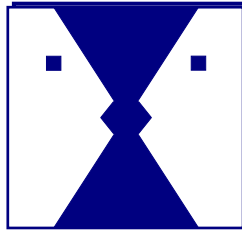


Proposed Nooitgedacht TSF Facility

Social Scoping Report



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Prepared for:

EIMS

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Executive Summary

The purpose of this document is to provide a baseline description of the receiving socio-economic environment and to identify social impacts associated with the Nooitgedacht TSF project.

The receiving environment is located in the Matjhabeng Local Municipality that is located in the Lejweleputswa District Municipality in the Free State Province. The closest towns are Welkom and Odendaalsrus. The economy of the district relies heavily on the gold mining sector. Agriculture is also one of the key drivers of the economy.

The project proponent owns and operates a number of Gold Mines and plants in the Welkom region in the Free State and currently deposits tailings onto the Free State South 2 Tailings Storage Facility (TSF), St. Helena 4 TSF, St. Helena 123 TSF, Dam 23 TSF, Brand D TSF and Target 1&2 TSF. The current planned Life of Mine (LOM) of the Free State operations exceed the available deposition capacity of these TSFs and the applicant is therefore proposing to construct the proposed Nooitgedacht TSF to cater for this additional capacity.

A number of preliminary social and economic impacts have been identified through the lifecycle of the project. These will be assessed in more detail during the social impact assessment and it is possible that additional impacts may emerge during this process and that the preliminary ratings may change.

At this stage none of these possible impacts is seen as a fatal flaw in the possible successful execution of the proposed project. Most of the potential impacts can be mitigated. The importance of addressing the potential impacts as early in the project cycle as possible must be underlined, since failure to do so may result in the development of risks and an exponential increase in project cost.



Declaration of Independence

Equispectives Research and Consulting Services declare that:

- All work undertaken relating to the proposed project was done as independent consultants;
- They have the necessary required expertise to conduct social impact assessments, including the required knowledge and understanding of any guidelines or policies that are relevant to the proposed activity;
- They have undertaken all the work and associated studies in an objective manner, even if the findings of these studies were not favourable to the project proponent;
- They have no vested interest, financial or otherwise, in the proposed project or the outcome thereof, apart from remuneration for the work undertaken under the auspices of the above-mentioned regulations;
- They have no vested interest, including any conflicts of interest, in either the proposed project or the studies conducted in respect of the proposed project, other than complying with the relevant required regulations; and
- They have disclosed any material factors that may have the potential to influence the competent authority's decision and/or objectivity in terms of any reports, plans or documents related to the proposed project as required by the regulations.



Record of Experience

This report was compiled by San-Marié Aucamp and Ilse Aucamp.

San-Marié Aucamp is a registered Research Psychologist with extensive experience in both the practical and theoretical aspects of social research. She has more than 10 years' experience in social research, and she occasionally presents guest lectures on social impact assessment. Her experience includes social impact assessments, social and labour plans, training, group facilitation as well as social research. She is a past council member of the Southern African Marketing Research Association (SAMRA).

Ilse Aucamp holds a D Phil degree in Social Work obtained from the University of Pretoria in 2015. She also has a master's degree in environmental management (Cum Laude) from the Potchefstroom University for Christian Higher Education, which she obtained in 2004. Prior to that she completed a BA degree in Social Work at the University of Pretoria. She is frequently a guest lecturer in pre- as well as post-graduate programmes at various tertiary institutions. Her expertise includes social impact assessments, social management plans, social and labour plans, social auditing, training as well as public participation. She is the past international chairperson of the Social Impact Assessment section of the International Association of Impact Assessment (IAIA) as well as a past member of the National Executive Council of IAIA South Africa. She is also on the advisory panel of the SIAhub, an international website aimed at SIA practitioners. She is a co-author of the *Social Impact Assessment: Guidance for assessing and managing the social impacts of projects* document published by the International Association for Impact Assessment.



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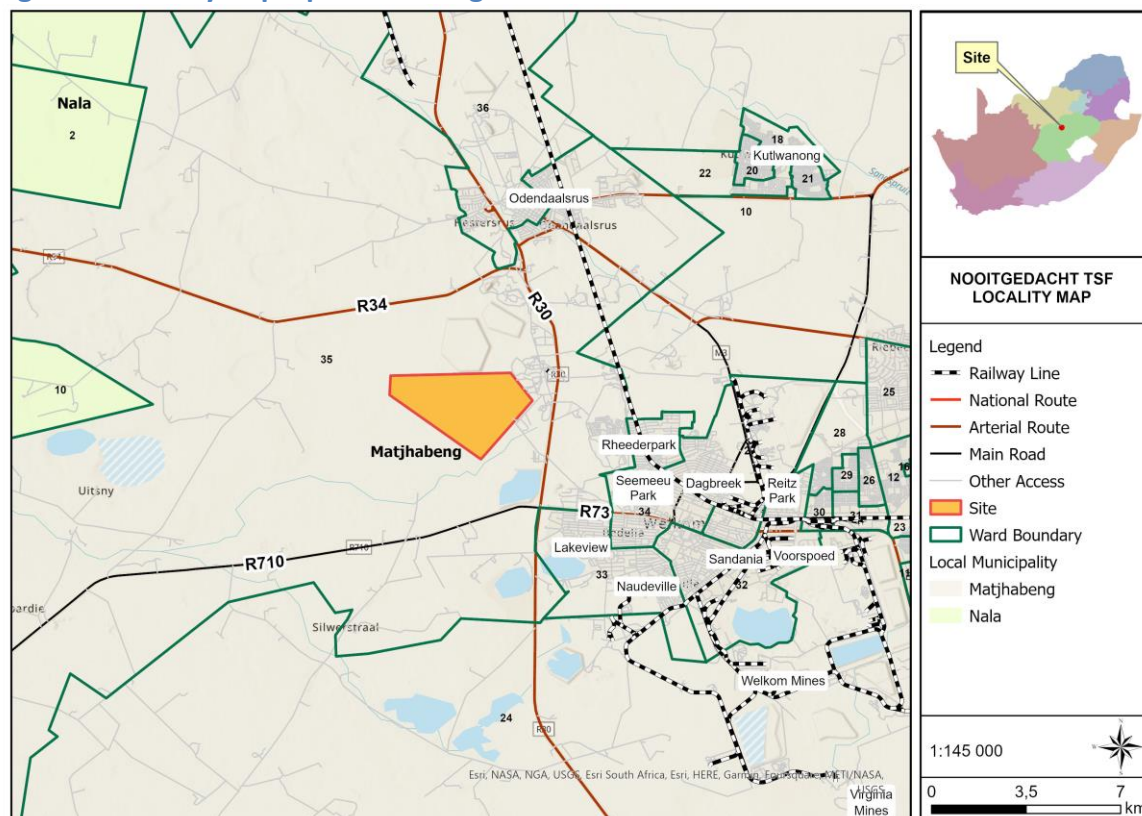


1 Introduction

The project proponent owns and operates a number of Gold Mines and plants in the Welkom region in the Free State and currently deposits tailings onto the Free State South 2 Tailings Storage Facility (TSF), St. Helena 4 TSF, St. Helena 123 TSF, Dam 23 TSF, Brand D TSF and Target 1&2 TSF. The current planned Life of Mine (LOM) of the Free State operations exceed the available deposition capacity of these TSFs and the applicant is therefore proposing to construct the proposed Nooitgedacht TSF to cater for this additional capacity. The TSF will cover an area of approximately 8.95 km². The proposed project falls within the Matjhabeng Local Municipality in the Lejweleputswa District Municipality, Free State Province. The proposed TSF will be located on Farm portions Mijannie 66 Ptn 0/RE, Goedgedacht 53 Ptn 0, Nooitgedacht 50 Ptn 0, Jacobsdal 37 Ptn 0 and Rheedersdam 31 Ptn 0.

Figure 1 shows the proposed location for the project within municipal context.

Figure 1: Locality of proposed Nooitgedacht TSF.





The purpose of this report is to provide baseline information regarding the socio-economic environment, to identify possible social and economic impacts and to suggest ways in which these impacts can be mitigated. This will assist decision-makers on the project in making informed decisions by providing information on the potential or actual consequences of their proposed activities. The process entailed the following:

- A baseline socio-economic description of the affected environment;
- Identification of potential social and economic change processes that may occur as a result of the project; and
- Identification of potential social and economic impacts.

One of the ways in which social risk can be managed is by conducting a social impact assessment (SIA). Such an assessment can assist with identifying possible social impacts and risks. Disregarding social impacts can alter the cost-benefit equation of development and in some cases even undermine the overall viability of a project. A proper social impact assessment can have many benefits for a proposed development (UNEP, 2002) such as:

- Reduced impacts on communities of individuals;
- Enhanced benefits to those affected;
- Avoiding delays and obstruction – helps to gain development approval (social license);
- Lowered costs;
- Better community and stakeholder relations; and
- Improved proposals.

EIMS was appointed to manage the Environmental Impact Assessment for the project, and they appointed Equispectives Research and Consulting Services to perform a social impact assessment for the proposed project. This report represents the findings and recommendations of a social screening for the proposed project as part of the



scoping phase. A social impact assessment will follow during the EIA phase where a more detailed consultative process will be followed.



2 Scope of Work

The purpose of the Social Impact Assessment (SIA) is to provide a Scoping Report and EIA/EMP Report for the proposed project that will take place on site. This report represents the Scoping Level Assessment. The Scoping Report will include the following:

- A desktop description of the baseline receiving environment specific to the field of expertise (general surrounding as well as site specific environment);
- Key issues related to specialist area that need to be addressed in the EIA; and
- Terms of reference for Social Impact Assessment.



3 Methodology

Scientific social research methods were used for this assessment. To clarify the process to the reader, this section will start with a brief explanation of the processes that have been used in this study.

3.1 Information base

The information used in this report was based on the following:

- A literature review (see list provided in the References);
- Data from Statistics South Africa; and
- Professional judgement based on experience gained with similar projects.

In terms of the way forward, it is believed that a participatory approach is the best way to approach social research in the South African context. The World Bank Social Standards, Equator Principles, International Principles for Social Impact Assessment, as well as the guidance document for assessing and managing the social impacts of projects of IAIA will guide the study. It must be noted that international standards and principles will be adapted to ensure that it can be applied in the local social context. Apart from obtaining environmental permits as required by law, any proposed project would also require “social license to operate” from the community where it will be situated. This is seen to be a crucial element to ensure the successful implementation of the recommendations resulting from the environmental studies. The methodology proposed therefore focus on involving the affected public in the research and planning where it is realistically possible and executable. Different methodologies will be utilised to ensure the affected communities are consulted in the way that is most appropriate to the community. Information obtained through the public processes will inform the writing of the social report.



4 Legislative and Policy Framework

Although there are no explicit acts referring directly to SIA, there are many acts and policies that require specific social outcomes that can be related to this project, and these are discussed in the section below.

4.1 The Constitution of the Republic of South Africa 1996

The current Constitution of the Republic of South Africa 1996 can be regarded as one of the most progressive constitutions in the world. Human rights are enshrined in the South African Constitution, which forms the basis of all the country's legislation. Chapter 2 consists of a Bill of Rights, which explicitly spells out the rights of every South African citizen. Human rights and dignity are fundamental to SIA and it recognises fundamental human rights and the prerogative to protect those rights as core values (Vanclay, 2003). The human rights relevant to the environmental management field that are safeguarded by the Constitution of the Republic of South Africa 1996 in the Bill of Rights, include:

- Right to a healthy environment;
- Right of access to land and to security of tenure; and
- Right to adequate housing and protection against evictions and demolitions.

The right to a protected biophysical environment, the promotion of social development and trans-generational equity is explicitly included in the Constitution of the Republic of South Africa 1996, which states:

“Everyone has the right -

1. To an environment that is not harmful to their health and wellbeing, and
2. To have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that:
 1. *Prevent pollution*
 2. *Promote conservation, and*



3. *Secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.”*

When considering an environment that is not harmful to peoples' health and wellbeing, it is important to reflect on the interconnectedness of biophysical, economic, and social aspects. The impact of development on people, and the true cost of development, as well as the consideration of “who pays the price?” versus “who reaps the benefits?” cannot be ignored in a discussion about human rights and the environment.

The right to a generally satisfactory environment is increasingly seen as a human right in Africa (Du Plessis, 2011), and South Africa's environmental legislation supports this.

4.2 The National Environmental Management Act 107 of 1998

The National Environmental Management Act (NEMA) 107 of 1998 states that the State must respect, protect, promote, and fulfil the **social**, economic, and environmental rights of everyone and strive to meet the needs of previously disadvantaged communities. It states further that sustainable development requires the integration of **social**, economic, and environmental factors in the planning, evaluation, and implementation of decisions to ensure that development serves present and future generations.

Chapter 1 of NEMA contains a list of principles and states clearly that environmental management must place people and their needs at the forefront of its concern, and serve their physical, psychological, developmental, cultural, and social interests (NEMA, 1998). It states further that negative impacts on the environment and on peoples' environmental rights must be anticipated and prevented, and if they cannot be prevented, they should be minimised and remedied. It elaborates further on the equity of impacts, and the fact that vulnerable communities should be protected from negative environmental impacts. It refers to the principle that everyone should have equal access to environmental resources, benefits, and services to meet their basic



human needs (NEMA, 1998). Therefore, there is a clear mandate for environmental and restorative justice in the act, something that must be considered in this project.

Another important aspect of NEMA is the principle of public participation. It states that people should be empowered to participate in the environmental governance processes, and that their capacity to do so should be developed if it does not exist. All decisions regarding the environment should take the needs, interest, and values of the public into account, including traditional and ordinary knowledge (NEMA, 1998). There are also specific environmental management acts that fall under NEMA, such as the National Environmental Management, Air Quality Act 39 of 2004 (NEM: AQA), and the National Environmental Management, Waste Act 59 of 2008 (NEM: WA). These acts require similar public participation processes to NEMA and the principles of NEMA also apply to them (Department of Environmental Affairs & Development Planning [DEA&DP], Provincial Government of the Western Cape, 2010).

Chapter 6 of NEMA elaborates on the public participation requirements. This is supplemented by the EIA regulations published in GN 982 of 4 December 2014, which contained requirements for public participation (GN 982 in GG 38282 of 4 December 2014). It provides requirements for the public participation, the minimum legal requirements for public participation processes, the generic steps of a public participation process, requirements for planning a public participation process and a description of the roles and responsibilities of the various role players. A compulsory Public Participation Guideline that was published in 2012 (GN 807 of 10 October 2012) in terms of section J of NEMA (NEMA, 1998) complements these requirements. According to the guidelines, public participation can be seen as one of the most important aspects of the environmental authorisation process. Public participation is the only requirement of the environmental impact assessment process for which exemption cannot be given unless no rights are affected by an application. This stems from the requirement in NEMA that people have a right to be informed about potential decisions that may affect them and that they must be given an opportunity to influence those decisions.



