for their SLP?	Yes = 29 No = 287	9.3% of the respondents in the social audit knew that they have a right to ask the mine for a copy of their SLP.
COMMUNITY TRUSTS	Has the community ever benefited from the 5% from the Community Trust?	Yes = 17 No = 295	5.4% of the respondents asserted that the community benefited from the 5% set aside for the community trust, while 94.6% denied knowing of any community benefit received from the community trust.
	If yes, what did they do?	Build houses for themselves = 1 It's for trustees = 2 Nothing = 13 N/A = 1	When asked what the community trust did for the community, 76.5% responded 'nothing' while others alluded

			to the fact that the money is used to benefit the trustees and not the community.
	Do you know anyone who forms part of the Community Trust?	Yes = 71 No = 241	Only 22.8% of the respondents know people within their community who form part of the community trust.
	If yes, How many?	1 = 4 2 = 4 3 = 8 4 = 13 5 = 11 6 = 7 7 = 6 8 = 3 9 = 5 10 = 5 15 = 3	However it is uncertain how many people form the trust because the number of people said to form the trust varied depending on who was asked.
LEARNERSHIPS	Have you ever gotten an internship, learnership or bursary from Sefateng Mine?	Yes = 2 No = 310	Only 2 people in the community responded as ever having received bursary, internship or learnership from Sefateng Mine. That is 0.6%.
	If yes, specify?	Electrical and plumbing = 1 N/A = 1	

	Have you ever been on a skills development programme of SETA from Sefateng Mine?	No = 312	No one in the community had ever received skills development from an accredited body through Sefateng Chrome Mine. This is because according to the overwhelming majority, there was no skills development in their communities.
	If yes, how many of you were trained?	There was no skills development = 312	
	If yes, how many of you were employed after being trained?	There was no skills development = 312	
INFRASTRUCTURE DEVELOPMENT	Has there been any infrastructure development in your community that you know of?	Access to potable water = 5 Construction of community centres = 2 Rehabilitation of roads = 1 Road upgrade = 24 No = 280	89.7% of the respondents noted that there had been no infrastructure development in their community, however 24 people (7.7%) noted that there were road upgrades, 5 people (1.6%) noted access to potable water, 2 people (0.6%) noted the construction of community centres and 1 person

			(0.3%) the rehabilitation of roads.
	If yes, when was it built?	2018 = 20 2019-2021 = 1 2020 = 6 N/A = 5	The majority of respondents answered that the roads were upgraded in 2018 and that access to potable water projects occurred in 2020.
SMME DEVELOPMENT	Do you know any business that is being funded by Sefateng Mine?	Yes = 1 No = 311	Only one respondent (0.3%) knew of a business being funded by Sefateng Mine, while 99.7% did not know of any businesses being funded by Sefateng Mine.
	Is there a business forum in the community?	Yes = 9 No = 303	303 (97.1%) of the respondents noted that there was no business forum in their community, while 9 (2.9%) responded that there was a business forum.

	Do you know anyone who is part of the forum?	Same as trustees = 2 Forum is for Bauba Mine = 1 Don't know = 5 Martin Mokgotho = 1	When giving explanations, 2 people said that the people that form part of the business forum are the same people as the trustees, another said the business forum was formed by Bauba Mine, and the rest of the respondents did not know anyone who formed part of the business forum, but for one person.
	Do you know of any sport and recreational facilities upgraded by Sefateng Mine?	Yes = 5 No = 307	The majority (98.4%) of the respondents did not know of any sports and recreational facilities upgraded by Sefateng Chrome Mine, however 5 people (1.6%) noted knowing of local sports teams supported by the mine in terms of

			buying them kits and equipment.
COMMUNITY DEVELOPMENT	Do you know of any orphans or vulnerable children that are taken care of by Sefateng Mine?	No = 312	None of the respondents knew of any orphans or vulnerable children that are taken care of by Sefateng Chrome Mine.
GENERAL	What channels do you use when communicating with the Mine?	<p>Community forum = 18</p> <p>Community Trust = 9</p> <p>Traditional Leader = 5</p> <p>Meeting = 3</p> <p>Strike = 32</p> <p>No channels = 32</p> <p>No communication because communication Protocol = 160</p> <p>Don't know = 37</p> <p>N/A = 16</p>	<p>The majority of the respondents noted not having a channel through which to communicate with the mine. 160 (51.3%) noted having no communication with the mine due to the communication protocol. 32 (10.3%) of the respondents simply said there are no channels. 32 (10.3%) respondents said they have to strike in order to communicate with</p>

			<p>the mine. 18 (5.8%) noted that they have to communicate with the mine through the community forum. 9 (2.9%) noted that they have to go through the community trust in order to communicate with the mine. 5 people (1.6%) noted that they go through the traditional leader when they want to communicate with the mine. And only 3 people (1%) noted that they could ask for a meeting directly with the mine. Others did not know or declined to answer.</p>
	<p>Do you know that communities affected by mining must benefit from</p>	<p>Yes = 198 No = 107 N/A = 7</p>	<p>198 (63.5%) of the respondents were aware that affected communities must benefit from the</p>

	the mines around them?		mines operating around them. While 107 (34.3%) of the respondents did not know that they were supposed to benefit as an affected community.
	In your own view, what does the community need?	Bursaries, libraries, jobs, water, road, bridge, houses	