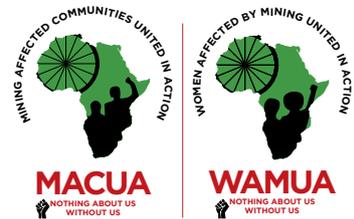




SOCIAL AUDIT SUMMARY

SEKHUKHUNE: SEFATENG CHROME MINE 2022





INTRODUCTION

A social audit is a community led process whereby the cogency and implementation of commitments made by mining companies affecting communities is put to the test. 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. It outlines the manner in which the company aims to benefit communities affected by their operations through the implementation of various projects. 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. Social and labour plans are valid for a period of 4-5 years and once the SLP term passes then the mining company must have completed all of its projects and submit a new SLP to the DMR. Therefore, a social audit that is carried out by the communities' monitors the extent to which a mining company has complied with the promises made in their Social and Labour Plan.

METHODOLOGY

Data collection included both door-to-door surveying and physical verification. The survey was conducted through a household questionnaire with closed and open-ended questions. 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 (176) and Ga-Mampa (136) with a total of 312 participants. 102 (32.7%) of the participants were male and 210 (67.3%) were female. The questionnaire was designed and followed by a training of community organisers who would conduct the household interviews. 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. 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.





What Sefateng mine committed to undertake during the SLP years audited (2015-2019): Local economic development (LED) section (Total budget: R17,686,000)



INFRASTRUCTURE DEVELOPMENT (R12,630,000)

The mine committed to providing access to potable water through water reservoirs by 2015, road upgrades including low water bridges from 2015-2018, maintenance of water pumps from 2016-2019, rehabilitation of roads (re-gravelling), park stations for mobile clinics, fencing of community gardens and construction of training centres in 2015.

It also committed to provide equipment for a training centre from 2015-2018, construction of a community centre from 2015-2017 and provide equipment for community centres in 2018, and rehabilitate roads which turned into dongas using mine waste rock from 2015-2019.



SMALL, MICRO, MEDIUM ENTERPRISE (SMME) DEVELOPMENT (R3,799,000)

Mine committed to construct a canteen by 2015, provide equipment for the canteen from 2016-2018, provide labour for building of the roads field by 2019 as well as building extra classrooms in the local schools from 2016-2018.

It also committed to providing maintenance of schools by 2019, providing emerging and small farmer access to irrigation water and implements from 2016-2017, intensive methods for low water ridge and sports, and upgrading of sports and recreation facilities from 2015-2019.



POVERTY ERADICATION (R,635,000)

Mogalakwena Mine committed to contribute towards school infrastructure and whole school development in host communities by refurbishing John Pedro and Mmalepeteleke schools due to overcrowding and building administration blocks between 2017 and 2020.



COMMUNITY DEVELOPMENT (R622,000)

Mine committed to create different programmes such as ABET training (Basic Literacy), HIV & Aids Programs, care for orphaned and vulnerable children, and mobile health clinic during 2015-2019.

FINDINGS FROM THE SOCIAL AUDIT

Not all of the projects committed to by the mine were selected to be audited. As a result, the below undertakes a process of evaluating the level of knowledge and compliance around selected local economic development aspects and projects audited during the social audit.

Consultation

- 294 (94.2%) of the respondents did not know what a social and labour plan is whereas only 18 (5.8%) from the communities surveyed knew.

- Out of 312 people, only seven (2.2%) noted having been consulted by the Sefateng Chrome Mine previously, while 304 (97.4%) had not.
- Furthermore only 29 (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.
- Five people (1.6%) noted access to potable water.
- Two people (0.6%) noted the construction of community centres (however there was uncertainty around whether the community centre was built by Bauba Mine or Twickenham Mine).
- One person (0.3%) noted the rehabilitation of roads.

Infrastructure Development

- Out of 312 respondents, 280 (89.7%) of them noted that there had been no infrastructure development in their community.
- 24 people (7.7%) noted that there were road upgrades.

SMME Development

- 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 majority (98.4%) of respondents did not know of any sports or recreational facilities upgraded by the Sefateng Chrome Mine, but five people (1.6%) noted knowing of local sports teams supported by the mine with regard to buying kits and equipment.

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.
- In total, 256 respondents noted that they either have no communication with the mine (192), noted that they have to go through a body with authority to communicate with the mine (32), or protest in order to communicate with the mine (32).
- Only three people (1%) noted that they could ask for a meeting directly with the mine.

ANALYSIS AND SUMMARY

- This social audit illustrates that the Sefateng Chrome Mine falls short in upholding its obligations as stipulated in its 2015-2019 SLP.
- The mine has implemented exclusionary protocols to prevent direct communication between affected community members and itself.
- It is clear from the social audit results that people living in surrounding communities are not aware of the projects that the mine claims to have implemented between 2015 and 2019.
- Failure to engage with the community by the mine resulted 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.
- Affected community members are not benefitting from developmental projects as the majority noted that there have been no infrastructure projects implemented by the local mine.