The principles of the National Environmental Management Act 107 of 1998 declare further that community wellbeing and empowerment must be promoted through environmental education, the raising of environmental awareness, sharing of environmental knowledge and experience and any other appropriate means. It states that the social, environmental, and economic impacts of activities, including disadvantages and benefits, must be considered, assessed and evaluated, and decisions taken must be appropriate given the assessment and evaluation. NEMA 107 of 1998 recognises that the environment is held in public trust for the people, and therefore the beneficial use of environmental resources must serve the peoples' interest and protect the environment as the peoples' common heritage.

NEMA takes a holistic view of the environment, and promotes the consideration of social, economic, and biophysical factors to obtain sustainable development and achieve effective management of the biophysical environment.

4.3 The National Water Act 36 of 1998

Chapter 1 of the National Water Act (NWA) 36 of 1998 states that sustainability and equity are identified as central guiding principles in the protection, use, development, conservation, management, and control of water resources. It affirms that the guiding principles recognise the basic human needs of present and future generations and the need to promote social and economic development using water. Chapter 2 of the NWA states amongst others that the purpose of the act is to ensure that everyone has equitable access to water, and that the results of past racial and gender discrimination are redressed. It aims to promote the efficient, sustainable, and beneficial use of water in the public interest, and to facilitate social and economic development. The NWA recognises that the nations' water resources are held in public trust for the people, and therefore the sustainable, equitable and beneficial use of water resources must serve the peoples' interest.

4.4 The Mineral and Petroleum Resources Development Act 28 of 2002

The Mineral and Petroleum Resources Development Act (MPRDA) 28 of 2002 is the only environmental act that explicitly requires a social development output, in addition to a public participation process, in the form of a Social and Labour Plan (SLP).



In the preamble to the Act, it recognises the need to promote local and rural development and the social upliftment of communities affected by resource development. In Section 2 it states that some of the objectives of the act are:

- To substantially and meaningfully expand opportunities for historically disadvantaged persons, including women, to enter the mineral and petroleum industries and to benefit from the exploitation of the nations' mineral and petroleum resources;
- To promote economic growth and mineral and petroleum resources development in the Republic;
- To promote employment and advance the social and economic welfare of all South Africans, and
- To ensure that holders of mining and production rights contribute towards the socio-economic development of the areas in which they are operating.

The MPRDA acknowledges that mineral and petroleum resources are the common heritage of all the people of South Africa and that the State is the custodian thereof for the benefit of all. It states that the Minister of Mineral Resources must ensure the sustainable development of South Africa's mineral and petroleum resources within a framework of national environmental policy, norms and standards while promoting economic and social development (MPRDA, 2002).

In Section 37 of the Mineral and Petroleum Resources Development Act 28 of 2002 it endorses the principles set out in Chapter 1 of the National Environmental Management Act 107 of 1998. In Section 39 of the MPRDA the act explicitly requires a social impact assessment as well as an environmental impact assessment when it states that applicants must:

“...investigate, assess and evaluate the impact of his or her proposed prospecting or mining operations on:

- (i) The environment;



(ii) The **socio-economic conditions of any person** who might be directly affected by the prospecting or mining operation...”

Section 3, Chapter 2, Part I, of the regulations (Government Notice 527, 23 April 2004) published under the MPRDA refers to the public participation process, which must be followed according to the Act. It includes advertising and an invitation to comment on the process.

Sections 40 to 46, Chapter 2, Part II, of the regulations published under the MPRDA deal with the Social and Labour Plan (SLP) requirements (Government Notice 527, 23 April 2004). The Department of Mineral Resources provided guidelines for the development of the SLP (Department of Mineral Resources, 2010). The guidelines specify the objectives of the SLP as:

- Promote economic growth and mineral and petroleum resources development in the Republic;
- Promoting employment and advancing the social and economic welfare of all South Africans;
- Ensuring that holders of mining or production rights contribute towards the socio-economic development of the areas in which they are operating as well as the areas from which the majority of the workforce is sourced, and
- To utilise and expand the existing skills base for the empowerment of Historically Disadvantaged South Africans and to serve the community (Department of Mineral Resources, 2010).

The crux of this section is that the SLP requires applicants for mining and production rights to develop and implement comprehensive Human Resources Development Programmes including Employment Equity Plans, Local Economic Development Programmes, and processes to save jobs and manage downscaling and/or closure (MPRDA 28 of 2002). According to the regulations, the above programmes are aimed at promoting employment and advancement of the social and economic welfare of all South Africans whilst ensuring economic growth and socio-economic development. The management of downscaling and/or closure is aimed at minimising the impact of commodity cyclical volatility, economic turbulence and physical depletion of the mineral or production resources on individuals, regions, or local economies. All mines



in South Africa are required to compile an SLP, and they must report compliance on a yearly basis (MPRDA, 2002). Compiling an SLP must be done in a participatory manner, and local economic development initiatives must be aligned with the municipal integrated development planning processes. An SLP is not a social impact management plan per se, although it does aim to manage some negative social impacts. The guideline is very clear about the fact that measures put in place for the mitigation of impacts cannot be seen as mine community development projects (Department of Mineral Resources, 2010).

4.5 The National Heritage Resources Act 25 of 1999

Although the National Heritage Resources Act (NHRA) 25 of 1999 is not an environmental act per se, it is relevant in the field of environmental management. The NHRA affirms that every generation has a moral responsibility to act as trustee of the national heritage for later generations and that the State is obliged to manage heritage resources in the interest of all South Africans. The general principles for heritage management in Chapter 5 of the Act state that in order to ensure that heritage resources are effectively managed, the skills and capacities of persons and communities involved in heritage resources management must be developed. The Act further elaborates on the fact that heritage resources form an important part of the history and beliefs of communities and must be managed in a way that acknowledges the right of affected communities to be consulted and to participate in their management.

The general principles (Chapter 5) state that the identification, assessment, and management of the heritage resources of South Africa must:

- Take account of all relevant cultural values and indigenous knowledge systems;
- Take account of material or cultural heritage value and involve the least possible alteration or loss of it;
- Promote the use and enjoyment of and access to heritage resources, in a way consistent with their cultural significance and conservation needs;
- Contribute to social and economic development, and
- Safeguard the options of present and future generations.



The National Heritage Resources Act 25 of 1999 therefore protects the cultural rights and heritage of the people of South Africa. It does not require explicit public participation or give any guidelines on how the public should participate. It does refer, like the National Environmental Management Act 107 of 1998 and the National Water Act 36 of 1998, to social and economic development. Public participation processes may be requested by the South African Heritage Resources Agency if it deems it necessary for a specific project.

4.6 Promotion of Administrative Justice Act 3 of 2000

The Bill of Rights in the Constitution of the Republic of South Africa 1996 states that everyone has the right to administrative action that is legally recognised, reasonable, and procedurally just. The Promotion of Administrative Justice Act (PAJA) 3 of 2000 gives effect to this right. The PAJA applies to all decisions of all State organisations exercising public power or performing a public function in terms of any legislation that negatively affects the rights of any person. The Act prescribes what procedures an organ of State must follow when it takes decisions. If an organ of State implements a decision that impacts on an individual or community without giving them an opportunity to comment, the final decision will be illegal and may be set aside. The Promotion of Administrative Justice Act 3 of 2000 also forces State organisations to explain and give reasons for the manner in which they have arrived at their decisions and, if social issues were involved, and how these issues were considered in the decision-making process.

The Promotion of Administrative Justice Act 3 of 2000 therefore protects the rights of communities and individuals to participate in decision-making processes, especially if these processes affect their daily lives.

4.7 Disaster Management Act 57 of 2002

The Disaster Management Act 57 of 2002 makes provision for national, provincial, and municipal disasters. It requires disaster management frameworks on all three spheres of government. Each district municipality must establish a disaster management centre in consultation and partnership with local municipalities. The act spells out the duties and powers of a municipal disaster management centre, specifying that it must



specialise in issues relevant to the municipal area and promote an integrated and coordinated approach to disaster management. It encourages a risk averse approach and the development of a municipal disaster management plan. The act identifies the responsibilities of the municipality in the event of a local disaster and requirements to declare a municipal state of disaster. It further sets out principles about funding of post-disaster recovery and rehabilitation.

4.8 National and international standards

National and international industry standards aimed at sustainable development and social justice specifically have become abundant in the last decade. Many industries use these standards as indicators for best practice. The discussion below highlights only a few of these standards.

4.8.1 ISO 26000:2010/SANS 26000:2010

Performance standards have long been a voluntary tool used by industry to achieve certain outcomes. The first standard on social responsibility, ISO 26000 was published on 1 November 2010 (ISO, 2010). It was developed using a multi-stakeholder approach involving experts from more than 90 countries and 40 international or broadly based regional organisations involved in different aspects of social responsibility (ISO, 2010).

The South African Bureau of Standards (SABS), a statutory body that is mandated to develop, promote, and maintain South African National Standards (SABS, [sa]) adopted the ISO 26000 Standard as a South African National Standard (SANS) 26000:2010.

Social responsibility is defined in the standard as the responsibility of an organisation for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that contributes to sustainable development, including health and welfare of society; takes into account the expectations of the stakeholders; complies with applicable law and is consistent with international behaviour norms, and is integrated throughout the organisation and practiced in its relationships (ISO, 2010).



The document identifies seven principles for social responsibility and seven core subjects that should be addressed by organisations. The seven principles for social responsibility are accountability, transparency, ethical behaviour, respect for stakeholder interests, respect for the rule of law, respect for international norms of behaviour and respect for human rights (ISO, 2010). The core subjects that should be addressed include organisational governance, human rights, labour practices, environment, fair operating practices, consumer issues and community involvement and development (ISO, 2010). Economic aspects, health and safety and the value chain are dealt with throughout the seven core subjects, and gender issues are considered.

ISO 26000 is a good introduction to what social responsibility is and what measures should be taken to move towards being a more socially responsible company. It deals with equity issues and can encourage social development initiatives by companies through activities such as social investment projects, employment creation, skills development, and income creation. Any company operating in area where people are affected by their activities has a social responsibility towards the affected community, and as such it would be in the interest of the project to address the core subjects as suggested by ISO 26000:2010.

4.8.2 International Social Performance Standards/Initiatives

There is a profusion of global initiatives aiming at assisting companies to make their operations more sustainable. Human rights, environmental protection and social justice are gaining support from industry. The social agenda forms an important part of this trend. Only a few relevant initiatives will be mentioned in this section.

The Global Reporting Initiative (GRI) is a leading organisation in the sustainability field that promotes sustainability reporting as a way for companies to become more sustainable and contribute to sustainable development. A company publishes a sustainability report to report the economic, social, and environmental impacts of its everyday activities, present its values and governance model and explain the link between its strategy and its commitment to sustainable development (GRI, [sa]). The GRI have strategic partnerships with the United Nations Environment Programme, the



United Nations Global Compact, the Organisation for Economic Co-operation and Development and the International Organisation for Standardisation, amongst others (GRI, [sa]). The social category relates to the impact of the company on the social systems in which it operates. The social category consists of four subcategories namely labour practices and decent work; human rights; society; and product responsibility. Each of the categories is unpacked by using a number of aspects that should be considered (GRI, [sa]). GRI Focal Points are national offices that drive the initiatives in particular countries and regions. On 26 February 2013 the GRI Focal Point South Africa was launched. South Africa is one of the countries with the largest number of GRI reporters in the world. The GRI Focal Point South Africa aims to work with multi-national companies to expand and share best practices across the continent (GRI, [sa]).

Many of the multi-lateral funding agencies such as the World Bank have social standards that they must uphold. The most frequently used in the EIA industry is the International Finance Corporation's (IFC) principles (IFC, 2012). The IFC is a member of the World Bank group, and as a part of their sustainability framework they created performance standards on environmental and social sustainability (IFC, 2012). The standards relevant to the social environment are the following:

1. Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
2. Environmental and Social Standard 2: Labour and Working Conditions
3. Environmental and Social Standard 4: Community Health and Safety
4. Environmental and Social Standard 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
5. Environmental and Social Standard 8: Cultural Heritage
6. Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure (World Bank, 2016)



Issues such as gender, climate change, water and human rights are addressed across the standards. A guidance note accompanies each standard (IFC, 2012:4). Environmental and social risks and impacts must be managed by using an Environmental and Social Management System. The standard applies to all the activities funded by the IFC for the duration of the loan period. A number of private banks adopted most of the IFC standards in an initiative known as the Equator Principles (Esteves, Franks & Vanclay, 2012).

4.8.3 International Principles for SIA

The practice of SIA is guided by a set of *International Principles* that defines the core values, fundamental principles for development and principles specific to SIA practice (Vanclay, 2003). When the *International Principles* are considered, it is clear that SIA aspires to more than just assessing the impact of development on people and includes sustainable outcomes. The following specific principles refer to these sustainable outcomes (Vanclay, 2003):

1. Development projects should be broadly acceptable to the members of those communities likely to benefit from, or be affected by, the planned intervention.
2. The primary focus of all developments should be positive outcomes, such as capacity building, empowerment, and the realisation of human and social capital.
3. The term “environment” should be defined broadly to include social and human dimensions, and in such inclusion, care must be taken to ensure that adequate attention is given to the realm of the social.
4. Equity considerations should be a fundamental element of impact assessment and of development planning.
5. There should be a focus on socially sustainable development, with the SIA contributing to the determination of best development alternative(s) – SIA (and EIA) has more to offer than just being an arbiter between economic benefit and social cost.



6. In all planned interventions and their assessments, avenues should be developed to build the social and human capital of local communities and to strengthen democratic processes.
7. Local knowledge, experience and acknowledgement of different cultural values should be incorporated in any assessment.
8. Development processes that infringe the human rights of any section of society should not be accepted.

In addition to the *International Principles*, the international SIA community produced a document titled: *Social Impact Assessment: Guidance for assessing and managing the social impacts of projects* (Vanclay, Esteves, Aucamp & Franks, 2015) in April 2015. The purpose of this document is to provide advice to various stakeholders (including proponents) about good practice SIA and social impact management (Vanclay et al., 2015). This document aspires to provide a much-needed benchmark for SIA practice across the globe.

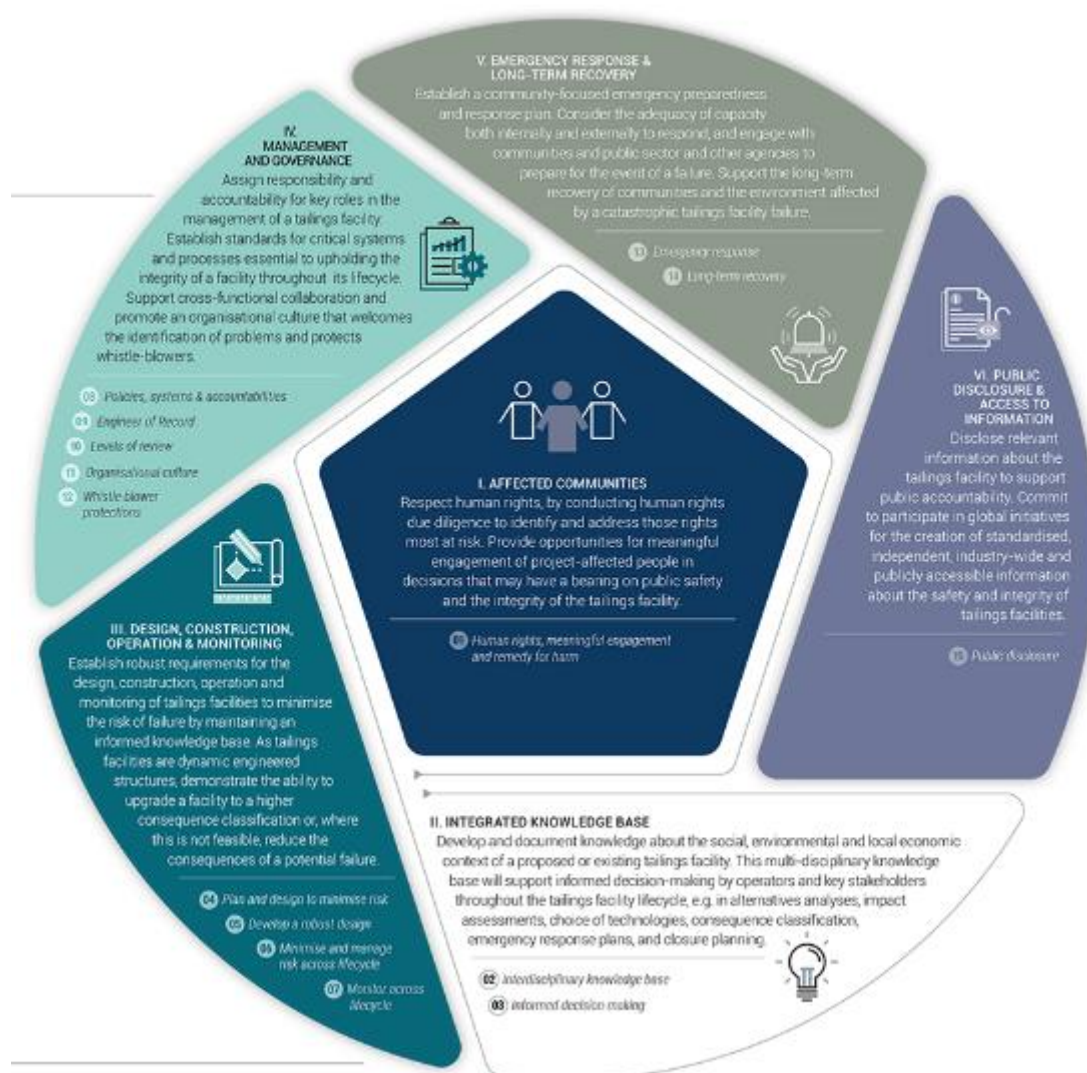
4.9 Global Industry Standard on Tailings Management (GISTM) and social performance

The Global Industry Standard on Tailings Management (GISTM) is organised around six Topic areas, 15 Principles and 77 auditable Requirements. The aim of the strategy is to adopt an integrated approach to tailings management. Social performance¹ spans all six Topic Areas of the Standard, with specialist components defined in 14 (18 %) of the Standard's 77 Requirements, with a further 18 Requirements (23 % of the Standard) requiring operators to integrate social performance inputs into processes, systems, and decisions about tailings facility management (Joyce & Kemp, 2020).

¹ Social performance refers to how a company handles its commitments, interactions, and activities as they relate to local communities.



Figure 2: Summary of GISTM



Under *Topic I, Affected Communities* there are four explicit social performance requirements namely consideration of human rights throughout the lifecycle of the TSF, Free, Prior, Informed Consent of indigenous and tribal people, meaningful engagement, and a grievance mechanism. *Topic II, Integrated Knowledge Base* package social, environmental, and local economic conditions together. Understanding of local context, human exposure and vulnerability is important in this topic. Impact assessment and mitigation plans fall under this topic. Although *Topic III, Design, Construction, Operation and Monitoring* deals mainly with technical aspects, social requirements are included when additional steps to minimise consequences are considered, and in the mention that international standards should be followed if involuntary resettlement is required (Joyce & Kemp, 2020).

Topic IV, Management and Governance requires the establishment of a tailings governance framework and confirms the Environmental and Social Management System (ESMS) as an integral component. This topic nominates one or more



Accountable Executive(s) as responsible for, amongst other matters, avoiding or minimising the consequences of a tailings facility failure for local people. Other requirements include multi-disciplinary risk assessments, and the review and audit of the ESMS as it relates to the tailings facility (Joyce & Kemp, 2020).

Topic V, Emergency Preparedness and Recovery is critically important from a social performance perspective. It requires meaningful engagement with employees and contractors in the development of Emergency Preparedness and Response Plans, and 'locks in' the role of project-affected people in the co-development of community-focused emergency preparedness measures. Topic V also cover the long-term recovery of people and the environment in the event of a catastrophic failure event – a topic that is not covered in any other tailings or social performance standard. Requirement 14.1 asks operators to take reasonable steps, before a failure event, to meaningfully engage with public sector agencies and other organisations that would participate in medium- and long-term social and environmental post-failure response strategies. These agencies are likely to be quite different to the first responder groups engaged. Topic V would involve post hoc impact assessments, and stakeholder engagement to develop and implement plans that enable the participation of affected people in restoration and recovery works and ongoing monitoring activities (Joyce & Kemp, 2020).

The documents listed under *Topic VI, Public Disclosure and Access to Information* will likely be in the hands of other functions, such as external affairs and legal, many of these concerns fall within the purview of social performance. Regularly publishing and updating information and responding to reasonable requests for additional information is fundamental to meaningful engagement at the local-level, and for generating trust across the stakeholder spectrum (Joyce & Kemp, 2020).

4.10 Additional governance tools

Legislation is not the only tool that authorities can use to achieve sustainable development and social development outcomes. There are several tools, policies and strategic planning instruments that can contribute to this.

4.10.1 Integrated Development Plans

For the purpose of this project, Integrated Development Plan (IDP) documents of two municipalities need to be considered: the Lejweleputswa District Municipality and the Matjhabeng Local Municipality.



The Lejweleputswa District Municipality IDP (2022/23) highlights that the purpose of municipal integrated development planning is to:

- Ensure sustainable provision of services;
- Promote social and economic development;
- Promote a safe and healthy environment;
- Give priority to the basic needs of communities; and
- Encourage involvement of communities.

Matjhabeng Local Municipality identified the following mayoral strategic priorities (IDP 2023/24):

- Road maintenance;
- Local economic development;
- Replacement of ageing infrastructure;
- Achieving housing accreditation;
- Build internal capacity;
- Develop climate change strategy, adaptation, and mitigation;
- Improve private-public partnerships for growth and development;
- Economic corridors linking six towns; and
- Economic infrastructure and development.

4.10.2 Provincial Growth and Development Strategies

The Free State Provincial Growth and Development Strategy (FGDS) is based on six pillars, each with its own set of drivers (FSDF, 2012). The drivers and pillars are:

1. Inclusive economic growth and sustainable job growth creation
 - a. Diversify and expand agricultural development and food security.
 - b. Minimise the impact of the declining mining sector and ensure that existing mining potential is harnessed.
 - c. Expand and diversify manufacturing opportunities.



- d. Capitalise on transport and distribution opportunities.
 - e. Harness and increase tourism potential and opportunities.
 2. Education, innovation and skills development
 - a. Ensure an appropriate skills base for growth and development.
 3. Improved quality of life
 - a. Curb crime and streamline criminal justice performance.
 - b. Expand and maintain basic and road infrastructure.
 - c. Facilitate sustainable human settlements.
 - d. Provide and improve adequate health care for citizens.
 - e. Ensure social development and social security services for all citizens.
 - f. Integrate environmental limitations and change into growth and development planning.
 4. Sustainable rural development
 - a. Mainstream rural development into growth and development planning.
 5. Build social cohesion
 - a. Maximise arts, culture, sports and recreation opportunities and prospects for all communities.
 6. Good governance
 - a. Foster good governance to create a conducive climate for growth and development.

The Free State Provincial Spatial Development Framework (FSDF) supplements the FGDS as guidance document for the province to use resources in a way that will ensure



sustainable outcomes based on provincial development needs and priorities (FSDF, 2012). The FSDF outlines Vision 2030, a collective response to the need for the province to describe and map its future destiny through long-term development planning, and to forge a common and shared development agenda across a wide spectrum of service delivery mechanisms. The Free State Vision 2030 envisages that, *by 2030, the Free State shall have a resilient, thriving and competitive economy that is inclusive, with immense prospects for human development anchored on the principles of unity, dignity, diversity, equality and prosperity for all* (FSDF, 2012).

Encouraged by this vision, the Free State of 2030 will be characterised by an economy that encourages the development of new growth sectors with emphasis on the knowledge-based industries and the green economy (FSGDS).

The Free State Vision 2030 furthermore envisages that, *by 2030, ownership and control patterns of the economy will be transformed, spatial under-development will be addressed, basic services such as healthcare, education, electricity, water and sanitation will be equitably accessed by the people of the province. In the quest for inclusive economic growth and development, the environment will be protected for future generations. Lasting responses to climate changes will be part of the landscape of the development of the province. Steeped within the democratic principles, the Provincial Government will be accountable, transparent, effective, efficient, responsive to people's needs, and corruption will be eliminated* (FSDF, 2012).

4.10.3 National Development Plan

On 11 November 2011 the National Planning Commission released the National Development Plan: Vision for 2030 (NPC, 2012) for South Africa and it was adopted as government policy in August 2012. The National Development Plan (NDP) was undertaken to envision what South Africa should look like in 2030 and what action steps should be taken to achieve this (RSA, 2013). The aim of the NDP is to eliminate poverty and reduce inequality by 2030. The report identifies nine central challenges to development in South Africa:

1. Too few people work.



2. The standard of education for most black learners is of poor quality.
3. Infrastructure is poorly located, under-maintained and insufficient to foster higher growth.
4. Spatial patterns exclude the poor from the fruits of development.
5. The economy is overly and unsustainably resource intensive.
6. A widespread disease burden is compounded by a failing public health system.
7. Public services are uneven and often of poor quality.
8. Corruption is widespread.
9. South Africa remains a divided society (NPC, 2012).

The plan focuses on creating an enabling environment for development and wants to shift from a paradigm of entitlement to a paradigm of development that promotes the development of capabilities, the creation of opportunities and the involvement of all citizens (NPC, 2012). The National Development Plan (NPC, 2012) wants to achieve the following:

1. An economy that will create more jobs.
2. Improving infrastructure.
3. Transition to a low-carbon economy.
4. An inclusive and integrated rural economy.
5. Reversing the spatial effects of apartheid.
6. Improving the quality of education, training and innovation.
7. Quality healthcare for all.
8. Social protection.



9. Building safer communities.
10. Reforming the public service.
11. Fighting corruption.
12. Transforming society and uniting the country.

Each of the points above is a chapter in the plan and contains a range of targets and proposals. Some are general statements of policy intent, while others are specific policy proposals, actions or processes that should take place (NPC, 2012). Through its contribution to the economy, the project will assist with achieving the goal of creating an economy that will create more jobs.

4.10.4 Sustainable Development Goals

All 189 Members States of the United Nations, including South Africa, adopted the United Nations Millennium Declaration in September 2000 (UN, 2000). The commitments made by the Millennium Declaration are known as the Millennium Development Goals (MDGs), and 2015 was targeted as the year to achieve these goals. The United Nations Open Working Group of the General Assembly identified seventeen sustainable development goals, built on the foundation of the MDGs as the next global development target (UN, 2014). The sustainable development goals include aspects such as ending poverty, addressing food security, promoting health, wellbeing and education, gender equality, water and sanitation, economic growth and employment creation, sustainable infrastructure, reducing inequality, creating sustainable cities and human settlements, and addressing challenges in the physical environment such as climate change and environmental resources (UN, 2014). These aspects are included in the NPD, and it can therefore be assumed that South Africa's development path is aligned with the international development agenda. The project can assist with contributing to achieving goals such as economic growth and employment creation and promoting health, wellbeing, and education through their SLP.



5 Receiving environment

According to the National Environmental Management Act (NEMA, 1998) environment refers to the surroundings in which humans exist. When viewing the environment from a socio-economic perspective the question can be asked what exactly the social environment is. Different definitions for social environment exist, but a clear and comprehensive definition that is widely accepted remains elusive. Barnett & Casper (2001) offers the following definition of human social environment:

“Human social environments encompass the immediate physical surroundings, social relationships, and cultural milieus within which defined groups of people function and interact. Components of the social environment include built infrastructure; industrial and occupational structure; labour markets; social and economic processes; wealth; social, human, and health services; power relations; government; race relations; social inequality; cultural practices; the arts; religious institutions and practices; and beliefs about place and community. The social environment subsumes many aspects of the physical environment, given that contemporary landscapes, water resources, and other natural resources have been at least partially configured by human social processes. Embedded within contemporary social environments are historical social and power relations that have become institutionalized over time. Social environments can be experienced at multiple scales, often simultaneously, including households, kin networks, neighbourhoods, towns and cities, and regions. Social environments are dynamic and change over time as the result of both internal and external forces. There are relationships of dependency among the social environments of different local areas, because these areas are connected through larger regional, national, and international social and economic processes and power relations.”

Environment-behaviour relationships are interrelationships (Bell, Fisher, Baum & Greene, 1996). The environment influences and constrains the behaviour of people, but behaviour also leads to changes in the environment. The impacts of a project on

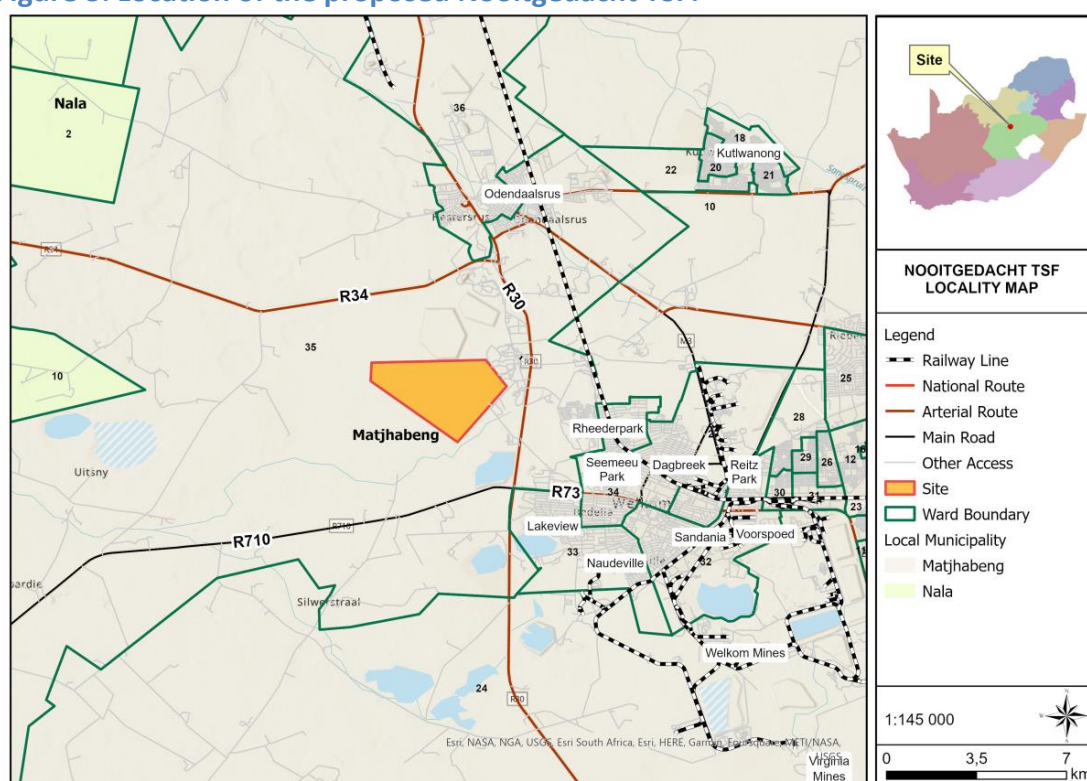


people can only be truly understood if their environmental context is understood. The baseline description of the social environment will include a description of the area within a provincial, district and local context that will focus on the identity and history of the area as well as a description of the population of the area based on a number of demographic, social and economic variables.

5.1 Description of the area

The proposed site for the project is located in Ward 35 of the Matjhabeng Local Municipality that forms part of the Lejweleputswa District Municipality in the Free State Province. The baseline description of the environment will include these areas. **Figure 3** shows the location of the proposed project as well as social and physical infrastructure in the area.

Figure 3: Location of the proposed Nooitgedacht TSF.



5.1.1 Free State Province

The Free State province lies in the centre of South Africa between the Vaal River in the north and the Orange River in the south. The province borders on the Northern Cape, Eastern Cape, North-West, Mpumalanga, KwaZulu-Natal and the Gauteng province. It



also shares a border with Lesotho. With a total area of 129 825 km², the Free State is the country's third-largest province but has the second-smallest population (www.municipalities.co.za).

The Free State is a rural province, and its economic activities are dominated by mining, agriculture and manufacturing. The province is the fifth-largest producer of gold in the world and is also home to Sasol, the large synthetic fuels company.

About 90% of the Free State is used for crop production (www.municipalities.co.za). About 34% of the total maize production of South Africa, 37% of wheat, 53% of sorghum, 33% of potatoes, 18% of red meat, 30% of groundnuts and 15% of wool is produced in the Free State.

Bloemfontein is the capital of the Free State and South Africa's judicial capital. The province is divided into one metropolitan municipality (Mangaung Metropolitan Municipality) and four district municipalities, namely Fezile Dabi, Lejweleputswa, Xhariep and Thabo Mofutsanyane. Other important towns in the Free State include Welkom, Kroonstad, Sasolburg and Bethlehem.

5.1.2 Lejweleputswa District Municipality

The Lejweleputswa District Municipality (LDM) is situated in the north western part of the Free State and borders the North West Province to the north; the Fezile Dabi and Thabo Mofutsanyane District Municipalities to the north-east and east respectively; the Xhariep District Municipality and Mangaung Metropolitan Municipality to the south; and the Northern Cape Province to the west. The LDM is accessible from Johannesburg, Cape Town, Klerksdorp and Kimberley through one of South Africa's main national roads, the N1. The district covers an area of 32 286 km² and make up almost a third of the Free State province. It consists of the Masilonyana, Matjhabeng, Nala, Tokologo and Tswelopele Local Municipalities (www.lejweleputswa.co.za).

The economy of the district relies heavily on the gold mining sector which is dominant in the Matjhabeng and Masilonyana Local Municipalities (Lejweleputswa DM IDP 2021/22). The mining sector is on a downward trend and many businesses that have



traditionally depended on the mining sector have either closed down or are in the process of closing down. The other municipalities are dominated by agriculture.

5.1.3 Matjhabeng Local Municipality

The main towns in the Matjhabeng Local Municipality are Welkom, Odendaalsrus, Virginia, Hennenman, Allanridge and Ventersburg (www.matjhabeng.fs.gov.za). The economy of the municipality is centred on mining activities in and around Welkom, Allanridge, Odendaalsrus and Virginia. Manufacturing aimed at the mining sector exists to a limited extent in the above towns, with other activities being limited. Other main economic sectors include manufacturing, tourism, agriculture, gold jewellery, transportation (logistics), and retail (Matjhabeng LM IDP 2022/2023).

5.2 Description of the population

The baseline description of the population will take place on three levels, namely provincial, district and local. Impacts can only truly be comprehended by understanding the differences and similarities between the different levels. The baseline description will focus on the Matjhabeng Local Municipality in the Lejweleputswa District Municipality in the Free State Province (referred to in the text as the study area), as these are the areas that will be most affected by the proposed project. Where possible, the data will be reviewed on a ward level – Ward 35 of the Matjhabeng LM. The data used for the socio-economic description was sourced from Census 2011. Census 2011 was a *de facto* census (a census in which people are enumerated according to where they stay on census night) where the reference night was 9-10 October 2011. The results should be viewed as indicative of the population characteristics in the area and should not be interpreted as absolute.

Although a Census was conducted in 2022, StatsSA could to date upon query not indicate when the results would be released. It is acknowledged that the Census 2011 data is very outdated and as such should be interpreted with care. Where possible, data will be supplemented by data from Community Survey 2016, which is a bit more recent.

The following points regarding Census 2011 must be kept in mind (www.statssa.co.za):



- Comparisons of the results of labour market indicators in the post-apartheid population censuses over time have been a cause for concern. Improvements to key questions over the years mean that the labour market outcomes based on the post-apartheid censuses must be analysed with caution. The differences in the results over the years may be partly attributable to improvements in the questionnaire since 1996 rather than to actual developments in the labour market. The numbers published for the 1996, 2001, and 2011 censuses are therefore not comparable over time and are different from those published by Statistics South Africa in the surveys designed specifically for capturing official labour market results.
- For purposes of comparison over the period 1996–2011, certain categories of answers to questions in the censuses of 1996, 2001 and 2011, have either been merged or separated.
- The tenure status question for 1996 has been dropped since the question asked was totally unrelated to that asked thereafter. Comparisons for 2001 and 2011 do however remain.
- All household variables are controlled for housing units only and hence exclude all collective living arrangements as well as transient populations.
- When making comparisons of any indicator it must be considered that the time period between the first two censuses is five years and that between the second and third census is ten years. Although Census captures information at one given point in time, the period available for an indicator to change is different.

5.2.1 Population and household sizes

According to the Community Survey 2016, the population of South Africa is approximately 55,7 million and has shown an increase of about 7.5% since 2011. The household density for the country is estimated on approximately 3.29 people per household, indicating an average household size of 3-4 people (leaning towards 3) for most households, which is down from the 2011 average household size of 3.58 people



per household. Smaller household sizes are in general associated with higher levels of urbanisation.

The greatest increase in population since 2011 has been on local level ([Table 1](#)), but still lower than the national average. Population density refers to the number of people per square kilometre and the population density on a national level has increased from 42.45 people per km² in 2011 to 45.63 people per km² in 2016. In the study area the population density has increased since 2011 with the highest density in the Matjabeng LM. Given the steady decline in employment in the gold mining industry (www.mineralscouncil.org.za), it is likely that the population in the area have declined since 2016, rather than increased, but this remain to be confirmed by more recent demographic data of the area.

Table 1: Population density and growth estimates (sources: Census 2011, Community Survey 2016)

Area	Size in km ²	Population 2011	Population 2016	Population density 2011	Population density 2016	Growth in population (%)
Free State Province	129,825	2,745,590	2,834,714	21.15	21.83	3.25
Lejweleputswa DM	31,930	627,626	649,964	19.66	20.36	3.56
Matjhabeng LM	5,155	406,461	428,843	78.85	83.19	5.51

The number of households in the study area has increased on all levels ([Table 2](#)). The proportionate increase in households were greater than the increase in population on all levels and exceeded the growth in households of 12.3% on a national level. The average household size has shown a decrease on all levels, which means there are more households, but with less members.

Table 2: Household sizes and growth estimates (sources: Census 2011, Community Survey 2016)

Area	Households 2011	Households 2016	Average household size 2011	Average household size 2016	Growth in households (%)
Free State Province	823,316	946,639	3.33	2.99	14.98
Lejweleputswa DM	183,163	219,014	3.43	2.97	19.57
Matjhabeng LM	123,195	149,021	3.30	2.88	20.96

The total dependency ratio is used to measure the pressure on the productive population and refer to the proportion of dependents per 100 working-age population. As the ratio increases, there may be an increased burden on the productive part of



the population to maintain the upbringing and pensions of the economically dependent. A high dependency ratio can cause serious problems for a country as the largest proportion of a government's expenditure is on health, social grants and education that are most used by the old and young population.

The total dependency ratio in the Matjhabeng LM is lower than on district or provincial level (Table 3). The same trend applies to the youth, aged and employment dependency ratios. Employed dependency ratio refers to the proportion of people dependent on the people who are employed, and not only those of working age. The employed dependency ratio for the Matjhabeng LM is lower than on district and provincial level. In Ward 35 the total dependency and the youth dependency ratios are quite low, suggesting a smaller proportion of youth in this ward than on local or district level.

Table 3: Dependency ratios (source: Census 2011).

Area	Total dependency	Youth dependency	Aged dependency	Employed dependency
Free State Province	52.88	44.48	8.39	76.34
Lejweleputswa DM	51.33	43.71	7.61	77.16
Matjhabeng LM	46.93	40.09	6.85	75.46
Ward 35	25.83	21.18	4.65	74.76

Poverty is a complex issue that manifests itself in economic, social and political ways and to define poverty by a unidimensional measure such as income or expenditure would be an oversimplification of the matter. Poor people themselves describe their experience of poverty as multidimensional. The South African Multidimensional Poverty Index (SAMPI) (Statistics South Africa, 2014) assess poverty on the dimensions of health, education, standard of living and economic activity using the indicators child mortality, years of schooling, school attendance, fuel for heating, lighting and cooking, water access, sanitation, dwelling type, asset ownership and unemployment.

The poverty headcount refers to the proportion of households that can be defined as multi-dimensionally poor by using the SAMPI's poverty cut-offs (Statistics South Africa, 2014). The poverty headcount has increased on all levels since 2011 (Table 4), indicating an increase in the number of multi-dimensionally poor households.



The intensity of poverty experienced refers to the average proportion of indicators in which poor households are deprived (Statistics South Africa, 2014). The intensity of poverty has increased slightly on all levels. The intensity of poverty and the poverty headcount is used to calculate the SAMPI score. A higher score indicates a very poor community that is deprived on many indicators. The SAMPI score in the Matjhabeng LM area has decreased, suggesting an improvement in some aspects relating to poverty in this area.

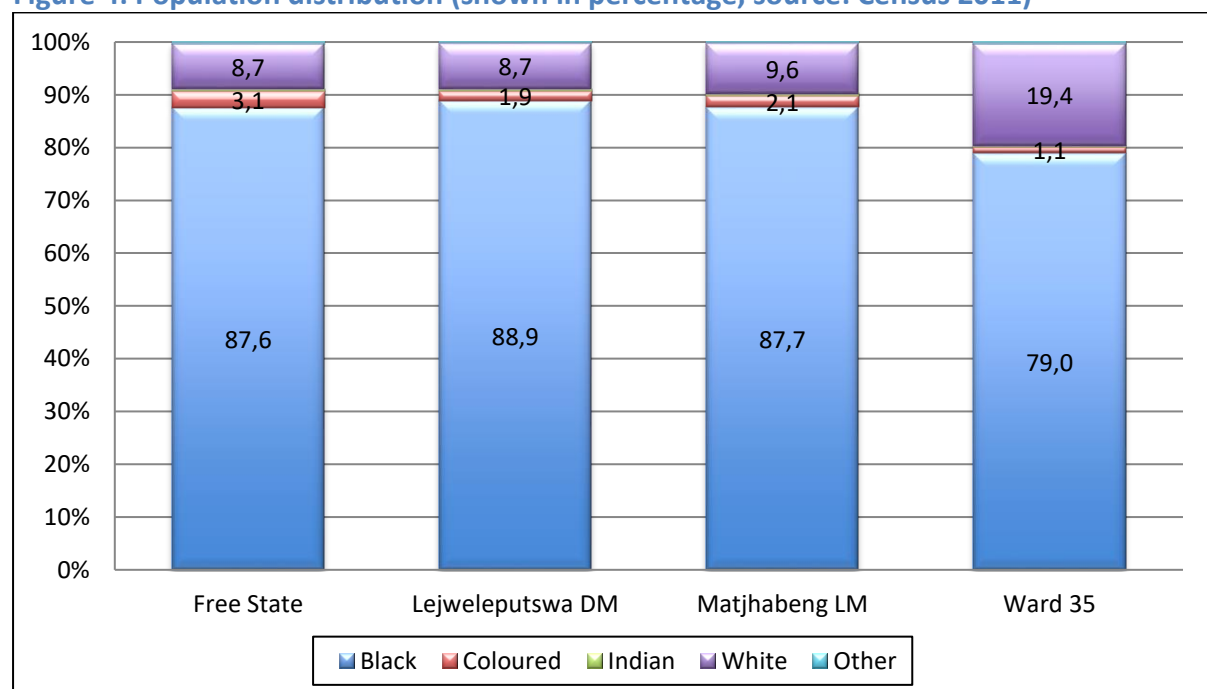
Table 4: Poverty and SAMPI scores (sources: Census 2011 and Community Survey 2016).

Area	Poverty headcount 2011 (%)	Poverty intensity 2011 (%)	SAMPI 2011	Poverty headcount 2016 (%)	Poverty intensity 2016 (%)	SAMPI 2016
Free State Province	5.5	42.2	0.023	5.5	41.7	0.023
Lejweleputswa DM	5.6	42.8	0.024	4.8	42.2	0.020
Matjhabeng LM	5.5	43.0	0.024	4.3	41.8	0.018

5.2.2 Population composition, age, gender and home language

In all the areas under investigation, the majority of the population belongs to the Black population group (Figure 4). In Ward 35 almost a fifth of people belong to the White population group.

Figure 4: Population distribution (shown in percentage, source: Census 2011)





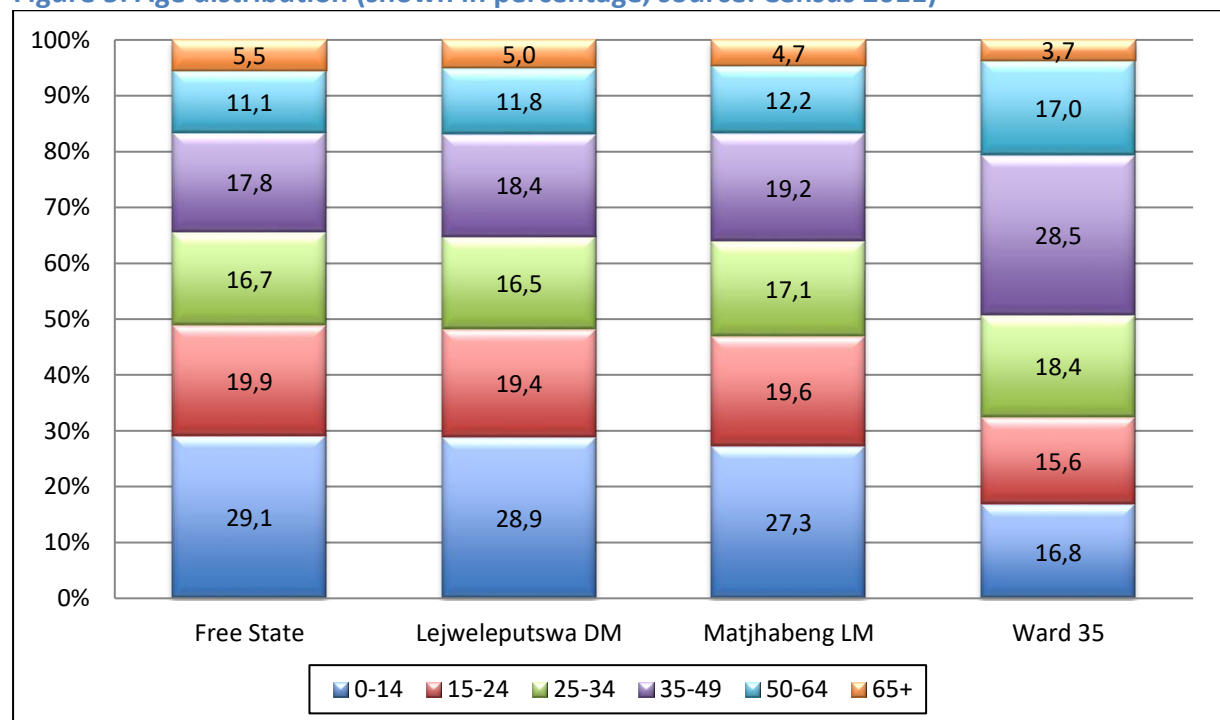
The average age is very similar on local, district and provincial level (Table 5), with a much higher average age on a ward level.

Table 5: Average age (source: Census 2011).

Area	Average Age (in years)
Free State Province	28.38
Lejweleputswa DM	28.52
Matjhabeng LM	28.89
Ward 35	33.90

The age distribution of the areas under investigation shows that the population in on a ward level tend to be older than on local, district or provincial level, with a greater proportion of people aged between 35 years to 64 years (Figure 5).

Figure 5: Age distribution (shown in percentage, source: Census 2011)

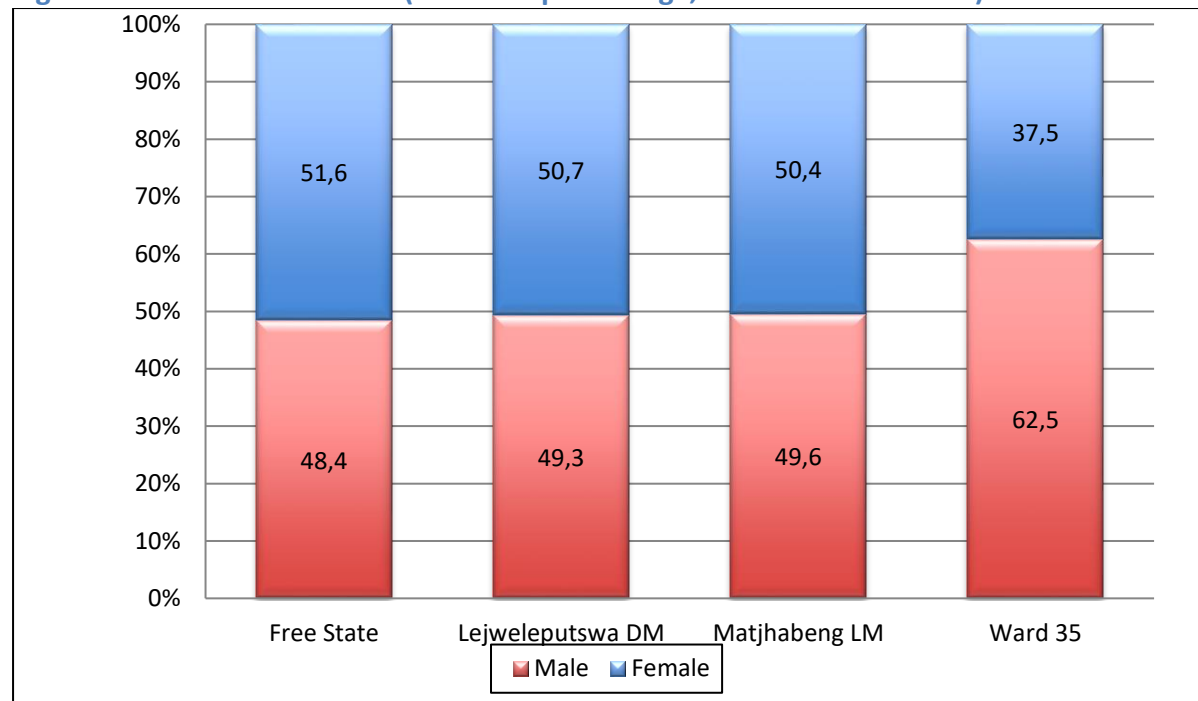


5.2.3 Gender

The gender distribution on provincial, district and local level is balanced (Figure 6), but on a ward level there is a strong bias towards males. A higher incidence of males is usually found in mining areas.



Figure 6: Gender distribution (shown in percentage, source: Census 2011)



5.2.4 Language

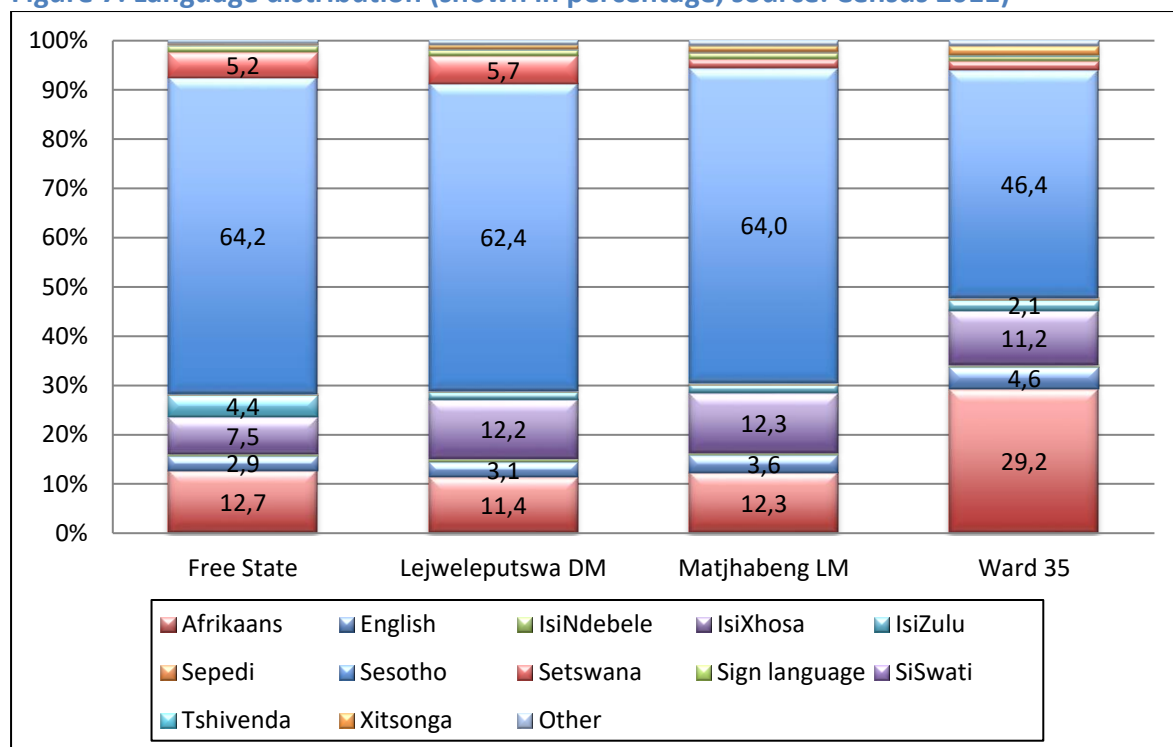
Almost two thirds of people in the area under investigation have Sesotho as home language (



Figure 7), except in Ward 35 where it is just less than half of the people. In Ward 35 almost 30% of people have Afrikaans as home language. Home language should be taken into consideration when communicating with the local communities and based on the profile of the area communication should take place in Sesotho, Afrikaans and English.



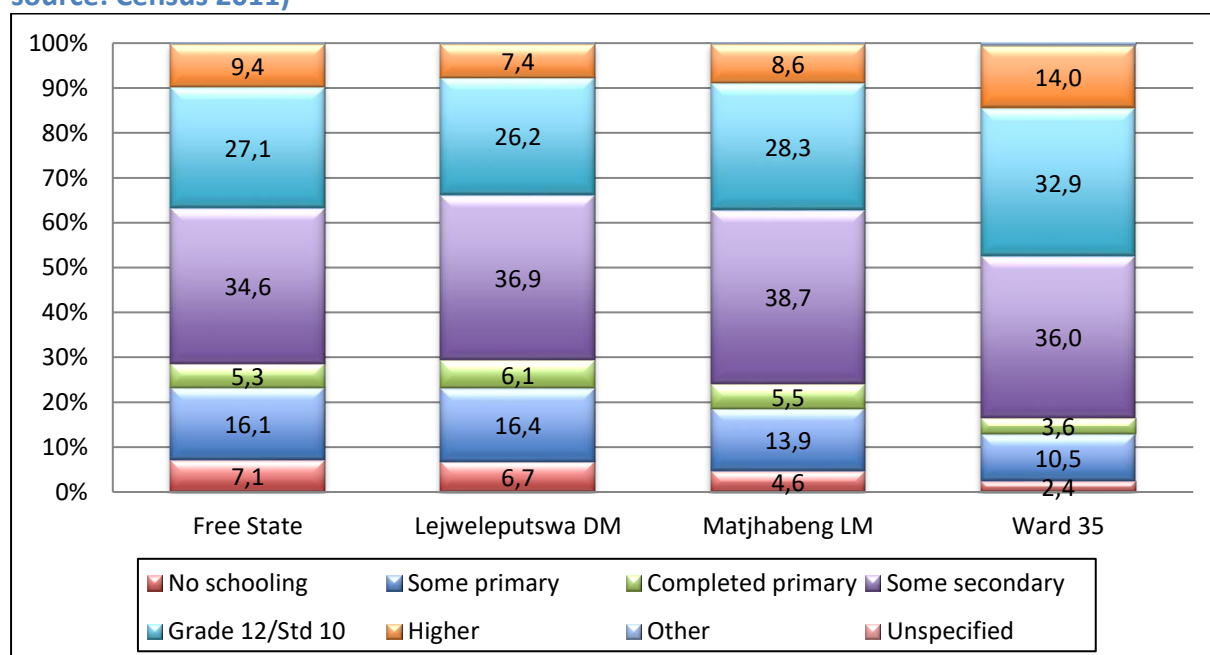
Figure 7: Language distribution (shown in percentage, source: Census 2011)



5.2.5 Education

Figure 8 shows the education profiles for the areas under investigation for those aged 20 years or older. Ward 35 has the highest proportion of people who have completed Grade 12 or higher.

Figure 8: Education profiles (those aged 20 years or older, shown in percentage, source: Census 2011)

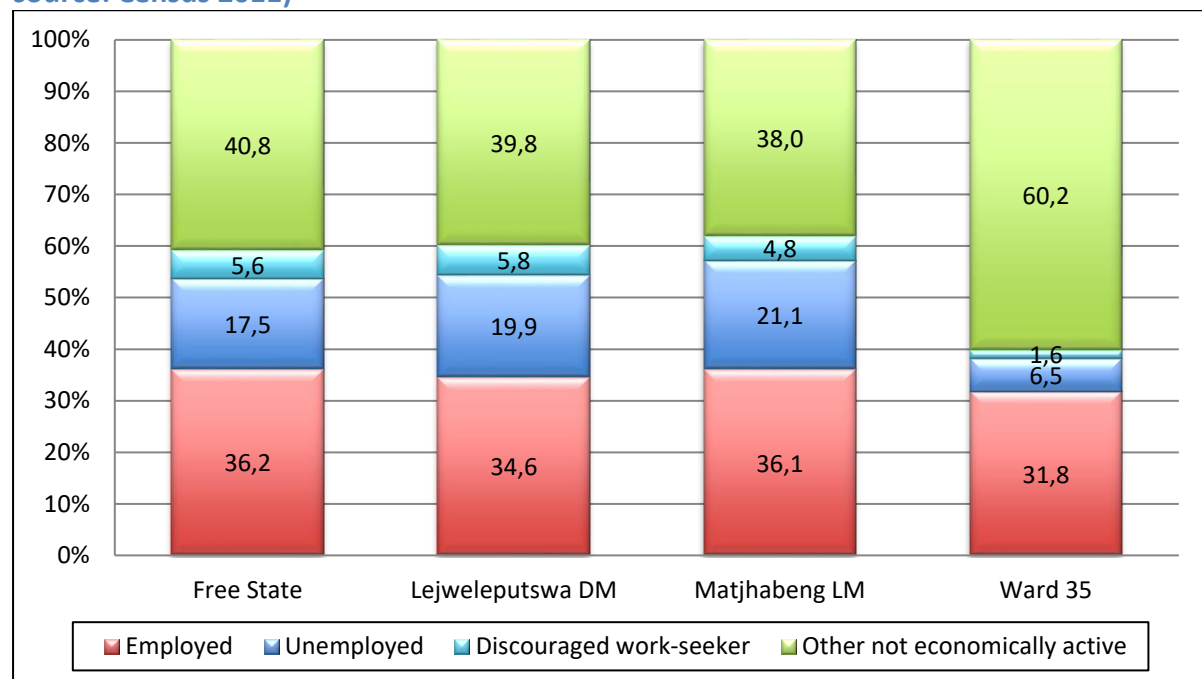




5.2.6 Employment

Ward 35 has the highest proportion of people of economically active age (aged between 15 years and 65 years) that are employed (Figure 9). Since 2010 employment in the gold mining industry showed a steady decline from 157 019 in 2010 to 93 841 in 2022 (www.mineralscouncil.org.za). As such the proportion unemployed people in the area are likely to have increased since 2011.

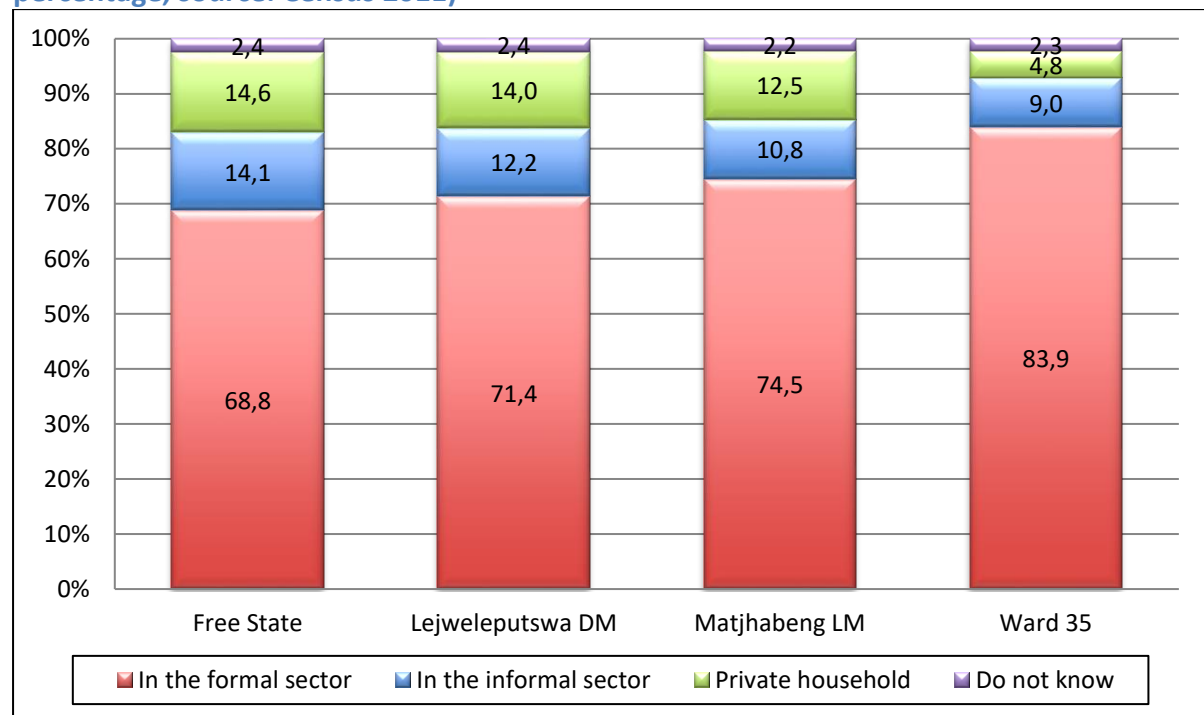
Figure 9: Labour status (those aged between 15 - 65 years, shown in percentage, source: Census 2011)



The majority of the employed people in the areas under investigation work in the formal sector (Figure 10). Ward 35 has the highest proportion of people working in the formal sector.



Figure 10: Employment sector (those aged between 15 - 65 years, shown in percentage, source: Census 2011)

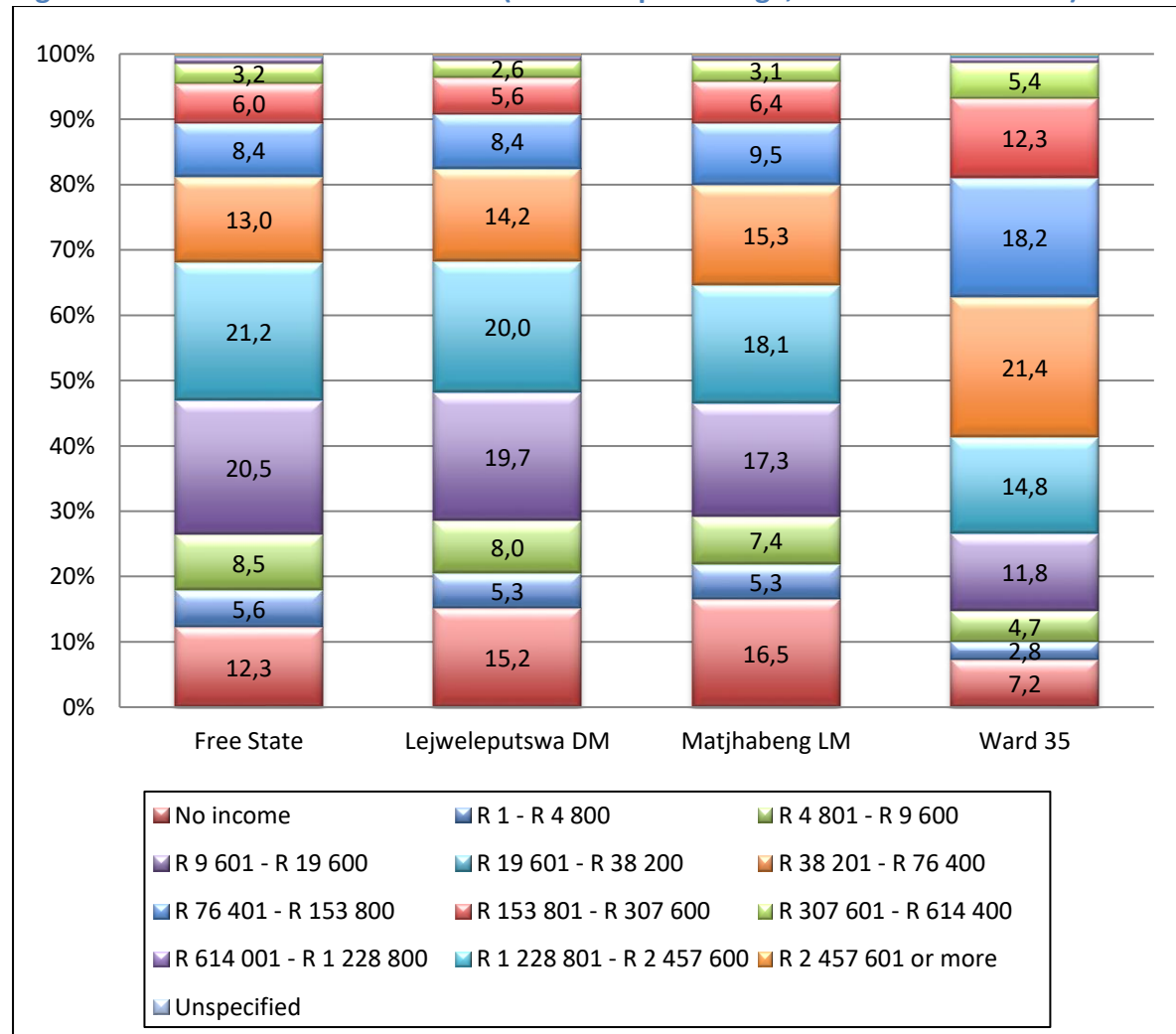


5.2.7 Household Income

Ward 35 has the highest average household income (Figure 11), indicating more employed people than on local, district or provincial level.



Figure 11: Annual household income (shown in percentage, source: Census 2011)



5.2.8 Housing

On a ward level the majority of households live in areas classified as urban.

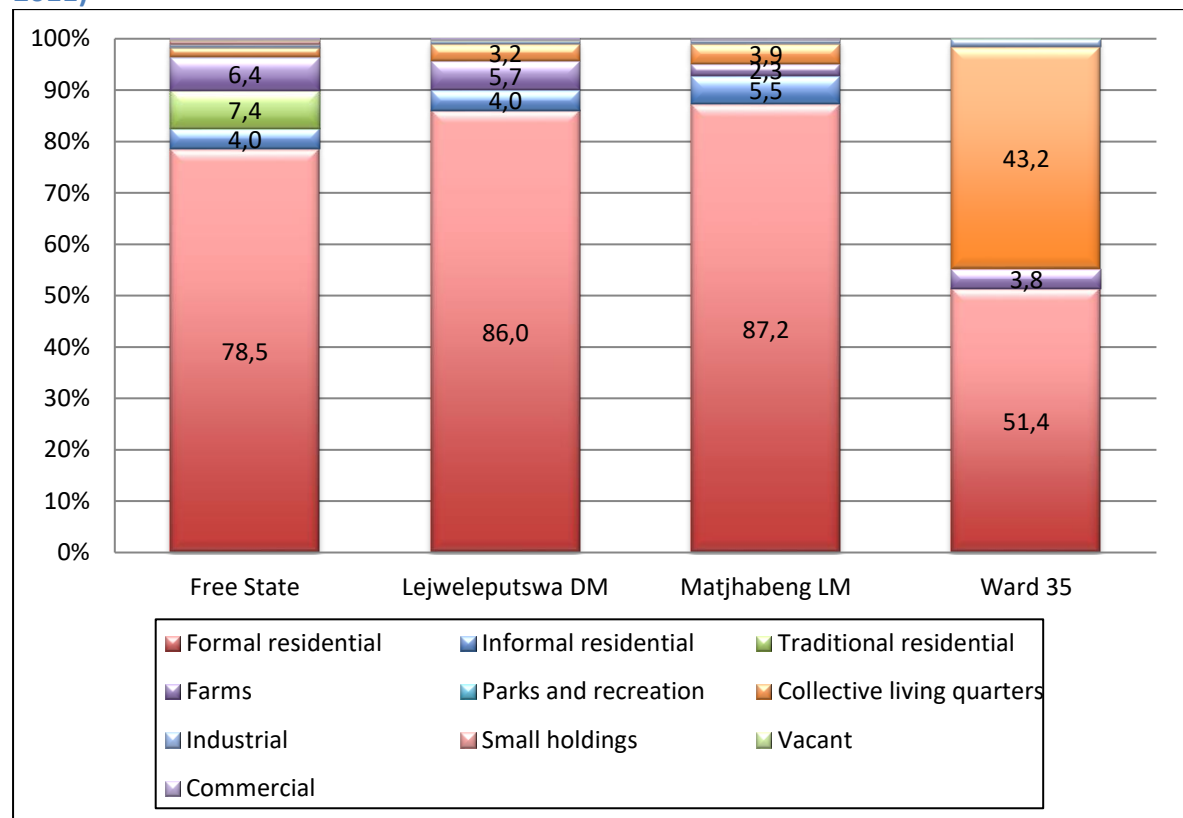
Table 6: Geotypes (source: Census 2011, households)

Area	Urban	Tribal/Traditional	Farm
Free State Province	84.5	8.8	6.7
Lejweleputswa DM	93.9	0.0	6.1
Matjhabeng LM	97.7	0.0	2.3
Ward 35	94.5	0.0	5.5

Most households live in formal residential areas (Figure 12), with about two fifths of households in Ward 35 residing in collective living quarters.



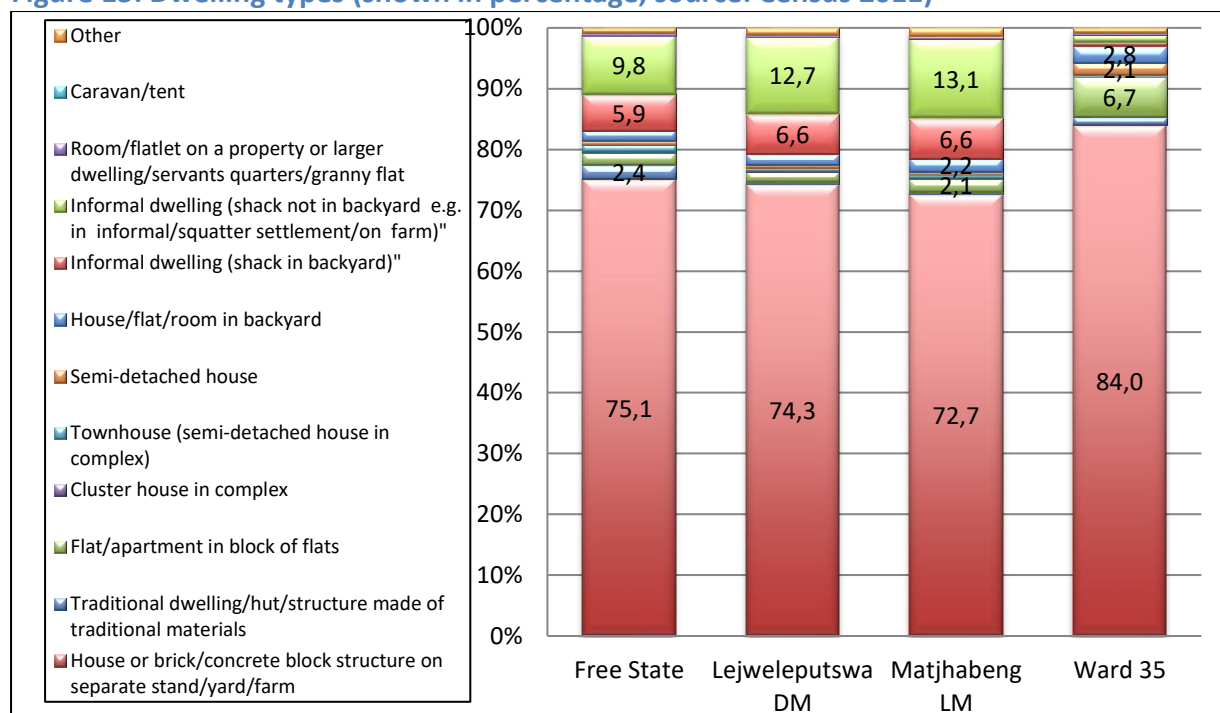
Figure 12: Enumeration area types (persons, shown in percentage, source: Census 2011)



Most of the dwellings in the area are houses or brick/concrete block structures that are on a separate yard, stand or farm (Figure 13). Although there are informal dwellings in Ward 35, it is a lower proportion than on local, district or provincial level.

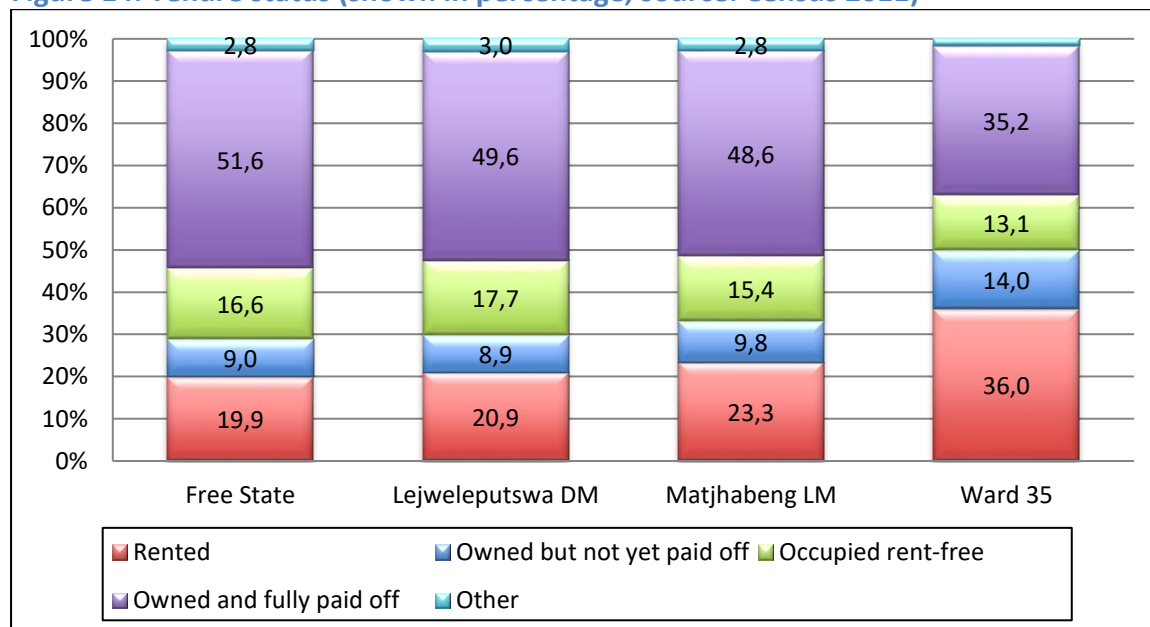


Figure 13: Dwelling types (shown in percentage, source: Census 2011)



Ward 35 has the largest proportion of households that are renting their dwellings (Figure 14), with about a third of the households renting their dwellings.

Figure 14: Tenure status (shown in percentage, source: Census 2011)



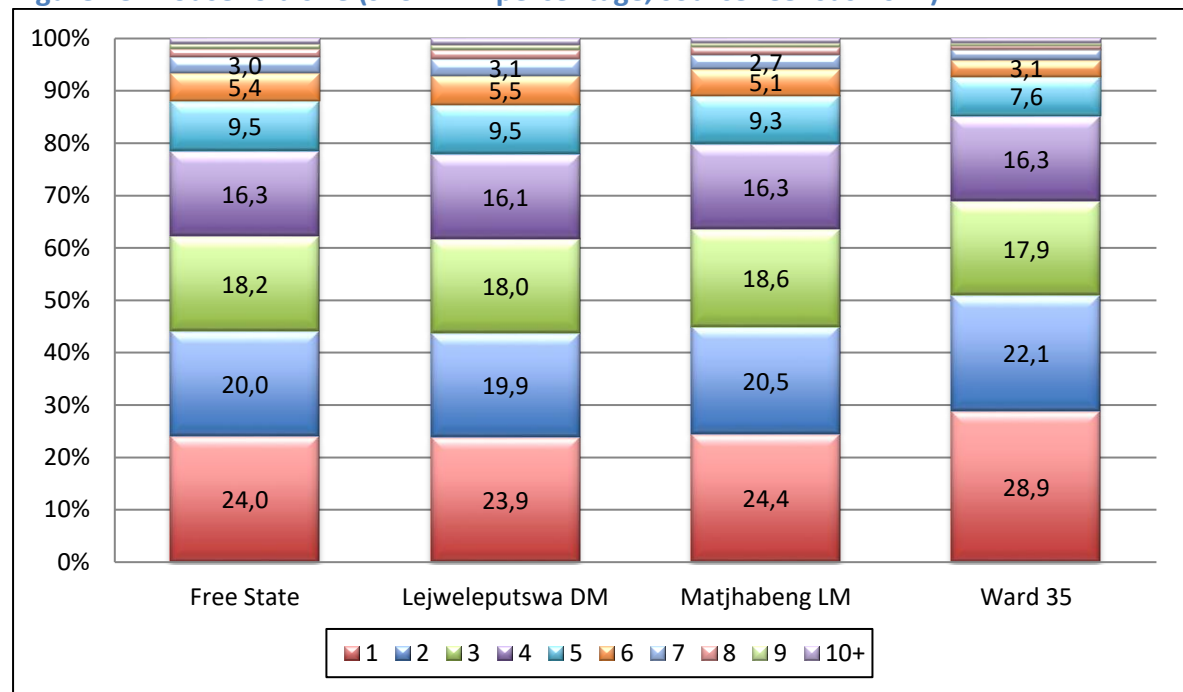
5.2.9 Household Size

Household sizes on a ward level in the Matjhabeng LM tend to be smaller than on local, district or provincial level (Figure 15), with approximately 50% or more of households



on ward level consisting of one or two people, compared to just over 40% on local, district and provincial level. This is very typical in mining areas where there are migrant workers.

Figure 15: Household size (shown in percentage, source: Census 2011)

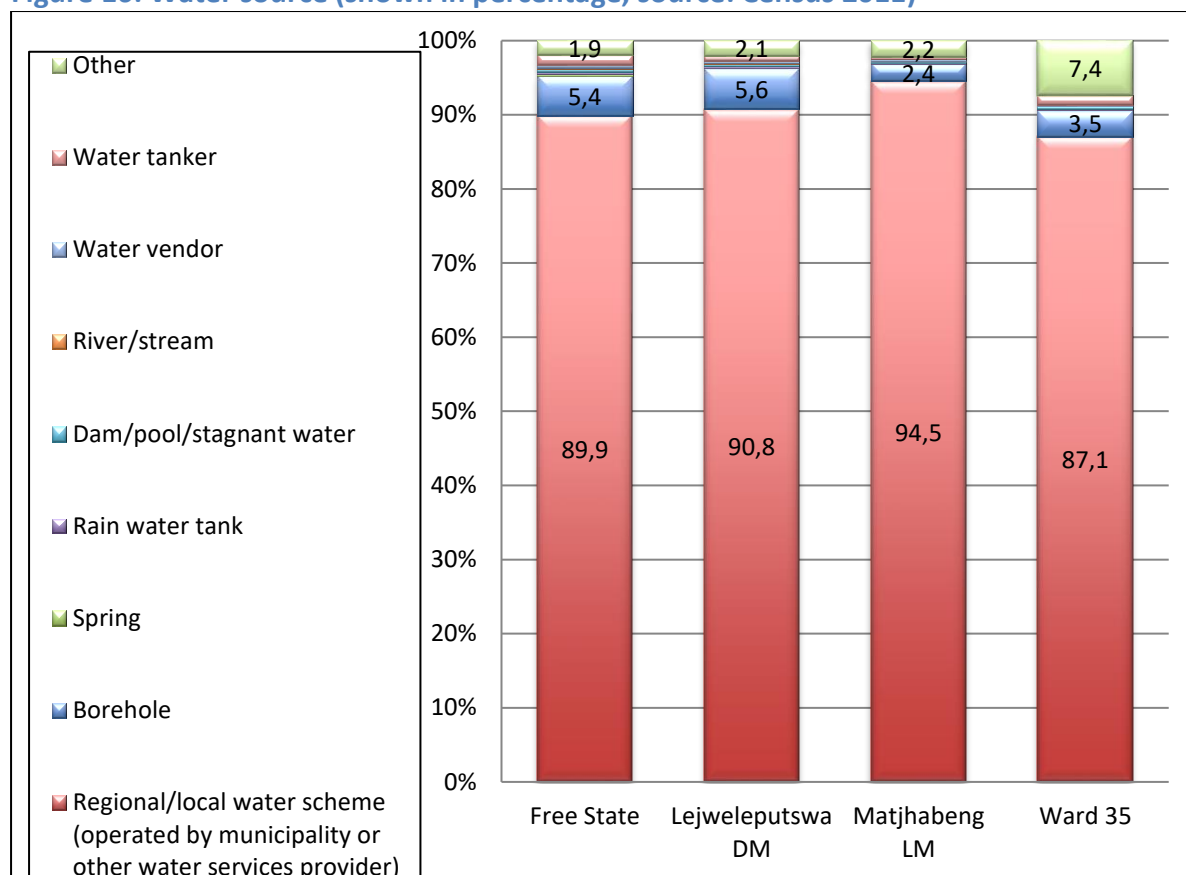


5.2.10 Access to water and sanitation

Ward 35 has the lowest incidence of households that access to water from a local or a regional water scheme, but the highest incidence of households that get their water from another source (Figure 16). Census 2011 does not specify what the 'other' water sources include.



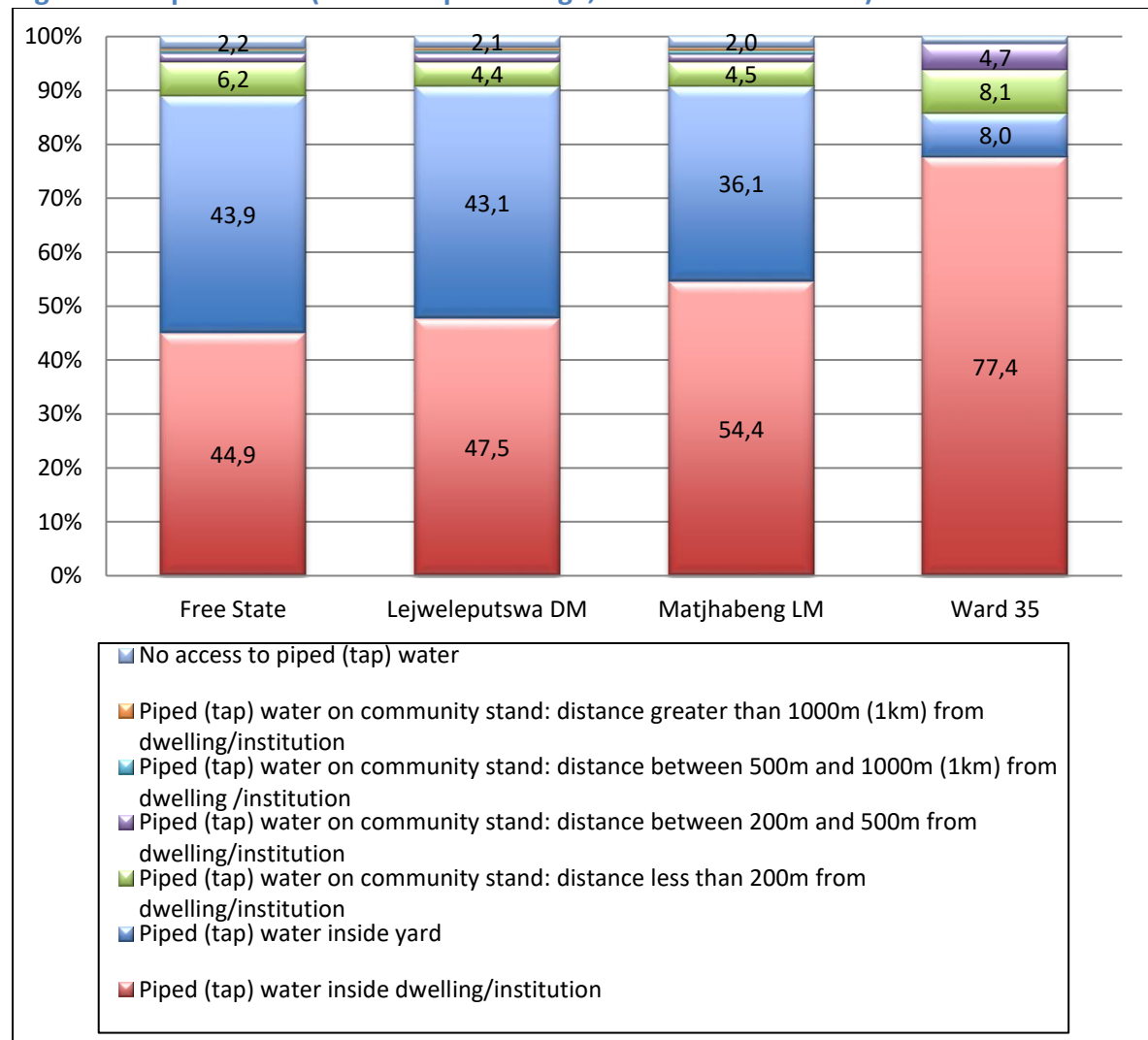
Figure 16: Water source (shown in percentage, source: Census 2011)



Access to piped water, electricity and sanitation relate to the domain of Living Environment Deprivation as identified by Noble et al (2006). Just over three quarters of households in Ward 35 has access to piped water inside the dwelling (Figure 17). This is much higher than on local, district and provincial level.



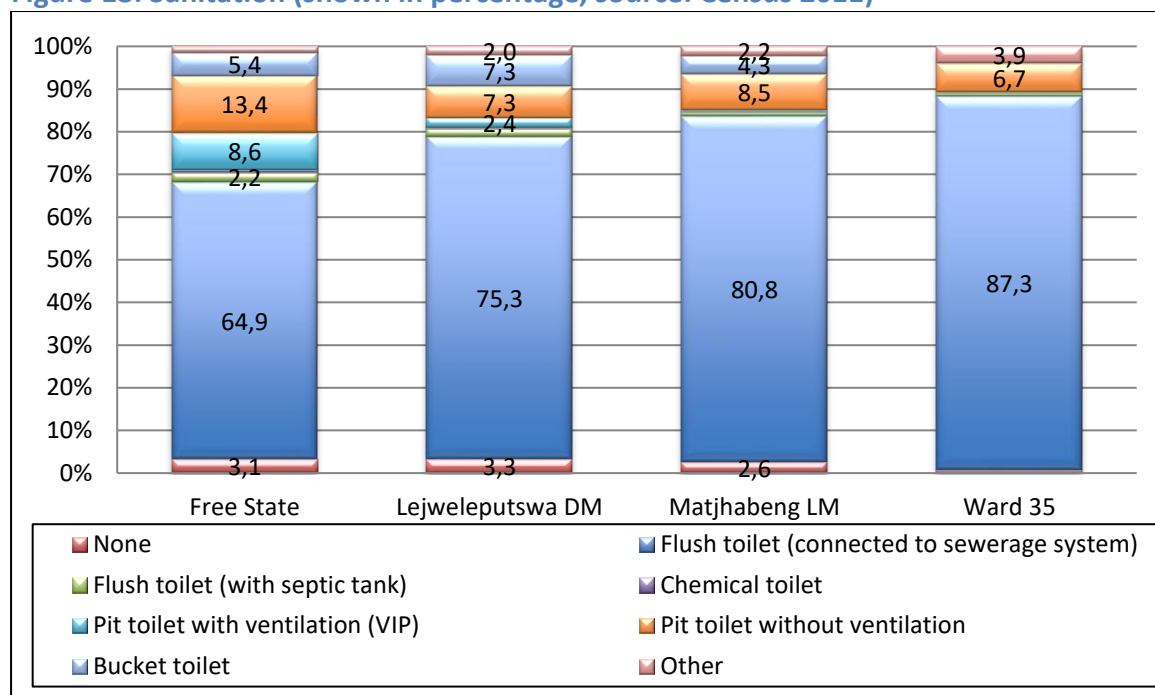
Figure 17: Piped water (shown in percentage, source: Census 2011)



The majority of households in Ward 35 have access to any sanitation services (Figure 18), with the bulk of the households in the ward having access to flush toilets that are connected to a sewerage system.



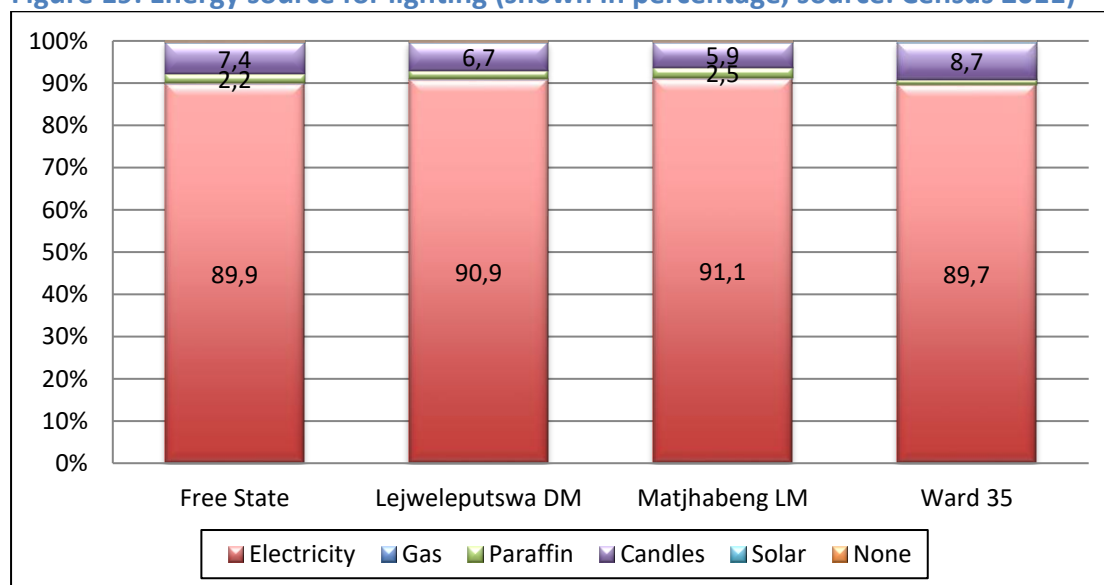
Figure 18: Sanitation (shown in percentage, source: Census 2011)



5.2.11 Energy

Electricity is seen as the preferred lighting source (Noble et al, 2006) and the lack thereof should thus be considered a deprivation. Even though electricity as an energy source may be available, the choice of energy for cooking may be dependent on other factors such as cost. Almost 90% of households have access to electricity as energy source for lighting (Figure 19), with candles the second most used source.

Figure 19: Energy source for lighting (shown in percentage, source: Census 2011)

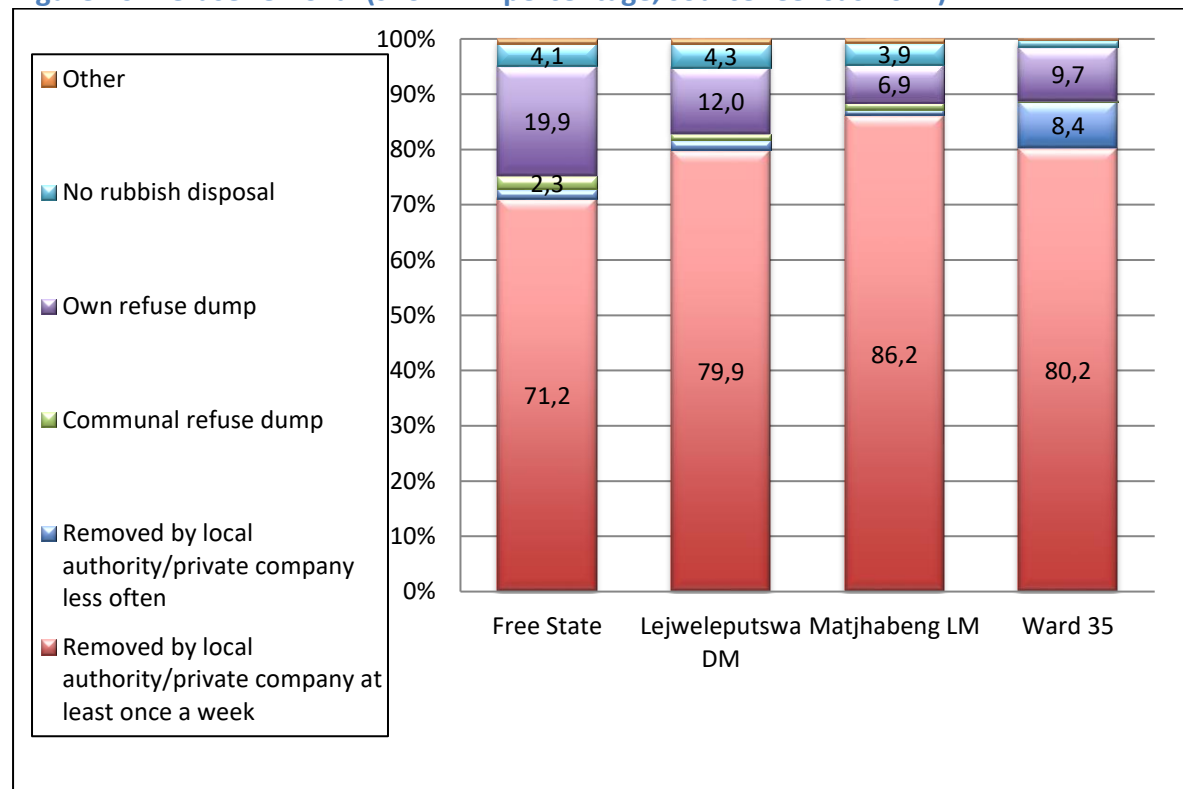




5.2.12 Refuse removal

The incidence of households that have their refuse removed at least once a week by a local authority or private company (Figure 20) in Ward 35 is lower than on municipal level, with a larger proportion than on local, district or provincial level that indicated that their refuse is removed less frequently than once a week.

Figure 20: Refuse removal (shown in percentage, source: Census 2011)





6 Stakeholder Identification and Analysis

6.1 Approach

Stakeholders include all individuals and groups who are affected by, or can affect, a given operation. Stakeholders consist of individuals, interest groups and organizations (Vanclay, Esteves, Aucamp & Franks, 2015). Stakeholder analysis is a deliberate process of identifying all stakeholders of a project - the individuals and groups that are likely to impact or be impacted by it - and understanding their concerns about the project and/or relationship with it (Vanclay et al, 2015). Stakeholder analysis assists the proponent with understanding the local cultural and political context. It is acknowledged that different stakeholder groups have different interests, and that there are individual differences within stakeholder groups.

A stakeholder for this project is defined as any person or organisation that can be positively or negatively impacted on, or causes an impact on, the proposed project.

Types of stakeholders are:

- Internal stakeholders;
- Government;
- Business;
- Environmental;
- Societal; and
- Residents/ communities.

The identified level of interest of each stakeholder helps assist with designing the stakeholder engagement strategy for the project, and to decide how much time to devote to engaging with each stakeholder or group. This is a qualitative analysis that should ideally be done by the stakeholder engagement team and revisited as needed, as the interest of stakeholders may change after the construction phase and in the operation phase. Knowing the needs, issues and expectations of affected stakeholders assist with building and retaining good relationships with them, and with managing their expectations.



7 Description of potential impacts

7.1 Social changes versus social impacts

It is important to understand the difference between a social change process and a social impact. For the purpose of the SIA report both these categories will be investigated. For the purpose of this report, only possible social impacts will be mentioned.

Social change processes are set in motion by project activities or policies. Social change processes can be measured objectively, independent of the local context. Examples of a social change process are increase in the population, relocation or presence of temporary workers. Under certain circumstances these processes may result in social impacts, but if managed properly these changes may not create impacts. Whether impacts are caused will depend on the characteristics and history of the host community, and the extent of mitigation measures that are put in place (Vanclay, 2003).

The following categories of social change processes should be investigated in a SIA:

- Demographic processes;
- Economic processes;
- Geographic processes;
- Institutional and legal processes;
- Emancipatory and empowerment processes;
- Socio-cultural processes.

A social impact is something that is experienced or felt by humans. It can be positive or negative. Social impacts can be experienced in a physical or perceptual sense. Therefore, two types of social impacts can be distinguished:



- Objective social impacts – i.e. impacts that can be quantified and verified by independent observers in the local context, such as changes in employment patterns, in standard of living or in health and safety.
- Subjective social impacts – i.e. impacts that occur “in the heads” or emotions of people, such as negative public attitudes, psychological stress or reduced quality of life.

It is important to include subjective social impacts, as these can have far-reaching consequences in the form of opposition to, and social mobilisation against the project (Du Preez & Perold, 2005). The following categories of social impacts will be investigated:

- Health and social well-being;
- Quality of the living environment;
- Economic impacts and material well-being;
- Cultural impacts;
- Family and community impacts;
- Institutional, legal, political and equity impacts;
- Gender impacts.

In conclusion, it is very likely that a number of social changes processes will be set in motion by the project. Whether these processes cause social impacts will depend on the successful implementation of suggested mitigation measures. However, it must be considered that the social environment is dynamic and constantly changing, making it difficult to predict exact impacts. External processes not related to the project, like political changes or global economic changes can alter the social environment in a short period of time, and therefore alter the predicted impacts.



7.2 Preliminary social impacts

Sources of social impacts are often not as clear-cut as those in the biophysical environment. Social impacts are not site-specific but occur in the communities surrounding the proposed site – where the people are. The following is a list of some of the possible impacts that may occur as a result of the project. It must be stated that the list is not exhaustive and should be expanded on in the EIA phase when consultation with stakeholders will take place. Mitigation measures are context specific and the mitigation measures in this report should be viewed as guidelines and may change once consultation with stakeholders has taken place. These impacts should be investigated further in the Environmental Impact Assessment phase of the project. [Table 7](#) shows impacts that can occur in the different phases of the project and suggests possible mitigation measures. These measures can be refined once further stakeholder consultation has taken place.

Table 7: Preliminary impacts in the different phases of the project.

Possible impacts	Possible mitigation measures
Expectations regarding creation of opportunities (Jobs etc.)	Harmony must put a communication strategy in place that will communicate in an open and honest way what kind of jobs will be created, who will qualify and how the recruitment process will work.
Impacts of traffic on people – dust, noise, safety – from a social and nuisance perspective.	Heavy vehicles should travel during off peak times and should be clearly marked. Relevant mitigation proposed in the biophysical studies should be adhered to.
Negative perceptions relating to the risk of TSF failure.	Surrounding communities should be educated regarding the risk of TSF failure. A community safety strategy with regard to TSF failure should be developed and shared with the community.
Impacts on livelihoods of landowners.	Where possible, try to avoid productive land.



Possible impacts	Possible mitigation measures
Influx of people – also possible social disintegration and cultural differentiation, increase in HIV/AIDS etc.	Develop and implement an Influx Management Strategy as per IFC Guidelines on Influx Management.
Creation of jobs and other economic opportunities.	Contractors should be required to make use of a certain proportion of local labour – it is acknowledged that not all skills will be available locally. Jobs should be advertised in a way that is accessible to all members of society and labour desks should be established in accessible areas. Preference should be given to local labour that is within easy travelling distance from the site of work. If necessary skills development programmes should be put in place to develop local skills.



8 Detailed plan of study for the EIA and EMP

In terms of the way forward, it is believed that a participatory approach is the best way to approach social impact assessment in the South African context. The World Bank Social Standards, Equator Principles, International Principles for Social Impact Assessment and the SIA Guidance document published by the IAIA will be applied in the study. It must be noted that international standards and principles will be adapted to ensure that it can be applied in the local social context. The methodology proposed focuses on involving the affected public in the research and planning where it is realistically possible and executable. Different methodologies will be utilised to ensure the affected communities are consulted in the way that is most appropriate to the community.

The following activities will form part of the process forward:

- Fieldwork will be conducted to obtain additional information and communicate with key stakeholders. Key stakeholders are likely to include:
 - Authorities: local municipalities that fall in the project area.
 - Affected parties: communities and individuals that will be affected by the project.
 - Interested parties: local business in the area, community-based organisations and non-governmental organisations within the affected communities, trade unions, and political groups.
- Methodologies will include in-depth interviews, participatory rural appraisal, in-the-moment discussion groups, focus groups and immersions. Field notes will be kept of all interviews and focus groups. Initial meetings have been conducted.
- An interview schedule might be utilised instead of formal questionnaires. An interview schedule consists of a list of topics to be covered, but it is not as structured as an interview. It provides respondents with more freedom to elaborate on their views.



- The final report will focus on current conditions, providing baseline data. Each category will discuss the current state of affairs, but also investigate the possible impacts that might occur in future. The impacts identified in the scoping report will be revisited and rated accordingly. New impacts that have not been identified will be added to the report. Recommendations for mitigation will be made at the end of the report.
- The SIA process will have a participatory focus. This implies that the SIA process will focus strongly on including the local community and key stakeholders.
- The public consultation process needs to feed into the SIA.
- Impacts will be rated according to significance (severity), probability, duration, spatial extent, and stakeholder sensitivity.

Information obtained through the public processes will inform the writing of the final SIA and associated documents.

9 Conclusion

The aim of this report is to give a baseline description of the social environment and to identify preliminary impacts to be used in the scoping phase of the Environmental Impact Assessment. A more in-depth assessment of social impacts and possible mitigation measures will be possible once further stakeholder consultation has taken place. A number of potential impacts has been identified. None of these possible impacts is seen as a fatal flaw in the possible successful execution of the proposed project, but this can only be confirmed once fieldwork has been done and the potential impacts have been finalised and assessed. Most of the potential impacts can be mitigated. The importance of addressing the potential impacts as early in the project cycle as possible must be underlined, since failure to do so may result in the development of risks and an exponential increase in project cost.



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